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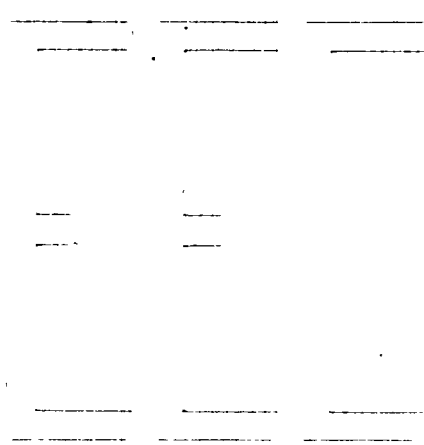


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Development pole in the Italian Mezzogiorno

Address delivered by M. Marjolin, Vice-President of the Commission,
on handing over a survey on the subject to the Italian Government.
(Rome, 19 November 1965)

One of the most important objectives of the Rome Treaty is to ensure the harmonious development of the economies of Member States by reducing the differences between the various regions and mitigating the backwardness of the less favoured.

The poorest regions in the Community are unquestionably the peripheral areas and particularly those in southern Italy, both the mainland and the islands, though the actual extent of the gap is hard to estimate.

Ever since 1958 the Commission has been actively concerned with this problem.

By a liberal interpretation of the Treaty provisions concerning less favoured regions, the Commission has always given the Italian authorities its fullest support in their campaign for the economic and social development of the south.

A turning point has now been reached in the industrialization of the Mezzogiorno.

The work done by the Italian Government and the "Cassa per il Mezzogiorno" these last ten years has now borne fruit and certain large complexes of basic industry have been set up in the south, as well as various industries which supply the local market.

Now it is time to concentrate on the establishment of processing industries whose products can be sold on European and even world markets in the face of keen competition.

The industries in question are mechanical and electrical engineering, electronics and chemicals. It is only industries of this type which can provide the hundreds of thousands of jobs which will be needed in the south during the next few years.

A certain number of factories of this kind have already been set up in and around Naples and at Bari and Palermo.

But here the difficulties are far greater than those involved in the setting up of basic industries where the production cycle is relatively simple. This has been clearly shown by the results obtained so far.

In order to play a more active part in the development of the peripheral regions, the EEC Commission asked its experts to make a survey of the best means of assisting the new phase in the development of the Mezzogiorno.

The method they came up with, known as "industrial development poles", still had to be properly worked out and tested.

With the Italian Government's approval, the EEC Commission, in association with the ECSC High Authority, chose the provinces of Bari and Taranto and asked the firm "Italconsult" to draw up a pilot scheme for establishing an industrial complex there of heavy and medium mechanical engineering.

We found that remoteness from existing industrial centres was by no means the chief obstacle to be overcome.

Vocational training must of course play an important part, but it must be carried on at the same time as the process of industrialization itself, or there is a risk that skilled workers and staff may leave the area.

The chief difficulty lies in the absence of the whole intricate and coherent industrial environment which a new firm would find ready to hand in areas which have already been developed.

The immense strides in industrial productivity which have been made over the last fifty years have only been made possible by ever increasing specialization on the part of each individual firm.

In order to be competitive a firm must concentrate on a narrow range of operations, while depending for all other requirements on similarly specialized outside firms, both sub-contractors and suppliers of various goods or services.

Thus manufacturers of finished products often find themselves in possession of nothing more than a research department, a sales organization and a workshop which merely assembles parts and components supplied by other firms. These in their turn often carry out only the main operations in their specialized field, relying on sub-contractors for anything else they want done.

In this way each firm is able to concentrate on a specific range of operations, with the result that costs are far lower than if it was obliged to carry out a whole series of different activities, even closely related ones. But the other side of the picture, where a high degree of specialization is concerned, is the dependence of each individual firm on a whole complex of other industries which go to make up what I have called the industrial environment.

The firm must be within reach of other firms able to supply the subsidiary processes which it has relinquished in the interests of productivity; this means on the one hand sub-contractors and on the other firms responsible for the installation and maintenance of plant.

But none of these subsidiary firms can keep afloat by working for only one client. They perform the same operation over and over again, but they must do it for a large number of client firms before they can reach the level of output necessary to bring down costs.

Thus it is clear that in the case of "complex cycle" industries, a manufacturer of finished products can only reasonably be expected to site his factory in an industrial centre where all the services he needs are already available. Conversely a sub-contractor will only want to establish himself in an area where he can be sure of a sufficient number of client firms and at the same time of firms supplying the goods and services without which he himself cannot operate.

This is the vicious circle which must be broken in order to speed up industrial development in a large peripheral region.

The object is to establish right from the start, in at least one part of the region to be developed, the whole complex of technical processes which go to make up a modern industrial centre.

A choice must be made from among the different processing industries :

Heavy and medium engineering;

Chemicals;

Precision engineering, electrical engineering and electronics;

Textiles,

each of which draws on particular types of sub-contractors and firms supplying services.

In order to achieve in an urban centre for at least one of these main sectors the concentration of industry needed to set in motion the entire complex of technical processes, it is essential to start with one branch of industry alone, for both financial and human resources will necessarily be limited.

The method proposed thus consists in the simultaneous establishment of the whole complex of subsidiary industries indispensable to the sector to be promoted — in this case heavy and medium engineering — and of a sufficient number of client industries to justify economically the existence of the subsidiary firms.

The survey made by Italconsult falls into three parts :

A socio-economic study of the region, since a scheme of this kind demands detailed knowledge of the milieu in which it is to operate;

The technical programme needed for the establishment of an industrial development pole;

The determination of the educational and material infrastructures essential for the development pole — the ordinary research associated with town planning.

The first two parts of the survey, the socio-economic study of the region and the technical programme, have already been completed.

This survey is the first practical experiment on this scale to be carried out by the Commission in a Member State.

The proposed complex, which should provide employment for some 10 000 workers by 1970, will only represent a minute fraction of total industrial output in the Community and in Italy by that time.

But the interest of the scheme is twofold, on the one hand for Bari and its surrounding districts; and on the other for all the peripheral regions in the Community.

On the one hand in Bari and Taranto the existence of the whole complex of subsidiary industries will encourage the subsequent establishment of other heavy and medium engineering firms. These will find both an abundance of labour and the necessary technical conditions for production which normally they would only find in highly industrialized areas where labour is likely to be scarce.

On the other hand, if the scheme turns out to be a success in practice, new opportunities will be opened up for Community citizens who live in other outlying areas.

I. Internal activities

ESTABLISHMENT OF THE SINGLE MARKET

Customs matters

Tariff quotas

1. On 27 October 1965 the Commission, acting under Protocol No. XI to the list G agreement, increased from 14 000 to 15 200 tons respectively the tariff quotas for imports of ferro-silicon (heading 73.02 C) and of ferro-chromium (heading ex 73.02 E I), authorized for the Belgo-Luxembourg Economic Union for 1965.
2. On 5 November 1965 the Commission, acting under Protocol No. IX to the List G agreement, increased from 140 to 165 tons the tariff quota for yarn spun from silk waste other than noil, not put up for retail sale (heading 50.05), granted to the Federal Republic of Germany for 1965 ⁽¹⁾.
3. On 24 November the Commission, acting under Article 25 (1 and 4) of the Treaty, transmitted to the Council a proposal to increase from 443 000 to 500 000 tons and from 70 000 to 86 000 tons respectively the tariff quotas for newsprint (heading 48.01 A) granted to the Federal Republic of Germany and France for 1965, and from 8 000 to 11 000 tons the quota for unwrought iron and steel powders (heading ex 73.05 A) granted to Germany for 1965.

Tariff measures scheduled for 1 January 1966

4. At its session of 29 and 30 November 1965 the Council studied various questions concerning the tariff measures due to come into force on 1 January 1966 (intra-Community reduction and alignment towards the common customs tariff).

It was agreed that a working party of experts would study certain problems of a technical or economic nature relating to the second alignment and report to the Council as soon as possible. The Commission has supplied full documentation to assist in these studies.

COMPETITION

Rules applicable to enterprises

Proceedings in respect of agreements: present situation

5. The tables concerning the situation of proceedings in respect of agreements ⁽²⁾ need to be amended to allow for changes which have taken place since 1 September 1965.

⁽¹⁾ See official gazette No. 191 of 12 November 1965.

⁽²⁾ See Bulletin 6/1965, Ch. II, sec. 3, and Bulletin 11/1965, Ch. I, sec. 2.

Since that date proceedings have been initiated in two cases, one in the electrical appliance sector (two complaints) and the other in the plastics and rubber sector (one notification).

On the other hand the proceedings relating to one case (six notifications in the construction sector) have been closed, the agreement having been cancelled.

Communication of complaints in conformity with Article 19(1) of Regulation No. 17 and with Regulation No. 99/63

6. In a number of proceedings which it initiated on the basis of notifications or complaints, the Commission has now come to the point where a decision can be envisaged. However, before taking any decision unfavourable to the enterprises concerned, such as withholding the benefit of Article 25(3) of the Treaty requested in the notification, or requiring the parties concerned to terminate an infringement of Article 25(1) or of Article 86, it is incumbent upon the Commission, under Article 19(1) of Regulation No. 17 and Regulation No. 99/63, to inform the enterprises concerned of the complaints it intends to allow in its decision.

The reason for so doing is to give enterprises an opportunity to express their views on these complaints, i.e. to set out facts and arguments in their defence, or to avoid an adverse decision by putting an end to the practices complained of in the communication.

In November the Commission in two cases communicated to the enterprises concerned the complaints it had allowed against them. (It had already done this in two cases in the textiles and paints sectors.)

The first case concerned a notified agreement on rebates in the rubber and plastics sector concluded between all the manufacturers of the products in question in a particular Member State. The agreement provides for a collective rebate on sales of the product to dealers established in this Member State. In computing the rebate to be granted only the dealers' purchases from the parties to the agreement are considered. No account is taken of purchases made from suppliers outside the agreement, and in particular in other Member States.

In view of the special circumstances of the case — the market position of the parties and of outsiders in other Member States and the absence of any effective competition as regards prices and terms of sale — the Commission has concluded that the agreement falls under the ban of Article 85(1) of the Treaty as a measure artificially protecting the national market against offers from other Member States and that exemption from this ban under Article 85(3) does not seem justified. The Commission has therefore informed the enterprises in question that it could not consider granting them the benefit of this exemption as they requested in their notification.

The second case concerns a complaint against an agreement not notified to the Commission. This agreement includes the majority of the manufacturers and importers of pesticides in a Member State and governs sales on the home market. The agreement imposes collectively resale prices graduated according to the category in which the buyers are placed, prohibits individual discount and applies uniform terms of sale. It results in concerted application of identical prices between the parties to the agreement, both for products manufactured in the country and for

those imported from other Member States and sold through the parties. Finally, the parties operate a collective boycott against dealers — including the plaintiff — who do not observe the general terms of sale.

On the information it has obtained, the Commission has found that the agreement substantially reduced sales openings on the market in question for suppliers from other Member States and consequently incurred the ban of Article 85(1). The Commission has informed the enterprises in question of the complaints on which it has made this finding and indicated that recourse to Article 85(3) is ruled out until such time as the agreement has been notified in conformity with Regulation No. 17.

State aids

General aids

The following aid projects have been notified to the Commission in conformity with Article 93(3) of the Treaty :

7. The French draft decree to amend the decree of 21 May 1964 which provides for development and conversion subsidies for small industries situated in special rural development areas.

This draft concerns only the internal balance of the basic provisions of the Regulation of 21 May 1964 and changes neither the scope nor the nature of the consequences which it may have for intra-Community competition. The Commission therefore decided on 13 October 1965 to raise no objection to the implementation of the measures envisaged.

8. The draft law of the autonomous region of Trentino-Alto Adige authorizing further expenditure for the aids granted under regional law No. 10 of 7 March 1963.

As the increase in expenditure will probably not call into question the opinion it formulated on the 1963 law, the Commission decided on 21 October 1965 to raise no objection to the new provisions.

9. The new directives of the Federal Government granting credit guarantees and interest rebates to members of the liberal professions.

As these directives contain modifications which limit the range of beneficiaries in relation to the previous directives, and as the proposed facilities are of limited extent, the Commission agreed on 16 November 1965 that they might be introduced.

Aids to shipbuilding

10. At its session of 25 November 1965 in Strasbourg the European Parliament discussed a directive proposed by the Commission to the Council establishing a system of Community aids to offset distortions of competition on the international shipbuilding market ⁽¹⁾. At the close of a lengthy discussion based on a report by M. Armengaud, one of its members, the European Parliament adopted a resolution approving the Commission's proposals subject to minor amendments ⁽²⁾.

⁽¹⁾ See Bulletin No. 6/65, Ch. II, sec. 6 and Supplement to Bulletin No. 5/65.

⁽²⁾ Extracts from this resolution are given in the annex to this Bulletin.

The directive, on which the Council must now take a final decision, provides that the Member States shall grant their shipyards aid equal to 10% of the value of new ships built. Vessels of less than 3 000 g.r.t. will not come under this arrangement. After careful consideration the Commission concluded that this aid was necessary to combat artificial distortions of competition on the international shipbuilding market.

However, as the basic aim of the Commission's policy is still to re-establish competition free of all artificial distortion in this industrial sector, it set a time-limit to the operation of this arrangement (1 January 1967 to 31 December 1969). The draft directive further lays down that existing national aids must be incorporated in the planned 10% aid so as to exclude duplication.

The Commission is aware that the implementation of its directive will not in itself be sufficient to resolve all the problems of shipbuilding in the Community. This would call for other action to rationalize and convert existing yards. It is therefore stated both in the draft directive itself and in the explanatory memorandum thereto, that projects for concerted aid for the above purposes will be examined in accordance with the general rules of the Treaty of Rome concerning State aids. The same applies to joint aid of a regional nature.

Taxation

International taxation

11. Working Party No. V ("International taxation") held its 15th meeting in Brussels on 16 and 17 November 1965.

The meeting was devoted to final discussion of the interim report and annexes on the still outstanding questions of principle and to technical questions with a view to a multilateral convention for the avoidance of international double taxation with respect to direct taxes.

This report is now ready and it will be submitted to the standing Committee of heads of revenue departments.

The meeting resumed discussion of certain points in taxation methods and practices including the treatment of cases where the right to tax was claimed by several contracting states and the question of whether to include in the draft convention a clause concerning mutual assistance in the exacting of payment on final tax demands.

An agreement at present in force between the Benelux countries served as a basis for the discussions on this last point.

FREE MOVEMENT OF PERSONS

Free movement of workers

Technical Committee

12. The Technical Committee for the free movement of workers met in Brussels on 3 November 1965.

It rendered two advisory opinions to be addressed to the Commission. The first concerns a uniform definition of the chief concepts relating to man-power movements

registered in international clearing operations, namely the concepts of "offer of employment", "application for employment" and "placing" within the meaning of Community provisions on the free movement of workers. The second opinion concerns the adaptation to the provisions of Regulation No. 38/1964 of standard forms used by employment services to send information to the Commission. After hearing the Consultative Committee (Article 26,4), the Technical Committee requested the Commission to adopt the definitions given in the first opinion and to take the necessary steps for the specialized services in the Member States to use the agreed forms for sending statistical data to the Commission.

The Technical Committee also gave its assent to the proposals concerning the form of the report to be drawn up in pursuance of Article 29 of Regulation No. 38/64. and also to the time-table of work on this report.

Finally, the Committee gave full discussion to the difficulties which hinder clearing measures within the Community; the members undertook to examine, each for his own country, the solutions suggested, particularly to improve recruitment of women workers.

ECONOMIC AND FINANCIAL POLICY

Short-term Economic Policy Committee

13. The Committee held its 24th meeting on 12 November 1965 in Brussels under the chairmanship of M. Guidotti. It reviewed the economic situation in the EEC countries.

Medium-term Economic Policy Committee

14. The Committee held its 10th meeting on 5 November 1965 in Brussels. M. Langer took the chair. The Committee continued to study the preliminary draft of the first medium-term economic programme with particular reference to Chapter V on the orientation of public budgets and Chapter VI on regional policy.

The Committee's working party on structural policy by sectors met on 19 November 1965 and adopted the interim report on the broad lines of sectoral policy in the Community.

Regional policy

15. On 19 November 1965 in Rome the EEC Commission officially handed to the Italian Government a study on the creation of an industrial development pole in southern Italy, in the form of a complex of heavy and medium engineering in the provinces of Bari and Tarento (see editorial to this Bulletin).

Movements of capital from non-member countries: proposed Council directive and Commission recommendation for a Council decision

16. The liberalization arrangements under the Treaty are confined to capital movements between Member States, whereas for capital movements with non-member countries Article 70 of the Treaty provides merely for gradual harmonization of exchange policies.

In order to implement the above provisions, and despite the links existing between them, for reasons of a legal nature the Commission submitted to the Council, on 4 November 1965, two different acts. The first is a Council directive based on Article 213 of the Treaty and concerning improvement by the Member States of the machinery for obtaining the indispensable statistical material, and the second is a Council decision, based on Articles 105 and 145 of the Treaty, laying down procedure for consultation on national policies relating to capital movements from non-member countries.

Under the Council's proposed directive, the statistical data will be drawn up on a uniform plan which will include :

- a) Classification of capital movements by destination or origin, for each non-member country or group of non-member countries;
- b) Classification by branch of industry of direct investment and of credit and loans broken down, according to their origin, by non-member countries or groups of non-member countries;
- c) Classification of direct investments by non-member countries according to region where placed.

These statistics will be sent to the Commission five months/at latest after the end of the year to which they relate. The first set will cover the year 1965.

According to the Commission's recommendation for a Council decision, the Council will examine at least once a year the policies followed by the Member States as regards capital movements from non-member countries from the angle of exchange, taxation, establishment, access to credit and possibly others, such examination to be made on the basis of a report submitted by the Commission after consulting the Member States.

Up to the present no such proposal had been formulated because — as the Commission had hoped when the first directive for the liberalization of capital movements was submitted to the Council — the Member States have extended to non-member countries the liberalization measures adopted in the EEC.

It is to be expected, however, that firms in non-member countries will set up more and more branches or subsidiaries in the EEC countries or will acquire a controlling or part interest in firms already established in these countries. These investments from non-member countries may, therefore, not only be of some importance as regards the economic structure of the Community but might also have repercussions on the balanced development of its economy. Furthermore, although these investments are a source of considerable capital for the Member States, care must nevertheless be taken that they are not concentrated in certain industrial sectors, for this could in the long run create economic and social problems.

From this angle it would seem quite appropriate that Member States' policies in this sphere as regards exchange, taxation, establishment, access to credit and possibly other matters should be the subject of consultations among the Six at least once a year in order to study the consequences of such investments in the Community and, if necessary, to agree upon a common approach.

The Commission recommends that such consultations should take place in the Council and be based on a report which the Commission would submit after consulting the Member States.

Energy problems

Petroleum and natural gas

17. The working party of senior government officials concerned with petroleum and natural gas met in Brussels on 9 November 1965 under the chairmanship of M. Marjolin, Vice-President of the Commission with special responsibility for economic and financial affairs. It resumed the preparation began on 8 July 1965, of a draft memorandum to the Council on the Community's policy for petroleum and natural gas. It went on to prepare business for the meeting of the small working party of the OECD Special Committee for Oil scheduled for 7 December 1965 in Paris.

The working party of experts in the field of petroleum met in Brussels on 10 November 1965. It studied measures pursuant to the protocol on imports into the Community of petroleum products from the Netherlands Antilles. It also decided on methods for the study on diversification of supplies requested of it by the senior officials responsible for the petroleum and natural gas sectors in the member countries. Finally, the working party examined and adopted, with a view to their transmission to the said officials, a survey of national legislation on the grant of exploration licences and operating concessions, a draft report on investments in transport media for natural gas, and a digest of the laws and regulations relating to the natural gas industry.

Reports on the oil industry

18. For the fourth year in succession the Commission has published two reports drawn up by the working party on petroleum and approved by the senior officials responsible for petrol and natural gas in the member countries.

The first report concerns the Community's petroleum imports ⁽¹⁾.

In 1964, the Community countries imported 196 million tons of crude oil and 20 million tons of refined products, but whereas for crude oil an increase of 18% is to be noted in relation to 1963, imports of refined products fell by 21%.

The Middle East continued to be the Community's leading supplier of crude oil but, as in 1963, its relative importance in total supplies declined slightly. Imports from Africa continued to advance and reached 25% of total supplies. It is expected that 1965 will show the same trend.

The share of the East bloc countries in total supplies fell slightly to 12.9 million tons or 6.3%. The breakdown among importing countries was as follows: Italy 6.6 million tons; Germany 4.2 million tons; France 1.8 million tons; Belgium 0.2 million tons. It is foreseen that the share of these imports will rise to 6.9% (15.5 million tons) in 1965.

The second report ⁽²⁾ deals with investments in the oil industry of the Member States. It gives information on exploration, production, refinery plant and pipelines in 1964 and estimates of investments planned up to 1969.

⁽¹⁾ Imports into the Community of crude oil and petroleum products from non-member countries in 1963-1964 with estimates for 1965 (September 1965. On sale).

⁽²⁾ Programme of investments in the oil industry in the Community (September 1965. On sale).

Except in the Netherlands, where very rapid progress was made, the decline in prospecting activities expressed as total metres drilled, which began in 1959, continued. Interesting strikes have nevertheless been made, particularly in the Netherlands, where reserves have increased by nearly 50%, and in Germany where they have gone up 40%. In 1964 drilling was undertaken for the first time on the continental shelf off the German North Sea Coast. Refining capacity reached 234 million tons in 1964, an advance of 40 million tons or 21% in relation to the previous year. This increase made it possible to cut back imports of finished products.

On the basis of known projects it is thought that refining capacity will reach 367 million tons by 1969 — an annual increase of 9.5% in relation to 1964. This increase should enable the Community to improve the balance of its petroleum trade with non-member countries. However, a favourable business situation during the next five years is essential if this planned extension of refining capacity is actually to be attained.

Economic influence of fuel prices

19. In 1963 the Commission instructed a group of independent experts to prepare a survey of the economic influence of fuel prices. These experts have now submitted their report and the Commission has authorized its publication; it will appear in the economic and financial series in the first quarter of 1966.

According to these experts, the question of the influence of fuel prices can be answered differently according to the angle from which it is considered, but it is especially the case of energy used as a factor of production which calls for attention. It is noted in particular that the price of energy has a greater impact on the prices of products exported than on those of products sold on the home market.

A detailed analysis of this study will be published in the next number of the Bulletin

COMMON AGRICULTURAL POLICY

Common organization of agricultural markets

Grain and rice

20. On 8 November the Commission issued a regulation to prevent distortion of trade resulting from the system of abatement of the levy on imports of husked rice ⁽¹⁾. When adopting Regulation No. 127/65/CEE introducing a system of abatement of the levy on imports of husked rice from outside the Community, the Council left producing Member States the option of not applying the abatement. At the moment neither of the two Community producers (Italy and France) is applying it, and the amount of the reductions fixed is higher than freight costs for husked rice coming through certain non-producing member countries.

Consequently, in order to respect the option provided by the Council, provisions are needed that will prevent such deflection of trade resulting from these arrangements.

⁽¹⁾ Commission Regulation No. 154/65/CEE, official gazette No. 188, 9 November 1965.

Beef and veal

21. On 27 October the Council issued a regulation amending Article 3 of Regulation No. 47/64/CEE as regards the definition of the products to which the coefficients fixed for forequarters and hindquarters apply ⁽¹⁾. Experience gained since the trading arrangements in this sector were implemented has shown that world trade in forequarters and hindquarters was conducted differently from what was envisaged in Regulation No. 47/64/CEE. The purpose of the new amendment is to prevent trade in these products being obstructed by definitions which do not meet trade requirements.

Dairy produce

22. On 27 October the Council adopted a regulation extending and amending the provisions of Council Regulation No. 113/64/CEE on milk powder ⁽²⁾.

23. On the same day the Council adopted a regulation extending until the end of the dairy year 1965/66 Council Regulation No. 55/65/CEE on the disposal in the Member States of Emmental, Gruyère and Sbrinz or Cheddar cheeses which have been the subject of market support measures, and Regulation No. 56/65/CEE on the refund payable in intra-Community trade in Emmental, Gruyère and Sbrinz cheeses ⁽³⁾.

24. The Commission issued a regulation on the same date extending and amending Regulation No. 69/65/CEE on the earlier release of government butter surpluses ⁽⁴⁾. This regulation will make it possible to continue the reorganization of the butter market in the Community. Authorization to sell government butter surpluses cheaply, where they are the result of intervention on the market in first-quality home-produced butter, has been extended until 30 November 1965 in Germany and until 31 January 1966 in the Netherlands.

25. On 29 October the Commission took a decision fixing free-at-frontier prices for trade with non-member countries in the dairy produce sector ⁽⁵⁾. This was to amend earlier decisions in view of the adoption of Commission Regulation No. 141/65/CEE, which stipulates that free-at-frontier prices for milk and milk products imported from non-member countries will no longer be established weekly but every other Friday; in accordance with the procedure followed for decisions on free-at-frontier prices, use was made for the first time of an outline decision — Decision No. 65/486/CEE in complete form. Subsequent notifications of these prices will be made by simplified decision.

On 5 November the Commission issued a decision fixing free-at-frontier prices for trade with non-member countries in the dairy produce sector ⁽⁶⁾.

26. Lastly, on 17 November the Commission issued a regulation amending Regulation No. 149/64/CEE as regards the systems of levies applying to milk powder ⁽⁷⁾.

⁽¹⁾ Council Regulation No. 150/65/CEE, official gazette No. 181, 28 October 1965.

⁽²⁾ Council Regulation No. 149/65/CEE, *ibid.* No. 180, 28 October 1965.

⁽³⁾ Council Regulation No. 151/65/CEE, *ibid.*

⁽⁴⁾ Commission Regulation No. 152/65/CEE, *ibid.* No. 181, 29 October 1965.

⁽⁵⁾ Commission Decision No. 65/486/CEE, *ibid.* No. 188, 9 November 1965.

⁽⁶⁾ Commission Decision No. 65/497/CEE, *ibid.* No. 193, 15 November 1965.

⁽⁷⁾ Commission Regulation No. 162/65/CEE, *ibid.* No. 198, 19 November 1965.

More precisely, it was intended to allow for the provisions of Commission Regulation No. 97/65/CEE on criteria for amending the levies on imports of dairy produce in the arrangements for the levy on imports of whole-milk powder from non-member countries.

Regulation No. 97/65/CEE stipulates that the levy on products subject to the derived levy is modified only if the levy applying to the pilot product is itself modified. The regulation in question introduces this condition in Article 1 of Regulation No. 149/64/CEE as regards milk powder.

Eggs and poultry

27. On 5 November the Commission decided to reduce the additional amount on the levies on imports of slaughtered hens and chickens and of halves or quarters from non-member countries ⁽¹⁾. The additional amount was brought down to 0.1 unit of account.

28. On the same date the Commission took a decision authorizing France to reduce the levies on imports of eggs in shell ⁽²⁾. These are cut by 0.0719 unit of account per kg in the case of imports from other Community countries and by 0.0618 unit of account for imports from elsewhere. The decision applies from 2 November to 31 December 1965 and extends the similar decision in force from 20 September to 31 October. While France makes use of this authorization, other Member States are authorized to raise the intra-Community levies on imports from France by the same amount.

29. On 11 November the Commission made a regulation ⁽³⁾ adapting and fixing sluice-gate prices and fixing levies on imports of eggs and poultry from non-member countries for the first quarter of 1966. This extends the validity of the sluice-gate prices and levies on imports from outside the Community fixed in Regulation No. 91/65/CEE.

30. Lastly, on 17 November, the Commission made a regulation fixing an additional amount for whole dried eggs ⁽⁴⁾. This regulation increases the levies on imports from China, Britain, Czechoslovakia and Yugoslavia by 0.625 unit of account per kg.

Fruit and vegetables

31. *Dessert grapes.* On 10 November 1965 the Commission issued a regulation instituting a countervailing charge on imports of dessert grapes grown in the open from Bulgaria ⁽⁵⁾. The charge was 3 u.a./100 kg net. The Commission explained that for some days the price of Bulgarian dessert grapes on certain Community markets had been below the reference price.

32. *Transport costs.* On 19 November the Commission issued a regulation amending Regulation No. 99/65/CEE on the implementation of Article 11(2) of Regulation No. 23 (common organization of the fruit and vegetable markets ⁽⁶⁾). Experience

⁽¹⁾ Commission Regulation No. 153/65/CEE, official gazette No. 186, 6 November 1965.

⁽²⁾ Commission Decision No. 65/492/CEE, *ibid.* No. 191, 12 November 1965.

⁽³⁾ Commission Regulation No. 157/65/CEE, *ibid.* No. 192, 13 November 1965.

⁽⁴⁾ Commission Regulation No. 161/65/CEE, *ibid.* No. 197, 19 November 1965.

⁽⁵⁾ Commission Regulation No. 155/65/CEE, *ibid.* No. 190, 10 November 1965.

⁽⁶⁾ Commission Regulation No. 163/65/CEE, *ibid.* No. 200, 20 November 1965.

has shown that the application of Regulation No. 99/65/CEE as regards transport costs causes discrimination between different origins, mainly because of the means of transport used by the exporting non-member countries. The new regulation eliminates this discrimination.

33. *Mandarins and clementines.* On 12 November the Commission issued a regulation fixing reference prices for mandarins and clementines ⁽¹⁾. The prices for Class I products under the common quality standards are :

November 1965, first fortnight	—
November 1965, second fortnight	15 u.a./100 kg net
December 1965	13.7 u.a./100 kg net
January 1966	14.4 u.a./100 kg net
February 1966	15.6 u.a./100 kg net
March 1966	16.7 u.a./100 kg net

These prices will apply until 30 September 1966.

Reference prices fixed for sweet oranges

34. On 10 November the Commission issued a regulation fixing reference prices for sweet oranges ⁽²⁾; this provides for a countervailing charge on imports from outside the Community under certain circumstances. This regulation was made to give effect to Council Regulation No. 65/65, issued on 13 May, which lays down strict criteria for the fixing of reference prices ⁽³⁾. The Commission had simply to establish certain facts and make certain calculations; the Council regulation had left it no discretion to depart from these findings and calculations. The Commission regulation took effect on 1 December 1965.

The Council session of 29-30 November

In accordance with Article 13 of Regulation No. 23, the Council had a month from 10 November within which to amend, if thought fit, the measures decided by the Commission; any amendment would have to be passed by qualified majority.

During its session of 29-30 November, after a full discussion of the problem raised by the Commission's proposals, the Council was unable to reach agreement on alternative action, so that the regulation came into effect on 1 December as planned.

The Commission stated that it had already begun to review the matter and would shortly be laying a proposal before the Council to modify the basic regulation currently governing the organization of the orange market.

The Council then agreed that the Committee of Permanent Representatives and the Special Committee for Agriculture should study the problems involved in the light of these discussions and report back to the Council by 31 January 1966. The Council

⁽¹⁾ Commission Regulation No. 158/65/CEE, official gazette No. 192, 13 November 1965.

⁽²⁾ Commission Regulation No. 156/65/CEE, *ibid.* No. 191, 12 November 1965.

⁽³⁾ Official gazette No. 86, 20 May 1965.

hoped that the measures finally adopted by the Commission would guarantee Italian growers the same benefits as would accrue from countervailing charges without the disadvantages of the latter for Community consumers in general.

Basis of the regulation and opinion of the Management Committee

The broad lines of the new Commission regulation were laid down on 15 November 1964 at the same time as the decisions on the common cereal price. At the insistence of Italy, it was then agreed that fruit and vegetables grown in the Community should have similar protection to that given to cereals (chiefly through the levy system) and that countervailing charges calculated on reference prices within the Community should therefore be imposed on imports. [Council Regulation No. 65/65 of 13 May had amended Article 11(2) of Regulation No. 23 (fruit and vegetables) so that reference prices would equal the average of producer prices obtaining in the Community over the previous three years.]

On 3 November the Fruit and Vegetable Management Committee had disapproved the Commission's proposal. In view of the urgency of the situation, the Commission nevertheless went ahead and issued the regulation as originally proposed, except for minor amendments, notifying the Council accordingly. The Commission regulation aims at keeping the effects of these provisions — the assessment of producer prices or the comparison of Community varieties with varieties offered on the world market — to the absolute minimum.

The content of the regulation

The regulation officially comes into force on 1 December, but administrative procedure will in fact hold up its implementation for about another fortnight. Countervailing charges may be levied on imports from non-member countries where the offer price falls below :

15.5 u.a./100 kg (December-April) for popular varieties (Group II)

11.3 u.a./100 kg (December-April) for less popular varieties (Group III).

The prices of Community varieties (Moro, Tarocco, Sanguinello, Biondo comune) were taken for the calculation of the reference price because they are representative within the meaning of Regulation No. 65/65/CEE.

Some technical information is given below:

Group	1964 reference price	1965 reference price	1965 minimum import price
I Moro and Tarocco	—	19.2 (December-March)	19.2
II Sanguinello	12.50/13.50	17.1	15.5
III Biondo comune	7.0/ 9.0	8.6	11.3

The entry price of Group I varieties is based on the price of Moro and Tarocco varieties imported from outside the Community, and that of the other Groups on the price of the following varieties :

Group III: Surinam, Biondo comune (Blanco comuna, Comune), Grano de Oro (Imperial, Sucrena), Baladi, Pera, Hamlin, Macetera, Pineapple, Blood Oval (Doblefina, Double Fine), Portuguese Blood, Sanguina Redonda (Entrefina), ordinary Sanguina excluding Navel Saingaina (Double Fine Améliorée, Washington Sanguina, Sanguina Grande) and Maltese Blood.

Group II : All varieties not given above, including Navel, Sallustiana, Schamouti and Castellana.

For calculating the entry price, a coefficient is applied to prices of imports from non-member countries — 1.1 for popular varieties (1 January - 30 April) and 0.76 for less popular varieties. The effective minimum import price is derived in this way from the reference price.

Refunds on exports to non-member countries

35. On 27 October the Council issued a regulation extending Council Regulation No. 88/65/CEE concerning refunds on exports of pigmeat, eggs and poultrymeat to non-member countries ⁽¹⁾. The refunds had been fixed for a period of three years on the basis of prices in the exporting Member State and those obtaining on the world market. This was to be reviewed at the beginning of the fourth year (1 July 1965), but the review was postponed until 1 November 1965 owing to difficulties arising in surveying the situation; since the reasons that led to the adoption of Regulation No. 88/65/CEE still apply, it has been extended until 31 January 1966.

The European Parliament ⁽²⁾

Measures to be taken in the event of a situation threatening the stability of markets, security of supplies and deliveries at reasonable prices [Article 39 (1 c, d, e) of the Treaty]

36. At the session of 23-26 November 1965 M. Charpentier presented a report on behalf of the Agricultural Committee on the proposed regulation concerning measures to be taken in a situation threatening the stability of markets, security of supplies and deliveries at reasonable prices. According to this report, which also embodies the opinion of the External Trade Committee, it is preferable, since the Commission's regulation stipulates only a very provisional period, to work out definitive regulations on the assumption that common prices will be fixed for all agricultural products with effect from 1 July 1967. The rapporteur therefore concluded in this vein, asking the EEC Commission to submit fresh proposals in place of the draft laid before the Parliament. The speaker for the Socialist group regretted that the Commission had allowed so much time to elapse before amending its proposals. In a short reply, M. Mansholt, Vice-President of the Commission, mentioned the many difficulties which the latter had encountered in studying this request with the Member States' experts. He added that the Commission would study this problem attentively along the lines suggested by the Parliament.

⁽¹⁾ Council Regulation No. 148/65/CEE, official gazette No. 180, 28 October 1965.

⁽²⁾ See also in Chap. III, sec. 68, the debate on the proposal for a regulation on imports of olives and olive oil from Greece.

Approximation of legislation on permitted preserving agents in foodstuffs for human consumption

37. At the same session the Parliament discussed the use of biphenyl as a preserving agent for citrus fruit. It rejected the Commission's view that the use of this substance should be definitively authorized under certain conditions but at the same time rejected the suggestion that its use should be prohibited for next year. The Commission should propose that the existing regulations be extended for one year. In this way those member countries which at present allowed the sale of citrus fruit preserved with biphenyl could continue to do so until the end of 1966. In the meantime studies on the noxiousness or otherwise of this product would probably have reached definite conclusions.

The two rapporteurs (M. Kriedeman for the Agricultural Committee and M. Lenz for the Health Protection Committee) pointed out that a ban on the use of biphenyl would make the import of oranges uneconomic and that the consequences of this could be serious not only for trade (particularly as regards relations with non-member countries) but also from the angle of nutrition in view of the importance of citrus fruit in winter (vitamin content, etc.). But the Agricultural Committee could not, at the present stage of studies on the subject, authorize definitively the use of biphenyl. It was for these reasons that its rapporteur was in favour of transitional provisions.

For the Health Protection Committees M. Lenz, on the other hand, maintained that the use of a preserving agent should be forbidden until it was proved that it had no harmful effect and that commercial interests should take second place to health protection. The Health Protection Committee therefore preferred a definite ban on the use of biphenyl.

Speaking on behalf of the Commission M. Mansholt, Vice-President, recalled that when the directive was authorized it was considered that the toxicity of biphenyl could be evaluated exactly before the end of 1965. Its toxicity had in fact been proved but the substance could nevertheless be allowed within certain limits and up to certain amounts. It was these limits which were now under discussion, and also the method of analysis used in the six countries. M. Mansholt agreed with the Parliament that the national regulations should be kept in force provisionally until the end of 1966. He added that oranges from California and Israel had been treated with biphenyl for many years and that no one had ever been able to prove that this had had harmful consequences. A final and total prohibition of biphenyl would have the gravest consequences for the economy of Israel. It was for the Governments to accept their responsibility.

The Parliament passed a resolution to the effect indicated above.

COMMON TRANSPORT POLICY

Transport rates and conditions

38. The amendments which the Commission made on 27 October 1965 to its proposal of 10 May 1963 for the introduction of a rate bracket system were transmitted to the Council on 29 October 1965 ⁽¹⁾.

⁽¹⁾ See Bulletin 12-65, Chap. III, sec. 33.

The Commission is preparing the implementing provisions called for by the new tariff arrangements thus proposed.

Among the aims of these provisions are :

- a) To establish details of the publication of rates and the organizational and operational rules of the Transport Market Committee;
- b) To lay down the terms of permanent collaboration between the Member States and the respective authorities of the Member States and the Commission in the fixing of tariffs, the justification of special contracts and the imposition of maximum or minimum tariffs for international transport together with supervision of their implementation and penalties for infringement.

Alleviation of public service obligations

39. On 18 and 19 November 1965 members of the Commission's staff held a second meeting with government experts to work out implementing procedures for Article 5 of the Council decision on the harmonization of certain provisions having an impact on competition in transport by rail, road and inland waterway ⁽¹⁾. The results of this meeting should enable the Commission to establish common principles for action by the Member States to alleviate public service obligations (obligation to operate and to transport). There was also an initial exchange of views on compensation for the burden imposed by the discharge of such obligations.

Implementation of Articles 79 and 80 of the Treaty

40. The unpublished contracts of the Belgian State Railways (SNCB) and of the Italian State Railways (FS) were examined with delegates of the respective governments and railway systems at meetings held in Brussels on 4 and 5 November 1965 (for the SNCB contracts) and on 23 and 24 November 1965 (for the FS contracts).

Harmonization of working conditions in transport

41. On 10 and 11 November 1965 the Commission continued its consultation of government experts on a document concerning working conditions and composition of crews in road transport in preparation for the first implementing measures under the Council decision of 13 May 1965 on the harmonization of certain provisions affecting competition in the field of transport by rail, road and inland waterways. This meeting concludes the consultation of government experts and of the employers' and workers' organizations in road transport on this subject.

Consultative Committee on Transport (Art. 83)

42. In the course of November 1965 the working parties set up by the Consultative Committee on Transport met several times to finalize their draft reports on questions concerning :

- a) The development of road haulage stations and regulations concerning them;

⁽¹⁾ See official gazette No. 88, 24 May 1965.

- b) The problems arising for transport in the abolition of frontier controls between the Member States;
- c) Control of capacity for goods transport by inland waterway.

The Committee will give its opinion on the first two questions at its plenary meeting on 11 and 12 January 1966.

SOCIAL POLICY

Social security of migrant workers

43. The Administrative Committee for the social security of migrant workers held its 70th session in Brussels on 17, 18 and 19 November 1965. The main business was to continue study of the draft of Regulation No. 3 (revised) on the social security of migrant workers.

The Administrative Committee also examined certain questions relating to financial settlements to be made between the social security institutions of the Member States.

Occupational diseases

44. On 16 November 1965 a meeting of government representatives was held to study the action taken by the Member States on the Commission's recommendation of 23 July 1962 concerning the adoption of a European list of occupational diseases ⁽¹⁾.

The aim of this meeting was to see how far each of the six States had actually moved to implement the recommendation in its legislation on occupational diseases. It was noted that the results were very encouraging: further diseases had been added to the national lists in order to bring these closer to the European list. Moreover, when the competent authorities considered that they were not yet prepared to recognize certain diseases as occupational, they had put in hand a study of them.

The governments had several times exchanged information as recommended by the Commission.

Industrial health and safety

45. On 19 and 20 November 1965 the 90th meeting of the heads of the national administrations responsible for industrial health and safety was held in Milan. With a view to facilitating direct contacts and collaboration at European level, those attending described in detail the organization, powers and tasks of their respective services. They then went on to a final examination of the draft directive on the approximation of laws and regulations concerning the construction, supervision and approval of steel scaffolding components.

The meeting also heard a report on the work of the group dealing with industrial accident statistics in the EEC, with special reference to the organization of a pilot inquiry in the paper, pulp and paperboard industry. They also reviewed preparations for the seminar on the prevention of industrial accidents and the progress of the programme of training periods for officials of factory inspection services.

⁽¹⁾ See official gazette No. 80, 31 August 1962.

Vocational training

Exchange of young workers

46. In pursuance of section III of the first joint programme for exchanges of young workers within the Community, the Commission arranged a meeting with representatives of young farmers' associations on 3 November 1965 in Brussels. Those taking part laid special stress on the need to expand information services, provide greater incentives, and create structures calculated to increase trade. They pointed to the urgency of establishing the advisory committees mentioned in section IV of the above-mentioned programme wherever these do not already exist. The meeting was informed that the Commission is planning an information campaign through special journals and the publication of a brochure for wide distribution.

Another information and liaison meeting took place on 17 November with the representatives of the organizations for assistance to trainees. Interesting experiences in aid to foreign trainees were described by some of those taking part.

Debates on social matters in the European Parliament

Trend of the social situation

47. At its session of 23-26 November 1965, the European Parliament debated the statement on the social situation in the Community in 1964. A resolution was passed.

Speaking in the course of the debate, M. Levi Sandri, Vice-President of the Commission with responsibility for social affairs, analysed the broad trend of the social situation between 1958 and 1965 and pointed out that in both the legislative and administrative fields and in the matter of living and working conditions there had been distinct improvement and gradual levelling in an upward direction.

The speaker went on to examine the social policy outlook and pointed to three main lines of development.

First of all, the need for effective Community co-ordination of national employment policies or, even better, a genuine common employment policy. "Although the expression 'common employment policy' does not appear in the Rome Treaty, the components of this policy are supplied by numerous provisions of the Treaty which explicitly or implicitly concern employment."

Secondly, the Commission would have to tackle the harmonization, as provided for in Article 118 of the Treaty, of social systems. On this subject the speaker reminded the House that the Commission held that Article 118 did not confine ways of attaining this object to intergovernmental co-operation and that, consequently, the Commission did not intend to deprive itself of the range of additional opportunities for action offered by other articles of the Treaty. In the matter of harmonization, the Commission intended to go on pressing for more effective co-operation between both sides of industry.

The third field of activity would cover the social aspects of the other common policies, in particular medium-term economic policy. "The Council's decision to work out a tentative programme for the co-ordination of the general economic policies of the Member States may have a decisive effect on social trends by setting a general pattern

into which governmental and Community action must fit in matters of employment, vocational training, working hours, incomes, social security and, in particular, municipal amenities."

The resolution approved the Commission's activities in the various fields of social policy and pledged support for its efforts to put the common social policy into effect. On the general plane, the Parliament urged that Member States' social policy should be more closely based on Community criteria and help to provide a stable and balanced order for Europe's rapidly-changing industrial society.

The Parliament called for co-ordination of all national initiatives in the fields of public health and industrial health and safety in order to avoid divergent trends and the duplication they entailed, and considered it essential that the relevant department in the EEC Commission should be given the means of fully discharging its duties.

The Parliament regretted that it was not yet possible to speak of any trend towards European harmonization in the field of social benefits, and recommended more frequent consultations on these social questions between the Member States, the EEC Commission and both sides of industry. The Parliament also regretted that nothing had yet been achieved in practice to fulfil the obligations arising for the Member States from Article 119 on equal pay for men and women workers.

The resolution is given in full in the annex to this Bulletin.

Action to be taken following the European Conference on social security

48. At the same session (23-26 November 1965) the European Parliament held a debate and adopted a resolution on the general social security programme drawn up by the EEC Commission following the decisions of the Conference on social security held in Brussels in 1962.

The Parliament approved the main lines of the programme set out by the Commission and requested the latter to continue its action with a view to rapid and positive results, particularly in those sectors where disparities between the different systems are less marked. It also pointed to the need to step up efforts to achieve the harmonization of social security considered as a means of covering the risks to which both paid and self-employed workers are exposed.

Approximation of legislation on dangerous substances and preparations

49. At this session the European Parliament also debated the Commission's proposals for the two directives which concern respectively:

- a) The approximation of laws and regulations on dangerous substances and preparations;
- b) The approximation of laws and regulations on classification, labelling and packaging of dangerous substances.

After a brief discussion, the Parliament unanimously adopted a resolution approving the Commission's action and the terms of the directives subject to certain amendments, accepting the legal basis for harmonization (Article 100 of the Treaty) and urging the Commission to lose no time in proposing further directives to bring this section under Community regulations.

II. External activities

GATT

Trade negotiations

50. In November 1965 the EEC delegation continued bilateral talks with certain countries to gain further information on mutual interests in negotiations on industrial products.

In the agricultural sector, the Groups on Meat and Dairy Products met from 22 to 28 November. The main countries trading in these products drew up by common accord a programme of work to gather the technical information necessary for arranging negotiations and assessing the offers made. Both programmes are intended to embrace all aspects of the market situation of the products in question.

It was agreed that the members of the groups should supply information on the points set out in the working programmes by 1 February at latest.

Other GATT activities

Agreement between the United States and Canada on automobiles and parts

51. At their twenty-second session the Contracting Parties had been informed of the agreement between Canada and the United States on trade between the two countries in automobiles and parts.

This agreement, under which Canada will remove customs duties on motor industry products imported from any country by a car manufacturer and the United States will do the same for such imports from Canada, does not conform — as regards the latter country at least — with the obligations assumed under Article 1 of the General Agreement (General Most-Favoured-Nation Treatment)).

The United States delegation therefore moved for a waiver of these provisions on the ground of Article XXV, which requires in such cases a decision by the Contracting Parties by a two-thirds majority vote.

According to the usual procedure a working party was set up to examine this request. It met from 4 to 12 November 1965 and submitted a report to the GATT Council, which in its turn discussed the matter on 19 November.

During the discussions in the Working Party and at the Council meeting, several Contracting Parties stressed that they felt the granting of a waiver in order to allow preferences between industrial countries should be looked upon as a precedent for granting preferences to developing countries. The representatives of the United States and Canada pointed to the special character of the market in automobiles and parts in their countries, which did not allow the waiver requested to be considered a precedent in the matter of preferences.

At the preliminary co-ordination meetings, the delegations of the six EEC member countries and of the EEC Commission, while regretting that the U.S. Government had not sought alternative solutions, decided not to oppose the request made by that

Government though they would insist that the terms of any such waiver should be acceptable to the Community.

In conclusion the GATT Council put to postal vote by the Contracting Parties the proposed waiver submitted to it by the Working Party. According to the draft, the waiver would not be limited in time but it should cease to have effect for any products to which it applies if it were to be found that a Contracting Party with a substantial interest in the product concerned had suffered, or was likely to do so, as a result of deflection of trade.

New Zealand/Australia Free Trade Agreement

52. At its meeting of 19 November the GATT Council gave initial consideration to the above agreement, which the parties concerned had submitted for examination by the Contracting Parties in accordance with Article XXIV, 7(a) (procedure for examining agreements to establish a free trade area).

In accordance with the usual procedure the Council set up a working party to examine the Agreement in the light of the relevant provisions of the General Agreement.

Examination of the Agreement establishing an Arab Common Market

53. The working party responsible for examining, with regard to the relevant provisions of the General Agreement, the economic Agreement between the Arab States ⁽¹⁾ and annexed instruments, in particular the decision to set up an Arab Common Market, met in Geneva from 17 to 23 November 1965.

From the discussion there emerged certain divergencies between certain Contracting Parties and the Arab countries. The viewpoint adopted in the working party's report is in line with that expressed by the EEC Member States and the Commission's representative.

The working party considered that there were legal and practical points outstanding which would be difficult to settle on the sole basis of the documents submitted to it and that they could be discussed again more profitably at a later date.

With reference to the customs union, which is the ultimate aim of the economic union, the working party considered that the measures taken to date could not be considered a customs union within the meaning of Article XXIV, 5(a), since the external tariff and trade regulations had not been worked out fully and could therefore not be examined.

BILATERAL RELATIONS

Relations with India

54. At its session of 23 to 26 November 1965 the European Parliament debated trade relations between India and the EEC and adopted a resolution on the subject.

(1) The Agreement establishing an economic union between the States of the Arab League has so far been signed and ratified by Jordan, Syria, the Union Arab Republic, Kuwait and Yemen.

M. Rey, member of the Commission with responsibility for external relations, told the Parliament of the Commission's activity in this field. This activity was being carried on, he said, mainly in two important international organizations, GATT and the U.N. Conference on Trade and Development. With reference to GATT, M. Rey expressed the opinion that there were hopes of achieving something on tariffs under the General Agreement. This could give India's economy a larger amount of more practical aid than the Community had contributed so far.

At the U.N. Conference on Trade and Development, in which India had figured prominently from the outset, the Community had been negotiating with India in two fields, commodities and the difficult subject of preferences. The latter would be one of the major problems on the Conference's agenda in late 1966.

M. Rey concluded by saying that because a solution to the problems raised by the Indian Government was being sought in these two important international bodies, this by no means meant that it was useless to have discussions with the Indian Government within the framework of the Community institutions as proposed by the Commission. He hoped that the EEC Council would in the near future reconsider its past opposition to the idea.

In its resolution the Parliament invited the EEC Commission to step up its contacts with the representatives of the Indian Government in order to prepare the way for true bilateral negotiations, even of an exploratory nature, to expand trade between the Community countries and India. He also stressed the value of a co-ordinated programme of action by the six Community member countries in the matter of economic and financial aid and in implementing the general policy of co-operation with developing countries.

Missions of non-member countries

55. On 16 November 1965 M. Hallstein, the President of the Commission, received H.E. Dr Fereydoun Diba, who presented his letters of credence as the new head of the Iranian mission to the EEC.

RELATIONS WITH INTERNATIONAL ORGANIZATIONS

Western European Union (WEU)

56. The WEU Assembly held the second part of its eleventh ordinary session from 15 to 17 November 1965 in Paris, with M. Carlo Schmid (Socialist, Germany) presiding. M. Rey, member of the Commission with responsibility for external relations, was present.

The problems arising from the current situation in the European Communities were widely discussed during the debate, particularly in connection with the report by Mr Edelman (Labour, United Kingdom) on "Britain, EFTA and the EEC" and the report by M. Bohy (Socialist, Belgium) on "The Dimensions of Europe".

Nato's political and military problems were also fully discussed.

At the opening of the session the President stressed that the present situation in the European Communities affected not only the Six but also the EFTA countries because of the impetus the Communities had given to European union. After pointing out that

the crux of the problem did not lie in technical controversies over agricultural financing or the powers of the Commission, he said that the main divergencies concerned the ultimate goal of the European construction and the means to be employed. In the meantime, he said, important problems could not be solved without a political agreement. Examples he gave were measures to enable European industry to be competitive with American industry, relations with the developing countries, East/West relations and the Kennedy round.

Speaking in a personal capacity, M. Rey said that the Commission had accomplished the task devolving upon it under the Treaty and that the progress made since 1958 had been possible thanks to the role of prime mover played by the Commission and continuous contacts between the Commission and the Council. He went on to say that if the intention was to build a Community and to make it work there was no other way but to pool certain powers by creating institutions and giving them the wherewithal to play their part. M. Rey was convinced that there had been no change in the Community's desire to expand and that it would do so even if at present it was not possible to say when or how.

At the close of the debate, Recommendation No. 125 on Britain, EFTA and EEC was adopted with one vote against and three absentions. The recommendation, which is given in the annex to this Bulletin, calls for the appointment of permanent Commissioners to promote and harmonize EEC and EFTA activities.

The Assembly also adopted a resolution requesting its General Affairs Committee to submit a draft recommendation on "The Dimensions of Europe" at its next session.

United Nations

Economic Commission for Europe — Committee on the Development of Trade

57. The EEC Commission was represented as an observer at the fourteenth session of the ECE Committee on the Development of Trade, which was held in Geneva from 18 October to 5 November 1965.

The Committee discussed the part played by the Economic Commission for Europe in the activities of the U.N. Trade and Development Board and took a number of decisions to intensify its co-operation with the Board.

It also turned its attention to the work of the special group studying East-West trade problems but was unable to formulate unanimous recommendation on the subject. The question will be taken up again at the next plenary session of the Commission.

U.N. Trade and Development Board — Committee on Shipping

58. The EEC Commission also took part in the first session of the Committee on Shipping, which had been set up by the U.N. Trade and Development Board at its first session. The main purpose of the session was to draw up the Committee's programme of work.

Organization for Economic Co-operation and Development (OECD)

Annual meeting of the OECD Council

59. On 25 and 26 November 1965 the OECD Council met at ministerial level with M. Hans Schaffner, Vice-President of the Swiss Federal Council, in the chair. The EEC Commission was represented by M. Rey, member of the Commission with responsibility for external relations.

The main points discussed were :

- a) The economic situation in the member countries (growth and stability) in relation to the 50 per cent G.N.P. growth target set by OECD for the decade 1960-1970;
- b) Trade relations with developing countries and ways of increasing the export proceeds of those countries.

The latter point led to discussion on possible tariff preferences for exports from developing countries.

The Council instructed the Organization to undertake a thorough examination of these problems with a view to formulating constructive and concerted policies, for attitudes still diverged considerably and it was necessary to harmonize them before the next U.N. Conference on Trade and Development. Arrangements for the study will be decided upon by the OECD Permanent Council.

With regard to Greece and Turkey, both of which are associated with the Community, the Council agreed that the consortium for Greece should be reactivated and that in the consortium for Turkey appropriate aid should be given having regard to the aim of Turkey to stabilize its external financial situation by the end of its second five-year plan.

Economic policy

60. The EEC Commission was represented at the meeting of the Economic Policy Committee which was held on 9 and 10 November 1965. The main items discussed were the international balance of payments and the situation in three EEC countries (Federal Republic of Germany, Italy, France) and in the United Kingdom, United States and Japan.

In November the Economic and Development Review Committee studied the situation in Japan and Germany.

Trade

61. Work has started at OECD on the planned confrontation of trade policies and practices between Japan and the other OECD member countries. The confrontation itself was scheduled for December 1965. As a first step the experts will examine the policies applied by Japan towards other OECD countries. The Commission will be represented.

OECD Development Centre

62. EEC Commission officials took part in the study session arranged by the OECD Development Centre on the subject "Economic policy and international aid". The session, which was held in Paris from 15 to 26 November 1965, provided an occasion for officials from nine African countries to meet their opposite numbers in OECD countries.

COMMON COMMERCIAL POLICY

63. On 19 November 1965 the Commission submitted to the Council a proposal for a Council decision to extend the time-limit laid down by Article 3 of the decision of 9 October 1961 concerned with standardizing the duration of trade agreements with non-member countries, together with a communication relating to agreements concerning trade relations with non-member countries.

The Commission proposed that the Council should extend until 31 December 1967 the time-limit of 1 January 1966 laid down by Article 3 of the Council decision; this is the date by which the Commission is to examine with the Member States all existing agreements on commercial relations, as well as the commercial and shipping treaties concluded by Member States, in order to see that they do not obstruct the inauguration of the common commercial policy envisaged by the Treaty.

The Commission made this proposal to the Council because it will not be able to complete the above-mentioned examination, which is at present in progress, by the end of 1965.

THE COMMUNITY AND THE DEVELOPING COUNTRIES

Extension of the suspension of customs duties on tea, maté and tropical hardwoods

64. On 5 November 1965 the Commission submitted to the Council a draft Council decision extending the suspension of customs duties on tea, maté and tropical hardwoods which had been decided upon by the Council on 18 July 1963 ⁽¹⁾ for the period ending 31 December 1965.

The Commission proposed that the CCT duties applicable to these products should be suspended from 1 January to 31 December 1966. All duties will be suspended on maté, tropical hardwoods and tea in packings with a net content of over 3 kg, while for tea in packings containing less than 3 kg they will be reduced to 5 %.

The draft decision is accompanied by a note to the Council in which the Commission, by agreement with the United Kingdom mission to the European Communities, proposes an extension of the tariff arrangement concluded between the EEC and the United Kingdom on 10 September 1963; this concerned the simultaneous suspension of customs duties on these products in pursuance of a decision to this effect taken by the Council on 30 July 1963 ⁽²⁾.

⁽¹⁾ See official gazette No. 166, 19 November 1963.

⁽²⁾ See Bulletin 9/10-63, Chap. IV, sec. 8.

The Council decision of 18 June 1965 suspending customs duties on tea, maté and tropical hardwoods had been taken under Article 28 of the Treaty, and on the same date the representatives of the Governments of the Member States, meeting in the Council of Ministers, had decided to apply in full the suspension of CCT duties on these products. The object was not only to suspend certain CCT duties but also to hasten the alignment of duties towards the common customs tariff; under Article 24 of the Treaty, only the Governments of the Member States are competent to take decisions regarding such alignment.

OECD's Development Assistance Committee (DAC)

65. The OECD Council approved the Development Assistance Committee's programme of work for 1966, a central feature of which will again be the annual review of aid provided by the organization's members, which regularly includes a detailed examination of aid granted by the European Development Fund. As in the past, the Committee will study the difficulties encountered by the Member States in seeking to make the assistance given more effective and to share the burden more fairly among the donors. The Committee will also examine problems connected with the mounting indebtedness of the developing countries.

Finally, the DAC will continue to provide a framework for co-ordinating what is done by the Western countries regarding all the matters dealt with by the Committee on Invisibles and Financing related to Trade, which was set up by the United Nations Trade and Development Board.

III. The Community and the associated States

GREECE

The Council of Association

66. On 18 November 1965 the Council of Association extended until 30 June 1966 the provisional system applicable to trade in certain agricultural products, which was to have ended on 12 November 1965. Under this system, established by Decision No. 1/64 of the Council of Association, intra-Community treatment is extended to a number of Greek agricultural products.

The European Parliament

Debate on the Report of the Activities of the Council of Association

67. At its session of 23-26 November 1965 the European Parliament debated the EEC-Greece Parliamentary Committee's recommendation of 16 July 1965 concerning the second annual report on the activities of the EEC-Greece Council of Association.

M. Rey, the member of the Commission with special responsibility for external relations, took part in the debate. He began by saying he was pleased to see that, whereas the first year of association between the EEC and Greece had not produced any appreciable results, the same could certainly not be said of the second. This came as no surprise to the Commission, which had always predicted that the effects of association would only become apparent gradually. M. Rey was also pleased that the Parliamentary Committee was becoming to some extent the driving force behind the association — a body which put forward ideas, projects and suggestions.

M. Rey said that the EEC Commission fully endorsed the view that harmonization of the policies of the Community and Greece must enable the latter also to benefit from the progressive establishment of the common policy, which means that Greece must also in some measure have the benefit of financial machinery similar to that introduced in the EEC. M. Rey maintained that this view, which was one the Commission had always supported, was gaining ground, as shown by the fact that the last Council of Association had helped to prepare the way for the creation of a Fund to assist Greek agriculture, which would be financed partly by Greece and partly by the Community.

In conclusion, M. Rey hoped that Greece's internal difficulties would be resolved in such a way that the country's economic development would not be jeopardized.

The debate issued in a resolution which is given in full in the Annex to this Bulletin.

The Parliament expressed its satisfaction with the outcome of the work done by the EEC-Greece Parliamentary Committee and with that Committee's co-operation with the Council of Association, the Greek Government, the EEC Council of Ministers and the Commission, and endorsed the resolution adopted by the EEC-Greece Parliamentary Committee in Berlin on 16 July 1965.

The Parliament therefore welcomed the considerable increase in trade between the Community and Greece during the period under review, but drew the Council's attention to the growing deficit in Greece's trade balance with the Community, notwithstanding the increase in trade. The Parliament considered that it would be useful to co-ordinate Greek development plans with the EEC's medium-term programme, and regarded it as essential to expand private investment in Greece and intensify collaboration between Community and Greek enterprises.

With regard to agriculture, the Parliament called upon the Council of Association to harmonize Greek agricultural policy with that of the Community in two stages, the details of which it indicated, without losing sight of the ultimate aim of the Athens Agreement, which was Greek membership of the Community.

Proposal for a regulation relating to imports of olives and olive oil from Greece

68. At the same session the European Parliament discussed imports of olives and olive oil from Greece.

Where levies are fixed for the agricultural products listed in Annex III to the Association Agreement (which includes olives and olive oil), Greece benefits from the same system that the Member States apply among themselves (Protocol No. 12), by virtue of the harmonization of agricultural policies between the Community and Greece.

In view of this provision in the Agreement, the Commission has proposed a regulation relating to imports of olives and olive oil from Greece in preparation for the entry into force of the common market organization for oils and fats.

The proposal provides for a special system of levies on imports: before entering the Community, Greek olives and olive oil will pay a levy based not on world prices but on Greek wholesale prices less a standard amount yet to be fixed. This system will apply to olive oil and olives originating in Greece and not to products that may be re-exported to the Community by that country.

The Parliament passed a resolution endorsing the Commission's proposal, stressing that the criteria adopted for fixing the standard amount referred to in Article 3 (3) should take account of Greece's interests regarding exports and of the prospects for their absorption by the European market.

THE ASSOCIATED AFRICAN STATES AND MADAGASCAR

Application of the Convention of Association

Financing convention signed

69. A financing convention for the first annual tranche of aid to production in Madagascar was signed in Brussels on 11 November 1965.

The second European Development Fund will provide 2 111 million Malagasy francs (8 551 661 u.a.).

Debate in the European Parliament on the expansion of trade between the EEC and AASM

70. At its session of 23-26 November 1965, the European Parliament held a debate and passed a resolution on the expansion of trade between the EEC and AASM.

M. Rochereau, the member of the Commission with special responsibility for overseas development, spoke at the end of the debate. On the problem of promoting sales of products from the Associated States in the Community, M. Rochereau pointed out that the Commission had already taken practical steps in this direction by developing its contacts with the most representative importers' associations in the Community, country by country, and with the European Federation of Chambers of Commerce, in order to form an idea of what was being done by the Associated States themselves to promote exports of their products to the Community, so that appropriate common action could be taken.

Dealing with the "immense problem" of encouraging private investment, M. Rochereau said that one of the possible incentives to private investment lay in Community action to help finance infrastructure, by which the total cost of constructing a factory could be reduced. The Community could, in the initial stage, provide subsidies to finance a series of infrastructure projects of interest to industry, and subsequently widen the basis of this investment by such means as loans or interest rebates.

M. Rochereau concluded with the hope that the problems discussed in the debate might remain more or less permanently on the European Parliament's agenda.

The Parliament then passed a resolution in which it welcomed the progress made in the last two years, and particularly since the Convention of Association entered into force, in expanding trade between the EEC and the Associated States, and approved the studies undertaken by the EEC Commission on possibilities for raising the Community's consumption of products from the Associated States.

In addition, the Parliament recommended that the Community should make proposals for a world organization for trade in commodities, and advocated the adoption by the Community, in conjunction with the Associated States and their national development banks, of a credit policy adapted to the special conditions of investment in the Associated States.

THE EUROPEAN DEVELOPMENT FUND

Financing decisions approved

Second Fund

71. After approval by the Committee of the European Development Fund, the EEC Commission decided on 26 November 1965 to finance ten more projects by non-repayable grants from the EDF. These decisions, which involve a total commitment of 24 199 000 units of account ⁽¹⁾, concern the following programmes and projects.

i). Second annual tranche of aid to production in Cameroon: 415 300 000 Frs. CFA or some 1 682 000 u.a. The first tranche of the five-year programme of aid to production

⁽¹⁾ 1 u.a. = \$1.

and diversification in the Cameroon had been fixed at 2 694 000 u.a. at the EDF Committee's first meeting in July 1964.

ii) Second annual tranche of aid to production in Chad: 280m. Frs. CFA or some 1 134 000 u.a. The first tranche of the five-year programme of aid to production and diversification in Chad had been fixed at 473m. Frs. CFA at the EDF Committee's third meeting in October 1964.

iii) Surveys for the Tsevie-Blitta and Lomé-Palimé roads in Togo: 144m. Frs. CFA or some 583 000 u.a. This pre-investment assistance is concerned with the technical plan of work for two stretches of Togo's central highway and is complementary to the Lomé-Tsevie road project approved by the EDF Committee in June 1965.

iv) Road surveys in the Congo (Brazzaville) and the Central African Republic: 130.5m. Frs. CFA or some 528 000 u.a. In the Congo the surveys will cover: (1) a particularly difficult section of the north-south Brazzaville-Ouesso road, between Olombo and Obouya (28.5m. Frs. CFA); (2) the Nsah-Djambalo-Lekana road (27m. Frs. CFA). In the Central African Republic surveys will be made to improve the country's five main roads (national roads Nos. 1, 2, 3 6 and 9) at an estimated cost of 75m. Frs. CFA.

v) Improvement of secondary roads in Lobaye, Central African Republic: 400m. Frs. CFA or some 1 620 000 u.a. This economic investment project covers surveys for and work on the improvement of two secondary roads totalling about 116 km. in length. Transport costs will be reduced by 50 % in this area, which has highly productive farm and forest land and a population of 80 000.

vi) Sinking of 154 wells in the Kanem area, Chad: 550m. Frs. CFA or some 2 228 000 u.a. This economic investment project completes the programme to provide water for the vast Kanem area (8 million hectares), the first part of which (248 wells) was carried out with French bilateral and EDF aid. It will improve appreciably the water supply in this area, which has a population of 215 000 and about 2 million head of cattle.

vii) Second "Human Science" block at the University of Lovanium in Leopoldville, Congo: 369m. Congolese francs or some 2 460 000 u.a. With the new building provided under this social investment scheme the Faculty will be able, in 1970, to take approximately 1 400 students, or 46 % of the student population by that time.

viii) Improvement of the Mayaga region, Rwanda: four new areas of farmland: 45m. Rwanda francs or some 900 000 u.a. The main object of this economic investment project is to create a number of small farms, each of 2 hectares, and to cultivate them by more rational methods in order to improve the living standard of the peasants in the area. The scheme represents the culmination of a number of surveys and programmes for agricultural reorganization in the Mayaga region which have already been receiving aid under the first EDF since 1959.

ix) Development of the Mangoky delta (second tranche), Madagascar: 2 400m. Malagasy francs or some 9 722 000 u.a. The scheme is for the irrigation and drainage of 3 730 hectares in the Mangoky river delta to the north of the city of Tulea and follows upon a first instalment of works financed by the first EDF in September 1962 at a cost of 6.5m. u.a. This first tranche was for the general infrastructure to develop 10 000 hectares. The present scheme will provide, within the perimeter of 10 000 hectares, the secondary and terminal facilities for the installation of networks of secondary irrigation channels and drainage outlets, tracks, dikes and other related work.

The crops to be developed in this area are cotton (2 880 ha) and rice (850 ha), which will make it possible to settle 2 200 families (about 9 000 persons). The estimates of yields on which the first dossier submitted to EDF in 1961 was based have been exceeded in the first four seasons, particularly as regards cotton. The scheme dovetails with the objectives of the Malagasy development plan, which lays the emphasis on the development of cotton-growing, one of the products in which the investments made will be most advantageous for the national economy. The EEC Commission moreover already made a decision in favour of Madagascar's cotton policy when it agreed, last July, to finance the first tranche of the programme of aid to production which included considerable help for structural improvements in cotton-growing.

The present scheme also provides for technical assistance by three engineers for five years. The complete development of the 10 000 ha. area will be spread over about ten years.

x) Urban development of 67 ha. in Tananarive, Madagascar: 825m. Malagasy francs or some 3 342 000 u.a. The aim of this social investment scheme is to develop three districts in the western part of the Malagasy capital and provide modernized services so that it will be possible to build low-cost dwellings for some 12 000 persons. The scheme is intended to meet the demand for housing resulting from Tananarive's very rapid growth.

These decisions bring the total commitments authorized under the second European Development Fund since it began to operate in July 1964 to about 192 810 000 units of account, representing 93 financing decisions.

Second EDF commitments at 30 November 1965

(Beneficiary states, countries or territories)

('000 u.a.)

Beneficiary state, country or territory	Economics and social projects	Aid to diversification	Aid to production	Technical assistance linked with investment	General technical co-operation	Emergency aid	Total	Advances to Price Stabilization Funds
A. A A S M								
Burundi	160	—	—	1 453	—	—	1 613	—
Cameroon	9 642	749	4 372	105	—	—	14 868	6 076
Central African Republic	5 262	—	2 561	789	—	—	8 612	—
Congo (Brazzaville)	3 403	4 420	—	224	—	—	8 047	—
Congo (Leopoldville)	5 660	—	—	348	1 500	—	7 514	—
Ivory Coast	211	34 814	—	28	—	—	35 053	—
Dahomey	2 094	—	1 027	354	—	—	3 475	—
Gabon	—	—	—	2 378	—	—	2 378	—
Upper Volta	1 345	—	—	1 108	30	—	2 483	—
Madagascar	19 517	—	8 552	785	66	—	28 920	—
Mali	4 193	—	1 195	762	—	—	6 150	—
Mauritania	9 585	1 357	—	28	—	—	10 970	—
Niger	6 272	—	939	345	—	—	7 556	—
Rwanda	900	1 888	—	1 152	15	—	3 955	—
Senegal	—	1 025	10 492	81	—	—	11 598	—
Somalia	6 419	—	—	446	1 068	250	8 183	—
Chad	7 332	—	2 985	677	—	—	10 994	—
Togo	1 013	—	991	633	—	—	2 637	—
B. OCT/Overseas Departments								
Netherlands Antilles	1 925	—	—	—	—	—	1 925	—
Comoro Islands	223	—	—	154	—	—	377	—
Guadeloupe	375	—	—	—	—	—	375	—
Surinam	—	—	—	185	—	—	185	—
Aid not distributed or not broken down				6 383 ⁽¹⁾	8 559 ⁽²⁾		14 942	
Overall total	85 531	44 253	33 114	18 418	11 244	250	192 810	6 076

(¹) This refers to the part of the two overall amounts (5 million and 4 million u.a.) which have not yet been used by the EDF's principal Certifying Officer to finance surveys and supervision of works.

(²) This consists mainly of the overall totals allocated under the heading of scholarship, in-service training, seminar and information programmes which it is not possible to break down as between the beneficiary states and countries.

Second EDF commitments at 30 November 1965

(Sectors of activity)

('000 u.a.)

Sectors	Amounts	%
1. DEVELOPMENT OF PRODUCTION		
1. Agricultural price support	20 823	
2. Structural improvement of existing production	13 817	
3. Agricultural diversification	43 915	
4. New agricultural developments	15 064	
5. Livestock	2 451	
6. Development of co-operatives	1 211	
7. Rural and pastoral water supply	8 366	
8. Industrial diversification	3 668	
9. Trade promotion	180	
Total 1	109 485	58.84
2. MODERNIZATION OF ECONOMIC INFRASTRUCTURE		
1. Ports	5 818	
2. Roads	29 309	
3. Railways	15	
4. Telecommunications	4	
Total 2	35 146	18.89
3. SOCIAL DEVELOPMENT		
1. Training of cadres	7 211	
2. Education	6 559	
3. Public health	13 676	
4. Urban water supply	6 698	
5. Urban drainage and sewerage	5 153	
6. Electrification	5	
Total 3	39 302	21.12
4. MISCELLANEOUS		
1. Development programming	1 665	
2. Information	225	
3. Emergency aid	250	
Total 4	2 140	1.15
Total 1 + 2 + 3 + 4	186 073	100.00
+ Commitments not yet allocated ⁽¹⁾	6 737	—
= Total commitments Second EDF	192 810	—
Stabilization of prices of agricultural products ⁽²⁾	6 076	—

⁽¹⁾ This refers to that part of the overall amounts made available under the heading of tied technical assistance and of general technical co-operation (studies) not yet used by the EDF's principal Certifying Officer to finance individual operations.

⁽²⁾ Price stabilization advances are financed from the current availabilities of the EDF (Convention Art. 20) and their total need not be added to that of commitments.

IV. Institutions and organs

THE EUROPEAN PARLIAMENT

The European Parliament met in plenary session from 23 to 26 November 1965, M. Victor Leemans presiding.

The President paid tribute to the memory of Her late Majesty Queen Elizabeth of Belgium, after which the Parliament observed one minute's silence.

The Parliament also paid homage to the victims of the mining disaster at "La Tronquie" pit at Carmaux in the Aquitaine coal basin in France. M. Fohrmann, member of the ECSC High Authority, spoke of the need for further efforts in the field of industrial safety and added that the ECSC would make a financial contribution to assist the victims' families.

At the sitting of 25 November a brief political debate was held. The President recalled that on 12 November 1965, the Political Committee of the Parliament had suggested an exchange of views on the declaration of the EEC Council of Ministers of 26 October ⁽¹⁾. The declaration was read out by the President of the Parliament, and by agreement between M. Edoardo Martino on behalf of the Political Committee and the Presidents of the political groups the debate was limited to short speeches by the spokesmen of each group.

Referring to the declaration, M. Furler, for the Christian-Democrat group, emphasized the importance of the five governments' solemn affirmation of their allegiance to the Treaty of Rome. He added that there was no call for any change in either the Commission's role or its position in relation to the Council. As for the introduction of majority voting in the Council, there was no question as to the soundness of the principle, although it was conceivable that "political practice" might suggest it was wiser not to have recourse to it.

Speaking for the Socialist group M. Kapteyn was more pessimistic. He considered that far from being a cheerful message, the declaration of 26 October was proof of the gravity of the situation. The Socialists were uneasy, and they were anxious to hear what President Hallstein had to say about the Commission's absence from the ministerial meeting called for in the declaration. The speaker added that however exceptional the nature of the ministerial meeting it was necessary to insist on certain prerequisites for the integrity of the institutions, in spite of any "gentleman's agreement", whether written or spoken, on the subject. He expressed pleasure, however, at the solidarity of the five governments and hoped that all Six would be able to reach agreement while respecting the terms of the Treaty.

According to M. de Clercq, speaker for the Liberal group, there was too much talk of crisis when in reality Europe was merely suffering from "teething troubles" — a Member State finding it difficult to adapt itself to the rules of the Community. There should be only one law for the Six, the Treaty of Rome. Nevertheless the future was uncertain; the possibility could not be ruled out that the absent sixth member might be replaced by another State.

Finally, on behalf of the European Democratic Union group, M. de Lipkowski, referring to the declaration made by the Minister of Information after the meeting of the French

⁽¹⁾ See Bulletin 12-65, Chap. I.

Council of Ministers of 24 November, said, "the clouds have rolled away (...), things are looking up" — a remark which caused some surprise. The speaker believed that the French Minister's declaration could be taken as a reply to the Council's appeal and augured an inter-governmental conference in the near future. He added that such a meeting would provide an opportunity for frank and friendly discussion not only of agricultural problems but also of other fundamental issues about which there must be no possible misunderstanding. M. de Lipkowski dismissed any suggestion of violation of the Treaty and thought that the meeting of Foreign Ministers would lead to a summit conference which would give a fresh start to political co-operation.

The debate closed with a brief statement by M. Walter Hallstein. Replying to M. Kapteyn, the President of the Commission merely said that the Commission approved the declaration but had abstained from comment on the procedure proposed in the third paragraph.

At this session the Parliament passed resolutions:

On social policy

i) Resolution concerning the survey of the development of the social situation in the Community in 1964 contained in the Eighth General Report ⁽¹⁾.

ii) Resolution on action to be taken following the European Conference on Social Security in pursuance of Article 118 of the EEC Treaty ⁽²⁾.

iii) Resolution embodying its opinion on the EEC Commission's proposals to the Council for:

a directive on the approximation of laws, regulations and administrative instructions concerning dangerous substances and preparations (outline directive)

a directive on the approximation of laws, regulations and administrative instructions concerning the classification, labelling and packaging of dangerous substances (first supplementary directive) ⁽³⁾.

On competition

iv) Resolution embodying its opinion on the Commission's proposal to the Council for a directive setting up a Community aid system designed to offset distortions of competition on the international shipbuilding market ⁽⁴⁾.

On agriculture

v) Resolution embodying its opinion on the Commission's proposal to the Council for a directive amending the Council's directive of 5 November 1963 on the approximation of Member States' legislation concerning permitted preservatives in foodstuffs for human consumption ⁽⁵⁾.

⁽¹⁾ See Chap. I, sec. 47.

⁽²⁾ See Chap. I, sec. 48.

⁽³⁾ See Chap. I, sec. 49.

⁽⁴⁾ For extracts see annex to this Bulletin.

⁽⁵⁾ See Chap. I, sec. 37.

On the association of Greece with the Community

vi) Resolution concerning the recommendation of the Parliamentary Committee for the EEC-Greece Association of 16 July 1965 on the second annual report of the Council of the EEC-Greece Association ⁽¹⁾.

vii) Resolution on the EEC Commission's proposal to the Council for a regulation on imports of vegetable oils from Greece ⁽²⁾.

On the Associated African States and Madagascar

viii) Resolution on the expansion of trade between the EEC and the Associated African States and Madagascar ⁽³⁾.

On relations with India

ix) Resolution on commercial relations between the EEC and India ⁽⁴⁾.

On the European Parliament

x) Resolution on the working conditions of the European Parliament.

THE COUNCIL

The EEC Council met on 29 and 30 November 1965 with M. Emilio Colombo, Italian Minister of the Treasury, as president, in the absence of the French delegation.

The Council first received a report from the Commission on the progress of multilateral trade negotiations at GATT.

There followed a discussion of the aide-mémoire transmitted to the Member States by the President of the EFTA Council on 29 October 1965. The hope was expressed that a reply could shortly be given to the aide-mémoire.

The Council also discussed the problems arising from the Commission's fixing of reference prices for sweet oranges ⁽⁵⁾. The Council asked the Committee of Permanent Representatives and the Special Committee on Agriculture, in collaboration with the Commission, which might have proposals to put forward, to make a study — in the light of the discussion and the objections raised — of all the problems arising, and to report back before 31 January 1966.

The Council then discussed the tariff measures due to come into force on 1 January 1966 ⁽⁶⁾.

Agreement was reached in principle on the draft budgets of EEC and Euratom for 1966.

⁽¹⁾ See Chap. III, sec. 66 and annex.

⁽²⁾ See Chap. III, sec. 68.

⁽³⁾ See Chap. III, sec. 70 and annex.

⁽⁴⁾ See Chap. II, sec. 54.

⁽⁵⁾ See Chap. I, sec. 34.

⁽⁶⁾ See Chap. I, sec. 4.

The Council went to examine the political aspects of the crisis which began on 30 June. The following press communiqué was issued:

"1. The representatives of the Governments of the German Federal Republic, Belgium, Italy, Luxembourg and the Netherlands, meeting at the Council session of 29 and 30 November, have taken note of the reception accorded by the French Government to the letter from the President of the Council dated 27 October 1965.

"2. They have asked the Council to communicate to the French Government the common position of their five Governments.

"3. They persist in their view that the problems under discussion should be resolved in accordance with the terms of the Treaties and in the framework of the institutions.

"4. They regret that the French Government has not seen its way to an immediate resumption of the negotiations broken off on 30 June. They reiterate their appeal of 27 October for the French Government to resume its place in the Community institutions and for an extraordinary session of the Council to be held in Brussels as soon as possible."

COURT OF JUSTICE OF THE EUROPEAN COMMUNITIES

Judgments

Case 45/64: EEC Commission v. the Italian Republic

On 1 December 1965 the Court of Justice pronounced judgment on this case brought by the Commission over Italian drawback payments (made under Italian Law No. 639 of 5 July 1964, which supersedes Law No. 103 of 10 March 1955) on exports of certain engineering products.

The Commission contended that Italy had allowed drawback of taxes and charges not eligible under Article 96 of the Treaty. The Court ruled in favour of the Commission. It found that Italy had infringed Article 96 by accepting as eligible for drawback, in the case of exports of engineering products to the other member countries, company registration fees, stamp duty, mortgage charges, charges on licences and government concessions, and taxes on motor vehicles and advertising.

Furthermore, the Court summoned Italy to show within three months that the drawback in respect of internal charges directly imposed on the products concerned did not exceed the amount of such charges. On the expiry of this time-limit the proceedings may be resumed.

Case 16/65: Firma C. Schwarze, Bremen, v. Einfuhr- und Vorratsstelle für Getreide und Futtermittel in Frankfurt-on-Main

The Hesse Finanzgericht at Kassel had submitted to the Court of Justice, on 26 February 1965, certain questions concerning the validity of the Commission's decision of 24 January 1964 fixing free-at-frontier prices for wheat. The two most important questions concerned the scope of the obligation to state grounds for a decision

as laid down by Article 190 of the Treaty (the German court thought the decision was not accompanied by an adequate statement of grounds), and also the legality of taking the price of foreign wheat into account in fixing free-at-frontier prices (the Court considered this irregular).

In its judgment given on 1 December 1965, the Court of Justice stated that none of the points raised by the Hesse Finanzgericht in any way invalidated the Commission's decision.

Case 33/65: Marine Engineer Adrianus Dekker, Utrecht, v. Bundesversicherungsanstalt für Angestellte, Berlin (Request for a preliminary ruling)

On 28 April 1965, the Landessozialgericht of Berlin had submitted to the Court of Justice a request for a preliminary ruling on the interpretation of Article 22 of Council Regulation No. 3 concerning the social security of migrant workers.

On 1 December 1965 the Court of Justice ruled that sums paid in addition to pensions and intended to cover part of the pensioner's health-insurance contributions did not constitute "allowances in kind" within the meaning of Article 22 of EEC Council Regulation No. 3.

V. European Investment Bank

On 15 November 1965, the European Investment Bank concluded a loan agreement with the Coopérative des Agriculteurs des Côtes-du-Nord et du Finistère (Landerneau). The loan, amounting to 0.81 million units of account, will complete the financing of investments amounting to 7.59 million units of account.

The contract was signed in Brussels by M. Hyacinthe Belbeoc'h, President of the Coopérative des Agriculteurs des Côtes-du-Nord et du Finistère, and by M. Paride Formentini, President of the European Investment Bank.

The loan is covered by the guarantee of the Caisse de Bretagne de Crédit Agricole Mutuel as well as the counter-guarantee of the following four credit institutions: Société Générale, Crédit Lyonnais, Banque Nationale pour le Commerce et l'Industrie and Banque Française de l'Agriculture et du Crédit Mutuel.

The Coopérative des Agriculteurs des Côtes-du-Nord et du Finistère operates in the Côtes-du-Nord and Finistère departments. With 40 000 agricultural members, it is one of the most important multi-functional co-operatives in France.

The project aims at the extension and modernization of the Co-operative's industrial equipment. Several units will be set up in order to improve the technical conditions and to increase the stocking, processing and packaging capacity of its main agricultural products such as: cereals, potatoes, vegetables, eggs and milk.

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MISCELLANEOUS

Progress in ratification of Treaty on merger of Community Executives

The Netherlands Government has tabled in Parliament a Bill to approve the treaty on the merger of the Executives.

Visits to the President of the Councils

Ambassadors Karl Herbert Schober, Alberto Ullastres Calvo and J.A.M. Marjoribanks, heads of the Austrian, Spanish and British Missions to the Community, were received by M. Emilio Colombo, Italian Minister of the Treasury and current President of the Councils.

Visits to the Commission

Visit of M. Hoecherl, German Minister of Agriculture

On the occasion of his first visit to Brussels on 11 November 1965, the new Federal Minister of Agriculture, accompanied by M. Rudolf Hüttebräuker, State Secretary for Agriculture, discussed the problem of common agricultural policy with MM. Hallstein and Mansholt, the President and Vice-President of the EEC Commission.

Visit of the directors of the "European Centre for public undertakings"

On 16 November 1965 the EEC Commission received an official visit from the directors of the European Centre for public undertakings: the Director-General of the Société nationale de crédit à l'industrie (Belgium), the President of the Ente Nazionale Idrocarburi (Italy), the President of the Deutsche Bundesbahn, the President of the Gaz de France, the Director-General of the Caisse d'Epargne de Luxembourg, the Director-General of the Electricité de France, the Director-General of Sabena (Belgium), the official responsible for public undertakings in the city of Rotterdam (Netherlands), and M. Gironelle, Secretary-General of the CEEP.

Speaking for the Centre, M. Rogissart discussed the position of public undertakings in relation to the Treaty of Rome; the special burdens imposed on some of them by the national authorities would have to be taken into account.

Speakers on both sides stressed the need for regular contacts.

Visit of Commission representatives to Ivory Coast

Between 17 and 24 November 1965 a delegation from the Commission, headed by M. Henri Rochereau, member of the Commission, and by the Director-General for Overseas Development, paid a visit to Ivory Coast at the invitation of the government to attend the inauguration of the scheme to plant 32 000 hectares with selected palms financed by the European Development Fund. The scheme was approved by the Commission on 7 May 1965 and is the largest ever financed by the Fund; it will run from 1965 to 1973.

Inauguration of European radio and television studio in Brussels

At the inauguration of the European radio and television studio in Brussels on 18 November 1965, in the presence of M. Colonna di Paliano, member of the Commission and chairman of the administrative council of the EEC information service, M. Walter Hallstein, President of the Commission, said: "Europe itself has no need of propaganda, but the different stages and the problems involved in the building of Europe must be made known to everyone concerned, which means to every European citizen."

The new studio is linked to the European broadcasting network. Stations in any country in the world can, on request, be hooked up directly to it.

Sixteenth European Round Table

The 16th Round Table conference on European problems was held in London on 16 and 17 November 1965. The meeting, with M. Boyen, former Netherlands Minister of Economic Affairs, in the chair, had as its subject: "The crisis of the Common Market and Great Britain: some implications and prospects for the building of Europe."

Inaugural meeting of "Union of EEC capital areas"

On 8 November 1965 Brussels was chosen as the headquarters of the "Union of EEC capital areas". M. Maurice Malherbe, permanent deputy for the province of Brabant, was elected president. The Union has adopted as its main spheres of activity technical education, prevention of air and water pollution, waste disposal.

Reconstruction and Development (BIRD)

During a visit to Brussels a mission from the BIRD discussed the possibility of co-ordinating its own projects for the financing of agriculture in West Cameroon with those now being worked out by the European Development Fund.

Moreover the Director of the European Development Fund, who is attached to the Commission, had talks in Washington on 12 November 1965 with the Director of the African Department at the BIRD. Information was exchanged about the plans of the two organizations.

Resolution of the EEC Union of Industry (UNICE) on the Common Market crisis

After examining the possible repercussions of a prolongation of the Common Market crisis, the UNICE Council of Presidents once again came out in favour of the continued application of the Rome Treaty.

"Isabella d'Este" Prize

The "Isabella d'Este" prize, which is intended to draw attention to "feminine influence in the various spheres of human activity", has been awarded in Rome to eleven women, one of whom is Mme. Kate Strobel, Bundestag deputy and President of the Socialist Group in the European Parliament.

ANNEX

RESOLUTIONS OF THE EUROPEAN PARLIAMENT

Resolution embodying the opinion of the European Parliament on the EEC Commission's proposal to the Council for a directive instituting a Community aid system designed to offset distortions of competition on the international shipbuilding market

The European Parliament,

[...]

a) Having regard to certain distortions of competition between Community shipyards and those of non-member countries, and considering it essential, in order to provide employment for European shipyards capable of meeting the need for new shipping, that a Community system of aid to shipbuilding be introduced;

b) Considering that the proposed system is to be regarded as provisional and therefore subject to review in the light of experience;

c) Considering that any Community aid policy enabling EEC shipyards to withstand competition from those of non-member countries, must have as a corollary the reduction of present distortions of competition between Member States arising from national aid systems;

d) Stressing that the aid system must be rapidly linked to a co-ordinated structural policy;

e) Considering that in the arrangements for the granting of aid account must be taken of any specific aid granted by local or regional authorities of Member States.

1. Approves the proposal for a directive subject to amendments to the 12th and 13th paragraphs of the preamble and to Articles 1, 3, 4 and 5, as indicated in the text reproduced below ⁽¹⁾;

2. Instructs the EEC Commission to make a report on the implementation of the directive within one year of its coming into force;

3. Invites the EEC Commission to encourage Member States to work out structural programmes be co-ordinated, as well as to communicate to its Internal Market Committee the progress made in reducing distortions of competition between Member States and the difficulties encountered in this field;

4. Notes that the EEC Commission has recognized that in the case of aid to EEC shipyards for the construction of vessels of under 3 000 tons, the provisions of Article 92 and 94 of the Treaty are to remain applicable;

[...]

⁽¹⁾ The amendments are in italics.

Proposal for a Council directive instituting a Community aid system designed to offset distortions of competition in the international shipbuilding market ⁽¹⁾

12th paragraph of the preamble:

Whereas, in this respect, the need for Community protection from distortions of competition in the international market may at present be assessed at 10% of the true value of the ship; that the field of application should be confined to large, ocean-going commercial and fishing vessels;

13th paragraph:

Whereas it is desirable, given the different systems operated at the present time in the Member States, to establish an appropriate procedure for fixing the detailed arrangements whereby these aids may be granted;

⁽¹⁾ See Supplement to Bulletin 5-65.

and whereas these arrangements should take into account any specific aid granted by local or regional authorities in the Member States;

Has adopted the present directive :

Article 1

To offset distortions of competition on the world market for new ships, a system of aids granted by the Member States from their own funds shall be instituted for Community shipbuilding.

On any order covered by Article 2, the Member States shall grant aid amounting to 10% of the true value.

Article 3

2. (new paragraph).

Arrangements for granting aid must take into account any specific aid granted by local or regional authorities in the Member States.

Article 4

Paragraph 3 deleted.

Article 5

2. At latest on the entry into force of the present arrangements, each Member State adjust its national aids to shipbuilding in such manner *that they are in conformity with the provisions of Articles 1 and 3 above.*

Resolution concerning the survey of the social situation in the Community in 1964 contained in the Eighth General Report

The European Parliament,

Having regard to the survey of the social situation in the Community in 1964 contained in the Eighth General Report.

Convinced of the need for Community social policy to take into account the profound changes taking place in the social order of the peoples and pay special attention to social security, education, health and the creation of a modern infrastructure;

Welcomes the EEC Commission's move to introduce a medium-term policy, and reiterates that harmonization in social matters must play its rightful part in such a policy;

Urges the EEC Commission in collaboration with Member States to introduce short- and long-term measures designed to reduce the ever-widening gap between the development of certain regions and that of the Community as a whole; and also draws the attention of the Commission to the difficulties being experienced in certain branches of industry;

Expresses the hope that in the formulation of regional policy full consideration will be given to the social aspects, and urges that priority be given to dealing with disparities between regions as regards employment, income and other important matters;

Considers it essential in this context for the EEC Commission to supply more precise information on the drift from rural areas in its next survey;

Recalls that the text and statistics on the trend of incomes are to be improved in the surveys appended to future General Reports, and requests the Commission to make a study of the incomes pyramid in each of the six countries;

Expresses its anxiety over the trend of prices in the Community and requests the EEC Commission to continue to pay close attention to price trends in its next survey of the social situation;

Regrets that the Member States have still not given effect to Article 119 concerning equal pay for men and women workers;

Recalls its earlier recommendation that the professional organizations of workers and employers should participate in the development of the Community;

Hopes that the new provisions governing social security will soon be adopted by the Council and that their possibilities will be fully exploited by the Commission and Member States;

Considers that it would be useful to study the development of the economic and social structure of the EFTA countries and compare it with the situation in the EEC;

Approves the EEC Commission's efforts to improve training facilities for young people and adults — in the agricultural field as well as in others — by short- and long-term measures;

Recommends that the Commission should examine what action has been taken by Member States as a result of the Council's decision concerning the general principles of a common vocational training policy.

Regrets that as regards social benefits it is still not possible to speak of any progress towards European harmonization, and recommends wider discussions on such questions of social policy between Member States, the Commission and both sides of industry;

Urges that the social policy of Member States be based more firmly on Community criteria;

Reiterates that the Commission still has many tasks before it as regards harmonizing the arrangements of Member States to give old people a fitting place in society;

Recommends the establishment of close links between social policy, social science and social practice, and considers it important that collaboration between Member States on this matter be improved;

Approves the EEC Commission's activity in the sphere of family policy and considers it essential to make studies of the many aspects of work for women with family responsibilities;

Urges most strongly that national efforts in the sphere of industrial health and safety be co-ordinated in order to avoid divergences

of development and consequent duplication, and considers it essential that the relevant department of the Commission should have adequate means to perform its task;

Recommends that Member States be asked to adopt the first European list of occupational diseases and that in one of its coming surveys of the social situation the Commission produce statistics on accident frequency and the incidence of occupational diseases;

Recalls, in the matter of low-cost housing, its previous resolutions concerning surveys of the social situation, and urges the EEC Commission to pay special attention to the fact that it has become more difficult to determine the percentages of low-cost housing construction of the member countries;

Urges the framing of a European social policy which will help to endow the rapidly changing European industrial society with a stable and well-balanced social order;

Considers therefore that ever closer co-operation is essential between the EEC Commission, the Member States and both sides of industry;

Expresses satisfaction that the EEC Commission, in its survey of the social situation contained in the Eighth General Report, has adopted numerous suggestions made by the Social Committee.

Resolution concerning the recommendation of the Parliamentary Committee for the EEC-Greece Association dated 16 July 1965 relating to the second Annual Report of the Council of Association

The European Parliament,

[...]

I

1. Expresses its satisfaction with the outcome of the work done by the Parliamentary Committee for the EEC-Greece Association and with that Committee's co-operation with the Council of Association, the Greek Government, the Council of Ministers and the EEC Commission.

II

2. Endorses the following resolution adopted in Berlin on 16 July 1965 by the Parliamentary Committee for the EEC-Greece Association:

The Parliamentary Committee for the EEC-Greece Association, meeting in Berlin on 15 and 16 July 1965,

Having studied the second Annual Report of the Council of Association covering the period 1 November 1963 to 31 December 1964;

1. *Expresses* its satisfaction that trade between the Community and Greece has increased considerably during the period under review, particularly as regards Greek exports to the Community;

2. *Draws* the attention of the Council to the fact that, in spite of this increase, the deficit in the Greek balance of payments in relation to the Community has continued to

widen, and requests that, in the Council of Association's third Annual Report at the latest, the causes of this situation be analysed, in view of the regrettable effects that a continuation of this trend may have on the Association;

3. *Considers* it important that Greece should broaden the range of its exports, which at present consist of only a very few items;

4. *Considers* that it would be useful to co-ordinate Greek development plans with the EEC medium-term programme designed to adapt the orientation of the Greek economy to Common Market conditions;

5. *Notes* that discussions on the harmonization of agricultural policy have made some progress during the past year, without, however, reaching any final solution;

6. *Calls upon* the Council to harmonize Greek agricultural policy with that of the Common Market in two stages on the following lines:

a) The first stage will last until the establishment of the Community market organizations and of the various common prices, at which date the second stage will come into force automatically;

b) During the first stage Greece will set up autonomously and on its own responsibility the machinery of Community agricultural policy; moreover a trade settlement embodying new reciprocal preferences will be adopted;

c) From the beginning of the first stage a Greek representative will attend in a consultative capacity meetings of the various bodies concerned with common agricultural policy whenever such participation is desirable;

d) During the second stage Greece will progressively bring its agricultural policy

into harmony with that of the Community; from the beginning of the second stage the Community will automatically contribute on a gradually rising scale to a Greek agricultural fund, which will function concurrently with and on the same lines as the EAGGF; a representative of the EEC Commission will attend in a consultative capacity meetings of the administrative board of the fund in the same way as is provided in clause c);

e) In order to avoid difficulties if harmonization is not attained, a procedure for consultation on agricultural questions may be established and, during the transition period, a saving clause provided in favour of Greece;

7. *Stresses* that the harmonization of agricultural policies is in progress, the relevant measures must be directed towards the final goals of the Athens Agreement — the accession of Greece to the Community;

8. *Considers* it essential, in order to promote rapid economic expansion in Greece, for there to be an increase in private investment in the country and a larger measure of collaboration between Community and Greek enterprises; this would supplement the work of the Investment Bank, which, as can be seen from its annual report, continues to grant loans in a satisfactory manner.

III

3. *Calls upon* the Association Committee and the Parliamentary Committee for the EEC-Greece Association to follow closely the course of relations between Greece and the EEC within the framework of the Association, paying particular attention to problems of the Greek trade balance and balance of payments, industrialization policy and the harmonization of Greek and EEC agricultural policies.

Resolution on the expansion of trade between the EEC and the associated African States and Madagascar

The European Parliament,

Stressing the importance of trade between EEC Member States and the associated African States and Madagascar in accordance with the letter and spirit of the Association Convention signed at Yaoundé on 20 July 1963;

Having regard to the instability of prices for tropical agricultural produce and the persistent weakening of commodity prices;

Aware of the urgent need for diversification in the AASM in the agricultural and industrial spheres;

Having taken note of the report on this subject presented by M. Spenale on behalf of its competent committee, following the EEC Commission's report of 23 March 1965;

1. *Expresses* its satisfaction at the progress made during the past two years, and especially since the entry into force of the Association Convention, in expanding trade between the EEC and the AASM;

2. *Approves* the EEC Commission's studies on the possibilities of increasing consumption in the Community of AASM products, and urges that these studies be followed up by every possible practical measure such as the progressive reduction of specific taxes and the setting up of a permanent sales promotion organization;

3. *Considers* that the Community, as the world's largest importer of tropical products and as signatory of the Association Convention, has a duty to take steps, as far as lies within its competence, to set up a world trade organization for commodities, whether in the form of a general organization of markets or of a market organization for particular products;

4. *Urges* that the studies undertaken by the EEC Commission on the possibilities for industrialization in the AASM, co-ordinated on a regional basis, be pursued with the diligence befitting so important and difficult a task;

5. *Recommends* that a credit policy suited to the special conditions of investment in the AASM be drawn up and put into effect by the Community in conjunction with the AASM and their national Development Banks, in accordance with the spirit of the suggestions contained in the competent committees report.

6. *Hopes* that investment codes laid down at regional level will be brought in to supplement these measures in order to give the necessary guarantees to private investors;

7. *Requests* its President to transmit the present resolution and the relevant report to the EEC Council and Commission and also (for information) to the presidents of the parliaments of the Associated African and Malagasy States and to the members of the Association's Parliamentary Conference.

ASSEMBLY OF WESTERN EUROPEAN UNION

Recommendation 125

on Britain, the European Free Trade Association and the European Economic Community

(adopted by the Assembly on 16 November 1965 during the
Eleventh Ordinary Session)

The Assembly,

Noting that the breakdown of the EEC negotiations on agriculture on 30th June and the position taken by President de Gaulle at his press conference of 9 September 1965 have made it more urgent than ever for the countries of EFTA and EEC to discourage disintegrative tendencies in Europe and take positive action to promote the unity of Europe;

Regretting the consequences of the French Government's decision to break off discussion within EEC on the application of the principles of the Treaty of Rome;

Convinced that the unity of Europe can best be promoted by extending the membership of the Communities to those States wishing to join,

Recommends that the Council

Invite the member governments actively to promote forms of co-operation between the two groups which will encourage European unity;

Invite the member governments to examine anew the difficulties which stand in the way of creating a wider and integrated Europe,

And calls on the Council of Ministers

To propose to EEC and EFTA, the early appointment and exchange of permanent Commissioners charged with the task of developing and harmonizing the activities of each group.

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 15 November and 10 December 1965

EUROPEAN PARLIAMENT

Written questions and replies

N° 29 de MM. Graziosi et Sabatini à la Commission de la CEE. Objet: Centres laitiers (No. 29 by M. Graziosi and M. Sabatini to the EEC Commission: Dairy-produce centres)	No. 201	25.11.65
N° 35 by M. Bergmann à la Commission de la CEE. Objet: Contrôle médical des travailleurs exposés à des risques particuliers (N° 35 by M. Bergmann to the EEC Commission: Medical supervision of workers exposed to special hazards)	No. 208	10.12.65
N° 46 de Mme Strobel à la Commission de la CEE. Objet: Développement de l'industrie du tourisme (No. 46 by Mme Strobel to the EEC Commission: Development of the tourist industry)	No. 208	10.12.65
N° 52 de M. Vredeling à la Commission de la CEE. Objet: Taxe sur les agrumes importés des pays tiers (No. 52 by M. Vredeling to the EEC Commission: Charge on citrus fruits imported from non-member countries)	No. 208	10.12.65
N° 53 de M. Vredeling à la Commission de la CEE. Objet: Compensation de l'augmentation de certaines taxes sur les huiles minérales (No. 53 by M. Vredeling to the EEC Commission: Compensation for increases in certain taxes on mineral oils)	No. 208	10.12.65
N° 58 de M. Vredeling à la Commission de la CEE. Objet: Concours du Fonds européen d'orientation et de garantie agricole pour l'année 1964 (No. 58 by M. Vredeling to the EEC Commission: Aid by the EAGGF for 1964)	No. 208	10.12.65

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Règlement n° 159/65/CEE des Conseils, du 26 octobre 1965, portant modification du règlement des Conseils fixant le régime pécuniaire des membres de la Cour de justice (Regulation of the Councils No. 159/65/CEE of 26 October 1965 amending the Regulation of the Councils fixing the salary scale of the members of the Court of Justice)	No. 195	17.11.65
Règlement n° 160/65/CEE du Conseil, du 15 juin 1965, portant modification du règlement n° 63 du Conseil fixant le régime pécuniaire des membres de la Commission (Council Regulation No. 160/65/CEE of 15 June 1965 amending Council Regulation No. 63 fixing the salary scale of the members of the Commission)	No. 195	17.11.65
Règlement n° 161/65/CEE de la Commission, du 17 novembre 1965, fixant un montant supplémentaire pour les œufs entiers séchés (Commission Regulation No. 161/65/CEE of 17 November 1965 fixing an additional amount for whole dried eggs)	No. 197	18.11.65

Règlement n° 162/65/CEE de la Commission, du 17 novembre 1965, modifiant le règlement n° 149/64/CEE en ce qui concerne le régime des prélèvements applicables au lait en poudre (Commission Regulation No. 162/65/CEE of 17 November 1965 amending Regulation No. 149/64/CEE as regards the system of levies on powdered milk)

No. 198 19.11.65

Règlement n° 163/65/CEE de la Commission, du 19 novembre 1965, portant modification du règlement n° 99/65/CEE fixant les modalités d'application de l'article 11, paragraphe 2, du règlement n° 23 relatif à l'organisation commune des marchés des fruits et légumes (Commission Regulation No. 163/65/CEE of 19 November 1965 amending Regulation No. 99/65/CEE which lays down procedure for applying Article 11(2) of Regulation No. 23 on a common organization of the market in fruit and vegetables)

No. 200 20.11.65

Règlement n° 164/65/CEE de la Commission, du 9 décembre 1965, fixant un montant supplémentaire pour les œufs entiers séchés et diminuant les montants supplémentaires pour les œufs entiers liquides ou congelés ainsi que pour les jaunes d'œufs séchés (Commission Regulation No. 164/65/CEE of 9 December 1965 fixing an additional amount for whole dried eggs and reducing the additional amounts for liquid or frozen whole eggs and dried egg yolks)

No. 208 10.12.65

THE COUNCIL

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Consultation et avis du Comité économique et social au sujet d'une proposition de directive du Conseil concernant la réalisation de la liberté d'établissement et de la libre prestation des services pour les activités non salariées relevant du commerce de détail (groupe ex 612 CITI) [Reference to the Economic and Social Committee of a proposed Council directive introducing freedom of establishment and freedom to supply services in respect of self-employed persons engaged in retail trading activities (Group 612 ISIC)]

No. 199 20.11.65

Consultation et avis du Comité économique et social au sujet d'une proposition de directive du Conseil relative aux modalités des mesures transitoires dans le domaine des activités non salariées relevant du commerce de détail (groupe ex 612 CITI) [Reference to the Economic and Social Committee of a proposed Council directive on transition measures regarding self-employed persons engaged in retail trading activities (Group 612 ISIC)]

No. 199 20.11.65

Consultation et avis du Comité économique et social au sujet d'une proposition de directive du Conseil fixant les modalités de réalisation de directive du Conseil fixant les modalités de réalisation de la liberté d'établissement et de la libre prestation des services dans les activités forestières non salariées et d'une proposition de modification du programme général du Conseil pour la suppression des restrictions à la liberté d'établissement (Reference to the Economic and Social Committee of a proposed Council directive on procedure for introducing freedom of establishment and freedom to supply services in respect of self-employed persons engaged in forestry, and of a proposed amendment to the Council's General Programme for the abolition of restriction on freedom of establishment)

No. 205 7.12.65

Consultation et avis du Comité économique et social au sujet d'une proposition de directive du Conseil concernant la réalisation de la liberté d'établissement et de la libre prestation des services pour les activités non salariées relevant des « services personnels »;

1. Restaurants et débits de boissons (groupe 852 CITI)

2. Hôtels meublés et établissements analogues, terrains de camping (groupe 853 CITI) [Reference to the Economic and Social Committee

of a proposed Council directive on implementation of freedom of establishment and freedom to supply services in respect of self-employed persons performing "personal services" in

1. Restaurants, cafés, taverns (Group 852 ISIC)
2. Hotels and the like, camps (Group 853 ISIC)]

No. 205 7.12.65

Consultation et avis du Comité économique et social au sujet d'une proposition de directive du Conseil relative aux modalités des mesures transitoires dans les domaines des activités non salariées relevant des « services personnels » :

1. Restaurants et débits de boissons (groupe 852 CITI)
2. Hôtels meublés et établissements analogues, terrains de camping (groupe 853 CITI) [Reference to the Economic and Social Committee of a proposed Council directive on transition measures in respect of self-employed persons providing "personal services" in:
 1. Restaurants, cafés, taverns (Group 852 ISIC)
 2. Hotels and the like, camps (Group 853 ISIC)]

No. 205 7.12.65

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Décision de la Commission, du 27 octobre 1965, portant prorogation de huit décisions, prises en application de la décision du Conseil du 4 avril 1962, autorisant certains Etats membres à percevoir des taxes compensatoires sur les importations de certaines marchandises résultant de la transformation de produits agricoles, en provenance d'autres Etats membres (Commission Decision of 27 October 1965 extending the term of validity of eight decisions, taken in implementation of Council Decision of 4 April 1962, authorizing certain Member States to impose countervailing charges on imports from other Member States of certain goods made by the processing of agricultural products)

No. 193 15.11.65

Décision de la Commission, du 27 octobre 1965, portant nouvelle prorogation et modification de sa décision du 6 novembre 1964, autorisant la perception de taxes compensatoires sur les importations en République française de chocolat et de confiseries et préparations comportant du cacao ou du chocolat, sans liqueur alcoolique, en provenance de certains Etats membres (Commissions Decision of 27 October 1965 further extending and amending its Decision of 6 November 1964 authorizing the French Republic to impose countervailing charges on imports from certain Member States of chocolate and confectionery and preparations containing cocoa or chocolate, but not alcohol)

No. 19 15.11.65

Décision de la Commission, du 5 novembre 1965, portant fixation des prix franco frontière pour les échanges avec les pays tiers dans le secteur du lait et des produits laitiers (Commission Decision of 5 November 1965 fixing the free-at-frontier prices for trade with non-member countries in milk and milk products)

No. 193 15.11.65

Décision de la Commission, du 19 octobre 1965, portant octroi à la République italienne d'un contingent tarifaire pour certaines pommes de terre de semence (Commission Decision of 19 October 1965 granting a tariff quota to Italy for certain varieties of seed potatoes)

No. 194 16.11.65

Décision de la Commission, du 19 octobre 1965, autorisant la République fédérale d'Allemagne à suspendre partiellement la perception du droit sur les tomates (Commission Decision of 19 October 1965 authorizing the Federal Republic of Germany to reduce temporarily the duty on tomatoes)

No. 194 16.11.65

Décision de la Commission, du 19 octobre 1965, portant octroi au royaume des Pays-Bas d'un contingent tarifaire pour les oranges amères ou bigarades (Commission Decision of 19 October 1965 granting a tariff quota to the Netherlands for bitter or Seville oranges)	No. 194	16.11.65
Décision de la Commission, du 19 octobre 1965, portant octroi à la république fédérale d'Allemagne d'un contingent tarifaire pour les oranges amères ou bigarades (Commission Decision of 19 October 1965 granting a tariff quota to the Federal Republic of Germany for bitter or Seville oranges)	No. 194	16.11.65
Décision de la Commission, du 19 octobre 1965, portant octroi au royaume de Belgique et au grand-duché de Luxembourg d'un contingent tarifaire pour les oranges amères ou bigarades (Commission Decision of 19 October 1965 granting a tariff quota to Belgium and Luxembourg for bitter or Seville oranges)	No. 194	16.11.65
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Décision de la Commission, du 23 novembre 1965, portant octroi d'un contingent tarifaire à la république fédérale d'Allemagne pour certains vins rouges naturels de raisins frais, destinés au coupage (Commission Decision of 23 November 1965 granting a tariff quota to the Federal Republic of Germany for certain natural red wines of fresh grapes, for blending)	No. 204	4.12.65
Décision de la Commission, du 29 novembre 1965, autorisant la république fédérale d'Allemagne, à suspendre partiellement à l'égard des pays tiers ses droits de douane applicables aux vaches vivantes de boucherie de l'espèce bovine, des espèces domestiques, de la sous-position ex 01.02 A II (Commission Decision of 29 November 1965 authorizing the Federal Republic of Germany to reduce temporarily customs duties on imports from non-member countries of live slaughter cows of the bovine species (domestic species), ex Heading 01.02 A II)	No. 208	10.12.65

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Approbation de projets et programmes financés par le Fonds européen de développement (Approval of projects and programmes financed by the European Development Fund)	No. 208	10.12.65

General information

Avis de concours n° CEE/635/A (un administrateur) [Notice of competitive examination No. CEE/635/A (administrative officer)]	No. 196	18.11.65
Appel de candidatures pour des postes de stagiaires (Call for candidates for trainee posts)	No. 201	25.11.65
Avis de concours n° CEE/708/A (un directeur) [Notice of competitive examination No. CEE/708/A (director)]	No. 203	1.12.65
Avis de concours n° CEE/707/A (un chef de division) [Notice of competitive examination No. CEE/707/A (head of division)]	No. 203	1.12.65
Avis de concours n° CEE/692/L (réserve de traducteurs-réviseurs) [Notice of competitive examination No. CEE/692/L (reserve of translator/revisers)]	No. 203	1.12.65
Avis de concours général (Notice of open competitive examination)	No. 204	4.12.65

THE COURT OF JUSTICE OF THE EUROPEAN COMMUNITIES

Communications

Radiation de l'affaire 77-63 (Case 77-63 struck off)	No. 208	10.12.65
Radiation des affaires jointes 42-65, 43-65 et 45-65 (Consolidated cases 42-65, 43-65 and 45-65 struck off)	No. 208	10.12.65
Demande de décision préjudicielle contenue dans l'arrêt de la Cour d'appel de Paris, rendu le 7 juillet 1965, dans l'affaire Société technique minière contre société Maschinenbau Ulm GmbH (Affaire 56-65) [Request for interlocutory ruling submitted on 7 July 1965 by the Paris Court of Appeal <i>in re</i> "Société technique minière" <i>v.</i> the company "Maschinenbau Ulm GmbH" (Case 56-65)]	No. 208	10.12.65

B. Issues of the agricultural supplement to the official gazette containing the tables appended to the Commission's decisions fixing cif prices, premiums to be added to levies, the amounts to be added or deducted in computing refunds for cereals, and free-at-frontier cereal prices :

Supplement No. 45 of 24 November 1965

Supplement No. 46 of 1 December 1965

Supplement No. 47 of 8 December 1965

C. Recent publications of the European Community ⁽¹⁾

Non periodical publications

8167

Basic facts of the common organization of the market in pig meat.
1965. 48 pp. (f, d, i, n, e). Free

8173

Address by M. Jean Rey, Member of the Commission of the EEC, to the Assembly of Western European Union in Paris on 15 November 1965.
1965. (f, d, i, n, e: *in preparation*). Free

8174

Réalisations et perspectives de la politique sociale de la CEE (discours prononcé par le Professeur L. Levi Sandri, vice-président de la Commission de la CEE et président du groupe affaires sociales devant le Parlement européen, Strasbourg le 24 novembre 1965) [Achievements and prospects of social policy in the EEC (address by M. Levi Sandri, Vice-president of the Commission with responsibility for social affairs, to the European Parliament, Strasbourg, 24 November 1965)]

1023

Exposé sur l'évolution de la situation sociale dans la Communauté en 1964 (joint au « Huitième rapport général sur l'activité de la Communauté » en application de l'article 122 du Traité) (Report on the development of the Social Situation in the Community in 1964 — appended to the "Eighth General Report on the Activities of the Community" in pursuance of Article 122 of the Treaty)

1965. 310 pp. (f, n; d, i: *in preparation*). Price: 10s. 9d; \$1.50; Bfrs. 75

STUDIES — Transport Series

8146

No. 1 — Options in Transport Tariff Policy.

1965. ± 206 pp. with index (f, d; i, n, e: *will appear in January-March 1966*). £1. 8s. 6d; \$4.00; Bfrs 200

Periodical publications

4002

Notes and Graphs on the Economic Situation in the Community.

Monthly. No. 11/65. Three bilingual editions: e/f, d/n, f/i. Price per issue: 11s. 0d.; \$0.50; Bfrs. 25. Annual subscription: £1.16s. 0d; \$5.00; Bfrs. 250

CEE Informations. Marchés agricoles. Echanges commerciaux. (EEC Information. Agricultural Markets. Trade).

Bi-monthly. No. 1 December 1965. (f/d/i/n). Limited distribution

(1) The abbreviations after each title indicate the languages in which the documents have been published: f = French; d = German; i = Italian; n = Dutch; e = English.

CEE Informations. Marchés agricoles. Prix. (EEC Information. Agricultural Markets. Prices.)
Bi-monthly. Nos. 18 and 19/65. (f/d/i/n). Limited distribution

5002

Bulletin des acquisitions. Bibliothèque de la Commission de la CEE. (List of recent additions.
Library of the Commission of the EEC.)
Monthly. No. 11/65. Limited distribution.

D. Publications by the joint services of the three Communities

Joint Information Service

Publications by offices in capital cities:

Bonn: Europäische Gemeinschaft No. 12, December 1965

The Hague: Europese Gemeenschap No. 77, December 1965

Paris: Communauté européenne No. 12, December 1965

Rome: Comunità Europea No. 12, December 1965

London: European Community No. 12, December 1965

Washington: European Community No. 87, December 1965

Other publications:

Comunidad europea No. 6, December 1965

Statistical Office of the European Communities

General Statistical Bulletin — No. 12/1965

Statistical Information — No. 4/1965

Commerce extérieur: Statistique mensuelle — No. 12/1965 (Foreign Trade: Monthly Statistics)

Foreign Trade: Standard Country Classification 1966

Associés d'outre-mer: Statistique du Commerce extérieur — No. 46/1965 (Overseas Associated Areas: Foreign Trade Statistics)

Statistiques industrielles — No. 4/1965 (Industrial Statistics)

Statistiques agricoles — No. 5/1965 (Agricultural Statistics)

Statistiques de l'énergie — No. 6/1965 (Energy Statistics)

Sidérurgie — No. 6/1965 (Iron and Steel)

Statistiques sociales: série spéciale — « Budgets familiaux » — n° 1 — Luxembourg (Social Statistics: special series — "Family Budgets" — No. 1 — Luxembourg)