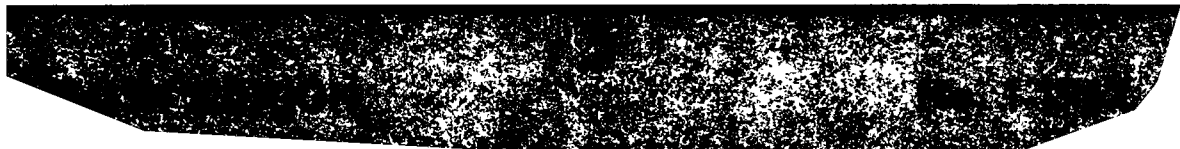


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# **BULLETIN**

of the European Economic Community

EXECUTIVE SECRETARIAT OF THE COMMISSION  
OF THE EUROPEAN ECONOMIC COMMUNITY



# Contents

	Page
European transport policy: from co-operation to integration	5
I. Community solidarity on the Italian disaster	10
II. The tasks ahead. Address by the President of the EEC, Professor Walter Hallstein, to the joint meeting of the European Parliament, the Councils and the Executives of the European Community, Strasbourg, 28 November 1966	15
III. Joint meeting of the Institutions	21
IV. Internal activities	28
Establishment of a single market	28
Competition	30
Free movement of persons	32
Economic and financial affairs	33
Common agricultural policy	39
Common transport policy	48
Social policy	49
V. External activities	52
GATT	52
Bilateral relations	52
EFTA	54
Common commercial policy	55
VI. The Community and the associated States	56
Greece	56
Turkey	56
European Development Fund	57

VII. Institutions and organs	61
The European Parliament	61
The Council	62
The Economic and Social Committee	63
Administrative affairs	65
Miscellaneous	67
Annex: Resolutions of the European Parliament	72
Publications of the European Economic Community	78

# European transport policy : from co-operation to integration

Address by M. Lambert Schaus, Member of the Commission of the EEC  
to a meeting of the European Movement on 15 November 1966 in Rotterdam

(...)

The Treaty establishing the European Economic Community now confronts us with the obligation of complete integration. This extends to all markets. Above all, it is not limited to markets in goods but in particular includes services.

For the transport field the Rome Treaty first reproduced the obligation under the Treaty of Paris to safeguard the free movement of goods from protectionist practices in transport markets in the new setting. For years the Commission has been watching over compliance with the prohibition on freight discrimination and support tariffs. That this cannot be done without differences of opinion with the Governments is illustrated by the example of the exceptional tariffs in favour of the Saar economy which our German partners refer to as "als-ob" tariffs.

The Community institutions are, however, now also required to integrate the Member States' transport markets.

I would like to recall briefly the principles which have guided the Commission in its work on transport policy in the light of the Treaty provisions:

1. Transport policy must be an inseparable component of general economic policy. Transport integration may, therefore, not lag behind the other aspects of economic integration.
2. For transport as for other industries the economic frontiers between the Member States must be removed.
3. The common transport policy must be favourable to competition.
4. Transport undertakings, too, are producers. They must be able to earn an adequate income for themselves and for their personnel.

Transport users are consumers like any others. They have a claim to optimum satisfaction of their requirements.

5. Community and State intervention in the transport economy must be consonant with the market. It must not impair technical progress and must encourage social progress.

So far no one — least of all the Commission — has postulated that European transport can be integrated in accordance with these principles in one operation. In our 1961 Memorandum on the general lines of a common transport policy and in our 1962 Action Programme it can be seen that the Commission considers

it necessary to implement the common transport policy step by step. These demands have never been contested in the subsequent discussions in the Council, the European Parliament or the Economic and Social Committee. The differences of opinion concern only the content or the timing of one or other measure — never the principle of step-by-step advance.

In particular, the Action Programme for the common transport policy provided for a time-table for harmonized measures in the different specific fields of transport integration. The Council subsequently discussed this very detailed plan for several months without, however, coming to any decision.

The Commission's idea of drawing up a transport policy time-table was later translated into fact, at least for two partial sectors.

The 1965 decision on the harmonization of certain provisions influencing competition in rail, road and inland water transport sets a firm and binding programme of work for the Community institutions and the Member States. This decision is to be regarded as a completion and materialization of the basic provisions of the Treaty on common transport policy.

The Commission has fulfilled the obligations which have so far fallen to it by reason of this decision. Four implementing proposals are before the Council and others will follow in due course. However, the Council has not yet translated any of these projects into law — not even the 1964 proposal for the abolition of double taxation on road transport.

The other matter for which a time-table exists concerns infrastructure costs. So far the Council has issued two decisions for a comprehensive survey. It will not be possible, however, to respect the time-limits set. We will therefore have to look for interim solutions. The Council recognized this in its decision of 20 October 1966. The Commission will give its opinion on this point at the next Council meeting.

Finally, the idea of action limited in time and object was also reflected in the Council agreement of 22 June 1965 on the organization of the Transport market:

Not only has the understanding finally reached on the principles of the common rates policy been incorporated into a calendar, but the agreement also provides a time-table for the solution of a number of other essential transport integration questions without, however, going into so much detail as for rates policy. I will mention only the arrangements for access to and exercise of road and inland water transport professions. I would also like to point to the problem of the rules of competition. Indeed, the agreement once again emphasizes expressly that the time-table for the harmonization decision, which was in any case binding, should continue to be applied.

If the Council wishes the problems of capacity and rules of competition to be solved within three years of the entry into force of the new tariff systems, its definite premise was that this should be done in the light of the initial results of this new rates system. Since the 1965 agreement, the Council and the Commission have also worked with this aim in view and their special concern here is to have the tariff regulation approved soon.

Thus the Commission's starting point has always been that the basic lines of the agreement of 22 June 1965 would have to be implemented as regards both matters of substance and time-table. I will come back to details in a few moments.



The latest state of transport policy consultations in the Community may give unprejudiced observers the impression that 1 January 1958, the day the Rome Treaty came into force, was only yesterday. It almost looks as though the intention is to begin the whole tiresome discussion over again from the start.

Have we not sufficiently talked — I would even say wrangled — about the problems of principle of transport integration for years on the basis of our Memorandum and our Action Programme?

Have not twelve regulations, directives and decisions of the Council to implement the common transport policy become valid Community law since 1960? — a comforting aspect not to be forgotten. I have already spoken of some of these measures.

Has the Commission not proposed seven further regulations and two further directives, of which some at least are wide in scope? The first of these nine proposals dates from as far back as 1962. The Parliament and the Economic and Social Committee have already given opinions on five of them. Yet none has been passed. According to the Treaty of Rome the ball is now in the Council's court.

In one case the Council has even agreed already on the issue: The directive on the establishment of a Community quota and the alignment of bilateral quotas for road haulage between Member States was to have come into force on 1 January 1966. The final text is still in a drawer.

The Council could then not see its way to agree to the form of capacity control for goods traffic by road between the Member States proposed by the Commission and departed widely from the latter's ideas. If today it puts the idea of capacity control in the foreground, the question inevitably arises whether our proposal of 1963 for the partial field of international road transport of goods would not have already settled the problem.

In the consultations about the directive for the unification of weights and dimensions of commercial vehicles only the troublesome question of axle loads remains unsolved. We hear no more about endeavours by the Governments of Member States to seek bilateral transitional solutions for this problem. We are now faced with the question of whether the solution should not perhaps be made part of the arrangements on infrastructure costs.

In the rates policy field the Commission, very rapidly after the Council agreement of June 1965 on the organization of the transport market, submitted amendments to its original proposal on the introduction of a rate-bracket system in goods transport by rail, road and inland waterway. As it had already told the Council when the agreement was reached, it had thus respected to the letter its rights and duties under the Treaty.

In this framework the Commission found itself justified in envisaging, even for the field in which reference tariffs are to operate, temporary minimum and maximum tariffs as an interim solution. If this proposal cannot now be accepted by the Council, the Council and the Commission will have to look for another approach.

However, it must first be insisted that such a special protective clause should not change anything in the basic principles of the reference tariffs. In agreement with the European Parliament and the Economic and Social Committee we are,

however, of the opinion that even for the formation of reference tariffs criteria are necessary, at least for so long as the conditions of competition still diverge. However, we also believe that this price formation system calls for certain safeguards, particularly in countries where familiarity with the machinery of free price formation in transport has long been lost.

This problem could therefore be partly solved if the Council would clear up the question of the application of rules of competition to the tariff field as rapidly as possible. Agreements, decisions and concerted practices restricting competition and also the abuse of dominant market positions would thus largely be ruled out.

The relevant proposal for a Commission directive has already been before the Council for more than two years. In its agreement of June 1965, the Council started from the point that it would also deal with this proposal further. However, hardly anything has happened meanwhile, if we leave aside the fact that last year the time-limit for the non-application of general cartel law to transport was extended.

As things stand at present the question in any case remains open of how ruinous competition can be prevented where the necessity arises. For this purpose also a whole range of substitute solutions to our proposal of that time can be imagined — even if they now lie in the field of capacity control or in the wording of the general safeguard clause. However, I will also point to the possibility of issuing special orders on rates for individual firms or imposing penalties on them. The point here would be that such special safety measures should be subject to a Community procedure, so that the Community rates system cannot be undermined. The Commission is at present examining the possibilities indicated here.

These are all questions which we may not evade and the same applies to many other problems. We cannot be satisfied with merely noting our divergences. What is needed is hard and tough negotiations on the substance of the matter — on many separate questions. Day and night, if it cannot be done otherwise, so that we finally reach our goal.

The Council has now called on the Commission to submit proposals on freedom of establishment in goods transport and inland waterways. This does not find us unprepared.

On 22 June 1966 the Commission set out in detail for the Council its ideas on capacity control in inland waterways. It suggested replacing the plan of an international union for the navigation of the Rhine (UNIR); by a system more in keeping with the market.

We consider it politically undesirable and of questionable legality that a "Rhine navigation community" or something of the sort should develop outside the European Economic Community. Co-operation with Switzerland can be arranged in the framework of the Treaty of Rome.

For reasons of competition policy and on legal grounds we must refuse a system of compulsory membership. Such structures simply do not fit into the concept of a free economic order.

Quite apart from the fact that such a perfect cartel would very considerably restrict competition, compulsory and undifferentiated laying-up of tonnage must have the effect of largely eliminating considerations of profitable operation.

Finally, the isolated, competition-restricting arrangement for Rhine shipping under the UNIR plan would lead to faulty allocations.

As soon as the Council has given its opinion on the ideas developed in the Commission's communication the latter will also work out a draft directive with all possible speed.

Preparatory work on a pertinent proposal for road haulage is in full swing in the Commission's departments.

With the best will in the world I cannot imagine that the continuation of the Council's work on transport policy should depend solely on the submission of these new proposals and possibly also on their handling in the European Parliament and the Economic and Social Committee.

As you know, the Commission has absolutely no objection to a package deal. We have only to agree what we wish to understand by this term.

This is not too difficult when we remember how in the field of agricultural policy over several years we have tied up one package after another.

We must agree on the basic lines of overall transport policy. This was already the aim of the Commission's 1961 Memorandum.

We should also draw up a realistic time-table for the most important transport-policy decisions. The Commission's 1962 Action Programme already aimed at doing this.

However, the Council cannot hold up its decisions until all essential proposals for the implementation of the common transport policy are available. This would be a package deal in the wrong sense of the word.

The Council must group the proposals according to subject and then agree to them in the light of the general concept in a certain order of priority — one packet after the other.

This is the only practical way. It will prevent loss of time and economic disadvantages. Only by it can we finally arrive at our goal.

(...)

# I. Community solidarity on the Italian disaster

With the floods which devastated northern and central Italy in autumn 1966, causing over 100 casualties, laying waste towns and villages, destroying an enormous amount of livestock and affecting thousands of acres of arable land, important sections of the Italian economy were severely stricken. In view of the immensity of this catastrophe, the institutions of the Community have declared the latter's solidarity with the afflicted member country. As the President of the Parliament said, "Europe shares the sorrow of those who have had to suffer measureless hardships; the work of men has been impaired, work which has formed part of our common heritage for a long time now." As for the destruction of art treasures and libraries, it should be remembered that they belong to all mankind and that their loss is felt by everybody, "for our civilization is reflected in them".

Community aid to Italy is set out in the declaration and decisions quoted below. It will take the following forms:

- i) Authorization to suspend customs duties, and tariff quotas for materials to restore the economy of the devastated areas;
- ii) Recognition of compatibility with the Treaty of the assistance given to these areas by the Italian Government;
- iii) Assistance from the European Agricultural Guidance and Guarantee Fund (10 million units of account from the EAGGF in 1966 and 1967);
- iv) Help for flood victims (15 million units of account allocated from the Social Fund);
- v) Loans from the European Investment Bank with rebate on interest.

## Declaration of the Commission

On 1 November the Commission made a declaration on the steps to be taken by the Community to help to remedy the consequences of the Italian floods.

The Commission intends to present to the Council proposals to repair the damage caused by the floods in Italy and facilitate resumption of normal economic activity in the devastated areas and, within its sphere of competence, to take every appropriate measure to this end.

It will receive with the favour any requests from the Italian Republic for suspension of customs duties or the grant of tariff quotas and authorization of any necessary measures of the same purport relating to agricultural products subject to common market regulations. In accordance with Article 92(2b) of the Treaty of Rome, it

deems compatible with the Common Market the assistance granted by the Italian Republic to remedy the damage caused by the recent catastrophe. Furthermore, it will give favourable consideration to longer-term assistance schemes aiming to promote the resumption or conversion of the economic activities of the distressed areas. It is desirable that the governors, directors and management of the European Investment Bank should be invited to promote, as far as their respective competencies allow and by granting supplementary financial assistance on the easiest terms, the execution of plans to restore the production apparatus of the afflicted areas.

### The Council's decision

Opening the meeting of 24 November 1966, M. de Block, the President of the Council, expressed on his own behalf and on that of his colleagues the solidarity and deep sympathy of the Community for the Italian Government and the victims of the floods which had so seriously afflicted Italian agriculture and the economy in general, works and communications and art treasures, some of which had been irretrievably lost. These were irreparable losses not for Italy alone but for the whole of Europe and the world of culture.

M. Restivo, Italian Minister of Agriculture, having thanked the President of the Council and the President of the Commission for their words of sympathy, described the effects of the recent catastrophe on economic and social life in certain regions of his country.

The President of the Commission then communicated to the Council the above-mentioned declaration. He submitted proposals for regulations concerning repair of the damage.

The Council decided to refer the Commission's proposal to the Parliament by urgent procedure. Furthermore, it took the following decision:

"The Council of the European Economic Community,

Having received the Italian Government's communication on the disastrous floods which have afflicted a large part of its territory and have caused damage of exceptional magnitude;

Having taken note of the statement by the President of the Commission on the measures which the Commission intends to take within the scope of its competences and on the proposals it has already submitted to the Council or which it proposes to transmit to the Council in the near future, with a view to a Community contribution towards relief for the distressed areas;

Wishing to demonstrate the Community's solidarity towards the people of these areas,

Has decided to take the most appropriate measures in the different fields falling within the Community's competence with a view to bringing rapid and effective aid to these people;

Has decided to arrange for immediate examination of the proposals which have been, or will be, submitted by the Commission, in particular with regard to agricultural and social matters in order that the most urgent decisions may be taken at its meeting of 6 December 1966 (1);

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(1) See below the first regulation adopted.

Requests the European Investment Bank to grant aid on the easiest terms towards schemes for the restoration of production in the distressed areas."

### Debate in the European Parliament

Opening the session on 28 November 1966, the President of the Parliament spoke of the immense extent of the losses and damage caused by the floods, and a minute's silence was observed in memory of the victims. By urgent procedure, the proposals submitted by the Commission to the Council and referred to the Parliament were placed on the agenda for the next day.

On 29 November 1966, M. Luns, President of the Council, M. Hallstein, President of the Commission and M. Lapie and M. Margulies, on behalf of the High Authority and Euratom, then made statements to which M. Oliva, the Italian Under-secretary of State for Foreign Affairs, replied. On the proposal of M. Pleven, and after speeches by the spokesmen of the political groups, the Parliament adopted a resolution which read in part: "The Parliament, deeply affected by the catastrophe which has overtaken several regions of Italy and has grieved the whole European Community, requests the Council of Ministers and the EEC Commission to take every possible step — particularly through the instrumentality of the EAGGF — to help the stricken inhabitants and to promote the rapid recovery of economic activity in the devastated areas."

The debate on the Commission's proposal for a regulation of the Council dealing with a contribution from the EAGGF to the repair of the destruction in Italy was held on 1 December 1966. The discussion was based on an oral report made by M. Vredeling and a statement by M. Boscary-Monsservin. The resolution expressed satisfaction that the Commission and the Council had reacted at once, looked for further Community action, recalled the principle of Community responsibility towards handicapped regions, considered the proposal under consideration as a first step and requested the Commission to present a report on the situation and on the action considered necessary, within three months of an inventory of the damage being drawn up by the Italian Government <sup>(1)</sup>. The speakers emphasized that they were agreeing to a proposal that was very modest compared with the magnitude of the problem solely because much broader action was to be considered in the longer term. M. Lückner and M. Sabatini concurred in this and the latter also expressed his country's gratitude. In a short reply on behalf of the Commission, M. Mansholt promised that the latter would make precise proposals, involving measures to be taken over a longer period, on the basis of the report the Italian Government was to make on the extent of the damage.

### Solidarity of the Economic and Social Committee

At the opening of the meeting of the Economic and Social Committee on 29 November 1966, M. Major, the chairman, and the leaders of the professional groups expressed their distress, stemming from deeply sincere Community considerations, at the floods which had recently afflicted so many regions of Italy, and the solidarity in this emergency of all branches of European industry and sections of the population.

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<sup>(1)</sup> See extracts from the resolution appended to this Bulletin.

The members of the Committee offered their unanimous support to the competent Community authorities for any measures they believed would effectively help the devastated areas.

Speaking on behalf of the Italian members, M. Germozzi, Vice-chairman of the Economic and Social Committee, expressed his heartfelt gratitude for this further proof of the European spirit with which all the Committee's action was imbued.

**Council regulation on a contribution of the EAGGF towards relief, adopted on 7 December 1966**

"The Council of the European Economic Community,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 43 thereof;

Having regard to the Council's Regulation No. 25 on the financing of the common agricultural policy (1);

Considering that the damage suffered by agriculture is, in many cases, so serious that the farmers are unable to remedy it by their own efforts;

Considering that the Community has decided to give, within its various spheres of competence, swift and effective relief to the inhabitants of the devastated areas;

Considering that an appropriate means of doing this is to make grants from the European Agricultural Guidance and Guarantee Fund, Guidance Section,

Has decided (2) that a sum of 5 million units of account for the year 1966 (accounting period 1964/65) and 5 million units of account for the year 1967 (accounting period 1965/66), to be drawn from the Guidance Section of the European Agricultural Guidance and Guarantee Fund, will be assigned to the financing of the measures provided for in paragraph 2. It shall be employed according to the procedure laid down in the following articles.

This sum is a contribution, for the years 1966 and 1967, towards the restoration and improvement of:

- i) production conditions in agriculture or in agricultural undertakings;
- ii) establishments for the marketing or processing of agricultural products needed in the regions of Italy stricken by the floods of October and November 1966.

The Italian Republic shall remain a beneficial claimant to sums available in the Guidance Section of the Fund under the conditions in force and on the same footing as the other Member States."

Article 2 of the regulation sets out the conditions under which the EAGGF grants assistance.

"The following special conditions governing assistance to be given by the Fund have been laid down in pursuance of paragraph 2 of the first article:

- a) The project must contribute towards economic recovery in the agricultural sector, bearing in mind the need to increase productivity in agriculture, in accordance with Article 39 (1 a) of the Treaty, or to improve outlets for agricultural produce;

(1) Official gazette No. 30, 20 April 1962.

(2) Ibid., No. 229, 10 December 1966.

b) In the case of a given project:

i) subsidies to be granted by the Fund may not exceed 45% of the investment made;

ii) the beneficiary of the reconstruction or improvement carried out must participate in the financing; this financial participation must amount to at least 20% if the reconstruction or improvement concerns establishments for the marketing or processing of agricultural products;

c) The Italian Republic shall participate in the financing of the project.

Concerning the assistance to be given by the Fund in pursuance of the first article, paragraph 2, the following procedure is laid down:

a) Requests for assistance may be made to the Commission at any time but not later than 31 October 1967;

b) The Commission shall take all necessary steps to ensure that a decision is made on every individual case not later than six weeks after receiving the data required for such a decision."

#### **Proposal for assistance to flood victims from the Community's Social Fund**

On 24 November 1966, the Commission laid before the Council a proposal on arrangements for Community assistance to flood victims.

The Italian Republic will be granted Community aid of up to 50% of the expenditure incurred by this Member State and its statutory bodies to provide assistance, of the kind listed hereinafter, to persons in paid employment or self-employed persons affected by the floods experienced in certain regions of Italy in autumn 1966:

i) Assistance to provide with a certain income persons whose professional activity has been temporarily reduced or interrupted;

ii) Assistance to repair damage sustained by these persons or to promote the resumption of their normal activity;

iii) Assistance to those who have been obliged to leave their homes, either temporarily or permanently, to compensate them for the cost of travel, removal and setting up house again.

This Community assistance will only be granted to defray expenses incurred between 10 November 1966 and 10 May 1967 inclusive. The aggregate assistance will not exceed 15 million units of account.

In order to implement these arrangements, the Commission has submitted to the Council a draft financial regulation which, by means of a transfer from one Head of the budget to another, provides for the setting aside of a sum of 15 million units of account from the appropriations for the European Social Fund.



## II. The tasks ahead

Address by the President of the Commission of the EEC  
Professor Walter Hallstein  
to the joint meeting of the European Parliament,  
the Councils and the Executives of the European Community  
Strasbourg, 28 November 1966

My reason for speaking today is to put before you a few of the main points of our future work. It will not, of course, be an exhaustive list. Work is going forward in all fields. If, therefore, I do not speak expressly of such matters as cartel policy, right of establishment, harmonization of legislation or association policy — which, I may say, is functioning with great vitality and increasing effect, from the institutional angle as from others — this does not mean that further intensive work is not going on in all these spheres or that the Treaty is not being applied.

When choosing the essential points on which to concentrate our efforts, we have to keep in mind two important Community dates: the first is 1 January 1970, the end of the transitional period, and the other 1 July 1968, the date for the completion of the customs union and of the common agricultural policy.

In developing our programme of work, the first date that needs to be kept in mind is 1 July 1968.

We all know that customs union and agricultural policy will be able to function completely only if between now and that date a great number of further measures are taken in good time. We also know — the Council of Ministers itself expressly laid this down on 11 May — that the Community's aim is to eliminate all obstacles to trade, that it cannot remain a mere preference area, simply a customs union. The internal market field, "Operation 1 July 1968", is therefore the first area on which our work must concentrate.

With the common agricultural policy, harmonization of the turnover tax systems and the beginnings of common action in economic policy, the Community is already far advanced in the sphere of economic union. Here too further advances are a matter of urgency so that once the customs union and the common agricultural policy as a whole are functioning, we shall have achieved a part of the Community which is coherent in itself. This, then, is the second area on which we must concentrate.

In the year 1968, then, a first major phase of the Community's development will be ended. This phase will also serve as the basis for yet further steady, dynamic progress towards economic unity. How technically successful, how complete is the execution of the tasks involved will be decisive for much in the future of the Community. It is therefore only logical that, in considering the further development of the Community, we should accept a certain limit in time and concentrate on the relatively short period between now and 1968.

It is in any case not very easy at this stage to form a detailed picture of what the last part of the transitional period will be like. True, we all know the tasks with which we shall be faced as integration of markets advances. The implementation of what has already been decided and planned but not yet fully put into practice will, however, mean that from 1968 onwards the economic landscape in Europe will be

substantially different. When therefore we stress particular tasks for the last lap of the transitional period, we will be on firm ground if we have first clarified our ideas on the first eighteen months.

Let us then concentrate for today on the urgent, practical tasks which face us now, in the present phase of the Community's development, and let us do everything to solve these topical problems as far as possible in a Community spirit and in a way that meets the inherent needs of each case. We shall find a number of priority matters to be dealt with in the immediate future; I would like to touch on them one by one.

1. The first is our "Operation 1 July 1968", with which we have to establish freedom of movement for goods. This breaks down into three parts:

a) The unification of customs law and customs administration;

b) Work on the removal of the other obstacles to trade, for instance those which stem from differences in technical regulations between one Member State and another. The resultant limitations on the free movement of goods hinder the development of mass production which is one of the aims of the Common Market;

c) Work on the removal of frontier controls.

2. The situation is somewhat different in connection with the removal of tax frontiers. We must immediately concentrate on this too, although here we must reckon with somewhat more distant time-limits than 1968. As you know, the problem arises from the turnover tax and the taxes on consumption. We already know what has to be done in the case of turnover tax: first the systems, and later the rates, will have to be harmonized. We hope that the Council will pass the first two directives, in conformity with the time-table, by 31 January 1967. Of the taxes on consumption, some will be absorbed into the general system of added-value taxation, some will have to be harmonized, others again may be allowed to continue without harmonization because of their limited importance.

3. The liberalization of capital movements laid down in the Treaty is not keeping up with the advances made by the Community in other fields. As we all know, the proposal for what is known as the "third directive", a proposal put forward by the Commission years ago, has not yet been adopted by the Council. Meanwhile, it has become clear that country-by-country arrangements are not good enough. A European economy of greatly enlarged dimensions requires on the contrary a European capital market geared to its needs. This would make possible a more rational use of savings, provide better financing facilities for firms and avoid the distortions of competition which result from differences in financing facilities.

4. On the common trade policy I would like to go into some detail. I would like to state clearly that on this issue no sweeping judgment is possible. Very careful distinctions must be made if we are to gain an accurate picture of the tasks still outstanding and of what has already been achieved.

For agricultural trade policy a new, we could almost say a fundamentally new, situation has arisen because the Community has now autonomously established a complete system for its external trade in farm products. The second and no less significant step is the Community's offer to bind these trading arrangements in GATT. Both have been taken on an entirely Community basis. Only the import arrangements for farm products from the countries of the Eastern bloc will still have to be adjusted

to the fully unified agricultural market which will soon be an established fact and which will mean that separate import arrangements by individual Member States will no longer be possible.

Within the policy on trade in manufactured goods, customs policy has been put on an entirely Community footing. Both decisions on internal matters and the conduct of trade negotiations are Community matters, as the world has been able to see for some years now in connection with the Kennedy round. What is still unsatisfactory is that there is no unified Community position on occasions like the UN Conference on Trade and Development, although in the field of preferential tariffs, for instance, the Community alone is in a position to negotiate. This discrepancy between the material possibilities and the representation of the Community on such occasions merits our close attention.

The Community still has important tasks to accomplish in connection with other import arrangements. Here there are two closely linked fields on which we shall have to concentrate our future efforts.

Formally, at least, the Member States can still today decide autonomously on the trade liberalization measures they have introduced. However, as the free circulation of goods within the Community becomes a reality, this formal right loses its material significance. Community lists of liberalized imports will in consequence have to be adopted. This is particularly the case for our relations with GATT countries, from whom after all we draw 95% of our imports. Today we still face practical problems only in connection with a few products from the low-price countries.

In our trade with the Eastern bloc countries, too, there are clear signs of a trend towards increasing liberalization and away from a strictly quantitative limitation of imports.

Here too, then, Community liberalization lists are needed.

The placing of liberalization on a Community basis calls for corresponding action to place quotas and the other special commercial protective measures on the same basis. To differing extents, and essentially for reasons of protection, the Member States still maintain import quotas today. These quotas have become predominantly instruments of industrial and economic policy and no longer serve to increase the negotiating strength of the State. A twofold task therefore confronts us:

National measures of protection for products or economic branches which are of only local importance and cannot be adopted by the whole Community must be eliminated. This will in many cases be possible only after certain internal measures, for example aids to reorganization and restructuring, have been put through. We will therefore have to give this matter, too, our attention.

Where, on the other hand, individual products or branches of the economy need to be protected throughout the Community, the nature of the protection to be given must be laid down, a decision being taken case by case as to whether customs duties, quotas or protective clauses are to be used. Not only any customs duties involved but an other protective instrument will have to be given a Community character — if only because the normal instrument of protection, the customs duty, has already long been on a Community basis.

These are the advances which are necessary in the field of common commercial policy. On the basis of the Council resolution of 11 May we hope soon to see results.

5. The common transport policy still lags behind general economic integration to a disquieting extent. True, the Council has agreed to a few Commission proposals, but nine important submissions on transport policy have not so far been dealt with.

In the summer of 1965, the Council reached agreement on the basic lines for a common policy on transport rates, and it is now particularly urgent that the relevant regulation should be adopted.

The Commission will soon submit further proposals, particularly proposals for controlling capacity in road haulage and inland waterways transport.

Probably we will soon have to adopt the system of simultaneous decisions for different groups of problems in the transport field also. Even so, a choice must of course be made; not all essential proposals on transport policy can be decided on simultaneously. But in any case transport, like other sectors, must from 1 July 1968 keep up with integration.

6. General economic policy gains in importance as the frontiers between our national economies fall. As you know, the Treaty provides that it shall be co-ordinated and aligned. This co-ordination must now be tried out seriously.

The programme for a medium-term economic policy which the Commission communicated to the Council in the spring, and which we will shortly discuss in the Council of Ministers, is not merely an attempt to work out an orderly economic programme for a number of years. Another major purpose which it serves is to co-ordinate the policy of the Member States at least in their basic lines, for instance on public investment, employment policy, regional policy, structural measures, and the use of taxation to influence production and demand. Governments should no longer work out economic policies independently of each other and on entirely divergent lines; action should be taken to ensure community of purpose.

We will not stint our efforts in these matters, with all of which you will be dealing on Wednesday, when Madame Elser's report is discussed.

The call for a common short-term economic policy is now somewhat less pressing. The opening of the markets has in fact made the pattern of trade more flexible. At present, however, it would appear as though an almost automatic economic balance between the Member States is being brought about as a result of economic integration.

This is none the less deceptive. We can at best hope for such semi-automatic compensation between the economies while we are in the present intermediary stage, where the markets are not yet fully integrated and different economic trends can still occur in the various countries. We will, however, soon be in a position where the economy moves forward in step throughout the Community. Inflationary or deflationary swings can then, as they become stronger, spread immediately to the whole Community.

The confrontations of national economic policies in the different Community committees and the recommendations on short-term economic policy which the Council makes on the basis of proposals put forward by the Commission undoubtedly have their value. If, however, a common economic line is to emerge, in particular when imbalances are threatening, the Council of Ministers must take action. It must be in a position to decide on short-term economic policy proposals submitted by the Commission, and these decisions must guide the Governments in the treatment they apply to current economic developments. The whole procedure has to be rapid and effective. We must soon endeavour to make progress in this direction.

Finally, we will have to occupy ourselves more than hitherto with the problems facing individual branches of industry. The emergence of the Common Market, with consequent changes in conditions of siting and competition, rapid economic growth and the structural changes resulting from it, unification of the remaining sectors of economic policy and, finally, the rapid pace of technological development have already made State intervention in favour of particular sectors the order of the day. Here again there are two points on which the Community's work should concentrate:

First, there are the economic branches which are experiencing difficulties and structural crises.

Secondly, there are the branches of production which are the pace-makers in technological development. Action could be taken to co-ordinate State aids and State orders. The Parliament has already discussed this matter on 18 October.

7. In social policy we now have, in addition to the promotion of close co-operation between Member States throughout this field as required by Article 118 of the Treaty, three special tasks to solve:

Under the rules of the Treaty workers must by 1 July 1968 be granted complete freedom of movement; this will require a further regulation. The balance of the Community's development would suffer if the customs union were not accompanied by the free movement of manpower which contributes to maximum employment.

Next, new rules must be introduced for the co-ordination of social security systems for the self-employed. These should simplify the situation, so that the persons concerned obtain their benefits more easily and more rapidly.

Thirdly, the Commission will spare no efforts to improve the Social Fund in the light of the lessons so far learned. The Fund must be adapted more closely than hitherto to economic and social developments. As I have already said, the Community will have increasingly to deal with difficulties in the future. Among these, retraining and redeployment of manpower will play an important role, and here the Social Fund is an indispensable instrument.

8. In business, the role played by legal persons is even greater than that of natural persons. So far there is no unified body of law covering these legal persons, but the need for such a law will grow as a unified European economic area emerges. This is why the Commission has been giving consideration to the form that would be suitable for a "European company" which, along with the co-ordination of company law in the member countries — and this has lost none of its urgency — would be a solution consonant with the requirements of our times. Establishment of such a form of company would give effective assistance with the restructuring of undertakings called for by competition within the Community and the growing competition from without.

A unified economic area also requires a common patent law which, through one legal instrument, would provide comparable protection throughout the whole territory. Since 1962 the preliminary draft of a Convention has been before the Member States for consideration.

The Council resolution of 11 May holds out hopes of progress in both these fields.

In the next two years, then, the Community will need to produce highly specialized work in various fields. Only if we concentrate all our strength on these questions will we be able to fulfil the programme I have attempted to outline here. The

attainment of complete freedom of circulation for goods — with tax frontiers still tolerated, it is true, for some time to come — further work on common policies, and a stronger attack on the problem of co-ordination within the Community will therefore be the mainsprings of our advance during the stage of economic integration which lies before us.

The ultimate aim of economic integration continues to be unification of the six national economies in a European economy. Economic integration is at the same time one element in political unification and a constant invitation to the Member States to complete their political unification. The concentrated work on the problems I have dealt with today is therefore a contribution to this political unification. It is a concrete contribution, one which can be made directly and immediately. I call on the Parliament and on the Council of Ministers to unite their forces with ours to achieve these aims.

### III. Joint meeting of the Institutions

The annual joint meeting between the European Parliament, the Councils, the EEC and Euratom Commissions and the ECSC High Authority, had as its subject this year: "Progress of the Community towards economic union and its future prospects". It took place at the session of the Parliament on 28 November 1966 and the introductory speech was made by the President of the Councils, M. Luns.

During the debate, in which a number of members took part, contributions were made by M. Hallstein, President of the EEC Commission and M. Carrelli, Vice-President of the Euratom Commission. M. Del Bo, President of the High Authority, who was unable to be present at the meeting on 28 November 1966, delivered an address on coal and steel problems at the meeting on 29 November.

#### The President of the Councils

The President of the Councils began by saying that he agreed with those who considered that the balance sheet showed more on the credit than on the debit side.

The third stage of the transition period had been reached as expected and the date for the completion of customs union had been set for 1 July 1968.

After a brief review of the nine years of the Community's activity, the President went on to illustrate by facts and figures the scale of the Community's work and the vigour of the enterprise on which it had embarked. He emphasized the considerable rise in the standards of living in the Community countries and the spectacular development of trade. Trade between Member States had in fact increased by 200% and trade with the rest of the world by 70% for exports and 77% for imports.

Moreover, very close relations had been established with Greece and Turkey, as well as with the 18 Associated African and Malagasy States. An association agreement had been signed with Nigeria. Trade agreements had been concluded with certain other states. Finally the Community was negotiating with countries such as Austria, the Maghreb States and three East African States and had just received an application for association from Israel. Finally, the President mentioned the statements made by the British Government concerning the EEC.

Doubtless many difficulties remained to be solved before a true economic union could be achieved. However, the regulations made already exceeded the scope of requirements for a mere customs union. By the very terms of the Treaty, which allowed of no half-measures, the journey must proceed.

By its nature the Community called for unflagging vigour and steady development. By its decision of 11 May 1966 the Council undertook to pursue a certain number of activities in the various fields specified by the Treaty.

Unlike customs union, which was basically a matter of operating the machinery provided in the Treaty, economic union was a continuously evolving organization embracing all the factors constituting a common, Community or at least a co-ordinated economic policy.

The President considered that economic union:

1. Comprised a certain number of measures to be introduced to ensure free movement of goods, persons and capital. To this end the Council, on the Commission's proposal,

had already begun work on harmonization of turnover taxes. In addition, work on the approximation of legislations of Member States should be continued to ensure the necessary fluidity in trade and to give the customs union its full significance.

2. Involved the application of the common policies stipulated for this purpose by the Treaty in agriculture, trade and transport.

3. Covered matters requiring increasingly close co-ordination in the action of Member States, for instance short-term and medium-term economic policy.

4. Constituted an answer to the specific problems posed by the very scale of the new economic area in process of creation (problems of the size of firms of scientific research). In these fields, the Community must seek solutions to common problems in conjunction with other European countries concerned.

The President of the Councils also suggested that the continuous evolution of economic union might call for some rethinking on the basic concepts of the Community as it developed. Obviously the economic and political situation of the 1970's would not be the same as that of 1957. Hence the necessity of a common energy policy now presented itself in new terms. Similarly new solutions needed to be found to problems of scientific and technological research, as well as in the development of industrial activities in the light of modern technology.

Intricate and difficult problems — problems involving a sometimes important political decision for each of the Member States — remained to be solved. In the President's view, the importance of this decision was such that the undertaking could not be completed without the support of a common political will of the Governments and at the same time the approval of the nations represented in the Parliament.

Finally, the President cited the problem of the merger of the Institutions as one of those of a political nature which it had not yet been possible to solve. Although the Treaty concerning the merger had now been ratified in the six countries, agreement still had to be reached on important matters before instruments of ratification could be deposited and the merger become a reality.

## The debate

While it is true that the Community has after nine years of activity achieved very significant results in particular in the implementation of customs union and in the formulation of a common agricultural policy, much work has still to be started, continued or completed to allow progress from mere customs union and to fulfil the Treaty of Rome in all its aspects. To do this necessitates decisions of fundamental importance to all the Member States and accordingly it is essential there should be a common political will. Does this will exist? Is it possible to achieve economic union without a consensus between Member States at least on the general lines of the policy to be followed, not only in the strictly economic sphere but also in the other spheres of activity of the States? Such were the main ideas expressed in the debate and the various speakers sought to give an answer to these questions. The specific problems raised by any particular speaker should therefore be seen in this context.



## General considerations

M. Illerhaus, for the Christian Democrat group, hoped that the same spirit which guided the Governments to define the common agricultural policy would be shown in all the spheres of competence of the Communities, so that the Council could intensify and speed up its work.

Among the sectors in which he considered Community action necessary and urgent, M. Illerhaus mentioned the removal of tax frontiers, which was essential for complete customs union, the defining of a common policy in the industrial sector, the co-ordination of short-term economic policies, the implementation of the first medium-term economic programme and the creation of a common policy in transport, energy and commerce. In the speaker's opinion, the common commercial policy should cover trade not only with GATT member countries but also with state-trading countries.

M. Apel, for the Socialists, declared that unless common regulations were quickly made on economic policy, the customs union itself could not truly exist, since national measures would be likely to neutralize the effects of integration. However it should be remembered that these common regulations might involve a loss of national sovereignty and a restriction of the power of Member States to act in matters of home and foreign policy. Even if that did not mean that common defence policy or foreign policy conceptions were a prerequisite for the development of economic union, they must bear in mind that such a union would impose more and more limitations on the political independence of Member States. Therefore the advantages and sacrifices of European integration must be fairly distributed not only among the different Member States but also among the various sections of European society.

It was true, said M. Apel, that no Member State could today reject European integration without serious consequences; if the road to economic union was not followed and if the various common policies were not implemented, the Community might gradually become devoid of all true meaning and slowly die out.

M. Armengaud, for the Liberals, said that the object of the Community was to merge the economies of the Member States with a view to creating a large economic and perhaps political entity, a "valid interlocutor" for the United States and the Soviet Union, which could form an effective prop for the Third World. The speaker considered that this objective was far from being reached, since in various spheres the activity of the Community had so far been inadequate. Among the problems which the Community had to solve, M. Armengaud mentioned the size that European firms should attain and the necessity of creating the "European company". The speaker also mentioned the problem of stabilizing prices for tropical products of the Association of African and Malagasy States, which was so far unsolved by the Council.

In conclusion, M. Armengaud urged that the common effort of the Six should be resumed more decisively and on a larger scale because unless Europe united it would remain in a state of inferiority compared with the great industrial powers of the world.

M. de la Malene, for the European Democratic Union, also stressed the number and complexity of the problems to be solved and the difficulties arising from differences of opinion between the Member States on many economic and political questions. Agreement between the Member States on common economic, social and political objectives was a prerequisite for progress towards economic union. The speaker deplored the fact that efforts to form a political union had been given up.

## Institutional problems

A number of speakers mentioned these problems. M. Blaisse (Netherlands, Christian Democrat) deplored a certain lack of balance between the institutions affecting not only the role of Parliament but also the position of the High Authority and the two Commissions.

He added that, because there had been talk for years of a merger of the Institutions and this had not in fact been done, the Commissions and the High Authority would take on the appearance of "an outgoing cabinet".

M. Apel stressed that progress should be made in institutional organization, although in his view this was not the only prerequisite for the implementation of a common economic policy.

M. Illerhaus and M. Blaisse hoped that the merger of the Institutions would take place at an early date. M. Illerhaus urged that the powers and independence of the single Commission should be fully safeguarded. M. Illerhaus also thought that the merger of the Institutions would go some way towards the merger of the Communities although the latter merger would only be acceptable to the Christian Democrats if it represented true progress towards European integration.

## Social policy

A number of speakers, in particular M. Troclet (Belgium, Socialist) and M. Sabatini (Italy, Christian Democrat) deplored the delays in the implementation of a Community social policy. No social problems had been discussed by the Council for a long time.

M. Troclet added that not only was the situation a source of discontent for European workers and trade unions but it had also come in for censure by the employers' organization (UNICE). UNICE had recently declared that the Community must concern itself with the social and cultural needs of migrant workers, studying attentively the migrations of workers and all the problems involved.

## Expansion on the Community

The problem of the Community's expansion, notably by the accession of Great Britain and other EFTA member states, was mentioned by a number of speakers. M. Apel declared that it was essential for the unity and the future of Europe that Great Britain and other Western European states wishing to join the Community should do so.

M. Blaisse also advocated that Great Britain and the Scandinavian countries should join, on the basis of the Rome Treaty. He also urged that the Community should adopt a decisive position regarding the accession of European countries and relations with non-European countries which were not destined to become full members of the Community.

M. de la Malene deplored the fact that, with political union not achieved, the problem of British accession arose now in terms of a technological rather than a political Community. He saw no objection to Great Britain's joining, provided of course that she first solved her own economic problems and that she moreover accepted the rules of the Community. Great Britain would also have to acknowledge the priority of

European problems and would no longer have to place Europe, the Commonwealth and the USA on the same level.

It should be realized, however, that if Britain and other European countries joined the Community it would change in character and become a commercial and industrial organization based on free trade and competition on a world scale.

### **Contributions by the EEC and Euratom Commissions and the ECSC High Authority**

M. Hallstein, President of the EEC Commission, gave details of the programme of work to be completed by 1 July 1968, the date for completion of customs union and the common agricultural policy.

The text of his speech is given in the foregoing chapter.

M. Carrelli, Vice-President of the Euratom Commission, wondered whether, once economic union was achieved, Europe would be able to seize all the opportunities offered it by a huge European market. In his view, this presupposed that European industry could keep pace with the extremely rapid rate of technological development.

M. Carrelli accordingly sought to demonstrate the necessity of effective action in scientific and technological research and he gave illustrations of the contribution which Euratom could make to the solution of the problem.

M. Del Bo, President of the ECSC High Authority, first explained the ECSC Council decisions at the session of 22 November 1966. He expressed the High Authority's satisfaction with these decisions as they represented advances which would probably prove decisive.

M. Del Bo added that economic union consisted in a continuous evolution and in the solution of problems often not foreseen when the Treaty was drawn up. Hence the work of ECSC was not directed exclusively towards the achievement of economic integration, but rather the implementation of an economic policy, more particularly an industrial policy on a European scale.

The speaker considered that the right answers to the problem could be found if all the Community institutions played their part as they should and if the Member States showed their solidarity.

### **Reply from the President of the Councils**

Replying to the debate, the President of the Councils began by saying that certain criticisms had been levelled at the Councils. He realized that these criticisms arose chiefly from the idealistic loyalty to Europe of all the members of the Parliament, who wished to see the Communities develop more rapidly and more vigorously. One of the criticisms made by a number of speakers had been that Community development showed a certain lack of balance.

M. Luns replied that the decisions made by the Councils on 11 May 1966 was designed to encourage a balanced development of the Community and that there were therefore good hopes that in future progress could be made in the various fields.

Concerning the common commercial policy, the President pointed out that in practice the fundamental problem to be solved was that of a common policy towards state-trading countries and low-wage countries. These accounted for only 10% of the EEC's export trade. However, he acknowledged that the general lines of a common commercial policy had not yet been determined by the Community and hoped that it would be possible to do this soon.

The President moreover recalled that the world situation was changing and that, for instance, contacts with the Eastern European countries were being increasingly sought, even by the United States. Such a development was bound to give a practical turn to the Community's work and policy.

From a more general point of view, the President replied to the fundamental question put by a number of speakers, namely whether there existed among the Member States the political will to carry out the Treaty in full. The President declared that although it was difficult to make forecasts, he believed that this will did now exist. One proof was the fact that after the crisis the Community continued on its way with its fundamental interests unharmed.

In the President's view, it was now impossible for a Member State to deviate from the Community's decisions, which had created such close links between their economies. The President therefore thought that it was in fact possible to implement the Treaty and that the will to do this existed in all the Member States at least as far as very broad fields of activity were concerned.

On the question of majority voting in the Council raised by M. Battista, M. Luns said that he was aware of the reservations expressed by some speakers concerning the deliberations of the Council on the matter. However, he was glad to be able to state that majority decisions had been made by the Council on a number of occasions.

On the multilateral negotiations in GATT, in reply to M. Apel who criticized the inadequacy of the Community's offers, M. Luns pointed out that the exigencies of the negotiation had to be taken into account. If during the negotiations there were better offers from non-member countries than from the Community, the Community could improve its offers in order to keep a fair balance.

The President said he was convinced that all the Member States were resolved to bring these negotiations to a successful conclusion, and he expressed the hope that the Council would be able to make positive decisions on this matter.

Regarding the increase of Community imports from the Associated African and Malagasy States, a question raised by M. Armengaud, the President said that the Community system was one of a free economy and that consequently the Member States had only limited scope for action in this matter. Nevertheless this had not prevented the Community from accepting a proposal made by the AAMS for studying means to improve the marketing of tropical products from the associated States. It was moreover not true that the Council had rejected any system of price stabilization; on the contrary, it had agreed to assist in the stabilization of prices of oilseeds originating in the AAMS.

On the problem of associations of other countries with the Community or their accession, M. Luns told M. Blaise that though the Council had not yet adopted a general policy on association, one member country, Italy, had pressed for a study of this matter, and the Council was to discuss it in December.

In the President's personal opinion, however, each case of association raised its own problems and it would therefore be difficult to work out rules applicable to all cases, though it might be possible to adopt certain guidelines of a very general order.

As to Britain's joining the EEC, the President could not share the misgivings of M. de la Malene, who thought that this would be likely to "dilute" the substance of the Community. The President recognized that serious problems would have to be solved first, but he did not think that there were any basic obstacles to British membership.

A number of speakers had deplored the absence of a common energy policy. M. Luns sided with those who believed that economic union necessitated a common energy policy. Two problems had to be solved in this connection, namely, an orderly regression in the production of coal and means of assuring the Community's energy supply at reasonable prices.

The measures taken or contemplated by the Community should fit into a common policy which could be defined when the Communities were merged. M. Luns gave a reminder that the Member States were committed to this by the 1964 Protocol.

M. Luns replied to M. Trochet and M. Sabatini who had expressed concern at the delay in matters of social policy.

The President agreed that the Council had been slow, but said that the Council was to devote a session on 19 December to the examination of these problems, which had moreover been raised in a memorandum submitted by the President's office.

M. Luns expressed the hope that there might be progress in the social sector and suggested that all members of the Parliament should take steps in their respective national Parliaments to press for decisions by their governments.

In a closing speech, the President of the Parliament said that the mood of the joint meeting had been constructive, though certain critical observations had been made since criticism was the essence of the Parliamentary system. He tendered his warm thanks to the President of the Councils.

## IV. Internal activities

### ESTABLISHMENT OF A SINGLE MARKET

#### Customs matters

##### Tariff quotas

1. On 9 November 1966 <sup>(1)</sup>, the Commission, acting under Article 25(3 and 4) of the Treaty, increased from 115 tons to 215 tons the tariff quota granted to the Belgo-Luxembourg Economic Union for crabs of the "King", "Hanasaki" and "Kegani" varieties and shrimps of the "Pandalus Platiceros Japonicus" variety, simply boiled in water and skinned or shelled, whether frozen or not, for preserving (CCT heading ex 03.02 A I c 2), for the period from 1 April 1966 to 31 March 1967.

On 25 November 1966, the Commission, acting under Article 25(1) of the Treaty, proposed to the Council that a duty-free tariff quota of 535 000 tons be granted to the Federal Republic of Germany for imports of newsprint from non-member countries, for the year 1967 (CCT heading 48.01 A).

On 29 November 1966, the Commission, acting under Protocol XV to the Agreement on List G, decided to grant the following tariff quotas to certain Member States for the period from 1 January to 31 December 1967:

Member State	Tariff heading	Description of product	Quantity	Duty
Netherlands	79.01 A	Unwrought zinc	10 000 tons	nil
Germany	ex 79.01 A	Unwrought zinc, non-alloyed	50 000 tons	nil

##### Reduction of the common customs tariff

2. Following the second meeting of the Joint Committee set up under the EEC-Israel trade agreement, the Council adopted a decision <sup>(2)</sup> reducing the common customs tariff duty on dihydro-ethoxytrimethyl quinoline to 12.8% until 30 June 1967.

In addition, the representatives of the Governments of the Member States, meeting in the Council, decided <sup>(2)</sup> to reduce the customs duty on dihydro-ethoxytrimethyl quinoline to the level mentioned in the previous Council decision, where that duty is higher than the rate of the common customs tariff resulting from the said decision.

This decision is also applicable until 30 June 1967.

<sup>(1)</sup> See official gazette No. 213, 23 November 1966.

<sup>(2)</sup> See official gazette No. 218, 28 November 1966.

## Customs legislation

3. *Methods of administrative co-operation to ensure free movement of olive oil products within the Community.* On 9 November 1966, the Commission adopted a decision specifying the type of customs document that should be used for various products in the olive oil sector <sup>(1)</sup>.

The implementation of Regulation No. 136/66/CEE, which established a common organization of markets in oils and fats, poses a problem as regards the administrative methods that should be used in order to ensure free movement of the products concerned.

By its decisions of 5 December 1960 and 17 July 1962, the Commission instituted movement certificates (DD1 en DD2) for products subject to customs duties and a model DD4 movement certificate for products subject to agricultural levies. However, some of the categories of products covered by the regulation establishing a market organization for oils and fats are subject to customs duties, some to agricultural levies, and some to both customs duties and levies.

The Commission therefore had to specify what sort of document should be used for each of these three classes of products, and this it did by its decision of 9 November 1966.

### Measures having an effect equivalent to quotas [Art. 33(7)]

4. On 7 November 1966 the Commission, acting under Article 33(7) of the Treaty, adopted two directives <sup>(2)</sup> abolishing certain types of measures which have an effect equivalent to quotas.

The directives concern respectively:

i) The abolition of laws, regulations and administrative practices which make the importation of products from other Member States conditional on the exportation, purchase or sale of identical or different national products;

ii) The abolition of any difference in treatment between national products and product imported from other Member States by way of laws, regulations and administrative practices which prohibit the use of the said imported products and demand that national products be used, or which make any advantage conditional on such use.

Thus, from 1 February 1967, measures involving "coupling" or "compulsory incorporation" will be prohibited as between Member States.

### Common system for trade in egg albumin and milk albumin

5. Following a report presented by M. Dupont on behalf of the Agricultural Committee, the European Parliament held a debate on the EEC Commission's proposal to the Council for a regulation introducing a common system for trade in egg albumin and milk albumin. A resolution was adopted endorsing the Commission's proposal.

<sup>(1)</sup> See official gazette No. 210, 18 November 1966.

<sup>(2)</sup> Ibid., No. 220, 30 November 1966.

## COMPETITION

Application of the rules of competition: cartels and dominant positions

Regulation concerning block exemptions

6. On 26 August 1966 the Commission, acting in conformity with Article 5 of Regulation No. 19/65/CEE, published a draft regulation on the application of Article 85(3) of the Treaty to bilateral exclusive dealing agreements and concerted practices <sup>(1)</sup>, so that interested parties might express their views by 31 October 1966.

When the time-limit expired, the Commission had received 46 opinions:

11 from associations at Community level, 2 from Belgium, 9 from Germany, 7 from France, 7 from Italy, 7 from the Netherlands, 3 from non-member countries.

Two hundred points were made in these 46 opinions. The Commission will probably refer the revised draft to the Advisory Committee on Cartels and Monopolies in February 1967.

## Taxation

Standing Committee of Heads of Revenue Departments

7. The Standing Committee of Heads of Revenue Departments met in Brussels on 8 and 9 November 1966 under the chairmanship of M. Verloren van Themaat, Director-General for Competition.

The meeting was concerned mainly with the avoidance of double taxation in the EEC. It was agreed that a multilateral convention would be a suitable means of regulating this matter. However, the novelty of this method means that it is not yet possible to obtain a complete picture of its consequences, which arise chiefly from the very fact that the proposed convention is multilateral. The Working Party on International Tax Questions is to go into this particular aspect more thoroughly.

There was full discussion of the substantive content of the convention. The Working Party had already done the necessary preliminary work, and had drafted some of the articles of the convention, following the OECD model convention.

A number of problems that could not be solved at expert level were dealt with by the Heads of Revenue Departments; these included several specific items such as definition of "permanent establishment", treatments of dividends received from subsidiary companies, royalties, interest and dues.

Some of the problems still outstanding were thus clarified.

Harmonization of excise duties

8. The Working Party on indirect taxes other than turnover taxes met in Brussels on 14 and 15 November 1966 to consider fiscal problems in the Member States concerning wine and spirits.

<sup>(1)</sup> See official gazette No. 156, 26 August 1966, and Bulletin 9/10-66, Ch. V, sec. 6.



The Working Party examined the tax systems applicable to wines of over 14° in Germany and to natural sweet wines and liqueur wines in France, differences in alcohol content in Italy, and the tax system for Benelux wines.

It was found that some of these systems have a considerable effect on agriculture, and that in certain cases they provide an instrument of government policy in agricultural matters. These agricultural requirements should therefore be taken into account when the various tax reductions are abolished.

The Working Party also discussed the problems raised by the alcohol monopolies. It felt that in the modification of these monopolies account would also have to be taken of the future common agricultural policy with regard to alcohol.

## Approximation of legislation

### Water

9. A representative of the Commission was present as an observer at a meeting of the special panel of experts which was arranged by the Economic Commission for Europe (UNO) and held in Geneva from 7 to 11 November 1966 to consider the economic problems involved in the campaign against water pollution. The differences in costs which the industries of the Member States bear for the purification of water have an effect on competition. The experts studied the legal situation in the member countries of the Economic Commission for Europe, including the EEC countries, the effect which the various factors connected with water purification have on costs, and the additional steps that might be taken in this field at the international level.

### Technical obstacles to trade

10. The Working Party on Technical Obstacles to Trade (various products) held its 13th meeting on 21 and 22 November 1966. The following points were on the agenda:

i) Examination of two draft laws notified by the German Government in response to the Commission's recommendation to the Member States of 20 September 1965 <sup>(1)</sup> that legal provisions which they are planning to adopt should be notified to the Commission while still in draft form when they concern the fields in which the Commission has decided to effect a harmonization of present arrangements by means of a directive or regulation.

The first of these drafts concerned industrial appliances. The aim of the new provisions is to safeguard the users of a large number of appliances by generalizing the official system of technical rules which is already in force in Germany for electrical equipment and under which responsibility is transferred to the manufacturer or importer.

The second draft concerns weights and measures and their verification, and has a special section dealing with pre-packed goods from this angle.

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(1) See official gazette No. 160, 29 September 1965, and Bulletin 12-65, Ch. III, sec. 8.

The experts held a broad exchange of views and the Commission, thus informed, will let the German Government have its comments on the two drafts in the light of the Treaty's provisions.

ii) Examination of the draft directive on the approximation of legislation concerning types of crystal glass.

#### Opinion of the Economic and Social Committee

11. At its session of 29 and 30 November 1966, the Economic and Social Committee rendered its opinion on the proposed Council directive on the approximation of the legislation of Member States concerning permitted colouring in branded pharmaceuticals.

The Committee considered that in pursuance of Article 100 of the Treaty the directive should be extended to medicinal preparations in general. If this were not done, the harmonization that the directive was intended to achieve would increase the disparities, in national legislation, between branded pharmaceuticals and other medicinal preparations. It was in the interests of public health that the directive should be extended to other medicaments.

The Committee also suggested that the proposed directive should provide for compulsory consultation of the profession should the Annexes be amended, i.e. the list of colouring matters, and list 3 (purity standards to safeguard public health).

### FREE MOVEMENT OF PERSONS

#### Freedom of establishment and freedom to supply services

#### Opinion of the Economic and Social Committee

12. On 30 November 1966, the Economic and Social Committee rendered an opinion on the proposals for two Council directives concerning freedom for farmers who are nationals of one Member State and established in another (a) to have recourse to credit facilities and (b) to join co-operatives.

The Committee endorsed the Commission's proposals. On the first proposal, it emphasized that the distinction that the General Programme makes between credit and aid was liable to prevent the implementation of the measures advocated. The Committee therefore urged that farmers who were nationals of other Member States be allowed to avail themselves of the various forms of aid as soon as possible; this would mean that the time-table fixed by the General Programme would have to be speeded up.

At the same meeting, the Economic and Social Committee rendered its opinion on the proposed Council directives relating to the removal of restrictions on freedom of establishment and freedom to supply services in a self-employed capacity for:

- i) Certain transport auxiliaries and travel agents,
- ii) Warehousemen,
- iii) Customs agents;

and on certain transitional measures in this field.

The Committee endorsed these proposals, but recommended that the measures laid down in Article 3 of the first proposal be reinforced, especially where the activities of customs agents were concerned (extension of the period of professional activity to be recognized as sufficient proof of knowledge and fitness).

The Committee also pointed out that the measures to co-ordinate national rules on access to certain professions could only be taken within the framework of the common transport policy.

## ECONOMIC AND FINANCIAL AFFAIRS

### Budget Policy Committee

13. The Budget Policy Committee held its 5th and 6th meetings on 7 and 28 November 1966 respectively, with M. Marzano in the chair. The Committee examined the Member States' draft budgets for 1967, and rendered an opinion addressed to the Council and the Commission. It also held an exchange of views on its working methods and programme, and took note of a number of studies which it has asked the group of alternates to undertake.

### Panel of experts on consumer surveys

14. The panel of experts on consumer surveys met in Brussels on 24 and 25 November 1966. It drew up in final form the joint questionnaire to be used in the forthcoming survey. The questionnaire will cover the following points:

#### a) General business climate

Development of the general economic situation during the last few months and in the next few months;

Development of consumer prices during the last few months and in the next few months;

Opinion on the present situation as regards the employment of workers.

#### b) Income and saving

Level of total household incomes, divided into three groups: low, medium and high;

Development of the financial situation of households during the last few months and in the next few months;

Comparison between the trends of prices and incomes;

General question on the desirability of saving.

#### c) Expenditure

A series of questions will be asked with regard to the following durables:

Car

Refrigerator

Washing machine

Television

Radio and/or tape-recorder and/or record-player

Cooking stove

Vaccum cleaner and polisher

Carvan and/or boat and/or photographic equipment.

The replies will show whether the household possesses certain of these items, and if so when they were bought and whether the household is intending to acquire one or more others in the near future.

The household will also be asked whether it is intending to incur substantial expenditure for the equipment of the home.

*d)* Specific questions

These will concern the profession, age and sex of the head of the household, the composition of the household, and the size of the commune.

*e)* Particular questions relating to the Common Market.

The experts will meet again on 20 and 21 February 1967. The agenda will include final preparation of the common programme for a consumer survey.

### Panel of experts on medium-term economic forecasts

15. In connection with the preparation of a second draft medium-term economic programme, the Commission convened a new panel of experts which met on 23 Novembre 1966; like its predecessor this panel will examine economic forecasts. The chairman is M. de Wolff, a former Director of the Netherlands National Planning Office and a professor at the University of Amsterdam.

M. Marjolin, Vice-President of the Commission, underlined the importance of the role the experts are to play in working out the Community's future programme.

The panel then discussed and agreed upon the broad lines of its programme of work.

### Petroleum and natural gas

16. The senior government officials concerned with petroleum and natural gas met in Brussels on 25 November 1966 under the chairmanship of M. Marjolin, Vice-President of the Commission.

They discussed the problems of security of petroleum supplies and sales policy for natural gas. In addition, they instructed the Panel of Experts on Petroleum and Natural Gas to continue their studies on the exploitation of the Community's resources of hydrocarbons.

The experts also met on 25 November, when they received a report from the working party on customs value, set up to consider arrangements for applying the CCT duties on petroleum products in a uniform way throughout the Community.

The panel also discussed the progress made by the small working party set up to study measures taken by the Member States to promote oil exploration and production.

### **The problem of oil pipelines from the angles of energy and transport**

17. The panel of experts on this subject, composed of experts from the Ministers of Economic Affairs and Transport of the six countries, met on 28 November 1966 under the chairmanship of M. Albert, Director in the Directorate-General for Economic and Financial Affairs.

It studied two papers submitted by the Commission's staff: one on competition between pipelines and other modes of transport, and the other on the special legal features and the economic effects of the "common carrier" principle applied in the United States, and the possibility of applying this principle in the Community.

### **Prospects for the development of a European capital market**

18. The panel of experts set up by the Commission in 1964 to study the problems involved in the implementation of the Treaty as regards the functioning of capital markets in the Community approved the draft report which had been presented by the chairman and the secretariat. The report, which was transmitted to the Commission, examines the bases and conditions for the development of a European capital market, the structural problems common to the Member States' market, and the present links between those markets. It also considers the conditions under which instruments of economic policy can be effective in an integrated market, the conditions for the enlargement of credit channels (industrial credit, housing credit, and loans to local authorities), the structural problems of the markets in fixed-interest securities and equities, and problems connected with the functioning of the markets as regards information of the public and the negotiation and circulation of stock or share certificates. Lastly, it deals with certain obstacles which result in inequalities of access to the European capital market; these are the systems governing the operation and control of financial institutions, exchange risks and fiscal obstacles. A statistical annex concludes the study.

### **Medium-term economic policy: debate in the European Parliament**

19. On 30 November 1966, the Parliament discussed the report by Mme Elsner on the Commission's proposals to the Council for a draft medium-term economic programme (1966-1970).

In her introduction, Mme Elsner said that the Economic and Financial Committee had devoted particular attention to the questions that had been dealt with inadequately or too theoretically in the medium-term economic programme. Acknowledging that the programme is the first to be attempted in this field, Mme Elsner stressed that the aim of her report was to analyse the programme from the political angle and to point out a number of its shortcomings which could be made good in future programmes. These shortcomings were summed up in a resolution adopted unanimously by the Parliament (1).

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(1) For text of this resolution see Annex to this Bulletin.

Mme Elsner went on to examine the various problems posed by the programme. In particular, she said that the forecasts must be made by independent experts; the ideal would either be to establish an independent European institute or else to give the Commission the necessary staff for this purpose. Mme Elsner considered that more weight should be given to regional policy, and deplored the lack of sectoral studies. She also stressed the need to create a true European capital market common to the Member States, and approved the Commission's recommendation that budgets should be drawn up for several years at a time. After dealing with the thorny problem of an incomes policy, Mme Elsner concluded by suggesting that the Commission submit an action programme for the last stage of the transition period.

Speaking on behalf of the Christian Democrat group, M. van Campen said that adequate and balanced economic growth required far-reaching co-ordination of short-term economic policies. For that purpose, it was essential to harmonize monetary policies, budget policies and incomes policies. M. van Campen emphasized, however, that a certain limitation of the Governments' task was necessary if medium-term planning were to be instituted, pointing out that the Governments' main task was to create favourable conditions and promote a healthy macro-economic climate. He recognized that in certain cases Government action must go further than this in order to eliminate difficulties connected with market structures, with certain branches of industry and with regional policy. He also stressed the need for a rigorous incomes policy and for price stability.

M. Oele, speaking for the Socialist group, said that the programme had certain general merits. However, it would have to be accepted by all classes of the population, and employers and workers would not only have to be convinced of the need for the programme but also take an active part in its preparation. M. Oele said that scientific research ought to be encouraged and extended, in order to give the economy a new impetus. He concluded by saying that the desire for ever-increasing prosperity in the Community must be subordinated to the creation of a more equitable society.

On behalf of the Liberal and allied group, M. Battaglia also stressed the importance of social policy in general economic development, and spoke in particular of regional policy and of the need for agriculture to be given its rightful place in the economic development of Europe. M. Battaglia said that he was satisfied with the part of the programme that dealt with scientific research, in view of the importance of such research to Europe's independence.

M. Borocco, for the European Democratic Union, declared that the initial programme should not be too ambitious because, if it were, it might compromise the future by its failure. He did not think the existing machinery could be improved by widening the Commission's powers; in his opinion, success depended above all on inter-governmental co-operation.

A number of other speakers took part in the debate: M. Bersani, Mlle Lulling, MM. Pedini, Riedel, Armengaud, Gerlach, Sabatini, De Clercq and Dichgans. The subjects dealt with included regional policy, incomes policy, vocational training, scientific policy, and sectoral studies. In general, the speakers expressed their agreement with the broad lines of the medium-term economic programme, but hoped that more would be done in certain sectors.

Replying to the debate, M. Marjolin, Vice-President of the Commission, thanked Mme Elsner for her excellent report, which had been both critical and constructive, and said that the essential point in this initial stage of the Commission's work was that it eliminated the ideological differences which still prevailed between the various

countries two or three years ago. M. Marjolin emphasized the close connection between medium-term economic policy and social policy. He agreed with the view that the first task for the public authorities was to pursue a sound policy of economic equilibrium — a policy that would use the various instruments of economic policy in a more balanced way. In addition, they had a second task: that of giving Europe's industry the best possible chance in the battle for markets which, in M. Marjolin's view, was becoming increasingly characteristic of the Western world. He concluded by saying that he was much encouraged by the debate that had just taken place; it had shown that the Parliament was in almost complete agreement with the Commission.

### Monetary policy: debate in the European Parliament

20. At its session of 28 November to 2 December 1966, the European Parliament held a debate, which concluded with the adoption of a resolution <sup>(1)</sup>, on the Community's future activities in the field of monetary policy and the creation of a European monetary union.

M. Dichgans (Germany, Christian Democrat), the rapporteur of the Economic and Financial Committee, concentrated on three subjects: monetary union, the capital market, and American investments in the Community.

Speaking of monetary union, he said that one practical consequence of the levy system which had been introduced in agriculture was that exchange rates between European currencies could no longer be changed. As one step towards the creation of a monetary union, the Parliamentary Committee suggested that coins of one and five "Eurofrancs" be struck. The exchange difficulties that might result did not appear insurmountable, and this move would certainly have a considerable psychological impact.

With regard to the capital market, M. Dichgans pointed out that the rate of interest for long-term loans was about 5 % in the United States, but approximately 10% in Germany, and perhaps in some other Member States as well. If Europe had a normal capital market, i.e. one less influenced by the public authorities, the rate of interest could also be around 5%. M. Dichgans therefore recommended that, during periods of heavy demand for capital, the public authorities should keep away from the market more; it would, on the other hand, be desirable for them to be more active at times when interest rates were falling.

Turning next to the problem of foreign investments in the Community, M. Dichgans said it was encouraging that the Americans were increasingly trying to invest in Europe, because it meant that they regarded this as a sound investment for the future; nevertheless, he underlined the dangers, and analysed the causes, of sales of European enterprises to foreign buyers on possibly unsatisfactory terms.

In conclusion M. Dichgans spoke of the international monetary situation and expressed the wish that, in future negotiations on monetary matters, the Governments of the Member States would present a united front, so that they could influence the negotiations to good purpose.

M. Marjolin, Vice-President of the Commission, then considered the various points mentioned by the rapporteur. Of the *de facto* monetary union that was being

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<sup>(1)</sup> See Annex to this Bulletin.

created, he said that it was something solid, but not altogether accident-proof. For its full realization greater freedom of capital movements was needed.

M. Marjolin also told the Parliament that the Commission's staff would study the idea of creating small coinage of the type suggested by M. Dichgans.

With regard to the capital market, M. Marjolin said that the savings ratio in the Common Market was higher than in the United States. There was therefore no lack of savings, but what needed more thought was the way in which savings were used.

Dealing next with the question of American investments, M. Marjolin said he was convinced that it was in the Community's interest to receive capital from outside, since it had not sufficient capital of its own. Psychological and political precautions were needed, however.

With regard to the United States' balance of payments deficit, M. Marjolin considered that this problem was becoming less serious. He drew the Parliament's attention, however, to the possible danger of existing liquidities being destroyed, should the United States' balance of payments deficit continue; a decline in confidence in the dollar would in fact cause conversion into gold, and the volume of existing liquidity would be reduced.

In conclusion, M. Marjolin declared that an economic unit of the Community's size ought to have its own monetary policy; it was important that in this field the unity of the Six should be demonstrated more clearly than was the case today.

### Capital movements: opinion of the Economic and Social Committee

21. At its meeting of 29 and 30 November 1966, the Economic and Social Committee gave its support to the proposed Council directive concerning the communication of statistical, and to the Commission recommendation for a Council decision laying down procedure for consultation in the Community on national policies relating to capital movements from non-member countries <sup>(1)</sup>.

With regard to the proposed Council directive on the communication of statistical data, the Committee considered that the Commission was right to seek information, drawn up on a uniform plan, on capital movements to and from non-member countries, since such information was important for the preparation of measures of Community economic policy.

A number of comments were, however, made by the Committee:

- i) It would be advisable to take into account the difficulties that certain Member States might experience if they were obliged to amend their existing arrangements for exchange control with a view to obtaining the information requested;
- ii) In view of the present differences in the Member States, as regards division into regions and subdivision into economic sectors, the aim of the consultations would have to be to establish a uniform pattern and make it possible to obtain items of information that were economically comparable;
- iii) In general, the conclusions that might be drawn from the statistics would have to be supplemented by information from other sources, particularly as regards

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(1) See Bulletin 1-66, Ch. I, sec. 16.



local financing, in order to obtain a clearer picture both of the influence of capital non-member countries on the economic structure of the Community, and of the position regarding Community investments in non-member countries.

With regard to the Commission's recommendation for a Council decision laying down procedure for consultation, the Committee agreed that it would be useful if the Council were to make a regular examination of national policies on capital movements from non-member countries. It considered that a confrontation of national policies in this field might, in fact, lead to a certain harmonization of the conditions under which capital from non-member countries was accepted, particularly as regards exchange, taxation, establishment, and access to credit.

## COMMON AGRICULTURAL POLICY

### Council sessions of 24 and 25 November 1966

22. At its 197th and 198th sessions of 24 and 25 November 1966, the Council adopted several regulations concerning glucose and lactose, maize groats and meal for brewing, intra-Community trade in milk powder for animal feed, and the marketing of certain types of cheese (for details see sections below).

The Council reached agreement on aids to agriculture deemed compatible with the Common Market (amendment of Regulation No. 26 on the application of certain rules of competition to production of, and trade in, agricultural products).

An exchange of views was held on certain points relating to the support prices for olive for the 1966/67 marketing year. The Council then examined problems connected with the Commission's proposals to GATT for agricultural products (sugar, fruit and vegetables, tobacco, fishery products, oilseeds and olive oil). A regulation was adopted on the levies on certain imports of beef and veal (see below).

### Common organization of agricultural markets

#### Cereals and rice

23. On 15 November 1966, the Council adopted a regulation fixing the common threshold prices for rice in the non-producer Member States for the period 1 December 1966 - 31 August 1967 <sup>(1)</sup>. During the remaining nine months of the 1966/67 marketing year, these prices will rise progressively, until they reach the common threshold price applicable from 1 September 1967.

On 24 November 1966, the Council adopted a regulation on the production refund for maize groats and meal for brewing <sup>(2)</sup>. From 1 December 1966 to 30 June 1967, it will be possible to grant a production refund for maize groats and meal used by the brewing industry, so that they may be able to compete with the other starches used in brewing, on which a production refund is paid.

<sup>(1)</sup> See official gazette No. 208, 15 November 1966.

<sup>(2)</sup> Ibid., No. 217, 26 November 1966.

On the same date, the Council adopted a regulation on glucose and lactose <sup>(1)</sup>, which are not listed in Annex II of the Treaty, instituting a trading system similar to that for "agricultural" glucose and lactose.

### Beef and veal

24. On 24 November 1966, the Council adopted a regulation authorizing Belgium, Germany, France and Italy to increase the levies on certain imports of beef and veal from non-member countries <sup>(2)</sup>. This increase is justified by the fact that in the above countries it may prove insufficient to impose levies on imports from non-member countries according to the system at present in force.

On 17 November, the Commission fixed the prices used calculating the levy on beef and veal imports from non-member countries <sup>(3)</sup>.

25. *Commission study on the quality of livestock for slaughter in the EEC countries.* At the Commission's request, a study was made of the quality of livestock for slaughter in the EEC countries, with a view to improving the system of price statistics.

Since there is virtually no trade in slaughter animals between the Member States, it was not possible to compare the supplies on the markets from the various countries.

The panel of experts which had been asked to carry out the study drew up a single set of criteria, which was then applied to 935 head of beef cattle on 11 markets and 651 pigs on nine markets, classified according to the quality grades on which prices are based in the Member States.

The experts' report has now been published by the Statistical Office of the European Communities.

This is the first time that quantitative data have become available on such a large number of animals which may be regarded as representative of normal market supplies and have been judged by the same standards in each Member State.

This study will enable valid comparisons to be made between the prices quoted in the six EEC countries, and as a result the market has become much more transparent.

The main conclusions are that beef cattle in the top quality grades in France and Belgium have no equivalent in the other Member States, and also that most of the cattle supplied in these two countries are of better quality than those in the other countries.

### Milk and milk products

26. During November, the Council adopted a regulation extending and amending the period of validity of Regulations Nos. 55/65/CEE and 56/65/CEE which contain special provisions on the marketing of certain types of cheese <sup>(4)</sup>. This alteration was necessary because no solution has yet been found to the problems posed by the state of the market for these products as a result of tariff concessions in GATT.

<sup>(1)</sup> See official gazette No. 218, 28 November 1966.

<sup>(2)</sup> Ibid., No. 217, 26 November 1966.

<sup>(3)</sup> Ibid., No. 214, 24 November 1966.

<sup>(4)</sup> Ibid., No. 220, 30 November 1966.

In addition, the regulation amending Regulation No. 113/66/CEE with regard to the control of intra-Community trade in milk powder for animal feed <sup>(1)</sup> completes the implementing provisions designed to ensure control of milk powder for animal feed until it reaches its destination. These provisions apply to the cases where the product was not subject to levy. The regulation also makes it possible for a refund to be granted when the exporting Member State does not receive any import levy in respect of this product.

Lastly, by its decision of 24 November 1966 <sup>(1)</sup>, the Council authorized Germany to reduce the threshold price for milk powder for animal feed by the amount of aid given from August 1966.

### Eggs and poultry

27. On 18 November 1966, the Commission adopted a regulation abolishing the supplementary amount for shell eggs from Hungary and Rumania <sup>(2)</sup>, because it had found that only shell eggs originating in the People's Republic of China are at present being offered at less than the sluice-gate price, the difference being 0.125 u.a. per kg.

On the same date, the Commission adopted a regulation imposing no supplementary amount on South African eggs from 19 November 1966 <sup>(2)</sup> because South Africa had undertaken not to export eggs to the Community at less than the sluice-gate price and that country's Egg Control Board, which is responsible for exports, is subject to permanent government supervision.

### Fruit and vegetables

28. *Sweet oranges*: A regulation fixing the reference prices for sweet oranges <sup>(3)</sup> was adopted by the Commission on 8 November 1966.

As in the 1965/66 marketing year, the prices of the Community varieties (Group I: Moro and Tarocco, Group II: Sanguinello, Group III: Biondo comune) have been used in calculating the reference price. These varieties are therefore representative within the meaning of Regulation No. 65/65/CEE.

The reference prices for sweet oranges, expressed in units of account per 100 kg net, are therefore as follows:

Group I: 1 December - 31 March: 18.9

Group II: 1 January - 30 April: 16.7

Group III: 1 December - 30 April: 7.9

The import prices are to be compared:

a) As regards the Moro and Tarocco varieties, with the prices fixed for Group I;

b) With the price fixed for Group III as regards varieties from Surinam and Biondo comune (Blanca Comuna, Comune), Grano de Oro (Imperial, Sucrena), Baladi, Pera, Hamlin, Macetera, Pineapple, Blood oval (Doblefina, Double Fine),

<sup>(1)</sup> See official gazette No. 218, 28 November 1966.

<sup>(2)</sup> Ibid., No. 211, 19 November 1966.

<sup>(3)</sup> Ibid., No. 205, 10 November 1966.

Portugese Sanguina, Sanguina Redonda (Entrefina), Ordinary Sanguina with the exception of the Navel Sanguina varieties (Improved Double Fine, Washington Sanguina, Sanguina Grande) and Maltese Sanguina;

- c) For varieties other than those under (a) and (b) above:
  - i) During December, with the price fixed for Group I;
  - ii) From 1 January to 30 April, with the price fixed for Group II.

In order to make the import price comparable to the reference price, an adjustment coefficient is applied, in calculating the import price, to the prices of oranges imported from non-member countries.

Regulation No. 179/66/CEE, like Regulation No. 156/65/CEE, retains the machinery adopted for the previous market year, but the reference prices for the 1966/67 marketing year are 0.3 units of account lower for Group I, 0.4 units of account lower for Group II, and 0.7 units of account lower for Group III.

Regulation No. 179/66/CEE entered into force on 11 November 1966, despite the fact that reference prices were only fixed for December onwards.

29. *Additional quality class for fruit and vegetables.* On 21 November 1966, the Commission submitted to the Council a proposal for a regulation creating a "minimum" quality class for cauliflower, tomatoes, apples and pears, peaches, citrus fruits and dessert grapes.

Under the new arrangements adopted by the Council on 25 October <sup>(1)</sup>, application of the quality standards for produce marketed within the producing Member State will also be compulsory from 1 January 1967. These quality standards already apply to intra-Community trade, for which only the "Extra" class and I and II have been liberalized so far.

The additional quality standards which have been proposed are such as to make virtually the entire production of a well-managed undertaking marketable in normal circumstances, while at the same time ensuring a quality acceptable to the consumer. The new standards will in principle be applied for five years.

Under the new Council regulation, all produce must bear an indication of variety and quality down to the retail stage.

## Oils and fats

30. On 22 November 1966, the Commission adopted a regulation on the selection of intervention agencies for olive oil <sup>(2)</sup>, other than the principal agencies fixed by Council Regulation No. 164/66/CEE <sup>(3)</sup>. The new regulation establishes the list of such centres: they have been chosen according to the quantity of olive oil produced in the administrative area concerned — which must in principle be at least an average of 1 000 tons a year — and to the extent and location of the areas planted with olive trees.

These agencies are only established in places where sufficient storage facilities exist.

<sup>(1)</sup> See Bulletin 12-66, Ch. III, sec. 24.

<sup>(2)</sup> For the methods of administrative co-operation for trade in olive oil, see sec. 3 above.

<sup>(3)</sup> See official gazette No. 214, 24 November 1966.

On the same date, the Commission adopted a regulation on certain arrangements concerning aid for olive oil <sup>(1)</sup>. It lays down methods of administrative control over the right to aid, which must be established in each producing Member State in accordance with Article 2 of Regulation No. 168/66/CEE. This control concerns the basic materials and the oils produced for them, and it is to be supplemented by an import guarantee by the Member States which produce olives and olive cakes, a guarantee equal to the amount of aid that would be granted in respect of the quantity of oil extracted from these products.

On 30 November 1966, the Commission adopted a regulation on market support measures for olive oil <sup>(2)</sup>. In particular, the regulation establishes the scale of bonuses and rebates used to adjust the support price according to the different qualities of olive oil.

On the same date, the Commission adopted a regulation amending Regulations Nos. 172/66/CEE and 173/66/CEE as regards the determination of the cif and free-at-frontier prices for unrefined olive oil <sup>(2)</sup> and, in particular, the coefficients of equivalence which, on the one hand, did not correspond to the past and present differences recorded on the world market and, on the other, did not include olive oil cakes, which may enter into trade. As Regulation No. 173/66/CEE had been amended, it was also necessary to replace the outline regulations and the simplified regulation used in fixing levies on olive oil <sup>(2)</sup>.

## Methods of collecting Community information for purposes of the common agricultural policy

### Information on farm accounts

31. On 21 November 1966, the Commission adopted a regulation on the collection, verification and transmission of information on farm accounts with a view to ascertaining farm incomes <sup>(3)</sup>. This regulation contains two types of provisions:

- a) provisions governing relations between Member States (liaison body) and the Commission;
- b) provisions governing relations between Member States (competent authorities and liaison body) and the accounting offices.

The latter arrangements are made under a contract which is given in the annex to the regulation and has two parts:

- i) provisions common to all the Member States;
- ii) supplementary provisions that may be added by one or other of the Member States.

The regulation deals in detail with the reciprocal obligations of the parties, in particular the time-limits for the transmission of the completed questionnaires sent in by farms and payments to the accounting offices for their services.

In addition, it defines what is meant by "farm questionnaires duly completed", referring to the provisions of Commission Regulation No. 118/66/CEE and to the concept of "conformity with the facts" with regard to the data on accounts.

<sup>(1)</sup> See official gazette No. 214, 24 November 1966.

<sup>(2)</sup> Ibid., No. 220, 30 November 1966.

<sup>(3)</sup> Ibid., No. 213, 23 November 1966.

By this regulation, the Commission has completed the set of implementing provisions necessary for the establishment of an information service on farm accounts as far as its first objective is concerned — i.e. to ascertain farm incomes. These implementing provisions are given in three Commission Regulations: Nos. 91/66/CEE <sup>(1)</sup>, 118/66/CEE <sup>(2)</sup>, and 184/66/CEE <sup>(3)</sup>.

The information service on farm accounts will therefore become a reality in the near future, when its various bodies, at the level of the Member States, will be in a position to start work. In a few weeks' time (1 January 1967), the first accounts will be started in most Member States; this process will be spread out over the first six months of 1967. By the end of June 1967, all the 8 500 account-keeping farms <sup>(4)</sup> selected for the first year of the information service will be under systematic and regular observation. The first results will reach the Commission in 1968.

After its first year, which must be considered as a running-in period, this system will be providing the Community authorities with information on the business situation, more particularly the incomes, of the various types of farm throughout the six Member States.

These arrangements bring nearer the moment when it will be possible, in the administration of common agricultural policy, to take farm incomes into account no longer in a general but in a differential way.

### Survey on the pattern of farming

32. On 10 November 1966, the Commission adopted decisions <sup>(5)</sup> addressed to each of the Member States and containing a plan for a sampling survey to be taken as part of the basic survey on farm structures <sup>(6)</sup>.

The Commission's decisions, which were based on drafts worked out by each Member State, are designed to ensure that, for all the Member States, the information provided by the basic survey will be representative of the various localities <sup>(7)</sup> and will be equally precise for all these localities and therefore comparable for the whole Community.

For each Member State the following points are specified:

- i) The strata and sub-strata into which the farming population or the population of the communes is to be sub-divided;
- ii) The systematic arrangements of the farms to be surveyed in the different strata.

<sup>(1)</sup> See Bulletin 8-66, Ch. II, sec. 34, and official gazette No. 121, 4 July 1966.

<sup>(2)</sup> See Bulletin 9/10-66, Ch. V, sec. 40, and official gazette No. 148, 10 August 1966.

<sup>(3)</sup> See official gazette No. 213, 23 November 1966.

<sup>(4)</sup> 2 000 in Germany, 550 in Belgium, 3 000 in France, 2 000 in Italy, 50 in Luxembourg and 900 in the Netherlands.

<sup>(5)</sup> See official gazette No. 211, 19 November 1966.

<sup>(6)</sup> Ibid., No. 112, 24 June 1966.

<sup>(7)</sup> Areas as specified in Annex II of Council Regulation No. 70/66/CEE.

## Financing the common agricultural policy

### Exceptions to the regulations governing the European Agricultural Guidance and Guarantee Fund (EAGGF)

33. On 18 November 1966, the Commission submitted to the Council a new proposal for a regulation waiving certain clauses of Regulation No. 17/64/CEE with regard to aid from the Guidance Section of the EAGGF for the years 1966 and 1967; it provides that the projects already under review (year 1966) and those to be submitted before 31 January 1967 for the year 1967 can still be financed outside the Community programmes.

The panel of experts on the EAGGF, Guarantee Section, met on 9 November 1966 to discuss various points arising in the submission of future applications for reimbursement.

### Proceedings and resolutions of the European Parliament

34. On Friday, 2 December 1966, following a report presented by M. Vredeling on behalf of the Agricultural Committee, the European Parliament held a debate and adopted a resolution on the proposed Council regulation waiving certain clauses of Regulation 17/64/CEE with regard to aid from the Guidance Section of the EAGGF for the years 1966 and 1967.

The rapporteur had shown that structure policy and social policy are closely connected in agriculture; as social policy is behind schedule in many respects, the Commission was asked whether it were not technically possible for certain Community programmes to be carried out in 1967, instead of being deferred until 1968. M. Vredeling also suggested that the Commission present a report on agricultural developments in the last four years, to serve as a basis when programmes for the coming years were being worked out.

In his reply, M. Mansholt, Vice-President of the Commission, approved this suggestion. Furthermore, he agreed that the structure policies underlying certain programmes might be taken up as a new subject, and that the award of priority to certain areas might be a problem, since here the Commission was collaborating with the national Government departments.

On factual considerations, the resolution adopted by the Parliament endorsed the Commission's proposal, while pointing out that its effect would be to postpone for another two years the exercise of democratic control over the operations of the Guidance Section of the EAGGF.

The resolution deplored the present lack of any real structure policy and of a social policy in agriculture, and urged that applications for aid for the year 1968 should be submitted as part of Community programmes which should be adopted by the Council as soon as possible; it asked the Commission to submit a report on the aid granted to the Guidance Section of the EAGGF, with particular reference to the criteria laid down in Regulation No. 17/64/CEE.

## Approximation of legislation

### Opinion of the European Parliament on a directive concerning permitted preserving agents in food for human consumption

35. On 2 December, after hearing a report by M. Kriedeman on behalf of the Agricultural Committee, the Parliament adopted a resolution endorsing the Commission's proposal for a directive on the approximation of the legislation of Member States concerning permitted preserving agents in food for human consumption.

### Opinion of the Social and Economic Committee

36. On 30 November 1966, the Economic and Social Committee rendered an opinion on the draft Council decision to set-up a Foodstuffs Committee, on the proposal for a Council directive amending the Council directive of 5 November 1963 on the approximation of the legislation of Member States concerning permitted preserving agents in food for human consumption, and on the amended proposal for a Council directive amending the Council directive on the approximation of the regulations of Member States concerning permitted colouring matters in food for human consumption.

The Economic and Social Committee considered that the creation of a Foodstuffs Committee would facilitate co-operation between the Commission and the Member States. It suggested a slight amendment to the procedure for decision-making and also proposed that, in addition to a Foodstuffs Committee composed of representatives of the Member States, an Advisory Committee should be set up whose members would represent the various business and social groups, including consumers.

On the same date, the Economic and Social Committee gave its opinion on the proposed Council directive amending the Council directive of 5 November 1963 on the approximation of the legislation of Member States concerning permitted preserving agents in food for human consumption.

The Committee approved the new extension of the period of time during which the Member States are provisionally permitted to apply their own legislation on the surface treatment of citrus fruits with diphenyl and its derivatives.

The Economic and Social Committee also rendered an opinion on the proposal for a Council directive on the approximation of the legislation of Member States concerning the classification of wood in the rough. It endorsed the Commission's proposal but suggested certain amendments of a technical nature.

### Debate and resolution of the European Parliament on the organization of world markets for agricultural products

37. On 1 December 1966, following a report by M. Lücker on behalf of the Agricultural Committee, the European Parliament held a debate on problems connected with organization of the world markets for agricultural products, particularly cereals.

M. Lücker stressed the importance of the subject and the need for public opinion to be fully informed. The Agricultural Committee favoured a world cereals agreement designed to establish a balance between supply and demand. Moreover, it recom-



mended that this should be done in conjunction with a programme of aid to the developing countries, whose agriculture should be organized with Community aid. The Agricultural Committee's position is mid-way between that of the big exporting countries, who are primarily concerned to obtain better access to the world market, and the traditional position of the Community; the world reference price, M. Lückner added, should be calculated in such a way that the United States could sell its produce on the world market without subsidies. The reference prices worked out at Geneva would have to be such as to meet this requirement.

It would also be advisable to establish a price ratio between wheat and coarse grains. Binding the support margins for three years involved a long-term undertaking on an important matter, and it would be prudent to consider the possible consequences beforehand.

The various political groups in the Parliament expressed their views.

The Socialist group stressed the overriding need to bring the Kennedy round negotiations to a successful conclusion, particularly in view of their political importance. For this very reason, however, in passing a resolution, the Parliament should tread warily where politics were concerned. Revision of the reference prices for wheat was one of the matters for negotiation, and it was not for the Parliament to take upon itself the role of the negotiators; its task was to give directives and then assess the results of the negotiations. The Socialist group did not approve the resolution, and announced its intention to abstain.

The Liberal and allied group declared itself in favour of the resolution. Its spokesman emphasized the disparity between farm incomes and incomes in other sectors of the economy, and the increased burdens due to higher production costs. It was essential for the economic stability of Europe not to place agriculture in an unfavourable position.

The European Democratic Union supported the resolution because it hoped that the anarchic situation of world agricultural markets might finally be remedied by concerted efforts to organize these markets combined with a campaign to combat world hunger; the present imbalance between supply and demand only existed, the spokesman said, because people were reluctant to consider countries other than the western countries as world markets. Although the Parliament ought not to interfere, it had a duty to make its views known, and for this reason it was desirable that the subject should be raised. There were 700 million Chinese living on 90 million hectares, and 500 million Indians who must be fed and helped in a spirit of human solidarity.

The speaker pointed to various anomalies in the western countries' policy on subsidies with regard to Japan, and asked the Community, and in particular the Commission, to find solutions that would bring about a healthier situation.

The Christian Democrat group also supported the resolution, which would extend some of our essential principles on common agricultural policy to the world level through the Kennedy round negotiations. The EEC Commission was fulfilling its European vocation. There was no intention to obtain privileges or preserve advantages.

Replying to the debate, M. Mansholt, Vice-President of the Commission, said that before playing a full part in the Kennedy round negotiations, it was the Community's duty first to put its own agricultural market in order. Expressing his agreement with M. Lückner's report, he wished, however, to dispel the mistaken view that the Community was protectionist; no country of comparable size had increased its imports as much as the EEC had done, and such an allegation was therefore unwarranted.

With regard to world hunger, M. Mansholt considered that the right solution did not lie in providing massive food subsidies for the countries where there was malnutrition. Moreover, this was not a problem that could be solved within the GATT framework. It was from bodies such as FAO or the United Nations that the solutions to this problem should come. The executive Commission was willing to try to attain a 90% degree of self-sufficiency.

In reply to M. Vredeling, M. Mansholt said that the EEC's allocations or contributions under an aid programme ought not to be allowed to harm world trade as a whole.

He declared that the Community was ready to review its position with regard to the world reference price for cereals. It would in any case be necessary to establish a price ratio between wheat and coarse grains.

At the close of the debate, the Parliament adopted a resolution endorsing the Commission's proposal to GATT with a view to stabilizing agricultural markets, and expressing the Parliament's wishes as regards reference prices, support margins, the initial period of application of the world cereals agreement, and the multilateral food aid programme <sup>(1)</sup>.

## COMMON TRANSPORT POLICY

### Implementation of Article 80(2) of the Treaty

38. On 21 November 1966, the Commission's staff held consultations as provided for in Article 80(2), first with delegates of the Italian Government and then with delegates from all the Member States; the object was to examine the Italian Government's request to maintain for at least one year the Italian State Railway's special tariff No. 251 - section A, applicable to the transport of fruit and vegetables from the south of Italy (Mezzogiorno) for export.

### Further examination of tariffs in pursuance of Articles 79 and 80 of the Treaty

39. Meetings between Government delegates and the various railway authorities concerned were held in Brussels:

- i) On 9 and 10 November 1966, to examine a number of special tariffs of the German Federal Railways;
- ii) On 29 November 1966, to consider particular charges in the current tariff for goods transport by road in France.

### Consultative Committee on Transport

40. The Consultative Committee on Transport met on 14, 15 and 16 November 1966 with M. Santoni-Rugiu in the chair. The Committee rendered an opinion on the following questions:

- i) Definition of the concept of competition in transport;
- ii) Methods of improving the balance between supply and demand in goods transport by road and inland waterway.

<sup>(1)</sup> See Annex to this Bulletin.

## Survey of infrastructure costs

41. The small panel drawn from the Committee of Government experts set up to assist the Commission in studies of transport costs, held its third meeting from 8 to 10 November 1966. The panel is following the course of the pilot-survey on infrastructure costs, which is proceeding satisfactorily. It examined the data so far collected for the three modes of transport on the Paris-Le Havre link, which was chosen for this purpose. It also continued work on the various methods of attributing costs.

The Commission's staff, with the assistance of the rapporteurs, continued the study of problems that must be solved in connection with the pilot survey: the calculation of marginal costs of infrastructure use, and the establishment of coefficients of equivalence relating to the degree of infrastructure capacity utilization.

## SOCIAL POLICY

### Social security for migrant workers

#### Administrative Committee

42. The Administrative Committee for the social security of migrant workers held its 79th and 80th sessions on 26-28 October and 24-25 November 1966, respectively. It continued its study of the preliminary draft regulation on implementing procedures and supplementary provisions in respect of Regulation No. 4 on the application of social security systems to workers and their families who move from one Community country to another. It also finalized the text of the Annexes of the revised Regulation No. 3, with the exception of Annex V on concordance of the definitions of disablement in the legislation of Member States.

#### Opinion of the Economic and Social Committee on the proposed regulation to seamen

43. At its session of 29-30 November 1966, the Economic and Social Committee rendered an opinion on the proposal for a Council Regulation extending to seamen the provisions of Regulations Nos. 3 and 4 concerning social security for migrant workers.

The Committee considered that the free movement of workers employed on board ship would be facilitated considerably if general co-ordination of the Member States' social security systems were to be extended to seamen.

It also approved the Commission's choice of the flag as the criterion to be used in determining which country's legislation is applicable, maintaining a long-standing rule which has been observed in almost all social conventions up to the present time.

### Exchange of young workers

44. The fourth meeting of representatives of the Governments of Member States and of the Commission, to consider problems arising in the execution of the first joint programme to promote exchanges of young workers within the Community, was held in Brussels on 26 October 1966.

Having noted that the number of exchanges during the first half of 1966 was slightly greater than in the same period of 1965, the Government representatives gave each Member State's forecasts for 1967 with regard to the number of periods of in-service training and the funds allocated for this purpose. They considered how the organizational problems involved could be overcome, and pointed out that it would be advisable in this connection if national advisory committees were to be set up as soon as possible in the countries where none exist as yet.

### Italian sulphur-mines

45. Taking into account the opinions expressed in the Committee of Permanent Representatives with regard to the proposals for special measures to assist redundant Italian sulphur-mine workers and their children, the Commission, acting in accordance with Article 149, second paragraph, of the Treaty, adopted on 23 November 1966 an amended text to replace the two proposals for decisions which it had submitted to the Council on 15 April 1965 <sup>(1)</sup>; the latter had been amended for the first time in January 1966, in the light of the opinions rendered by the European Parliament and the Economic and Social Committee <sup>(2)</sup>.

The new proposal for a decision concerning Community aid to Italy, which will enable it to grant certain types of assistance to redundant sulphur-mine workers and a number of scholarships to their children, was submitted to the Council on 24 November 1966. It includes the fundamental provisions contained in the Commission's initial proposals, and leaves it to the Commission to lay down the necessary implementing provisions — many of which will be technical — after consultations with the Italian Government.

### Employment problems

#### Working hours

46. An *ad hoc* working party on working hours met on 23 November 1966 at the request of the central panel of employers and workers for social harmonization. The purpose of the meeting was to consider the implications of the report on working hours in the EEC countries, which was drawn up by the Commission's staff in collaboration with employers' and workers' organizations and the relevant government authorities. The workers' representatives suggested that problems connected with working hours should be dealt with by special joint committees for certain branches of industry. It was decided to devote further study first of all to such questions as the differences between the various countries as regards exceptions and adjustments, overtime payments, and the working day and week.

#### Industrial health and safety

47. The 11th meeting of the heads of Government departments responsible for industrial health and safety in the Member States was held on 24 November 1966, at the request of the Directorate-General for Social Affairs. A preliminary exami-

<sup>(1)</sup> See Bulletin 6-65, Ch. II, sec. 33, and Supplement to Bulletin 5-65.

<sup>(2)</sup> See Bulletin 3-66, Ch. III, sec. 42.

nation was made of the suggestions and proposals put forward at the seminar on the prevention of industrial accidents which was held in Brussels from 14-16 June 1966. This was followed by an exchange of views on several current problems, such as industrial medicine and the Federal Republic of Germany's draft law on industrial appliances. Finally, the heads of the Government departments were informed of the progress of work on the Commission's proposals, which are at present before the Council.

### The social situation: debate in the European Parliament

48. At its session of 28 November to 2 December 1966, the Parliament held a debate and adopted a resolution <sup>(1)</sup> on the social situation in the Community in 1965.

The debate was introduced by M. Müller, the rapporteur of the Social Committee. He regretted that the Ministers responsible for social affairs had not met for over two years, and recalled that the Treaty allows the European Parliament to criticise the Council of Ministers for failure to act. If the Council of Ministers remained passive in the social field, the Parliament would, he said, have to adopt this last procedural resort.

After stressing that economic progress was closely linked with social progress, M. Müller pointed out that there had been an advance in social legislation in the various Community countries. But improvements at the national level aggravated the disharmony at Community level; the Member States ought therefore to launch a joint programme, for the Community must be a community of all its peoples. In the rapporteur's view, the Community would win the acceptance of lower-paid workers once they had come to realize that it was concerned to improve their lot.

In conclusion, M. Müller hoped that the next report on the social situation would include some more positive features on which to judge the Council of Ministers.

M. Levi-Sandri, Vice-President of the Commission, said that he saw the Parliament's interest in social questions as a spur to the Commission. No one regretted more than the Commission the fact that the meeting of the Council of social affairs Ministers had been delayed. M. Levi-Sandri said that at the present time certain problems were perhaps no longer relevant; many others, however, were still topical, and the Council should turn its attention to them. The social affairs Ministers ought to meet as frequently as possible, since it was recognized in the medium-term economic programme that not only the economic but also the social aspects of development must be borne in mind.

After stressing the importance of vocational training and incomes policy, M. Levi-Sandri added that the Commission was far from neglecting the problems of popular tourism and leisure pursuits which had been mentioned by certain speakers in the debate.

M. Levi-Sandri hoped that the final draft regulation on the free movement of workers would be submitted to the Council before the end of 1966. With regard to the harmonization of social legislation, the Commission was holding consultations so that the Community's social policy should not be a matter merely for Member States. Underlining the importance of consultations with representatives of Governments and professional organizations, M. Levi-Sandri said, in conclusion, that representatives of the professional organizations should be drawn from all categories of workers and employers, and should play a greater part in the framing of Community policy.

<sup>(1)</sup> See Annex to this Bulletin.

## V. External activities

### GATT

#### Multilateral trade negotiations

49. As a result of numerous bilateral meetings at Geneva in November, it was possible to make a final assessment of the situation reached at this stage of the negotiations with many countries.

The EEC Commission has prepared a file to be examined and discussed by the Council; it contains full details on the state of the negotiations, both at the multilateral level, by sector, and at the bilateral level, by country.

On the basis of this material the Community will make an assessment of the situation in preparation for the final round of negotiations in mid-January.

Meanwhile, on 24 November and 6-7 December 1966, the Council broadly reviewed the problems arising in the various Commission proposals for agricultural offers still to be made by the Community (sugar, fruit and vegetables, raw and manufactured tobacco, fishery products and oilseeds); it thus prepared, in a constructive way, for the new discussions on the subject which will take place at the Council sessions of 21-22 December 1966 and 11-13 January 1967.

#### Other business in GATT

50. The GATT Council of Representatives met on 17 and 24 November 1966. Among the subjects on the agenda were Chile's request for a waiver to enable it to apply its new customs tariff from 1 January 1967, Hungary's request for observer status, and the drawing up of a programme for the meetings.

After taking note of a report on Chile's request prepared by the relevant working party, the Council decided to submit a draft decision by post to the Contracting Parties; this would authorize Chile to apply its new customs tariff from 1 January 1967 and to re-negotiate its List VII annexed to the General Agreement before 31 December 1967.

The request from Hungary was favourably received, and the Council instructed the Director-General of GATT to convey an affirmative reply to the Hungarian Government.

The Council decided that the next session of the Contracting Parties would be held in the second half of 1967. During the discussion on this point, the developing countries expressed the hope that a high-level meeting would be held before the end of the Kennedy round negotiations in order to assess the overall situation in this field.

### BILATERAL RELATIONS

#### Kenya, Uganda and Tanzania

51. Negotiations between Kenya, Uganda and Tanzania and the European Economic Community were resumed in Brussels from 7 to 17 November 1966.

This is the second round of negotiations, the first having taken place from 1 to 8 March 1965.

The delegation of the East African countries was led by Sheikh A. M. Babu, the Tanzanian Minister of Commerce and Co-operatives, Mr. Mwai Kibaki, the Kenyan Minister of Industry and Commerce, and M. C.J. Obwangor, the Minister of Industry and Commerce of Uganda. The delegation of the European Economic Community was headed at the opening session by M. Henri Rochereau, Member of the EEC Commission, and subsequently by Director Johannes Westhoff.

The negotiations took place in an atmosphere of mutual understanding. Factors which might provide the basis for an association and promote the development of mutual economic relations were examined in detail.

Both delegations hope to continue the present round of discussions in the near future.

### Latin America

52. At its session of 24 November 1966, the Council took note of the Latin-American countries' request that meetings between the Commission and their representatives be continued. The Council considered that these meetings were in the interest both of the Community and of the Latin-American countries, and acceded to the request so that any present or future economic and commercial problems in relations between the EEC and the Latin-American countries might be examined regularly.

### Austria

53. The Commission prepared a draft mandate for the resumption of negotiations with Austria on the possible establishment of a preferential trading area between the Community and Austria, and on agriculture and trade with the East European countries. When this draft has been examined by the Committee of Permanent Representatives, it will be submitted to the Council for approval at its first session in December 1966.

### Nigeria

54. At its session of 28 November to 2 December 1966, the European Parliament expressed its views on the agreement establishing an association between the EEC and Nigeria, which was signed in Lagos on 16 July 1966 <sup>(1)</sup>.

The Parliament welcomed the conclusion of this agreement, the text of which it approved, but expressed certain reservations on the Council's interpretation of the provisions of Article 238 of the Treaty concerning consultation of the Parliament by the Council, because the Council had not consulted the Parliament until after the Treaty was signed.

In the course of the debate, M. Edouardo Martino, the Chairman of the Political Committee, said it was important that the European Parliament should be consulted before any association agreement was concluded, and that an appropriate new procedure should be worked out as quickly as possible so that the European Parliament might usefully render an opinion.

<sup>(1)</sup> See Bulletin 9/10-66, Ch. III.

On the question of procedure, M. Rey, a member of the Commission, had said that the Commission was in complete agreement with the European Parliament as regards interpretation of Article 238 of the Treaty. The Commission considered that the Council of Ministers was mistaken in confusing the Community procedure laid down by the Treaty with national procedure in relations between the Governments and national Parliaments.

## Tunisia

55. At the European Parliament's session of 28 November to 2 December 1966, M. Dehousse put to the Commission on oral question, which was not debated, on the subject of relations with Tunisia. M. Dehousse illustrated what he meant by recalling, first of all, that on 15 June 1965 the Council of Ministers had assigned to the EEC Commission its terms of reference for negotiations with Tunisia on a possible association. These terms of reference had proved too narrow to allow of effective negotiations. M. Dehousse asked the Commission to tell him how far the work of preparing new terms of reference had got, and when they would be adopted by the Council. He stressed that this question was an urgent one because Tunisia had prepared an economic plan in the expectation of association and would suffer great embarrassment if the agreement in question were delayed. He added that Tunisia was one of the countries of the Third World which had opted for the West and that it deserved all the more consideration for that reason.

M. Rey, a member of the Commission, replied that in the negotiations with Tunisia there had been certain unfavourable circumstances. Only after the end of the Community crisis had it been possible to achieve anything really constructive, but the Commission considered it useless to continue negotiating with the very narrow terms of the reference that it had been given. It would be better to approach the problem on a wider front, which would include the three Maghreb countries.

As the six Member States had shared this view, the Commission had prepared a number of proposals on the many economic problems involved. This had been a long and difficult task, and it had only been completed on the morning of that very day.

M. Rey said that he hoped the new terms of reference could be adopted before the end of February 1967.

## EFTA

56. A new exchange of views on technical questions took place in Brussels on 28 November 1966 between officials of the EEC Commission and of the EFTA Secretariat-General. The following subjects were discussed: standardization of electrical appliances, modification of government monopolies, and definition of the concept "goods originating in ..." with regard to the associated States and non-member countries.

## Representation of associated States

57. On 25 November 1966, the President of the Council, M. de Block, and the President of the Commission, M. Hallstein, each received His Excellency Ambassador Médoune Fall and M. Michel Kompaore as, respectively, the new Heads of Senegal and Upper Volta Missions to the European Economic Community.



## Missions of non-member countries

58. The competent institutions of the EEC gave their *agrément* to the appointment of three new heads of missions of non-member countries to the European Economic Community: His Excellency Ambassador M. T. Swaminathan (India), His Excellency Ambassador L.H. Tettamanti (Argentina) and His Excellency Ambassador Hector Aristy-Pereyra (Dominican Republic).

On 24 November 1966, the President of the Council M. de Block, and the President of the Commission, M. Hallstein, each received His Excellency Ambassador T.R. Salomoni and His Excellency Ambassador D.C. Igwe, who presented their letters of credence as the new heads of missions of Paraguay and Nigeria respectively.

## COMMON COMMERCIAL POLICY

### Common liberalization list — common procedure for administration of import quotas

59. The relevant working party of the Council continued its discussion of the two proposals for regulations <sup>(1)</sup> which were submitted by the Commission to the Council in May 1965:

- i) Proposal for a regulation on the establishment of a common liberalization list for imports from non-member countries;
- ii) Proposal for a regulation on the gradual establishment of a common procedure for the administration of import quotas for goods entering the Community, amended and supplemented by the Commission on certain points <sup>(2)</sup>.

Progress has been made with the examination of these two proposals. With regard to the first, the points that have still to be considered include the provision under which the Council would fix a Community quota when an item is taken off the common liberalization list. In connection with the second proposal, the main point that has still to be considered concerns the conditions under which the Community reserve provided for in that proposal would be created.

### “EEC clause” in multilateral trade agreements

60. At a meeting held on 30 October 1966, the Central Panel of Experts on commercial policy discussed the possibility of providing for a special clause to be inserted in the Member States' multilateral trade agreements in order to ensure the smooth establishment and implementation of a Community policy in these fields. In 1962, the Commission had submitted to the Council a proposal that the “EEC clause” be inserted in multilateral trade agreements between the Member States and non-member countries. Since then, the execution of Community policy in certain fields, particularly as regards certain agreements on commodities, had gained in importance, so that the Commission had proposed or formulated special clauses of this type for certain agreements (olive oil, sugar, cocoa, etc.).

<sup>(1)</sup> See Bulletin 7-65, Ch. III, secs. 44 and 46.

<sup>(2)</sup> See Bulletin 11-66, Ch. III, sec. 37.

## VI. The Community and the Associated States

### GREECE

61. The EEC-Greece Council of Association held its 20th session (at ambassadorial level) on 29 November 1966 at Brussels, under the chairmanship of Ambassador M. Spierenburg. Pursuant to Article 64 of the Athens Agreement, the agenda included a further consultation <sup>(1)</sup> with the Greek Government on the Commission's proposals concerning offers by the Community for agricultural products in the GATT multilateral tariff negotiations. Business for this meeting had been prepared by the Association Committee at its 39th meeting held in Brussels on 21 November 1966.

In addition the Association Committee, at its 35th, 36th, 37th, 38th and 40th meetings, which took place respectively on 27 September, 24 October, 7, 14 and 30 November 1966, dealt with the harmonization of the agricultural policies of the Community and Greece as well as a number of problems connected with the import of certain Community products into Greece.

In the course of these meetings, two other consultations with the Greek delegation took place, one in pursuance of Article 34(3) of the Association Agreement, concerning the EEC Council draft regulation on trade in oils and fats between the Community and Greece, the other pursuant to Article 64 of the Agreement concerning the extension of the trade agreement between the EEC and Iran.

### TURKEY

62. The EEC-Turkey Association Council held its 41th session (at ministerial level) on 23 November 1966, under the chairmanship of M. de Block, President of the EEC Council of Ministers.

During this session, the Association Council decided, pursuant to Article 4 of the provisional Protocol to the Ankara Agreement, to raise the tariff quotas which the Member States of the Community open for Turkey on the four products given in Article 2 of the Protocol, as from 1 January 1967. The new quotas are as follows:

*(In metric tons)*

Country	Tobacco		Raisins		Dried figs		Hazelnuts	
	1966	1967	1966	1967	1966	1967	1966	1967
B.L.E.U.	1 375	2 000	3 575	4 000	924	1 400	540	594
Germany	7 500	10 565	10 725	11 000	5 500	7 500	14 500	15 950
France	2 550	2 550	3 080	4 000	7 700	9 500	1 250	1 375
Italy	1 500	1 500	8 470	8 570	—	—	—	—
Netherlands	690	1 000	7 150	11 000	176	500	710	781
Total EEC	13 615	17 615	33 000	38 570	14 300	18 900	17 000	18 700

<sup>(1)</sup> A consultation had already taken place on 21 July 1966, at the 19th meeting of the Association Council (see Bulletin 9/10-66, Ch. VII, sec. 65).

The Association Council, referring to the exchange of letters on 12 September 1963 between the heads of the Community and Turkish delegations, also sent a recommendation concerning the improvement of living conditions of Turkish workers in the Community and their qualifications, pursuant to Article 22(1) of the Ankara Agreement, to the EEC Member States and to Turkey.

Finally, the Association Council, pursuant to Article 22(2) of the Association Agreement, reviewed the progress made in fulfilling the aims of the Agreement.

Business for this meeting of the Association Council had been prepared by the Association Committee at its third and fourth meetings held respectively on 3 October 1966 in Istanbul and 15 November 1966 in Brussels.

## EUROPEAN DEVELOPMENT FUND

### Financing decisions

63. After endorsement by the European Development Fund Committee, on 22 November 1966 the Commission approved grants from the EDF for a further eight schemes to a total of 12 826 000 u.a.

1) Establishment of 32 000 hectares of selected palm plantations (a supplementary project) in the Ivory Coast: 3 644 153 u.a., equivalent to 899 570 000 Frs. CFA.

The object is to complete the vast scheme to establish 32 000 hectares of selected palm plantations for which the first grants were made in May 1965 — from the second Fund — to a total of 8 000 million Frs. CFA (nearly 33 million u.a.). This scheme is proceeding at the rate planned, under the direction of the *Société pour le développement du palmier à huile* (SODEPALM). The loan for the final 5 420 hectares of the scheme has been made to SODEPALM on special terms: interest 2%; period 21 years with 8 1/2 years of grace; repayment in 25 fixed 6-monthly instalments on principal and interest, the first instalment nine years after the signing of the contract. The loan will be managed by the European Investment Bank.

2) Building of 16 rural dispensaries in Niger: 89 million Frs. CFA or approximately 361 000 u.a. The scheme will provide medical facilities for a region with a total population of 175 000. It is part of Niger's general public health programme, which has given priority to rural areas.

3) Development of activity of the *Union nigérienne de crédit et de coopération* (UNCC) in Niger: 231 million Frs. CFA or approximately 936 000 u.a.

Aid for extending the services of the UNCC will be under two heads: material and equipment for the building and fitting out of 50 stores for co-operatives, and the building of five UNCC district centres. The amount of aid granted by the Fund for the first purpose will itself be repaid to the UNCC in 20 years and will enable this organization to finance further installations, thus doubling the usefulness of the aid.

The project forms part of a general programme financed by the French Fund for Aid and Co-operation; it represents the Niger Government's main effort in the rural sector, the most important in the country's economy. It is in fact estimated that of the three million inhabitants 94% live by agriculture or stockraising.

4) Road surveys in Niger: 87 million Frs. CFA or approximately 352 000 u.a. Preparation of the technical specifications for work on part of the trunk road from Niamey to Zinder, between Birni-N'Konni and Katsari (184 km) to complete the

work in progress and to enable the central section of the road to be used throughout the year.

5) Asphaltting of the Fort-Lamy/Massaguet road in Chad: 650 million Frs. CFA or approximately 2 633 000 u.a.

The project concerns both the asphaltting of the Fort-Lamy/Massaguet road and the link between this road and the rue du Nord at Fort-Lamy, or a total of 86.6 km. Since this earth road was made, with aid from the first Fund, the traffic has increased greatly and has made it necessary to asphalt the road to a width of six metres.

The Fort-Lamy/Massaguet road is used by all traffic between the capital of Chad and the northern and eastern regions of the country, the economic expansion of which is one of the objectives of the interim economic and social development plan 1964-65 instituted by the Chad Government. The Fund is already helping in this plan with hydrological and geological studies of the Lake Chad polders with a view to increasing their wheat production and with the sinking of 561 rural wells.

With the building of the Fort-Lamy/Guelendeng road forming a link with the southern part of the country, lately financed by the Fund, the investment just approved will round off the improvement of the road network and will also strengthen national unity by facilitating administrative communications with the capital.

6) Improvement and asphaltting of the Kinkala-Boko road in the Congo: 600 million Frs. CFA or approximately 2 431 000 u.a.

The object is to build a road which can be used at all times of the year (asphalted to a width of six metres) in the Pool prefecture between Kinkala and Boko, some 72 km. apart. This road supplements the asphaltting work previously carried out by the Fund on the Brazzaville-Kinkala trunk road and will enable regular supplies of fresh food from the market-gardening area of Boko to be brought to the Congo capital. This area is in fact the granary of the capital, the population of which is increasing rapidly and is at present 150 000. The regions of Kinkala and Boko have a population density of 15 inhabitants per sq. km — the highest in the Congo — compared with an average density of 2.3 per sq. km for the country as a whole.

It is likely that this project will, by providing a ready and permanent route for getting produce away, encourage the peasants to increase their production; a larger and more regular supply of food to Brazzaville will certainly also have a favourable effect on food prices. In addition, the asphaltting of the road should bring transport costs down from 27 to 20 Frs. CFA per ton/km.

7) Building of an agricultural institute in Burundi: 132 million Frs. BU, or 1 509 000 u.a. This to be an agricultural college for supervisory staff, comprising teaching premises, boarding establishment and accommodation for teaching staff, together with a model farm. This investment will be made in conjunction with the United Nations Special Fund.

8) School buildings in Surinam (second phase): 1 810 000 Surinam florins or approximately 960 000 u.a. Building and initial fitting out of 134 new primary classrooms, representing 17 new schools and the extension of three existing schools, together with quarters for 34 teaching staff. On completion of buildings for 150 classes financed from the first Fund, the present project will considerably reduce the deficiency in primary education in Surinam.

These financing decisions will bring the total commitments of the second European Development Fund since its inception to approximately 338 245 000 units of account for 165 schemes.

## (beneficiary States, countries and territories)

(in '000 u.a.)

Beneficiary State, country or territory	Economic 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
<i>AAMS</i>								
Burundi	1 829	2 200	—	1 763	400	—	6 192	—
Cameroon	11 019	749	4 372	347	—	—	16 487	6 076
Central African Republic	9 491	—	3 668	1 271	150	—	14 580	—
Congo (Brazzaville)	5 834	5 169	—	406	—	—	11 409	—
Congo (Kinshasa)	35 174	—	—	502	2 267	—	37 943	—
Ivory Coast	2 245	38 458	—	51	8	—	40 762	—
Dahomey	5 700	—	1 965	587	2	—	8 254	—
Gabon	—	—	—	2 378	—	—	2 378	—
Upper Volta	5 661	—	—	1 181	30	—	6 872	—
Madagascar	33 979	284	8 552	795	66	—	43 676	—
Mali	9 985	41	2 847	1 026	—	—	13 899	—
Mauritania	10 092	1 357	—	35	—	—	11 484	—
Niger	6 633	936	2 030	743	—	—	10 342	—
Rwanda	900	4 448	—	1 549	435	—	7 332	—
Senegal	6 367	1 025	21 963	81	—	—	29 436	—
Somalia	6 419	—	—	722	1 068	1 850	10 059	—
Chad	20 861	—	2 985	990	68	—	24 904	—
Togo	2 066	—	991	682	—	—	3 739	—
Total AAMS	174 275	54 667	49 373	15 109	4 494	1 850	299 748	6 076
<i>OCT/Overseas Departments</i>								
Netherlands Antilles	6 709	—	—	—	—	—	6 709	—
Comoro Islands	790	—	—	154	—	—	944	—
French Somaliland	606	—	—	16	—	—	622	—
Guadeloupe	375	—	—	—	—	—	375	—
Réunion	8 102	—	—	—	—	—	8 102	—
New Caledonia	2 395	—	—	—	—	—	2 395	—
French Polynesia	869	—	—	—	—	—	869	—
Surinam	960	—	—	188	—	—	1 148	—
Total OCT and Overseas Depts.	20 806	—	—	358	—	—	21 164	—
Aid not distributed or not broken down	—	—	—	3 773 <sup>(1)</sup>	13 560 <sup>(2)</sup>	—	17 333	—
Overall total	195 061	54 667	49 373	19 240	18 054	1 850	338 245	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 scholarships, 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 22 November 1966

(sectors of activity)

(in '000 u.a.)

Sectors	Amounts	%
<b>0. AGRICULTURAL PRICE SUPPORT</b>	26 843	—
<b>1. DEVELOPMENT OF PRODUCTION</b>		
12. Structural improvement of agricultural production	24 338	
13. Agricultural diversification	53 654	
14. New agricultural developments	30 007	
15. Livestock and fishing	6 023	
16. Development of co-operatives	2 147	
17. Rural and pastoral water supply	8 568	
18. Industrial diversification	5 406	
19. Trade promotion	266	
Total 1	130 409	42.40
<b>2. MODERNIZATION OF ECONOMIC INFRASTRUCTURE</b>		
21. Ports	9 934	
22. Roads and bridges	85 246	
23. Railways	1 145	
24. Telecommunications	4	
25. Airports	727	
26. Energy	37	
Total 2	97 093	31.60
<b>3. SOCIAL DEVELOPMENT</b>		
31. Training of senior staff	15 477	
32. Education	25 445	
33. Public health	22 473	
34. Urban water supply	8 995	
35. Urban drainage and sewerage	5 309	
36. Electrification	5	
Total 3	77 704	25.20
<b>4. MISCELLANEOUS</b>		
41. Development programming	1 887	
42. Information	225	
43. Emergency aid	250	
Total 4	2 362	0.80
Total 1 + 2 + 3 + 4	307 568	100.00
+ Funds not yet allocated <sup>(1)</sup>	3 834	
+ Agricultural price support	26 843	
= Total commitments	338 245	
Stabilization of prices of agricultural products <sup>(2)</sup>	6 076	

(1) This refers to that part of the overall amounts available under the heading of technical assistance linked with investment 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 liquid assets of the EDF (Convention, Art. 20) and their total need not be added to that of commitments.

## VII. Institutions and organs

### THE EUROPEAN PARLIAMENT

A plenary session of the European Parliament was held from 28 November to 2 December 1966, with M. Poher in the presidential chair.

The Parliament expressed its sympathy with the victims of the floods in Italy, and examined as a matter of urgency the Commission's proposals to the Council for making good the damage incurred <sup>(1)</sup>.

The annual joint meeting between the Parliament, the Councils and the three Executives was held on 28 November 1966 <sup>(2)</sup>.

Several debates were held and a number of resolutions adopted during this session.

#### *The floods in Italy*

- i) Resolution on the disaster which affected several regions of Italy (see Ch. I)
- ii) Resolution expressing the opinion of the European Parliament on the proposals for a regulation on the EAGGF's contribution towards repairing the damage caused by the disastrous floods in certain areas of Italy during the autumn of 1966 (see Ch. I).

#### *Free circulation of goods*

Resolution expressing the opinion of the European Parliament on the proposal for a regulation to create a common system for trade in egg albumin and milk albumin.

#### *Approximation of legislation*

- i) Resolution expressing the opinion of the European Parliament on a proposed Council directive modifying the Council directive of 5 November 1963, concerning the approximation of Member States' legislation on permitted preservatives in food-stuffs for human consumption.
- ii) Resolution expressing the opinion of the European Parliament on the proposals for:
  - a) A directive on health requirements and health control for imports of live cattle and pigs and fresh meat from non-member countries.
  - b) A decision to establish a Veterinary Committee.

#### *Economic and financial affairs*

- i) Resolution expressing the opinion of the European Parliament on the proposal concerning the draft medium-term economic programme (1966-1970) (see Ch. IV, sec. 19)
- ii) Resolution on the Community's future activity in the field of monetary policy and the creation of a European monetary union (see Ch. IV, sec. 20).

<sup>(1)</sup> See Ch. I of this Bulletin.

<sup>(2)</sup> Ibid., Ch. III.

### *Agricultural policy*

- i) Resolution on the organization of world markets in agricultural products, especially cereals (see Ch. IV, sec. 37)
- ii) Resolution expressing the opinion of the European Parliament on a proposed Council regulation waiving certain clauses of Regulation No. 17/64/CEE on the grant of aid from the Guidance Section of the EAGGF for the years 1966 and 1967 (see Ch. IV, sec. 34).

### *Social policy*

Resolution on the EEC Commission's review of the social situation in the Community during 1965 (see. Ch. IV, sec. 48).

### *The Community's external relations*

Resolution on the Agreement creating an association between the EEC and the Nigerian Republic and annexed documents (see Ch. V, sec. 54).

### *Association of Greece with the Community*

Resolution on the recommendations of the EEC-Greece Joint Parliamentary Committee concerning the third annual report by the Association Council.

### *Budgetary matters*

- i) Resolution on the EEC's draft budget for 1967 (see Ch. VII, "Administrative affairs")
- ii) Resolution on allocation of the appropriation under Head XVIII of the estimated receipts and expenditure of the European Parliament for 1967
- iii) Resolution on the staff organization of the European Parliament annexed to the EAEC and EEC draft budgets for 1967 established by the Councils
- iv) Resolution on the draft supplementary budgets of the EAEC and the EEC established by the Councils for the 1966 financial year.

## **THE COUNCIL**

### **197th session**

The 197th session of the Council was held on 24 and 25 November 1966, with M. Biesheuvel, Deputy Prime Minister and Minister of Agriculture and Fisheries of the Netherlands, in the chair; the session was devoted to agriculture.

The business of this session is reported above in Chapter IV, sections 22, 23, 24 and 26 (decisions on maize groats and meal, beef and veal, powdered milk for cattle feed).

Some measure of agreement was attained between Member States on aid measures compatible with the Common Market, and the Council discussed the application of the "fats and oils" regulation, notably the intervention prices for olive oil during the 1966-67 marketing year.



## 198th session

The 198th session of the Council was held on 24 November 1966, with M. de Block, State Secretary at the Ministry of Foreign Affairs of the Netherlands, in the chair.

The first part of the session was devoted to the recent disasters in Italy. The Council adopted a resolution expressing its solidarity with the stricken member country, and agreed to request, by urgent emergency procedure, the opinion of the Parliament on the Commission's proposals in this matter (see above, Ch. I).

The Council then studied the Commission's proposals for the agricultural offers which remain to be made by the Community for the Kennedy round (sugar, fruit and vegetables, tobacco, fish products and oil-seeds).

It adopted a decision reducing to 12.8%, the CCT duty on dihydro-ethoxytrimethylquinoleine until 30 June 1967 (see Ch. IV, sec. 2).

The Council agreed that regular contacts with representatives of Latin-American countries should be continued.

The Representatives of Member States meeting in the Council decided temporarily to reduce the duty on dihydro-ethoxytrimethylquinoleine to the rate fixed by the above-mentioned Council decision.

## ECONOMIC AND SOCIAL COMMITTEE

The 58th session of the Economic and Social Committee was held in Brussels on 29 and 30 November 1966 under the chairmanship successively of M. Major and M. Kramer.

Opening the session, M. Major expressed the Committee's solidarity with Italy following the floods which had afflicted certain parts of that country <sup>(1)</sup>.

The Committee rendered opinions on the following proposals:

1. Proposal for a Council regulation amending and supplementing Regulations No. 3 and No. 4 concerning the social security of migrant workers (see Ch. IV, sec. 43)

This opinion was unanimous.

The Council had referred the proposal to the Committee on 1 March 1966.

2. Proposal for a Council directive to remove restrictions on establishment and the supply of services in a self-employed capacity in respect of:

- 1) Certain transport auxiliaries and travel agents (Group 718 ISIC)
- 2) Warehousemen (Group 720 ISIC)
- 3) Customs agents (ex Group 839 ISIC)

This opinion was unanimous.

The Council had referred the proposal to the Committee on 1 March 1966.

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<sup>(1)</sup> See Chapter I of this Bulletin.

3. Proposal for a Council directive on the details of provisional measures for self-employment in respect of (see Ch. IV, sec. 12):

- 1) Certain transport auxiliaries and travel agents (Group 718 ISIC)
- 2) Warehousemen (Group 720 ISIC)
- 3) Customs agents (ex Group 839 ISIC)

This opinion was unanimous.

The Council had referred the proposal to the Committee on 1 March 1966.

4. Proposal for a Council directive to harmonize the legislation of Member States concerning classification of wood in the rough (see Ch. IV, sec. 36)

This opinion was adopted by 67 votes to 1 with two abstentions.

The Council had referred the proposal to the Committee on 1 March 1966.

5. Draft Council decision instituting a committee on foodstuffs, proposal for a Council directive amending Council Directive of 5 November 1963 on the approximation of Member States' legislation concerning permitted preservatives in food for human consumption, and amended proposal for a Council directive amending the Council directive relating to the approximation of Member States' laws and regulations on permitted colouring matters in food for human consumption (see Ch. IV, sec. 36)

This opinion was unanimous.

The Council had referred these proposals to the Committee on 23 March 1966.

6. Proposal for a Council directive amending Council Directive of 5 November 1963 on the approximation of Member States' legislation concerning permitted preservatives in food for human consumption (see Ch. IV, sec. 36)

This opinion was unanimous.

The Council had referred this proposal to the Committee on 24 November 1966.

7. Proposal for a Council directive on the approximation of Member States' legislation concerning permitted colouring matters in branded pharmaceuticals (see Ch. IV, sec. 11)

This opinion was unanimous.

The Council had referred this proposal to the Committee on 29 June 1966.

8. Proposal for a Council directive relating to freedom for farmers who are nationals of one Member State and established in another Member State to join co-operatives (see Ch. IV, sec. 12)

This opinion was unanimous.

The Council had referred this proposal to the Committee on 1 March 1966.

9. Proposal for a Council directive relating to freedom for farmers who are nationals of one Member State and established in another Member State to have access to various types of credit (see Ch. IV, sec. 12)

This opinion was unanimous.

The Council had referred this proposal to the Committee on 1 March 1966.

10. Proposal for a Council directive on notification to the Commission of statistical data relating to capital movements to and from non-member countries, and Commission recommendation for a Council decision laying down procedure for consultation on national policies relating to capital movements from non-member countries (see Ch. IV, sec. 21)

This opinion was adopted by 76 votes to 4 with two abstentions.

The Council had referred these proposals to the Committee on 14 March 1966.

## ADMINISTRATIVE AFFAIRS

### Budget matters : Debate in the European Parliament

At its session of 28 November - 2 December 1966, the European Parliament voted on the draft EEC budget for 1967. It proposed substantial increases in the appropriations under Heads II, III and XXXIV (social affairs) of the part relating to the Commission.

Increases of 256 580 u.a. for Head II and of 69 400 u.a. under Head III were asked for in connection with the proposed addition of 24 B and 70 C posts to the Commission's staff. The Parliament pointed out that the essential purposes of these amendments were to lead the Council and Commission to reconsider the number of posts needed if the outstanding tasks were to be carried out completely and within the time-limits fixed, and at the same time to ensure a better balance between new posts for category A and for categories B and C.

Under Head XXXIV, Parliament proposed an increase from 251 100 u.a. to 635 600 u.a. This rise of 384 500 u.a. concerns the Sub-head for activity in the field of vocational training. The appropriation would be blocked until July 1967 at the latest.

Parliament also suggested including under Head XIV, Sub-head 145 in the "Commission" part of the budget the item: Special measures to aid Italy following the recent catastrophe: token entry.

M. de Bock, President of the Councils, opened the debate with a general statement on the draft EEC and Euratom budgets. He said that the Council had endeavoured to strike a balance between the requirements of the Community Executives and the resources of the Member States.

M. Charpentier presented his report on behalf of the Administration and Budgets Committee. He first assured our "Italian friends" of the lively sympathy of the Committee, whose desire, to use the words of the Political Committee, was to demonstrate "by all usefull and urgent measures" its profound solidarity with Italy in this cruel misfortune. The Committee had therefore tabled an amendment asking for the insertion of a special item under Head XIV, without, however, specifying any amount, since there was no sufficient basis for this. Apart from immediate measures, M. Charpentier explained that it should be possible to provide some of the aid through the EAGGF and the European Investment Bank.

M. Charpentier then went on to discuss some essential problems raised by the draft budget. He first criticized the Council's refusal of funds for social projects under the pretext that the relevant decisions of principle had not yet been made. He

explained that the Budgets Committee's suggestion to block an appropriation under this head had been aimed at achieving at any rate half the action envisaged by the Commission.

The rapporteur then expressed the Committee's disquiet at the cuts made by the Council in the appropriations for new posts. The Committee was opposed to any economies which could jeopardize the very tasks which the Commission must accomplish if it was to make progress, and consequently requested that the Council review its position.

M. Charpentier then urged that there should be political control of the Social Fund and of the EAGGF and that technical control should be made more effective, in particular by strengthening the competent department. M. Charpentier further asked the Parliament to include the EAGGF problem in a broad debate on agricultural policy.

M. Levi Sandri, Vice-President of the Commission, said that the Commission's requests in the preliminary draft budget represented the indispensable minimum to enable it to discharge its duties. The Commission had now done all that could be done in rationalizing and streamlining its departments.

After recalling that the Commission's proposals for staff had been severely trimmed down each year by the Council, M. Levi Sandri said — as President Hallstein had done in the Council — that the drastic reductions to the Commission's proposals for the coming financial year made it impossible to give any assurance that its work would be accomplished within the time and in the way expected. He regretted the lack of funds for the social sector and also the fact that the decisions of substance in this sector had already been held up far too long.

M. Mansholt, Vice-President of the Commission, commented on the EAGGF part of the draft budget. He thought that the programme drawn up by the Council in May and June 1966 could not be implemented for lack of staff and that the repercussions of this would be felt in the agricultural and industrial fields and even in the Kennedy round.

Replying to the various comments and criticisms, M. de Block endeavoured to justify the Council's attitude and emphasized the efforts it had made so that the Community could continue to advance.

At the close of the debate the Parliament adopted the EEC budget subject to the foregoing amendments, and passed a resolution embodying its comments and its anxieties <sup>(1)</sup>.

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(1) The full text of the resolution is annexed to this Bulletin.

# Miscellaneous

## Message from President Hallstein to M. Saragat, President of the Italian Republic

Following the floods in Italy in autumn 1966, the President of the European Economic Commission sent the following message to the President of the Italian Republic:

"The EEC Commission is profoundly distressed at the damage and suffering caused by the bad weather in Tuscany and in the Po valley. I wish to convey to your Excellency and to the Italian people our keenest sympathy and solidarity with you and the areas hit by the disaster."

## Family budgets in Italy

The Statistical Office of the European Communities has published the fourth issue in a series of eight concerning the survey of family budgets which it had organized in collaboration with the national institutes of statistics of the six member countries. The first three publications concerned Belgium, Luxembourg and the Netherlands.

The fourth issue contains approximately 600 pages, published in the "Social statistics" series, and deals with Italy, where some 10 000 families of manual workers, clerical workers, civil servants and farmers have assisted in the survey; made in 1963/64.

The greater part of the publication (more than 400 pages) is devoted to the very detailed results of the survey. They concern principally what the office calls standard of living indicators: ownership of dwelling, motor car, refrigerator, washing machine, television set, etc. The publication also gives ample data on the amount and breakdown of expenditure and consumption of households for 286 articles and services. Apart from expenditure on food, it gives data on quantities of food consumed.

## Trade union demonstration for European unification

A demonstration of workers belonging to Italian democratic and free trade unions was organized on 6 November 1966 in Rome before the Fifth General Assembly of Free Trade Unions in the Common Market, which was to meet from 9 to 11 November. M. Buitter, General Secretary of the European Trade Unions Secretariat, said that European workers rejected out-moded nationalism. They knew that great economic and social problems could no longer be solved at national level but only at European level. M. Rosenberg, President of the Secretariat and of the Federation of German trade unions, considered the meeting as a demonstration of the readiness of workers to look beyond their national interests towards the ideal of a unified Europe. The free trade unions supported the movements towards a United States of Europe.

M. Viglianesi, General Secretary of the Italian labour union, said that the European trade unions must take common action to accustom workers to the supra-national idea.

M. Storti, President of the International Confederation of Free Trade Unions (ICFTU) and General Secretary of the Italian confederation of trade unions, said that the principal objectives of a united Europe were the democratization of the economy and collective bargaining on a European scale. The major objective was to create a great confederation of free and democratic trade unions in a unified Europe.

At the General Assembly, a round-table discussion on social policy in the six EEC countries took place on 7 November under the auspices of the Community. M. Levi Sandri, Vice President of the EEC Commission, was in the chair. Trade union leaders of the six countries spoke of the achievements of their respective organizations in this field.

### The free trade unions and Europe

The Fifth General Assembly of Free Trade Unions in the Common Market (ICFTU) meeting in Rome from 9 to 11 November 1966 passed a resolution declaring that it was opposed to any interference with the powers of the European executives. It asked for a widening of the European Parliament's powers of supervision. The resolution demanded that the trade union organizations be associated with Community decisions by a strengthening of the Economic and Social Committee's role and by giving that Committee powers of initiative.

By this resolution, the ICFTU movement declared its firm resolve to build a democratic and progressive Europe not restricted to countries already members of the Community and open to the interests of other parts of the world. At the same time it confirmed its opposition to the entry of Spain or Portugal into the Community.

The Assembly recommended a common EEC export trade policy, and a definite policy regarding accession and association; it called for a rapid settlement to the question of Israel's association.

Having noted that progress towards a common social policy was manifestly inadequate, the General Assembly urged that there should be a dynamic common employment policy, with the application of an active vocational training policy and the improvement of Community machinery, in particular the Social Fund.

The Assembly considered it essential to establish effective public supervision of investments, price trends and relations between firms; it was also essential to develop an active policy which, notably by harmonizing legislations, would remove distortions of competition, and to strengthen economic democracy at the national and Community level.

The Assembly appealed to its sister organizations in Europe, particularly in Britain, to bring all possible pressure on their respective governments to join the Community.

Speaking at the opening of the Assembly, M. Mansholt, Vice-President of the EEC Commission said that Europe was witnessing a resurgence of nationalism. It should nevertheless not be thought that the present uneasy situation would render further economic progress impossible; there were forces propelling the European Community further along its path not only within the six countries, but the Community itself had responsibilities and commitments towards its own nations and non-member countries.

The present difficulties should not undermine confidence, M. Mansholt concluded; nationalism was not predominant in men's minds. There were forces, among them the trade unions, ready to fight for a unified and democratic Europe. "Trade unions can rely on the Community institutions because the Community has faith in them".

M. Levi Sandri spoke on the second day, devoting most of his speech to problems of Community social policy. Affirming the independence of this policy, he vigorously

rejected the opinion of certain governments and industrialist circles that the social measures of the Community should serve only the smooth functioning of economic union.

One of the essential aims of European integration, he said, was a steady improvement of living and working conditions in the Community; economic expansion resulting from the Common Market was only one means towards this end. Social progress could not therefore be reduced to the evenly-spread results of the general growth of prosperity. Social objectives had to be pursued independently while bearing economic requirements in mind.

The President of the Commission, M. Hallstein, addressed the Assembly on the third day, having been prevented from speaking at the opening. M. Hallstein said that the Community had not yet completed its task of combining the socially important elements of integration in a progressive policy. The Commission was at any rate doing its best to encourage integration in matters of social policy. It had tried in many ways to guide and stimulate social development in the Community.

The Commission had not only submitted important proposals to the Council; it also worked in close co-operation with both sides of industry and with the governments to assemble information on wages, working hours, holidays with pay, collective agreements, social security systems, this information being necessary for harmonizing the systems in force in the Member States.

The President of the Commission expressed his satisfaction that the European free trade unions had taken as their objective to shape, develop and uphold a free, social and democratic order on the continent. Such was the task of all architects of unification. Together they would place the Community in the van of progress; they would make it a buttress of democracy. The solidarity of those committed to this objective was essential for success. Therefore not only the Member States, not only the "Europeans by profession", but also the various groups and associations on their own level should join forces in the common European task. The Congress demonstrated that the trade unions had clearly understood this.

### **Attitude of UNICE — European industry and European integration**

The Union of Industry (UNICE) has made known its attitude to problems of the Community's economic and social integration, demonstrating the importance it attaches to an expansion of the Community. The document's ten chapters deal with the various problems of concern to industry, namely the necessity of progress towards a true customs union (removal of technical and administrative obstacles to trade); the modification of government monopolies, relations with non-member countries (the growing disadvantages of divergent commercial policies are emphasized); economic policy, notably a strengthening of the links in the monetary and short-term economic policy fields is called for; social policy (the necessary co-ordination of social policy objectives to be achieved by the Member States); industrial structures (the longest chapter, dealing with the size of firms); the European capital market (necessity of fixed exchange rates); scientific and technological research; regional and sectoral policy; transport policy.

### **The Schuman prize awarded to M. Jean Monnet**

M. Jean Monnet, President of the Section Committee for the United States of Europe and former President of the ECSC High Authority, has been awarded the Robert Schuman prize by the University of Bonn. M. Jean Monnet is the first to receive this recently instituted prize.

"It is our aim," he said in his speech of acknowledgement, "that gradually, as Europe unites, the United States and the USSR should come closer together in a common endeavour. If we European do not unite first and do not organize ourselves so that we speak with the same voice, we shall impel the United States to take a stand alone in an attitude of superiority which its resources render possible, and this will be the worse for all of us. The East depends in large measure on relations within the West. Separately, the countries of Europe do not carry any weight with the greatest power in the world."

### **Congress of the Europa-Union**

The Europa-Union (organization of the European movement in Germany) held its 16th congress from 20 to 22 November 1966 in Baden-Baden.

Speeches were made by M. Spaak, M. Furler, former President of the European Parliament, M. Majonica, member of the Bundestag, and M. Kiesinger. M. von der Groeben, member of the Commission, also spoke, saying that he was in favour of closer relations between the Community and the eastern European countries; not only was European integration not an obstacle to the success of a commercial policy with the East, but it was an essential condition for this. A common commercial policy would therefore represent an advance towards a Community which could constitute a trading partner on an equal footing with the USA.

### **Seventh Congress of socialist parties of the Community**

The socialist parties of the European Community met in Berlin on 17 and 18 November 1966.

M. Willy Brandt, Mayor of Berlin, welcomed the delegates, saying that the unification of Europe must be pursued; he also mentioned problems of expansion of the Community. Mme Strobel, President of the socialist group in the European Parliament, presented a report on the activity of the group, stressing that better co-ordination was needed between the European Parliament and the national Parliaments and better relations with the trade unions.

M. Wehner spoke of the work of the Liaison Bureau.

M. Marjolin, Vice-President of the Commission, made a speech devoted chiefly to the work to be done towards a harmonious development of the Community: free movement of goods, industrial co-ordination, review of the business situation, scientific and technological research.

### **Visits to the Commission**

#### **Visit of M. Bock, Austrian Vice-Chancellor**

M. Hallstein, President of the EEC Commission received M. Bock, Vice-Chancellor of the Austrian Republic. M. Bock was accompanied by Ambassador M. Schober, head of the Austrian mission to the European Communities, and M. Buresch, head of the Austrian delegation for the negotiations. M. Bock also had talks with M. Rey, member of the Commission.



### **Visit of African personalities**

On 7 November 1966, M. Hallstein, President of the EEC Commission, received in the presence of M. Rochereau, member of the Commission responsible for overseas development, a ministerial delegation from Kenya, Tanzania and Uganda on the opening of negotiations between these East African countries and the EEC. The delegation consisted of Sheik Babu, Minister of Commerce and Co-operatives of Tanzania; M. Kibaki, Minister of Commerce and Industry of Kenya; M. Obwanger, Minister of Commerce and Industry of Uganda; M. Kahama, Ambassador of Tanzania to the German Federal Republic in Bonn.

### **Visit of the President of the Inter-American Development Bank**

From 14 to 16 November 1966 M. Herrera, President of the Inter-American Development, paid an official visit to the Community institutions. After being received by President Hallstein, M. Herrera and his associates took part in an informatory meeting, presided over by M. Rey and attended by M. Rochereau, member of the Commission, and a number of senior Commission officials.

M. Herrera also met the President of the European Parliament, the Chairman of the Committee of Permanent representatives and the President of the European Bank.

ANNEX

RESOLUTIONS OF THE EUROPEAN PARLIAMENT

(November/December 1966)

Resolution embodying the opinion of the European Parliament on the EEC Commission proposal to the Council concerning the regulation on an EAGGF contribution to repairing the damage caused by catastrophic floods in certain regions of Italy in the autumn of 1966

*The European Parliament,*

Being consulted by the EEC Council,

[...]

*Notes* the identity of views between the Community institutions as to the urgency of Community action on behalf of the stricken areas;

*Notes* with satisfaction that the EEC Commission immediately submitted a proposal in the agricultural field and that the Council declared its readiness to decide this matter as early as 6 December 1966;

*Expects* other Community action from which agriculture could also benefit, without prejudice to concrete measures in other fields which are also affected;

*Recalls* the principle of responsibility which should benefit those areas where economic activity is paralyzed for several years.

In view of these considerations, makes the following comments:

1. *With regard to emergency measures*

*Considers* the proposed regulation submitted to it as a first step in aid to the stricken areas;

2. *With regard to long-term measures*

*Considers* that Community solidarity on the occasion of this catastrophe should be expressed by making exceptional resources available to the Guidance Section of the EAGGF so that the Fund's normal activities are not hampered;

*Requests* the EEC Commission to submit, within three months of the lodging by the Italian Government of an inventory of the damage, a report on the situation and on the action to be undertaken by agreement with that Government;

*Considers* that in conformity with Article 16 of Regulation No. 17/64/CEE a special Community programme should be drawn up for these areas by the Council;

*Is of the opinion* that the measures taken would help the Italian authorities to carry out a judicious plan of restoration not only to repair the damage suffered but also to prevent, as far as possible, any similar catastrophe;

*Approves* the proposed regulation.

Resolution embodying the opinion of the European Parliament on the EEC Commission proposal to the Council concerning the draft medium-term economic programme (1966-1970)

*The European Parliament,*

Being consulted on the Commission proposal by the EEC Council,

[...]

A. *On the submission of the programme*

1. *Is convinced* that the opening of the markets, which is already far advanced and approaching completion, makes a Community orientation of economic policy indispensable;

2. *Therefore expresses* its satisfaction at the submission of the medium-term economic

programme, which opens a new phase in co-operation between the six Member States in economic policy matters;

3. *Congratulates* the EEC Commission, the Medium-term Economic Policy Committee and the experts on the work done, which must be considered of fundamental importance;

B. *On the general lines of the policy*

4. *Considers* that increased public investments and directly productive investments, kept at a high level, are indispensable during the coming years to ensure economic growth while safeguarding internal and external balance;

5. *Accepts* therefore the objective defined in the programme according to which consumers' expenditure should be maintained at an appropriate level, to the benefit of investments;

6. *Urges* that public investment programmes and forecasts extending over several years should be established showing the intentions of the Governments in the matter of economic policy so that the rest of the economy can obtain guidance from them;

7. *Recommends*, in view of an inevitable and rapid expansion of public investment, more economic management of budgets, a review of subsidies and a fiscal policy which makes it possible to cover expenditure, without however provoking inflationary trends in the economy at large;

8. *Considers* that, at the same time, a policy on company capital should be introduced which will strengthen capital markets, increase the propensity to save and give workers a greater share in the general formation of capital;

9. *Approves* the regional policy proposals but with the proviso that regional programmes be closely co-ordinated at Community level in order to bring the development of the backward regions smoothly into line with that of the advanced regions;

10. *Is all the more favourable* to the employment policy advocated as regards vocational training, up grading and mobility of

manpower as more energetic action on vocational retraining would make possible a speed-up in the necessary transformation of structures in the Community with a view both to production and to science and research;

11. *In this respect* recalls once again the amended European Social Fund regulation and urges the Council to adopt it without delay;

C. *On future studies*

12. *Urges* the Governments of the Member States to give priority to the necessary broadening of statistics and to the improvement of forecasting methods;

13. *Considers* it indispensable that a programme to implement the Community's medium-term economic policy should deal with structural problems and, where necessary, indicate the economic and social policy measures to be taken in favour of industries in difficulty;

14. *Hopes* that proposals for a common policy on science and research will be included in the programme as soon as possible;

15. *Stresses* the desirability of pursuing the study of the possibilities and procedures for a general incomes policy;

16. *Hopes* that an action programme covering practical economic and social policy decisions to be taken at Community level will be submitted for the last stage of the transition period;

17. *Would be grateful* if the presentation of the programme, which should if possible be resumed from year to year, were made in a form ensuring it the necessary publicity;

18. *Urgently calls on* the Council and the Member States to follow the general lines laid down in the programme in close co-operation with the circles concerned, and in particular with the two sides of industry, and invites the Commission to report to it at regular intervals on the execution of the programme.

## Resolution on the future activities of the Community in the field of monetary policy and the establishment of a European monetary union

*The European Parliament,*

Having regard to Articles 104-109 of the Treaty establishing the European Economic Community;

[...]

As regards internal monetary questions:

1. *Is of the opinion* that monetary policy tasks are becoming more and more urgent because of the disturbances and weaknesses which make themselves felt in the different Member States, in particular inflationary and deflationary trends which extend more and more rapidly and more lastingly from one Community country to another;

2. *Is gratified* to see the progress at institutional level represented by the creation of a certain number of advisory bodies and approves the action of the Commission so far in the matter of monetary policy while emphasizing, however, that the Community is still very far from becoming a unified capital market, the establishment of which is urgently needed, and from a co-ordinated monetary policy;

3. *Considers* that it is indispensable and urgent to pursue the liberalization of the Community capital market in particular for short-term capital movements and issues by Community undertakings and, to this end, hopes that the economic, monetary and budgetary policies of the Community countries will be co-ordinated satisfactorily;

4. *Believes* that excessive demand for capital by the authorities and certain forms of interest rebates granted by the States to the private sector can weigh upon the capital market in such a way that inflationary im-

pulses result, and invites the EEC Commission to submit proposals for the removal of these disturbing factors to the Council of Ministers and the Governments of the Member States;

5. *Recommends*, as a first step towards a European monetary union, the minting of European coins which would be legal tender in all Community countries;

6. *Proposes* that these European coins be minted by the Member States, to which the profit on minting would accrue;

As to international monetary questions:

7. *Is of the opinion* that the Member States should continue to approximate their attitudes on international monetary problems including that of improving the present world monetary system and that they should help by acting as a Community in co-ordinating monetary and financial policies in the setting of organized economic co-operation and development, and also in the framework of the International Monetary Fund;

8. *Recalls* that imports of capital from non-member countries, particularly in the form of direct investments, can be beneficial to the Community's economy, but nevertheless considers that a concerted policy on the part of the Community countries is indispensable in this field;

9. *Hopes* for an increase in Community capital exports and would be happy to see the Commission study procedures for harmonizing insurance against the risks involved in such exports.

## Resolution on the organization of world markets in agricultural products, more especially cereals

*The European Parliament,*

[...]

Considering that the imbalance of world markets in agricultural products is of a structural nature and that its causes must be sought primarily in national agricultural policies;

Considering that these markets can only be regularized if importing and exporting countries are willing to adapt their national policies to a joint international organization;

Considering that the Kennedy round offers a favourable opportunity to remedy the critical situation on world agricultural mar-

kets and to reach a lasting regularization by the conclusion of world agreements;

1. Emphasizes once more the advantages presented by the EEC Commission's proposal to GATT, which is intended to stabilize world agricultural markets and suggests a method, which is to bring the Contracting Parties' commitments into relation with their respective support amounts, and to draw up rules for fixing and applying these amounts;

2. Points out that the world reference price for wheat (Red Winter II) proposed by the Community should be revised on the basis of reliable data, since it appears too low in the light of trends on the world market;

3. Considers it necessary to fix a price ratio between wheat and coarse grains which will reflect more closely their respective values as fodder;

4. Draws attention to the fact that a binding of support amounts for three years implies a freezing of the common cereal prices fixed on 15 December 1964, and stresses the disturbing consequences this long-term com-

mitment would involve, on the economic and social level, for the agricultural sector;

[...]

6. Recommends that the world agreement on cereals be applied for an initial period of two years, i.e. until the end of 1969, the more so since at that date, the transition period laid down in the Treaty of Rome will be at an end and the EEC should have become a full economic union;

7. Suggests that the prices be revised before the agreement is initialled in the light of any developments which may occur meanwhile;

8. Considers that in concluding the world agreement the Contracting Parties should have due regard to the question of food aid to the poorer countries;

Considers the Community's proposal on cereals as a good starting point, and suggests that the multilateral food-aid programme, to be placed under joint financial responsibility, be based on the degree of self-sufficiency fixed by agreement between the Contracting Parties for each one of them.

## Resolution on the EEC Commission's review of the social situation in the Community in 1965

### *The European Parliament,*

1. *Notes* that where it was so empowered by the Treaty the EEC Commission has taken effective action in various fields of social policy, but that this has not been sufficient to implement a positive social policy;

2. *Stresses* that in social policy co-operation between the Governments has been deficient and the results disappointing;

3. *Is convinced* that the degree of attachment of European citizens to a Europe in the process of unification depends to a decisive extent on a balanced and progressive social order in the Community;

4. *Deplores* the Council's inertia in this matter because it implies that the Council

does not attach sufficient importance to social policy in the unification of Europe;

5. *Requests* as a matter of urgency that the Ministers of Labour and Social Affairs, who have not met for more than two years, should at an early date confer upon delays in social policy and its development;

6. *Fears* that the social progress aimed at by the Treaty, and of which the Community should be the architect, may become impossible and that social disparities may be accentuated and persist even after the expiry of the transition period if the political will of the Council on these problems is not finally affirmed;

7. *Urges* the EEC Commission to take steps to ensure the rational employment of unemployed or underemployed manpower;

8. *Is concerned* by the delays in all aspects of social policy, but more particularly as regards:

a) The improvement and broadening of the regulations of the Social Fund, which is indispensable for the rational employment of existing manpower;

b) Accelerated vocational training leading to economic development and better conditions for the free movement of workers;

c) Extension of Regulation No. 3 to seamen and the consequent improvement in the social situation of this category of workers;

d) Measures to redeploy manpower affected by conversion in the sulphur mines;

e) Equal pay for men and women workers;

f) Improvement and alignment of laws and regulations on industrial safety and health;

9. *Considers* that these disturbing delays are due to the fact that the Council has not

yet taken the necessary measures, some of which have been expected for more than a year;

10. *Looks to* the Council to take steps towards the harmonization of social and health policies, which can only be done if Member States and Community institutions make greater efforts in close collaboration with both sides of industry.

11. *Expects* the Council to act without delay in the spirit of the Rome Treaty and recalls that there exists institutional machinery for a complaint against failure to take action, all the conditions for which seem to be fulfilled;

12. For this reason *emphasizes* the need for the Council to give priority in future to social policy, which is the only means of ensuring a balanced development of economic and social policy.

## Resolution on the draft budget of the European Economic Community for 1967

*The European Parliament,*

*Having regard* to the preliminary draft EEC budget for 1967 submitted to the Council by the Commission;

*Having regard* to the draft budget for 1967 established by the Council;

[...]

*Acting* by virtue of paragraphs 3 and 4 of Article 203 of the Treaty;

1. *Hopes* that the Community will show its solidarity towards Italy, which has been so cruelly tried, and consequently invites the Council to include in the budget an appropriation to give effect to the resolution of 29 November 1966;

2. *Agrees*, in a spirit of economy, to certain cuts made by the Council in the appropriations for various operational expenditures;

3. *Deplores* that no decision has been taken on the Commission's proposals concerning redundant workers from the Italian sulphur mines, on the accelerated vocational training programme, nor on amended arrangements for the European Social Fund; *considers* that the funds requested for these purposes by

the Commission should have been provided and blocked pending decisions on regulations which cannot be further delayed; *disapproves* of the Council's neglect to hold any meeting on social affairs since 14 October 1964, with the result that nothing has been done in matters of social policy by the Council for more than two years;

4. *Stresses* the importance of the Council's decisions and resolutions of May, July and September 1966; realizes that, quite apart from the many decisions which will have to be taken or pursued, the implementation of the common agricultural policy, the completion of customs union by 1 July 1968 and the balanced development of the Community, will call for intense activity on the part of the Commission and the other Community institutions in 1967;

5. *Considers* that the reductions made by the Council are likely to prevent the Commission from making good the shortcomings that have appeared in certain sectors, from assuring satisfactorily the administration of arrangements already decided, and from discharging fully its tasks by the appointed dates;

6. Urgently *requests* the Council to re-examine with the Commission its staffing

proposals, bearing in mind that the possibilities of re-organizing services and transferring personnel already employed are not unlimited, particularly until such time as the Executives have been merged;

7. *Emphasizes* that the Council bears responsibility for non-compliance with the timetable fixed for decisions, particularly in the agricultural sphere;

8. *Considers* that in any case the Commission must be granted more B and C posts (executive and clerical grades), because the disproportion between these grades and grade A is too great and may prevent the satisfactory functioning of the departments;

9. *Urges* the Commission nevertheless to make every effort to give a new impulse to the forward march of the Community and places its confidence in the Commission for this matter;

10. *Urges* the need of permitting, in addition to technical control, a true and effective democratic control over the special funds, which already total more than 500 million u.a. In particular *requests* that it be called upon to pronounce in good time on estimates of expenditure or at least on indicative factors and no longer, as is the case at present, to

record *post facto* the entry for accounting purposes of decisions taken earlier, the more so as the composition and distribution of these funds are already beyond the control of the national parliaments;

11. *Recalls* that the presentation of the budget should permit it fully to exercise its powers and in so doing to hold a full debate on future Community policy;

12. *Is concerned* at the delay in the implementation of the Treaty of 3 April 1965 setting up a single Commission and a single Council; *stresses* the political and administrative difficulties which may result from this delay, and *considers* that it is now urgent to merge the three Executives;

13. *Instructs* its President to transmit to the EEC Council the draft budget amended in conformity with Article 203(4), second sub-para. of the Treaty, this resolution, the minutes of the meeting of 29 November 1966 and the report of its Administration and Budgets Committee;

14. *Requests* that it be informed of the Council's deliberations on the draft budget thus amended and on this resolution;

[...]

## PUBLICATIONS OF THE EUROPEAN ECONOMIC COMMUNITY

Items concerning the activities of the European Economic Community published in the official gazette of the European Communities between 18 November 1966 and 13 December 1966.

### EUROPEAN PARLIAMENT

#### Written questions and replies

- No 56 de M. Vredeling au Conseil de la CEE. Objet: Propositions de la Commission au Conseil relatives aux mesures particulières d'ordre social à prendre en faveur des travailleurs italiens licenciés des mines de soufre (No. 56 by M. Vredeling to the EEC Council: Proposals by the Commission to the Council for social measures for the benefit of redundant Italian sulphur mine workers) No. 212, 21.11.66
- No 74 de M. Metzger au Conseil de la CEE. Objet: Reprise des négociations avec Israël (No. 74 by M. Metzger to the EEC Council: Resumption of negotiations with Israel) No. 212, 21.11.66
- No 84 de M. Kriedemann à la Commission de la CEE. Objet: Prix de référence pour les oranges (No. 84 by M. Kriedemann to the EEC Commission: Reference prices for oranges) No. 212, 21.11.66
- No 86 de M. Pedini à la Commission de la CEE. Objet: la pêche le long des côtes de Mauritanie (No. 86 by M. Pedini to the EEC Commission: Fishing in coastal waters of Mauritania) No. 212, 21.11.66
- No 87 de M. Richarts à la Commission de la CEE. Objets: prix du lait (No. 87 by M. Richarts to the EEC Commission: Milk prices) No. 212, 21.11.66
- No 89 de M. Mauk à la Commission de la CEE. Objet: Organisation commune des marchés dans le secteur des produits horticoles non comestibles (No. 89 by M. Mauk to the EEC Commission: Common organization of markets in non-edible horticultural products) No. 212, 21.11.66
- No 92 de M. Bergmann à la Commission de la CEE. Objet: Coopération plus étroite des Etats membres en cas de catastrophes dans les entreprises et spécialement dans les mines (No. 92 by M. Bergmann to the EEC Commission: Closer co-operation between Member States in the event of industrial disasters, particularly in mines) No. 212, 21.11.66
- Réponse complémentaire de la Commission de la CEE à la question écrite no 48 de M. Hahn. Objet: Aides du gouvernement néerlandais à la production de féculé de pommes de terre (Supplementary reply by the EEC Commission to written question No. 48 of M. Hahn: Aid from the Netherlands Government to potato starch production) No. 224, 5.12.66
- No 63 de MM. Dichgans et Aigner à la Commission de la CEE. Objet: Multiplication des échanges de professeurs et d'étudiants dans les pays de la Communauté (No. 63 by M. Dichgans and M. Aigner to the EEC Commission: Increase in exchanges of teachers and students in the Community countries) No. 224, 5.12.66
- No 93 de M. Blondelle à la Commission de la CEE. Objet: « Calendrier agricole » (No. 93 by M. Blondelle to the EEC Commission: Agricultural calendar) No. 224, 5.12.66
- No 94 de M. Apel à la Commission de la CEE. Objet: Production de transformation dans l'agriculture de la CEE (No. 94 by M. Apel to the EEC Commission: Conversion products in EEC agriculture) No. 224, 5.12.66
- No 96 de M. Bading à la Commission de la CEE. Objet: Harmonisation des mesures nationales d'aide à la collecte et au retraitement des huiles usées (No. 96 by M. Bading to the EEC Commission: Harmonization of national aids to the recuperation of used oils) No. 224, 5.12.66



## Notice of open competitive examinations

Avis de concours général n° PE/3/A (administrateurs principaux) (Notice of open competitive examination No. PE/3/A — Principal administrative officers)	No. 212,	21.11.66
Avis de concours général n° PE/4/A (administrateurs et administrateurs adjoints) (Notice of open competitive examination No. PE/4/A — administrative officers and assistant administrative officers)	No. 212,	21.11.66
Avis de concours général n° PE/5/A (un administrateur principal) (Notice of open competitive examination No. PE/5/A — principal administrative officer)	No. 212,	21.11.66
Avis de concours général n° PE/16/C (secrétaires sténodactylographes de langue allemande) (Notice of open competitive examination No. PE/16/C — German language secretaries with shorthand/typing)	No. 228,	9.12.66
Avis de concours général n° PE/17/C (dactylographes de langue allemande) (Notice of open competitive examination No. PE/17/C — German language typists)	No. 228,	9.12.66
Avis de concours général n° PE/18/C (secrétaire sténodactylographe de langue italienne) (Notice of open competitive examination No. PE/18/C — Italian language secretaries with shorthand/typing)	No. 228,	9.12.66
Avis de concours général n° PE/19/C (dactylographes de langue italienne) (Notice of open competitive examination No. PE/19/C — Italian language typists)	No. 228,	9.12.66
Prorogation de la validité de la liste de réserve de recrutement établie à la suite du concours général n° PE/12/C, secrétaires sténodactylographes de langues allemande, française et italienne publié au Journal officiel des Communautés européennes n° 182 du 30 octobre 1965 (Extension of the period of validity of the recruitment reserve list resulting from open competitive examination No. PE/12/C for German, French and Italian language secretaries with shorthand-typing published in the official gazette of the European Communities No. 182, 30 October 1965)	No. 228,	9.12.66

## COUNCIL AND COMMISSION

### Regulations

Règlement n° 182/66/CEE de la Commission, du 18 novembre 1966, supprimant le montant supplémentaire pour les œufs en coquille de volailles de basse-cour originaires de la Hongrie et de la Roumanie (Commission Regulation No. 182/66/CEE of 18 November 1966 abolishing the supplementary amount for shell eggs from Hungary and Rumania)	No. 211,	19.11.66
Règlement n° 183/66/CEE de la Commission, du 18 novembre 1966, relatif à la non-fixation du montant supplémentaire pour les œufs sud-africains (Commission Regulation No. 183/66/CEE of 18 November 1966 concerning the waiving of the supplementary amount for South African eggs)	No. 211,	19.11.66
Règlement n° 184/66/CEE de la Commission, du 21 novembre 1966, relatif à la collecte, la vérification et la transmission des données comparables recueillies en vue de la constatation des revenus dans les exploitations agricoles (Commission Regulation No. 184/66/CEE of 21 November 1966 concerning the collection, checking and communication of accounting data obtained to give information on farm incomes)	No. 213,	23.11.66

Règlement no 185/66/CEE de la Commission, du 22 novembre 1966, relatif à la détermination des centres d'intervention pour l'huile d'olive autres que les centres principaux (Commission Regulation No. 185/66/CEE of 22 November 1966 concerning the determination of intervention centres for olive oil other than the main centres)	No. 214,	23.11.66
Règlement no 186/66/CEE de la Commission, du 22 novembre 1966, relatif à certaines modalités concernant l'aide pour l'huile d'olive (Commission Regulation No. 186/66/CEE of 22 November 1966 containing detailed provisions applicable to aid for olive oil)	No. 214,	23.11.66
Règlement no 187/66/CEE du Conseil, du 24 novembre 1966, relatif à l'octroi d'une restitution à la production pour les gruaux et semoules de maïs utilisés par l'industrie de la brasserie (Council Regulation No. 187/66/CEE of 24 November 1966 concerning the grant of a refund to producers of maize groats and meal used for brewing)	No. 217,	26.11.66
Règlement no 188/66/CEE du Conseil, du 24 novembre 1966, autorisant le royaume de Belgique, la république fédérale d'Allemagne, la République française et la République italienne à majorer, dans le secteur de la viande bovine, les prélèvements applicables à certaines importations en provenance des pays tiers (Council Regulation No. 188/66/CEE of 24 November 1966 authorizing Belgium, Germany, France and Italy to increase the levies on certain imports of beef and veal from non-member countries)	No. 217,	26.11.66
Règlement no 189/66/CEE du Conseil, du 24 novembre 1966, relatif au glucose et au lactose (Council Regulation No. 189/66/CEE 24 November 1966 concerning glucose and lactose)	No. 218,	28.11.66
Règlement no 190/66/CEE du Conseil, du 24 novembre 1966, portant modification du règlement no 113/64/CEE du Conseil en ce qui concerne le contrôle des échanges intracommunautaires de lait en poudre destiné à l'alimentation du bétail (Council Regulation No. 190/66/CEE of 24 November 1966 amending Council Regulation No. 113/64/CEE in respect of the supervision of intra-Community trade in milk powder for feeding-stuffs)	No. 218,	28.11.66
Règlement no 191/66/CEE du Conseil, du 24 novembre 1966, prorogeant et modifiant les règlements no 55/65/CEE et no 56/65/CEE concernant des dispositions particulières relatives à l'écoulement de certains types de fromages (Council Regulation No. 191/66/CEE of 24 November 1966 extending and amending Regulations Nos. 55/65/CEE and 56/65/CEE containing special provisions on the marketing of certain types of cheese)	No. 220,	30.11.66
Règlement no 192/66/CEE de la Commission, du 30 novembre 1966, portant modification des règlements no 172/66/CEE et no 173/66/CEE, en ce qui concerne la détermination du prix caf et du prix franco frontière pour les huiles d'olive n'ayant pas subi un processus de raffinage (Commission Regulation No. 192/66/CEE of 30 November 1966 amending Regulations Nos. 172/66/CEE and 173/66/CEE as regards determining the cif price and the free-at-frontier price for unrefined olive oil)	No. 220,	30.11.66
Règlement no 193/66/CEE de la Commission, du 30 novembre 1966, portant fixation des prélèvements dans le secteur de l'huile d'olive (Commission Regulation No. 193/66/CEE of 30 November 1966 fixing levies on olive oil)	No. 220,	30.11.66
Règlement no 194/66/CEE de la Commission, du 30 novembre 1966, relatif aux modalités d'intervention sur le marché de l'huile d'olive (Commission Regulation No. 194/66/CEE of 30 November 1966 concerning market support for olive oil)	No. 220,	30.11.66
Règlement no 195/66/CEE de la Commission, du 30 novembre 1966, portant prorogation du règlement no 40/66/CEE fixant le montant maximum des restitutions applicables aux exportations vers les pays tiers de viande bovine congelée n'ayant pas fait l'objet de mesures d'intervention (Commission Regulation No. 195/66/CEE of 30 Novem-		

ber 1966 extending Regulation No. 40/66/CEE fixing the maximum refund applicable to exports to non-member countries of frozen beef and veal which have not been the subject of market intervention measures)	No. 221,	1.12.66
Règlement no 196/66/CEE des Conseils, du 7 novembre 1966, portant modification du règlement des Conseils portant fixation du régime pécuniaire des membres de la Cour de justice (Regulation No. 196/66/CEE of the Councils of 7 November 1966 amending the Regulation of the Councils fixing the remuneration of the members of the Court of Justice)	No. 225,	6.12.66
Règlement no 197/66/CEE des Conseils, du 7 novembre 1966, portant modification du règlement des Conseils fixant le régime pécuniaire des membres de la Cour de justice (Regulation No. 197/66/CEE of the Councils of 7 November 1966 amending the Regulation of the Councils determining the remuneration of members of the Court of Justice)	No. 225,	6.12.66
Règlement no 198/66/CEE des Conseils, du 24 novembre 1966, portant modification de l'article 95 du statut des fonctionnaires de la Communauté économique européenne et de la Communauté européenne de l'énergie atomique (Regulation No. 198/66/CEE of the Councils of 24 November 1966 amending Article 95 of the Statute of Service of officials of the European Economic Community and Euratom)	No. 225,	6.12.66
Règlement no 202/66/CEE de la Commission, du 1 <sup>er</sup> décembre 1966, portant pour le premier trimestre 1967, adaptation et fixation des prix d'écluse et fixation des prélèvements envers les pays tiers dans le secteur des œufs de volailles (Commission Regulation No. 202/66/CEE of 1 December 1966 adjusting and fixing the sluice-gate prices and fixing the levies on imports of eggs from non-member countries for the first quarter of 1967)	No. 226,	6.12.66
Règlement no 203/66/CEE de la Commission, du 5 décembre 1966, modifiant les montants supplémentaires pour les poules et poulets abattus et pour les moitiés ou quarts de poules et poulets) (Commission Regulation No. 203/66/CEE of 5 December 1966 modifying the supplementary amounts for slaughtered hens and chickens and for halves or quarters of hens and chickens)	No. 226,	6.12.66
Règlement no 204/66/CEE de la Commission, du 5 décembre 1966, supprimant le montant supplémentaire pour les œufs en coquille de volailles de basse-cour originaires de la république populaire de Chine (Commission Regulation No. 204/66/CEE of 5 December 1966 abolishing the supplementary amount for shell eggs from China)	No. 226,	6.12.66
Règlement no 205/66/CEE de la Commission, du 6 décembre 1966, portant fixation des prélèvements dans le secteur de l'huile d'olive (Commission Regulation No. 205/66/CEE of 6 December 1966 fixing levies on olive oil)	No. 227,	7.12.66
Règlement no 206/66/CEE du Conseil, du 7 décembre 1966, relatif à la contribution du FEOGA à la réparation des dommages causés par des inondations catastrophiques dans certaines régions d'Italie durant l'automne 1966 (Council Regulation No. 206/66/CEE of 7 December 1966 concerning the EAGGF contribution to the repair of flood damage in certain regions of Italy in autumn 1966)	No. 229,	10.12.66
Règlement no 207/66/CEE de la Commission, du 12 décembre 1966, prévoyant de nouvelles dispositions en vue d'éviter les détournements de trafic dans les échanges intracommunautaires de viande bovine congelée (Commission Regulation No. 207/66/CEE of 12 December 1966 containing further provisions for avoiding deflection of intra-Community trade in frozen beef and veal)	No. 230,	13.12.66

#### Delegations and missions to the Community

Représentation d'Etats d'outre-mer associés (Congo-Kinshasa, Cameroun, Niger, Haute-Volta, Sénégal) [Delegation of Associated Overseas States (Congo-Kinshasa, Cameroon, Niger, Upper Volta, Senegal)]	No. 222,	2.12.66
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Missions de pays tiers (Pakistan et Irlande) [Missions of non-member countries (Pakistan and Ireland)]	No. 222,	2.12.66
Missions de pays tiers (Paraguay et Nigeria) [Missions of non-member countries (Paraguay and Nigeria)]	No. 229,	10.12.66
Délégations permanentes d'Etats européens associés (Turquie) [Permanent Delegations of associated European states (Turkey)]	No. 229,	10.12.66

## THE COUNCIL

### Information

Décision du Conseil du 24 novembre 1966, autorisant la république fédérale d'Allemagne à fixer pour la campagne laitière 1966/1967 un prix de seuil pour le lait en poudre destiné à l'alimentation du bétail (Council Decision of 24 November 1966 authorizing Germany to fix a threshold price for milk powder used in feeding-stuffs for the milk marketing year 1966/67)	No. 218,	28.11.66
Décision du Conseil du 24 novembre 1966, portant suspension temporaire du droit du tarif douanier commun applicable au dihydro-éthoxy-triméthylquinoléine (Council Decision of 24 November 1966 temporarily reducing the CCT duty applicable to dihydro-ethoxy-trimethylquinoleine)	No. 218,	28.11.66
Décision du 24 novembre 1966 des représentants des gouvernements des Etats membres réunis au sein du Conseil, portant alignement accéléré sur le droit du tarif douanier commun applicable au dihydro-éthoxy-triméthylquinoléine (Decision of 24 November 1966 by representatives of Member State Governments meeting in the Council accelerating alignment with the CCT duty on dihydro-ethoxy-trimethylquinoleine)	No. 218,	28.11.66
Décision du Conseil du 24 novembre 1966, relative à l'aide de la Communauté aux populations sinistrées d'Italie (Council Decision of 24 November 1966 concerning aid from the Community to the distressed areas in Italy)	No. 218,	28.11.66
Décision du Conseil du 27 octobre 1966, portant conclusion de l'accord de reconduction de l'accord commercial entre la Communauté économique européenne et l'Iran (Council Decision of 27 October 1966 concluding the agreement renewing the trade agreement between the EEC and Iran)	No. 220,	30.11.66
Décision du Conseil du 27 octobre 1966, portant prorogation de la suspension temporaire de l'application de la note complémentaire du chapitre 58 du tarif douanier commun (Council Decision of 27 October 1966 extending the temporary suspension of the application of the additional note to Chapter 58 of the Common Customs Tariff)	No. 220,	30.11.66
Consultation et avis du Comité économique et social au sujet d'une proposition de directive du Conseil visant à supprimer les restrictions à la liberté d'établissement et à la libre prestation des services en matière d'activités non salariées des banques et autres établissements financiers (Reference to the Economic and Social Committee of a proposed Council directive abolishing restrictions on freedom of establishment and freedom to supply services in a self-employed capacity in banks and other financing establishments)	No. 224,	5.12.66
Consultation et avis du Comité économique et social au sujet de trois propositions de directives du Conseil concernant le rapprochement des législations des Etats membres relatives : — aux dispositifs indicateurs de direction des véhicules à moteur, — à la suppression des parasites radio-électriques produits par les véhicules à moteur,		

— au freinage de certaines catégories de véhicules à moteur  
(Reference to the Economic and Social Committee of three proposed Council directives for approximation of the legislation of Member States concerning :

— direction indicators for motor vehicles,

— suppression of radio interference from motor vehicles and braking systems of certain types of motor vehicles)

No. 224, 5.12.66

Règlement financier tendant à reconduire pour 1965 et 1966 le règlement financier portant fixation des modalités relatives à la reddition et à la vérification des comptes des institutions communes aux Communautés européennes (Financial regulation renewing for 1965 and 1966 the financial regulation laying down procedure for presentation and auditing of the accounts of the joint institutions of the European Communities)

No. 225, 6.12.66

Règlement financier tendant à reconduire pour 1965 et 1966 le règlement financier portant fixation des modalités relatives à la reddition et à la vérification des comptes des Conseils des Communautés européennes (Financial regulation renewing for 1965 and 1966 the financial regulation laying down procedure for presentation and auditing of the accounts of the Councils of the European Communities)

No. 225, 6.12.66

## THE COMMISSION

### Directives and decisions

Décision de la Commission du 20 octobre 1966, portant augmentation du volume du contingent tarifaire octroyé à la République italienne pour les graines de betteraves à sucre, des variétés : « Eagle Hill », « Maribo », « Buszczinski », « Janaz » et « Saroz » (Commission Decision of 20 October 1966 increasing the tariff quota granted to Italy for sugar-beet seed of Eagle Hill, Maribo, Buszczinski, Janaz and Jaroz varieties)

No. 210, 18.11.66

Décision de la Commission du 26 octobre 1966, portant prorogation de sa décision du 5 mai 1965 relative à l'autorisation accordée à la République italienne d'adopter des mesures de sauvegarde pour certains produits du chapitre 50 du tarif douanier italien (soie et déchets de soie) [Commission Decision of 26 October 1966 extending for a further period its decision of 5 May 1965 authorizing Italy to take safeguard measures for certain products in Chapter 50 of the Italian customs tariff (silk and silk waste)]

No. 210, 18.11.66

Décision de la Commission du 9 novembre 1966, relative aux méthodes de coopération administratives propres à assurer la libre circulation de certains produits du secteur de l'huile d'olive (Commission Decision of 9 November 1966 on methods of administrative co-operation for the free movement of certain products in the olive oil sector)

No. 210, 18.11.66

Décision de la Commission du 10 novembre 1966, portant fixation d'un plan de sondage pour la République fédérale d'Allemagne en vue d'une enquête de base sur la structure des exploitations agricoles (Commission Decision of 10 November 1966 establishing a plan for a survey in the Federal Republic of Germany as part of the basic survey on the pattern of farming)

No. 211, 19.11.66

Décision de la Commission du 10 novembre 1966, portant fixation d'un plan de sondage pour la République française en vue d'une enquête de base sur la structure des exploitations agricoles (Commission Decision of 10 November 1966 establishing a plan for a survey in France as part of the basic survey on the pattern of farming)

No. 211, 19.11.66

Décision de la Commission du 10 novembre 1966, portant fixation d'un plan de sondage pour la République italienne en vue d'une enquête de base sur la structure des exploitations agricoles (Commission Decision of 10 November 1966 establishing a plan for a survey in Italy as part of the basic survey on the pattern of farming)

No. 211, 19.11.66

- Décision de la Commission du 10 novembre 1966, portant fixation d'un plan de sondage pour le royaume des Pays-Bas en vue d'une enquête de base sur la structure des exploitations agricoles (Commission Decision of 10 November 1966 establishing a plan for a survey in the Netherlands as part of the basic survey on the pattern of farming) No. 211, 19.11.66
- Décision de la Commission du 10 novembre 1966, portant fixation d'un plan de sondage pour le royaume de Belgique en vue d'une enquête de base sur la structure des exploitations agricoles (Commission Decision of 10 November 1966 establishing a plan for a survey in Belgium as part of the basic survey on the pattern of farming) No. 211, 19.11.66
- Décision de la Commission du 10 novembre 1966, portant fixation d'un plan de sondage pour le grand-duché de Luxembourg en vue d'une enquête de base sur la structure des exploitations agricoles (Commission Decision of 10 November 1966 establishing a plan for a survey in the Grand Duchy of Luxembourg as part of the basic survey on the pattern of farming) No. 211, 19.11.66
- Décision de la Commission du 14 novembre 1966, relative à la fixation pour la période du 10 novembre 1966 au 31 décembre 1966, des moyennes arithmétiques des prélèvements agricoles envers les pays tiers devant servir de base au calcul du prélèvement compensateur institué en vertu de l'article 10, paragraphe 2, deuxième alinéa, du Traité pour les produits faisant l'objet du règlement no 136/66/CEE du Conseil (Commission Decision of 14 November 1966 fixing for the period from 10 November 1966 to 31 December 1966 the arithmetic averages of the agricultural levies on imports from non-member countries, to be used in calculating the compensatory levy instituted by virtue of Article 10(2), second subparagraph, of the Treaty, for products falling under Council Regulation No. 136/66/CEE) No. 211, 19.11.66
- Décision de la Commission du 9 novembre 1966, portant augmentation du volume du contingent tarifaire octroyé au royaume de Belgique et au grand-duché de Luxembourg pour certaines espèces de crabes et crevettes, destinés à la conserverie (Commission Decision of 9 November 1966 increasing the tariff quota granted to Belgium and Luxembourg for certain types of crabs and shrimps for preserving) No. 213, 23.11.66
- Décision de la Commission du 17 novembre 1966, portant fixation des prix servant au calcul du prélèvement envers les pays tiers dans le secteur de la viande bovine (Commission Decision of 17 November 1966 fixing the prices to be used in calculating the levy on imports of beef and veal from non-member countries) No. 214, 24.11.66
- Décision de la Commission du 28 octobre 1966, autorisant certains États membres à percevoir des taxes compensatoires à l'importation de certaines marchandises résultant de la transformation de produits agricoles, en provenance des autres États membres (Commission Decision of 28 October 1966 authorizing certain Member States to impose countervailing charges on imports from the other Member States of certain goods made from agricultural products) No. 215, 25.11.66
- Directive de la Commission du 7 novembre 1966, portant suppression de disposition législatives, réglementaires et administratives qui subordonnent l'importation d'un produit qui, en vertu des articles 9 et 10 du Traité, doit être admis à la libre circulation à l'exportation ou bien à l'achat ou à la vente du même ou d'un autre produit national (Commission Directive of 7 November 1966 abolishing laws, regulations and administrative practices under which the importation of a product which, by virtue of Articles 9 and 10 of the Treaty, must be admitted to free circulation is made conditional on the purchase or sale of an identical or other domestic product) No. 220, 30.11.66
- Directive de la Commission du 7 novembre 1966, portant élimination de toute différence de traitement entre les produits nationaux et les produits qui, en vertu des articles 9 et 10 du Traité, doivent être admis à la libre circulation, en ce qui concerne les dispositions législatives, réglementaires et administratives qui interdisent l'utilisation desdits produits importés et qui imposent l'utilisation de produits nationaux ou

qui subordonnent un bénéfice à cette utilisation (Commission Directive of 7 November 1966 eliminating differences in treatment between domestic products and products which, by virtue of Articles 9 and 10 of the Treaty, must be admitted to free circulation, by way of laws, regulations and administrative practices which prohibit the use of the said imported products and require the use of domestic products or which make any advantage conditional on such use)	No. 220,	30.11.66
Décision de la Commission du 24 novembre 1966, portant fixation des prix servant au calcul du prélèvement envers les pays tiers dans le secteur de la viande bovine (Commission Decision of 24 November 1966 fixing the prices to be used in calculating the levy on imports of beef and veal from non-member countries)	No. 221.	1.12.66
Décision de la Commission du 4 novembre 1966, relative au recours de la République française à l'article 115, alinéa 1, du Traité pour exclure du traitement communautaire, certains produits originaires de pays tiers et mis en libre pratique dans les autres Etats membres (Commission Decision of 4 November 1966 on the invocation by France of Article 115, first paragraph, of the Treaty, in order to exclude from Community treatment certain products originating in non-member countries and in free circulation in the other Member States)	No. 222,	2.12.66
Décision de la Commission du 4 novembre 1966, relative au recours de la République fédérale d'Allemagne à l'article 115, alinéa 1, du Traité pour exclure du traitement communautaire « les tapis à points noués ou enroulés, même confectionnés », de la position douanière 58.01, originaires de l'URSS et mis en libre pratique dans d'autres Etats membres (Commission Decision of 4 November 1966 on the invocation by the Federal Republic of Germany of Article 115, first paragraph, of the Treaty, in order to exclude from Community treatment "carpets, carpeting and rugs, knotted, whether made up or not" (CCT heading 58.01) originating in the USSR and in free circulation in other Member States)	No. 222,	2.12.66
Décision de la Commission du 4 novembre 1966, autorisant la République française, en vertu de l'article 115, alinéa 1, du Traité, à exclure du traitement communautaire certains produits originaires de l'URSS et mis en libre pratique dans les autres Etats membres (Commission Decision of 4 November 1966 authorizing France, by virtue of Article 115, first paragraph, of the Treaty, to exclude from Community treatment certain products originating in the USSR and in free circulation in the other Member States)	No. 222,	2.12.66
Décision de la Commission du 4 novembre 1966, autorisant la République française, en vertu de l'article 115, alinéa 1, du Traité, à exclure du traitement communautaire les appareils d'enregistrement et de reproduction du son et les appareils mixtes, originaires du Japon et mis en libre pratique dans les autres Etats membres (Commission Decision of 4 November 1966 authorizing France, by virtue of Article 115, first paragraph, of the Treaty, to exclude from Community treatment sound recorders, sound reproducers and combined sound recorders and reproducers originating in Japan and in free circulation in the other Member States)	No. 222,	2.12.66
Décision de la Commission du 4 novembre 1966, portant prorogation de la décision du 14 avril 1965 autorisant la République italienne à exclure du traitement communautaire les piles électriques, de la position 85.03 du tarif douanier commun, originaires du Japon et mises en libre pratique dans les autres Etats membres (Commission Decision of 4 November 1966 extending for a further period the decision of 14 April 1965 authorizing Italy to exclude from Community treatment electric batteries (CCT heading 85.03) originating in Japan and in free circulation in the other Member States)	No. 222,	2.12.66
Décision de la Commission du 4 novembre 1966, autorisant la République française, en vertu de l'article 115, alinéa 1, du Traité, à exclure du traitement communautaire la bijouterie de fantaisie, à l'exclusion des médailles obtenues par la frappe, originaire de Hong-Kong et mise		

en libre pratique dans les autres Etats membres (Commission Decision of 4 November 1966 authorizing France, by virtue of Article 115, first paragraph, of the Treaty, to exclude from Community treatment imitation jewellery, excluding medals struck in the same way as coins, originating in Hong Kong and in free circulation in the other Member States)

No. 222, 2.12.66

### European Development Fund

Avis d'appel d'offres no 549 (appel d'offres par consultation publique) de la République centrafricaine pour un programme financé partiellement par la CEE-FED (Call for supply tender No. 549 issued by the Central African Republic for a scheme financed in part by the EEC-EDF)

No. 210, 18.11.66

Avis d'appel d'offres-concours no 550 lancé par la république du Sénégal pour un programme financé par la CEE-FED dans le cadre du programme d'aide à la production : 2° et 3° tranches annuelles (Call for tender No. 550 issued by Senegal for a scheme financed by the EEC-EDF as part of the programme of aid to production, second and third annual instalments)

No. 210, 18.11.66

Avis d'appel d'offres no 551 (appel d'offres par consultation publique) lancé par la république du Congo (ministère du commerce, de l'industrie, des affaires économiques et des statistiques — Régie nationale des palme-raies) pour un projet financé par la CEE-FED (Call for supply tender No. 551 issued by Congo (Brazzaville) (Ministry of Commerce, Industry, Economic Affairs and Statistics — National Palm-Plantation Trust) for a scheme financed by the EEC-EDF)

No. 211, 19.11.66

Résultat de l'appel d'offres no 516 (Result of call for tender No. 516)

No. 214, 24.11.66

Avis d'appel d'offres no 552 (appel d'offres par consultation publique) de la République centrafricaine pour un programme financé par la CEE-FED (Call for supply tender No. 552 issued by the Central African Republic for a scheme financed by the EEC-EDF)

No. 218, 28.11.66

Avis d'appel d'offres no 553 lancé par le Suriname pour un projet financé par la CEE-FED (Call for tender No. 553 issued by Surinam for a scheme financed by the EEC-EDF)

No. 218, 28.11.66

Information relative aux taux de parité retenus pour les opérations du FED (Rates of exchange used for the operations of the EDF)

No. 221, 1.12.66

Approbation de projets et programmes financés par le FED (Approval of schemes and programmes financed by the EDF)

No. 222, 2.12.66

Résultats d'appels d'offres (nos 457, 460, 469, 472, 488, 490) (Result of calls for tender Nos. 457, 460, 469, 472, 488 and 490)

No. 222, 2.12.66

Avis d'appel d'offres no 554 lancé par la république du Mali pour un projet financé par la CEE-FED (Calls for tender No. 554 issued by Mali for a scheme financed by the EEC-EDF)

No. 224, 5.12.66

Relancement de l'avis d'appel d'offres no 527 lancé par la république islamique de Mauritanie, pour un projet financé par la CEE-FED (Second call for tender No. 527 by Mauritania for a scheme financed by the EEC-EDF)

No. 226, 6.12.66

Avis d'appel d'offres no 555 de la république du Tchad relatif à la présélection des entreprises admises à participer à l'appel d'offres restreint qui sera lancé ultérieurement pour les travaux d'aménagement de la route Fort-Lamy - Guelendeng en construction du contournement de Fort-Lamy (153 km) en république du Tchad et financé par la



CEE-FED) (Call for tender No. 555 issued by Chad for selection of firms to tender for works on the Fort-Lamy - Guelendeng road and the construction of the Fort-Lamy bypass (153 km) in Chad, financed by the EEC-EDF)

No. 229, 10.12.66

Modificatif à l'avis d'appel d'offres no 533 (Amendment to call for tender No. 533)

No. 229, 10.12.66

### General

Proposition d'une directive du Conseil concernant la lutte contre la gale verruqueuse (présentée par la Commission au Conseil le 14 octobre 1966) (Proposal for a Council directive concerning measures to combat potato wart, submitted by the Commission to the Council on 14 October 1966)

No. 213, 23.11.66

Proposition d'une directive du Conseil concernant la lutte contre le nématode doré (présentée par la Commission au Conseil le 14 octobre 1966) (Proposal for a Council directive on measures to combat potato-root eelworm, submitted by the Commission to the Council on 14 October 1966)

No. 213, 23.11.66

Proposition d'un règlement du Conseil portant instauration d'un régime commun d'échange pour l'ovoalbumine et la lactoalbumine (présentée par la Commission au Conseil le 14 octobre 1966) (Proposal for a Council regulation instituting a common system for trade in egg albumin and milk albumin, submitted by the Commission to the Council on 14 October 1966)

No. 213, 23.11.66

Aides des Etats (article 92 à 94 du Traité instituant la CEE) : Communication faite conformément à l'article 93, paragraphe 2, première phrase du Traité aux intéressés autres que les États membres et relatives à certaines aides accordées à la consommation de marchandises résultant de la transformation de céréales en vertu de l'article 23, paragraphe 4, du règlement no 19 du Conseil, en Allemagne, au Luxembourg et aux Pays-Bas (State aids (Articles 92-94 of the Treaty establishing the EEC): communication made, in accordance with Article 93(2), first sentence, of the Treaty to interested parties other than the Member States, concerning certain aids granted to promote the consumption of goods produced from cereals, by virtue of Article 23(4) of Council Regulation No. 19, in Germany, Luxembourg and the Netherlands)

No. 224, 5.12.66

Concours — Prix des Communautés européennes (European Communities Prize)

No. 229, 10.12.66

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 23 November 1966.

Supplement No. 46 of 30 November 1966.

Supplement No. 47 of 7 December 1966.

Supplement No. 48 of 14 December 1966.

## Recent publications of the European Economic Community (1)

1026

Cinquième rapport annuel sur la mise en œuvre des règlements concernant la sécurité sociale des travailleurs migrants (janvier-décembre 1963) [Fifth annual report on the implementation of regulations concerning social security for migrant workers (January-December 1963)] 1966. 104 pp. (f, d, i, n). 14s.6d; \$2.00; Bfrs. 100.

Accord créant une association entre la Communauté économique européenne et la République du Nigeria et documents annexes (Agreement establishing an association between the European Economic Community and the Republic of Nigeria and annexed documents) 1966. 80 pp. (f, d, i, n).

1028

Importations dans la Communauté de pétrole brut et de produits pétroliers en provenance des pays tiers en 1964, 1965 et estimations pour 1966-1967 (Community imports of crude oil and petroleum products from non-member countries in 1964 and 1965, with estimates for 1966-1967) 1966. 24 pp. (f, d, i, n). Limited distribution.

1029

Programme d'investissements dans l'industrie pétrolière de la Communauté (Investment programme in the Community's oil industry) 1966. 24 pp. (f, d, i, n). Limited distribution.

Declaration of May 9, 1950, by French Foreign Minister Robert Schuman 1966. 6 pp. (f, d, i, n, e: *in preparation*).

4002

Graphs and Notes on the Economic Situation in the Community Monthly. No. 12/66. Three bilingual editions: e/f, d/n, f/i Price per issue: 3s.6d.; \$0.50; Bfrs. 25. Annual subscription: £1.16.0; \$5.00; Bfrs. 250.

8191

CEE Informations. Marchés agricoles. Prix (Cee Informations. Agricultural Markets, Prices) Bi-monthly. No. 19/1966 (f/d/i/n). Limited distribution.

8192

CEE Informations. Marchés agricoles. Echanges commerciaux (CEE Information. Agricultural Markets. Trade) Bi-monthly. Nos. 1 and 2 December 1966 (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. Nos. 10 and 11/1966. Limited distribution.

*Corrigendum* at the list of recent publications of the European Economic Community, published in No. 12/66 of the Bulletin.

Studies — Economic and Financial Series:

8178

No. 5 — Studio per la creazione di un polo di sviluppo industriale in Italia meridionale (Study for the promotion of an industrial development pole in Southern Italy) 1966. Vol. I: 242 pp., Vol. II: 700 pp.: tables and graphs with 59 maps in colour. Italian edition (The French, German, Dutch and English editions are scheduled for July 1967).

(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.

## Publications by the joint services of the three Communities

### Joint Information Service

#### *Publications by offices in capital cities:*

Bonn: Europäische Gemeinschaft, No. 12, December 1966

The Hague: Europese Gemeenschap, No. 88, December 1966

Paris: Communauté européenne, No. 101, December 1966

Rome: Comunità Europea, No. 12, December 1966

London: European Community, No. 12, December 1966

Washington: European Community, No. 98, November 1966

Also Spanish edition: Comunidad europea, No. 12, December 1966

### Statistical Office of the European Communities

General Statistical Bulletin, No. 12/1966

Commerce extérieur: Statistique mensuelle (Foreign Trade: Monthly Statistics) No. 12/1966

Commerce extérieur: Tableaux analytiques (Foreign Trade: Analytical Tables)

— fascicule janvier-juin 1965 — Importations (Imports: January-June 1965)

— fascicule janvier-juin 1965 — Exportations (Exports: January-June 1965)

Associés d'outre-mer: « Annuaire de statistiques générales AOM — 1966 » (Associated Overseas Countries and Territories: "General Statistical Bulletin AOCT — 1966")

Statistiques de l'Energie (Energy Statistics), No. 6/1966

Sidérurgie (Iron and Steel), No. 6/1966

Sidérurgie, annuaire 1966 (Iron and Steel, Yearbook 1966)

Statistiques sociales, « Charges salariales dans 13 industries de la CEE — 1964 » (Social Statistics: "Wage costs in 13 industries of the EEC — 1964"), No. 5/1966

Statistiques sociales, série spécial « Budgets familiaux » — France (Social Statistics: special series, Family Budgets: France)

Statistical Information, No. 4/1966

Statistique agricole, no 7/1966, « Effectif du bétail, production de viande, Bilan d'Approvisionnement en Viande » (Agricultural Statistics, No. 7/1966: "Head of cattle, meat production, meat supply situation")





