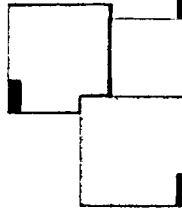


COMMUNAUTÉ
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EUROPÄISCHE
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EUROPESE
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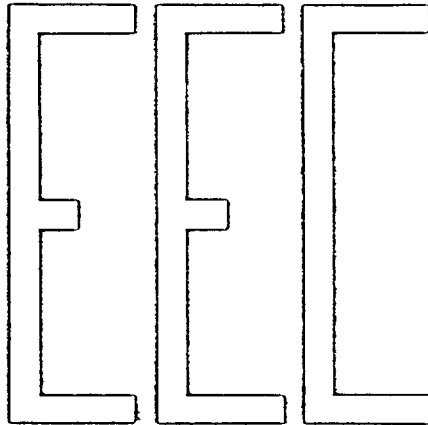


COMUNITÀ
ECONOMICA EUROPEA

BULLETIN

of the

**EUROPEAN
ECONOMIC
COMMUNITY**



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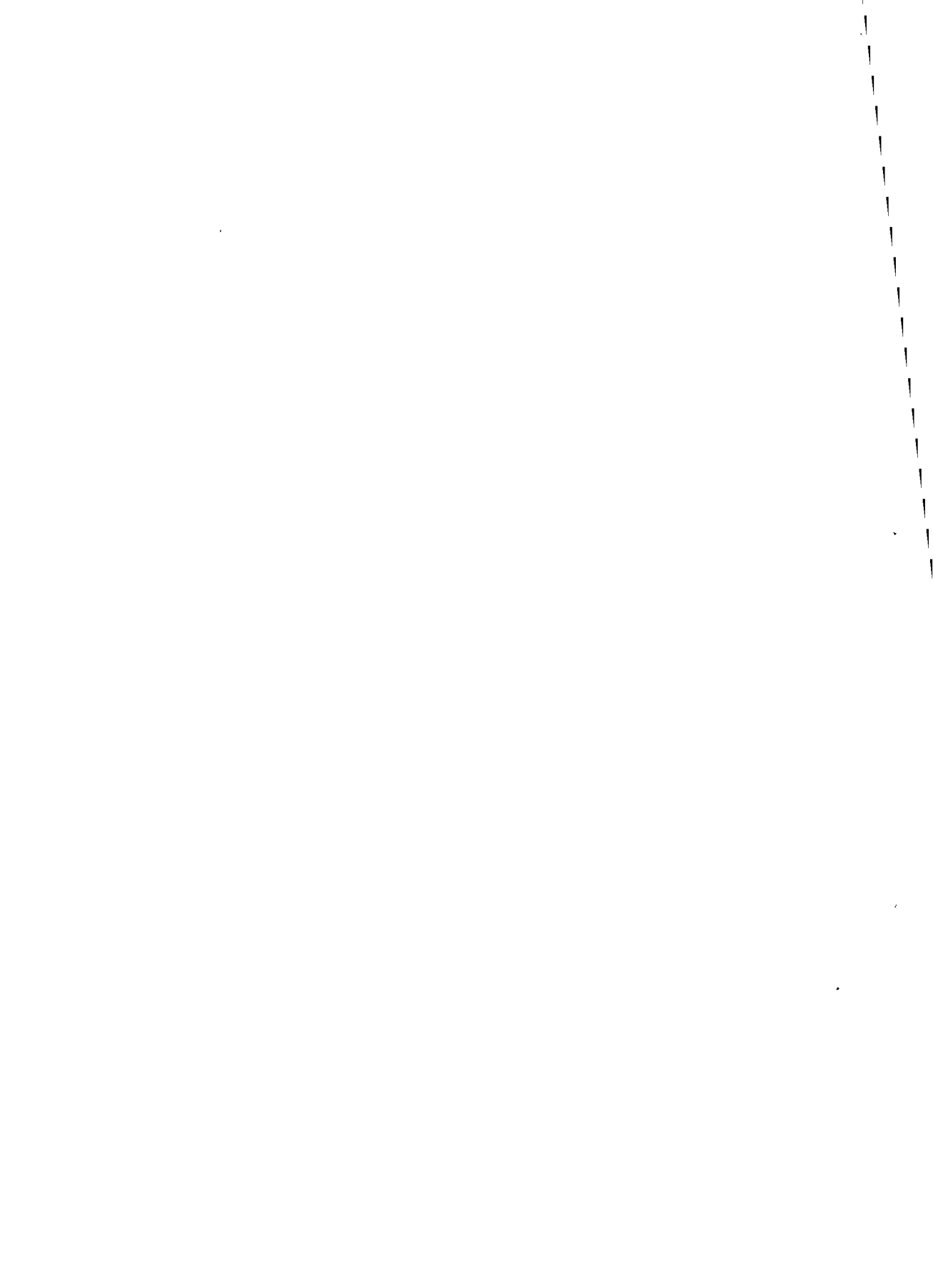
BULLETIN

of the European Economic Community

SECRETARIAT OF THE COMMISSION OF
THE EUROPEAN ECONOMIC COMMUNITY

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Introduction to the Fourth General Report on the Activities of the Community ⁽¹⁾

In presenting its Third General Report on 9 June 1960, the European Commission noted that during the period covered (March 1959 - May 1960) the Community had asserted its reality at home and abroad and had consolidated its Institutions.

This assertion of the Community's reality had been reflected in a number of rather spectacular measures or decisions culminating in the speed-up decision taken on 12 May 1960 by the Representatives of the Governments assembled in the Council.

The period covered by the Fourth General Report has been mainly one of consolidation; expansion in intra-Community trade has continued and the first measures have been taken to give effect to decisions already adopted or intentions previously expressed: effective implementation of the speed-up of the Treaty, conclusion of the negotiations for an association agreement with Greece, the task of "re-negotiation" within GATT in connection with the common customs tariff.

In comparison with these achievements the progress made on the road to economic union may seem modest. However, the scope of the first decisions on the common agricultural policy, taken by the Council in its meeting of 20 December 1960, is not to be underrated. At that meeting the Council established the principles to be followed in the organization of the European markets for the principal agricultural products. Important decisions were also taken on social policy, and on the European Social Fund in particular.

The Commission continued its patient study and preparation of the common policies. It submitted a first draft regulation on agreements and dominant positions (Articles 85 and 86 of the Treaty), a memorandum suggesting the general lines for the common transport policy and, in agreement with the High Authority and the Euratom Commission, proposals on the first measures to be taken with a view to establishing a common energy policy.

While the success of the Common Market was being confirmed, important political and economic developments, perhaps not uninfluenced by this success, were occurring in the Western world. Fifteen newly independent African states and Madagascar expressed their desire to remain associated

(1) The Fourth General Report on the Activities of the Community, drawn up by the Commission in accordance with Article 156 of the Treaty, was submitted on 5 June 1961 to the President of the European Parliament. It covers the period 16 May 1960 to 30 April 1961.

with the Community. Relations between the Community, the other European countries and the United States may need to be rebuilt on new foundations. Steps have been taken in the direction of the political unity of Europe.

The present report will give a detailed description of the Community's activities. Here the European Commission would like to stress their main features; it will endeavour to bring out a few lessons drawn from experience it has gained, and will add some reflections on the outlook for the Community in the present conjuncture of political events.

The year 1960 was dominated by the preparation and the application of the speed-up decision. For industrial products, the first approximation towards the common customs tariff and an additional reduction of 10% in customs duties within the Community took place on 1 January 1961. The speed-up measures to be applied to agriculture on the same date were also introduced without change after a check on the progress made in that sector had been made by the Council.

The political and economic importance of these decisions needs no further explaining. Their introduction bears witness to the Member States' determination to speed up economic integration despite any technical difficulties to which the application of these decisions might give rise. The first approximation towards the common customs tariff, which is both a condition and an instrument of the Community's common commercial policy, has without doubt offered the clearest evidence of this determination.

The measures taken on 1 January 1961 are no more than a first step. There must be no interruption of the speed-up in the implementation of the Treaty, and the Commission considers it necessary that there shall be, as required by the resolution of 12 May 1960, an early decision to make a further additional reduction in duties between the Member States for the end of 1961. This new reduction would bring them down to 50% of their basic level. The measure is desirable for political and psychological reasons, and would also be particularly timely in view of the Community's present economic situation.

Throughout 1960 there has been a continuation of the dynamic momentum of the Community's economy which had greatly facilitated the first measures to implement the Treaty, and it is reasonable to expect that it will be maintained in 1961 as well. Industrial production increased in 1960 by 12%, while intra-Community trade grew by 25% over the preceding year. In the two years from 1958 to 1960 the increase in Community trade was 50%. These figures, which indicate the extent of progress made along the road to the Common Market, bring out clearly the effects and the expected results of the process of integration along with the benefits from that general economic expansion which the Common Market itself is reinforcing. It

is moreover significant that this progress on the Community market has not harmed trade with the outside world, since Community imports from non-member countries themselves increased by 20% in 1960 over 1959.

The negotiations begun in 1959 between the delegation of the Commission acting on behalf of the Community and the Greek delegation led, on 30 March 1961, to the signature by the two delegations of a protocol marking their agreement on the association treaty. This has been submitted to the responsible authorities in the Community, the Member States and Greece. The difficulties to be overcome were considerable: there was no precedent for such an agreement, nor for the use of the Community negotiation procedure provided for in the Treaty. The special situation of the Greek economy and the problems peculiar to certain Member States had to be taken into account. The success of the negotiations, due to the determination to reach an agreement manifested by the Community and the Greek Government, and also, it must be said, to the efforts of the Commission's delegation, confirm that the Community is ready and willing to give full play to the opportunities for association that the Treaty offers.

Satisfactory progress has also been made in the tariff negotiations under Article XXIV (6) of GATT. These conversations cannot be other than highly technical, but their results will be of general significance, for they will mark the recognition of the Community's customs tariff by the Contracting Parties to GATT.

The Community does not limit its aims to the free movement of goods. It also intends to establish free movement of the factors of production, without which measures of customs or quota disarmament run the risk of being soon evaded or rendered inoperative. What has to be ensured is the free movement of workers, the free establishment of individuals or companies and the free movement of capital, and the essential problem is to define common policies on a European scale in order to maintain or even to establish the freedom of all these exchanges. It is for the European Institutions to establish these common policies and to draw up the European legislation which will give expression to them, whereas the Treaty, in these essential fields of economic activity, confines itself to establishing a general framework which is sometimes very vague. A special responsibility lies with the Commission, which has to put forward proposals on the means to be used and the measures to be undertaken.

The year 1960-61 has been for the European Commission the year of the common policies. The Commission has devoted a great part of its activity to the preparation or the finalizing of its proposals and to their discussion in the Council. On 30 June 1960, for instance, the Commission, after taking

into consideration the opinions of the Economic and Social Committee and the discussions in the Parliament, submitted to the Council the final form of its proposals for the common agricultural policy. The Commission is aware that the implementation of this common agricultural policy will be a touchstone for the success of the Community in the field of common policy. Only long and arduous labour will make it possible to lead the agriculture of six countries, closely sustained and supervised by the public authorities, towards a single market. The first decisions which have been taken on the principles of the common policy and on the use of the levy system — the latter is a basic element in a common market organization — are therefore all the more important.

The present organization of member countries' agricultural markets precluded the hope that intra-Community trade in agricultural products might expand at the same pace as trade in industrial products. Certain results have been obtained, but greater efforts are needed. The Commission therefore intends to remind the Governments of the obligation incumbent upon them to fulfil the requirements of the Treaty in the sphere of the common agricultural policy. Any faltering in this field would risk compromising achievements elsewhere, just as it might also jeopardize that balanced expansion of the Community economy which implementation of the Treaty is intended to bring about.

On account of the role played by the price of energy in economic development, the common energy market is a main pillar of the European edifice. With this in mind the Commission, in co-operation with the High Authority of the ECSC and the Commission of Euratom, has drawn up proposals for the first measures leading to a co-ordinated policy on energy. These proposals have been submitted to the Governments. For its own part, the Commission sets the greatest store by the Community having available an instrument which, while taking into account the structural conditions of production in the different Member States, will ensure energy for the economy at the lowest possible price compatible with an assured supply and will enable the Community to face the economic and human problems raised by the transformation of the energy market.

After thorough study, the Commission on 28 April 1961 addressed to the Council of Ministers a memorandum showing the lines on which the common transport policy should be based. This memorandum should permit a wide exchange of views on the basis of which the Commission will formulate the proposals provided for in Articles 74 and 75 of the Treaty.

In 1960 the Council adopted a regulation aimed at eliminating certain cases of discrimination, and the Commission addressed a first series of recommendations on transport infrastructure to the Governments of the Member States. In this way a further form of common policy envisaged in the Treaty

of Rome is being elaborated. It aims at the elimination of every kind of obstacle which hampers the establishment of the common market in the field of transport and the organization of this sector — taking due account of its special aspects — on Community lines and according to Community methods.

The creation of an economic union demands the elimination of governmental or private practices which engender differing conditions of competition in each country and which involve the risk that the walls dividing the national markets may be perpetuated in less obvious form and the consumer deprived of the advantages to be expected from the establishment of a large market. The Commission is also aware of the political and psychological import of the work to be done in the field of agreements and dominant positions as well as in that of aids granted by States. It means to establish a firm and complete set of European rules in this field, basing them on the relevant provisions of the Treaty. Its proposed regulation on agreements and dominant positions, which the Economic and Social Committee has just finished examining and which has been referred to the Parliament, is a first contribution to this set of rules.

In the field of social policy, several important decisions have been taken by the Council on proposals of the Commission. The Regulation governing its activities having been approved, the European Social Fund is now at work and a large number of dossiers have already been referred to it. The Committee of the European Social Fund has also been set up. The Council should shortly adopt the first Regulation on the Free Movement of Workers, the Commission's draft of which has already been approved by the European Parliament and the Economic and Social Committee. The Community will thus have available more efficient instruments for the development of its social policy.

In its last General Report the Commission emphasized the position of the Community on the international plane and the role it was called upon to play because of its size and vigour. The confirmation of the Community's success during the past year has again increased the scope of its action and its international responsibilities: special responsibilities in relation to the young African States and Madagascar associated with it, general responsibilities towards other States of the Western world and — jointly with the latter — towards the developing countries. The political future of the Community will be conditioned by these responsibilities and by the new prospects now opening before it.

The year 1960 saw most of the African countries associated with the Community and Madagascar achieve national sovereignty. In the few months that followed 15 African States and Madagascar showed their

confidence in the association and their desire to maintain and develop the traditional links which their new international status has not broken. The Community immediately effected the first adjustments required by the new status of the associated African States and Madagascar. It must now seek a way of adapting the association to this new political situation and of making it the basis of intimate and lasting co-operation. The renewal, on 1 January 1963, of the first Implementing Convention attached to the Treaty will provide the opportunity for this adaptation.

Whatever may be the adjustments considered desirable by the African States and Madagascar or by the Member States, the Commission believes that, in dealing with independent countries which show their attachment for Europe, the Community should pursue and extend the generous policy initiated when these territories were still dependent. The bonds of mutual confidence established over the last three years and the obligations incumbent upon the great economic power that is the Community demand the continuation and expansion of the work begun on the basis of the provisions contained in the Treaty.

The industrialized countries, and particularly the six countries of the Community, will have to devote a growing share of their resources to the development of the less favoured states. The activities of the Community in Africa and Madagascar must be dovetailed into this overall programme, of which they constitute one of the most original aspects. The multilateral character of the Community's activities means better protection for the independence of Madagascar and the various African States concerned; it also means that these activities are free of the drawbacks sometimes attributed to bilateral aid. At the same time the Community character of the operations establishes a close liaison between the African States and a European Community which respects the personality of each of its Member States.

The association policy pursued by the Community combines financial and technical aid with forms of commercial and economic co-operation which will become closer as the African and Malagasy economies expand. It may also lead, on the institutional plane, to the development of bonds of personal confidence between governing circles in Africa, Madagascar and Europe, at both the parliamentary and ministerial or administrative levels. By the interest they have aroused and the success which has attended them, the steps taken in this sphere by the European Parliament have given an indication of the path to be followed in the future.

In the next few months the Commission, in close consultation with the African Governments, the Government of Madagascar, and the Governments of the Member States, plans to work out the bases of a new association conforming to the interests of Africa, of Madagascar and of Europe and acceptable to all concerned.

The restoration of Europe, thanks to generous American help and the rapid development of the European economies, and perhaps even more to the formation of this vast integrated whole which is the European Economic Community, led in 1960 to substantial changes in the facts of international economic co-operation. On 14 December 1960 the Convention establishing the Organisation for Economic Cooperation and Development was signed. The OECD, in which the United States and Canada work alongside European countries, and in which the European Commission participates, is destined to become one of the linchpins of the economic organization of the free world. It will be the point at which the industrialized countries of Europe and America co-ordinate their economic and monetary policies and give each other any help required to avoid setbacks and ensure continuous expansion. The difficulties which the United States, with all its power, has experienced clearly reveal the need and the scope of such co-operation. The OECD will also provide a framework for a liberal commercial policy among its members and towards non-member countries — the very policy that the Community intends to apply. It will also lead to intensified and better co-ordinated action by the industrialized countries for the benefit of the developing countries.

The European Commission means to co-operate fully in the attainment of these objectives. It will endeavour to ensure that the European Community speaks with one voice in the OECD, so as to make all its influence felt.

Without excluding the possibility of longer-term solutions, the European Commission has always believed that the problem of intra-European trade could be studied on pragmatcal lines with the help of the United States and of Canada. Although the measures to this end taken in the Committee on Trade Problems set up early in 1960 have not yet produced the results that might have been expected, it is comforting to note that intra-European trade has continued to expand as favourably as in the past, so that the problems no longer have the dramatic character which they had been apt to assume previously.

The next tariff conference in GATT, which will begin its work very shortly in conformity with the proposals made in 1959 by Mr. Dillon, should enable full advantage to be taken of the opportunities for the widest possible liberalization of international trade. This will further facilitate the development of intra-European trade without creating new difficulties for the American economy.

In addition, the European Commission has not ceased to call attention to the principle of the open door which is written into the Treaty of Rome. Any European State may take advantage of Article 273 of the Treaty and

ask to become a member of the Community once it accepts the latter's economic and political objectives, which find expression in the provisions of the Treaty or the measures by which it is being implemented.

The European Commission is convinced that the facilities offered by the Treaty and the operations planned in OECD and GATT are such as to allow of a constructive solution to the problems of European trade.

The extension of the international role of the Community, like its internal consolidation, brings it nearer every day to the target that the signatories of the Treaty of Paris set themselves of establishing "the foundation of a broad and independent Community". In its work the European Commission has never forgotten that the Community is a constituent part of a wider political edifice and that economic unification is only one stage towards the political unification of our continent.

At a time when fresh efforts are being made to advance this political unification, the European Commission owes it to itself to express a judgement on the institutional order in which it has participated. The experience it has acquired since 1958, confirming that of the European Coal and Steel Community, enables it to affirm that this institutional order is well balanced, that it ensures effective action and that it is contributing to the establishment of a European idea which is penetrating more and more deeply into the consciousness of the public.

It is useful to recall that this institutional order rests — and this is its first main feature — on permanent co-operation between the Council, in which the six Governments are represented, and the Commission, which is an independent Community organ. The important economic policy decisions lie with the Council, but as a rule it cannot act without a proposal from the Commission, that is to say without Community initiative.

More and more the decisions of the Council will be taken by majority vote, and this will increase its effectiveness. However, it will be able to take such decisions only on a proposal put forward by the Commission, so that its vote will not express a coalition of national interests, but the approval of the Community interest.

Despite the pre-eminent position of the Council, the Commission itself — and this is a second main feature of the system — is not subordinated to the Council. It is to the Parliament, representing the peoples of the Community, that it is responsible. It is the Parliament alone that can oblige it to resign. The exclusive control of the Parliament guarantees the independence of the Commission and also ensures that there shall be no arbitrary decisions or lack of impartiality on its part. The almost daily contact with the Parliament and its organs keeps the Commission in close and permanent touch with political and human realities.

Lastly, the Court of Justice ensures respect for the law in the interpretation and implementation of the Treaty.

The European Commission considers that it is not possible to serve Europe effectively without guaranteeing respect for this institutional order and its possibilities of development.

Various proposals have been put forward to achieve the "relance", the political reactivation, of which so much is heard. The Commission is aware that elections to the European Parliament by universal suffrage would have an almost revolutionary impact. Such a decision, which is expressly provided for in the Treaties of Rome and Paris and would undoubtedly be accompanied by increased powers for the Parliament elected, would strengthen the foundations of the institutional order of the Communities, reinforcing their popular basis and, indeed, the entire European edifice.

A further measure which would increase the efficiency of day-to-day work would be the merging of the Executives of the three Communities, that is to say their replacement by a single Executive vested with all the responsibilities and powers flowing from the Treaties of Rome and of Paris. In agreement with the other two Executives, the European Commission reiterates its express approval of such a reform, which has also been recommended by the Parliament.

The Commission took note of the communiqué published in Paris on 11 February 1961 by the six heads of State or Government. It welcomed the unanimous expression of the will to "seek the methods by which closer political co-operation could be organized". It noted that the new type of relations contemplated in Europe is to be "based on the development of a single market through the abolition of all customs protection and the harmonization of the economies and also on political co-operation in a spirit of friendship, confidence and equality". It is the Commission's opinion that if the balance thus established between maintaining and developing Community integration and the establishment of political co-operation between the Governments is preserved, it will be possible to reckon on progress towards "a union which will develop progressively". In accordance with the wishes of the six heads of State or Government, such progress will enable the action of Europe to carry "more weight in the world, which will be to the advantage of all free countries and will, in particular, lead to closer co-operation with the United States".

In this fourth year of its term of office, the European Commission can state that since coming into force the Treaty has, broadly speaking, been correctly applied, that the Institutions have functioned normally and that the relationships established between them by the Treaty have been respected. Thanks to the work of the Institutions and the stability and continuity of their policies,

appreciable, and sometimes even impressive, progress has been made towards the economic unification of Europe above and beyond the particular problems of each of the Member States. Though this progress does not yet guarantee that the wider objectives which the architects of this vast movement set themselves will be reached, it does provide a solid basis which is already a token of the determination of the six Member States to ensure the economic and political integration of Europe.

The Commission does not underestimate the cases of resistance that have appeared as the effects of implementing the Treaty began to make themselves felt in the increasingly clear assertion of the international personality of the Community, the effective elimination of obstacles to trade in all fields or the rapid establishment of common policies. Since most of the decisions to be taken by the Council are still subject to the rule of unanimity, it has sometimes been more difficult or more time-consuming to overcome such resistance.

This is not surprising, since the problems involved in adapting national policies or administrative habits to the requirements of Europe are becoming more apparent. Such problems can only be solved in a Community spirit. The Commission would like at this point to make an appeal to the Member States that they should let themselves be governed by this spirit in their everyday work, so that each country shall be less concerned with its own difficulties than with a better understanding of the difficulties facing its partners, and that each shall seek common solutions to problems which, from now onwards, are common to us all.

The Commission knows such an attitude to be consonant with the cherished hopes of our peoples. It realizes that the European Institutions are strong and determined to remain loyal to the political and institutional principles they must uphold, and it therefore hopes firmly that, whatever the future may hold, the Communities will, in the words of Robert Schuman's declaration of 9 May 1950, be "the first concrete foundation of the European Federation which is indispensable to the preservation of peace".

I. President Hallstein's visit to the United States

Professor Walter Hallstein, President of the Commission of the European Economic Community, visited the United States from 13 to 24 May 1961. During his journey he met President Kennedy and various leaders of the American Government and Administration.

The following communiqué was issued after the talk which President Hallstein had with President Kennedy.

“The President and Dr. Walter Hallstein, President of the Commission of the European Economic Community, met at the White House on May 16.

“The President took the occasion to reaffirm the strong support of the United States Government for the European Economic Community and the movement toward European integration as envisaged by the Treaty of Rome. The President and Dr. Hallstein were in full agreement that the European integration movement of the six signatory countries of the Treaty of Rome complements and reinforces the progressive development of a true Atlantic community, which will be given new impetus by the coming into force of the OECD.

“The President and Dr. Hallstein discussed the current state of relations between the United States and the European Economic Community. The President took the occasion to reiterate the interest of the United States in the preliminary discussions now under way looking toward the establishment of a common agricultural policy within the European Economic Community. While fully endorsing the establishment of a common agricultural policy as an essential prerequisite of the implementation of the Rome Treaty, the President expressed the hope that a common agricultural policy would take into account the importance of agricultural commodities in the overall pattern of free world trade and the interest of the United States and other agricultural exporting countries.

“The President and Dr. Hallstein also discussed the tariff negotiations now in progress in Geneva within the framework of the GATT. The President and Dr. Hallstein are agreed that these negotiations should be conducted in such a manner as to assist the adjustment of non-member countries to the coming into effect of the European Economic Community.

“In this connection the President and Dr. Hallstein discussed particularly the effect of the coming into existence of the EEC upon trade with the Latin American countries.

“With regard to the association of African States with the EEC, the President and Dr. Hallstein also discussed the need for a sustained, increased and co-ordinated flow of development and technical assistance to the less-developed countries.”

During his stay in Washington, President Hallstein also conferred with Mr. Douglas Dillon, Secretary of the Treasury, Mr. Orville T. Freeman, Secretary of Agriculture, Mr. Luther Hodges, Secretary of Commerce, Mr. Chester Bowles, Under-Secretary of State, Mr. George Ball, Under-Secretary of State for Economic Affairs, Mr. Foy Kohler, Assistant Secretary of State for European Affairs, Mr. John J. McCloy, President Kennedy's Special Adviser on Disarmament, Mr. McGeorge Bundy, Special Assistant to the President for National Security Affairs, Mr. Walter Heller, Chairman of the Council of Economic Advisers, Mr. Dean Acheson, and Senator J. William Fulbright, Chairman of the Senate Foreign Relations Committee. He also met Mr. George Meany, President of AFL-CIO and other labour leaders.

In New York, President Hallstein visited Mr. Dag Hammarskjöld, Mr. Robert Wagner, Mayor of New York, and Mr. John Hay Whitney. He also met Mr. Robert Lovett of Brown Brothers, Harriman, and other leaders of the financial world.

President Hallstein paid a two days visit to Harvard University, where he took part in a seminar with members of the teaching staff of the Law School and of the Center for International Affairs.

During his stay in the United States, President Hallstein also visited the diplomatic representatives of the Six and was their guest at several official and private dinners and luncheons. He spoke in public to the National Industrial Conference Board, at Georgetown University in Washington, and at Harvard. He also addressed the New York Council on Foreign Relations, the Overseas Writers' Club in Washington, the leaders of AFL-CIO, and leading personalities in the financial world. He further held several press conferences in Washington, New York and Boston, and one in particular in Brussels at the end of his trip, in which he declared himself extremely satisfied with his stay and with the atmosphere surrounding the various talks with his hosts.

II. President Hallstein receives the Charlemagne prize

At an official ceremony, which took place, as is the tradition, on Ascension Day (11 May) at the City Hall of Aix-la-Chapelle, the International Charlemagne Prize of the City of Aix-la-Chapelle was conferred on President Hallstein.

President Hallstein is the second German to receive this Prize, the Federal Chancellor Dr. Adenauer having been the first. The Charlemagne Prize has previously been awarded to Count Coudenhove-Kalergi, Professor Hendrik Brugmans, M. Alcide de Gasperi, M. Jean Monnet, Sir Winston Churchill, M. Paul-Henri Spaak, M. Robert Schuman, General George Marshall and M. Joseph Bech.

M. von Brentano, the Minister for Foreign Affairs of the Federal Republic of Germany, was present at the ceremony, as were Count Coudenhove-Kalergi, Professor Brugmans and M. Joseph Bech, the members of the Commission of the EEC and many outstanding personalities of the three European Communities.

President Hallstein received the Charlemagne Prize from the hands of M. Heusch, the Mayor of Aix-la-Chapelle. In his address the latter stressed the political aspect of European integration. Recalling the years that have passed since the launching of the Schuman Plan, M. Heusch declared that what had been achieved so far was not sufficient "If the ambition and the zeal of all concerned had been greater" he said "we would now be further than we in fact are. The moment has now come" M. Heusch continued "when we must take the plunge. We can do it because we know that we can swim" Having added that the nations which are still hesitant would surely follow the example of the Six, the Mayor of Aix-la-Chapelle suggested that the fundamental reason why the Committee at Aix-la-Chapelle unanimously decided to award the Charlemagne Prize for 1961 to President Hallstein was to be found in the absolute priority which the Commission attached to the political aim of the European Treaties.

M. von Brentano, the German Minister for Foreign Affairs, then spoke to congratulate the Prize-winner and to bear witness to the complete identity of views which had always existed between President Hallstein and himself. Referring to the notion of discrimination which some had applied to the work of European integration within the Six, M. von Brentano declared: "I refute the allegation that anything we have done or propose to do constitutes any discrimination against others in the moral sense of the word. What greater discrimination against others could there be than to persevere in nationalism or in ideas of autarchy? On the contrary, the merging of large areas, political as well as economic, is not at all tantamount to discrimination but it is progress, a step forward from which those also benefit who are not yet participating; to them we must say again and again: 'Join us, collaborate with us. We are ready, because we know that the frontiers of Europe do not coincide with the national frontiers of the Six'."

M. Jean Monnet, in a message read on his behalf by M. Etienne Hirsch, the President of the Commission of Euratom, recalled that the concepts of freedom and of the organization of democratic countries were gaining strength. M. Hirsch described the part played by President Hallstein in the following words :

“Your merit, and also that of many of those who are gathered here today, and of others who are absent, is to have devoted yourself to this task.

“As soon as the Coal and Steel Community was agreed on, you returned to Bonn and there, with the Federal Chancellor, our friend Etzel and others, you became one of the solid pillars of European unity.

“You have resisted those ideas, at times widely held but all too theoretical and unrealistic, according to which a purely economic agreement amongst our peoples would suffice to solve the problems our countries must face. You did not allow yourself to be tempted by the easiness of a compromise which seemed to hasten agreement between our countries and Great Britain, but which would have led to a partial agreement only and would in fact have delayed the day of Britain’s full membership. You were firm when, engulfed by general scepticism after the failure of the European Defence Community, you contributed, with others whose names are familiar to us all, to the preparation and later to the ratification of the Common Market and Euratom.

“And then, of recent years, after many disappointments and an unrelenting struggle, the attitude of countries and of peoples has gradually changed. Our economic problems have become joint problems; the methods of dealing with them have altered: from a discussion of conflicting interests they have, bit by bit, turned into a search for common solutions to problems which each of us recognizes as being common to us all.

“When the Treaty of Rome was ratified almost unanimously by our Parliaments and the Common Market was ready for launching, our Governments very naturally turned to you and appointed you President.

“And now we have the heads of our six Governments deciding to go beyond the economic aims so far pursued; they are meeting and seeking together the forms of co-operation that political union will demand.

“And so my dear friend you have had the rare privilege of seeing an idea born in your lifetime and of contributing to its becoming a reality.”

President Hallstein then expressed his thanks in an address of which the following is an excerpt:

“I know that I am greatly honoured — and if I did not know it, a glance at the names of my predecessors in this distinction would make me conscious of it.

“If I am now to make a reply, I can find no more modest formula than to say: I am well aware that the honour is not being done to me for what I am, but to the

purpose which I have given to my work. And therefore I cannot find any better expression for the gratitude I feel than to endeavour to say why I have dedicated my person and my strength to the cause of Europe. I have done this because I believe in the unity and in the unification of Europe, because I am convinced that we can bring this unification about, and because I feel that it is our duty to do so.

“This venerable hall, this age-old Christian and European city, steeped in history, incite me to turn my glance back into the past of our Continent, into a past full of greatness and humiliation, full of riches and incomprehensible destruction, full of great deeds and full of suffering. I do not flinch from looking back. In looking back my purpose is not — as is sometimes the case with our opponents — to borrow from the past concepts like imperialism or hegemony or centralism and use them as a die with which to stamp European events — the most modern events of our day — with disappointment and bitterness inherited from the past; those who do this are striking false coin.

“Rather do we look back (...) because we know that all life, including that of nations, is movement; because we would be denying the dynamism of our own action if we were ever to interpret life as something other than incessant change, a constant evolution, a ‘*création continue*’ — and not as a condition, not as something static. Therefore, the past is present in all our doings, in everything connected with European unification — just as the future is present in them; for all politics is a constant process of keeping fit for the tasks which the next day will bring.”

After a reference to the Europe of Charlemagne and the Pax Romana, President Hallstein turned to the beginnings of European unification.

“Contemporary European history and — please God — its safe and happy future date from that time. Winston Churchill drew up its programme with visionary power when in 1946 he spoke in the European city of Zürich of the need to create ‘a kind of United States of Europe’. Other statesmen (need I mention them by name? Perhaps I had best say: other recipients of the Charlemagne Prize) have taken up the creative task and countless Europeans have put themselves at its service. ‘Where princes build, there is plenty of work for carters’ — today, the place of the princes is taken by the nations themselves. These statesmen and those who have helped them have put an end to the apparent but deceptive automatism of the balance of power in Europe, they have also ended the game of changing alliances to suit convenience, and have decided to entrust Europe to European self-government — if you will permit me to use this word on municipal soil.

“True, the conditions of our times have helped us. (...)

“I refer particularly to two fundamental circumstances which we might describe as the very criteria of the new global age which has dawned in our lifetime.

“The first is a new sense of space. Technical development — especially in transport — has made the world shrink in a way that would have been beyond the imagination of previous generations. Everyone has become everyone else’s neighbour. Not one

European state extends in any direction over a distance which any one of its inhabitants could not cover in a single day. But other states, other economic units, are of continental dimensions. They set the pace because they are already in a position to take full advantage of the possibilities offered by wide spaces, whilst the European allotment gardeners do not know where to use their motor ploughs.

“Secondly, we find that what is very comprehensively called ‘evolution’, and in particular the intellectual progress of mankind, has gathered breath-taking speed. Let me speak only of the most elementary expression of sovereign power: the technology of war has left the politicians so far behind that any idea of one of the European states still having genuine sovereignty to decide alone on war and peace is doomed to ridicule.

“Of course, neither of these circumstances — the changes in the categories of space and of time — has an automatic effect. No political change is the mechanical result of changes in environment. Wherever there are politics, the human will is engaged. But what is happening is that man is beginning to realize his dominion over his environment to an extent he previously dared not consider. Who, when we were students, spoke to us of any policy on economic trends in the sense in which we today understand this term? To most of us the economic cycle was rather like sunshine or hail; one had to know that it existed, and the optimists thought it was good, while the pessimists considered it a misfortune. Today, anti-cyclical policy is a central part of economic policy and the areas in which man is endeavouring to extend his dominion by its use are growing constantly greater. Certainly, this new boldness — like any other — entails certain risks. In particular it entails the risk of paying too little respect to what has been handed down by tradition. But do not let us overestimate this risk: I think, in fact I fear, that we Europeans at any rate are the last who need worry about the preservation of inherited habits!

“This brings us to the innermost core of the European phenomenon. The dreadful convulsions which mark European history in the first part of our century have aroused a new freedom from prejudice in our relations with the traditional political structure. Not that the sense of nationality has been extinguished — despite the horrible abuse to which it has been put. No, Europe is and always will be variety. Its power and its character lie in the immense richness of its countryside, its peoples, its talents, its memories which we call history. But the sense of nationality has changed. It has been purified. It has put away its destructive qualities, its hereditary enmities, its rivalries, its aspirations to hegemony.

“For Europe has come to realize that it represents not only variety. It is also unity, unity in diversity. Amidst all the differences there is a basic substance of identical elements, conditions, capacities, values, and psychological as well as intellectual concepts held in common, a sense of interdependence in happiness or misfortune, in jointly shaping or suffering our fate, in great common weaknesses, but also in brilliant common achievements — cultural, economic and political. Is not even America, although certainly not coterminous with Europe nor a part of it, at least

to a considerable extent a European creation? And is not the Iron Curtain much more than a deeply smarting national wound — does it not cut right through the very heart of Europe? Europe has now undertaken to give political expression and political form to this unity in diversity. This is happening most forcibly, intensively and in the most advanced manner in our European Communities, where essential sectors of economic policy are placed under a Community discipline with the help of organizational means patterned on the experience gained with federal constitutions. The fact that — as yet — this core of Europe is formed by no more than six countries is not of our doing; it is the doing of those who have so far not accepted the invitation to join — for reasons, incidentally, which we must fully respect. This development, however, is not just fortuitous. The area covered by the Communities is identical with the territory of those states which were brought to the edge of physical and political destruction by the wanton national-socialist adventure. This experience has left in the hearts of these nations the fervent wish that such a thing shall never happen again. In their constitutions they have opened the way to waivers of sovereignty in favour of European institutions — what a dramatic development!

“ This is as far as any explanation of what is happening in Europe today can take us. For the true changes, the changes which make history, are not those reflected in external, technical or economic facts which influence our behaviour. True, these material conditions and their evolution are important because man lives by bread, but not by bread alone. The true changes, however, occur in the soul of man. We no longer want to see our European neighbour as an enemy who is striving to kill us, or planning to undermine our prosperity or our prestige. We do not want the worker from Southern Italy whom we call to the North, because we need him, to be regarded as no more than a factor of production; we do not wish that he shall be treated differently from ourselves. We wish to be co-citizens in our common Europe.

“ Is that mysticism ? It is as mystical as the fact that where a hundred years ago windmills were turning we now find atomic piles. It is as mystical as the expectation that tomorrow or the day after we shall fly to America at a speed allowing us to arrive at an earlier hour than that of our departure — because we have overtaken the sun.

“ After all, of what kind are the obstacles in our path ? They are created by human will, and what human will has done human will can undo.

“ It is on this will that we stake the fate of Europe. ”

III. Activities of the Community

EXTERNAL RELATIONS

The association of Greece with the Community

1. The Special Committee on Greece made a careful study of the draft association agreement. After this examination the Council, at its session of 2 and 3 May 1961, noted the points on which it would need to comment. It agreed to meet again on 19 May to settle the articles and protocols in connection with which there should be interpretative declarations or other forms of clarification.

The association of Turkey

2. The talks on the association of Turkey with the EEC were resumed on 10 April in Brussels. For a fortnight the two delegations studied the problems which association raises for Turkey in view of its present economic situation. They also considered the technical ways and means which could serve as a basis for the agreement.

At the end of the meeting both delegations decided to report to their respective authorities and to seek instructions for further negotiations.

The association of the Netherlands Antilles

3. The Special Group for the association of the Netherlands Antilles with the EEC resumed its work on 14 April; at the conclusion of its discussions it submitted a report to the Council.

The Community and GATT

The Tariff Conference

4. At its session of 2 and 3 May the Council considered the progress made in the re-negotiations under Article XXIV (6) of the General Agreement and confirmed the decision of 20 March 1961 under which the Community will not grant the Contracting Parties any concession going beyond the offers of compensation already made. Consequently, the Commission's delegation in Geneva informed the Tariff Negotiations Committee that the Community, confident that it had scrupulously fulfilled its obligations, considered the first stage of the negotiations to be completed.

Acting on behalf of the Community, the representative of the Commission requested the Tariff Negotiations Committee to take note of the Council's decision, and he asked the various delegations to state by 10 May whether they were prepared to sign an agreement finally ending the re-negotiations under Article XXIV (6) on the basis of the offers made to them.

To facilitate the signing of such an agreement, the representative of the Commission explained that if certain countries wished to reserve freedom of action to withdraw certain of their concessions at a later stage, the Community would, as a gesture of good will, accept this and would be prepared to enter into bilateral discussions with those non-member countries which desired to proceed in this way.

The representative of the Commission further declared that the European Economic Community no longer saw any obstacle to the opening of the Dillon negotiations and that it was prepared to begin these negotiations with all the Contracting Parties which intended to take part in the second stage of the Tariff Conference. He added that the concessions offered by the Community were those which had been communicated to the Contracting Parties after the decision of the Council dated 12 May 1960 and confirmed by the Council at its session of 2 and 3 May 1961, and which envisaged a 20% across-the-board reduction of the Community's common external tariff, subject to reciprocity.

Relations with international organizations

The Council of Europe

5. The Commission was represented at the first part of the Thirteenth Session of the Consultative Assembly of the Council of Europe, which was held in Strasbourg from 24 to 28 April 1961.

At this session the problem of the association of Great Britain with the Common Market was the subject of many speeches.

The Consultative Assembly also paid great attention to the report on European economic relations drawn up by its Economic Committee. This report deals, among other things, with the conditions for an agreement between Great Britain and the Six as suggested by Mr. Heath to the Council of Ministers of Western European Union when it met at ministerial level in Paris on 27 February 1961.

Economic Commission for Europe

6. The sixteenth session of the Economic Commission for Europe, in which representatives of the Commission participated, took place in a particularly tense political atmosphere. Events in Cuba provided the East European countries with an opportunity to introduce politics into the debates and to make any technical discussion very difficult.

The arguments put forward by the Eastern countries on the subject of the European Economic Community were in line with what they have always been, except that they put greater emphasis on their warning to the developing countries of the dangers to which these are allegedly exposed by the existence of closed economic groups such as the Common Market.

Speaking on behalf of the Community, the Belgian delegate made a short statement in which he re-asserted the liberal character of the Community's trade policy and stressed the favourable influence exerted by the EEC on the development of international trade.

FAO Cocoa Study Group

7. In the first half of April the International Cocoa Study Group held a meeting in Accra, to which the Commission delegated a representative. A special working party was set up and instructed to study a stabilization agreement for cocoa on the basis of export quota regulations. The results of the working party's labour will be submitted to governments for their approval. If the consensus of opinion is favourable, an international conference will be convened to conclude a stabilization agreement for cocoa.

Inter-European trade problems

8. As indicated in the previous issue of the Bulletin, the Study Group of the Committee on Trade Problems held its fifth meeting in Paris on 16 and 17 March, when it agreed to submit to the Committee of Twenty-One its final report, completed by the addition of eight lists of products which are important to intra-European trade.

The EEC list of products which are important to intra-European trade was worked out in accordance with the provisions contained in the report of the Study Group of the Committee on Trade Problems, dated 17 March 1961.

In a letter of 14 April M. Luns, the Netherlands Minister for Foreign Affairs and Chairman of the Committee on Trade Problems, submitted the final report of the Study Group for the approval of the members of the Committee, who had up till 30 April to ask that the report be examined by the Committee.

Since by this date the Secretariat of the Committee had not received any requests, the report must be considered as adopted unanimously by the Committee on Trade Problems and will be submitted by the Governments who are members of this Committee to their representatives in charge of the GATT negotiations.

In view of recent developments in the attitude of the countries concerned, work has been continued on the different short-term and long-term solutions to the problems of European economic relations.

Liberalization measures vis-à-vis non-member countries

9. On 31 March 1961 the French Government carried out further liberalization measures vis-à-vis the OEEC countries and the dollar area, i.e. the United States and Canada.

These measures relate almost exclusively to industrial products; the new liberalization percentages for France have moved from 93.7 to 95.5 (reference year 1957) and from 96.8 to 98.9% (reference year 1953) for the two areas considered.

Establishment by the associated countries of missions at the seat of the Community

10. The competent authorities of the EEC have taken note of the appointment of Ambassador Joachim Hunlede to represent the Government of Togo, Ambassador Gaston Fiankan to represent the Government of Ivory Coast, Ambassador Mohammed Sheik Hassan to represent the Government of the Somali Republic and Ambassador Mamadou Touré to represent the Government of Mauritania at the seat of the European Economic Community. These Ambassadors will shortly be received by the President of the Commission.

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

11. The competent authorities of the EEC have given their *agrément* to the appointment of Ambassador G. Giraldo Jaramillo as Head of the Colombian Mission and of Ambassador Albertus B.F. Burger as the new Head of the South African Mission to the EEC. These Ambassadors will shortly present their letters of credence to the President of the Commission.

ECONOMIC AND FINANCIAL AFFAIRS

12. Note on economic trends at the end of April 1961

COMMUNITY

		Nov.	Dec.	Jan.	Feb.	March
Industrial production ⁽¹⁾	1959/60	114	115	116	117	117
1958 = 100	1960/61	123	124	126	127	—
Imports from non-member countries,	1959/60	1 388	1 590	1 535	1 610	1 703
cif in millions of \$	1960/61	1 641	1 846	1 659	1 546	—
Exports to non-member countries,	1959/60	1 570	1 722	1 481	1 626	1 787
fob in millions of \$	1960/61	1 662	1 876	1 493	1 574	—
Trade balance	1959/60	+ 182	+ 132	— 54	+ 16	+ 84
in millions of \$	1960/61	+ 21	+ 30	— 166	+ 28	—
Trade between member countries ⁽²⁾	1959/60	761	824	723	795	886
in millions of \$	1960/61	882	904	837	881	—
Gold and foreign exchange reserves ⁽³⁾	1959/60	11 423	11 555	11 453	11 584	11 860
in millions of \$	1960/61	14 339	14 555	14 455	14 507	—

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

(2) Calculated on the basis of imports.

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

Industrial production has continued to grow; but again the rate of growth has been relatively modest in the Belgo-Luxembourg Economic Union and in France. In the case of France this was, however, largely connected with the relatively feeble expansion of production on the motor car industry.

Trade with non-member countries showed little improvement towards the end of the first quarter. The fact that in February it remained even below the level of a year earlier is, however, most probably due to reasons not connected with the basic trend (the Belgian strike, the smaller number of working days than in February 1960); it seems in any case to have recovered in March. On the other hand, trade amongst the Member States has continued to show a clear upward trend.

The official gold and foreign exchange reserves, which had fallen somewhat in the first two months of the year as a result of a livelier export of capital, certainly increased again in March, the alternations made in the exchange rate during the month having resulted in a considerable flow of capital to the Community.

FEDERAL REPUBLIC OF GERMANY

		Nov.	Dec.	Jan.	Feb.	March
Industrial production ⁽¹⁾	1959/60	115	116	117	118	118
	1958 = 100 1960/61	124	125	128	130	127
Orders received	1959/60	141	136	125	129	147
	1958 = 100 1960/61	154	142	142	139	—
Number of unemployed in thousands	1959/60	230.6	443.3	627.0	529.6	256.6
	1960/61	136.4	271.6	390.1	292.5	163.2
Turnover in retail trade	1959/60	111	162	95	92	107
	1958 = 100 1960/61	125	177	102	100	—
Prices to the consumer	1959/60	102.2	102.1	102.1	101.9	101.9
	1958 = 100 1960/61	103.0	103.1	103.6	103.8	104.1
Imports cif ⁽²⁾ in millions of \$	1959/60	743	921	742	778	873
	1960/61	876	1 001	830	761	(916)
Exports fob in millions of \$	1959/60	904	1 019	807	873	1 041
	1960/61	1 012	1 201	929	964	(1 082)
Gold and foreign exchange reserves (net) ⁽²⁾ ⁽³⁾ in millions of \$	1959/60	4 102	4 355	4 261	4 330	4 539
	1960/61	6 487	6 582	6 531	6 588	6 983

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

(2) On 6 March 1961 the German Mark was revalued by 5% (\$ 1 = 4 DM).

(3) Held by the Deutsche Bundesbank at the end of the month.

The economic situation continues to be marked by a considerable backlog of demand. Of course it has not yet been possible to register any quantitative effect of the 5% revaluation of the German Mark made at the beginning of March, one object of which was to reduce the overheating of the economy. It does seem, however, that as a result of this step business circles are a little less optimistic on the future development of foreign demand.

In March the growth of exports again receded; in the first quarter exports exceeded those of the corresponding quarter of 1960 by no more than 7%. For the time being, however, foreign order books continue to swell. Investment has remained very lively and the more rapid growth of private consumption which accompanies rising incomes has been maintained.

The March figures for industrial production were 7% up on those of a year earlier — once again a considerable rise on an already high level. In contrast to February, imports were again a little higher than a year ago. Nevertheless, the total for the first quarter exceeded the corresponding figure for 1960 only by about 5%.

Despite the astonishingly high elasticity shown by production, price increases may have gained some momentum: at any rate consumer prices were 2.1% higher in March than in the previous year (in February the increase had been 1.9%). In the first quarter the surplus on the balance of trade was 1,900 million German Marks as compared with 1,400 million Marks in the corresponding period of the previous year. March alone accounted for 640 million Marks (= 160 million \$). As a result of a greater influx of short-term capital after revaluation the official gold and foreign exchange reserves even increased by 400 million dollars in this month.

FRANCE

		Nov.	Dec.	Jan.	Feb.	March
Industrial production ⁽¹⁾	1959/60	110	111	112	110	109
	1958 = 100 1960/61	118	118	118	118	119
Number of persons seeking employment ⁽²⁾	1959/60	147	148	144	138	132
	in thousands 1960/61	128	125	123	120	112
Turnover of large retail stores	1959/60	128	202	127	82	124
	1958 = 100 1960/61	146	233	141	99	148
Prices to the consumer (Paris)	1959/60	108.0	108.0	109.4	109.7	109.7
	1958 = 100 1960/61	111.6	111.9	111.9	112.0	111.9
Imports cif	1959/60	448	539	505	547	568
	in millions of \$ 1960/61	531	616	485	527	654
Exports fob	1959/60	531	589	592	607	609
	in millions of \$ 1960/61	594	612	543	557	681
Trade balance (with foreign exchange areas)	1959/60	+ 14.7	— 6.3	+ 11.4	— 9.4	— 12.7
	in millions of \$ 1960/61	0	— 52.9	+ 12.2	— 8.2	— 6.1
Gold and foreign exchange reserves ⁽³⁾	1959/60	1 793	1 720	1 738	1 781	1 854
	in millions of \$ 1960/61	2 068	2 070	2 143	2 235	2 398

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

(2) End-of-month figures, seasonally adjusted.

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

General economic activity continued its upward trend. The latest INSEE poll shows that business circles are expecting economic expansion to continue in the coming months.

Recently, foreign demand has obviously somewhat revived. In March there were notable increases in the exports of steel, investment goods and motor cars. In addition, internal demand is constantly growing. Private business is already planning to increase investment in fixed assets by 8 to 9% for the current year. Private consumption is expanding vigorously and now includes a greater demand for durable consumer goods.

In most branches of industry (metal production, machine engineering, electrical engineering, textiles) output in February showed more than the usual seasonal increase. As the need for labour rose, the number of persons seeking employment fell rapidly. Industrial relations have become less stable; the wage demands of the trade unions are being increasingly accompanied by strikes.

The overall cost of living fell off a little in March because the — partly seasonal — reduction of some foodstuffs prices slightly overcompensated the continuously rising cost of certain finished industrial goods and services. In order to damp inflationary price trends by means of keener competition, a greater degree of import liberalization for industrial products was introduced with effect from 1 April, and customs duties reduced by 5%, in a few cases by 10%. The strong inflow of liquidity from abroad continues. In March alone, the official foreign exchange reserves increased by 163 million \$.

ITALY

		Oct.	Nov.	Dec.	Jan.	Feb.
Industrial production ⁽¹⁾	1959/60	116	119	121	123	124
1958 = 100	1960/61	131	131	132	133	134
Number of unemployed	1959/60	1 553	1 632	1 774	1 870	1 805
in thousands	1960/61	1 413	1 472	1 608	—	—
Internal trade ⁽²⁾	1959/60	131	120	117	117	116
1958 = 100	1960/61	144	128	129	137	125
Prices to the consumer	1959/60	100	101	101	102	102
1958 = 100	1960/61	102	103	103	104	104
Imports cif	1959/60	300	315	320	350	396
in millions of \$	1960/61	416	407	411	422	(413)
Exports fob	1959/60	266	276	301	233	301
in millions of \$	1960/61	332	294	324	285	(318)
Official gold and foreign exchange reserves ⁽³⁾	1959/60	2 964	2 991	2 953	2 900	2 869
in millions of \$	1960/61	3 065	3 057	3 080	2 972	2 928
Yield on fixed-interest-bearing securities	1959/60	5.51	5.45	5.47	5.34	5.23 ⁽⁴⁾
	1960/61	5.28	5.50	5.52	5.11	5.05 ⁽⁴⁾

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

(2) Calculated on the basis of revenue from turnover tax.

(3) Situation at end of month.

(4) March 1960 and 1961: 5.32 and 5.13 respectively.

Economic growth, which in the course of last year had clearly slowed down, seems to be quickening again. However, internal demand continues to be the main factor of expansion.

It is not likely that the economy received any major impulse from foreign demand during February. On the other hand, investment in fixed assets by firms has probably expanded vigorously and private consumption — especially of durable consumer goods — may prove to have risen to more than the normal seasonal extent. Demand for motor cars has been particularly great.

For the first time in more than a year the rate of industrial output accelerated a little at the beginning of 1961; this trend is likely to have continued in March. The petroleum, chemical and iron and steel industries registered the liveliest advance in production during January, whereas production in the foodstuffs industry increased but little and that of the textile industry even fell below the level of January 1960.

Investment expenditure mounted vigorously and the prices of investment goods hardened a little. Together with the continuing rise in the cost of services this is likely to result in a slight increase of the overall price level. After a break of two months, long-term interest rates again rose a little in March. This time, increases in the foreign assets of the credit institutions only partly compensated for the decreases in the official gold and foreign exchange reserves in January and February. The most likely explanation for this slight deterioration in the overall foreign position may be sought in the larger balance-of-trade deficit.

NETHERLANDS

		Nov.	Dec.	Jan.	Feb.	March
Industrial production ⁽¹⁾	1959/60	118	120	121	123	125
	1958 = 100	1960/61	131	132	132	133
Number of unemployed in thousands	1959/60	61.4	88.3	91.6	80.8	61.3
	1960/61	37.3	53.5	62.8	52.4	38.4
Retail sales	1959/60	107	123	109	91	103
	1958 = 100	1960/61	119	135	114	—
Prices to the consumer	1959/60	103	103	103	103	103
	1958 = 100	1960/61	103	103	104	104
Imports cif ⁽²⁾ in millions of \$	1959/60	344	370	352	348	409
	1960/61	389	407	441	370	483
Exports fob ⁽²⁾ in millions of \$	1959/60	339	335	287	331	359
	1960/61	361	359	353	319	402
Trade balance ⁽²⁾ in millions of \$	1959/60	— 5	— 35	— 65	— 17	— 50
	1960/61	— 28	— 48	— 88	— 51	— 81
Gold and foreign exchange reserves ⁽²⁾ ⁽³⁾ in millions of \$	1959/60	1 326	1 329	1 337	1 354	1 315
	1960/61	1 573	1 633	1 641	1 613	1 644

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

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

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

Economic growth is still hampered in many spheres by the shortage of labour and productive capacity.

Contrary to expectation, the contributions to expansion made by demand from abroad were also modest.

In contrast to the previous year, exports did not rise from January to February, so that last year's level was not quite reached. Though exports mounted again in March, the annual growth rate for the months of February and March together was very modest. Investment, on the other hand, continued to expand vigorously — especially in the building sector, which was favoured by the exceptionally mild weather conditions; private consumption also continued to grow.

Industrial production expanded in February a little more than normally; this trend was particularly noticeable in the iron and steel industry.

Imports continued to rise in March.

The number of unemployed fell sharply in February and March; this is a seasonal development, but it was also due to the continued economic expansion. In March the unemployed figure was approximately 40% below the corresponding figure for the previous year.

Despite the shortage of labour and productive capacity, the price index figures have remained stable.

After a slight recession in February, the official gold and foreign exchange reserves had, by the end of March, slightly exceeded the January figure.

BELGIUM

		Nov.	Dec.	Jan.	Feb.	March
Industrial production ⁽¹⁾	1959/60	107	107	108	109	110
	1958 = 100 1960/61	113	113	—	—	—
Number of unemployed in thousands	1959/60	116.3	132.3	147.1	138.2	126.4
	1960/61	105.0	114.8	128.1	121.6	105.7
Turnover of large retail stores	1959/60	120	143	97	95	108
	1958 = 100 1960/61	129	137	93	102	—
Prices to the consumer	1959/60	102	102	102	102	102
	1958 = 100 1960/61	102	102	102	102	102
Imports cif	1959/60	311	334	316	340	343
	in millions of \$ 1960/61	339	324	329	361	—
Exports fob	1959/60	289	314	319	304	341
	in millions of \$ 1960/61	315	316	240	316	—
Trade balance	1959/60	— 22	— 20	+ 3	— 36	— 2
	in millions of \$ 1960/61	— 24	— 8	— 89	— 45	—
Gold and foreign exchange reserves ⁽²⁾	1959/60	1 211	1 198	1 216	1 240	1 256
	in millions of \$ 1960/61	1 154	1 189	1 166	1 142	1 158

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

(2) Held by the Banque nationale de Belgique at end of month.

Despite the evident revival of economic activity in February and March after the strike, the loss of production is not likely to have been fully made up by the end of the first quarter.

As some of the foreign orders on which work had been suspended during the strike have now been completed, exports increased in February, which is not customary for this time of the year. Weather conditions favoured building activity, and private consumption, which in the previous months had been hampered by the drop in incomes due to the strike, mounted again in February and March.

Notwithstanding a vigorous upswing in March, the average of industrial production in the first quarter remained a little below last year's level, because it was not possible fully to make up for the losses caused by the strike. Imports, too, rose considerably in February, partly owing to purchases of aircraft.

GRAND DUCHY OF LUXEMBOURG

		Oct.	Nov.	Dec.	Jan.	Feb.
Industrial production ⁽¹⁾	1959/60	108	110	112	113	114
	1958 = 100 1960/61	115	115	115	115	115
Output of pig-iron in thousands of tons	1959/60	299	293	308	312	301
	1960/61	319	306	309	311	306
Output of crude steel in thousands of tons	1959/60	332	317	328	336	332 ⁽²⁾
	1960/61	348	336	338	333	326 ⁽²⁾
Prices to the consumer 1958 = 100	1959/60	101	101	101	101	101
	1960/61	101	101	102	102	101
Short-term credit to firms and individuals	1959/60	3 940	3 656	3 760	4 266	4 316
	1960/61	4 567	4 730	4 556	4 872	—

(1) Index of the Statistical Office of the European Communities, adjusted for seasonal and fortuitous variations.
(2) March 1960 and 1961: 355,000 and 367,000 tons respectively.

Foreign demand for iron and steel has continued high though there has been a slight weakening of prices recently. Internal demand also seems to be maintaining its favourable development, private consumption benefiting from the rising trend of wages and salaries.

Though there has again been no underlying expansion of industrial production in February, the record results of the steel industry in March suggest that it may have increased slightly in this month.

Because imports from the Federal Republic of Germany and the Netherlands are of such great importance to the Luxembourg economy, the revaluation carried out in these two countries in March has resulted in a certain rise of production costs in industry. Nevertheless, prices of industrial goods — and consumer prices too — seem to show a slight tendency to fall.

Policy on economic trends ⁽¹⁾

13. The Committee of Experts on Economic Trends held a meeting on 20 April, which was also attended by experts from the Ministries of Labour in the EEC countries; the purpose of the meeting was to study a draft report on the labour situation and economic prospects in 1961, prepared by the staff of the Commission.

The Committee made a country-by-country study of the trend of employment in 1961 and examined the conclusions reached in the report; these conclusions suggest action to establish equilibrium on the labour market.

THE SPEED-UP IN THE IMPLEMENTATION OF THE TREATY

14. On 3 May the Commission made a statement in the Council drawing attention to the lively expansion which the Community had experienced since the spring of 1959, to the reduction in the Community's economic dependence on trends in non-member countries (despite the growth of external trade) and to the increasing importance of private consumption as a factor of expansion. The Commission feels that for these reasons an additional 10% reduction of customs duties at the end of 1961 would come at an opportune moment to support the favourable economic trend in all the Member States and could, by its stabilizing effect on prices, reduce the strain felt on the markets of some Member States. The Commission stated that it would very shortly submit to the Council a written communication to this effect.

THE INTERNAL MARKET

Tariff problems

Requests for tariff quotas

15. Each of the Benelux states has requested a tariff quota for unwrought aluminium (item 76.01 A). The Commission has refused these applications but at the same time granted a subsidiary request made by these States under Article 26 : the Benelux tariff duties should as part of the approximation of duties to the common customs tariff have been raised to 3%; this has been postponed to 31 December 1961, but from now onwards these three States must levy a 1.5% duty on imports from non-member states.

At its session of 2 and 3 May the Council examined the Commission's proposals that under Article 25 (1) of the Treaty a duty-free tariff quota be granted to the Netherlands for hydrogenated, polymerised and dimerised rosins (item 38.08 B). It approved this measure subject to a quantitative limit of 450 tons, until 31 August 1961.

⁽¹⁾ See also sec. 28.

The Council further decided, in implementation of Article 28 of the Treaty, the Member States should suspend the application of the common customs tariff to these products until 31 December 1961.

The Commission laid before the Council, at the latter's request, its opinion on the duty-free import of war materials or equipment for the armed forces of the Member States furnished to these forces by the NATO Maintenance Supply Services Agency. At its session of 2 and 3 May 1961 the Council studied this opinion. On the whole the Council agreed with the Commission's point of view on the economic and technical aspects, but the legal side of the problem requires further examination.

The common customs tariff

16. On 20 and 21 April the Commission held a meeting of government experts to re-examine the effects of the recommendations and decisions of the Customs Co-operation Council concerning the common customs tariff. Most of the modifications proposed by the staff of the Commission were approved by the various delegations.

Moreover, the experts accepted various amendments proposed by the Member States in connection with certain sub-items. Other requests concerning the level of duties were also examined, especially those relating to mixed alkylbenzenes and alkylnaphtalenes, sawn pine for the manufacture of pencils, wood pulp for the manufacture of regenerated cellulose and viscose, and the non-advertising parts of periodical publications.

As a result of these discussions it will soon be possible to submit proposals on some of these products to the Commission.

Measures of safeguard

17. On 9 May the Commission of the EEC decided to authorize Italy to apply measures of safeguard for its domestic production of citric acid and calcium citrate.

The Italian Republic is authorized to maintain throughout 1961 the following global quotas opened to the other Member States of the Community : 73,000 kgs. for citric acid (tariff item 29.16 A IVa), 3,300,000 kgs. for calcium citrate (tariff item 29.16 A IVb).

This decision follows that of 28 March by which the Commission authorized the same State to take measures of safeguard for sulphur, carbon disulphide, sodium sulphides and polysulphides, iodine, unwrought lead and zinc spelter.

COMPETITION

State aids

18. The Commission has continued to work out, in conjunction with government experts, the particulars of how to apply the provisions on aids laid down in the Treaty. The discussions centred on the conditions that shall govern the examination of the individual decisions taken under the machinery instituted by outline laws. From the legal point of view it is still an open question whether the provisions of Article 93 (3) apply to such individual decisions, but the experts have agreed that the Commission might find that it has to call for prior notification of these (prior, that is to say, to the aid being granted) whenever this procedure proved necessary to assess whether or not the proposed aid is compatible with the common market.

19. The Commission's decision of 8 March 1961 relating to the Italian draft law amending the present system of aid to Italian shipbuilding (Tambroni Bill) ⁽¹⁾ was published in the official gazette of the European Communities of 8 April 1961. The particulars of application of this decision will be the subject of a multilateral discussion at a future meeting.

20. The Commission has been informed of an Italian draft law on the insurance and financing of export credits for goods and services and on the execution of work abroad and aid to the countries in course of development. These provisions have also been studied with a view to an early decision.

Rules applicable to enterprises

21. The Commission is considering individual cases likely to constitute an infringement of Articles 85 and 86. As a result of a number of complaints laid before the Commission, new enquiries have been started ex officio.

Dumping

22. On 15 March the Commission published Regulation No. 13, ⁽²⁾ which slightly amends Regulation No. 8 of 11 March 1960 ⁽³⁾ on the application of Article 92 (2) of the Treaty.

A further request has been submitted to the Commission under Article 91 (1) of the Treaty.

⁽¹⁾ See Bulletin 3/61, sec. 20.

⁽²⁾ Published in the official gazette of the Communities, No. 27, page 585 (8 April 1961).

⁽³⁾ Published in the official gazette of the Communities, No. 21, page 597 (25 March 1960).

Approximation of legislation

The Working Party on "Public Contracts"

23. The second meeting of the Working Party for the approximation of legislation in the field of public contracts was held in Brussels on 11 and 12 April 1961.

The Working Party has completed its preparatory work of drawing up the basic documents to be studied with a view to the approximation of the bodies of legislation governing public contracts in the various countries. These documents are mostly monographs on the public contracts systems in force in the Member States. They were prepared by the staff of the Commission and completed with the assistance of experts from each country.

The delegations have also approved a list of joint definitions on the subject of public contracts; these will facilitate future work on the approximation of statutory and administrative provisions. This list may also have a bearing on the drawing up of a common procedure for the letting of contracts. The work will be resumed at the next meeting of the Working Party from 15 to 16 June 1961.

The first session of the Working Party on Patents

24. The Working Party on Patents held its first session in Brussels from 17 to 28 April.

Basing itself on the decisions of the Co-ordinating Committee and on the report from its chairman, the Working Party prepared a first draft convention on a European patent law. It adopted the text of several provisions of this draft. Some of these concern the basic principles of a European patent law and others deal with the subject of compulsory licences which amount to a restriction of the rights conferred by patents. These provisions, and those which will be drawn up at the next working sessions, will be submitted to the Co-ordinating Committee and to the Under-Secretaries of State in charge of industrial property rights.

The Working Party will resume its work in July.

Fiscal problems

Harmonization of turnover taxes

25. The sixth meeting of Study Group B under Working Party I (harmonization of turnover taxes) was held on 14 April, with the support of government experts. A document dealing with taxes on the supply of services was completed. The draft of a general introduction (first part of the Study Groups' general report) setting forth the objectives aimed at in harmonizing these taxes was discussed in detail.

SOCIAL AFFAIRS

Employment problems

26. Under the auspices of the Commission representatives of the employers' associations and of trade unions met in Brussels on 26 and 27 April 1961 respectively in order to study the draft report drawn up by the staff of the Commission on manpower and the trend of the economy in 1961.

They discussed developments in the economic situation of each country from the employment point of view and stated their views on the outlook in the Community for 1961. They also stressed the need for measures to redress the imbalances on the employment markets of the six countries.

The staff of the Commission will draw up the final report in the light of the views expressed.

On 18 April a meeting of experts from the various countries was called by the Commission to study the paper on underemployment in the Community, prepared on the initiative of the Commission; there was wide agreement with the content of this paper and some suggestions were made on additional points that might be covered.

Social security

Occupational diseases

27. A Working Party of the EEC's Administrative Committee for the Social Security of Migrant Workers met on 18 and 19 April 1961 to seek a solution to the problems connected with compensation payable for occupational diseases where the worker concerned was exposed to risk in two or more Member States of the EEC.

The medical, administrative and legal aspects of this question were the subject of the first discussion. The Working Party came to the conclusion that, if it was to carry on its work effectively, it needed a summary of typical cases in which applications made since the entry into force of Regulations No. 3 and No. 4 had been rejected in the Member States.

The Working Party was unanimously of the opinion that the solutions sought must be such that they could apply to all migrant workers.

The Administrative Committee for the Social Security of Migrant Workers

28. The Administrative Committee for the Social Security of Migrant Workers held its 24th session on 27 and 28 April 1961. The Committee adopted a decision on the interpretation of Article 28 of Regulation No. 3 concerning the methods of calculating supplementary pensions payable in certain cases to persons entitled to a sickness, old-age or surviving dependents' pension.

The Committee continued its study of the problem of the time-limit on the entitlement to medical attention to be provided, under Articles 20 and 40 of Regulation No. 3, for family members who stay in their country of origin whilst the worker is employed in another Member State; the Committee also considered the question of family allowances payable for children not resident in the country in which the worker is employed. Owing to the divergent views held by the members of the Administrative Committee on the interpretation of Article 20 of Regulation No. 3, no decision could be reached.

Harmonization of social systems

29. On 12 April 1961 a meeting was held in Brussels to study a programme of work to be carried out by the EEC under Articles 117 and 118 of the Treaty; representatives of the six member countries took part in the meeting. (1) There was a wide exchange of views on the conditions under which new studies could be begun, or use made of those already undertaken, with a view to the harmonization described in Articles 117 and 118 of the Treaty. Concrete proposals were tabled. The programme will be further considered at a later meeting.

Social services

30. The Commission arranged a meeting, which took place on 10 April, of representatives of the European Secretariats of international employers' and workers' organizations (the Union of Industries of the European Community, the Committee of Agricultural Organizations, ICFTU and IFCTU) in order to consult these organizations about a preliminary draft for an opinion on social services for workers moving within the Community, which is to be submitted to the Member States.

On 26 April the Commission also convened a meeting of representatives from those Ministries in the six countries which deal with the problems of migration and aid to migrant workers; the meeting was called in order to study the preliminary draft of the opinion referred to above. Through this meeting, at which the Joint Legal Service and the High Authority of the ECSC were represented, the Commission obtained the opinions of the experts concerning the principles and the form of this document, and informed the experts of the views expressed by both sides of industry.

(1) See Bulletin 4/61, sec. 22.

AGRICULTURE

The common agricultural policy

31. The Special Committee for Agriculture held its 11th meeting on 17 and 18 April 1961. On the basis of the report of the working party which met on 22 February 1961, the Committee resumed the study of the proposed regulation for the application of certain rules of competition to agriculture, in conformity with Article 42 of the Treaty. After discussing the draft regulation article by article, the Committee decided to convene a further meeting of the working party. On the basis of certain examples, the working party will study the scope of the proposed exceptions to Article 2 of the draft regulation in the case of agreements, decisions and practices which are an integral part of a national market organization or are necessary to the realization of the aims set out in Article 39 of the Treaty. In addition the working party will again examine the conditions in which the Commission would have to make recommendations or authorize the protective measures laid down in Article 91 (1) of the Treaty. This procedure, however, in no way prejudices the position of certain delegations which have voiced a general reservation concerning the draft regulation.

The Commission has submitted reports to the Special Committee on the work which it has undertaken with the government experts and which concerns grain, pigmeat, eggs, sugar and wine.

Among other problems the Committee has examined those arising from the application of a levy system in the grain and pigmeat sectors. Although it has been possible to work out solutions to some of these problems which are likely to be acceptable to all the Member States, views on others continue to differ; these problems will have to be settled before 31 May 1961 on the basis of the draft regulation to be proposed to the Council by the Commission.

Trade

32. Under Article 46 of the Treaty, the Commission has decided to authorize the German Federal Republic to charge a countervailing levy on malt imported from Belgium, France and the Netherlands unless the exporting Member State applies this levy at the time the product leaves its territory. The purpose of the levy is to restore the competitiveness of malt production in Germany. This had been adversely affected by measures taken in the exporting countries which had artificially reduced the price of barley processed into malt.

33. Acting under Article 33 (5) of the Treaty, the Commission has transmitted a proposal to the Council with the aim of authorizing the German Federal Government to enlarge the 1961 quotas for wine by only 15% instead of 20% in relation

to the preceding year. This decision was taken following a request by the German Government to the Commission that the global quotas opened to the partner countries of the Community for table wine and wine intended for the manufacture of sparkling wine be maintained at the 1960 level. The request was motivated by the present situation of the wine market in Germany and the fact that the conditions specified in Article 33 (5) are fulfilled, since in 1960 the quotas were higher than 20% of the average national output.

It should be pointed out that at the Council meeting of December 1960 the German Government requested permission to exclude wine from the acceleration arrangements and that a proposal by the Commission that the German Government be authorized to limit the rate of increase of its global quota of wine to 15% (instead of the 20% which would result from the speed-up decision of 12 May 1960) failed to obtain a qualified majority.

Acting on the basis of Article 226 the Commission has decided to release Italy from its obligations to open global quotas for wine as required by Article 33 (2) of the Treaty. This decision is motivated by the special situation of the wine market in Italy and also by the market organization for this product in France, which allows of large exports without an adequate quid pro quo. The decision was taken with the proviso that Italy shall open a global quota of 10,500 hl. for Germany, Belgium, Luxembourg and the Netherlands for the import of wine in cask or bottle. This quota is additional to the one for bottled wines opened globally by Italy to the other member countries, including France, on the basis of bilateral quotas in existence before the Treaty came into force. The decision of the Commission is valid until 1 October 1961.

Meanwhile, the Commission and the Special Committee will continue their work in order to enable the Council to pronounce on the proposals concerning the first measures to be taken under the common policy in the wine sector; one point for which this provides is the opening under certain conditions of global quotas by the two countries which are the largest producers, i.e. Italy and France.

Recommendations on export aids for cattle and meat

34. During the Council's discussions of 20 and 21 December 1960 on the speed-up, the Commission had informed the Member States that it intended to send them a recommendation for a standstill in direct or indirect aids to the export of cattle and beef, pigmeat and mutton. This communication was among the elements which showed that progress had been made towards solving the difficulties resulting from differing conditions of competition for agricultural products.

On 11 April the Commission adopted the text of this recommendation, which invites the Member States to refrain from granting direct or indirect aids to export in cases where they had not granted such aids during or before December 1960. For any

aid introduced before December 1960 the Member States are requested not to increase the unit rate and the total amount, taking into account the trend of the quantities exported from year to year.

Should the market situation make it impossible to observe this status quo, the Member States are invited to give prior information to the Commission of any measures they take in the matter.

Harmonization of legislation

35. As part of its studies on the harmonization of legislation in the agricultural and food sectors, the Commission called together for the first time the sub-group "potato tubercles" and the sub-group for "plant health regulations in commerce".

It also convened further meetings of the sub-group on "plant health protection in agriculture" and the sub-group on "additives".

The Commission has continued with the national experts the discussion in the sub-group on "trade in cattle and meat" concerning the decisions and recommendations on "international trade in animals and meat in the member countries of EEC".

TRANSPORT

The common transport policy

36. The Commission has approved a document laying down the order of priority and the procedure for the study of questions concerning the establishment of common rules applicable to international transport.

The establishment of these rules gives rise to a number of problems, among which those relating to international road transport are of special urgency. Among these problems we may mention: the gradual easing of quotas; the harmonization and simplification of the procedure for granting authorizations and of the other provisions which at present are generally dealt with in bilateral agreements; the progressive freeing of transit traffic; transport on own account; an initial harmonization of certain working conditions and fiscal provisions, mainly with a view to avoiding double taxation; and transport rates and conditions and their publication.

Consultative Committee on transport

37. The Commission has convened, for 17 and 18 May 1961, the committee of experts provided for in Article 83 of the Treaty. The membership of this committee has just been renewed.

At this meeting the Commission wishes to consult the committee on the introduction of freedom of establishment in transport and on the questions involved for road transport in the implementation of the provisions of Article 75 (1a) of the Treaty.

Road statistics — uniform nomenclature for goods

38. Two groups of experts met in Brussels in April 1961. The group on sampling of highway traffic held a meeting on 10 and 11 April and decided to undertake in 1962 a special enquiry into goods transport by road by the spot check method. The group studied details of how this enquiry is to be implemented.

The group of experts instructed to draw up and implement a uniform nomenclature of goods for the requirements of transport statistics met on 12 and 13 April in Brussels. In addition to the experts from the six member countries, observers from Austria and from the international organizations concerned attended this meeting.

The meeting finalized the detailed list of goods and fixed the procedure for publishing it. The representatives of the international organizations associated themselves with the conclusions formulated by the group.

It was decided that the definitive document would include a list of the titles of 176 headings, an analytical list of the content of each of these and an alphabetical list.

Infrastructure

39. A meeting on railways infrastructure was held on 12 April in Brussels and another on road infrastructure on 20 April in the same city. Both meetings were part of the Commission's work on infrastructures and they concluded a new round of meetings of experts on this subject. ⁽¹⁾

One of their chief objects was to finalize the additions to be made to the Commission's recommendations for the development of transport infrastructure in EEC in the light of the observations made by the Council of Ministers and the European Parliament.

Among matters studied by the experts on rail infrastructure were problems relating to the provision of better rail services to and from seaports and the improvement of the lines linking the Community countries with the associated and the non-member countries and the territory of Berlin.

The experts on road infrastructure devoted special attention to questions relating to international financing and other problems connected with the building of roads and the forecasting of traffic.

⁽¹⁾ See Bulletin 4/61, sec. 35.

The two groups of experts further considered the regional aspects of rail and road infrastructure.

As regards inland waterways traffic, there was an exchange of views in Brussels on 13 and 14 April 1961 on problems of selecting types and standardizing the material to be used for inland waterways. This meeting was attended by government experts responsible for canal building and water transport and representatives of shipping personnel, builders of waterways craft and national productivity centres.

Those taking part in these discussions recognized the advantage of completing the classification of European waterways drawn up by the European Conference of Ministers of Transport by adding a column to take account, under certain conditions, of the needs of water transport using the further system. The fixing of uniform and standardized European dimensions for pushed units is the task of a sub-committee which will meet at the end of June and which will also tackle the problem of selecting types for European internal waterways vessels. A second sub-committee will be entrusted with the problem of the choice of the elements of the vessels which could be standardized and possibly put into serial production. Action on road vehicles will also continue with a view to the harmonization of certain technical characteristics and to the interchangeability of trailers.

Abolition of discrimination in transport rates and conditions (application of Regulation No. 11)

40. On 13 and 14 April and on 26 and 27 April 1961 there were further meetings of the working party of national experts and representatives from the Commission set up to study the practical problems arising from the implementation of the provisions of Regulation No. 11 concerning the abolition of discrimination in transport rates and conditions.

The working party studied the present situation in each Member State and examined the measures which must be taken before 1 July 1961 by the Governments and by the Commission.

Cost of transport

41. A first meeting was held on 21 and 22 March by the Committee of government experts established to assist the Commission in studying the cost of transport. Establishment of the Committee had been approved by the Council of Ministers at its 40th session on 6 December 1960.

The experts decided to include in their work programme the study of the cost of the use made of the transport infrastructure and the relative burden borne by the various enterprises and the various types of transport. This work will be carried out to some extent on parallel lines. The studies will have to be planned in such

a way as to pinpoint the factors which could serve as a basis for the study of suitable methods by which to approximate competitive positions as between transport enterprises and transport types.

An "infrastructure costs" sub-committee will meet on 24 and 25 May 1961 to study the principles and the methods of calculation to be used in determining infrastructure costs on comparable bases by country and type of transport.

The Committee will meet again on 11 and 12 July to study the report of the "infrastructure costs" sub-committee and to draw up the general lines of the study on the comparative situation of enterprises.

OVERSEAS DEVELOPMENT

The meeting of EEC and the associated States at ministerial level

42. Since most of the associated States had accepted the invitation addressed to their governments by the Council on 2 March 1961 concerning a preparatory meeting at ambassadorial level with a view to a later meeting at ministerial level, the Council adopted at its 45th session a draft agenda for the preparatory meeting. It also proposed that this should take place in Brussels on 1, 2 and possibly 3 June 1961.

This draft agenda, which has been submitted to the associated States, concerns current and future association problems. It takes fully into account the suggestions made by the associated States and particularly those emanating from the Afro-Malagasy Organization for Economic Co-operation at the meeting held in Yaoundé from 26 to 28 March 1961.

Trade

43. The problem of tropical timber was studied at a meeting, on 18 April, of government and private experts from the producer countries with their counterparts from the EEC Member States.

The Commission has examined the import programmes drawn up by certain overseas governments on the basis of a supply plan established for the current year. They also examined restrictive measures on trade taken recently by the Republics of Mali, Senegal and Madagascar.

The regulations which are to be applied from now on to coal and steel products exported by the EEC Member States to the associated States or vice versa have been dealt with in a special note addressed to the High Authority of the ECSC by the European Commission.

European Development Fund

44. In April the Council approved the financing by the European Development Fund of the following five economic projects :

In the Republic of Togo :

Improvement of the Badou-Atakpamé and Palimé-Atakpamé roads, with a provisional commitment of 700 million frs. CFA (about 2,826,000 units of account). The purpose of the project is to provide the region bounded by the two roads, which produces almost 90% of the country's coffee and cocoa, with a road infrastructure in keeping with its needs.

The work includes the improvement, with partial asphaltting, of the Badou-Atakpamé road (87 kilometres) and the improvement of the Palimé-Atakpamé road (101 kilometres), together with the preliminary studies required before work can begin.

The completion of this work will allow of more intense exploitation of the region's resources and ensure higher living standards for the inhabitants concerned.

In the Republic of Upper Volta :

45. Soil conservation and restoration in the basin of the White Volta, with a provisional commitment of 1,340 million frs. CFA (about 5,428,000 units of account). More than any other West African country, Upper Volta is suffering from an increasingly rapid process of soil degradation, the effects of which are aggravated by a steep rise in population. The purpose of the project is anti-erosion work in areas of the upper basin of the White Volta, covering a total of 213,250 hectares. This basin is one of the regions where soil degradation is at once most pronounced and most rapid.

The financing of the project covers preparatory studies, work on the establishment of about 2,000 kilometres of fire-breaks, the construction of anti-erosion ditches and related work, as well as the establishment and maintenance for the duration of the operations, which is expected to be four years, of a special organization to be responsible for general management.

In the Republic of Ivory Coast

46. a) Roadwork in the region of the "Boucle du Cacao" with a provisional commitment of 1,200 million frs. CFA (about 4,861,000 units of account).

A feature of the economy of the region known as the "Boucle du Cacao" is the rapid expansion of export crops, particularly coffee and cocoa, which has in one generation completely transformed the traditional closed economy into a fairly advanced system of cultivation.

The result of this economic development is apparent in the rapid growth of goods traffic, with which the road infrastructure of the region has not been able to cope. The result is that the gap between demand and supply of equipment is in danger of impeding the homogeneous development of existing resources.

The project is for the improvement of several sections of the network of roads and tracks. It includes :

- 1) Improvement of thirteen sections of track of a total length of 309 kilometres;
- 2) Asphaltting of two sections of main highway (Akoupé-Kotobi, Kotobi-Agoua) over a total length of 71 kilometres;
- 3) Improvement of three sections of the Dimboko-Bocanda road.

b) Programme of water supply for human and animal consumption, with a provisional commitment of 818 million frs. CFA (about 3,314,000 units of account).

The object of this project is twofold: firstly, to supply many villages and small towns with the quantities of drinking water essential to the needs of the population, and secondly, to increase the number of watering points in the areas where grazing lands are relatively numerous and rich.

The project includes the sinking of 200 wells for human use, 148 wells equipped with troughs for cattle, six retaining dams in regions where it is impossible to sink wells, and the provision of water supplies for the localities of Divo, Agnibilekrou and Toumodi.

c) Road improvement in the region of Man, with a provisional commitment of 620 million frs. CFA (about 2,512,000 units of account).

The region of Man, with an area of about 20,000 square kilometres, is in the far west central part of the country and has a population of about 350,000 engaged almost exclusively in agricultural activities.

Recent developments show that the traditional economic structure, based mainly on the cultivation of food crops, is being gradually transformed into a system concentrated on coffee planting.

This structural change entails an increase in general traffic which is probably greater than the volume of products exported and which has not yet been followed by a corresponding modernization of the network of roads and tracks in the region. The aim of the project is to adapt this network to the increased traffic by improving certain parts of the main arterial roads and laying out adequate tracks for a total length of 342 kilometres.

47. During the same period the following financing conventions were signed :

a) A financing convention with the Republic of Congo, concerning an economic project, with a provisional commitment of 3,241,000 units of account.

**OPERATIONS
OF THE EUROPEAN DEVELOPMENT FUND**

Financing approved - situation on 30 April 1961

(in thousands of units of account)

Countries or territories	Number of projects	Total amount
Congo (Leopoldville)	8	9,384
Ruanda-Urundi	9	2,297
	17	11,681
Cameroun	8	7,322
Central African Republic	8	3,372
Comores	2	421
Congo (Brazzaville)	4	2,768
Ivory Coast	10	17,495
French Somali Coast	1	742
Dahomey	8	2,405
Gaboon	5	5,070
Upper Volta	9	11,682
Madagascar	15	13,724
Mali (former Sudan)	13	7,468
Mauritania	3	2,343
Niger	2	7,290
New Caledonia	4	273
Polynesia	2	2,769
Senegal	6	13,656
Chad	6	8,067
Togo	10	8,040
Réunion	3	1,682
Groups of States	2	5,251
	121	121,840
Somali Republic	1	1,950
Netherlands New Guinea	6	12,487
Total	145	147,958

b) A financing convention with French Polynesia, concerning a social project, with a provisional commitment of 2,474,000 units of account.

c) A financing convention with the Republics of Ivory Coast and Upper Volta, concerning an economic project, with a provisional commitment of 2,010,000 units of account.

Student symposia

48. In April the Commission organized two symposia :

a) The first brought together on 17 and 18 April in Brussels 40 African nationals from countries associated with the EEC: they are trainees at the "Centre national de coopération agricole" in Paris. The symposium was part of a study tour in Belgium, the Netherlands and the Federal Republic of Germany, the purpose of which was to examine the organization of farmers' co-operatives in the EEC member countries.

b) The second, prepared in co-operation with the organization "Jeune Europe" also took place in Brussels, on 24 and 25 April. Twenty-five nationals of associated countries who are students at the "Institut des hautes études d'outre-mer" in Paris, and who will later work as magistrates, took part in this symposium.

ADMINISTRATIVE AFFAIRS

Budget problems

49. In April the Committee of budget experts began the examination of the accounts, covering budget operations for the year 1958, together with the report of the Committee of Control.

On 15 March 1961 the Committee of Control lodged its final report on the financial management for the year 1959 with the EEC Commission.

Changes in the Commission

50. On 30 April Jonkheer M.P.M. van Karnebeek, Director General of Administration, who had submitted his resignation in February, left the Commission's service.

On 4 May the Commission appointed M. B.M. Smulders to replace Jonkheer van Karnebeek as Director General of Administration. M. Smulders was born in Utrecht on 26 March 1919. He read law from 1940 to 1943 and resumed his studies after the war. From 1946 to 1954 he was successively attached to the Ministry of War (where he was in charge of the Secretariat of the Military Commission at the round-table conference with Indonesia), the Ministry of the Overseas Departments, and the Ministry of Foreign Affairs.

He was appointed assistant Secretary-General to the round-table conference with Surinam and the Netherlands Antilles in 1954 and was in charge of the Secretariat of the Netherlands-Indonesia conference at Geneva in 1955 /56.

In 1960 M. Smulders was appointed Head of the General Affairs Section for Netherlands New Guinea, with the personal title of adviser to the Minister.

M. Smulders is an Officer of the Order of Oranje-Nassau and holds the Military Cross of Merit and the Military Cross for valour in the field.

M. F. Ortoli, Director General of the Internal Market, who has been called on by the French Government to serve as Secretary-General to its inter-ministerial committee on problems of European economic co-operation, submitted his resignation in April.

The Commission has appointed M. S. Ponzano to be Assistant Head of the Private Office of Vice-President Caron.

Mme. E. Kleine has been appointed Head of the External Trade Division of the Trade and Transport Directorate in the Statistical Office of the European Communities.

Visits

51. M. Roberto de Oliveira Campos, Brazilian Ambassador Extraordinary, visited the EEC Commission on 27 April 1961 after talks in the preceding weeks with the representatives of a certain number of European Governments on the consolidation of part of Brazil's present debts, and on the possible granting by private European banks of a stand-by credit. M. Campos was first received by M. Walter Hallstein, President of the Commission. M. Marjolin, Vice-President, and M. Rey, Member of the Commission, were present. The working sessions then took place in the Directorates-General of Economic and Financial Affairs and of External Relations, where the problem of general economic relations between Brazil and the EEC, various financial questions, and the present state of the tariff negotiations in the framework of GATT were examined.

52. On 20 and 21 April 1961 a group of 91 officers from the Industrial College of the US Armed Forces repeated the visit made last year to the three Communities.

Admiral Patrick (Deputy Commandant of the Industrial College), who accompanied the group, was received by Professor Hallstein, President of the Commission.

53. The director of commercial affairs in the Swiss federal department of national economy, Minister Schaffner, was received on 27 April by the President of the Commission, Professor Hallstein, by M. Marjolin and M. Mansholt, Vice-Presidents, and by M. Rey, Member of the Commission. The talks concerned trade between the EEC and Switzerland and particularly the present and future tariff negotiations in the framework of GATT.

IV. Institutions and organs

A. THE COUNCIL

The Council of the European Economic Community held its 45th session on 2 and 3 May 1961 in Brussels under the chairmanship first of M. Paul Henri Spaak, Deputy Prime Minister and Minister for Foreign Affairs of Belgium, and then of M. Henri Fayat, Deputy Minister for Foreign Affairs of the same country.

It considered the following questions :

Agriculture : The Council took note without discussion of the periodical report on the work of the Special Committee whose task it is to prepare the Council's decisions on the common agricultural policy.

Association of Greece with the Community : The Council examined the draft agreement for the association of Greece signed on 30 March last by M. Rey, member of the EEC Commission and President of the External Relations Group, and M. Pasmazoglou, Minister Plenipotentiary and Chairman of the Greek delegation. ⁽¹⁾

The Council will hold a special session on 19 May next to discuss this matter.

Negotiations with Turkey : The Council heard a review by the Commission of its recent conversations with a Turkish delegation on the question of the association of Turkey with the Community. The Council agreed to entrust the study of this report to the Permanent Representatives and to resume the discussion of the question at one of its next sessions.

Association of the Netherlands Antilles : At the end of a discussion of a report from the Committee of Permanent Representatives on the problems raised by the association of the Netherlands Antilles with the Community, the Council requested the Commission to submit at the next Council session proposals on the actual possibilities of achieving such an association. On this occasion the Netherlands representative stressed the importance his Government attached to the speedy conclusion of an agreement.

Tariff negotiations under GATT : The Council confirmed its position according to which the Community will make no further concessions beyond the compensation offers already made in the re-negotiations under Article XXIV (6). Consequently, the Community will invite its partners to sign agreements closing the re-negotiations under Article XXIV (6) on the basis of the compensation offers already made. In view of the Dillon negotiations, the Community will renew its offer of a linear reduction of the common external tariff by 20 % provided it is matched by equivalent reciprocal concessions by other parties.

⁽¹⁾ See Bulletin 4/61, Chapter II, and Chapter III, sec. 1, of this Bulletin.

Monetary Committee : The Council heard a review by Jonkheer van Lennep, Chairman of the Monetary Committee, on the Third Annual Report of the Committee covering the year 1960, and discussed the conclusions of this document.

The Council took note of the report and expressed its thanks to the Monetary Committee for the remarkable work it had done during 1960.

Tariff quotas : On a proposal of the Commission, the Council decided to grant to the Netherlands, under Article 25 (1) of the Treaty, a maximum duty-free tariff quota of 450 metric tons valid until 31 August 1961 for hydrogenated, polymerised and dimerised rosin from heading 38.08 C of the common customs tariff.

Moreover, the Council decided, under Article 28 of the Treaty, to suspend completely until 31 December 1961 the application of the common tariff duty for these same products.

Associated overseas countries and territories : The Council adopted a draft agenda for the meeting between the Committee of Permanent Representatives and the representatives of the associated States in preparation for the meeting at ministerial level between the EEC and the associated States. The Council proposed that this meeting should take place on 1, 2 and 3 June 1961 in Brussels. ⁽¹⁾

The Councils of the EEC and Euratom, after consulting the Commissions of the two Communities, decided to appoint M. Luigi Macario, confederal secretary of the Italian Confederation of Trade Unions, to membership of the Economic and Social Committee. M. Macario replaces M. Canini, who has resigned, for the remainder of the latter's term of office, i.e. until 24 April 1962.

Technical assistance : The Councils examined an interim report drafted by the Technical Assistance Group, set up at the session of 19 October 1960 with the special aim of co-ordinating as closely as possible operations undertaken by the Member States to provide technical assistance to developing countries.

When approving this report the Councils signified, inter alia, their agreement to the Group's proposal for the institution of a procedure for pooling information on technical assistance among the Member States with the aim of mustering the basic material for effective co-ordination of the action of the Member States.

B. THE MONETARY COMMITTEE

The Monetary Committee met on 14 and 15 April 1961 with Jonkheer E. van Lennep in the chair. It adopted its Third Annual Report, publication of which has been authorized by the Council and the Commission.

The Committee stresses the very favourable economic development in the Community in 1960: there has been vigorous economic expansion and prices have been kept stable. The strengthening of co-operation within the Common Market has influenced the economic and monetary policies of the Member States in a manner favouring the achievement of the Treaty's objectives.

The Committee considers in its Report the main monetary problems now facing the EEC Member States.

Though developments within the Community have been encouraging, imbalances have emerged in relations with important non-member countries which play an essential role in the international monetary system. On account of the great economic potential of the EEC, of its trade links with non-member countries, and of its position in international monetary relations, both the Community as a whole and each of the Member States must be aware of their responsibilities and must take into account the situation in the rest of the world when making their decisions.

With this in mind the Committee has closely followed in 1960 developments in the international monetary situation and has given very special attention to the problem of the balance of payments of the German Federal Republic. In an opinion submitted to the Commission as early as June 1960 the Committee had reached the conclusion that there was a considerable and lasting disequilibrium between the Federal Republic and the rest of the world. The Committee's opinion was that, since increased exports and capital could provide at best only a partial solution, there was a risk of the inevitable adaptation of the German economy to the requirements of external equilibrium being achieved, if parities remained unchanged, only through an increase in the level of German prices. The report of the Committee's activities includes certain comments on the revaluation of the German Mark and of the Dutch guilder.

The Committee also refers in its report to other measures by which the EEC countries could contribute to better equilibrium in international payments: the elimination of cases of trade discrimination which still persist, a liberal policy towards imports, repayment of debts before the due date, and co-ordination of aid to developing countries. The maintenance of a high level of activity in Europe through an appropriate business-cycle policy will contribute to equilibrium in international payments by encouraging American exports to Europe and sales of basic materials from non-industrialized countries.

One of the main conclusions of this Report is that present disequilibria in international payments show that the co-ordination of monetary policies cannot be limited to the Common Market countries but concerns the whole of the West.

The Monetary Committee recommends:

(i) Improved co-ordination of policy on interest rates in order to channel capital movements more effectively. In 1960 these movements often aggravated the disequilibria in the balance of payments;

(ii) Close co-operation in the quest for means of supplementing and strengthening the international monetary system;

(iii) Consultations among the industrialized countries on the problems of economic policy taken as a whole, in order to bring national economic policies closer into line with the requirements of the international monetary system.

Consultations in a wider framework than that of the EEC are necessary; this is one of the objectives of the new Organisation for Economic Co-operation and Development. The work of the Monetary Committee can help in the preparation of a common attitude for the EEC Member States towards these problems.

ANNEX

Organization of the European Commission and of its administrative services

A. The Commission

Walter HALLSTEIN, President

Berndt VON STADEN, Head of Private Office

Karl-Heinz NARJES, Deputy

Klaus MEYER, Deputy

Pierre BOURGUIGNON, Special adviser to the President

Sicco L. MANSHOLT, Vice-President

Alfred MOZER, Head of Private Office

Willem VAN SLOBBE, Deputy

Robert MARJOLIN, Vice-President

Jean-Claude RICHARD, Head of Private Office

Jean FLORY, Deputy

Giuseppe CARON, Vice-President

Maurizio BUCCI, Head of Private Office

Stefano PONZANO, Deputy

Robert LEMAIGNEN, Member

Jacques FERRANDI, Head of Private Office

Henri VARENNE, Deputy

Jean REY, Member

Pierre LUCION, Head of Private Office

Alex HOVEN, Deputy

Hans VON DER GROEBEN, Member

Ernst ALBRECHT, Head of Private Office

Erich WIRSING, Deputy

Lambert SCHAUS, Member

Lucien KRAUS, Head of Private Office

Henri ETIENNE, Deputy

Lionello LEVI SANDRI, Member

Lamberto LAMBERT, Head of Private Office

Mario MARI, Deputy

Secretariat of the Commission

Executive Secretary : Emile NOEL

Deputy Executive Secretary : Axel HERBST

Division

- | | |
|---|---------------------------------------|
| 1. Office of the Registrar | Frans DE KOSTER,
Head of Division |
| 2. Liaison with Directorates General | Jacobus STEMPELS,
Head of Division |
| 3. Liaison with other Institutions of the European Communities
and the European Assemblies | Fernand BRAUN,
Head of Division |
| 4. General Report and other regular reports | Tullio DONDÉ,
Head of Division |

Official Spokesman's Group

Chairman : Giuseppe CARON, Vice-President of the European Commission

Head of Private Office : Maurizio BUCCI

Deputy : Stefano PONZANO

Members : Sicco L. MANSHOLT

Robert MARJOLIN

Hans von der GROEBEN

Spokesman of the Commission : Beniamino OLIVI

Section "Information for Community countries"

Head of Section : Paul COLLOWALD

Section "Information for non-member countries"

Head of Section :

B. Composition of the Groups and administrative organization

I. External relations

Chairman : Jean REY

Head of Private Office : Pierre LUCION

Deputy : Alex HOVEN

Members : Robert MARJOLIN

Giuseppe CARON

Director General : Günter SEELIGER

Assistant : Götz SCHOFFER

Directorate	Division	
<p style="text-align: center;">A</p> <p>General Affairs and Relations with international organizations</p>	<p>1. General Affairs (incl. Protocol Service) and Relations with monetary organizations</p> <p>2. Relations with customs and commercial organizations</p> <p>3. Relations with other organizations</p>	<p>Theodorus HIJZEN, Director</p> <p>Gerhard BERGHOLD, Head of Division</p> <p>Frédéric DONNE, Head of Division</p> <p>Franco GIANFRANCHI, Head of Division</p>
<p style="text-align: center;">B</p> <p>Association with non-member countries</p>	<p>1. Multilateral association (European Economic Association), General Affairs</p> <p>2. Multilateral association (European Economic Association), Special Problems</p> <p>3. Membership and bilateral association</p>	<p>Jean DENIAU, Director</p> <p>Helmuth CAMMAN Head of Division</p> <p>Guido MILANO, Head of Division</p> <p>Georges MATRAY, Head of Division</p>

II. Economic and financial affairs

Chairman : Robert MARJOLIN
 Head of Private Office : Jean-Claude RICHARD
 Deputy : Jean FLORY
 Deputy Chairman : Hans VON DER GROEBEN
 Members : Sicco L. MANSHOLT
 Lionello LEVI SANDRI
 Director General : Franco BOBBA
 Assistant : Gorrado MALAVASI

Directorate	Division	
A		
National Economies and Economic Trends		Horst STEFFÉ, Director
	1. Economic Trends	Paul VAN DEN BEMPT, Head of Division
	2. France	Hildegard AHRENS, Head of Division
	3. Germany	Gerrit VAN DUYN, Head of Division
	4. Italy	Lothar FLOSS, Head of Division
	5. Benelux	Roland DE KERGORLAY, Head of Division
B		
Monetary Matters		Leonhard GLESKE, Director
	1. Current Monetary Matters	Frédéric BOYER DE LA GIRODAY Head of Division
	2. Movement of Capital	Edmondo BRESSAN, Head of Division
	3. Co-ordination of Economic and Monetary Policies	Claude PIETRA, Head of Division

Directorate	Division	
<p style="text-align: center;">C</p> <p>Economic Structure and Development</p>		<p>Pierre MILLET Director</p>
	<p>1. Economic Structure</p>	<p>Anton SMULDERS, Head of Division</p>
	<p>2. Regional Development</p>	<p>Emanuele TOSCO, Head of Division</p>
	<p>3. Commercial Policy</p>	<p>Adolfo COMBA, Head of Division</p>
	<p>4. Energy</p>	<p>Georges BRONDEL, Head of Division</p>

Secretary of the Monetary Committee : Alain PRATE

III. Internal market

Chairman : Giuseppe CARON
 Head of Private Office : Maurizio BUCCI
 Deputy : Stefano PONZANO

Members : Jean REY
 Lambert SCHAUS

Director General : François-Xavier ORTOLI ⁽¹⁾
 Assistant : Michel HIRIGOYEN DE COURCY

Directorate	Division	
<p style="text-align: center;">A</p> <p>Movement of Goods</p>	1. Quantitative Restrictions (excluding State Monopolies)	Vincenzo MINUNNI, Director
	2. Quantitative Restrictions (State Monopolies)	Joseph SCHNEIDER, Head of Division
	3. Abolition of Customs Duties	Karl SCHILLING Head of Division
<p style="text-align: center;">B</p> <p>Customs</p>		Andries ADRIAANSE, Head of Division
	1. Common External Tariff (excluding List G)	Alex DUBOIS, Director
	2. Tariff economy problems (List G)	Vincenzo FIZZAROTTI, Head of Division
	3. Customs Legislation	Wolfgang SCHOLZ, Head of Division
	4. Special studies	Roger TOUZELET, Head of Division
		Klaus PINGEL

⁽¹⁾ M. Ortoli is resigning with effect from 11 June 1961.

Directorate	Division	
<p style="text-align: center;">C</p> <p>Right of establishment and services</p>	<p>1. Right of establishment</p> <p>2. Services</p>	<p>Werner SCHOLZ, Director</p> <p>Willem VERBERNE, Head of Division</p> <p>Piergiovanni PISTOJ, Head of Division</p>
<p style="text-align: center;">D</p> <p>Industry, Handicrafts and Commerce</p>	<p>1. Industry</p> <p>2. Small industries and handicrafts</p> <p>3. Commerce and Distribu- tion</p>	<p>Carlo HEMMER, Director</p> <p>Carlo FACINI, Head of Division</p> <p>Jean DURIEUX, Head of Division</p> <p>Etienne GAUTIER, Head of Division</p>

IV. Competition

Chairman : Hans VON DER GROEBEN
 Head of Private Office : Ernst ALBRECHT
 Deputy : Erich WIRSING
 Members : Robert MARJOLIN
 Jean REY
 Director General : Pieter VERLOREN VAN THEMAAT
 Assistant : Charles VAN AKEN

Directorate	Division	
<p>A</p> <p>Understandings, Monopolies, Dumping, Private Discrimination</p>	<p>1. Legal Matters</p> <p>2. Economic Matters</p> <p>3. Special cases</p> <p>4. Supervision</p>	<p>Hermann SCHUMACHER, Director</p> <p>Roland MUSSARD, Head of Division</p> <p>Pietro SANTORELLI, Head of Division</p> <p>Renato ALBINI, Rapporteur René JAUME, Rapporteur Helmut SCHEUFELE, Rapporteur Gerrit LINSSEN, Rapporteur</p> <p>Jacques VANDAMME, Head of Division</p>
<p>B</p> <p>Approximation of Legislations</p>	<p>1. General Matters</p> <p>2. Special Cases</p>	<p>Jean DIEU, Director</p> <p>Pierre PUJADE, Head of Division,</p> <p>Hans ARNOLD, Rapporteur Charles CAMPET, Rapporteur Willem VAN BINSBERGEN, Rapporteur</p>

Directorate	Division	
<p style="text-align: center;">C</p> <p>Fiscal Problems</p>	<p>1. General Affairs</p> <p>2. Indirect Taxes</p> <p>3. Special Cases</p>	<p>Pietro NASINI, Director</p> <p>Arno SCHULZE- BRACHMANN, Head of Division</p> <p>Johannes JANSEN, Head of Division</p> <p>Gérard HUTCHINGS, Head of Division</p>
<p style="text-align: center;">D</p> <p>State Aids and Discrimination by States</p>	<p>1. General Affairs</p> <p>2. General Systems of Aid</p> <p>3. Special Cases I</p> <p>4. Special Cases II</p>	<p>Armand SACLE, Director</p> <p>Fernand VAN PRAET, Head of Division</p> <p>Carlo GIOVANELLI, Head of Division</p> <p>Kurt FRIEDRICH, Head of Division</p> <p>Günther ETZENBACH Head of Division</p>

Executive Secretary to the Permanent Working Party on Documentation and Technical Aid :
Charles VAN AKEN

V. Social affairs

Chairman : Lionello LEVI SANDRI

Head of Private Office : Lamberto LAMBERT

Deputy : Mario MARI.

Members : Sicco MANSHOLT

Robert LEMAIGNEN

Director General : Gust DE MUYNCK

Assistant : Yves LECOCQ

Directorate	Division	
A		
Social Policy		Wilhelm DOERR, Director
	1. General Affairs	Renzo LOMAZZI, Head of Division
	2. Labour Problems	Leo CRIJNS, Head of Division
B		
Manpower		Lamberto LAMBERT, Director
	1. Employment	Fernand BESSE, Head of Division
	2. Freedom of Movement for Individuals	Heinz HENZE, Head of Division
C		
Social Fund and Occupa- tional Training		Jacobus VAN DIERENDONCK, Director
	1. Social Fund	Giulio PEROTTI, Head of Division
	2. Occupational Training	Edgar WINKLER, Head of Division

Directorate	Division	
<p style="text-align: center;">D</p> <p>Social Security and Social Services</p>	<p>1. Social Security</p> <p>2. Social Services</p>	<p>Jacques RIBAS, Director</p> <p>Jean HASSE, Head of Division</p> <p>Carlo RAMACIOTTI, Head of Division</p>

Secretary to the Administrative Committee for the Social Security of Migrant Workers :
Alphonse DUQUESNE

VI. Agriculture

Chairman : Sicco MANSHOLT
 Head of Private Office : Alfred MOZER
 Deputy : Willem VAN SLOBBE
 Members : Robert LEMAIGNEN
 Hans VON DER GROEBEN
 Lambert SCHAUS
 Director General : Louis Georges RABOT
 Assistant : Helmut VON VERSCHUER
 Advisor : Mario BANDINI

Directorate	Division	
A		
General Affairs		Martin MEYER-BURCKHARDT, Director
	1. Commercial Policy in Relation to Agriculture	Horst MARMULLA, Head of Division
	2. European matters	Johannes WESTHOFF, Head of Division
	3. Matters not confined to Europe	Guillaume Auguste MOSTIN, Head of Division
	4. International governmental organizations for agriculture	GianValerio DAL PERO-BERTINI, Head of Division
	5. Relations with non-governmental organizations	Georges RENCKI, Head of Division
B		
Agricultural Markets		Berend HERINGA, Director
	1. Balances and Research	Hans-Broder KROHN, Head of Division
	2. Development and implementation of the common policy	Guy AMIET, Head of Division

Directorate	Division	
<p style="text-align: center;">C</p> <p>Agricultural Structures</p>	3. Approximation and harmonization of legal and administrative matters concerning products	Heinrich STEIGER, Head of Division
	4. Vegetable produce and processed goods	Raymond LEONDURAND, Head of Division
	5. Livestock produce and processed goods	Carlo VALDAMBRINI, Head of Division
	6. Specialized crops and processed goods	Adolfo PIZZUTI, Head of Division
	7. Forests and forestry products	Xavier LE CHATELIER, Head of Division
	8. Fish and tinned goods	Fulvio TALAMO ATENOLFI
		Roger GROOTEN, Director
	1. Analysis of conditions of production in agriculture	Claude BAILLET, Head of Division
	2. Expansion of productivity on farms	Paolo BOCCI, Head of Division
	3. Improvement of the structure of agriculture	Adolf HERZOG, Head of Division
	4. Development of farming equipment	Hendrik ZIJLMANS, Head of Division
	5. Improvement of the social situation in agriculture	Raymond CRAPS, Head of Division

VII. Transport

Chairman : Lambert SCHAUS

Head of Private Office : Lucien KRAUS

Deputy : Henri ETIENNE

Members : Giuseppe CARON

Robert LEMAIGNEN

Director General : Giuseppe RENZETTI

Assistant : Jacques DOUSSET

Directorate	Division	
<p>A</p> <p>General Affairs</p>	<p>1. General matters of co-ordination and harmonization; common policy</p> <p>2. Economic development and the consequent demand for transport</p> <p>3. Contacts with other international organizations; matters concerning maritime and air transport</p>	<p>Günter KRAUSS, Director</p> <p>Paolo RHO, Head of Division</p> <p>Enrico VITTORELLI, Head of Division</p> <p>Jacques D'ELBREIL, Head of Division</p>
<p>B</p> <p>Development and modernization</p>	<p>1. Railways</p> <p>2. Roads</p> <p>3. Inland waterways</p>	<p>Julien NOËL MAYER, Director</p> <p>Heinrich SCHULZE, Head of Division</p> <p>Mario DE AGAZIO, Head of Division</p> <p>Joseph LEMMANS, Head of Division</p>

Directorate	Division	
<p style="text-align: center;">C</p> <p>Tariffs</p>	<ol style="list-style-type: none"> 1. Study of tariffs applied in the three types of transport; related matters (publication of tariffs, co-ordination, etc.) 2. Study of prime costs in each type of transport 	<p>Andreas REINARZ, Director</p> <p>Herbert GOSSE, Head of Division</p> <p>Robert GOERGEN, Head of Division</p>

VIII. Overseas development

Chairman : Robert LEMAIGNEN

Head of Private Office : Jacques FERRANDI

Deputy : Henri VARENNE

Members : Hans VON DER GROEBEN

Lionello LEVI SANDRI

Director General : Heinrich HENDUS

Assistant : Hans VON STEIN

Directorate	Division	
A General Affairs		Jacob VAN DER LEE, Director
	1. Basic questions and right of establishment	Otto VON STEMPPEL, Head of Division
	2. Relations with overseas countries and territories	Eduard DE LA PARRA, Head of Division
	3. International organizations and co-ordination	Otto Isao SOLF, Head of Division
B Research and Develop- ment Programmes		Jacques VIGNES, ⁽¹⁾ Director
	1. Programmes	Karl DRECHSLER, Head of Division
	2. General Studies	Maurice SCHAEFFER, Head of Division
C Financial and Technical Directorate		Jacques LEFEBVRE, Director
	1. Financing of investments	Paul RIPOCHE, Head of Division
	2. Technical operations and checks	Giovanni UGO, Head of Division

Directorate	Division	
<p style="text-align: center;">D</p> <p>Trade</p>	<p>1. Liberalization of trade</p> <p>2. Expansion of trade</p>	<p>Enrico GAMBELLI, Director</p> <p>Pierre-Emile FAY, Head of Division</p> <p>Francesco DE BENEDICTIS, Head of Division</p>

IX. Administration (under the Committee of Presidents)

Walter HALLSTEIN, President

Head of Private Office : Berndt VON STADEN

Deputy : Karl-Heinz NARJES

Deputy : Klaus MEYER

Sicco MANSHOLT, Vice-President

Robert MARJOLIN, Vice-President

Giuseppe CARON, Vice-President

Director General : Bernard SMULDERS

Assistant : Daniel STRASSER

Directorate	Division	
A		
Establishment		Bernhard VON GOELER, Director
	1. Statute of service	Herbert BRUNS, Head of Division
	2. Recruiting	Marcello PARENTE, Head of Division
	3. Personnel Administration	René MORIZON, Head of Division
	4. Salaries and Expenses	Heinrich BLENKERS, Head of Division
	5. Organization	Walter ZEILMACHER, Head of Division
B		
Budget and Finance		Josef VAN GRONVELD, Director
	1. Budget	Francesco SCAGLIONE, Head of Division
	2. Auditing	Kurt DOMMICK, Head of Division
	3. Cash Office	Georges FRIES, Head of Division

Directorate	Division	
<p style="text-align: center;">C</p> <p>Domestic Affairs</p>	4. Accounting	Giovanni CANTONO DI CEVA, Head of Division
	5. Finance	Jean Robert SCHWENCK, Head of Division
		Arsène MERPILLAT, Director
	1. Buildings, Furniture, Works Services, Transport	Jean MAUDET, Head of Division
	2. Reference Material and Library	Goffredo RAPONI, Head of Division
	3. Mail, Archives	Paul BUCHET, Head of Division
	4. Conference and Linguistic Services	Mario ROSSI, Head of Division
5. Health service		

C. Joint Services of the Executives of the European Communities

a) Joint Information Service

Supervisory Board

Giuseppe CARON, Vice-President of the European Commission
E.M.J.A. SASSEN, Member of the Euratom Commission
Albert WEHRER, Member of the High Authority of the ECSC
Director : Jacques-René RABIER
Assistant : Mario MELANI

Sections

General Affairs, visits and training periods
Trade union information
Agricultural information
Overseas information
University information
Fairs and exhibitions
Publications
Radio-television-cinema

Heads of sections

Ulrich KREBS ⁽¹⁾
Joseph MOONS
Sjouke JONKER
Pierre CROS
Jean MOREAU
André LAMY
Derek PRAG

Offices in the capital cities

Paris office
Bonn office
Rome office
Hague office
London office
Washington office

Heads of offices

François FONTAINE
Günther GRUENEBERG
Carolina MORINO
Rudolf SIMONS COHEN
Roy PRYCE
Leonard TENNYSON

b) Joint Legal Service

Supervisory Board

Chairman : E.M.J.A. SASSEN, Member of the Euratom Commission
Members : Jean REY, Member of the European Commission
 Albert WEHRER, Member of the High Authority of the ECSC
Directors General : Michel GAUDET, with special responsibility for EEC matters
 Robert KRAWIELICKI, with special responsibility for ECSC matters
 Théodor VOGELAAR, with special responsibility for Euratom matters

Assistant to Director General with special responsibility for EEC affairs :
Marc SOHIER

Legal Advisers (EEC) :

Gerhard BEBR ⁽²⁾	Paul LELEUX
Philippe BIAYS ⁽²⁾	Giancarlo OLMI
Jean BRUYAS	Pierre PINAY
Leendert VAN DER BURG	Alberto SCIOLLA-LAGRANGE
Louis DE LA FONTAINE ⁽²⁾	Jochem THIESING
Hubert EHRING	

⁽¹⁾ On 1 June M. Krebs had not yet taken up his duties.

⁽²⁾ Also responsible for questions of joint interest to the three Communities.

c) Statistical Office of the European Communities

Supervisory Board

Chairman : Albert COPPE, Vice-President of the High Authority of ECSC

Members : Lionello LEVI SANDRI, Member of the Commission of EEC

Paul DE GROOTE, Member of the Euratom Commission

Director General : Rolf WAGENFÜHR

Assistant : Helmut REUM

Directorate	Division	
<p style="text-align: center;">A</p> <p>General Statistics</p>	<p>1. Methods</p> <p>2. National accounts</p> <p>3. Financial accounts</p>	<p>Raymond DUMAS, Director</p> <p>Guy BERTAUD, Acting Chief Administrator</p> <p>Jean PETRE, Administrator</p> <p>Piero ERBA Head of Division</p>
<p style="text-align: center;">B</p> <p>Trade and transport statistics</p>	<p>1. External trade</p> <p>2. Internal trade</p> <p>3. Transport</p>	<p>Vittorio PARETTI, Director</p> <p>Marcel MESNAGE, Head of Division</p> <p>Emma KLEINE Head of Division</p>
<p style="text-align: center;">C</p> <p>Energy statistics</p>	<p>1. Energy balance-sheets</p>	<p>Camille LEGRAND, Director</p> <p>Hans FREYTAG, Chief Administrator</p>

Directorate	Division	
<p style="text-align: center;">D</p> <p>Industrial statistics and handicrafts</p>	<p>2. Nuclear energy</p>	<p>Jean DASSON, Acting Head of Division</p> <p>Fritz GROTIUS, Director</p>
<p style="text-align: center;">E</p> <p>Social statistics ⁽¹⁾</p>	<p>1. Industry and handicrafts (except iron and steel)</p> <p>2. Iron and steel</p>	<p>Gaston DUON, Head of Division</p> <p>Jacques CHARRAYRE, Acting Chief Administrator</p> <p>Pierre GAVANIER, Head of Special Group</p>
<p style="text-align: center;">F</p> <p>Agricultural statistics ⁽¹⁾</p>	<p>1. Wages</p> <p>2. Social security</p> <p>1. Animal products, prices, agricultural accounts</p> <p>2. Vegetable products, balance-sheets, agricultural structure</p>	<p>Silvio RONCHETTI, Head of Division</p> <p>Roger STEYLAERTS, Acting Head of Special Group</p> <p>Stephanus LOUWES, Head of Division</p> <p>Gunther THIEDE, Head of Division</p>

⁽¹⁾ Special Group directly answerable to the Director General.



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