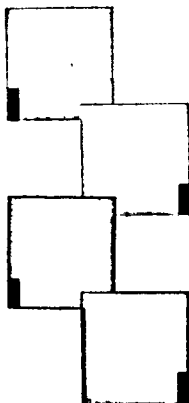


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Supplement

Measures to establish a common price level for cereals
(The Commission's proposals to the Council)

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JOHN F. KENNEDY

In Memoriam

The Commission of the European Economic Community was stunned by the news of the assassination of President John F. Kennedy.

The following are extracts from various statements made and from the tribute to the President of the United States paid by the institutions of the European Economic Communities.

Professor Walter Hallstein, President of the Commission of the European Economic Community, has made the following declaration :

“ The Commission of the European Economic Community is profoundly moved by the death of the President of the United States, John F. Kennedy, the victim of a detestable crime. We have lost a great and sincere friend of the European cause. John F. Kennedy not only followed the consistent European policy of his predecessors without which the existence and success of the European Community would have been inconceivable. As no other statesman, and with force and imagination, he drew the consequences of the idea and the reality of a Europe on the way of unification.

With farsighted vision, he sketched a plan for an ‘Atlantic partnership’ between the United States and a unifying Europe on a basis of complete equality. This constitutes a historic testimonial to his generosity, to his will for progress and his faith in the invincible force of political reason, human liberty and peace among men.

We bow in respect before the deceased, who personified the finest qualities of his great people and we share the bereavement of his family, his nation and of all men of goodwill throughout the world.”

Opening the plenary session of the European Parliament on 25 November 1963, M. Gaetano Martino, its President, said that one of the most enlightened, most noble and most generous men who had been at the head of American affairs since Independence was no more. John Kennedy, the young and univer-

sally loved President of the United States of America had died tragically in the exercise of his duty, assassinated in his own country.

In the three years of his Presidency he had linked his name with events of fundamental importance. He would go down in history as the Head of State whose political concept and government it was to strengthen and to defend liberty and democracy.

M. Martino recalled the political and human qualities of the late President and said that the cause of Europe had lost a great friend and a great ally.

M. De Block, speaking on behalf of the Council of Ministers, and President Hallstein, on behalf of the Commission, associated themselves with this tribute and rendered their homage to President Kennedy.

At the opening of the Council session on 25 November 1963 M. B.W. Biesheuvel, President in office, said :

“ The Governments and people of the six nations constituting our Community were profoundly shocked and grieved when on the evening of Friday 27 November they learnt of the tragic death of President Kennedy.

Today, when the bonds linking the peoples on either side of the Atlantic are growing steadily stronger, we Europeans feel the death of the President of the United States as a personal loss. He was one of us, we knew that he and we were closely united in the struggle for peace and justice for which the world is yearning.

We have always been and are now even more conscious of our interdependence on the eve of the extremely important talks which are due to take place between the United States and our Community on the future of our economic relations. The outcome of these talks will have wide political repercussions throughout the world in general and within the Atlantic community in particular. In recognition of the initiative taken by the President of the United States we have rightly associated his name with these discussions, as was the case in 1947 with the Marshall Plan.

We shall best honour the memory of this great statesman by doing all in our power to contribute to the realization of his idea of Atlantic interdependence, which is also our inspiration.

As President of the Council of our Community I pay our respectful tribute to this great President of the United States who has taught us the high level of purity that political activity can attain when it is inspired by noble, humane and honest motives and when political affairs are conducted by a man who commands respect by his dynamic personality, great courage, loyalty and firmness.”

As President of the Commission of the European Economic Community Professor Walter Hallstein addressed the following telegram to Mrs. John F. Kennedy :

“ Mrs. Kennedy,

On behalf of the Commission of the European Economic Community and for myself, I beg you to accept the expression of the profound heartfelt distress and sincere condolences which my colleagues and I wish to convey to you on the occasion of the cruel loss that you and your children have suffered by the tragic death of President John Fitzgerald Kennedy. It is with great emotion that we share in the deep mourning which has befallen you and which afflicts not only the American people but the entire free world. We will cherish the memory of this great American President who was a sincere and devoted friend of the European Community.”

President Hallstein also sent the following telegram to President Lyndon B. Johnson :

“ It is with incredulity and anguish that the Commission of the European Economic Community has learned the tragic news of the assassination of President John Fitzgerald Kennedy. My colleagues and I bow our heads deeply before the memory of this great American, sincere friend of Europe and indefatigable defender of world peace and freedom. We share the immense grief and deep mourning of the American people to whom we beg you to express our profound condolences.”

The Commission of the European Economic Community was represented at the funeral of President John F. Kennedy by Monsieur Jean Rey, Member of the Commission and President of its External Relations Group.

Harmonization of turnover taxes in the Community

Extracts from the statement by M. von der Groeben,
member of the Commission, in the European Parliament
on 17 October 1963

[...]

We had two objectives in mind in putting forward these proposals : to eliminate distortion of competition and to abolish tax frontiers at or about the end of the transition period.

The first of these should be seen in the context of the Commission's policy on competition, the main features of which I explained in detail to this House two years ago. We must prevent the advantages gained by dismantling tariff barriers and quotas from being nullified by the manipulation of drawbacks and countervailing charges in respect of turnover taxes. We must ensure that distortion of competition is eliminated; in merchandise trade fair competition must prevail.

But that is only the short-term objective. The long-term and more important one is the removal of tax frontiers. I would like to go more deeply into this point, because it was very fully discussed in the Economic and Social Committee, whose formal opinion you have before you, and because divergent views have been expressed on the subject here today.

I note that Mme Elsnér regretted that the Commission had not yet set a date for the attainment of this objective and said that the project had no economic or political significance unless it really led to the ultimate goal of creating a genuine Common Market.

Other speakers have also raised objections or expressed misgivings. M. Armengaud rightly pointed out that the Commission in its proposal had not yet decided on a date for the abolition of tax frontiers. But the Commission, which I have represented at these sittings, has left no doubt about its own views; it has simply put them forward for discussion. I believe that tax frontiers must be broken down if we are to create the conditions for a true Common Market, which means a better division of labour, a better utilization of the factors of production in Europe. In this sense there is still no Common Market today, and we shall not get one merely by doing away with tariffs and quotas.

Let me explain briefly. What is it that stands in the way of the free movement of goods today? The remaining tariffs and quotas do, of course. But by the automatic process set in motion under the Treaty, these will disappear in a few years — three or four, we hope. But the removal of other obstacles is much more difficult.

As you know from our Action Programme, we are busily engaged in dealing with these other obstacles. It is not at all the case that these problems are

not being tackled. The Commission and the Council will have to give special attention to precisely these obstacles in the coming years.

I will mention a few of them: the licensing system as it now exists; the certificates of origin required for goods from non-member countries, which naturally obstruct the free movement of goods within the Community; the remnants of exchange control, which is almost non-existent today, it is true, but which could be revived; the divergencies among health and technical regulations, particularly as regards foodstuffs; certain provisions of government monopolies and similar semi-governmental organizations; statistical frontiers, political frontiers, patent frontiers and — not least — tax frontiers.

This list sounds rather disquieting. But, as I have said, we are actively engaged in dealing with all these matters and are in touch with the Governments in order to find solutions. In my own field I would remind you of the draft European Patent Convention and the attempts to abolish discrimination on the part of government monopolies.

In tackling all these problems we must also get down to tax legislation. To use a graphic image, the Common Market today consists of six streams or ponds whose water level varies to some extent and which are linked by a smoothly operating system of canals and locks — a system that is lubricated, if I may put it that way, by the current economic boom. This is certainly a great step forward from what we had before. But we still have to create from these six streams, from these six ponds, the great lake of the Common Market on which ships — which is to say goods and services — can move about freely and on which trade can be carried on without hindrance. So in all these spheres our task is to widen the canals, remove the locks and break down the dams.

Clearly, this can only be done if — to keep to the same metaphor — the various streams are brought to the same level beforehand. Fortunately, considerable progress has been made in this direction during the last six years in the economic and social spheres. But [...] we also need a common co-ordinated economic and monetary policy [...]. We must see to it that these are not empty words but that the Member States, together with the Commission, really get on with the job.

A second thing that is needed to bring the water levels together is progress in the harmonization of legislation — especially where there are laws that guide or else obstruct economic activity. This is particularly true, of course, of tax legislation.

Now why must this system of locks, why must these dams be removed? Why do we really need this large undivided internal market? We should reflect once more upon this matter. The question is raised particularly by people who are in favour of a genuine Common Market, a large market, whenever there own exports, their own sales are at stake, but who prefer the lock-gates to be kept intact when it is a matter of imports, of competition.

I will mention only four of the many reasons in favour of such a large internal market. First, [...] the necessary adaptation and re-siting of industry, a better division of labour, the adaptation of producers and dealers to the enlarged market will only come about if the locks are opened and the dams breached.

The success, the significance of the entire integration process depend upon this.

Secondly, as long as the locks and dams still exist, there is a great temptation for Governments to use them to restrict the movement of goods and services. I believe that the right thing is not locks and dams or safeguard clauses but a common economic policy that foresees difficulties, leads us in the right direction and tackles difficulties by concerned action.

Thirdly, if there is no progress in breaking up the dams, we can expect no progress in the promotion of economic and ultimately political union either.

Fourthly, the maintenance of tax frontiers and of physical controls at frontiers would be psychologically a grave handicap [...]. Sending goods into another Common Market country would still be regarded as exportation, not as internal trade.

I should also like briefly to take issue with those who say that such an alignment of tax systems, such a removal of tax frontiers cannot succeed until further progress has been made towards economic union and even political union [...].

In my opinion the converse is true. I know this is a bold assertion, but I will still make it. Economic union and political union are not things that will come like some sort of miracle from on high and resolve all our difficulties. Economic union will grow out of the daily activities of the Community institutions; it will come from people doing what is possible, everything that is done being directed towards our final objective — an economically and politically united Europe.

I will say again: by removing tax frontiers we are creating an essential condition for economic union and to some extent we are even making it a reality already. It seems to me obvious that other measures — particularly the removal of other obstacles and the co-ordination of economic and monetary policy — must be taken simultaneously; I have already brought this out in detail today.

I should also like to reject the notion that we should wait, that we should postpone a given measure because some other measure should perhaps be taken, or — and this is often said too — that only certain measures are the right ones to cap the whole scheme [...]. I think that, if we asked, everyone would tell us that the measure that concerns him should be left to the very end to provide the coping stone. And this shows clearly why the notion is unacceptable. It is the Commission's policy to make progress in all spheres in order to ensure the organic development of the Common Market.

This has political repercussions too. In the common competition and economic policies we are partially realizing political union. From this process the need will arise to make the appropriate institutional arrangements to strengthen the organs of the Community.

M. Deringer has rightly pointed out that here too, in aligning tax legislation, we are applying the well-tried system set out in the Treaty — going ahead in especially important fields of activity, making progress, tackling any difficulties that arise and finding solutions to them [...]. We do not want harmoniza-

tion for the sake of harmonization. Rather do we want harmonization where it is essential to the Common Market.

We know that going ahead with the alignment of turnover taxes has raised other fiscal matters as well as those I have touched upon already, to mention only company taxes, double taxation, taxes on capital transactions, and taxes affecting transport. Good progress has been made in these fields.

The second objection that is raised is that technical and budgetary difficulties are so great that they cannot be overcome at present. There will certainly be technical and budgetary difficulties. But it has never yet been properly explained why they should be insurmountable. We believe, on the contrary, that they *can* be surmounted, even as the Common Market stands or as it will be at the end of the transition period.

As for budget matters, there can obviously be no difficulties if trade between States is balanced. But even if this is not the case, solutions will be found by way of financial clearing. May I remind this House that we already have the beginnings of this in the agricultural regulations and that we shall very soon have to decide what is to be done about customs duties. For at the end of the transition period it will no longer be possible for customs revenue to accrue to the country into which the goods happen to be imported. When internal frontiers have been removed, free movement of goods will be assured and other systems will have to be found of distributing customs revenue deriving from trade with non-member countries.

Of course, there will be serious problems [...] when we go on to harmonize tax rates as well. It will involve a new apportionment of revenue among the various types of tax. However, many talks with the Finance Ministers of the Member States have left me with the impression that the alignment of rates is not a utopian dream, particularly if we start from the assumption (and we may well hope it will be justified) that in the next five or six years the growth of our Community product will inevitably produce an increase in tax revenue, which will make it easier to effect these shifts among the various forms of tax.

So the Commission's plan is in line with the objectives leading to economic union and at the same time, if I see it aright [...], constitutes a step on the way to political unity. It is realistic and technically feasible and is well suited to pressing the integration process vigorously forward [...].

I. The Commission's proposals for a common level of grain prices

At the Council session on 4 and 5 November 1963 the Commission presented the explanatory memorandum to a group of proposals which it subsequently forwarded to the Council and which deal with the establishment of a common level of prices to take effect from the 1964/65 marketing year.

The Commission explained why it had found it necessary to put forward these proposals and explained that the measures envisaged would enable the common price policy within the Community to be implemented and the Community's position in trading with non-member countries to be determined.

The general purport of the measures

The main points of the Commission's proposals can be summarized as follows :

Common grain price from 1 June 1964

Compensatory measures for farms in Germany, Italy and Luxemburg

From 1966 on : Community plans to improve the standard of living of farmers in the EEC

An analysis of the situation in the EEC shows that a resolute settlement of the grain price problem will be an effective instrument for internal development of the EEC and for the development of its relations with non-member countries.

Internal aspects

The establishment of a common grain price level "in one operation" would not only be a decisive step forward in strengthening the Community internally but would also help to iron out political difficulties in individual member countries; the recurrence each year of negotiations on the gradual adjustment of grain prices are a factor making for internal disquiet.

Farm policy aspects

Only when the price level of grain in the Community has been finally settled will economic conditions become so clear that a definite line can be worked out for the adjustments and conversions which are in any case needed in the agriculture of all Member States. The long uncertainty about the level of farm prices, especially grain prices, in the Common Market is making medium-term planning difficult for farmers and may lead to misinvestments which will cause additional difficulty in the necessary process of adjustment.

Commercial policy aspects

When finally fixing the level of its grain prices the EEC can give concrete and visible proof that in its common agricultural policy it does not intend to pursue a policy of high prices which could lead to self-sufficiency, but that it is rather endeavouring to maintain adequate facilities for imports from non-member countries.

The fate of the approaching GATT negotiations clearly depends on whether agreement can be reached on the treatment of farm produce. A lasting solution of the agricultural problem, and one which will satisfy the importing as well as the exporting countries, can be found only if a long-term balance can be established between demand and supply for the most important commodities throughout the world. This means that the production policy — and therefore the price policy — of the Contracting Parties will be the focal point of the negotiations. If a common grain price is fixed the Community will be in a position to take an active part in these negotiations and to make a positive contribution to them.

Content of the measures

These considerations have led the Commission to submit to the Council of Ministers a number of proposals which can be summarized in the following six points :

1. Common market for grain with a common price level from 1964/65

For the year 1964/65, which begins on 1 July 1964, one basic target price would for the first time be fixed for each of the various types of grain throughout the Community. These basic target prices would then be reviewed each year, beginning with the year 1965/66. In doing so, special account would be taken of agricultural incomes, prices for the means of production, wages, consumer prices and the supply and market situation.

The basic target prices would apply in the areas of largest deficit in the EEC; these are the regions encompassing the marketing centres of Rotterdam, Amsterdam, Voghel, Terneuzen, Duisburg, Cologne, Brussels, Liège, Ghent and Antwerp, as well as southern Italy and the Italian islands, with the commercial centres of Reggio di Calabria, Messina, Catania, Palermo, Cagliari, and Olbia.

The common basic target prices will serve as a basis for calculating the threshold prices applicable to imports from non-member countries at the common external frontier, for working out the regional target prices applicable in the various areas of cultivation — due account being taken of transport costs — and for determining the intervention prices which protect producers by preventing local market prices dropping below a certain level.

In practice, this would mean that from 1 July 1964 onwards there would be a common market for grain which would have all the characteristics of a domestic market, and a uniform system with uniform threshold prices at the external frontier. This would free intra-Community trade from a number of administrative procedures and eliminate many difficulties which can arise in trade amongst

Member States, especially in trade with conversion products. Not only would collection of the levy on grain traded between Member States disappear but also, in the case of all livestock products or products processed from grain, that part of the levy would be eliminated which so far has reflected the differences between grain prices in the Member States; the remaining "levy elements" in intra-Community trade for these products would then in practice be no more than specific duties, automatically eliminated over the transitional period. In the same way refunds in intra-Community trade would disappear; for exports to non-member countries they could be unified.

2. *Common grain price at middle level*

The basic target prices for the year 1964/65 would be fixed between the highest and the lowest target price laid down by the Member States in 1963/64. The basic target price for 1964/65 for wheat would be DM 425 per ton and for barley DM 370 per ton (for other currencies see table 1).

The level of the 1964/65 target prices would be mainly determined by the consideration that adjustment of prices must not lead to any undue expansion of grain cultivation in the EEC. Forecasts concerning grain production and consumption in the EEC show that the present total import requirements of approximately 10 million tons of grain could be the same in ten or twelve years from now, provided the acreage under grain in the EEC remains more or less the same. As considerable reserves of arable land are still available in France, special attention must be given to the possible reactions of grain producers in that country. Several inquiries have shown that the proposed raising of target prices in France, which would be less than 10 %, is not likely to lead to an expansion of French grain cultivation which would be serious for the Community.

The proposed 1964/65 prices for the other types of grain have been related to the price for wheat in a way which takes account of the EEC's supply situation and import requirements. Whereas there is a tendency to produce more wheat and rye than can be marketed in the Community and outside, the demand for coarse grain (barley and maize) is constantly increasing. If some sensible economic guidance is to be given to the production and utilization of the various types of grain, the difference between bread grain and coarse grain prices must not be too great; especially in France and Italy, therefore, coarse grain prices must be brought closer to wheat prices.

The 1964/65 common grain price level of DM 425 for wheat and DM 370 for barley takes into account not only the EEC's supply situation for the various types of grain, and in particular the EEC's future import requirements, but also represents a balanced compromise between consumers' and farmers' interests in the Community.

The establishment of this common grain price (see table 2) would mean :

- i) A reduction of grain prices in Germany — and in Italy and Luxembourg, a reduction for wheat and rye — and thus a loss of farm income in these countries;
- ii) A rise of prices in France, Italy and the Netherlands, which — especially where price increases for coarse grain are concerned — would affect consumer prices for eggs, poultry and pigmeat.

The increase of barley prices in Belgium and Luxembourg would hardly affect consumer prices.

In judging the effects of falling or rising prices for farmers on the one hand and consumers on the other, it must be remembered that price charges for grain are fully reflected in producer prices and producer incomes, whilst their incidence is only one quarter or one third in the case of consumer prices because these contain processing and distribution costs, which are not affected by changes in the grain price.

The grain prices proposed by the Commission for 1964/65 would probably be reflected as follows in the various Member States' producer and consumer prices.

In the Federal Republic of Germany, prices for all types of grain (wheat, rye, barley, oats and maize) would fall; the drop would be between 11 and 15 %.

In Luxembourg, the price of wheat would drop by 16 %, that of rye by 8 % and barley would rise by 7 %.

In Italy, wheat prices (durum and other) would decline by about 11 %, but maize and barley prices would rise. In Italy's area having the largest surplus (Reggio Emilia) the rise in the intervention price would amount to 23 % for maize and 15 % for barley. In assessing the effects of higher coarse grain prices on the prices for eggs, poultry and pigmeat it must however be remembered that in Italy market prices for maize and barley will rise by about 18 % only, because in 1963/64 they were excessively high for a number of special reasons.

In France and the Netherlands, all grain prices would rise. In France, prices for wheat other than durum would be 8 % higher than in the previous year, for barley they would rise by 16 % and for maize by 1 %. In the Netherlands, the price increase for wheat would be 6 % and for barley 15 %.

In Belgium, wheat prices would rise by a mere 2 %, and barley prices by about 7 %.

Looking at agriculture as a whole, the changes in Germany would be marked. The overall drop in prices for the various types of grain, for pigs, eggs and poultry would be about 7 %.

For France, on the other hand, it can be estimated that in 1964/65 consumer prices for bread, pastes, pigmeat, eggs and poultry as a whole might be as much as 3 % higher than they would otherwise have been, 5 % higher in the Netherlands and 1 to 2 % higher in Italy. In Italy, the higher prices for livestock products would be partly offset by the fall in the price of bread and pastes, of which consumption is heavy. However, there is no reason why all this should lead to any absolute rise in prices in these countries. The adjustment of prices would coincide with one of the cyclical falls in prices characteristic of livestock products. In other words, the price adjustment would mean that the drop in prices for pigmeat and eggs from the very high level which they reached in 1963 would be less marked. In some countries there are, furthermore, ways and means of reducing the difference between producer prices and consumer prices, including the public charges which help to widen the gap.

3. *Compensatory measures for farmers in Germany, Italy and Luxembourg during the transitional period*

In view of these probable effects of a price adjustment it is clear that for the sake of balanced development in all economic sectors in the Community immediate action must be taken to compensate farmers in Germany, Italy and Luxembourg for the consequences of a "price adjustment in one operation". However, special measures to compensate loss in farm incomes in some Member States resulting from the establishment of a common grain price level throughout the EEC in 1964/65 would be limited to the transitional period. At the latest in 1970 they would be replaced by measures in the form of "Community plans" for the benefit of farmers in all Member States.

The amounts which would be given by way of compensation to farmers in these countries during the transitional period would correspond to the loss of income resulting from the establishment of a common level of grain prices in 1964/65.

This loss would amount to :

In Germany (FR)	140 million units of account
in Italy	65 million units of account
in Luxembourg	0.9 million units of account.

This calculation takes into account the fact that changes in prices for coarse grain affect producer prices and therefore the yield which farmers receive from pigs, eggs and poultry.

Such compensatory measures are justified not only because it would be incompatible with the spirit of the Treaty of Rome or the objectives of the common agricultural policy if the establishment of a common agricultural market were to be accompanied by a noticeable decline of farm incomes in certain parts of the Community. They are justified by economic considerations too. For instance, the medium- and long-term investments made by farmers in the past years — largely with borrowed capital — rested upon calculations of interest and amortization based on the present price level. In the overall economic context this level also corresponded with the costs situation and with the structure and organization of farming in the countries concerned. These, as well as the still existing differences in competitive positions — for instance as a result of tax policy or social policy in the various countries — will be only gradually aligned as the Common Market develops.

Compensatory measures could take the following forms :

- a) Direct payments to farmers whose incomes are reduced by the reduction of grain prices;
- b) Contributions to improved social benefits made specifically available to farmers and their families;
- c) Aids granted to improve productivity and to rationalize farms;
- d) Aids granted to producers of durum wheat under terms and conditions to be laid down by the Council.

The Member States would be free to allocate to any of these four forms whatever part of the overall compensation amount they chose. It goes without saying that these measures are not intended to take the place of anything already done in the Member States to improve agricultural incomes, but would be additional to it. On the other hand, the proposal that compensatory measures could also take the form of contributions to improve social services or to increase productivity does not in any way restrict the Member States' freedom of action in these fields.

However, if the Member States decided to make direct payments, they would have to adhere to certain principles. Direct payments must not be tied to the price of certain agricultural products or capitalization of direct payments, for instance to enable a farmer to rationalize his farm, to turn marginal land into woodland or to take up a new, non-agricultural, activity if he decides to quit the land. This would give direct payments a dynamic character. Above all, however, direct payments under the annual compensation plan could only be paid up to a maximum total amount. For 1964, 1965 and 1966 this maximum amount would be the same as the calculated loss of income, that is to say, the Member States could pay the total amount of compensation in the form of direct payments. In subsequent years the maximum amount of direct payments would be gradually reduced, so that in 1969 a maximum of two-thirds of the calculated loss of income could be compensated through direct payments and at least one third would have to be made available in one or more of the other forms mentioned above.

4. Financing of compensatory measures from the EEC Budget

Since the "adjustment of grain prices in one operation" is a measure intended to strengthen the Community internally and to reinforce its position in the coming international negotiations, the compensatory measures would be financed from the EEC Budget.

For the first three years (1964 to 1966) this would be done in the form of payments from the Community Budget amounting to the full amount spent by the Member States on compensatory measures. From 1967 onwards these payments would be gradually reduced in such a way that in 1969 they would still amount to two thirds of the original amount, because the first "Community plan", proposed for 1966, provides for financial contributions by the Community to measures which are similar to the compensatory measures. This is true in particular of steps taken to increase farm productivity and to improve social benefits for the farming population. The financial contributions to be made available from Community funds to Germany, Italy and Luxembourg under the first Community plan must be at least equal to the amount by which the financial contributions to the compensatory measures would be reduced.

5. Complete financing of refunds and of intervention on the domestic market by the Guidance and Guarantee Fund from 1964/65 onwards.

If, as a result of the establishment of a common level of grain prices, the Community accepts responsibility for the injurious effects on farm incomes in some Member States, it is fair that the Community should also take upon itself all

other financial burdens arising under the common market regulations for grain and the livestock products based thereon, particularly in view of the fact that the fixing of uniform basic target prices and threshold prices for grain and the regionalization of the target and intervention prices at Community level would in practice establish a common market for grain. The Commission therefore proposes that from 1964/65 onwards the Member States' expenditure on refunds for grain, flour, pigmeat, egg, and poultry exports to non-member countries and on domestic interventions relating to grain should, in derogation from Article 5 (1) of Council Regulation No. 25 on the Financing of the Common Agricultural Policy, be fully borne by the Guidance and Guarantee Fund.

6. *From 1966 on: Community plans to improve the standard of living of farmers in the EEC*

While political and economic considerations demand that in connection with the establishment of the common grain market certain immediate measures be taken to prevent a slump of farm incomes in certain Member States, it must just at this important stage of the EEC's development also be recalled that the objectives of the Treaty and of the common agricultural policy are not limited to establishing common market organizations for agricultural products. One of the main aims is to ensure an adequate standard of living for the farming population. At present, however, the standard of living and incomes is unsatisfactory in many agricultural areas of the EEC when compared with the standard of living and incomes in other economic sectors. At the same time, therefore, as the Commission submits proposals which it is convinced will prove of major importance to the development of the Community and to its relations with non-member countries, it is also proposing "Community plans to improve the standard of living of farmers in the EEC". These plans are to be drawn up on a proposal by the Commission and put into operation from 1966 onwards by Member States, with financial support from the Community.

These Community plans would comprise the following categories of measures :

- a) Steps to improve farm incomes in economically under-developed areas. This would in particular involve co-ordinated financial assistance for structural changes both in agriculture and in other sectors (regional economic policy);
- b) Special programmes to benefit certain farms whose economic and social situation is particularly unsatisfactory, for instance farms in high and medium altitudes, on sandy soils, of inadequate size, or far removed from markets, and farms in areas affected by the division of Germany;
- c) Improvements to social policy systems in agriculture, in line with the principles established in the Commission's Action Programme.

Such measures could be temporarily supplemented by aids to income paid to certain farmers in accordance with common criteria but independently of what they produced. This facility should be used where the measures listed above are not sufficient to provide, in good time, a lasting improvement in the standard of living of the farming population in certain areas.

The Community would contribute financially to the implementation of the Community plans. Where the provisions governing these Funds permit, the necessary means would be provided by the Agricultural Guidance and Guarantee Fund and by the Social Fund. Any further means required to operate the Community plans drawn up by the Council would be provided from the Community budget.

TABLE 1

Basic target prices, basic intervention prices and threshold prices at the beginning of the 1964/65 year

National currency/ton					
	DM	FF	Lit.	Bfrs Lfrs	Fl.
<i>Wheat other than durum</i>					
Basic target price	425.00	524.56	66 406	5 312.5	384.63
Basic intervention price	395.00	487.54	61 719	4 937.5	357.48
Threshold price	420.00	518.39	65 625	5 250.0	380.10
<i>Rye</i>					
Basic target price	375.00	462.85	58 594	4 687.5	339.38
Basic intervention price	350.00	432.00	54 688	4 375.0	316.75
Threshold price	370.00	456.68	57 813	4 625.0	334.85
<i>Barley</i>					
Basic target price	370.00	456.68	57 813	4 625.0	334.85
Basic intervention price	345.00	425.82	53 906	4 312.5	312.23
Threshold price	365.00	450.51	57 031	4 562.5	330.33
<i>Maize</i>					
Basic target price	375.00	462.85	58 594	4 687.5	339.38
Basic intervention price	350.00	432.00	54 688	4 375.0	316.75
Threshold price	370.00	456.68	57 813	4 625.0	334.85
<i>Durum wheat</i>					
Basic target price	500.00	617.14	78 125	6 250.0	452.50
Basic intervention price	470.00	580.11	73 438	5 875.0	425.35
Threshold price	495.00	610.96	77 344	6 187.5	447.98

TABLE 2

Intervention prices at the beginning of the 1963/64 and 1964/65 marketing years

In DM/ton

	Wheat other than durum		Rye		Barley		Maize		Durum wheat	
	1963/64	1964/65	1963/64 (1)	1964/65	1963/64 (1)	1964/65	1963/64 (1)	1964/65	1963/64	1964/65
GERMANY (F.R.)										
Duisburg	442.50	395.00	402.50	350.00	383.50	345.00	—	350.00	—	—
Passau	427.50	368.99	387.50	323.99	368.50	318.99	—	323.99	—	—
LUXEMBOURG										
Mersch (1964/65)	444.00	382.68	401.76 (2)	377.68	323.20	332.68	—	337.68	—	—
BELGIUM										
Brussels (1964/65)	388.80	395.00	300.80	350.00	323.20	345.00	—	350.00	—	—
NETHERLANDS										
Rotterdam (1964/65)	372.37	395.00	269.75 (2)	350.00	300.06 (3)	345.00	—	350.00	—	470.00
FRANCE										
Lille	346.68	389.33	265.58	344.33	282.92	339.33	323.75	344.33	—	—
Chartres	346.68	374.74	265.58	329.74	279.68	324.74	306.25	329.74	—	—
Toulouse	346.68	362.23	265.58	314.59	286.16	309.59	305.04	314.59	423.98	452.69
ITALY										
Reggio di Calabria	419.20	395.00	382.47 (4)	350.00	263.79	345.00	254.51	350.00	547.20 (5)	433.52
Reggio Emilia	400.00	357.92	382.47 (4)	298.11	263.79	293.11	254.51	312.92	531.20	—
Rome	409.60	368.32	382.47 (4)	314.63	263.79	309.63	254.51	323.32	531.20	451.13

(1) For the Netherlands, Luxembourg and Italy, the 1963/64 intervention price assumed at 93 % of target price.

(2) Applicable only to milling quota.

(3) Excl. area subsidy for sandy soils (DM 193/ha), which is equivalent to:

DM 64.30/ton for rye (3 000 kg/ha).

DM 55.00/ton for barley (3 500 kg/ha);

(4) Target price and intervention price calculated on threshold price.

(5) Intervention price incl. producers' bonus which, in Calabria and Sicily, amounts to DM 25.60/ton and to DM 41.60/ton in Sardinia.

II. Processing traffic in agricultural products - the Commission's proposals

On 14 October 1963 the Commission took a number of decisions on processing traffic in agricultural products; it adopted and sent to the Council the annual report it is required to make on the implementation of the Council decision of 4 April 1962.

Agricultural products from a non-member country that are imported into a Member State, processed there and re-exported to another Member State are not entitled to benefit from Community protection. On re-exportation, therefore, these products are subject to a countervailing customs levy based on the relevant duty in the common customs tariff.

Since 1 August 1962 various agricultural products have been subject, under the agricultural regulations, to levies in no way connected with the duties in the common customs tariff. Nevertheless, the old rule basing the levy on the duty in the common customs tariff still had to be observed, even though that duty is no longer applicable.

The decisions taken by the Commission under Article 10 of the Treaty of Rome are intended gradually to achieve a situation in which, at the end of the transitional period, products from outside the Community, when processed in one Member State and re-exported to another, will be subject to all charges that would normally be applicable to them on importation into the Community.

This is why it has now been thought best to base the amount of these charges on the agricultural levy rather than on the duty in the common customs tariff.

The agricultural levies, like the threshold prices, vary from country to country. Since the countervailing customs levy ought to be calculated on a basis common to all the Member States, the Commission decided that this basis should be the average agricultural levy made on the item imported from a non-member country; this will tend to become a Community levy as step by step the national threshold prices become a single Community threshold price.

However, despite the improvement in the situation that will result from the decision of 14 October laying down the method of calculating the countervailing levies, there will still be disparities — in some cases sizeable ones — between the price actually paid for the imported raw material in one Member State and the price charged for the processed product containing that material when exported to another Member State. Besides, the new method of calculation applies only to products covered by an agricultural regulation providing for levies, and not to products such as sugar and milk.

Where there is any major difference between the export price and the domestic price for these products in Member States which have imported such raw materials, there will also be a possibility of distortion of competition on the market of the importing Member States.

To correct such distortions and to allow for the reduction of intra-Community protection available to Member States, the Council on 4 April 1962 took a decision enabling price disparities in processed raw materials among the Member States to be offset. The Commission is required to report to the Council annually on the operation of the decision. During the first year (4 April 1962 to 4 April 1963) the Commission has come up against numerous snags. In the first place, the precise effect of such charges cannot be foreseen, and the consequences of this lack of precision are not always satisfactory. Secondly, the system instituted does not provide means of overcoming all the difficulties encountered by industry.

Accordingly the Commission, after studying the matter with experts from the Member States, has arrived at a solution intended to meet all the various difficulties — those in intra-Community relations and those which arise in relations with non-member countries because of the disparity between the protection applicable to the raw material itself and the protection applicable when this raw material is incorporated in the processed product.

The three main points of the proposed new system are as follows :

- a) Intra-Community trade in processed agricultural products would have to be based on the domestic prices paid in Member States for the constituent raw materials;
- b) Protection against imports of these processed products from outside the Community will be adjusted;
- c) Protection against imports of the same products from other Member States will be adjusted.

The lists of agricultural raw materials and processed products to which the system is to apply will be drawn up by the Council; subject to very slight amendments, these lists may be the same as those in the Council decision of 4 April 1962.

These proposals provide the most logical and rational answer to the various difficulties, while at the same time fully respecting the principles behind the Treaty provisions on agriculture and competition. They also make it possible to harmonize the methods currently used to protect agricultural raw materials against imports from non-member countries of like materials both in the raw state and when incorporated in processed products. The changes involved in this harmonization should not cause non-member countries any concern provided the protection accorded to the actual processing is fixed at a moderate rate. Furthermore, there is the advantage that the proposed system will constantly be adapted to developments in the common agricultural policy — particularly price alignment.

III. Activities of the Community

EXTERNAL RELATIONS

Meeting of the Council of WEU

1. Last July the British Government accepted the EEC Council's proposal⁽¹⁾ that quarterly contacts be arranged within the framework of Western European Union in order to enable the seven member countries to take stock of the political and economic situation in Europe.

Meeting in The Hague on 25 and 26 October, the WEU Council discussed a number of economic questions together with members of the EEC Commission. The discussions ranged over the development of British agricultural policy and that of the Community, the prospects for the GATT negotiations, the coming UN Conference on Trade and Development, relations between the EEC and the United Kingdom and their co-operation in various specific fields, and the activities of EFTA. The Commission was represented at this meeting by President Hallstein, Vice-Presidents Mansholt and Marjolin and M. Rey.

The following is the full text of the communiqué issued at the end of the meeting :

" 1. The Council of Western European Union held a meeting on 25 and 26 October 1963 at the Binnenhof in The Hague, under the chairmanship of M. J.M.A.H. Luns. Belgium was represented by M. Paul-Henri Spaak, France by M. Maurice Couve de Murville, the Federal Republic of Germany by Dr Gerhard Schröder, Italy by Signor Attilio Piccioni, Luxembourg by M. Eugène Schaus, and the United Kingdom by Mr R.A. Butler.

" 2. In accordance with the agreement reached in July between Her Majesty's Government in the United Kingdom and the Governments of Member States of the European Economic Community, the purpose of this meeting of the Ministerial Council was to resume quarterly meetings in the framework of Western European Union, to take stock of the political and economic situation in Europe. It provided the seven Governments with an opportunity to review international problems.

" 3. The first part of this meeting, on 25 October, was devoted to consideration of the main political problems at present engaging attention in different parts of the world. Matters discussed included East/West relations, relations between Europe and Latin America, the situation in the Middle East and the position in South-East Asia. During this review the Ministers had a wide-ranging and valuable exchange of views.

" 4. On 26 October, economic problems were considered in an exchange of views covering the tariff negotiations due to start in the GATT next spring, with special emphasis on their importance for the European economy, relations between the United Kingdom and the EEC, the activities of EFTA and agricultural questions. Several members of the Commission of the EEC took part in these discussions.

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

“ 5. The seven Ministers also discussed the question of trade with less-developed countries, with particular reference to the United Nations Conference on Trade and Développement. This conference would offer an important opportunity to find solutions to the many problems faced by the developing countries and they hoped that all participants would approach it in a constructive spirit.

“ 6. Ministers examined the questions of economic co-operation between Britain and the EEC. They welcomed the work which had already been done and expressed their determination to work closely together to facilitate further progress.

“ 7. The Ministers appointed M. Krafft von Dellmensingen to be Deputy Secretary-General of WEU.

“ 8. The next Ministerial meeting of WEU will be held in London towards the end of January 1964.”

At the press conference held at the close of the meeting, M. Luns, the Chairman, said that they had achieved as much as could be expected and that the atmosphere of the meeting had been excellent.

Relations with Denmark

2. M. Per Haekkerup, Danish Minister of Foreign Affairs, paid a visit to the Commission on 8 October. He was received by President Hallstein after a meeting at which M. Rey, President of the External Relations Group, took the chair, and which was attended by Vice-President Mansholt and senior officials of the Danish Government and the Commission.

During these talks, various problems of mutual interest were discussed: certain aspects of European integration, preparations for the GATT negotiations and the UN Conference on Trade and Development, agriculture and fisheries, Danish participation in working out a European system of patent law. A number of specific points regarding Danish exports of farm products to the Community were examined carefully.

At the close of these discussions, which were held in a cordial and constructive atmosphere, it was decided to arrange further meetings of this kind.

On 29 October an informatory meeting was held between Danish and Commission experts on agricultural matters.

Relations with Ireland

3. On 22 October the head of the Irish mission to the Community handed to the Commission a note from his Government suggesting that regular contact at ministerial level be established between Ireland and the Community and that preliminary talks be held about the middle of November between the Commission and an Irish delegation headed by the Minister of Foreign Affairs.

The Commission welcomed the Irish Government's request, as it had the recent démarche of the Danish Government.

Relations with Latin America

4. The third meeting between the Commission and the missions of the Latin-American countries to the Community was held on 28 October with M. Rey, member of the Commission and President of the External Relations Group, in the chair.

The Latin-American missions were given an outline of the Community's policy on association and particularly on the origins, spirit and legal and economic aspects of the Convention of Association with the African States and Madagascar signed at Yaoundé on 20 July 1963.

Relations with Tunisia

5. In a letter to President Hallstein dated 8 October 1963, M. El Gouli, Tunisian Ambassador to the EEC, conveyed to the Commission a proposal of his Government for exploratory talks between the EEC and Tunisia to study, without commitment on either side, the possible future form of economic relations between them.

This proposal is now being considered by the Community.

Relations with India

6. At its session of 14-15 October, the Council discussed relations between India and the Community. The problem was approached with complete understanding of India's special situation. The Council agreed to take certain measures to help Indian exports to the Community and asked the Commission to inform the Indian Ambassador of the Council's attitude. The Council will take a firm decision bearing in mind the outcome of this step and of the talks to be held in the interim with the associated African States and Madagascar.

Resolution of the European Parliament on the recommendation of 6 June 1963 by the Parliamentary Committee for the EEC-Greece Association

7. On 15 October the Parliament approved the terms of this recommendation ⁽¹⁾, in which the Parliamentary Committee decided "to contribute to the development of the association between the European Economic Community and Greece in all spheres, so that the way may be opened as soon as possible for Greece to become a full member of the Community".

The Community and GATT

Working Party on Preferences

8. The Working Party on Preferences set up in pursuance of the resolution adopted by the GATT Ministers in May 1963 met for the first time in Geneva from 7 to 11 October.

⁽¹⁾ See Bulletin 8-63, Chap. II.

Its terms of reference were to study the possibility of preferences being granted on selected products :

- a) by industrialized countries to less-developed countries, and
- b) by less-developed countries among themselves.

The Working Party began by reviewing the problems arising and instructed the Secretariat to make a summary of the points raised.

A spokesman for the European Economic Community stated that the Member States welcomed the idea of tariff preferences on certain products with a view to stimulating industrialization in the less-developed countries.

Tariff renegotiations on manufactured tobacco

9. The tariff renegotiations on heading No. 24.02 (manufactured tobacco) between the United States and the Commission continued in Geneva from 21 to 26 October.

The United States delegation raised a number of questions concerning the various systems of excise on manufactured tobacco in the Member States.

The delegations also considered various technical problems relating to the formation of retail prices of the products in question.

Negotiations with the United States on the poultry problem

10. On 16 October agreement was reached between the Community and the United States ⁽¹⁾ that an advisory opinion be sought under GATT procedures to provide both parties with a common basis of assessment so as to help resolve their dispute over American poultry exports to the Community.

At the joint request of the Community and the United States Government, the GATT Council convened on 29 October and set up a panel to determine, "on the basis of the definition of poultry provided in paragraph number 02.02 of the Common Customs Tariff of the European Economic Community, and on the basis of the rules of and practices under the GATT, the value (expressed in United States dollars) to be ascribed, as of 1 September 1960, in the context of the unbindings concerning this product, to United States exports of poultry to the Federal Republic of Germany".

Mr. Eric Wyndham White, GATT Executive Secretary, is the chairman of the panel, and there are four other members, who are nationals of countries not involved in the dispute and are acting in a personal and advisory capacity.

Relations with international organizations

EEC Committee on the Development of Trade

11. The Community was represented at the twelfth session of the Economic Commission for Europe's Committee on the Development of Trade, held in Geneva from 21 to 29 October.

(1) See Bulletin 11-63, Chap. II, sec. 6.

Not a great deal was achieved at this session, since no new concrete proposal was put forward. Eastern-bloc criticism of the Community was far less violent than at previous meetings, and there were even proposals for bilateral talks with EEC Member States. However, the Member States pointed out that the Eastern bloc would now have to bear in mind that tariff problems and agricultural policy were matters for the Community as a whole.

Non-member countries' missions to the Community

12. On 14 October H.E. Ambassador Bensalem Guessous presented his letters of credence to President Hallstein as new head of the Moroccan mission to the Community.

On 29 October H.E. Ambassador Paul Henri Wurth presented his letters of credence to President Hallstein as new head of the Swiss mission to the Community.

The competent institutions of the EEC have given their *agrément* to the appointment of M. Clemente Yerovi Indaburu as head of the Ecuadorean mission and of M. Dithakar Bhakdi as new head of the Thai mission.

Visits to the Commission

13. On 2 October President Hallstein received Mr. Nelson Rockefeller, Governor of the State of New York, who was paying a courtesy visit.

On 10 October M. Rey, member of the Commission and President of the External Relations Group, received a trade mission from the Government of Hong Kong. Talks were held on the general prospects for trade between Hong Kong and the Community.

ECONOMIC AND FINANCIAL AFFAIRS

Quarterly survey of the economic situation in the Community

14. The Commission of the European Economic Community has just published its quarterly survey on "The Economic Situation in the Community". Like its predecessors, this survey presents the salient points of recent economic developments in the Community and in each member country, and contains forecasts for the more immediate future and the coming year. Because of the special problems to which the present economic situation is giving rise in France and Italy, these two countries are the subject of a fairly detailed study, which analyses the measures recently adopted by their Governments and the effects these measures may have on future economic development.

On the main features of the present situation, the Commission notes that the Community's economic growth was maintained in the second quarter and in the summer months. The quickened pace registered in the second quarter was due

not only to endeavours to make good the losses suffered as a result of exceptionally severe winter conditions, but also — in part— to some strengthening of expansionary trends.

One example of this improvement is supplied by the Community's sales to non-member countries; compared with last year's results, the value of goods exported increased by 7 % in the second quarter, as against a 2.5 % fall in the previous quarter.

In domestic demand, total expenditure on investment again advanced considerably, investment in building and construction developing with particular vigour.

Consumers' expenditure mounted fairly strongly. Total expenditure by the public authorities continued to expand at a relatively rapid rate, and consumption by households showed a clear increase in most Member States. This is largely because of the increased number in employment and new, considerable rises in wages and salaries.

The numbers employed showed a clear increase, though more so in building and construction and certain branches of the services sector than in industry. Despite a notable increase in the number in employment, the improvement in the labour market situation was not in general maintained; in some countries there was even a renewed tendency for the shortages to grow more acute.

The lively expansion of demand and the greater physical means of expanding production brought about a strong rise in domestic supply, which was however less marked in agricultural than in industrial production. The index number of the Statistical Office of the European Communities for the second quarter was 6 % higher than a year ago (excluding construction and food, beverages and tobacco), while in the first quarter the rise had only been 2 %. Expansion of output was particularly marked in construction.

Imports from non-member countries rose a little more vigorously; the value of goods imported during the second quarter was 11 % higher than at the same time last year. But because exports also mounted at an accelerated pace, the Community's trade balance did not deteriorate further. The deficit for the second quarter was some \$755 million or \$340 million heavier than a year before; but in the first quarter the corresponding deterioration had been \$530 million. There will probably have been a considerable surplus on current transactions. Total official gold and foreign exchange reserves rose by about \$625 million in the second quarter, as against \$388 million in the first.

Although a better balance was achieved, not only through rises in production and imports but also by a very marked expansion in intra-Community trade — the value of which was about 20 % higher than a year earlier — it has not yet been possible to bring about a general stabilization of prices in the Community countries. In France, in particular, the upward trend of prices has persisted, as it has in Italy where, however, the upward movement has been slowing down. In most other Member States the effect of stabilizing factors has been greater, though the longer-term trend towards higher prices has not fully disappeared.

Regarding the outlook for the last months of this year, the Commission feels that in all likelihood economic expansion in the Community will be maintained and that there is no reason to suppose that trends in the various elements making up demand will change substantially. In these circumstances, the year-to-year

growth rate of the gross Community product at constant prices could in 1963 exceed 4 %; this would be in line with the forecasts published by the Commission.

The first estimates for 1964 likewise point to continued economic expansion. Given the more favourable economic situation in the world, Community exports should continue to go ahead, perhaps even at a slightly quicker pace than in 1963. Investment projects are also more favourable than they have been. On the other hand the growth of expenditure by households will probably be less marked than in 1963, mainly as a result of a certain slowdown in the rise of salaries in some Member States.

Any assessment of the pace at which demand is expanding in the Community — especially that based on private consumption, but also to some extent investment demand — must take into account the effects of short-term economic policy measures. To keep the Community countries in line, it has become necessary in France and Italy to counteract persistent price rises by action which includes measures which act as a further brake on the expansion of demand.

The Commission notes that in France overall demand has clearly been expanding at a faster rate since the spring; at the same time certain inflationary phenomena have become more evident. The outlook for 1964 suggests that these could persist, thus upsetting the balance of growth.

The measures taken in the spring of 1963, which were only slightly restrictive, were no longer sufficient. It became clear that the new situation called for more far-reaching intervention. The stabilization programme adopted by the French Government in the middle of September seems, in the view of the Commission, to be a step in the right direction if prices are to be steadied. The measures recently adopted fall largely within the fields of financial and monetary policy, such as the reduction of the "impasse" to FF 4 740 million. Other measures are intended to increase the supply of manpower and goods. The Government also felt that, in order to exert a certain psychological influence, it should take direct action on prices.

Though no action has so far been taken on incomes, the Commission considers that some restraint in the rise of nominal incomes is essential if there is to be lasting stabilization of prices.

The Commission states that it would at the moment be difficult to forecast what effect the stabilization programme will have on developments in 1964, particularly whether price stability can be ensured and how fast the economy will expand. A first analysis suggests, however, that there will be no great slowdown in the growth rate taken over the year. If at the same time prices and unit costs can be kept stable, it will be a resounding success for French economic policy. But one can wonder whether the pace of expansion of demand in real terms is being restrained sufficiently in relation to the actual possibilities of supply and in particular whether Government spending is not still going up too quickly, whether the deficit on the Treasury's cash transactions is not still too big. As the French economy now stands, a balanced budget would appear to be called for. Even if such a policy should put a further brake on economic growth for a short while, but at the same time restore the stability of prices, this slower growth would cer-

tainly be preferable to faster growth accompanied by a continuation of inflationary pressures.

In the case of Italy, the Commission feels that expansion can be expected to continue in 1964. But even more energetic measures are needed to hold off the threat implicit in present price trends and so avoid the subsequent need for draconic measures.

The policy of stabilizing prices and domestic costs requires to be further extended and much intensified. The levelling out of the price curve registered in recent months has not changed this situation. Such measures are essential, if only because of the rapid deterioration of the balance-of-payments situation.

Limitation of the growth of public expenditure, especially on consumption and on transfers affecting consumption, would be particularly effective as an anti-cyclical measure. Where plans covered by the budget have already been adopted, cash expenditure should be delayed. Developments now seem to be moving in this direction. Consideration should also be given to the advisability of certain tax measures, especially those which would affect the growth of expenditure by households. In this way the desired limit could be placed on the extent to which the Government's cash transactions increased liquidity.

It will at the same time be necessary to tighten further the more restrictive line adopted some months ago in monetary and credit policy. The proposed overall braking measures in budget, tax and credit policy should be mainly aimed at limiting expansion of consumer demand. On the other hand there should not be any avoidable interference with the conditions required for the expansion of investment, except in the case of housing construction, where it seems appropriate that a brake be applied.

Finally, special importance attaches to the trend of wages, which by bringing about a major increase in labour costs and mass incomes have contributed to the upward thrust that has affected prices. It would be in the best interests of all concerned if every effort were made to reduce the pressure of costs.

However, the condition for general restraint in wages policy is that a limit should be put to the facilities for financing excessive increases of income; not only wages should be affected by this, but also the non-wage incomes of other sections of the population. The Italian economy is in any case expanding at such a rate that it can take in its stride any temporary deceleration due to traditional anti-cyclical measures. These establish the conditions in which the economy will be able to move ahead again more rapidly on an even keel.

The Commission feels that these decisions taken by the Italian Government point in the main absolutely in the right direction. It is however doubtful whether they will be adequate to allay the danger of inflation. The Commission would therefore like to see these measures followed by other, more vigorous ones.

Though from the angle of the present economic situation the position in France and Italy appears to be fairly difficult, the Commission wishes to make it clear that there is no reason for anxiety. In the first place, the dangers are not comparable to those which arose at the moment the Community was being established and which were due to inflationary pressure in France. The French

balance-of-payments and foreign exchange situation is now infinitely better than it was then, and Italy also still has considerable reserves. Secondly, the general economic outlook appears favourable to a policy of stabilizing prices and it is quite possible that in a relatively short time equilibrium will be re-established in France and Italy, and therefore throughout the Community.

Economic Policy Committee

15. The Economic Policy Committee met on 14 and 15 October, with Prof. Müller-Armack in the chair, to review the economic situation in the Community. Discussion centred on France and Italy, where there are a number of cyclical problems, and on the measures taken or under consideration by the authorities in those two countries. At the close of the meeting the Committee adopted a formal opinion to be transmitted to the Commission.

Economic impact of energy costs

16. After their general discussion last July, the experts studying this subject met again on 9 October. Notes on specific matters had been prepared by members of the group. These concerned the impact of energy costs on general economic development, an attempt to define the effects of price variations on economic activity, and the relation between petrol prices and consumption. These papers were closely studied and will be further examined at meetings scheduled for 21 November and 20 December 1963.

INTERNAL MARKET

Processing traffic in agricultural products — The Commission's proposals

17. See Chapter II of this Bulletin.

Charges equivalent in effect to customs duties

18. The Commission has decided to send to the Governments of Belgium, Luxemburg and the Netherlands the first directives laying down, in pursuance of Article 13(2) of the Treaty, the time-table for the abolition of charges equivalent in effect to customs duties (1).

At the same time as these directives, which relate to *pain d'épices* in the case of Belgium and Luxemburg and to bear in the case of the Netherlands, the Commission also issued recommendations to the Member States concerned that they abolish these charges at a faster rate than that specified in the directives so as to bring the time-table into line with the one being followed for the abolition of customs duties under the speed-up decisions.

(1) See official gazette of the European Communities, No. 156, 29 October 1963.

Tariff quotas

19. On 22 October the Commission decided, under Article 25 (1 and 4) of the Treaty, to propose an increase from 49 200 to 58 500 metric tons in the 1963 tariff quota granted to the Federal Republic of Germany for imports from non-member countries of rosin (including the products known as *brais résineux*) under heading No. 38.08 A of the common external tariff.

20. On 11 October the Commission decided, under Article 25 (3 and 4) of the Treaty, to increase from 27 000 to 37 000 metric tons the 1963 tariff quota granted to the Federal Republic of Germany for imports from non-member countries of fresh grapefruit under heading No. 08.02 D of the common external tariff ⁽¹⁾.

COMPETITION

Approximation of legislation

Industrial property

21. The 10th meeting of the Working Party on Patents was held in Brussels from 16 to 27 September 1963. The main business was :

a) Study of national and international reactions to the preliminary draft convention on a European system of patent law. The opinions expressed at national level were embodied in reports from each country's delegation, and the Commission's staff drew up a collective report on the opinions of international organizations concerned with industrial property rights;

b) Drafting of a second report from the Working Party to the Co-ordinating Committee on questions of political and economic principle raised in the preliminary draft.

22. On 21 October the State Secretaries responsible for industrial property questions in the Six met in Brussels to study the Working Party's report and a résumé from the Co-ordinating Committee.

On behalf of their respective countries the State Secretaries gave their views on the following questions :

a) Basic aims of the European convention on patent law;

b) Its open character;

c) Benefit of the convention for nationals of non-member and non-signatory countries;

d) Its economic clauses (Articles 20 a) and 29);

e) System of compulsory licences granted under European patents.

⁽¹⁾ See official gazette of the European Communities, No. 153, 24 October 1963.

The State Secretaries took note of the Co-ordinating Committee's report on the establishment of European authorities for matters of industrial property and on the problems involved, particularly how these authorities should be fitted into the existing Community institutions.

It was agreed to continue negotiations between the Member States and to study the results at a further meeting on 10 December 1963.

Public contracts

23. The Working Party on public contracts (approximation of legislation) held its sixteenth meeting in Brussels on 2 and 3 October 1963.

At this meeting a new paragraph was provisionally added to Article 5 of the preliminary draft directive on public works contracts whereby under certain conditions public works contracts can be awarded in the different countries without applying the publicity rules laid down in the draft directive when price formation is in fact not subject to the normal effects of competition. The problem of the legal status of the proposed advisory committee on public contracts was also discussed. The meeting also finalized the articles concerning the establishment of such a committee. Discussion of the articles concerning criteria for the selection of firms and the award of contracts was continued.

The Working Party will next meet on 12 and 13 November in Brussels.

Pharmaceutical products

24. On 19 September 1963 the Council's ad hoc group concluded its study of the first draft directive on the approximation of laws and regulations relating to pharmaceutical products.

The Committee of Permanent Representatives will shortly study this proposal.

The Working Party on approximation of laws and regulations on pharmaceutical products met in Brussels on 20 September 1963. It made a preliminary study of the patentability of pharmaceutical products to determine whether any harmonization of legislation was called for in this field.

At a fourth meeting held for information purposes on 24 October 1963 specific questions concerning the patentability of pharmaceutical products were discussed with representatives of the professional organizations concerned.

Taxation problems

Modification of turnover equalization tax and export refunds in the Federal Republic of Germany

25. At a meeting of Government experts in Brussels on 30 September and 1 October 1963 the consultation concerning increases in turnover equalization taxes in the Federal German Republic was in its essentials concluded (1).

(1) See Bulletin 7-63, Chap. IV, sec. 30 and 9/10-63, Chap. IV, sec. 32.

The Government experts from the Member States also studied the increases which the Federal Republic intends to introduce in rates of export refunds. The calculations submitted by the Federal Republic in accordance with the consultation procedure were fully discussed and a second meeting on these measures is planned for early November 1963.

Harmonization of direct taxes

26. Working Party No. IV of the Fiscal Problems Directorate which was instructed to examine bases of assessment for direct ⁽¹⁾ taxes devoted its meeting of 8 October 1963 to the examination of a draft report prepared by the Commission's staff. At its next meeting the Working Party will finalize this report and transmit it to the Standing Committee of heads of National Revenue Departments for their approval.

Harmonization of turnover tax

27. At its plenary session of 17 October 1963 the European Parliament passed a resolution embodying its formal opinion, drafted by the Internal Market Committee, on the turnover tax directive ⁽²⁾. Before the vote M. von der Groeben, a member of the Commission, stressed the importance which the Commission attached to the abolition of tax frontiers between the Member States ⁽³⁾. On a proposal from M. Dichgans (Germany, Christian Democrat) mention was made in the preamble that the Parliament hoped to see tax controls at internal frontiers disappear at the same time as customs frontiers.

28. The ad hoc Working Party of tax experts from the Member States and Commission officials, which is working out the principles and details of a common system of added value tax ⁽⁴⁾, held a further meeting on 15 and 16 October 1963. The Working Party will transmit a progress report to the Standing Committee of heads of Revenue Departments.

SOCIAL AFFAIRS

The European Social Fund

29. At its third meeting, on 18 October, the Committee of the European Social Fund expressed itself in favour of help from the Fund for vocational retraining schemes in the Federal Republic of Germany and Italy.

The Committee also agreed to the appointment of a working party to study the possibilities of widening the scope of the Fund's activities.

(1) See Bulletin No 1-63, Chap. IV, sec. 33 and Bulletin No. 6-63, Chap. III, sec. 23.

(2) The most important proposals concerning amendments to the EEC Commission's draft directive have already been given in Bulletin 9/10-63, Chap. IV, sec. 33.

(3) Extracts from M. von der Groeben's remarks are published in the editorial to this Bulletin.

(4) See note ⁽¹⁾ above.

Social security of migrant workers

30. The EEC Administrative Committee for the social security of migrant workers held its 48th meeting in Luxembourg on 23 and 24 October at the invitation of the High Authority of ECSC.

The Administration Committee examined the draft pro formas prepared by an ad hoc working party for use in implementing the regulation applied to frontier and seasonal workers⁽¹⁾, and considered questions raised by a working party concerning certain clauses in these regulations. The Committee also held a preliminary discussion on the question of simplifying the list of major benefits under occupational disease and industrial injury insurance schemes which can be dispersed outside the country in which the worker is insured only by consent of the responsible office in that country. Certain points in the regulations on the payment of old age pensions were also examined.

A joint meeting of members of the Administrative Committee and of European workers' and employers' organizations was held in Luxembourg on 25 October at the initiative of the EEC Commission with the High Authority of ECSC participating. After a general exchange of views the meeting studied suggestions for improving the working of Regulations Nos. 3 and 4 and for providing more effective protection for migrant workers and their families.

31. The Auditing Committee attached to the Administrative Committee for the social security of migrant workers held its 15th meeting on 11 October. This was devoted mainly to ways of simplifying procedures under Regulations Nos. 3 and 4. The Committee heard a statement from the Commission representative stressing the importance of this work, which should be given priority with due regard for the other regulations on social security already approved by the Council and those under consideration.

All present declared that they shared this concern and were anxious to help provide simpler and more flexible instruments.

Vocational training

32. Co-operation on vocational training between Member States' administrations was discussed at two meetings in Brussels on 10 and 11 October, one of representatives of the Commission and of both sides of industry, and the other of Commission and Government experts. Representatives of ECSC and OECD attended the second meeting.

It was evident from the discussions that the representatives of both workers and management attached great importance to an expansion of activity in this field and were unanimous in their desire to play a part in it.

(1) These are Council Regulation No. 36/63/EEC of 2 April on the social security of frontier workers published in official gazette No. 62 of 20 April 1963, and Council Regulation No. 73/63/EEC of 11 July 1963 amending and supplementing certain provisions of Regulations Nos. 3 and 4 (seasonal workers and other workers not resident in the country to whose legislation they are subject) published in official gazette No. 112 of 24 July 1963.

The government experts for their part stressed the advisability of carrying out a first practical programme and made suggestions on the general lines of the proposed co-operation. Priorities will be decided in the light of available resources.

Implementation of Article 118 of the Treaty

33. As a sequel to the meeting of 24 May 1963, a meeting of senior officials representing the Ministers of labour and social affairs in the six countries met on 21 and 22 October under the chairmanship of M. Levi Sandri, member of the Commission and President of the Social Affairs Group, to resume consideration of the steps taken by the Commission in pursuance of Articles 117 and 118 of the Treaty.

As regards the right to work and working conditions, there was broad agreement both on the procedure for co-operation between the Governments and the Commission and on the fields in which this co-operation will apply. Among sectors chosen are technical problems concerning the working week, harmonization of wage statistics, and the protection of women and young people in industry.

Problems in harmonizing social security systems were also studied on the basis of a Commission document which contains a preliminary draft programme for the harmonization of social security systems, embodying the recommendations of the European Conference on Social Security held in December 1962.

The Government representatives were in broad agreement with the Commission on the main points put forward in this document. They also shared the Commission's view that harmonization was not an end in itself but a means of realizing the Treaty aims of improved living conditions for workers, freedom of movement and the levelling of competitive conditions.

Several subjects were chosen for a priority programme of Commission studies : scope of application, definitions, benefits, financing, statistics and co-ordination in preparing and ratifying international instruments concerning social security.

Housing

34. At the time of introducing Regulation No. 15 on initial measures for the free movement of workers within the Community, the Commission began to gather together the necessary information for an analysis of the housing problem. Furthermore, in paragraph 82 of its Memorandum on the Action Programme for the second stage, it spoke of the need to formulate opinions, recommendations or proposals on housing conditions "from a qualitative angle in general and with special reference to the needs of migrant workers".

A draft Commission recommendation to the Member States concerning housing for workers moving from one Community country to another was accordingly prepared. The proposal was discussed at two meetings of representatives of employers' and workers' organizations and of the International Union of Family Organizations (IUFO) and government experts, and met with a wide measure of support as to its grounds and general aims.

AGRICULTURE

The common agricultural policy

Commission proposals for a common level of cereal prices

35. At the Council session of 5-6 November (1) the Commission explained the grounds for certain proposals it intends to submit for a common level of cereal prices for the marketing year 1964/65.

The Commission believed that such a measure would make it possible on the one hand to implement the common price policy within the Community and on the other to determine the Community's position in trade with non-member countries.

The agricultural debate in the Parliament

36. At its plenary session of 18 October the European Parliament discussed and approved the Commission's proposals for a Council regulation on the establishment of an information service on farm accounts in the Community and the application of Regulation No. 25 (financing of the common agricultural policy). On this latter point the proposals are for a Council regulation on the grant of aid by the European Agricultural Guidance and Guarantee Fund and a financial regulation concerning that Fund. These proposals had been referred to the Parliament by the Council.

In its debate on the Sixth General Report of the Commission on the activities of the Community (from 1 May 1962 to 30 April 1963) the Parliament gave its opinion on the Community's activities in the agricultural sphere. It particularly regretted the delay in issuing regulations on several important matters of common agricultural policy and expressed the wish that the existing agricultural regulations, which were voluminous and unwieldy, should be rearranged and clarified, that the regulations on dairy produce and on vegetable oils and fats should if possible be introduced simultaneously or within a short time of each other, and that the Commission should work out a global approach to common agricultural policy.

37. The Commission's proposals for the Guidance and Guarantee Fund were also examined by the Economic and Social Committee at its meeting of 30 October.

38. At its sessions of 14-15 and 21-24 October the Council discussed the Commission's proposals concerning the further common organization of agricultural markets (dairy produce, beef and rice). It also studied a number of Commission proposals to improve common organizations already in operation.

(1) See Chap. I of this Bulletin.

Common policy for the markets

New common market organizations

39. In October the Council, the Special Committee for Agriculture (with its working parties) and the Commission were largely occupied in studying the Commission's proposals for a common organization of the market in dairy produce. Particular attention was paid at the meeting of the Special Committee for Agriculture on 3 and 4 October to policy for the fats sector in relation to the planned organization of butter markets. National and Community target price, aids, the approximation of threshold prices and intervention measures were also discussed by the Special Committee on 8 and 9 October, by the Council on 22 and 23 October, and by the working party on 28 and 29 October. In the light of these discussions the Commission's staff have made some amendments to the working of the articles in question and have submitted them to the Council.

Functioning of the common organizations of markets

40. In response to the Council's wishes, the Commission transmitted to the Council on 7 November a general report on the operation of the common agricultural regulations in 1962/63 and the first lessons to be drawn from it. The programme of work adopted by the Council at its session of 8-9 May provided for this report to be drawn up and discussed before the end of 1963.

Cereals market

41. As regards the system applicable to processed products based on cereals it has been found necessary to extend certain regulations which had expired, or to adapt them to changed market conditions. At its session of 21-22 October the Council adopted Council Regulation No. 115/63/EEC⁽¹⁾ proposed by the Commission and amending certain provisions of Council Regulation No. 55 on the system for processed products based on cereals, and Council Regulation No. 119/63/EEC⁽²⁾ amending Council Regulation No. 54 fixing the scale of premiums and fixing in advance the levies on cereal imports from non-member countries.

By virtue of these regulations the levy on processed products can now be fixed at a standard rate and intra-Community refunds are no longer determined on the basis of the levies but in relation to the difference in the threshold prices of the basic cereal. Furthermore, the "minimum premium" is henceforth abolished for cereals and the maximum premium is no longer applied, as hitherto, when the import is not made in the month planned.

The Council also decided to extend for six months — that is until 30 June 1964 — certain provisions of Council Regulation No. 55 which have reference to the system applicable to manioc flour and starch and other roots and tubers.

The Council agreed to the substance — but not yet the form in the four Community languages — of the Commission proposal for a regulation amending Coun-

(1) See official gazette of the European Communities, No. 155, 28 October 1963.

(2) *Ibid.*, No. 164, 15 November 1963.

cil Regulation No. 37 concerning criteria for fixing threshold prices for certain categories of flour, groats and meal.

By Regulation No. 111/63/EEC of 1 October 1963 the Commission also amended Commission Regulation No. 87 as regards surety (for imports) in order to harmonize the national regulations ⁽¹⁾. Finally, it extended its decisions of 30 August 1963 and authorized Germany and France to levy a countervailing charge on the import of certain categories of animal feeding-stuffs containing milk ⁽²⁾.

42. On 1 October 1963 the Federal German Republic applied the safeguard clause for imports of maize, millet and sorghum. This was found necessary because the French Government had not yet fixed maize prices for the 1964/65 marketing year and there was a considerable difference between the free-at-frontier prices fixed for 1 October 1963 and French forward prices (January 1964 with the levy fixed in advance). By decision of 3 October 1963 the Commission authorized application of the safeguard clause until 4 October 1963 ⁽³⁾.

Pigmeat market

43. The Council approved Council Regulation No. 114/63/EEC as proposed by the Commission. This reduces the levy on imports from non-member countries of pigmeat and certain cuts of pork between 1 and 30 November 1963 ⁽⁴⁾, thus extending Regulation No. 103/63/EEC of 25 September 1963.

44. After hearing the Pigmeat Management Committee the Commission adopted two measures concerning the fixing of a supplementary refund on the export of pigs and Wiltshire bacon :

a) Commission Regulation No. 117/63/EEC amending Commission Regulation No. 95/63/EEC of 13 August 1963 ⁽⁵⁾;

b) Commission decision of 4 November 1963 amending the Commission decision temporarily increasing the supplementary amount which may be refunded on exports of Wiltshire bacon to non-member countries.

Egg and poultry market

45. In order to keep costs low for the processing industry the Commission has taken the following decisions at the request of the Federal Republic, France and Italy :

a) Commission decision prolonging the validity of the Commission decision of 28 February 1963 authorizing the Federal German Republic to reduce levies on products in the egg sector ⁽⁶⁾;

⁽¹⁾ See official gazette of the European Communities, No. 147, 14 October 1963.

⁽²⁾ *Ibid.*, No. 158, 31 October 1963.

⁽³⁾ *Ibid.*, No. 146, 11 October 1963.

⁽⁴⁾ *Ibid.*, No. 155, 28 October 1963.

⁽⁵⁾ *Ibid.*, No. 158, 31 October 1963.

⁽⁶⁾ *Ibid.*, No. 162, 7 November 1963.

b) Commission decision prolonging the validity of the Commission decision of 11 September 1963 authorizing France to reduce levies on shell eggs for consumption ⁽¹⁾;

c) Commission decision extending the validity of the Commission decision of 31 May 1963 authorizing Italy to reduce levies on products in the egg sector ⁽²⁾.

In addition the Commission, by Regulation No. 112/63/EEC of 17 October 1963 ⁽³⁾, reduced from 24 pfg. to 15 pfg. per kilo the supplementary levy on imports of slaughtered poultry from non-member countries.

Fruit and vegetable market

46. At the instance of the Commission the Council held an exchange of views on the co-ordination and unification of the import system for fruit and vegetables from non-member countries. The Commission undertook to submit a proposal on this subject to the Council by 1 April 1964. As regards refunds on exports to non-member countries in 1964 of potatoes for consumption the Council agreed to apply a consultation procedure.

The Fruit and Vegetables Management Committee held a general discussion on the market situation and the application of quality standards on the internal market in conformity with Article 3 (1) of Regulation No. 23.

Rules of competition

47. In co-operation with government experts from the Member States the Commission continued work on the inventory of aids granted to agriculture. On 14 and 15 October questions concerning financial aids and aids to construction were discussed with the government experts in order to find out whether they affect intra-Community trade. The aids granted by France to exports of tinned mushrooms to the Federal Republic have also been included in the negotiations.

With a view to completing the inventory of existing aids those granted for beef and veal, dairy produce and rice were also examined at this meeting and at another held on 30 and 31 October.

The inventory of aids to agricultural production and trade which the Commission was instructed to draw up by Council decision of 29 June 1962 has been finalized and was submitted to the Council on 9 November.

48. The EEC Commission has taken a decision concerning the partial refund by the French Government of transport costs ⁽⁴⁾ to the frontier for cauliflowers, carrots, melons, peaches, plums, pears and table grapes. Where these refunds are made in respect of exports to other Member States the Commission considers them incompatible with the Common Market, since they distort competition on the markets of the other Member States and affect intra-Community trade (Article

⁽¹⁾ See official gazette of the European Communities, No. 153, 24 October 1963.

⁽²⁾ *Ibid.*, No. 161, 5 November 1963.

⁽³⁾ *Ibid.*, No. 149, 18 October 1963.

⁽⁴⁾ *Ibid.*, No. 174, 30 November 1963.

92 of the Treaty). The Commission has therefore, in accordance with Article 93 (2, first paragraph) of the Treaty, asked the French Government to abolish these aids by 8 November 1963 at latest.

In its letter to the French Government the Commission further announces its intention to propose, before 1 May 1964, Community solutions to certain economic difficulties which may from time to time arise from imbalances between supply and demand in the market for any particular product. This proposal will be made under Article 3 of the basic regulation on fruit and vegetables.

Community financing of agricultural policy

49. As reported in Section 36 the Parliament at its plenary session of 14 to 18 October examined the amended Commission proposal on conditions for the grant of help from the Agricultural Guidance and Guarantee Fund and the proposed financial regulation for the Fund, on which it expressed a favourable opinion. The Parliament passed a resolution on each proposal, recommending certain additions intended to bring out the connection between regional agricultural structures and the policy of structural improvement and to strengthen the Parliament's control over the Community budget.

The Economic and Social Committee also rendered an opinion on the Commission's proposals at its session of 30 October. It laid particular stress on the need for structural policy to be accompanied by a regional economic policy.

The Special Committee for Agriculture studied the amended proposals and set up working parties to examine under what conditions the Fund could provide aid and the financial procedures by which it would operate. These working parties met on 1, 2, 17, 18, 24 and 25 October and examined in detail questions relating to refunds.

Information service on farm accounts

50. With the aim of obtaining objective documentation on farm incomes and management in the Community the Commission had submitted to the Council a draft regulation for the establishment of an information service. On a proposal from the Committee on Agriculture, which met several times to draft the Parliament's opinion, the Parliament adopted in plenary session a resolution approving the Commission proposal subject to three additions, which the Commission has meanwhile to a large extent embodied in its amended proposal to the Council. These additions concern criteria for the selection of the farms which will be asked to supply information on their accounts, co-operation between the Commission and a Community committee of representatives of the Member States, and the charging to the Community budget of the cost of these operations.

The Special Committee's working party continued its study of the Commission proposal at two meetings held in October.

TRANSPORT

Common transport policy

51. The European Parliament has begun the study of five Commission proposals on the implementation of the common transport policy. On 17 September the Committee on Transport discussed with M. Schaus, a member of the Commission and President of the Transport Group, how far the Parliament should be consulted on the common transport policy, and on 22 October met to study the Commission's proposals on the basis of three reports.

The working party instructed to examine these proposals by the Transport Section of the Economic and Social Committee met in Rome from 15 to 18 October.

Weights and dimensions of commercial vehicles

52. On 17 October the Parliament rendered an opinion on the amended draft Council directive concerning weights and dimensions for commercial vehicles operating between the Member States. The Parliament proposes that the maximum length of vehicle trains be 18 metres instead of 17 metres 20, the maximum single axle weight 13 tons instead of 10 tons and the maximum for double axes 19 instead of 16 tons.

In the debate several speakers pleaded for the introduction of a European highway code.

The Economic and Social Committee gave its opinion on the amended draft Council directive on 29 October. As this amended proposal contains all the earlier provisions and merely adds some further technical specifications, the Committee's opinion is supplementary to the one⁽¹⁾ it issued at its plenary session of 24-25 April 1963 and concerns only those parts which are additional to the initial proposal.

The Committee approved the proposed directive as amended. It asked, however, that the effective date of the provisions on engine power be postponed for a year, i.e. until 1 January 1966. It also recommended that another directive be drawn up as soon as possible to fix general braking specifications according to the respective weights of the towing vehicle and trailer.

Joint action to abolish discrimination in transport rates and conditions

53. As part of the work on the implementation of Articles 79 and 80 of the Treaty, the Commission has continued to examine with the Government experts the problem of differential transport rates applied by Member States in their domestic traffic and their international traffic.

(1) See Bulletin No. 6-63, Chap. III, sec. 47.

The delegates of the Member States and of the Commission have concluded that such differences, especially as regards rates for exports and imports, involved elements of discrimination and were likely to affect the free movement of goods within the Community. The delegates of the Member States declared their readiness to abolish the provisions in question by a given date whenever they were not justified by considerations of competition or other grounds compatible with the Treaty.

The Commission has requested the member Governments to confirm their agreement on this joint action. The measures can then be introduced on 1 January 1964.

Meanwhile the Commission has made a decision on a specific case. It has informed the French Government by letter that the transport subsidies granted for the export of certain fruit and vegetables to Community countries are incompatible with the Common Market. The Commission consequently requested the French Government to abolish these aids by 8 November at the latest.

In its letter the Commission added that before 1 May 1964 it would propose Community solutions to the problem of the marketing of fruit and vegetables when temporary imbalances between supply and demand affect the market as a whole.

The Commission has also announced that it will continue to press for the abolition of all transport tariff measures which have the same economic effects as agricultural subsidies.

Consultations as called for by Article 80 (2) of the Treaty were held in Brussels on 29 October with delegates from the French Government on the regional adjustments to the new rates introduced by the French national railways on 1 October 1962.

Transport costs

54. The Committee of Government experts assisting the Commission in its studies of transport costs met for the sixth time on 24 and 25 October in Brussels.

The experts first examined the question of establishing balance sheets showing how railway infrastructure costs were covered. Although recognizing that this problem could not be finally solved until infrastructure costs and operating costs were determined by comparable methods, the Committee agreed, as a first step towards this definitive solution, to compare infrastructure costs, calculated according to its own methods, with the charges which the railways actually bear under the heading of infrastructure.

The experts also discussed whether studies of infrastructure costs should be individualized, i.e. the results presented route by route for instance, or whether overall studies would suffice. Although the majority recognized that it was highly desirable to gather as much information as possible, the Committee nevertheless thought that the practical solution was to present overall results, it being understood that these could be based on more or less individualized calculations as between types of transport in the light of the special characteristics of each.

It was, however, considered desirable for this presentation to be accompanied by special studies of representative routes or areas in the various networks.

Study of transport tariffs and taxation

55. The Commission has decided to request a committee of independent experts to undertake a study of possible courses of rational tariff policy in transport, including matters of infrastructure. The aim of this study is to elucidate, in the light of economic theory, the problems of establishing transport tariffs and charges and dues for the use of infrastructure arising from the proposed Council regulation on the introduction of a tariff bracket system and the proposed Council decision on the harmonization of competitive conditions in transport.

The Committee of independent experts consisting of Professors Allais (Paris), Del Viscovo (Rome), Cort (Utrecht), Seidenfus (Giessen), and Stohler (Basle) and of M. Duquesne de la Vinelle, Counsellor to the Commission, met for the first time on 28 and 29 October. Professor Allais was elected Chairman.

The Committee will report to the Commission before 1 June 1964.

The Consultative Committee on Transport

56. The Consultative Committee on Transport established under Article 83 of the Treaty held a meeting on 3 October in Brussels. The Committee, which was meeting for the first time since its renewal, elected M. Stoltenhoff as Chairman and M. Santoni Rugiu as Vice-Chairman. At the suggestion of M. Schaus, member of the Commission and President of the Transport Group, the Committee mainly devoted this first meeting to considering methods of ensuring continuity and efficiency in its work.

Transport by pipeline

57. By a decision of 21 March 1962 the Council had approved a Commission proposal for prior examination and consultation with regard to certain laws and regulations contemplated by Member States in the transport field. This procedure concerned only transport by rail, road and inland waterway. A further proposal for the inclusion of transport by pipeline was not accepted by the Council. Following a resolution of the Parliament at its March 1963 session and certain requests in the Council itself, the Commission has submitted a new document to the Council recalling its earlier proposal that the above-mentioned decision of 21 March 1962 should be extended to long-distance pipelines for gases, liquids or solids.

OVERSEAS DEVELOPMENT

Ratification of Association Convention between EEC and the African States and Madagascar

58. On 12 October the National Assembly of the Gabon Republic ratified the Association Convention between EEC and the African States and Madagascar signed at Yaoundé on 20 July 1963.

The Gabon National Assembly is thus the first Parliament of a signatory country to have ratified the Convention.

Council decision on the conclusion of the Association Convention by the Community

59. Following the opinion rendered by the European Parliament on 16 September 1963 on the Association Convention between the European Economic Community and the African States and Madagascar, the Council, acting under Article 56 (1) of the Convention, at its session of 4 and 5 November declared the Convention concluded with its annex, its seven protocols and the annexes to the Final Act.

The President of the Council was instructed to notify this decision in conformity with Article 56 of the Convention.

Trade problems

60. As part of the preparatory work to implement the Association Convention and Protocol No. 5 on aids to production, the Commission's staff have co-operated both by direct contact and in writing with the administrations of the associated States in preparing programmes of aid to production and diversification.

A meeting of experts on trade from the member countries and the associated States was called in Brussels by the Commission to discuss transitional arrangements for quota and customs disarmament in the associated States and in the Six.

During his visit to Brussels the Somali Finance Minister studied with Commission officials measures to abolish certain discriminations in Somalia's import system.

As required by the Association Convention the Commission has begun consultations with the associated States about the tariff concessions envisaged by EEC in favour of India.

Scholarships, training periods and symposia for nationals of the overseas States

61. The Commission has granted 731 scholarships for the academic year 1963/64. The placing of scholarship-holders in educational establishments in the member countries and Africa is in progress.

A mission from the Commission has visited Israel to study the possibilities of placing scholarship-holders in educational establishments there.

European Development Fund

SOCIAL PROJECT

62. In October a financing agreement was signed with the Central African Republic for a social project costing about 608 000 units of account.

Visits from African leaders

63. M. Abdulkadir Mohamed Aden, Minister of Finance of the Republic of Somalia visited the Commission on 14 October.

On this occasion a working meeting was held to examine certain projects submitted for financing to the European Development Fund.

M. Banja Tepan-Sie, President of the Sierra Leone Parliament, who is on a stay in Europe, paid an informatory visit to the Commission on 28 and 29 October.

Publication of study on coffee, cocoa and banana markets in the EEC countries

64. The Commission requested the INRA Europe Marketing Research Institute, which includes research bureaux in the Member States, to make a study of the present situation and future prospects of the coffee, cocoa and banana markets in the EEC countries. These tropical products account for a very large share of the income of many developing countries.

In view of the interest which this study may have for public bodies and private circles concerned with these problems in EEC and the associate States, the Commission has decided to publish it in the four Community languages. The French edition is already on sale and the others will shortly be issued (1).

The work contains analyses of conditions of import, transit, processing, distribution and price formation for the products in question. It also gives the results of a consumer inquiry and projections of levels of consumption in 1970.

ADMINISTRATIVE AFFAIRS

Budget matters

Draft budget from 1964

65. At its session of 14 and 15 October the Council approved the draft operational budget of the European Economic Community for 1964. In accordance with Article 203 of the Treaty, this draft has been referred to the European Parliament.

The draft budget provides for total expenditure of 61 441 993 units of account (2) broken down as follows :

Part I : Parliament	2 211 797 u.a.
Part II : Council	2 325 823 u.a.
Part III : Commission	56 470 780 u.a.
Part IV : Court of Justice	433 593 u.a.

As regards Part III : Commission, the amount of 56 470 780 u.a. includes :

- a) Remuneration of members of the Commission and staff 10 365 980 u.a.
- b) Building, supplies and miscellaneous 8 794 300 u.a.

(1) Obtainable from the sales and subscription offices of the Communities.

(2) One unit of account is equivalent to \$1 US.

- c) Joint Services and European School in Brussels 5 112 640 u.a.
d) European Social Fund (retraining and resettlement) 23 197 860 u.a.

On 1 July 1963 the Commission had submitted to the Council the preliminary draft of a supplementary budget for 1963 to cover transitional measures pending the entry into force of the new Association Convention between the Community and the African States and Madagascar. This draft provided in particular for 60 new posts for the Directorate General of Overseas Development and five posts for the Statistical Office. These requests were examined at the same time as those submitted for 1964.

Including the foregoing, the Commission's request was for 121 category A posts, 80 B posts, 183 C posts, 20 D posts and 50 posts in the linguistic services (454 posts in all). Of these posts the Council approved 215 — 45 A, 32 B, 82 C, 6 D and 50 L.

The Commission pointed out that such a reduction would prevent it from coping with the extra work falling upon it and that it would have no choice but to introduce another supplementary budget shortly.

Resolutions of the European Parliament on the Statute of Service of officials and on the budgets

66. At its October session the European Parliament adopted a resolution on the revision of the statutes of officials of EEC and Euratom and on the unification of the statutes of officials of the three Communities.

As regards the revision of the statutes the Parliament did not more than "note that the three Executives were agreed on the need to put in hand a common procedure to deal with the revision of the statute on points other than those which merely involve strict unification of the present texts, and that in consequence the Executives of EEC and Euratom will review their proposals together and with the High Authority".

As regards unification the Parliament approved the proposals of the EEC and Euratom Commissions for the alignment of certain statutory provisions on those at present in force under the revised ECSC statute.

The Parliament adopted two other resolutions, one concerning changes proposed by the Councils in the relevant part of the preliminary 1964 draft EEC and Euratom budgets concerning the Parliament, and the other the 1964 draft budget of the Parliament.

IV. Institutions and organs

A. THE PARLIAMENT

The Parliament met in plenary session from 14 to 18 October, M. Gaetano Martino presiding.

On a report by M. Kreyssig, the Parliament debated the Sixth General Report on the Activities of the Community. It also held an important debate on energy policy and discussed other questions relating to competition, agriculture, transport, the association of Greece with the Community, and budget and administrative matters. Twelve resolutions or formal opinions were adopted.

The Parliament first observed one minute's silence in memory of the thousands of victims of the Langarone disaster.

Before opening the proceedings on 15 October M. Martino informed the Parliament of the appointment of M. Rinaldo del Bo as President of the High Authority of ECSC in succession to M. Malvestiti, who had resigned.

The debate on the Sixth General Report

M. Kreyssig briefly introduced his report. He recalled the fears to which the breakdown of the negotiations with Great Britain had given rise for the future of European integration. "Fortunately," he added, "although the Community has suffered setbacks it is still alive and has even made progress."

M. Kreyssig regretted that the Council of Ministers was becoming more and more a platform for national interests and was thus hampering the forward march of Europe. There had certainly been advances in particular sectors but it also had to be recognized that unanimity was far from prevailing on the very concept of Europe and the institutional means of making it a reality.

M. Walter Hallstein, President of the Commission, congratulated the rapporteur on the very useful contribution made by the Parliament in its reply to the General Report.

He was glad to note that on the whole the Commission and the Parliament were advancing in the same direction and that the Parliament had used the Commission's Action Programme as the criterion in exercising supervision. In conformity with the Parliament's wishes the Commission immediately informed the relevant parliamentary Committees of any proposals it contemplated making; the Commission felt that these Committees should be kept informed even when consultation was not mandatory.

M. Mansholt, Vice-President of the Commission, commenting briefly on a suggestion in the Kreyssig report that agricultural legislation be simplified, emphasized the complexity of the problems involved in such an undertaking. As for the contention that intra-Community trade in farm produce was stagnating, M. Mansholt said that this was not the case.

M. Marjolin, Vice-President of the Commission, commented on the fears expressed that inflation might spread from France and Italy to the whole Community through the free movement of goods. The Commission shared these apprehensions; it had drawn the attention of the Italian and French Governments to the danger and suggested what action might be taken.

Replying to a question in the Kreyszig report concerning consultations with employers' and workers' organizations on the framing of a common medium-term economic policy, M. Marjolin said that before submitting its proposals the Commission had obtained authoritative opinions on many points from both sides, and these had been borne in mind.

M. Rochereau, a member of the Commission, said that it was absolutely essential to increase trade between the Community and the associated States. In answer to the Parliament's suggestion that the European Development Fund should finance training periods for Africans in the Parliament's secretarial services, M. Rochereau said that this would depend on two conditions: that the African States asked for such action and that they agreed to the expense being borne by the Development Fund.

As regards Algeria the speaker stated that Community aid was at present limited to continuing schemes launched before independence.

M. Levi Sandri, a member of the Commission, said that in social matters the Treaty did not go very far, so that the Social and the Health Protection Committees of the Parliament had been prompted to take the initiative in many useful ways.

The EEC Executive maintained close contact with these Committees and was satisfied that its social policy was forward-looking.

The ensuing debate reflected the Parliament's chief grounds for satisfaction, and also its apprehensions, at the end of the Community year covered by the Sixth General Report.

The Parliament expressed its satisfaction that despite the suspension of the negotiations with Great Britain the Community had made continued progress with customs disarmament and in economic matters. Ground had been gained in regard to the free movement of workers, tax harmonization and transport policy. The Association Agreement with Greece had come into force and an agreement with Turkey had been signed. The new Convention of Association with the African States and Madagascar had been signed.

On the other hand the Parliament was apprehensive at the long delay in drafting certain important agricultural regulations. Moreover, no progress had been made towards a common energy policy.

The Parliament felt that the rising price trend, which was particularly marked in France and Italy, was not only a national problem but a threat to the whole Community.

Most of the speakers referred to the increasingly urgent need for a common political will, not only to take certain critical steps and preserve the spirit of the

Rome Treaty, but also to enable the Community to play its full part in the world, and especially to contemplate partnership on an equal footing with the United States.

The three political groups in the Parliament defined their attitudes.

Speaking for the Christian Democrat group, M. Moro and M. Löhr said how crucial the year 1962/63 had been for the Community. Community economy was becoming a reality but European solidarity must ensure that certain social categories were not treated unfairly. That was why cartels had to be kept under control.

On the institutional plane the merging of the Executives could be a means of attaining political integration, making them the seat of European government. The Community's constitution presented an anomaly: legislative power was exercised by Ministers who in their own countries formed the Executive in the national Parliaments. On the other hand the European Parliament had no legislative power. The spokesmen of the Christian Democrat group hoped to see the Parliament elected by direct universal suffrage in order to provide the popular basis lacking for a European legislative power. A bicameral legislative system had been advocated, in which the Council would be the Senate or Council of States. Such a transformation would obviously require revision of the Treaty. This the group was prepared to accept to enable the Community to pass on to the necessary political stage.

The speakers expressed their concern at the factual situation created by the breakdown of the negotiations with Great Britain and affirmed that means of bringing this country to participate in EEC must be examined. The character of EEC as an open community should moreover be asserted and demonstrated at all times. As regards the Kennedy Round in particular, everything must be done to ensure that, although the Community's liberal concepts did not always tally with certain American protectionist opinions, the negotiations were successful.

For the Socialist group, M. Nederhorst expressed the same concern to see the Community again taking the initiative, particularly in its external relations.

The Socialist group were in favour of the lowest possible common external tariff and the most open Community possible, but one capable of defending its own interests.

The speaker was anxious about the danger of monetary depreciation: the Socialists did not feel that the appropriate means were being brought to bear against the danger of inflation. There should be rapid and concerted Community action to ward off this threat.

The Socialist group attached great importance to the free movement of workers as part of a regional economic policy.

M. Nederhorst urged the need of associating workers' and employers' representatives in the planning of economic programmes.

As to the political integration of Europe he agreed with the two previous speakers: European unification often involved relinquishing certain democratic rights of the national Parliaments. The Socialist group, who were sceptical about the chances of a European *relance* at present, were prepared to have faith in the Commission. If the latter succeeded in resisting the negative forces which were making

themselves felt it would deserve the confidence placed in it by the European Parliament.

For the Liberal group, M. Armengaud began with a few words on the subject of free movement of workers. The unemployed should not have to go elsewhere in search of jobs; it should be the object of regional economic policy to provide them with employment as near as possible to their homes.

M. Armengaud deplored the statement in the Kreyssig report that the percentage of the French population directly or indirectly dependent on agriculture was too high. It was not certain that this was quite true, nor was it right to say that there were "too many peasants in Europe".

Furthermore the bald statement in the Kreyssig report that there might be a danger in higher agricultural productivity could be construed as an appeal for malthusianism in agriculture.

M. Armengaud said that everything should be done to encourage farmers to have the utmost confidence in the Community to resolve their problems. On this point the Liberal spokesman recalled the recent resolution of his party in Paris urging that the European Guidance and Guarantee Fund should be used to protect farmers in the six countries from any loss as a result of the fixing of the European price for cereals.

Finally, it must be a settled point that the coming tariff negotiations between EEC and the United States should not be conducted in such a way as to impair Community preference or obliterate the EEC in a vast Atlantic free trade area.

M. Blaise, M. Sabatini, M. Vredeling and M. Kreyssig in their turn emphasized that the EEC must always remain outward-looking and that conditions must be created in Europe for equal partnership with the United States. Europe must not become a third force but must remain Atlantic, without however accepting subordination to the United States; European farmers must not bear the brunt of collaboration with the United States; a well-thought-out programme was just as necessary to deal with agricultural as with industrial problems. Such planning could not stop at State frontiers.

At the end of the debate the Parliament unanimously adopted the following resolution concerning the Sixth General Report on the Activities of EEC.

The European Parliament,

Having examined the Sixth General Report on the Activities of the EEC;

Having heard the President and the members of the EEC Commission;

I

1. *Welcomes* the fact that despite certain internal difficulties which the Community has had to face the Common Market has again developed satisfactorily during the last twelve months;
2. *Considers that* it is indispensable to proceed further with the internal consolidation of the European Economic Community;

3. *Endorses* the political concept of the EEC as expressed in the introduction to the General Report;
4. *Approves*, subject to the remarks and suggestions below, the activities of the EEC Commission during the last twelve months;
5. *Calls* on the EEC Commission to bear in mind in its future action the proposals, suggestions and observations contained in the Parliament's report on the Sixth General Report;

II

6. *Notes* with satisfaction :

- a) That the rapid pace of customs disarmament in the Community has been maintained and a further approximation to the common external tariff made in advance of the appointed date;
- b) That new steps have been taken to promote the free movement of workers in the Community — and the Parliament looks forward to the participation, which has not so far been the case, of both sides of industry in giving effect to freedom of movement, and to an improvement of housing conditions and social services for migrant workers;
- c) That progress has been made or is beginning to be made in the approximation of legislation and in tax harmonization;
- d) That concrete proposals have been made for the planning and implementation of a common transport policy;

7. *Regrets* :

- a) That the co-operation of heads of firms in EEC annual business surveys has not been forthcoming in all Member States;
- b) That regulations on several important matters of common agricultural policy have not yet been adopted or even submitted;
- c) That no real progress has yet been made in the matter of a common energy policy;
- d) That the EEC Commission is still not active enough in promoting co-operation in the field of culture and education and in that of industrial health and safety;

8. *Hopes* :

- a) That taxes with equivalent effect to customs duties and measures with equivalent effect to quantitative restrictions will be rapidly abolished;
- b) That the European regulations on competition will be put into effect rapidly and without causing excessive complications;
- c) That before the end of the current year the EEC Commission will submit proposals for the harmonization of regulations concerning capital movements;
- d) That a study will soon be put in hand on the causes of the growing tendency for prices to rise in the EEC in recent months with a view to curbing this trend;

- e) That the 1964 economic budgets of the Member States will be drawn up in good time, so that they can be used in co-ordinating the conjunctural policy of the Member States;
- f) That the Member States will lose no time in co-ordinating their monetary policies more closely;
- g) That European agricultural legislation, which has produced a cumbersome and confused system, will be presented in clearer form;
- h) That the regulations concerning dairy produce and those concerning vegetable oils and fats will be adopted and put into effect simultaneously or with little interval between them;
- i) That the EEC Commission will work out a general approach to European agricultural policy;
- j) That the EEC Commission will submit proposals for the inclusion of air and sea transport in the common transport policy;
- k) That the EEC Commission will take the necessary action to co-ordinate the Community petroleum market in the framework of a common energy policy, particularly as regards conditions of competition and publication of prices, investment and taxation;
- l) That the scope of the European Social Fund as an essential instrument for a common employment policy will be extended, in particular by including measures to promote vocational training for young people, so that the Fund may not merely serve to improve the distribution of manpower but may also become an effective instrument of regional policy;
- m) That the EEC Commission will soon submit a programme for harmonizing social systems on the basis of the suggestions and proposals of the European Conference on Social Security held in December 1962;
- n) That the EEC Commission will in future exercise more vigilance in seeing that the consumer reaps the benefits of the progressive development of the Common Market, and will make fuller and more searching inquiries into the consequences that the Common Market has so far had for the consumer;

III

- 9. *Stresses* the importance and growing responsibility which the European Economic Community is assuming in world trade and world politics and the obligations thus arising for the Community institutions and the Governments of the Member States;
- 10. *Urges* that the Community should as soon as possible have the fullest powers of action vis-à-vis the outside world, and to this end considers it of prime importance to work out and implement a common commercial policy;
- 11. *Welcomes* the fact that after the interruption of negotiations for the accession of Great Britain a means was found of maintaining contacts between that country and the Community;
- 12. *Welcomes* the entry into force of the Association of Greece with the Community and the recent signing of the Association Agreement with Turkey;

13. *Hopes* that the tariff negotiations which are to open next spring at GATT, and which will deal in particular with trade between the Community and the United States of America, will be prepared in such a way that the negotiations proper may begin under the most favourable auspices;

14. *Welcomes* the signing of the Association Convention with 17 African States and Madagascar, a Convention which opens a new era in co-operation between highly industrialized States and developing countries, and again calls attention to the need for a considerable increase in trade between the Community and these countries;

15. *Emphasizes* once more the need for the Community to adopt a common development policy and to co-ordinate the development policies of the Member States, and hopes that the suggestions in the Action Programme on this point will be put into effect as rapidly as possible;

16. *Trusts* that its proposals concerning more effective participation by the European Parliament in Community legislation will be adopted by the EEC Commission and Council of Ministers and put into effect at an early date;

17. *Hopes* that relations between the Parliament and the Council will become closer in the months ahead;

18. *Reiterates* its well-founded requests for improvements to the procedure followed in the presentation, examination and adoption of the budgets of the Communities;

19. *Urges* the EEC Commission to improve its internal structure and its administrative organization on the lines suggested by the competent Committee of the European Parliament;

2. *Considers* it indispensable for the Communities to have effective information services not only in Member States but also in the associated States and non-member countries;

V

21. *Believes* that with the growing trend towards economic union, with all its consequences for social policy, development policy, financial and external trade policy, there has come the need for a common political will in basic foreign and defence policy questions, and this must be progressively created through the machinery of the existing European Communities;

22. *Considers* it indispensable that the Governments of the Member States confront and co-ordinate their attitudes on fundamental issues of world politics in order to strengthen the trend towards European unification and to bring the full political weight of the Community to bear, particularly with a view to equal partnership with the United States;

VI

23. *Reminds* the Council that it is a Community institution which must contribute to the achievement of the common Treaty aims, where necessary even by majority decisions.

The energy policy debate

The Parliament held an important debate on energy policy which afforded an opportunity for M. Lapie, Chairman, and M. Marjolin and M. de Groote, members, of the Inter-Executive Working Party on Energy, the Chairman of the Parliament's Energy Committee and many members to put forward their views on this question. The general trends revealed by these discussions will be set out in a progress report on the common energy policy in Bulletin 1 of 1964.

It emerged from the debate that the Parliament was anxious for the Council finally to attain some decisive result in this field. The debate issued in the following resolution on the energy policy proposed in the Memorandum of 25 June 1962.

The European Parliament,

Having examined and approved the report of its Energy Committee on the energy policy proposed in the Memorandum of 25 June 1962;

1. *Recalls*, as regards the urgent need for, and the substance of, a European energy policy, the views it has expressed in various resolutions, most recently and in the most concrete terms in its resolution of 20 February 1962;
2. *Notes* that on 5 April 1962 the Ministers of the Member States instructed the European Executives to submit proposals for a European energy policy;
3. *Congratulates* the European Executives on the numerous studies which served in formulating the concrete proposals for an energy policy in the Memorandum submitted to the Councils in June 1962, and notes that in preparing this Memorandum the Executives took account of the European Parliament's resolution of 20 February 1962;
4. *Appreciates* the concept set out in the Memorandum, while realizing that, being only a picture of the present situation projected into the future, this concept will have to be regularly reviewed in the light of any more or less significant developments which might modify the energy economy;
5. *Hopes* that the Councils will find in the Protocol the legal basis for implementing the common energy policy, which must include inter alia harmonized rules of competition for all forms of energy;
6. *Regrets* to note, however, that the Councils are not sufficiently imbued with a political will to take a decision on the proposals in the Memorandum on European energy policy, and fears that in these circumstances any decision on the European Executives' proposals will be postponed indefinitely, thus gravely jeopardizing the progress of the Common Market;
7. *Considers* that such a situation is incompatible with the responsibility and dignity of the European Executives, and invites these to relinquish the mandate given them on 5 April 1962 by the Ministers of the Member States if, by 5 April 1964, the Councils have not taken any practical decisions on the proposals submitted to them by the Executives;

8. *Calls* upon its members to urge each of the national Governments to bring the negotiations on a Community energy policy to a rapid conclusion and to associate their national Parliaments with this action.

At this session the Parliament also adopted the following resolutions :

Competition

A resolution on a directive for the harmonization of Member States' turnover tax laws.

A resolution setting out its opinion on the EEC Commission proposal to the Council concerning a regulation to amend Regulation No. 17 (see Chap. III, Competition).

External relations

A resolution concerning the recommendation of 6 June 1963 of the Parliamentary Committee for Association between EEC and Greece (see Chap. III, External Relations).

Transport

A resolution setting out the Parliament's opinion on the proposed directive on permitted weights and dimensions of commercial vehicles operating between Member States and certain additional technical requirements applicable to such vehicles (see Chap. III, Transport).

Agriculture

A resolution setting out the Parliament's opinion on the amended proposal concerning a Council regulation on conditions for the grant of aid by the European Agricultural Guidance and Guarantee Fund.

A resolution setting out the Parliament's opinion on the amended EEC Commission proposal to the Council concerning a financial regulation for the European Agricultural Guidance and Guarantee Fund.

A resolution setting out the Parliament's opinion on the draft regulation establishing an information service on farm accounts in the EEC (see Chap. III, Agriculture).

Administration and budgets

A resolution on the draft budget of the European Parliament for 1964.

A resolution setting out the Parliament's opinion on the proposals of the Euratom and EEC Commissions to the Councils for the revision of the statute of service of officials of Euratom and EEC and the unification of the statutes of service of officials of the three Communities.

A resolution concerning the opinion of the Euratom and EEC Councils on the estimates for the European Parliament in the preliminary draft budgets of Euratom and EEC for 1964 (see Chap. III, Administrative Affairs).

B. THE COUNCIL

112th session (14 and 15 October 1963)

The 112th session of the Council was held on 14 and 15 October 1963, with M. L. De Block, Netherlands State Secretary for Foreign Affairs, in the chair. The main items of business were as follows :

Relations with India :- The Council agreed to take certain measures to assist Indian exports to the Community (see Ch. III sec. 6).

Exports of American poultry :- The Council issued directives to the Commission for the resumption of talks with the United States, specifying in particular the conditions under which the Community, in conjunction with the United States, could seek an advisory opinion from GATT (see Ch. III sec. 10).

Agriculture :- The Council heard statements by German State Secretaries Lahr and Hüttebräuker on the working of the agricultural regulations already in force and on distortions of competition. These statements also had a bearing on the factors to be kept in mind in finalizing regulations at present being studied by the Council, in preparing for the Kennedy round of negotiations, and in connection with other problems of commercial policy in the agricultural sphere.

The Council adopted a directive on harmonization of the provisions regarding approximation of the Member States' legislation concerning permitted preserving agents in foods.

Community budgets for the financial year 1964 :- The Council approved the draft operational budgets for the EEC and EAEC for 1964 (see Ch. III sec 65).

Information policy of the Communities :- The Council decided to set up Community information offices in Geneva and New York.

113th session (21-24 October 1963)

The 113th session, which was devoted to agricultural matters, was held from 21 to 24 October 1963, with M. B. W. Biesheuvel, Netherlands Deputy Prime Minister and Minister of Agriculture and Fisheries, in the chair.

C. THE COURT OF JUSTICE

Case struck out

Case 27/62 ⁽¹⁾

By decision of 9 October 1963, the Court of Justice of the European Communities struck out Case 27/62 : "Warenwein der Hamburger Börse e. V." and "Firma Heinrich Bruening" v. the Commission of the European Economic Community.

(1) See Bulletin No. 12-62, Chap. VI, C.

Interlocutory questions

Cases 73/63 and 74/63

In the cases “N.V. Internationale Crediet- en Handelsvereniging ‘Rotterdam’” (registered office at Rotterdam) and “Coöperatieve Suikerfabriek en Raffinaderij G.A. ‘Puttershoek’” (registered office at Puttershoek) v. the Netherlands Minister of Agriculture and Fisheries at The Hague, the College van Beroep voor het Bedrijfsleven (a tribunal of economic administration), by decisions of 10 July 1963 entered in the records on 11 July 1963, referred the following questions to the Court of Justice of the European Communities for interlocutory rulings :

1. Does the decision of the Commission of the European Economic Community of 27 July 1960, extended 21 December 1960, renewed 28 June 1961 and amended 27 February 1962, authorizing the Federal Republic of Germany to take safeguard measures with respect to imports from the other Member States of bread and fondant paste into the Federal Republic of Germany, empower the Netherlands Government to impose a tax on the export of fondant paste to the Federal Republic of Germany ?

2. If the reply to question 1 above is in the affirmative :

a) Was the Commission competent, under Article 226 of the Treaty establishing the EEC, to give the Netherlands Government authority to take such action without being requested to do so by that Government ?

If the reply to this question is in the negative :

b) Is the decision null and void in so far as it relates to such authorization ?

3. If the replies to question 2 a) and b) do not establish the nullity of the decision :

a) Do the difficulties referred to in Article 226 (1) of the Treaty include difficulties caused solely by the application of mandatory provisions of the Treaty, and in particular by the provisions concerning abolition of internal tariffs ?

and, if so,

b) Does that imply that the decision is null and void in so far as it confers upon the Netherlands Government the authority mentioned above ? It is necessary to adduce further grounds for nullity of the decision, arising from an infringement of European Community law, and in particular from the fact, alleged by the plaintiffs, that the Commission had recourse to the procedure of Article 226 of the Treaty in order to avoid following the procedure provided for in Article 235 ?

Case 75/63

By letter dated 12 July, filed with the Clerk of the Court on 15 July 1963, the Deputy President of the Centrale Raad van Beroep at Utrecht (final court of appeal in matters of social insurance in the Netherlands), in the appeal lodged by Mme K. H. Hoekstra (née Unger) of Amsterdam against the management

of the *Bedrijfsvereniging voor Detailhandel en Ambachten* at Utrecht, requested the Court of Justice of the European Communities to give an interlocutory interpretation of EEC Council Regulation No. 3 (official gazette of the European Communities, 16 December 1958, page 581/58), made pursuant to Article 51 of the Treaty establishing the EEC.

The question submitted by the Netherlands Tribunal is as follows: "How should the Treaty, the enactments made thereunder, and especially the regulation mentioned above, be interpreted? In particular, is the concept 'employed person or person treated as such' taken to be authoritatively defined by the municipal law of the Member States, or is it defined by a supranational provision? If the latter is the case, what is this definition, in so far as knowledge thereof is necessary to judge whether the first paragraph of Article 19 of the above-mentioned Council Regulation prohibits withholding payment of medical expenses to a person in the situation in which the Tribunal has classified the appellant?"

Cases pending

With regard to the Statute of the Service of Community staff, twelve disputes were before the Court of Justice on 30 October 1963. Two cases (Case 27/63 *Raponi v. EEC Commission*, filed 15 May 1963 — Case 71/63 *Mastropasqua v. EEC Commission*, filed 1 July 1963) are suits by officials of the Community for cancellation of decisions promoting other candidates to the posts in question. Three cases (Cases 20 and 21/63, *K. Maudet v. EEC Commission*, filed 2 April 1963 — Case 79/63 *J. Reynier v. EEC Commission*, and Case 82/63 *P. Erba v. EEC Commission*, both filed 29 July 1963) are suits for cancellation of decisions regarding establishment of the applicants. Finally, seven cases (Case 18/63 *Mme Schmitz v. EEC Commission*, filed 20 March 1963 — Case 26/63 *P. Pistoje v. EEC Commission*, filed 13 May 1963 — Case 72/63 *F. E. Bering v. EEC Commission*, filed 1 July 1963 — Case 77/63 *Mme Heiers v. EEC Commission*, 29 July 1963 — Case 78/63 *Hubert v. EEC Commission*, 29 July 1963 — Case 80/63 *R. Degreef v. EEC Commission*, 29 July 1963 — Case 81/63 *J. Barnhorn v. EEC Commission*, 29 July 1963), are complaints against the establishment procedure followed with regard to the applicants or decisions to terminate their appointments.

Action brought by the Commission

The Commission of the EEC has referred to the Court of Justice its dispute with the Kingdom of Belgium and the Grand Duchy of Luxembourg regarding the introduction, after 1 January 1958, of a special charge on the issue of licences to import certain dairy produce, viz. milk powder, sweetened condensed milk in tins, hard and medium-hard cheeses, processed cheeses, blue-veined cheeses and soft cheeses.

The special charge in respect of some of these products was instituted in Belgium by Royal Decree dated 3 November 1958, and in Luxembourg by Grand-ducal Decree dated 17 November 1958. Subsequently, it was extended to certain other kinds of cheese, and various changes took place in the rates actually imposed; at

the moment they are Bfrs. 10 per kilogramme for cheeses of the Emmentaler type and for hard or medium-hard cheeses, Bfrs. 7.25 for processed cheeses and nil for Sapsago cheese. For milk in solid form, the rate is based on the lactose content, and is reckoned at Bfrs. 16 per kilogramme of lactose in 100 kg. of whole milk solid and unsweetened.

The Commission considers that this is a case of introduction of charges equivalent in effect to customs duties contrary to Article 12 of the Treaty.

The respondents deny that the special charges are of this nature. Further, they submit that Article 12 of the Treaty does not prohibit the imposition of a charge with an effect equivalent to a customs duty if this charge replaces an obstacle to the free circulation of goods, that is to say a quota, which has been removed before the appointed date. Finally, they contend that Article 12 of the Treaty can be waived when, as in the present case, it is a matter of protecting a national market organization which, but for this special charge, would be dismantled during the period of transition before it could be replaced by a common organization of the market as provided for by the agricultural policy of the Community.

In judging the nature of the special charges in dispute, the Commission relies on the definition of a charge with an effect equivalent to a customs duty given in the Decision of the Court of 14 December 1962. The Commission considers the other arguments of the respondents groundless in fact, inasmuch as, at the time the Treaty came into force, all the products concerned were liberalized and bound, and were not subject to a national market organization.

In law the Commission holds that Article 12 of the Treaty prescribes an unqualified standstill; in other words, this Article would continue to be applicable even in a case where charges with an effect equivalent to a customs duty were introduced in order to replace a quota.

Finally, the Commission is of the opinion that even if it were established that a national market organization existed on 1 January 1958, this in no way detracts from the obligation imposed by Article 12 of the Treaty.

D. THE ECONOMIC AND SOCIAL COMMITTEE

The 32nd session of the Economic and Social Committee was held on 29 and 30 October 1963 in Brussels.

The Committee rendered the following formal opinions :

1. Opinion on the amended proposal for a Council directive concerning the weights and dimensions of commercial road vehicles operating between Member States and certain technical requirements applicable to these vehicles (1).

The opinion was adopted by a majority of 62 voices to 15 with 2 abstentions.

The Council had referred this proposal to the Committee on 6 May 1963.

(1) See Chap. III, sec. 52.

2. Opinion on :

a) The amended proposal for a Council regulation on the granting of aid by the European Agricultural Guidance and Guarantee Fund;

b) The amended proposal for a financial regulation of the Council relating to the European Agricultural Guidance and Guarantee Fund ⁽¹⁾.

This opinion was adopted unanimously.

The Council had referred these proposals to the Committee on 4 October 1963.

3. Opinion on Chapter II "Competition in the Common Market" of the Memorandum of the Commission on the Action Programme of the Community for the second stage.

The opinion was adopted unanimously.

4. Opinion on Chapter IX "External Relations" of the Memorandum of the Commission on the Action Programme of the Community.

This opinion was adopted *nem. con.* (80 votes with two abstentions).

The President of the EEC Commission, M. Hallstein, had invited the Committee to give an opinion on the Commission's Memorandum during the Committee's 25th session on 28 November 1962.

Before drafting the above opinions the Committee was addressed by M. Marjolin, Vice-President of the Commission, on the Commission's proposals to the Council relating to Community medium-term economic policy and to monetary and financial co-operation. M. Marjolin explained the intention and scope of these proposals and concluded by stressing the role assigned by the Commission to the Economic and Social Committee, which will be concerned with the various stages in the framing of medium-term economic policy.

E. THE MONETARY COMMITTEE

The 54th meeting of the Monetary Committee was held on 22 and 23 October 1963, with M. E. van Lennep in the chair. In the course of its periodical surveys of the monetary and financial situation of the Member States, the Committee examined the situation of Italy, on which it adopted a report to be transmitted to the Council and Commission.

An exchange of views also took place on problems relating to international payments.

⁽¹⁾ See Chap. III, sec. 37.

PUBLICATIONS OF THE EUROPEAN ECONOMIC COMMUNITY

A. Items concerning the activities of the European Economic Community published in the official gazette of the European Communities between 21 October and 7 November 1963

EUROPEAN PARLIAMENT

Written questions and replies

- N° 69 de M. Van der Ploeg à la Commission de la CEE. Objet : Mesures prises par le gouvernement de la république fédérale d'Allemagne en ce qui concerne les concombres, les cornichons et les haricots (No. 69 by M. Van der Ploeg to the EEC Commission : Measures taken by the Federal Republic of Germany in respect of cucumbers, gherkins and beans) No. 152, 23.10.63
- N° 75 de M. Burgbacher à la Commission de la CEE. Objet : Application des règles de concurrence aux entreprises d'Etat (No. 75 by M. Burgbacher to the EEC Commission : Application of rules of competition to state undertakings) No. 152, 23.10.63
- N° 76 de M. Vredeling à la Commission de la CEE. Objet : Réduction des tarifs pour le transport de céréales en république fédérale d'Allemagne (No. 76 by M. Vredeling to the EEC Commission : Reduction of freight rates for cereals in the Federal Republic of Germany) No. 152, 23.10.63
- N° 77 de M. Vredeling à la Commission de la CEE. Objet : Modification de l'article 13, alinéa a), du règlement n° 3 concernant la sécurité sociale des travailleurs migrants (No. 77 by M. Vredeling to the EEC Commission : Amendment of Article 13 (a) of Regulation No. 3 on the social security of migrant workers) No. 152, 23.10.63
- N° 68 de MM. Müller-Hermann et Dichgans au Conseil de la CEE. Objet : Difficultés dans le trafic de marchandises par chemin de fer vers l'Italie (No. 68 by M. Müller-Hermann and M. Dichgans to the EEC Council : Delays in goods traffic by rail to Italy) No. 156, 29.10.63

COUNCIL AND COMMISSION

Regulations

- Règlement n° 113/63 de la Commission, du 14 octobre 1963, concernant les modalités d'examen et de vérification des demandes de concours présentées au Fonds social européen (Commission Regulation No. 113/63 of 14 October 1963 on procedure for examining applications for aid from the European Social Fund) No. 153, 24.10.63

Règlement n° 114/63 du Conseil, du 24 octobre 1963, relatif à la diminution du montant des prélèvements envers les pays tiers applicables au porc et à certaines découpes de porc en ce qui concerne les importations effectuées durant la période du 1^{er} au 30 novembre 1963 (Council Regulation No. 114/63 of 24 October 1963 reducing levies on imports from non-member countries of pigmeat and certain cuts of pork from 1 to 30 November 1963)

No. 155, 28.10.63

Règlement n° 115/63 du Conseil, du 24 octobre 1963, portant modifications de certaines dispositions du règlement n° 55 du Conseil relatif au régime des produits transformés à base de céréales (Council Regulation No. 115/63 of 24 October 1963 amending certain provisions of Council Regulation No. 55 on products derived from cereals)

No. 155, 28.10.63

Règlement n° 116/63 de la Commission, du 25 octobre 1963, fixant les prélèvements intracommunautaires pour les œufs de volaille en coquilles (Commission Regulation No. 116/63 of 25 October 1963 fixing intra-Community levies on poultry eggs in shell)

No. 156, 29.10.63

Règlement n° 117/63 de la Commission, du 29 octobre 1963, portant modification du règlement n° 95/63 de la Commission (Commission Regulation No. 117/63 of 29 October 1963 amending Commission Regulation No. 95/63)

No. 158, 31.10.63

Règlement n° 118/63 du Conseil, du 5 novembre 1963, portant modification de dispositions du règlement n° 17 (Council Regulation No. 118/63 of 5 November 1963 amending provisions of Regulation No. 17)

No. 162, 7.11.63

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Décision du Conseil du 14 octobre 1963 portant uniformisation de certaines mesures de politique commerciale à l'égard du gouvernement impérial de l'Iran (Council decision of 14 October 1963 harmonizing certain measures of trade policy in respect of Iran)

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No. 152, 23.10.63

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Consultation du Comité économique et social au sujet de la proposition de première directive en matière de cinématographie (Reference to the Economic and Social Committee of the proposal for a first directive on the film industry)	No. 159, 2.11.63
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Avis de concours général n° 11/Conseils (traducteurs adjoints d'expression française) [Notice of general competitive examination No. 11/Councils (assistant French-language translators)]	No. 160, 4.11.63

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Décision de la Commission, du 3 octobre 1963, portant augmentation du volume du contingent tarifaire au bénéfice du royaume des Pays-Bas pour le ferro-chrome (Commission decision of 3 October 1963 increasing the tariff quota granted to the Netherlands for ferro-chromium)	No. 151, 21.10.63
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Décision de la Commission, du 11 octobre 1963, portant augmentation du volume du contingent tarifaire octroyé à la république fédérale d'Allemagne pour les pamplemousses frais (Commission decision of 11 October 1963 increasing the tariff quota granted to the Federal Republic of Germany for fresh grapefruit)	No. 153, 24.10.63

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No. 153, 24.10.63

Décision de la Commission, du 26 septembre 1963, portant octroi du concours du Fonds social européen au bénéfice du royaume de Belgique pour des dépenses relatives à des opérations de rééducation professionnelle (Commission decision of 26 September 1963 granting to Belgium aid from the European Social Fund towards expenditure on vocational retraining)

No. 154, 26.10.63

Trois décisions de la Commission, du 26 septembre 1963, portant octroi du concours du Fonds social européen au bénéfice de la république fédérale d'Allemagne pour des dépenses relatives à des opérations de rééducation professionnelle (Three Commission decisions of 26 September 1963 granting to the Federal Republic of Germany aid from the European Social Fund towards expenditure on vocational retraining)

No. 154, 26.10.63

Trois décisions de la Commission, du 26 septembre 1963, portant octroi du concours du Fonds social européen au bénéfice de la république fédérale d'Allemagne pour des opérations de réinstallation (Three Commission decisions of 26 September 1963 granting to the Federal Republic of Germany aid from the European Social Fund towards expenditure on resettlement)

No. 154, 26.10.63

Décision de la Commission, du 26 septembre 1963, portant octroi du concours du Fonds social européen au bénéfice de la République française pour des dépenses relatives à des opérations de réinstallation (Commission decision of 26 September 1963 granting to France aid from the European Social Fund towards expenditure on resettlement)

No. 154, 26.10.63

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No. 154, 26.10.63

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- Décision de la Commission, du 26 juillet 1963, relative à la perception d'une taxe compensatoire à l'importation, en république fédérale d'Allemagne, de biscuits et gaufres (Commission decision of 26 July 1963 authorizing the Federal Republic of Germany to impose a countervailing charge on imports of biscuits and waffles) No. 156, 29.10.63
- Décision de la Commission, du 25 octobre 1963, portant modification de sa décision du 30 août 1963 autorisant la république fédérale d'Allemagne à percevoir un montant compensatoire sur l'importation de certaines catégories d'aliments pour animaux, contenant du lait (Commission decision of 25 October 1963 amending the decision of 30 August 1963 authorizing the Federal Republic of Germany to impose a countervailing charge on imports of certain types of animal feed containing milk) No. 158, 31.10.63
- Décision de la Commission, du 25 octobre 1963, portant modification de sa décision du 30 août 1963 autorisant la République française à percevoir un montant compensatoire sur l'importation de certaines catégories d'aliments pour animaux, contenant du lait (Commission decision of 25 October 1963 amending the decision of 30 August 1963 authorizing France to impose a countervailing charge on imports of certain types of animal feed containing milk) No. 158, 31.10.63
- Décision de la Commission, du 28 octobre 1963 prorogeant la validité de la décision de la Commission du 31 mai 1963 autorisant la République italienne à diminuer les prélèvements pour les produits à base d'œufs (Commission decision of 28 October 1963 extending the validity of the Commission's decision of 31 May 1963 authorizing Italy to reduce levies on egg products) No. 161, 5.11.63
- Décision de la Commission, du 25 octobre 1963, autorisant la république fédérale d'Allemagne à diminuer les prélèvements pour les produits du secteur des œufs (Commission decision of 25 October 1963 authorizing the Federal Republic of Germany to reduce levies on egg products) No. 162, 7.11.63
- Décision de la Commission, du 31 octobre 1963, modifiant les décisions de la Commission en date du 15 octobre 1962 et du 7 mars 1963 autorisant la République française à fixer les points de passage en frontière ou en douane ouverts aux importations de fruits et légumes en provenance des autres Etats membres (Commission decision of 31 October 1963 amending the Commission's decisions of 15 October 1962 and 7 March 1963 authorizing France to fix the frontier or customs posts open for imports of fruit and vegetables from the other Member States) No. 162, 7.11.63

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- Recommandation de la Commission, du 15 octobre 1963, adressée au royaume de Belgique et au grand-duché de Luxembourg, au sujet de l'accélération du rythme prévu par sa directive du 15 octobre 1963 concernant la suppression du droit spécial à l'importation sur le pain d'épices appliqué par le royaume de Belgique et le grand-duché de Luxembourg vis-à-vis des autres Etats membres (Commission recommendation of 15 October 1963 to Belgium and Luxembourg on the accelerated time-table laid down by its directive of 15 October 1963 for the abolition of the special duty on imports of "pain d'épices" into Belgium and Luxembourg from other Member States) No. 156, 29.10.63
- Recommandation de la Commission, du 15 octobre 1963, adressée au royaume des Pays-Bas, au sujet de l'accélération du rythme prévu par sa directive du 15 octobre 1963 concernant la suppression du prélèvement à l'importation sur la bière, appliqué par le royaume des Pays-Bas vis-à-vis des autres Etats membres (Commission recommendation of 15 October 1963 to the Netherlands on the accelerated time-table laid down by its directive of 15 October 1963 for the abolition of the charge on imports of beer into the Netherlands from other Member States) No. 156, 29.10.63

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- Modificatif à l'appel d'offres n° 309 lancé par la république fédérale du Cameroun (Amendment to call for tender No. 309 issued by the Federal Republic of Cameroon) No. 152, 23.10.63
- Avis d'appel d'offres n° 329 lancé par la république du Mali (Notice of call for tender No. 329 issued by the Republic of Mali) No. 152, 23.10.63
- Avis d'appel d'offres n° 330 lancé par la République malgache (Notice of call for tender No. 330 issued by the Malagasy Republic) No. 154, 26.10.63
- Avis d'appel d'offres n° 331 lancé par la République malgache (Notice of call for tender No. 331 issued by the Malagasy Republic) No. 154, 26.10.63
- Modificatif à l'appel d'offres n° 321 lancé par la république du Gabon (Amendment to call for tender No. 321 issued by the Republic of Gabon) No. 159, 2.11.63
- Modificatif à l'appel d'offres n° 329 lancé par la république du Mali (Amendment to call for tender No. 329 issued by the Republic of Mali) No. 159, 2.11.63
- Consultation publique (n° 332) de la république du Mali (Notice of call for supply tender No. 332 issued by the Republic of Mali) No. 159, 2.11.63

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Avis de concours n° CEE/180/A (15 administrateurs) [Notice of competitive examination No. EEC/180/A (15 administrative officers)]	No. 151, 21.10.63
Avis de concours n° CEE/101/C (50 secrétaires sténodactylographes de langue française) [Notice of competitive examination No. EEC/101/C (50 French-language secretaries with shorthand and typing)]	No. 161, 5.11.63
Avis de concours n° CEE/102/C (50 secrétaires sténodactylographes de langue italienne) [Notice of competitive examination No. EEC/102/C (50 Italian-language secretaries with shorthand and typing)]	No. 161, 5.11.63
Avis de concours n° CEE/103/C (50 secrétaires sténodactylographes de langue allemande) [Notice of competitive examination No. EEC/103/C (50 German-language secretaries with shorthand and typing)]	No. 161, 5.11.63
Avis de concours n° CEE/104/C (50 secrétaires sténodactylographes de langue néerlandaise) [Notice of competitive examination No. EEC/104/C (50 Dutch-language secretaries with shorthand and typing)]	No. 161, 5.11.63

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Avis de concours Commission de contrôle 1/B (un assistant) [Notice of competitive examination Audit Board 1/B (one assistant)]	No. 160, 4.11.63
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COURT OF JUSTICE OF THE EUROPEAN COMMUNITIES

Decisions

Attribution des affaires introduites par les fonctionnaires des Communautés (Cases brought by Community officials remitted to Second Chamber)	No. 156, 29.10.63
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Recours introduit le 15 octobre 1963 contre le grand-duché de Luxembourg par la Commission de la CEE (affaire n° 90-63) [Suit by the Commission of the European Economic Community against the Grand Duchy of Luxembourg, filed 15 October 1963 (case No. 90-63)]	No. 162, 7.11.63
Recours introduit le 15 octobre 1963 contre le royaume de Belgique par la Commission de la CEE (affaire n° 91-63) [Suit by the Commission of the European Economic Community against the Kingdom of Belgium, filed 15 October 1963 (case No. 91-63)]	No. 162, 7.11.63

Demande de décision préjudicielle contenue dans la décision du Centrale raad van beroep à Utrecht du 16 octobre 1963 dans l'affaire Dame M.Th. Nonnenmacher, veuve de H.E. Moebs, à Drusenheim (France) contre le Bestuur van de Sociale-verzekeringsbank à Amsterdam (affaire n° 92-63) [Request for interlocutory decision contained in the decision of the Centrale raad van beroep in Utrecht on 16 October 1963 *in re* Mrs. M.Th. Nonnenmacher, widow of H.E. Moebs, of Drusenheim (France) v. the Bestuur van de Sociale-verzekeringsbank of Amsterdam (case No. 92-63)]

No. 162, 7.11.63

Radiation de l'affaire 27-62 (Case 27-62 struck out)

No. 162, 7.11.63

ECONOMIC AND SOCIAL COMMITTEE

Modifications intervenues dans la composition des sections spécialisées (Changes in the composition of the specialized sections)

No. 153, 24.10.63

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

Supplement No. 41 of 30 October 1963

Supplement No. 42 of 6 November 1963

Supplement No. 43 of 13 November 1963

C. Recent publications of the European Economic Community ⁽¹⁾

Occasional publications

Monographs — Agricultural series

8076* No. 9/1963 — L'organisation de la recherche agronomique dans les pays de la C.E.E. (Organization of agronomic research in the countries of the European Economic Community)

1963. 128 pp. (F, D; I, N *in preparation*)

Price: Bfrs. 150; FF 15

8077* No. 10/1963 — Le marché commun des produits agricoles. Perspectives « 1970 » (The common market in farm produce. Prospects for 1970)

1963. 198 pp. (F, D, I; N *to appear shortly*)

Price: Bfrs. 250; FF 24.50

(¹) The letters after each title indicate the languages in which the texts have been published: F = French; D = German; I = Italian; N = Dutch; E = English; Es = Spanish.

Periodical publications

- 4002 Graphiques et notes rapides sur la conjoncture dans la Communauté. Mensuel. Nos. 10 et 11/1963. Trois éditions bilingues : français/italien, allemand/néerlandais, anglais/français (Graphs and notes on the economic situation in the Community. Monthly. Nos. 10 and 11/1963. Three bilingual editions : English/French, French/Italian, German/Dutch).
- Price per issue : 3s.6d.; \$0.50, Bfrs. 25. Annual subscription : £1.16s.0d.; \$5.00; Bfrs. 250
- 2001* La situation économique de la Communauté. Rapport trimestriel, n° 3, septembre 1963 (F, D, I, N, E) [The Economic Situation in the Community. Quarterly survey. No. 3, September 1963 (F, D, I, N, E)]
- Price per issue : 15s.0d.; \$2.00; Bfrs. 100. Annual subscription : £2.10s.0d.; \$7.00; Bfrs. 350
- 5002 Bulletin des acquisitions. Bibliothèque de la Commission de la Communauté économique européenne (List of recent additions. Library of the Commission of the European Economic Community). Monthly. Nos. 5, 6, 7-8 and 9. Free of charge.

D. Publications by the joint services of the three Communities

Joint Information Service

Publications by offices in capital cities :

- Bonn : Europäische Gemeinschaft, No. 13, November 1963
- The Hague : Europese Gemeenschap, No. 54, November 1963
- Paris : Communauté européenne, No. 11, November 1963
- Rome : Comunità Europea, No. 11, November 1963
- London : European Community, No. 10, October 1963
- Washington : European Community, No. 66, October 1963

Statistical Office of the European Communities

General Statistical Bulletin — No. 11/1963

Informations statistiques (Statistical information) — No. 2bis/1963

Commerce extérieur : Statistique mensuelle (Foreign Trade : Monthly Statistics) — No. 11/1963

Commerce extérieur : Commerce des associés d'outre-mer (Foreign Trade : Trade of the Overseas Associated Areas) — January-December 1962, 1st part

Annuaire « Charbon et autres sources d'énergie » (Yearbook "Coal and other Sources of Energy") — 1963

Statistiques agricoles (Agricultural Statistics) — No. 4/1963

