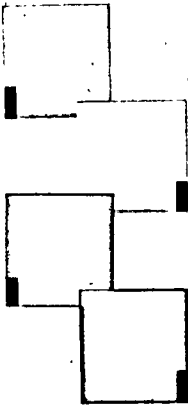


COMMUNAUTÉ
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A New Step Forward to the Common Agricultural Policy

Extracts from the address delivered by Dr S. L. Mansholt
Vice-President of the EEC Commission to the European Parliament
on 7 January 1964

[...]

“On behalf of the EEC Commission, I can say that we are very pleased that at the end of 1963, a year which was extremely difficult politically for our Community, the Council of Ministers showed itself ready to take decisions.

The decisions it has taken are very far-reaching. They are not only of the utmost importance to our agriculture economically and technically, but are also, in the opinion of the EEC Commission, of great political importance to the Community.

The Council has shown that, in spite of the great difficulties, and also in spite of the different political views within our Community, it considers that progress must be made in those fields where progress is necessary.

And agriculture is undeniably the field in which decisions are most urgently necessary.

I have already argued in this House that the agricultural and industrial sectors in our Community are definitely not developing in step with each other.

[...]

We are, in fact, not yet able to take in agriculture the action which establishment of the common external tariff is enabling us to take in industry — namely, to dismantle internal customs barriers and fix a common level of protection. We still do not know in what direction our agricultural policy will be developed nor what the future level of protection will be. Hence the Community is not in a position today to negotiate with non-member countries in the agricultural sector using the same instruments as are used in the industrial sector.

Decisions were also necessary in order to strengthen our Community internally.

We had, it is true, built up common organizations for the markets dealing with about 40% of farm products, notably cereals, eggs, pigmeat, vegetables and fruit; but although the EEC Commission put forward proposals as long ago as 1962 for common organizations to deal with milk and milk products, rice, and beef and veal, the Council had still reached no decision, and it was therefore imperative that the relevant decisions should be taken by the end of 1963.

In addition, early in 1962 the Council had taken decisions regarding the joint financing of the agricultural policy, but it had not yet been possible to adopt a single implementing regulation. This, too, was done on 23 December 1963.

The Council has thus carried out the action programme it had fixed on 9 May 1963, which included adoption, before the end of the year, of the regulations for rice, beef and veal, and milk and milk products, and of the regulation for the fund to cover joint financing. The Council has also taken decisions making it possible to amend the existing regulations for the market organizations in the light of subsequent experience. The Council has drawn certain conclusions from the report of the EEC Commission. The support measures for agriculture were exhaustively discussed, and as a result certain decisions were taken.

Furthermore, the Council has also authorized the Commission to negotiate in GATT regarding both industrial and agricultural products."

M. Mansholt mentioned decisions which the Council was not able to take, including those relating to the final texts of regulations. He then went on to say :

"Mr President, I will now give a short account of the difficult points of discussion in the Council.

As regards milk and milk products, the decisions were taken on the basis of the EEC Commission's proposal. However, certain amendments were made to this.

In the first place, it was decided that national subsidies can be maintained until the end of the transitional period, if the fixing of lower target prices for milk were to reduce the incomes of farmers.

In certain EEC countries, notably Germany and the Netherlands, substantial subsidies are at present given to producers of milk and milk products. These subsidies are in Germany about DM 1 000 million per year, and in the Netherlands about Fl. 300 million. It would be impossible to abolish them at one stroke.

[...]

In the case of those products for which the next market price will be below the lower limit of the target price in the Community, the EEC Commission proposed that that part of the subsidies given to make up the difference between the two prices should be reduced by one sixth per year.

In those countries where the market price is considerably below the national target price — that is, the price paid to the farmers — the rest of the subsidies would then automatically disappear as a result of raising the market price in the transitional period to the level of the national target price.

In those countries where, as a result of alignment of prices, the target price will have to drop considerably, national subsidies tied to the product will have to continue. However, during the transitional period these subsidies must be

converted into a form of support which is such that, in the final stage, they are no longer tied to the product.

Agreement in the Council was reached on this basis.

There was another important difference of opinion regarding refunds on products from non-member countries and the levies on these products.

It was laid down that each country is entitled to levy an amount on products exported corresponding to the support it gives to the product. That is to say, where a country exporting goods has fixed its target price higher than its market price, it may recover by means of a levy on those exports the difference between its market price and its target price. The amounts involved may be very considerable. This can only happen on one condition, namely that a corresponding subsidy is given on imports from member countries — that is, a subsidy equal to the difference between the free-at-frontier price and the market price in the importing country.

[...]

Again, the Council has found a solution to the problem of exports to non-member countries. The basis of refund will no longer be the lowest market price, but the lowest target price in our Community.

This, too, is an important decision, which had to be taken in order to reach overall agreement. However, it was arrived at without much trouble.

In the whole problem of milk and milk products, the question of fats and oils played an extremely important part. It was evident that there could be no agreement on a regulation establishing a market organization in milk and milk products if the Council did not, at the same time, commit itself to certain principles, to a certain decision, regarding the production of fats and oils."

M. Mansholt outlined the Commission's proposal, and continued:

"Another thesis, defended by major oil- or fat-producing countries such as Italy, was that the policy for oils and fats should fit in closely with the policy for milk and milk products, and that the price of fats and oils should be put high enough for milk and its products, in particular butter, to be not only financed but also marketed from the proceeds.

These were two extreme standpoints, and the Council decided to adopt the proposal made by the EEC Commission.

To show you what this means: if, for instance, we had pursued a policy which sought to compensate the disadvantages or price differences of dairy butter, there would have to be a charge on fats — that is to say, on margarine — of about 80 pfennigs per kilo. Such a charge is already levied in Italy.

The EEC Commission did not follow this course, nor did the Council. Agreement was reached on a low charge, which would let the consumer pay the cost price of the fats and oils produced in our Community.

I have gone into this in some detail, because the Council found it one of the most difficult points on which to reach a decision. Very great differences of opinion persisted until the end.

For beef, too, the basis was provided by the Commission's draft regulation. It was accepted by the Council, but in the subsequent discussions a few amendments were made, in particular regarding the time for intervention in the market. This is extremely important. (You will remember that we did not decide to intervene in the case of pigmeat). The Council decided to fix a common intervention price which will be between 93% and 96% of the guide price. I hope I am not being too technical for many members, but I cannot go into this at greater length at the moment. However, the figures 93% to 96% are more or less in line with the EEC Commission's proposals.

The intra-Community levies also led to long discussions. It was decided that, if no intervention took place in a particular importing Member State, that State may impose a levy to bring the price up to 90% of the guide price. This, too, is in line with the Commission's proposal. However, if intervention does take place, the levy must never be greater than the difference between the supply price and the intervention price.

I would add that, at the request of the Federal Republic of Germany the Council has agreed to continuation for the next two years of the trade agreement with Denmark, which runs until 1965.

[...]

Opinions were likewise greatly divided on the policy to be adopted for rice. Together with certain member countries, the Commission considered that the rice regulation should be, *mutatis mutandis*, identical with the cereals regulation, whereas the rice-importing countries, in particular, desired a policy by which a sort of line would be drawn through Europe, the Main or Frankfurt line, marking the limit to which rice from non-member countries could come. The problem was solved by adopting the proposal of the EEC Commission, which means that the policy for rice will be similar to that for cereals.

Whit regard to the Agricultural Fund, the Commission's proposal was also followed, except for some amendments which chiefly concerned the powers of the committees. Provision was made for two committees : one for the Fund and a standing committee on the structure of agriculture. It was decided that these committees should be given the same powers as are laid down in the regulations for the Management Committees. One member country, the Netherlands, intervened, expressing the desire to have a Council ruling regarding parliamentary control of the Fund — an extremely important point which the EEC Commission readily supported. The Council decided to discuss the matter in the spring, on the basis of a report to be drawn up by the permanent representatives. This links up with the questions of merging the three Executives and of strengthening the powers of the Parliament, questions which will be considered at the same time as that of control over the administration and expenditure of the Fund."

With regard to the alignment of cereal prices, M. Mansholt confirmed that no further proposal was to be expected from the Commission. He stated that the Council would have to start discussing this problem in January or February, and stressed the importance of Parliament's giving its opinion on the Commission's proposal without delay.

"No less important than the decisions taken on agricultural policy are those on the imminent negotiations in the Kennedy round in GATT.

The EEC Commission is extremely pleased to have received a clear-cut mandate. [...] It is a mandate at the early stages of negotiations and I can only speak about it in general terms."

M. Mansholt recalled the difficulties encountered and the criteria applied in the negotiations on industrial products, and pointed out that the situation in the agricultural sector was more complicated.

A problem arises from the fact that the customs tariff is becoming less and less important in the agricultural policy of all the GATT countries. Tariffs no longer constitute a suitable basis for international negotiations. Since the Contracting Parties in GATT do not all use the same instruments in their agricultural policies, such a basis can only be found in the support given by each GATT country to each farm product. Hence the Community will propose to the countries in GATT that negotiations should be based on this support.

M. Mansholt raised the question of the Community's negotiating possibilities regarding products for which a common price had not yet been fixed.

He recalled that two basic principles have now been laid down by the Council: firstly, no farm product coming under the common agricultural policy can be excluded from the negotiations; and secondly, the support which the Community intends to liberalize in the Kennedy round is that resulting from its common agricultural policy.

"It therefore seems necessary to fix as soon as possible the common prices for cereals and for the other main products affected by the common agricultural policy.

The chief result of the Council's decisions of 23 December is, then, that the EEC Commission is authorized to negotiate with non-member countries on the basis of a common agricultural policy.

We are now compelled to take decisions if we want to bring the negotiations to a successful conclusion in 1964, or early in 1965, for we shall not have much more time than that." (1)

(1) The decisions taken by the Council on 23 December 1963 have been summarized in Bulletin No. 1-64. The significance and effects of these decisions are indicated in Chap. V, sec. 41 of the present Bulletin.

Reappointment of the President and Vice-Presidents of the Commission

Meeting on 10 January 1964 in Brussels, the representatives of the Member States' Governments decided, in accordance with the provisions of the Treaty establishing the EEC and after consulting the Commission, to reappoint M. Walter Hallstein President and M. Sicco L. Mansholt and M. Robert Marjolin Vice-Presidents of the EEC Commission.

They also reappointed M. Pierre Châtenet and M. Enrico Medi President and Vice-President respectively of the Euratom Commission and M. Dino Del Bo and M. Albert Coppé President and Vice-President respectively of the ECSC High Authority.

Being informed that M. Paul Finet had been co-opted by the High Authority, they appointed M. Roger Reynaud to membership of that body. They were advised that the High Authority had also co-opted M. Fritz Hellwig.

I. Round Table on social policy in transport

A Round Table on social policy in transport, arranged by the Commission of the European Economic Community, was held in the Palais des Congrès in Brussels on 10, 11 and 12 December 1963.

Advisory in character, this meeting was attended by government officials (in their personal capacities), representatives of workers and employers, observers from other Community institutions and from various international organizations such as the ILO, the Central Commission for the Navigation of the Rhine, the OECD and the Council of Europe. A number of European personalities prominent in this field also took part.

The aim of the Round Table was to furnish the EEC Commission with guidance and clarification concerning the social measures to be taken in the transport sector, the attitude it should adopt towards transport operations to or from a non-member country and any social measures that should be taken in this field and lastly to provide information on existing problems to which no special reference was made in the action programme to introduce a common transport policy.

The Round Table dealt with the following subjects :

- A. Harmonization and co-ordination of working conditions;
- B. Vocational training and employment;
- C. Industrial health and safety — social services.

A report had been prepared for each subject by a rapporteur assisted by associate rapporteurs.

As regards harmonization and co-ordination, the main points discussed were the composition of crews, the length of working hours, and supervision and enforcement in the three types of transport covered by the action programme to introduce a common transport policy : i.e. road, rail and inland waterway. There was broad agreement as to the need for a survey of the current situation as regards working conditions in the various Community countries. Opinions were divided on whether there should be harmonization within each type of transport before effecting co-ordination between the three types. Both workers and employers in the road and inland waterway sectors felt that it would be difficult to pursue the two objectives along strictly parallel lines and that the only way to achieve the aims of the action programme with regard to harmonization and co-ordination was to carry out harmonization first of all within each type of transport.

The participants also expressed themselves in favour of the institution of tripartite consultation arrangements (governments, employers, workers) in social matters in the transport field.

On the question of harmonization and co-ordination of working conditions, concern in the immediate future centres on the points already made by the European Commission in its proposed decision of May 1963 for the harmonization of social provisions having an impact on competition, i.e. the numbers and composition of crews, the maximum number of hours of uninterrupted driving by road and rail workers and the maximum number of hours at the helm in inland waterway transport, working hours and rest in general, overtime arrangements and supervision and enforcement measures.

With regard to vocational training and employment the meeting stressed in particular the need to harmonize requirements as regards physical fitness and professional qualifications. It was also felt that levels of training should be harmonized in relation to estimated future needs in the different types of transport .

The preparation of trade monographs was recommended.

In the field of industrial health and safety, it was proposed that studies should be made concerning the unification of rules on essential points, notably dangerous consignments.

II. Symposium on low-cost housing

From 16 to 19 December 1963 the EEC Commission held a symposium in Brussels on low-cost housing (requirements). The chair was taken by M. Levi Sandri, a member of the Commission and President of the Social Affairs Group.

The object was to compare methods of assessing housing requirements and analysing demand, ability to pay and qualifications for tenancy and to appraise the progress of work and studies in these fields in the six Member States.

The symposium was attended by representatives of the Governments of the member countries and of Greece, of employers' and workers' associations (UNICE — Union of Industries of the European Community, COPA — Committee of Agricultural Organizations, ICFTU and IFCTU), of other Community institutions (High Authority of ECSC, European Parliament, Economic and Social Committee), of the ILO and of private international bodies. A certain number of prominent figures in this field were also invited by the Commission.

Those taking part, about 130 in all, were divided into three working parties corresponding to the three subjects chosen by the Commission :

- a) Housing requirements : methods of assessment;
- b) Demand and ability to pay : analysis of factors involved;
- c) Qualification for tenancy.

One monograph per country and a collective report had been drawn up on each of these subjects.

One conclusion of the first working party (methods of assessing housing requirements) was that in order to determine the housing deficit it was necessary to have a definition and inventory of substandard dwellings. This was important for two reasons: the considerable leeway still to be made up, and the incidence of this factor on the calculation of the deficit. Overall national calculations were inadequate, as they resulted in systematic underestimates, and the working party hoped that an effort would be made to correct this "compensation", in particular by suitable geographical breakdown. Taking into account the average useful life of dwellings, there seemed to be no doubt as to the utility of projections based on "forecasts of households" and "forecasts of housing" (the slum problem and, more generally, the need to avoid laying down excessively strict standards when dealing with hypothetical future conditions, were again important here). Although recognizing that it was essential to make projections on a regional basis, the working party noted that methods for doing this were not yet perfect, especially where they touched on regional economic projections. Finally, the importance of internal and external migrations was emphasized, particularly in connection with the regional breakdown of the deficit or of the projections. The working party several times stressed the need for the most objective and complete information on these different problems: statistical definitions and methods of calculation should not be subject to fluctuations of opinion and to political decisions. It finally pointed to the importance of internationally comparable data: this did not in any way mean that national definitions must be discarded, but simply that they should be amplified where necessary.

The second subject, demand and ability to pay, attracted the largest number of participants despite the novelty of the methods of analysis and the partial nature of the results so far achieved. This was no doubt because of the recent trend in most

countries towards liberalization of the housing market. The dialogue was therefore between the specialists who made the statistical and sociological studies required for an analysis of demand and ability to pay, and the heads of government departments or other bodies concerned with housing. Regular and frequent surveys and, above all, promptly available results were essential to enable those responsible for housing policy to determine the scope and form of measures to increase the ability to pay of certain categories of households, i.e. to enable them to obtain accommodation at the economic price. There should be partial analyses to cover more sensitive population sectors, especially elderly persons, large families, young married couples, farming and similar households and foreign workers. Among the main points discussed were the difficulty of defining a household's resources and determining which persons must be considered as contributing to them and the need, when the demand concerns an owner dwelling, to know the amount of savings as well as current income. The inadequacy of studies on housing supply, which are important not only for the authorities but also for builders, was stressed. Improvements were essential for the assessment of future housing demand. Attention was drawn to other shortcomings in the data required — in particular to give housing its proper place in the building and construction sector and that sector itself in the general economy. In order to speed progress in this field of research, which was almost virgin soil, the working party hoped that experts in these matters would regularly compare notes, that an effort would be made to co-ordinate methods and concepts and, finally, that means would be sought to remedy the shortcomings disclosed.

The third working party, which dealt with qualification for tenancy, recalled that even today for those in the lower income brackets satisfactory housing was dependent upon public aid. It defined as low-cost housing any dwellings built for letting to the less favoured sectors of the population and, for this reason, subsidized directly or indirectly from public funds. The working party stressed the need to ensure the fair allocation of dwellings by official supervision or by allowing unsuccessful applicants the right of appeal. Stress was laid on four of the criteria for qualification:

- a) Unsatisfactory nature of applicant's present accommodation;
- b) Overcrowding;
- c) Size of the family;
- d) Financial situation of applicants.

This last criterion was discussed at length. The definition, determination and verification of the amount of income and possible solutions if the ceiling is exceeded were also studied in detail. As in the other working parties the question of migrant workers was considered. In line with Article 11 of Regulation No. 15 on free movement, working party No. 3 stressed the need "to grant real equality in the allocation of housing as between workers from other Community countries and nationals of the host country". After recalling the principles laid down in ILO Recommendation 115, concerning tied housing, in particular the connection between lease and employment contract, the working party considered that the allocation of such housing should be subject to ordinary law on the matter whenever the dwelling was subsidized by the public authorities. It recommended inquiries into the effectiveness of legal or statutory conditions for allocation.

Finally, working party No. 3 pointed out that the rules on allocation might well be ineffective without adequate diversification of building programmes in order to offer a sufficiently wide choice of dwellings of various capacities, or again, without adequate contributions "to enable poor applicants to meet the charges connected with low-cost housing".

The delegates of the trade organizations and international institutions who spoke at the closing meeting expressed their satisfaction at the Commission's initiative and stressed the importance of the subjects dealt with. They hoped that action would be taken on the suggestions concerning the further pursuit of certain studies mentioned in the conclusions.

In his closing address M. Levi Sandri expressed his pleasure that by their active participation those present had shown the usefulness of the symposium, thus confirming the importance which the Commission attached to housing problems, particularly in its Action Programme for the second stage. He assured his audience that all the desiderata submitted at the end of the symposium would be closely studied by the Commission, which intended to continue its endeavours in this field.

III. Association with Greece

The 12th session of the EEC-Greece Association Committee was held on 12 December 1963 under the chairmanship of the Netherlands representative.

It continued its discussion on the harmonization of the agricultural policies of the Community and of Greece, and went on to examine a Community plan to replace the present system of tariff quotas in 1964 and 1965. It decided on a partial suspension of the CET duties on spirits of turpentine and rosins. The EEC Council had expressed itself in favour of these suspensions at its session of 2-3 December 1963.

The Committee also discussed the elimination of quantitative restrictions on certain Greek farm produce (fruit and vegetables).

IV. Association with Turkey

Conclusion of the Association Agreement by the Community

At its session at the end of December 1963, the EEC Council concluded definitively the Agreement establishing an association between the European Economic Community and Turkey, which had been signed at Ankara on 12 September 1963.

M. De Block, President of the Council, stressed the importance of this Agreement to both the Community and Turkey. The Ankara Agreement, he said, gave Turkey in various forms the aid it needed to promote economic development and bring itself into alignment with the Community. The Agreement would certainly have important effects both political and economic.

M. Hallstein, President of the Commission, said that the Commission shared the Council's view that the Association Agreement was an act of great significance for the Community and for Turkey. It meant a further strengthening of the links between Turkey and Europe and afforded further evidence of the open nature of the Community. For Turkey, the conclusion of the Ankara Agreement was the culmination of a now traditional policy, reflected by the participation of this gallant country in the efforts of the West to maintain peace and freedom.

"Our new partner", M. Hallstein continued, "is anxious to press forward with industrial development, which is already well under way, in order to exploit to the full the country's natural wealth. At the same time agriculture is to be invigorated by rationalization and a diversification of crops. The support provided by us under the Association Agreement will no doubt help Turkey to increase its exports to the Community and to obtain on favourable terms some of the foreign capital needed for the execution of its five-year plan."

In conclusion, M. Hallstein observed that the association of Turkey with the Community would from now on link the destiny of this country to that of the Community until such time as the Turkish economy was sufficiently developed to enable Turkey to assume all the commitments of the Treaty of Rome and become a full member of the Community.

It was decided that the Council should propose to the Turkish Government the formation of an interim committee to make preparations for the entry into force of the Association Agreement.

Ratification of the Association Agreement by the French National Assembly

On 4 December 1963 the French National Assembly passed the bill ratifying the Association Agreement and the financial agreement annexed to it.

Stressing the political aspects of this Association, M. Couve de Murville, French Minister for Foreign Affairs, said that the Agreement would consolidate others already concluded with Turkey in the Atlantic Pact and OECD.

V. Activities of the Community

EXTERNAL RELATIONS

Denmark

1. M. Per Haekkerup, Danish Minister for Foreign Affairs, paid a second visit to the Commission on 6 December 1963. He was received by M. Mansholt, Vice-President, who presided at an inforamatory meeting during which various problems connected with Danish agricultural exports to the Community were discussed. A further meeting, this time of experts from Denmark and from the Commission, was arranged for early in 1964 to exchange information on agricultural problems.

Austria

2. The exploratory conversations between an EEC Commission delegation and the Austrian mission were resumed from 16 to 19 December 1963 in Brussels.

The discussion centred on legal and institutional aspects of the Austrian proposals for an association agreement with the EEC. The question of bringing Austrian policy into satisfactory alignment with that of the Community without compromising Austria's neutrality was given careful consideration.

The conversations, which were expected to be the last before the Commission reports to the Council, were held in an atmosphere of mutual understanding and great cordiality, despite the difficulty of the problems at issue. It was understood that the Commission would report to the Council some time in February.

Tunisia

3. In October 1963 the Tunisian Government expressed a desire for the opening of exploratory conversations on a form of economic relationship between Tunisia and the EEC.

The first talks between officials of the Commission and members of the Tunisian mission to the EEC were held in Brussels on 13 December 1963. The Tunisian delegation was led by M. El Goulli, Tunisian Ambassador to the Community, and the Commission's delegation by M. Herbst, Director-General for External Relations.

India

4. At its session of 2-3 December 1963, the Council, having consulted the associated overseas States and territories, took a decision under Article 28 of the Treaty suspending or temporarily reducing the CET duties on certain products of particular importance to India's export trade ⁽¹⁾. The changes take effect for a period of two years beginning 1 January 1964.

(1) See official gazette of the European Communities, No. 190, 30 December 1963.

In adopting these measures, which will be advantageous to India and several developing countries such as Ceylon, the Community has given a further tangible demonstration of its understanding of the problems facing these countries and of the interest it has in the development of trade with them.

Lebanon

5. At its session of 2-3 December 1963, the Council took the necessary measures for the Member States to co-ordinate their technical assistance to Lebanon through the Technical Assistance Group set up in the Community by decision of 19 October 1960.

It was understood that contacts would be established in due course with the Lebanese Government on this matter and that the Council decision of 2-3 December 1963 would be the subject of an exchange of letters between the President of the Council, on behalf of the EEC Member States, and the Lebanese Government.

Request by Morocco for opening of exploratory conversations

6. The Government of Morocco has proposed to the European Economic Community that exploratory conversations be held with a view to examining on what basis economic relations between Morocco and the EEC might be established in the future in the interests of both parties.

The Council discussed this request at its session at the end of December 1963 and raised no objection to the Commission's intention to comply.

Request by Algeria for opening of exploratory conversations

7. On 18 December 1963 the Algerian Government asked the European Economic Community to open conversations on future relations between Algeria and the Community.

In a letter addressed to the President of the EEC Council by the Algerian Minister for Foreign Affairs, the Minister informed the Community of his Government's desire to discuss the nature of future relations between Algeria and the Community. It was suggested that conversations at expert level might begin in Brussels on a date convenient to the Community.

Relations with international organizations

Western European Union (WEU)

8. The Assembly of Western European Union held its 9th ordinary session (second part) in Paris from 2 to 5 December 1963.

This was the first session of this Assembly since the meeting of the WEU Council of Ministers at The Hague in October 1963 ⁽¹⁾.

The agenda included a discussion of the revival of European co-operation in WEU and proposals by the Assembly concerning the agenda of the Council of Ministers.

⁽¹⁾ See Bulletin 12-63, Chap. III, sec.1.

The recommendation on the revival of European co-operation in WEU, which was adopted by the Assembly, urges the Council to:

- a) Continue to harmonize the points of view of the EEC and the United Kingdom with regard to the GATT tariff negotiations during the meetings held under the aegis of the institutions of Western European Union;
- b) Encourage co-ordination between the member countries of WEU in preparation for the World Conference on Trade and Development, in particular by using the OECD, which includes all the industrial countries of Western Europe;
- c) Keep a continuous watch on the development of the economic policies of the EEC and the United Kingdom so as to propose to the two parties concerned procedures for narrowing present differences, particularly in the agricultural field;
- d) Inform both the United Kingdom and the EEC of the evolution of their trade policies with particular regard to the Stockholm Treaty, the Commonwealth and the Agreements of Association with the EEC;
- e) Pursue political consultations through the institutions of WEU, in particular on East-West relations and on the regions mentioned in the communiqué of the Council issued after the meeting of 25 and 26 October 1963 at The Hague ⁽¹⁾.

With regard to the Council of Ministers' agenda, the Assembly rendered the opinion that the WEU Council of Ministers should examine the possibility of including in the agenda for its coming ministerial meetings, in addition to the problems of common defence and discussions of the European economic situation, questions of common interest to the Member States in Europe and in the world, and the co-ordination of the position of Member States in wider international organizations.

The Inter-American Economic and Social Council

9. At the invitation of the Organization of American States, the Community sent an observer to the second annual meeting of the Inter-American Economic and Social Council, held in São Paulo, Brazil, in November 1963.

The conference decided to set up an Inter-American Committee of the Alliance for Progress, a permanent body which, between Council sessions, will keep under review the problems arising in the functioning of the Alliance and suggest solutions. The resolution makes provision for the EEC to be invited, with other international organizations, to send an observer to the meeting of this new Committee.

The meeting also discussed the coming United Nations Conference on Trade and Development and set up a special Latin-American Co-ordination Committee to work out in advance a common position for the Latin-American countries on the main points on the agenda of the conference.

Multilateral negotiations in GATT

10. At its session at the end of December 1963, the Council approved a number of directives to the Commission concerning the Community's participation in the GATT multilateral negotiations on industrial and agricultural products.

(1) See Bulletin 12-63, Chap. III, sec.1.

These directives provide a basis on which the EEC Commission may usefully contribute to the work planned for coming months in GATT to establish the rules which will govern the negotiations.

On the question of disparities between the tariffs of the main industrial countries, which are one of the most important points in the current work of GATT, the Council has reaffirmed that a solution must be found for this question if the negotiations are to succeed; it has also accepted a number of criteria which will enable cases of substantial disparity to be selected having due regard to the interests of the Contracting Parties taking part in the negotiations. The Council has given particular attention, among other things, to problems affecting intra-European trade.

The Council also tackled the question of exceptions to the linear tariff reductions and expressed the opinion that the parties to the negotiations should keep the number of exceptions down to an absolute minimum.

On the question of negotiations concerning agricultural products, the Council endeavoured to establish, on the basis of the Commission's proposals, formulas which would allow reasonable access to the markets of the main importing countries and contribute to the smoother flow of international trade. The Council hoped that the main countries exporting agricultural products would co-operate effectively in these arrangements.

Missions of non-member countries to the Community

11. On 17 December 1963, H.E. Ambassador Luang Dithakar Bhakdi presented his letters of credence to M. Hallstein, President of the Commission, as new head of the Thailand mission to the Community.

The Community has given its *agrément* to the appointment of H.E. Ambassador Morio Yukawa as new head of the Japanese mission.

ECONOMIC AND FINANCIAL AFFAIRS

Quarterly survey of the economic situation in the Community (October - December 1963)

12. The Commission of the European Economic Community has just published its Quarterly Survey of the economic situation in the Community. This issue is in the form of an annual survey: it provides a preliminary review of economic trends in 1963, analyses the prospects of development in 1964 and examines the problems of short-term economic policy involved.

The Commission notes that in 1963 economic activity in the Community again expanded quite considerably. True, the rise in real gross Community product at about 4 % was somewhat smaller than the 5 % between 1961 and 1962 and the 5.3 % between 1960 and 1961. This does not, however, mean that there has been any significant strengthening of the longer-term factors which tend to weaken economic growth in the Community. The slower expansion of production in 1963 can be ascribed more to chance factors, in particular the exceptionally unfavourable weather. The tendencies

On 21 January 1964, M. Marjolin, Vice-President of the Commission, presented to the European Parliament his annual review of the economic situation in the Community, dealing with developments in 1963 and the outlook for 1964. His exposé will be given in full in the next number of the Bulletin.

which made for slower economic growth were without doubt still present at the beginning of 1963 — and mainly affected the development of investment by enterprises — but they gave way to a more or less distinct recovery as the year went on.

Total demand in monetary terms rose none the less almost as much as between 1961 and 1962. Since, however, supply from domestic sources grew more slowly — the continuing labour shortages, which even became more acute in some areas, made it impossible to expand production more rapidly — this greater demand in monetary terms was in part offset by higher prices and by a considerable further deterioration in the Community's balance of current payments.

In 1963 external demand (from non-member countries) made a greater contribution than in 1962 to the expansion of total demand. For the full year, exports of goods were probably up about 4.5 % in value and 4 % by volume over 1962, after rising only about 1 % (value and volume) between 1961 and 1962.

If we look at the way exports developed in 1963, the change in trend — from the continued slackening in the pace of expansion that persisted into the early months of the year to the acceleration that marked the rest of the year — becomes clearly recognizable. The recovery is certainly to be attributed in the main to the direct and indirect impact of the business revival in leading non-member industrial countries.

Internal demand continued to expand briskly. If growth was somewhat slower than between 1962 and 1963, this was mainly due to slower expansion of gross fixed asset formation. Investment in building and construction did not attain the growth rate of the preceding year, despite efforts to recoup the relatively large production losses of the 1962/63 winter and despite a considerable increase in the numbers employed in the industry. In addition, the propensity to invest of enterprises was still relatively weak in the first half of the year, and this attitude affected in particular the demand for investment goods; though investment recovered somewhat in the second six months, its effect on the full year could not completely compensate for the earlier slowdown.

The expansion of consumer demand also weakened, albeit very slightly. This does not apply to current spending by the public authorities, but to consumer spending by households. Here again the slowdown was mainly confined to the Federal Republic of Germany, where the rise in wages lost momentum and the savings ratio increased. Although in Italy and France the opposite trend prevailed, there was on balance a slight slowdown for the Community as a whole. In volume the growth of private consumption between 1962 and 1963 was about 5 %, compared with 6 % from 1961 to 1962.

As already stated, supply from domestic sources rose somewhat more slowly than in the preceding year. Industrial production (as defined in the Index of the Statistical Office of the European Communities) was probably up 5 %, after increasing by 6 % between 1961 and 1962. The growth of agricultural output was decidedly weaker than in the preceding year, whereas the lively expansion in the services sector continued.

Imports from non-member countries rose rather more rapidly than in 1962. Imports of goods were up about 10.5 % by volume and in value, compared with 8 % between 1961 and 1962.

The internal trade of the Community expanded even faster. The increase in merchandise trade between the member countries may be estimated at about 16 % in value, as against 14 % for 1962. Decisive for this development were not only the further steps taken to establish the common market and the lively expansion that despite everything was a feature of overall demand, but also the appreciable differences from one member country to another which developed during 1963 in the relation between expansion of internal demand and expansion of internal supply.

These differences are clearly reflected in the way price levels developed. For the Community as a whole the trend was again upward, with relative stability in the Federal Republic of Germany and also — in the first half of the year — in the Netherlands and Belgium, but a stronger upward price push in Italy and France. It is clear that expansion of the Community's internal trade was an essential factor in preventing prices in these two countries from rising even further. On the other hand there can be no doubt that it also affected prices in those member countries where they are still comparatively stable.

Since imports increased more than exports, the Community's deficit on trade swelled further: in 1963 it probably amounted to about \$2 800 million. This means that the deterioration since 1959 has been almost \$4 000 million.

Although, mainly because of the trend of merchandise trade, there were practically no further surpluses on current account, the Community's overall balance of payments again showed a surplus in 1963, mainly as a result of greater imports of private capital. However, these trends grew distinctly weaker in the second half of the year.

With these estimates of results for the full year 1963 the Commission has thought it useful to give a few figures about longer-term economic developments in the Community. Between 1958 (the first measures to set up EEC came into force at the beginning of that year) and 1963, the gross Community product grew by about 30 % (USA 22 %, United Kingdom 16 %). The index of industrial production alone rose 41 %. The general standard of living, in terms of real private consumption per head, has gone up about 23 % in the last five years, while the Community's internal trade has risen by approximately 130 %. In trade with non-member countries, imports have advanced 51 % and exports 35 % (world trade, exclusive of intra-Community trade, rose by 31 %).

The Commission believes that in 1964 economic expansion will continue. Demand should grow at roughly the same pace as between 1962 and 1963 and the growth of supply from sources within the Community might speed up a little.

On the demand side a speed-up is expected mainly in external demand, i.e. in exports of goods and services from the Community to non-member countries. This is chiefly because of the expansive outlook for world business.

Within the Community the volume, and perhaps also the value, of investment can be expected to grow more rapidly. The livelier trend in the expansion of investment by enterprises observed in the second half of 1963 will probably continue. Despite certain limitations on the expansion of public activity in building and construction, normal weather in 1964 after the abnormal conditions of 1963 should of itself ensure that investment in building rises more rapidly than between 1962 and 1963 — and additional impetus will come from the continued briskness of demand.

The growth of private consumers' expenditure on the other hand will probably slow down somewhat. However, since the price rise might simultaneously flatten out a little, the real increase in consumption is unlikely to fall off significantly.

Assuming normal weather, the increase in production could be somewhat greater than between 1962 and 1963. All in all, the Commission's staff at present consider that an increase of about 4.5 % in the Community's real gross product between 1963 and 1964 is possible.

Imports from non-member countries will probably again rise appreciably, although their annual growth may be somewhat smaller than between 1962 and 1963. There could be some further deterioration in the balance of trade, and current payments may even show a moderate deficit in 1964.

The forecasts at present established in no way suggest that there will be the necessary trend towards stable prices. Even if there is a fall in the rate at which prices rise in France and Italy (there will be more chance of this if stabilization policy is tightened up), in the Netherlands and Belgium stronger rises are probable. In the Federal Republic of Germany also it is quite conceivable that upward pressures on prices will become marked as 1964 advances.

For the Community in general it must be noted that inflationary pressure will be the main problem facing those responsible for economic policy: such pressure must be eliminated or prevented from reappearing. Unless budget policy and credit policy are used in most member countries to slow down the expansion of internal demand generally, there is no prospect of success in this direction. One merit of this policy of general restraint, which has in part been put into practice already, is that it is the most likely to ensure that the balance of external transactions does not deteriorate too far and too long; if this were to occur, the Community would eventually have great difficulty in fulfilling its obligations in connection with development aid. Should such a policy result in a somewhat smaller real economic growth than at present forecast, this would have to be accepted in the interest of balance, the more so as establishment of this balance would in turn be a major factor in rendering optimum economic growth possible over a longer period.

Economic Budgets

13. The Economic Budgets Group met in Brussels on 16 December 1963 to make a general confrontation of the member countries' 1964 economic budgets before these go to the Economic Policy Committee.

The group studied a memorandum presented by the Commission's staff, which in one section dealt with the salient points of the budgets presented by the member countries

and in another surveyed at Community level the economic prospects for 1964. In the course of the discussion most of the questions connected with economic development in 1964 were satisfactorily clarified and divergencies in the assessment of the situation were largely eliminated. The document, amended in the light of this discussion, will go before the Economic Policy Committee as a working paper for the examination and discussion of the 1964 economic budgets.

Working Party for the comparison of budgets

14. The Working Party for the comparison of EEC member countries' budgets met in Brussels on 18-19 December 1963.

A report on public revenue and expenditure in the EEC member countries was broadly approved. The final version will be drafted in January 1964.

The Working Party also considered a programme of future work. Among other things it was decided to bring up to date the comparative studies of budgets and study improved methods of analysis and classification.

Annual survey of prospects for the motor vehicle market

15. On 13 December 1963, the Commission's staff held a meeting with a liaison committee of motor manufacturers to study the prospects for the motor vehicle market up to 1966.

It emerged from the discussion that expansion of the EEC's motor industry in coming years would depend not only on the development of internal demand but also to a large extent on the possibility of expanding foreign markets. Within the Community, the rapid increase in the number of vehicles on the road meant that fresh efforts would be needed to improve the roads and the layout of urban areas.

The representatives of the liaison committee and of the Commission agreed to make in the second quarter of 1964 a study of prospects up to 1967.

INTERNAL MARKET

Customs problems

Tariff quotas

16. a) On 16 December 1963, the Commission increased from 22 to 25 metric tons, under Protocol XI annexed to the List G Agreement, the tariff quota granted to the Netherlands for 1963 for imports of ferro-molybdenum (tariff heading ex 73.02 H) from outside the Community.

b) On the same date the Commission granted, under Article 25(3) of the Treaty, the following tariff quotas for imports from non-member countries for periods during 1964/65 :

Tariff heading	Product	Country	Quantity in metric tons	Quota duty
<i>For the period from 1.1. to 14.2.1964:</i>				
ex 03.01 B I a 2	Herrings	Germany (FR)	23 000	nil
<i>For the year 1964 :</i>				
ex 08.02 A I	Bitter oranges	Netherlands	150	3 % from 1.1. to 31.3.64 and from 16.10. to 31.12.64 and 2.3 % from 1.4. to 15.10.64
A II		Germany (FR)	240	7.3 % from 1.1. to 31.3.64 and from 16.16. to 31.12.64 and 6.5 % from 1.4. to 15.10.64
ex 08.02 D	Fresh grapefruit	Germany (FR)	38 000	6 %
ex 08.11 C	Citrons	Netherlands	250	1.7 %
		Germany (FR)	350	1.7 %
45.01	Natural cork	Germany (FR)	40 000	nil
		Netherlands	10 000	nil
		B.L.E.U.	1 000	nil
<i>For the period from 1.1.1964 to 31.3.1965:</i>				
ex 16.05	Crabs and shrimps	B.L.E.U.	250	3 %
17.03 B II	Molasses for the manufacture of coffee substitutes	Italy	3 000	nil

c) On 17 December 1963 the Commission granted, under certain protocols annexed to the List G Agreement, the following tariff quotas for imports from non-member countries during 1964:

Tariff heading	Product	Country	Quantity in metric tons	Quota duty
25.01 A I	Salt	B.L.E.U.	160 000	nil
73.02 D	Ferro-silico-manganese	Germany (FR)	38 000	nil
ex 73.02 E I	Ferro-chromium	Italy	4 000	nil
73.02 A II	Ferro-manganese, other than carburized	Netherlands	200	nil

Tariff heading	Product	Country	Quantity in metric tons	Quota duty
73.02 C	Ferro-silicon	Netherlands	3 500	nil
73.02 D	Ferro-silico-manganese	Netherlands	450	nil
73.02 E I b	Ferro-chromium	Netherlands	160	nil
ex 73.02 G	Ferro-tungsten	Netherlands	4	nil
ex 73.02 H	Ferro-molybdenum	Netherlands	22	nil
ex 73.02 H	Ferro-vanadium	Netherlands	7	nil
73.02 C	Ferro-silicon	B.L.E.U.	15 000	nil
73.02 E I b	Ferro-chromium	B.L.E.U.	3 000	nil
ex 73.02 H	Ferro-molybdenum	B.L.E.U.	250	nil
73.02 A II	Ferro-manganese	Luxembourg	25	nil
73.02 D	Ferro-silico-manganese	Luxembourg	25	nil
ex 73.02 G	Ferro-tungsten	Luxembourg	25	nil
ex 73.02 H	Ferro-vanadium	Luxembourg	3	nil
ex 76.01 A	Unwrought aluminium, excluding alloys	Germany (FR)	60 000	5%

d) On 18 December 1963 the Commission granted, under Article 25(3) of the Treaty, the following tariff quotas for imports from non-member countries for periods during 1964/65:

Tariff heading	Product	Country	Quantity in metric tons	Quota duty
<i>For the year 1964:</i>				
ex 03.01 B I b	Tunny, fresh, etc. for canning	Italy	25 000	nil
03.02 A I b	Cod	Italy	34 000	nil
03.02 A II a	Fillets of cod	Italy	2 000	3 %
ex 07.01 A I	Seed potatoes	Italy	9 000	1.5 %
ex 12.03 A	Beet seed	Italy	1 000	2.2 %
ex 22.05 B I b	Wines for blending	Germany (FR)	100 000 hl	5.81 u.a./hl 6.11 u.a./hl 6.56 u.a./hl (according to alcohol content)
B II b				
B III b 2				
<i>For the period from 1.1.1964 to 31.3.1965:</i>				
ex 03.01 B I c	Piked dogfish, fresh, etc.	Germany (FR)	3 000 m.t.	3 %
ex 03.02 A I c 2	Coalfish, salted, etc.	Germany (FR)	2 000 m.t.	7 %

It also authorized the Federal Republic of Germany on 18 December to reduce temporarily to 5.9 % (minimum 4.25 % plus DM 1.20 per 100 kg net weight) the customs duty on imports from non-member countries of 'fresh tomatoes (heading ex 07.01 M I in the common external tariff) for the period from 1 January to 31 March 1964.

e) On 19 December 1963 the Commission granted, under Article 25(2) of the Treaty and certain protocols annexed to the List G Agreement, the following tariff quotas for imports from non-member countries during 1964:

Tariff heading	Product	Country	Quantity in metric tons	Quota duty
<i>Under Article 25(2) of the Treaty:</i>				
29.16 A III	Crude calcium tartrate	Germany (FR)	2 000	1.1 %
ex 29.16 A VII	Deoxycholic acid	Netherlands	15	1.6 %
ex 29.44 D	Erythromycin	Germany (FR)	800 kg	2.2 %
<i>Under List G Protocols similar to the provisions of Article 25(2) of the Treaty:</i>				
ex 45.02	Natural cork in blocks, plates, sheets or strips	Germany (FR)	170	1.8 %
ex 45.02	Cubes or square slabs for corks or stoppers	Germany (FR)	5	4.35 %
45.02	Natural cork in blocks, plates, sheets or strips (including cubes or square slabs for corks or stoppers)	Netherlands	6	1.8 %
		B.L.E.U.	12	1.8 %
50.04	Silk yarn not put up for retail sale	Germany (FR)	60	2.1 %
50.05	Yarn spun from silk waste not put up for retail sale	Germany (FR)	145	0.75 %
76.01 B I	Aluminium waste	Germany (FR)	20 000	0.75 %
		Netherlands	300	0.75 %
		B.L.E.U.	500	0.75 %

f) On 25 November 1963 the Council also increased, under Article 25 (1 and 4) of the Treaty, from 49 200 to 58 500 metric tons the tariff quota granted to the Federal Republic of Germany for 1963 for imports from non-member countries of rosin (including "brais résineux"; heading 38.08 A).

Amendment of the common external tariff

17. On a proposal of the Commission, the Council on 18 December 1963 made certain amendments to the common external tariff which have become necessary for technical or economic reasons. Generally speaking, these are not changes in the level of protection but adjustments designed to improve or simplify nomenclature, to establish graduated charges on products according to the degree of processing, and to facilitate trade.

Some of the changes are in the wording of the tariff headings to correct errors in one or other of the four versions of the tariff. Others are the result of a reclassification decided on by the ECSC Council of Ministers; this affects several sub-headings and has meant a renumbering in the tariff. Others establish graduated rates according to processing, as mentioned above.

The changes are as follows:

- a) Cod liver oil (15.04 A I): the definition will henceforth be based on vitamin A content;
- b) Combed and carded wool yarn (53.06 A, 53.07 A): the autonomous duty is reduced from 6 to 5 %;
- c) Sheets and plates of iron or steel: the numbering of the sub-headings under headings 73.13 and 73.15 must be changed to allow for certain recent decisions of the ECSC Special Council of Ministers;
- d) Definition of wood flour (ex 44.12): a precise technical definition is included in a second Additional Note to Chapter 44 of the Tariff;
- e) Definition of the chargeable surface of carpets of wool or of fine animal hair (58.01 A): a new Additional Note explains that for the application of the maximum duty, the chargeable surface is to be taken to include headings and selvages but not fringes;
- f) Amendments and improvements which are purely linguistic in nature or concern only matters of wording or presentation.

Countervailing charges

18. The Commission has authorized France and Italy ⁽¹⁾ (on 4 December 1963) and Germany (on 19 December 1963) to impose countervailing charges on imports from other Member States of dextrans, soluble or roasted starches, and prepared glazings and dressings with a basis of starchy substances.

Safeguard clause (Article 226)

19. On 20 December the Commission authorized the Italian Republic to continue to apply safeguard clauses on lead and zinc for a further year. The effect of these clauses, which, with a few small changes, are an extension of the clauses Italy was already authorized to apply, is briefly as follows: customs protection vis-à-vis non-member countries at the level of the duties in force on 2 March 1960 and vis-à-vis the other Member States at the level of Lit. 30 per kg for lead and Lit. 20 per kg for zinc, this authorization being subject to the condition that Italy maintains the duties on scrap and waste of the two metals at the level in force on 2 March 1960 vis-à-vis both Member States and non-member countries.

On 20 December the Commission also granted the Italian Republic recourse to the following safeguard clauses until 31 March 1964:

- a) Maintenance of the current ban on sulphur imports;

(1) See official gazette of the European Communities, No. 185, 19 December 1963.

b) Maintenance of the customs duties in force vis-à-vis Member States and non-member countries on carbon disulphide and the charging on imports of this product, whatever its origin, of Lit. 1 351.5 per 100 kg unless a corresponding charge has been made on exportation from the other Member States;

c) The maintenance vis-à-vis Member States of a customs duty of 7.5 % on sodium sulphide.

Recommendation to the Member States concerning the refunding of charges on goods rejected by the importer

20. On 12 December 1963 the Commission addressed a recommendation to the Member States concerning the refunding or remission of duties and charges on goods rejected by the importer as defective or not in accordance with the terms of the contract.

It sometimes happens that goods imported from abroad are found, after duties and charges have been paid, to be defective or in some way not in accordance with the terms of the contract under which they were imported.

In this case the importer has no choice but to cancel the transaction and to return the merchandise for replacement or refund of the purchase price. It is only fair that the charges borne by these goods should also be refunded to the importer or remitted.

Where national legislation allowing such refunds or remissions exists, it varies widely from country to country. The Commission has therefore deemed it necessary to make a recommendation calling on the Member States to amend their laws and regulations so as to render the conditions of enforcement of the CET uniform and to ensure identical treatment for all importers of the goods in question.

The recommendation sets out first of all the general and special conditions which must be fulfilled before refunding or remission is permissible: merchandise which is claimed to be defective or not in accordance with the terms of the contract must be properly identified and must be destroyed or re-exported; it must also be shown that the articles have not become defective since importation and that they have not been used. The recommendation proposes special provisions where only parts or separate components of the merchandise in question are re-exported or destroyed. Lastly, it indicates classes of goods to which these rules do not apply and the persons authorized to request remission of the charges or refund of the purchase price.

COMPETITION

Approximation of legislation

Protection of industrial property

21. On 10 December 1963 the State Secretaries with responsibilities in the sphere of industrial property rights met in Brussels under the chairmanship of M. von der Groeben. The main subject of discussion was a proposal from the French delegation, which was adopted unanimously, that a comprehensive and objective report be drafted on the questions of principle arising in the introduction of a European system of

patent law. The report will first list possible solutions for these problems of principle and then examine their consequences as regards the operation and economic effects of the European patent.

The State Secretaries will meet again at the end of February to approve the report, which will then go directly to the Governments.

Public contracts

22. The 17th meeting of the Working Party on public contracts (approximation of legislation) was held in Brussels on 26-27 November 1963. At this meeting the discussion of questions left outstanding was concluded and the drafting was completed of a directive on the co-ordination of procedures for awarding contracts in the building and construction sector.

Pharmaceutical products

23. The first proposed directive on the approximation of laws and regulations on branded pharmaceuticals will be placed on the agenda of the Council during January 1964.

24. The Working Party on the approximation of laws and regulations on pharmaceutical products met on 3-4 December 1963. It examined the draft of a directive concerning the advertizing of medicines and worked out a solution in respect of advertising addressed to persons who prescribe medicines professionally and in respect of samples sent to doctors. The Working Party continued the examination of specific problems concerning the patentability of pharmaceutical products, with a view in particular to the preparation of a joint meeting with the Working Party on patents.

Lastly, the Working Party gave a first reading to a draft directive on the approximation of laws and regulations concerning the use of colouring matters in medicinal preparations.

Criminal law

25. The drafting committee dealing with the position of European officials vis-à-vis criminal law held its second meeting on 1 December 1963. The main lines of future work in this field have now been decided on. The first task will be to establish a definition of the "European official" so as to determine what persons come within the scope of the agreement.

It has been decided to confine work in the initial stage to the examination of a few hypothetical cases of misdemeanours committed by European officials.

The drafting Committee also endeavoured to find a provisional solution for the legal protection of European officials in the performance of their duties.

Taxation problems

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

26. At the end of multilateral consultations which, because of the scope of the modifications and divergent interpretations of certain essential principles, lasted several months ⁽¹⁾, the Commission transmitted to the Federal Government in December 1963 its opinion concerning changes in the rates of turnover tax and in the rates of export refunds in the Federal Republic of Germany. It informed the Federal Government that, apart from certain products the examination of which was not yet completed, it had found nothing in the course of consultations on the new rates of turnover tax and export refunds to indicate that they did not comply with Articles 95 to 97, though there were some reservations as to the method used for computing them.

The Commission also examined from the angle of Articles 101 and 102 the measures taken by the Federal Republic of Germany to increase the turnover equalization tax and the measures contemplated for an increase in export refunds.

As to the increase of turnover equalization taxes, the Commission has deemed it desirable, before deciding whether the procedure of Article 101 should be applied, to request the Federal Government and the other Governments to submit their comments.

With respect to the changes contemplated in the rate of refunds, the Commission has drawn the Federal Government's attention to the fact that Article 102(1) lays upon it an obligation to consult the Commission, since these measures, in the Commission's view, appear liable to cause distortions.

Under the 1960 Agreement the Commission also takes the view that the measures are inadequately motivated and has therefore asked the Government to reconsider those which have not yet been put into effect.

Italian Law No. 103

27. In June 1963 the Commission initiated the procedure of Article 169 against the Italian Republic, alleging that Law No. 103 constituted an infringement of Article 96 of the Treaty ⁽²⁾.

In September 1963, the Italian Government informed the Commission that in view of the disequilibrium of the Italian trade balance it intended to adopt new measures to replace Law No. 103, which was to expire on 31 December 1963. At the same time it requested the suspension of the procedure opened under Article 169.

The conversations which had in the meantime been held between the Italian Government and the Commission had not yielded satisfactory results, and the Commission therefore decided in December 1963 to continue the procedure opened against the Italian Republic under Article 169.

Apart from this procedure the Commission also drew the attention of the Italian Government to its obligations under Article 102 of the Treaty in respect of the measures which may be taken to supersede Law No. 103.

⁽¹⁾ See Bulletin Nos. 5-63, Chap. II, sec. 29; 6-63, Chap. II, sec. 24; 7-63, Chap. IV, sec. 30; 9/10-63, Chap. IV, sec. 32; 12-63, Chap. III, sec. 25 and 1-64, Chap. IV, secs. 47 and 48.

⁽²⁾ See Bulletin No. 7-63, Chap. IV, sec. 29.

SOCIAL AFFAIRS ⁽¹⁾

European Social Fund

Committee of the Fund

28. On 5 December 1963, the Committee of the European Social Fund held its fourth annual session in Brussels under the chairmanship of M. Levi Sandri, member of the Commission and President of the Social Affairs Group.

It rendered a number of opinions on applications for aid from the Fund for retraining operations in Italy and the Netherlands and on proposals to add a number of public bodies to the list mentioned in Article 18 of the Regulation on the Social Fund ⁽²⁾.

On the same day the Committee's working party set up to study the prospects of widening the Social Fund's sphere of activity met for the first time.

Balance-sheet of the Fund for 1963

29. On 18 December the Commission approved seven applications submitted by Germany (FR), France, Italy and the Netherlands for refunds totalling 5 717 477 units of account.

This brings the total aid from the Fund for 1963 to 7 561 477 units of account, allocated as follows:

Germany (FR): 1 733 265 u.a.

Belgium: 350 532 u.a.

France: 2 602 450 u.a.

Italy: 2 134 371 u.a.

Netherlands: 740 859 u.a.

Under the schemes for which refunds have been made in 1963, 80 511 workers have found new jobs after retraining or resettlement.

The breakdown by country is as follows:

Germany (FR): 18 528 + 35 740 Italian workers resettled

Belgium: 994

France: 5 304

Italy: 18 929

Netherlands: 1 016

The total aid granted by the European Social Fund in three years of operation is 19 853 275 units of account; the schemes for which refunds have been granted have helped 263 497 workers.

⁽¹⁾ See Chap. I and II of this Bulletin.

⁽²⁾ Regulation No. 9, published in the official gazette of the European Communities, No. 56, 31 August 1960.

Social security for migrant workers

Administrative Committee

30. The EEC Administrative Committee for the social security of migrant workers held its 49th and 50th sessions on 28-29 November and 19-20 December 1963 respectively.

At the 49th session, two decisions were taken on the forms to be used for the purposes of the regulations on social security for frontier workers and seasonal workers, and the final texts of these forms were approved in the four languages. The Committee also took a decision simplifying a number of points in connection with benefits in kind.

The Committee resumed its discussion of a number of points connected with the payment of pensions and of certain practical matters arising in the application of health insurance regulations in the case of temporary residence in another country.

At its 50th session, the Administrative Committee considered a number of questions relating to the application or the interpretation of certain clauses in Council Regulations No. 3 and No. 4 (social security for migrant workers).

The Committee also discussed problems of co-ordination in the field of social security for transport workers, examining the various legal aspects of these problems.

In addition it approved the texts of a number of agreements reached between Belgium and France and between Belgium and the Netherlands pursuant to Regulation No. 36/63/EEC (social security for frontier workers) ⁽¹⁾.

Amendments to Regulations No. 3 and No. 4

31. At its session of 2-3 December 1963 the Council made certain amendments to Regulations No. 3 and No. 4 (social security for migrant workers), simplifying administrative procedures in the granting of allowances for the children of pensioners and for orphans. The amendments also include certain changes in bilateral provisions affecting seasonal workers.

Action on the Commission's recommendations regarding the adoption of a European list of occupational diseases

32. A meeting of Government representatives and delegates from workers' and employers' organizations was held in Luxembourg to study the action taken in the six countries of the Community in pursuance of the Commission's recommendation of 23 July 1962 concerning the adoption of a European list of occupational diseases ⁽²⁾.

It will be recalled that this recommendation has three main points:

a) Additions to the national lists of occupational diseases in order to bring them into line with the European list proposed by the Commission;

⁽¹⁾ See official gazette of the European Communities, No. 62, 20 April 1963.

⁽²⁾ *Ibid.*, No. 80, 31 August 1962.

b) Adoption of the "combined" system, which, under certain conditions, would also permit compensation of workers suffering from diseases not on the national list;

c) Exchange of information between Member States in order to facilitate recognition of new occupational diseases and to develop measures for preventing them.

Since the recommendation was transmitted to the Member States' Governments, there have been the following developments :

Germany: Promulgation of the law of 9 May 1963 introducing the "combined" system (the German list was revised in 1962 while the recommendation was being prepared and is at present one of the most comprehensive in the Community).

Belgium: Introduction of a bill providing, among other things, for the recognition of silicosis as an occupational disease of miners.

France: Addition of two diseases to the national list and amendment of the description of four occupational diseases already recognized so as to broaden the scope of compensation.

Preparation of a list of diseases presumed to have an occupational origin and which will be compulsorily notifiable by doctors. This list will be drawn up on the basis of the European list and annex.

Italy: New provisions for preventive action against hazards in the use of benzol. Studies with a view to the recognition of certain other occupational diseases.

Luxembourg: An "occupational diseases committee" is studying the entire list and considering whether the "combined" system should be introduced into legislation.

Netherlands: A special problem arises by reason of a bill to eliminate all distinction between incapacity for work caused by occupational injury or disease and that occurring in private life. As regards occupational disease the European list will be taken as a basis for preventive measures.

As to exchange of information, three countries, Germany, France and Italy, have already raised specific questions which will be transmitted to their partners among the Six.

This is the first recommendation the Commission has made in the field of social security, and the attention the Governments have given to it, the efforts already made in the short space of a year to embody it in new legislation, and the prospects for co-operation now open are a source of considerable satisfaction.

Supplementary social security arrangements in the building industry

33. This was the subject of a meeting held in Brussels on 9 December 1963 attended by representatives of employers' and workers' organizations in the building industries of the Six. On the basis of a collective report by the Commission's staff, the "social partners" examined the problems raised by these arrangements in the context of manpower mobility in the Community: where these arrangements are not fixed by law but are written into collective agreements, Regulations No. 3 and No. 4 (social security for migrant workers) do not apply. This lack of co-ordination may place workers, whether they are in a foreign country temporarily (still dependent on their

employer at home) or for an indefinite period, in an unfavourable situation as regards their right to social benefits and, in the building trades particularly, as regards bad weather pay. Those taking part were unanimous that solutions should be found for this problem and declared themselves ready, as a first step, to contact at national level the bodies administering the supplementary arrangements to discuss solutions in practical terms. Later, the question of their legal form will be considered in connection with work now in hand on collective bargaining.

Free movement of workers

Labour market assessment

34. The Working Party of the Technical Committee set up under Regulation No. 15 ⁽¹⁾ to study the establishment of standard criteria for assessing labour market situations, in accordance with Article 3 of the regulation, met on 22 November 1963.

It examined the problem of normalizing the statistics which the Member States are required to supply every quarter to the European Co-ordinating Office and which, from the beginning of 1964 onwards, will be transmitted on the standard schedules adopted for this purpose. The Working Party also examined possible improvements to the quarterly reports of the Co-ordinating Office, and made certain suggestions which are to be studied.

The next meeting of the Working Party was fixed tentatively for early in 1964.

The Manpower Working Party

35. The Manpower Working Party, which is drawn from the Consultative Committee on freedom of movement and employment established under Regulation No. 15, met on 5 December 1963. It examined and approved a report drafted by the Commission's staff containing the conclusions of its meeting of 4 November 1963.

These include suggestions on ways of amplifying and using the documentary material on the manpower situation and employment trends together with suggestions on the presentation of these facts and figures in the report on current manpower problems and in the annual "balance-sheet" of vacancy clearing and placing activities.

The document was submitted for approval to the Consultative Committee on freedom of movement and employment at its meeting of 6 December, a report of which follows.

The Consultative Committee on freedom of movement and employment

36. On 6 December 1963 the Consultative Committee held its second session of the year, with M. Levi Sandri, member of the Commission and President of the Social Affairs Group, in the chair.

After a broad exchange of views on a memorandum drafted by the workers' group dealing with the bases of the free movement policy, the Committee instructed a

(1) See official gazette of the European Communities, No. 57, 26 August 1961.

tripartite working party to draft a final memorandum which would, in the light of the points raised during the discussion, embody the views of the Consultative Committee as a whole.

The Committee then adopted the conclusions of the Manpower Working Party on the question of documentary material dealing with the manpower situation and employment trends. It stressed the value of an information handbook for migrant workers containing general information on the cost of living in the various Community countries, average wages and the addresses of official bodies and trade organizations which can supply workers with fuller information.

Lastly, the Committee was informed that the Commission was planning to arrange early in 1964 informatory meetings on free movement problems for the benefit of employers and workers.

Employment problems

37. The Belgian panel of experts (government, employers' and workers' representatives), from which the Commission had requested an opinion on the study on underemployment and manpower reserves made by the Institute of Economic, Social and Political Research at Louvain University ⁽¹⁾, held a final meeting on 2 December 1963 attended by the authors of the study and by Commission experts.

After this joint examination, a number of amendments to the original text were agreed.

The study in question, which may serve as a basis for further work of this kind, will be widely distributed throughout the Community by the Commission.

AGRICULTURE

The common agricultural policy

38. Bulletin 1-64 contained a brief account of the Councils' common agricultural policy decisions made on 23 December after lengthy discussion. The last month of 1963 witnessed an almost uninterrupted series of Council meetings on the subject. These ended in agreement on the substance of the Commission's three proposals for the establishment of new common market organizations in the dairy produce, beef and rice sectors (the formal agreement in the four Community languages and various technical details still remain to be settled). There was also agreement on the financing of the common policy and on the Community's attitude in the coming Kennedy round of tariff negotiations in GATT.

The Special Committee for Agriculture

39. The Council agreed to fix by 15 April 1964 cereal prices for the 1964/65 marketing year on the basis of the Commission's proposal.

It also instructed the Special Committee for Agriculture to study the Commission's proposals on this matter.

(1) See Bulletin 1-64, Chap. IV, sec. 55.

Debates in the European Parliament

40. The Commission proposal to fix a common target price for cereals in one operation was studied by the Agricultural Committee of the Parliament (and by the special agricultural section of the Economic and Social Committee at a first preparatory meeting on 20 December). The draft parliamentary opinions submitted by the rapporteurs, M. Briot, M. Dupont and M. Vredeling, were approved by the Agricultural Committee at its final meeting on 21 December 1963.

41. In plenary session on 7 and 8 January the Parliament heard a report by M. Mansholt, Vice-President of the Commission, on the results of the Council's meetings at the end of 1963 and studied the Commission proposal for the single-stage alignment of cereal prices. M. Mansholt said that the Commission was not planning to submit any other proposal for this price alignment than the one already laid before the Council and now under discussion. ⁽¹⁾

The spokesmen for the political groups expressed their satisfaction at the steps taken by the Commission and put forward the views of their groups.

On behalf of the Christian Democrat group, M. Blaisse expressed his pleasure that a political will had made itself felt in the negotiations; for him this was the crucial fact despite certain obscurities in the Brussels agreements.

For the Socialist group M. Birkelbach noted that the Commission's position had been strengthened by the agreement of 23 December 1963. Nevertheless he mentioned the interests of consumers, which had not perhaps been given due weight when the regulations were worked out, and pointed to the danger of allowing public opinion to associate the common agricultural policy with rising prices for certain food products.

M. Boscary-Monsservin, speaking for the Liberal group, stressed the importance of the action taken by the Commission and the Council. He also urged the need to strengthen the Community's internal cohesion and to define a trade policy vis-à-vis non-member countries. The preference which must be given to Community producers did not in any way imply autarky vis-à-vis non-member countries, towards which the Community had certain obligations.

On this occasion the spokesmen of the three groups again expressed the hope that the Parliament would have power to exercise control over the Community budget.

On 8 January 1963 the Parliament discussed the reports from the Agricultural Committee on the alignment of cereal prices and gave its approval to the four draft regulations submitted to the Council of Ministers at the end of 1963. Now that the Parliament has rendered this opinion the Council is legally in a position to pronounce on the Mansholt plan.

The debate on this question revealed two schools of thought. The first (represented by a certain number of Christian Democrats and Liberals) was in favour of an increase in the common price proposed by the Commission for wheat other than durum, — 112 units of account a ton instead of 106.25. But it was argued that this would involve grave drawbacks for consumers, for whom it would in fact mean higher prices for certain products, for taxpayers (a rise in wheat prices would stimulate production and make it more costly to dispose of surpluses on the world market) and, finally, for non-member countries (increased Community production would stop imports).

⁽¹⁾ Extracts from M. Mansholt's speech appear in an editorial to this Bulletin.

The second view, in which Liberals and Christian Democrats were associated, was that before prices were harmonized there should be competition on equal terms. The members supporting this view suggested that before the end of 1965 the Commission should make a study of cost factors as a basis for cereal prices.

As was pointed out in the debate this would have put the Commission's proposal in abeyance indefinitely.

Replying, M. Mansholt said that the Commission's proposal had to be considered as a whole. Farmers who received lower prices for their cereals would be amply compensated.

The Community price proposed by the Commission was the highest at present possible in the light of various requirements, in particular the need to continue trade with non-member countries for whom outlets had to be maintained in the Common Market.

It was the opening of the frontiers which made it necessary to harmonize conditions of competition for agricultural products. As in the case of industrial products there was no reason to insist on uniform production costs as a prior condition for the liberalization of trade.

By 54 votes to 9 the Parliament approved the conclusions of M. Briot's report on amendments to Regulation No. 19 and the fixing of cereal prices for the 1964/65 marketing year. The amendment suggesting 112 units of account instead of 106.25 was defeated by 33 votes to 29. The draft resolutions expressing the Parliament's opinion annexed to the reports by M. Dupont (compensatory measures and Community plans to improve agricultural living standards) and M. Vredeling (amendments to the financial regulation) were approved unanimously, as were the proposals from the Executive to amend the system of intra-Community refunds for exports of poultry, eggs and pigmeat. ⁽¹⁾

General significance and scope of the Council's agricultural policy decisions of 23 December 1963

42. The Council's decisions on 23 December 1963 at the end of its "marathon session" marked a new and important step in the development of the common agricultural policy.

The regulations adopted by the Council on 14 January 1962, introducing common market organizations for cereals, pigmeat, eggs, poultry, fruit and vegetables and wine, covered 53 % of the Community's agricultural production and 23 % of its agricultural imports. With effect from 1 April 1964 the Council's decisions of 23 December 1963 add to this list common market organizations for rice, beef and dairy produce, and, with effect from 1 November 1964, a common policy in the vegetable and animal fats sector. Including fats, the products newly covered represent 32 % of the Community's agricultural production and 14 % of its agricultural imports from non-member countries.

In this way the foundations for a common agricultural policy have now been laid for products representing 85 % of the Community's agricultural production. Common principles have thus been defined in practice for all the Community's essential

⁽¹⁾ See Annex for extracts from these resolutions.

agricultural products. What remains is to fill in this framework by means of uniform farm prices which alone will make this system the instrument of a single agricultural policy, will simplify it and will also enable it to influence policy on production.

In the fields of production already mentioned, which had not yet been fitted into the system, the decisions just taken by the Council contribute to the gradual elimination of obstacles to trade. For these products the present level of agricultural prices in the Member States is guaranteed by a common system of intervention on the markets and a common external trade system. In the main the question of the level of future common agricultural prices and, consequently, of the protection which the Community intends to offer its farmers vis-à-vis outside countries will therefore remain pending.

This is why one Council decision of 23 December 1963 stands out particularly in the setting of a common agricultural policy: the decision to fix, before 15 April 1964, cereal prices for 1964 and 1965 on the basis of the Commission's proposal to the Council concerning the alignment in one operation of cereal prices in EEC.

In this same connection the following Council decisions are also important:

a) The decision to fix a common level of support for all farm products for which a common price has not yet been determined before the opening of the Kennedy round in GATT, which will include discussion on the improvement of world trade, including trade in farm products. The amount of this support can already be fixed on the basis of a provisionally estimated theoretical price. The definitive common price for the products in question can be fixed later and independently of this theoretical price. Under GATT rules if the theoretical price is too low it will be necessary "to pay" to make up the difference and if it is higher than the final price the Community will have a "credit" in GATT.

b) The decision to introduce in all existing and future agricultural market regulations a provision stipulating that the application of these regulations must be subject to Article 39 of the EEC Treaty (protection of agriculture) and to Article 110 of the Treaty which deals with the Community's external trade regulations.

c) The decision to abolish by 1970, as part of the common policy in the dairy produce sector, all producer subsidies tied to the product and to transform them into producer subsidies not tied to the product. This affects German subsidies amounting to about DM 1 000 million and Netherlands subsidies amounting to about Fl. 300 million.

d) The decision to follow in the fats sector a common policy based on world market prices for raw materials used in the production of fats and to grant direct subsidies to Community producers.

This Council decision was motivated by the fact that Community production covers only 20 % of the six countries' requirements for vegetable oils and fats.

The tax on margarine, amounting to Pf. 14 (DM 0.14) per kilo of fat content, which it was therefore decided to introduce to provide the finance necessary to support Community and African production, is designed not to be damaging to imports from the outside world.

e) The decision to eliminate from present and future regulations all drawbacks (refunds) in trade in farm products which exceed the difference resulting from still existing disparities between cereal prices in the various Member States. In this way the Member States' preference in intra-Community trade in farm products is placed on an objective footing.

However, the abolition of supplementary refunds is also of considerable importance for non-member countries' trade, with the EEC. It places products from these countries in a more favourable competitive position on the Community's internal market in relation to Member States.

By virtue of another Council decision pursuant to financial Regulation No. 25, Member States' contributions to the joint Agricultural Guidance and Guarantee Fund must be paid partly according to the scale contributions set out in the Treaty and partly in conformity with net imports calculated according to the value of the various products concerned.

The outstanding results of the marathon conference recently ended are therefore a balance between decisions on internal matters and those concerning outside countries, and common financial responsibility with regard to agricultural policy.

The agricultural policy of the Member States is being increasingly determined by the common agricultural policy. The period when it seemed possible to take decisions on domestic agricultural policy irrespective of the common agricultural policy is now over. No member Government and no Parliament can in future take independent decisions having no reference to the provisions of the common agricultural policy which are in force.

As this development deprives the national Parliaments of certain powers, the Council of Ministers will shortly decide as to the European Parliament's right, which it recognizes to be important, to supervise expenditure by the European Guidance and Guarantee Fund.

Functioning of the common market organizations

Cereals

43. On 12 December the Management Committee expressed a favourable opinion on two draft Commission regulations. The first concerned an amendment to Commission Regulation No. 91 on refunds on exports of certain categories of flour, groats and meal ⁽¹⁾ and the other an amendment to Commission Regulation No. 89 on the fixing of 'free-at-frontier prices' ⁽²⁾. The Commission adopted both regulations on 19 December 1963.

Pigmeat

44. The Council and the Commission have made the necessary decisions for the application of the system of levies on pigs and pigmeat to imports between 1 January and 31 March 1964 (quarterly adjustment). The decisions are as follows:

i) Commission regulation adapting and fixing sluice-gate prices for imports of pigs and pigmeat products between 1 January and 31 March 1964 ⁽³⁾.

⁽¹⁾ See Regulation No. 131 published in the official gazette of the European Communities, No. 188, 28 December 1963.

⁽²⁾ See Regulation No. 132 *ibid.*

⁽³⁾ See Regulation No. 135 *ibid.*, No. 191, 31 December 1963.

Hitherto the average price of feed grain on the world market had been DM 23.09; it is now (April/September 1963) DM 22.41. The sluice-gate price of pig carcasses is therefore reduced in consequence from DM 210.30 to DM 206.41, a decline of DM 3.89.

ii) Council regulation fixing the levies on live pigs, pigmeat and pigmeat products for imports from non-member countries between 1 January and 31 March 1964 ⁽¹⁾. As the difference between feed-grain prices in the Netherlands and on the world market has increased (from 1.7635 units of account to 1.8777 units of account) the corresponding component of the levy vis-à-vis non-member countries is increased for pig carcasses from 7.4067 units of account to 7.8863 units of account, an increase of 0.4796.

On 23 December 1963 the Council acting on a Commission proposal also extended for one month (1 January to 31 January 1964) its Regulation No. 124 reducing the levies on imports of live pigs and pigmeat from non-member countries ⁽²⁾. The levies can be reduced by an amount equal to the levies applied by Belgium. The reason for the decision is that prices are tending to rise in most member countries.

By decision of 20 December 1963 the Commission also extended until 31 March 1964 its decision of 28 August 1963 concerning the temporary increase in the supplementary amount which may be refunded on exports of Wiltshire bacon to non-member countries.

At the same time the Council took a decision authorizing Belgium to set a limit upon exports of pigs and pigmeat to the Member States between 1 and 31 January 1964 ⁽³⁾. The object is to enable Belgium to combat rising prices on the pigmeat market. But the Council attached conditions to this limitation: exports to non-member countries must also be limited and no refund may be granted on exports during this period.

Eggs and poultry

45. The quarterly adjustments of levies and sluice-gate prices were made for the egg and poultry market. On the advice of the Management Committee, the Commission made a regulation adjusting and fixing for the period 1 January to 31 March 1964 sluice-gate prices and levies in trade with non-member countries in the products listed in Regulations Nos. 21 and 22 ⁽⁴⁾.

On a proposal from the Commission the Council also adopted on 12 December 1963 Regulation No. 129/63/EEC ⁽⁵⁾ concerning eggs for hatching and live poultry not exceeding 185 grammes in weight, the stamping of eggs for hatching and separate calculation of the levy and the sluice-gate prices for the products concerned.

In its Regulation No. 128/63/EEC of 11 December 1963 ⁽⁶⁾ the Commission increased from 0.0375 to 0.05 units of account per kg the extra amount applicable to imports of hens and chickens from non-member countries. This measure was made necessary by the trend of prices on the world market.

⁽¹⁾ See Regulation No. 133, published in the official gazette of the European Communities, No. 191, 31 December 1963.

⁽²⁾ See Regulation No. 134, *ibid.*

⁽³⁾ *Ibid.*

⁽⁴⁾ See Regulation No. 136/63/EEC published in the official gazette of the European Communities, No. 191, 31 December 1963.

⁽⁵⁾ *Ibid.*, No. 185, 19 December 1963.

⁽⁶⁾ *Ibid.*, No. 183, 13 December 1963.

Fruit and vegetables

46. In December the Federal Republic of Germany and France in turn requested the authorization of the Commission to apply, from 1 January 1964, the safeguard clause to imports from the Member States of Grade 1 dessert apples. On 27 December 1963 the Commission granted in part the German request, authorizing the Federal Republic to suspend imports until 12 January 1964 and promising to make a final decision by 15 January. At the same time the Commission's decision made certain changes in the German application, intended in particular to increase the number of varieties not coming under the safeguard clause.

On 30 December France made a similar application, which the Commission approved on 6 January, also with effect until 12 January.

At the request of the Italian and German Governments the Council, as required by Article 10 (3) of Council Regulation No. 23 (fruit and vegetables), studied this question at an extraordinary meeting on 6 January 1964.

After discussion of the Commission's decisions and the problems they raised in the Member States concerned, the German delegation withdrew its request for amendment, and the Italian for cancellation, of these decisions.

The Council reaffirmed that recourse to the safeguard clause was to be considered as purely exceptional.

The Federal Republic of Germany declared that after 12 January 1964 it would only make use of safeguard measures in the event of grave market disturbances resulting from excessive imports of fruit and vegetables. In judging the market situation account would be taken among other factors of M. Mansholt's statement at the sixtieth session of the Council.

The Italian Government will make representations to the Italian circles concerned in order to ensure that exports of fruit and vegetables are not made in such a way as to embarrass the importing countries.

When a decision has to be made under Article 10 of Council Regulation No. 23, the Commission will take fully into account the views of the various delegations and the points brought out in the Council's discussion at this session.

TRANSPORT

Common transport policy

47. The European Parliament and the Economic and Social Committee have continued their study of the Commission's proposals for a common transport policy.

The Transport Committee of the European Parliament has examined the proposed decision on a survey of infrastructure costs (which will be discussed by the Parliament in plenary session in January 1964) and the proposed regulation on a system of rate brackets for goods transport.

For its part the transport section of the Economic and Social Committee has held a number of meetings at which it rendered opinions on the proposals for the harmonization of conditions of competition, the introduction and operation of a Community quota for goods transport by road and the establishment of a system of rate brackets. These opinions will be submitted to the plenary Committee at the end of January 1964.

Meeting of the ECSC/EEC inter-Executive Working Party

48. The Working Party met in Brussels on 3 December 1963. M. Coppé, Vice-President of the High Authority, and M. Schaus, a member of the Commission and President of the Transport Group, were present. The Working Party studied through rates for the road transport of ECSC products between Germany and France. It also examined the question of "traffic consolidation" tariffs or tariffs fixed in the interest of the carrier.

Consultative Committee on Transport

49. The Consultative Committee on Transport established under Article 83 of the Treaty held a plenary meeting on 16 and 17 December 1963. The Committee examined the list of questions on which the Commission proposes to consult it during its present term of office and drew up its programme of work accordingly. The Committee was also consulted orally as to the listing and study of situations which may justify exceptions or special procedures in applying the rules of competition to transport.

Implementation of Articles 79 and 80 of the Treaty

50. At a meeting in Brussels on 5 December 1963 between the Commission staff and representatives of the Member States consultations were held, as called for by Article 80 (2) of the Treaty, on "Annexe B ter" to the French national railways' general schedule of freight rates.

On the same day a meeting with experts from the Member States continued the study of problems in appraising the special rates applicable to transport to or from seaports or equivalent inland ports, and particularly rates fixed in the interest of the carrier.

Infrastructure costs

51. At its tenth meeting on 10 and 11 December 1963 the sub-Committee of Government experts held an initial discussion on general principles in apportioning infrastructure costs among the various categories of users.

The sub-Committee also listed the chief statistical data which will be necessary for the inquiry into the determination and apportionment of infrastructure costs planned for 1965. The newly constituted group of statistical experts which is to study all problems of a statistical nature involved in the above-mentioned inquiry made an initial examination of this list on 12 and 13 December 1963.

OVERSEAS DEVELOPMENT

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

52. In December 1963 the Parliaments of the following associated States passed bills authorizing the ratification of the Convention of Association signed at Yaoundé on 20 July 1963: Upper Volta, Ivory Coast, Somalia, Mauritania, Central African Republic, Togo. The National Assembly and the Senate of the Malagasy Republic have also passed the ratifying bill.

The Council of Ministers of Niger adopted the ratifying bill, on 23 December 1963.

Among the Six, the French National Assembly and Council of the Republic have passed the ratifying bill, as have the Belgian Chamber of Representatives and Senate.

On 30 December 1963 the French Republic deposited its instruments of ratification of the Yaoundé Convention at the seat of the General Secretariat of the Councils of the European Communities.

The Central African Republic, Gabon and Chad had already deposited instruments of ratification.

Association of the overseas countries and territories with the Community

53. At its session of 2 and 3 December 1963 the Council approved in principle the provisions concerning the association of overseas countries and territories with the Community which will replace the Implementing Convention annexed to the Treaty (this Convention expired on 31 December 1962) and the transitional provisions at present in force. At the same time the Council voluntarily referred the new text to the European Parliament for its opinion.

The Council also adopted three other decisions:

- a) A decision on the application to the French overseas departments of certain Treaty provisions concerning freedom of establishment and payments ⁽¹⁾;
- b) A decision of the representatives of the member Governments meeting in the Council concerning duties on imports of certain tropical products ⁽²⁾;
- c) A decision amending and temporarily suspending certain duties under the common external tariff ⁽³⁾.

Trade problems

54. At its session at the end of December 1963, the Council approved the transitional arrangements for trade from 1 January 1964 until the effective date of the Association Convention with the African States and Madagascar or at the latest until 30 June 1964. This is an extension of the transitional arrangements adopted on 19 December 1962 and given in Annex I of the final act of the Yaoundé Convention.

These arrangements were approved by the Interim Committee on 13 December 1963 and later by the representatives of the Member States and of the associated States. At the same session the Council studied the Commission's communication concerning the basis of the common policy for oils and fats ⁽⁴⁾. One part of this document deals with the need to take account of the interests of the associated States and the overseas countries and territories which export these products. In the resolution approved, the Council, considering that these products are the most important exports of the associated overseas States in general and that the pronounced downward trend of world prices for edible oils is adversely affecting the economic development of those associated States

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

⁽²⁾ *Ibid.*, No. 190, 30 December 1963.

⁽³⁾ *Ibid.*, No. 150, 30 December 1963.

⁽⁴⁾ Published in the supplement to Bulletin No. 8-63.

for which groundnut exports are almost the only source of foreign currency, envisages special measures for products of this nature imported into the Community from the associated countries.

As regards oils, these measures involve the abolition of national customs duties in accordance with the system that obtains between Member States, and as regards seeds, special action where necessary to provide some degree of preference.

Aid is also envisaged to mitigate the consequences of any fall of world prices below an average reference price to be established.

At the same session the Council noted, when approving the regulation for the progressive introduction of a common organization for the rice market, that before 1 February 1964 the Commission will submit proposals as regards rice imports from the associated African States and Madagascar and from Surinam so that the system governing these imports can come into force on the same date as the rice regulation.

The Commission has sent the associated States a second note on the application of those provisions of the Yaoundé Convention which concern aids to production. The Commission's staff have continued the study of the five-year programmes of aid to production and diversification so far submitted by the associated States.

The mission sent to Somalia to study the new trade legislation planned by that country, has provided the Commission with a mass of interesting information from the angle of the application of the Yaoundé Convention.

EEC economic rehabilitation plan for the Republic of Congo (Leopoldville)

55. At the request of the President of the Republic of Congo, M. Kasavubu, an EEC plan to rebuild as rapidly as possible the Congo's wrecked economy has been drawn up by a Commission of 21 experts representing the six Community countries. The plan proposes that the Leopoldville authorities take energetic measures to restore order in the central administration, completely reorganize technical assistance and, with the aid of a team of experts to make a close scrutiny of the public services, the budget, taxation and financial administration.

The mission, led by M. Torre, consisted of experts with wide knowledge and experience of the Republic of Congo. Members of the Institute of Economic and Social Research of the University of Louvain collaborated with the mission and it had the benefit of abundant information, reports and studies supplied by public and private bodies, both Congolese and international.

The mission's work was done in three phases: preparatory studies in Europe, work on the spot between March 1963 and January 1964, the writing of the study.

The study has six sections illustrated by maps. It has been transmitted to the Congo Government.

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

56. At its session at the end of December 1963 the Council prolonged the transitional arrangements adopted on 1 and 2 April 1963 concerning scholarships, study visits and rapid courses. Under these arrangements the Commission is authorized to finance from its own budget pending the entry into force of the Convention:

- a) 200 extra scholarships;

- b) Study visits for nationals of the associated States;
- c) Rapid courses.

The Commission has concluded the work of directing and allocating the nationals of the associated countries holding scholarships for 1963/64 to various educational institutions in the six member countries and Africa.

At a meeting on 11 December the Commission informed the representatives of the associated overseas countries and Madagascar of the results obtained in the academic year 1962/63 and of the first phase of the 1963/64 programme.

Two seminars for French- and English-speaking African students and trainees were held in December 1963.

European Development Fund

SOCIAL PROJECTS

57. In December 1963 the Commission approved the financing of three social projects:

Niger: Preliminary studies for the extension and equipment of Niamey hospital and the rebuilding of Niger's pharmaceutical depot.

The cost is estimated at 25 million frs CFA, or about 101 000 units of account.

Ivory Coast: Construction and equipment of an institute at Abidjan for the training of secondary school teachers, including teachers of general subjects in secondary schools and technical institutes, and primary school inspectors. (At present virtually all secondary school teachers are supplied under French technical assistance arrangements).

The cost is estimated provisionally at 300 million frs CFA, or about 1 215 000 units of account.

Congo (Brazzaville): Completion of surveys for the construction of a road between Sibiti and Jacob and of a bridge over the Niari at Jacob.

The cost is estimated at 17 million frs CFA, or about 68 000 units of account.

SIGNING OF FINANCING AGREEMENTS

58. In the same month the following financing agreements were signed:

a) With the Republic of Congo (Brazzaville) for a social project to cost about 182 000 units of account (45 million frs CFA);

b) With the Kingdom of Burundi for a social project to cost about 400 000 units of account (20 million Burundi frs).

EUROPEAN DEVELOPMENT FUND

Financing approved at 31 December 1963

(in thousand units of account)

Country or territory	Number of projects	Amount
Congo (Leopoldville)	14	14 631
Rwanda	10	4 844
Burundi	11	3 133
Total	35	22 608
Algeria (incl. Sahara)	9	20 427
Cameroon	26	44 406
Central African Republic	24	14 225
Comoro Islands	6	2 636
Congo (Brazzaville)	16	15 785
Ivory Coast	18	33 387
French Somaliland	2	1 367
Dahomey	18	18 658
Gabon	14	13 336
Guadeloupe	4	4 399
French Guiana	1	2 005
Upper Volta	11	25 948
Madagascar	39	50 773
Mali	24	32 644
Martinique	3	4 622
Mauritania	10	12 336
Niger	6	24 731
New Caledonia	5	1 560
Polynesia	1	2 474
Réunion	4	5 328
Saint-Pierre-et-Miquelon	1	3 545
Senegal	19	34 606
Chad	17	24 956
Togo	17	13 408
Group of States	2	5 132
Total	297	412 694
Somalia	4	5 060
New Guinea	4	7 458
Surinam	4	11 194
Grand total	344	459 014

Visit by leaders of an associated overseas country

59. M. J.A. Pengel, Prime Minister of Surinam, visited the Commission on 9 December 1963. He was accompanied by M. S.A. Emmanuels, Surinam Minister at The Hague and M. Thym, Minister of Public Works. They were received by M. J. Rey, member of the Commission and President of the External Relations Group, and later by M. Schaus, a member of the Commission, representing M. Rochereau, President of the Overseas Development Group, who was absent in Africa.

A working meeting was held on certain projects submitted to the European Development Fund for financing.

DEVELOPMENT AID

Commission working party on development aid

60. This working party, set up by the Commission decision of October 1963, met for the first time on 29 November 1963. The main business was to lay down for the first half of 1964 the broad lines of a programme of study of certain essential elements of a common development aid policy.

EEC Technical Assistance Group

61. The EEC Technical Assistance Group held its ninth meeting on 4 December 1963. It will be remembered that this group was set up by Council decision on 19 October 1960 to exchange information and study applications from the developing countries for technical assistance in order to co-ordinate and harmonize action by EEC and the Member States.

The group studied the problem of the medical personnel to operate the new general hospital at Mogadiscio (Somalia) and the possibilities of concerted aid to revive the Congo National Institute of Agricultural Science (INEAC).

Following a Council decision of 2 December 1963, the group will shortly study the technical assistance supplied by the Member States to Lebanon ⁽¹⁾.

Study on the results of an EDF investment

62. By agreement with the Madagascan Government's planning department, the Commission has decided to carry out an experimental study on the precise results of an EDF investment. The point chosen for this inquiry is the Andapa basin, which has hitherto remained very isolated but is shortly to be linked with the east coast by the building of a road financed by the EDF. The aim of the study will be twofold:

a) To "photograph" the social and economic state of the basin before the road is begun, so that when it is completed it will be possible by comparison to appraise the changes which have taken place. This is a pilot study. Its interest extends beyond the geographical framework and it links up with current discussions in several international bodies on the effectiveness of external aid.

(1) See this Chapter, sec. 5.

b) To plot the conditions for agricultural development in the basin with a view to guiding future improvement work and investment in this region, which is particularly suited to farming.

ADMINISTRATIVE AFFAIRS

Budget matters

63. At its session at the end of December 1963, the Council finally approved the EEC budget for 1964. It agreed to restore the full amount of 120 000 units of account ⁽¹⁾ for training periods for guest students and to allow upgrading of certain posts in the section concerning the European Parliament. For the rest the Council did no more than confirm its decision of 15 October 1963 ⁽²⁾, agreeing nevertheless to continue in 1964 a general study of the problem of upgrading in all the institutions.

On 16 December 1963 the Commission submitted to the Council the preliminary draft of a supplementary budget for 1964. Provision is made for 79 new posts in the Directorate-General of Agriculture; these are needed to implement the regulations governing the markets in dairy produce, beef and rice, and those governing the European Agricultural Guidance and Guarantee Fund.

Staff movements

64. M. Ivo Schwartz has been appointed Counsellor for competition questions in the Directorate-General for Competition.

M. Dieter Frisch has been appointed assistant to the Director-General for Overseas Development.

M. Mario Bolasco, head of the European countries (East) division of the Directorate for bilateral relations in the Directorate-General of External Relations, whose resignation had been accepted by the Commission, relinquished his functions on 30 November 1963.

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

(2) See Bulletin 12-63, Chap. III, sec. 65.

VI. Institutions and organs

A. THE EUROPEAN PARLIAMENT

The European Parliament met in plenary session on 7 and 8 January 1964 to discuss agricultural problems, in particular the Commission's proposal concerning a common level for cereal prices, and the regulations adopted on 23 December 1963. Five resolutions were passed approving the following proposals by the Commission:

1. Proposal for a Council regulation amending Council Regulation No. 19 with a view to unification of cereal prices in the Community;
2. Proposal for a Council regulation fixing cereal prices for the 1964/65 marketing year and designating marketing centres;
3. Proposal for a Council regulation on compensatory measures and the elaboration of Community plans to improve the standard of living of the agricultural population;
4. Proposal for a Council regulation supplementing the provisions laid down in Article 5 (1) of Regulation No. 25 on the financing of the common agricultural policy;
5. Proposal for a Council regulation amending Council Regulations Nos. 20, 21 and 22 with regard to refunds on exports to Member States.

Extracts from some of these resolutions are annexed. Details of the debates are given under "Agriculture", Chapter V.

B. THE COUNCIL

117th session

The 117th session of the Council was held on 2 and 3 December 1963, M. Luns, Netherlands Foreign Minister, and M. Biesheuvel, Netherlands Deputy Prime Minister and Minister of Agriculture and Fisheries, presiding in turn. The following were the main items of business:

Tariff matters: — The Council approved the suspension of a number of duties under the common external tariff and an increase of the tariff quotas for certain products in 1964 ⁽¹⁾.

Free movement of workers and social security for migrant workers: — The Council approved the rules of procedure for the Advisory Committee set up under Regulation No. 15 relating to first steps for the achievement of free movement of workers. The Council also amended Regulations Nos. 3 and 4 concerning social security of migrant workers ⁽²⁾.

External relations — commercial relations with India: — The Council approved a decision to suspend certain CET duties applicable to imports from India ⁽³⁾.

⁽¹⁾ See Chap. V, sec. 17 and 16.

⁽²⁾ *Ibid.*, sec. 31 and 34.

⁽³⁾ *Ibid.*, sec. 4.

Relations with Lebanon: — The Council took steps to co-ordinate action by the Member States in connection with technical aid to Lebanon ⁽¹⁾.

Associated African States and Madagascar — Overseas countries, territories and departments: — The Council approved the text of provisions concerning the association of overseas countries and territories with the Community. These provisions are to replace the Implementing Convention annexed to the Treaty. The Council will voluntarily refer them to the European Parliament for its opinion. The Council also approved three further decisions ⁽²⁾.

Request for negotiations by Tanganyika, Kenya and Uganda: — The Council took note of these countries' request for negotiations and did not object to the Commission's intention of opening exploratory talks with them.

Negotiations in GATT: — The Council discussed the problems of multilateral negotiations in GATT.

American poultry exports: — The Council took note of the opinion expressed by the GATT panel set up to deal with the dispute between the Community and the United States on poultry. The Council accepted this opinion, which puts at \$26 million the value, as at 1 December 1960, of the unbinding of the concession previously granted by the Federal Republic of Germany. The Council instructed the Commission to explore with the United States delegation ways and means for a final settlement of the dispute ⁽³⁾.

Agriculture: — The Council examined a proposal for a regulation on aid from the European Agricultural Guidance and Guarantee Fund.

118th session

The 118th session of the Council was held from 9 to 12 December 1963, M. Biesheuvel, Netherlands Deputy Prime Minister and Minister of Agriculture and Fisheries, presiding. The Council resumed work on the proposed regulations for the gradual establishment of common market organizations for rice, beef and dairy produce.

The Council adopted a regulation on certain provisions concerning poultry eggs for hatching and live poultry not exceeding 185 grammes in weight.

119th session

The 119th session of the Council was held from 16 to 23 December 1963, M. Luns, Netherlands Foreign Minister, and M. Biesheuvel, Netherlands Deputy Prime Minister and Minister of Agriculture and Fisheries, presiding in turn.

The Council adopted the regulations on common market organizations for dairy produce, rice and beef, the regulation on aid from the European Agricultural Guidance and Guarantee Fund and a financial regulation governing that Fund, and decided to adopt, before 1 November 1964, a regulation instituting a common fats policy.

⁽¹⁾ See Chap. V, sec. 5.

⁽²⁾ *Ibid.*, sec. 53.

⁽³⁾ See Bulletin 1-64, Chap. IV, sec. 17.

The Council decided to fix cereal prices for the 1964/65 marketing season before 15 April 1964 on the Commission's proposal ⁽¹⁾.

The Council also adopted a regulation fixing the levies on imports of live pigs, pigmeat and pigmeat products from non-member countries from 1 January to 31 March 1964.

Multilateral negotiations in GATT: — The Council approved certain directives to the Commission concerning the Community's participation in the GATT multilateral negotiations on industrial and agricultural products ⁽²⁾.

Association Agreement between the EEC and Turkey: — The Council formally concluded the Association Agreement and decided to propose to the Turkish Government that an Interim Committee be set up to make preparations for its entry into force ⁽³⁾.

Request from the Government of Morocco for exploratory talks: — The Council took note of the request for exploratory talks submitted by the Government of Morocco and raised no objection to the Commission's intention to comply.

Associated African States and Madagascar: — The Council approved the transitional provisions to be applied to trade from 1 January 1964 until the entry into force of the Association Convention with the African States and Madagascar (30 June 1964 at the latest).

Agriculture: — The Council approved a directive (in the four Community languages) on certain health matters relating to intra-Community trade in fresh meat; also a directive on matters of veterinary supervision relating to intra-Community trade in live cattle and pigs.

120th session

The 120th session of the Council was held on 6 January 1964, M. Heger, Belgian Minister of Agriculture, presiding.

At this session the Council dealt with agricultural matters. It examined two Commission decisions:

- i) Decision of 27 December 1963 authorizing the Federal Republic of Germany to suspend until 12 January 1964 imports of Grade 1 dessert apples;
- ii) Decision of 6 January 1964, authorizing the French Republic to apply safeguard measures until 12 January 1964 to imports of certain varieties of Grade 1 dessert apples.

After a discussion between the members of the Council and the representatives of the Commission, and in the light of the views expressed, the German and Italian delegations withdrew their requests for Council action regarding the two Commission decisions ⁽⁴⁾.

⁽¹⁾ See Bulletin 1-64, Chap. IV, sec. 59, and the present Bulletin, Chap. V, sec 39.

⁽²⁾ See Chap. V, sec.10.

⁽³⁾ See Chap. IV.

⁽⁴⁾ See Chap. V, sec. 46.

C. THE COURT OF JUSTICE OF THE EUROPEAN COMMUNITIES

Leave to withdraw cases

The plaintiffs in two cases involving the Statute of Service of officials and other servants of the Community (Case 98/63 Erba v. EEC Commission and Case 99/63 Reynier v. EEC Commission), have begged leave to withdraw. The cases concerned the legality of a notice of vacancy.

Case 101/63

By registered letter of 25 November 1963 the Court of Justice notified the EEC Commission of an application for an interlocutory ruling submitted to it on 29 May 1963 by the *Tribunal d'arrondissement* of Luxembourg in pursuance of Article 177 of the EEC Treaty and Article 150 of the Euratom Treaty.

In this case (No. 101/63 — M. A. Wagner-Jung v. M. J. Fohrmann and M. R. Krier), the question submitted to the Court concerns the interpretation of Articles 8 and 9 of the Protocol on the Privileges and Immunities of EEC, ECSC and Euratom. The object is to determine the extent of the Parliamentary immunity of the two last-named persons ⁽¹⁾.

Case 103/63

On 29 November 1963 three German internal waterway transport firms filed a complaint against the Commission under Article 175 of the Treaty, alleging failure of the Commission to take proceedings under Article 169 against the Federal Republic of Germany for infringing Article 7 (2) of Regulation No. 19 in fixing the derived intervention prices for cereals too low in certain marketing centres ⁽¹⁾.

MISCELLANEOUS

European Community Prize

On 12 December 1963 in Strasbourg an international jury consisting of Ambassador E.N. van Kleffens (chairman), Professor Franco Valsecchi (University of Rome) and Professor S.L. Lyons (University of Dublin) awarded the European Community Prize of Bfrs. 100 000 to Dr Jürgen Erdmenger of Hamburg University for his LL.D. thesis on the application of the European Economic Community Treaty to sea and air travel.

The winner was chosen from 51 candidates from the Community and associated countries. His thesis has been published in German by Cram. De Gruyter & Co., Hamburg.

⁽¹⁾ See official gazette of the European Communities, No. 3, 13 January, 1964.

ANNEXES

Resolution embodying the opinion of the European Parliament on a proposal for a Council regulation amending Council Regulation No. 19 with a view to unification of cereal prices in the Community

This resolution approves the Commission's proposal ⁽¹⁾, subject to a number of minor amendments. The Parliament requests, in particular, that in fixing target prices account should also be taken of the need for selecting marketing centres in a manner that is fair to producers.

Similarly, in determining the number of these centres, due regard should be paid to the

volume of cereal production in each Member State as well as to their selection in a manner that is fair to producers.

The criteria for fixing threshold prices should also allow for the need to protect the processing industry.

(1) See Bulletin 1-64, Chap. IV, "Agriculture", sec. 59.

Resolution embodying the opinion of the European Parliament on a proposal for a Council regulation fixing cereal prices for the 1964/65 marketing year and designating marketing centres

This resolution approved the Commission's proposal ⁽¹⁾, subject to a number of alterations in the wording and the addition of the following paragraph to Article 3:

"Should the stocks of products purchased by the intervention agencies not be disposed of,

the losses ensuing from end-of-season price changes shall be eligible under the Agricultural Guidance and Guarantee Fund".

(1) See Bulletin 1-64, Chap. IV, "Agriculture", sec. 59.

Resolution embodying the opinion of the European Parliament on a proposal for a Council regulation on compensatory measures and the elaboration of Community plans to improve the standard of living of the agricultural population

The European Parliament,

[...]

Approves the measures proposed by the EEC Commission for the compensation of farmers who will suffer a loss of income as a result of the single-stage introduction of a common level for cereal prices;

Points out that the single-stage introduction of a common level for cereal prices is liable to present certain problems in the Member States for consumers on the one hand and for users and processors of feed-grains on the other;

Urges the EEC Commission to exercise vigilance in this respect and to submit appropriate proposals to the Council and to the Member States as necessary;

Considers it desirable to bring the policy to be followed in the other branches of agriculture, in particular with respect to dairy produce, into line with the policy for cereals;

Requests the EEC Commission to amend, as indicated below, the preamble to, and Articles 2 and 8 of, its proposal for a regulation, in pursuance of the procedure laid down in Article 149 of the Treaty;

The amendments were of minor importance or concerned details of drafting. Article 8 was amended as follows (words in brackets deleted):

Article 8

The Community shall contribute to the financing of measures taken by Member States under the Community plans.

The necessary expenditure is to be borne by the European Agricultural Guidance and Guarantee Fund and the European Social Fund, in so far as the regulations governing

these Funds permit. Any [part of] such expenditure that may not be charged to the said Funds shall form a special section of the Community budget.

Resolution on the proposal for a Council regulation supplementing the provisions laid down in Article 5 (1) of Regulation No. 25 on the financing of the common agricultural policy

The European Parliament,

[...]

Having regard to the EEC Commission's proposal for a Council regulation supplementing the provisions of Article 5 (1) of Regulation No. 25 on the financing of the common agricultural policy;

Considers that with regard to Community financing pursuant to Article 3 (1), (a), (b) and (c) of Regulation No. 25, the policy to be followed in respect of markets for dairy produce, beef, rice and, where necessary, other markets, should be brought into line with that followed in respect of the cereals, pigmeat, eggs and poultry markets;

Having regard to the opinions it has previously expressed on implementing measures

relating to the European Agricultural Guidance and Guarantee Fund (EAGGF);

Considers that the implementing measures relating to Community financing of the common agricultural policy can only be carried out if the European Parliament is endowed with budgetary powers similar to those relinquished, in this field, by the national parliaments;

Trusts that the EEC Commission, when the financial implementing measures of the EAGGF are under consideration, will take the initiative of calling upon the Council to decide as to the action to be taken on the opinion expressed by the European Parliament regarding the relevant head of the Community budget;

Approves the EEC Commission's proposal as submitted.

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 16 and 31 December 1963

EUROPEAN PARLIAMENT

Written questions and replies

- No. 92 de Mme Gennai Tonietti et de MM. Pedini et Sabatini à la Commission de la CEE et à la Haute Autorité de la CECA. Objet : Travailleurs migrants — services sociaux (No. 92 by Mme Gennai Tonietti, M. Pedini and M. Sabatini to the EEC Commission and to the ECSC High Authority: Migrant workers — social services) No. 184 16.12.63
- No. 93 de M. Müller-Hermann à la Commission de la CEE. Objet : Modification de l'acte de Mannheim (No. 92 by M. Müller-Hermann to the EEC Commission: Amendment of the Mannheim Convention) No. 184 16.12.63
- No. 102 de M. Vredeling à la Commission de la CEE. Objet : Représentation des travailleurs de la construction et du bois auprès des institutions de la CEE (No. 102 by M. Vredeling to the EEC Commission: Representation of construction and timber workers with the EEC institutions) No. 186 21.12.63
- No. 103 de M. Pedini à la Commission de la CEE. Objet : Les étudiants d'université originaires des pays en voie de développement (No. 103 by M. Pedini to the EEC Commission: University students from developing countries) No. 186 21.12.63
- No. 105 de M. Müller-Hermann à la Commission de la CEE. Objet : Décision de la Commission, du 15 mars 1961, portant fixation d'une taxe compensatoire sur les importations de poudre de lait entier dans la République fédérale d'Allemagne en application de l'article 46 (No. 105 by M. Müller-Hermann to the EEC Commission: Commission decision of 15 March 1961 establishing a countervailing charge, pursuant to Article 46, on imports of whole milk powder into the Federal Republic of Germany) No. 191 31.12.63
- No. 106 de M. Vredeling à la Commission de la CEE. Objet : Amendements du Parlement européen aux propositions modifiées relatives aux règlements d'application concernant le Fonds européen d'orientation et de garantie agricole, ainsi que concernant le règlement financier s'y rapportant (No. 106 by M. Vredeling to the EEC Commission: Further changes by the European Parliament to the amended proposals for implementing regulations concerning the European Agricultural Guidance and Guarantee Fund and the relevant financial regulation) No. 191 31.12.63
- No. 108 de MM. Pedini, Moro et Carboni à la Commission de la CEE. Objet : Financement communautaire d'opérations d'assistance technique en République somalienne (No. 108 by M. Pedini, M. Morro and M. Carboni to the EEC Commission: Community financing of technical assistance in the Republic of Somalia) No. 191 31.12.63

COUNCIL AND COMMISSION

Regulations

Règlement no. 129/63 du Conseil, du 12 décembre 1963, relatif à certaines dispositions concernant les œufs à couvrir de volaille et les volailles vivantes d'un poids n'excédant pas 185 grammes (Council Regulation No. 129/63 of 12 December 1963 on certain provisions concerning poultry eggs for hatching and live poultry not exceeding 185 grammes in weight)

No. 185 19.12.63

Règlement no. 130/63 du Conseil, du 18 décembre 1963, portant modification de certaines annexes du règlement no. 3 et du règlement no. 4 (Council Regulation No. 130/63 of 18 December 1963 amending certain annexes to Regulation No. 3 and Regulation No. 4)	No. 188	28.12.63
Règlement no. 131/63 de la Commission, du 19 décembre 1963, modifiant le règlement no. 91 de la Commission relatif aux restitutions applicables aux exportations de certaines catégories de farines, gruaux et semoules (Commission Regulation No. 131/63 of 19 December 1963 amending Commission Regulation No. 91 concerning the refunds payable on exports of certain categories of flour, groats and meal)	No. 188	28.12.63
Règlement no. 132/63 de la Commission, du 19 décembre 1963, modifiant le règlement no. 89 de la Commission relatif à la fixation des prix franco frontière (Commission Regulation No. 132/63 of 19 December 1963 amending Commission Regulation No. 89 concerning the fixing of free-at-frontier prices)	No. 188	28.12.63
Règlement no. 133/63 du Conseil, du 23 décembre 1963, portant fixation du montant des prélèvements envers les pays tiers pour le porc et les produits à base de viande de porc, en ce qui concerne les importations effectuées du 1 ^{er} janvier au 31 mars 1964 (Council Regulation No. 133/63 of 23 December 1963 fixing the amount of the levies on imports from non-member countries of pigs and pigmeat products in respect of imports made from 1 January to 31 March 1964)	No. 191	31.12.63
Règlement no. 134/63 du Conseil, du 23 décembre 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 31 janvier 1964 (Council Regulation No. 134/63 of 23 December, reducing the levies on imports from non-member countries of pigs and certain cuts of pork in respect of imports made during the period 1 to 31 January 1964)	No. 191	31.12.63
Règlement no. 135/63 de la Commission, du 16 décembre 1963, portant adaptation et fixation des prix d'écluse pour les porcs et les produits à base de viande de porc, pour les importations effectuées entre le 1 ^{er} janvier et le 31 mars 1964 (Commission Regulation No. 135/63 of 16 December 1963 adjusting and fixing sluice-gate prices for pigs and pigmeat products in respect of imports made between 1 January and 31 March 1964)	No. 191	31.12.63
Règlement no. 136/63 de la Commission, du 17 décembre 1963, portant, pour la période du 1 ^{er} janvier au 31 mars 1964, adaptation et fixation des prix d'écluse pour les œufs de volaille en coquilles et les volailles vivantes et abattues et fixation des prélèvements envers les pays tiers pour les œufs de volaille en coquilles, les volailles vivantes d'un poids n'excédant pas 185 grammes et les volailles abattues (Commission Regulation No. 136/63 of 17 December 1963 adjusting and fixing sluice-gate prices, for the period from 1 January to 31 March 1964, for poultry eggs in shell and live and slaughtered poultry, and fixing, for the same period, the levies on imports from non-member countries of poultry eggs in shell, live poultry not exceeding 185 grammes in weight, and slaughtered poultry)	No. 191	31.12.63

COUNCIL

INFORMATION

Décision du Conseil, du 3 décembre 1963, portant suspension temporaire, au titre de l'article 28 du traité, de certains droits du tarif douanier commun (Council decision of 3 December 1963 on the partial suspension, under Article 28 of the Treaty, of certain duties in the common external tariff)	No. 190	30.12.63
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Décision du Conseil, du 18 décembre 1963, visant à introduire certaines modifications au tarif douanier commun de la Communauté économique européenne (Council decision of 18 December 1963, introducing certain amendments to the common external tariff of the European Economic Community)	No. 190	30.12.63
Décision, du 3 décembre 1963, des représentants des gouvernements des Etats membres de la Communauté économique européenne, réunis au sein du Conseil, portant application intégrale des suspensions des droits du tarif douanier commun sur certains produits (Decision of 3 December 1963 by the EEC member Government representatives, meeting in the Council, applying in full the suspension of the duties in the common external tariff on certain products)	No. 190	30.12.63
Décision, du 18 décembre 1963, des représentants des gouvernements des Etats membres de la Communauté économique européenne, réunis au sein du Conseil, relative aux droits de douane perçus à l'importation de certains produits tropicaux (Decision of 18 December 1963 by the EEC member Government representatives, meeting in the Council, concerning import duties on certain tropical products)	No. 190	30.12.63
Statut du Comité consultatif pour la formation professionnelle (Constitution and rules of the Advisory Committee on vocational training)	No. 190	30.12.63
Décision du Conseil, du 23 décembre 1963, autorisant le royaume de Belgique à limiter jusqu'au 31 janvier 1964 les exportations de porcs et de viande de porc à destination des Etats membres (Council decision of 23 December 1963 authorizing Belgium to limit until 31 January 1964, exports of pigs and pigmeat to the other Member States)	No. 191	31.12.63

COMMISSION

Directives and decisions

Cinq décisions de la Commission, du 2 décembre 1963, relative au recours de la République française à l'article 115, alinéa 1 du Traité, pour exclure du traitement communautaire certains produits originaires de pays tiers et mis en libre pratique dans les autres Etats membres (Five Commission decisions of 2 December 1963 on the invocation by the French Republic of Article 115, first paragraph, of the Treaty to exclude from Community treatment certain products originating in non-member countries and in free circulation in the other Member States)	No. 185	19.12.63
Décision de la Commission, du 4 décembre 1963, autorisant la perception de taxes compensatoires à l'importation, en République française, de dextrines, d'amidons et féculés solubles ou torréfiés, ainsi que de parements et apprêts, préparés à base de matières amylicées, en provenance de certains Etats membres (Commission decision of 4 December 1963 authorizing the French Republic to impose countervailing charges on imports from certain member countries of dextrans, soluble or roasted starches, and prepared glazings and dressings with a basis of starchy substances)	No.185	19.12.63
Décision de la Commission, du 4 décembre 1963, autorisant la perception de taxes compensatoires à l'importation, en République italienne, de dextrines et d'amidons et féculés solubles ou torréfiés, ainsi que de parements et apprêts préparés, à base de matières amylicées, en provenance de certains Etats membres (Commission decision of 4 December 1963 authorizing the Italian Republic to impose countervailing charges on imports from certain member countries of dextrans, soluble or roasted starches, and prepared glazings and dressings with a basis of starchy substances)	No. 185	19.12.63

Recommendations and opinions

Recommandation de la Commission, du 10 décembre 1963, adressée aux Etats membres, relative au remboursement ou à la remise des droits et taxes afférents aux marchandises refusées par l'importateur parce que défectueuses ou non conformes aux stipulations du contrat (Commission recommendation of 10 December 1963 addressed to the Member States concerning the refunding or remission of duties and taxes on merchandise rejected by the importer as defective or not in accordance with the terms of the contract)

No. 185 19.12.63

Delegations and missions to the Community

Missions d'Etats tiers (Thaïlande) [Missions of non-member States (Thailand)]

No. 191 31.12.63

European Development Fund

Avis d'appel d'offres no. 338 lancé par la République togolaise (Notice of call for tender No. 338 issued by the Togo Republic)

No. 184 16.12.63

Avis d'appel d'offres no. 339 lancé par la République du Mali (Notice of call for tender No. 339 issued by the Republic of Mali)

No. 184 16.12.63

Avis d'appel d'offres no. 340 lancé par le Surinam (Notice of call for tender No. 340 issued by Surinam)

No. 184 16.12.63

Signature d'une convention de financement entre la CEE et le royaume du Burundi (Signature of a financing agreement between the EEC and the Kingdom of Burundi)

No. 188 28.12.63

Avis d'appel d'offres no. 341 lancé par la République du Niger (Notice of call for tender No. 341 issued by the Republic of Niger)

No. 188 28.12.63

Modificatif à l'appel d'offres no. 338 lancé par la République togolaise (Amendment to call for tender No. 338 issued by the Togo Republic)

No. 188 28.12.63

Modificatif à l'appel d'offres no. 328 lancé par la République du Mali (Amendment to call for tender No. 328 issued by the Republic of Mali)

No. 191 31.12.63

EEC Administrative Committee for the social security of migrant workers

Décision no. 44 du 27 septembre 1963 concernant l'interprétation du paragraphe 1 de l'article 84 du règlement no. 4 relatif à la récupération de prestations indûment payées (Decision No. 44 of 27 September 1963 on the interpretation of Article 84 (1) of Regulation No. 4 concerning the recovery of irregular payments)

No. 188 28.12.63

General information

Avis du Comité économique et social relatifs au "Mémorandum de la Commission de la CEE sur le programme d'action de la Communauté pendant la deuxième étape" (Opinion of the Economic and Social Committee on the "Memorandum of the EEC Commission on the Action Programme of the Community for the second stage")

No. 189 29.12.63

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

Supplement No. 48 of 18 December 1963

Supplement No. 49 of 24 December 1963

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

Non-periodical publications

8107

Common grain price — November 1963. 12 pp. (f, d, i, n, e) Free of charge

8097

Africa and the Common Market. Address by Mr Heinrich Hendus, Director General for Overseas Development, to the meeting of ambassadors of the Congo Republic at Léopoldville, 25 January 1963 (f, d, i, n, e: *in preparation*) Free of charge

8083

Studies — Overseas development series No. 1/1963.

The coffee, cocoa and banana markets in the EEC countries. 226 pp. (f, d, n,; i: *in preparation*) Bfrs 500; £3.11.3; \$10.

Periodical publications

4002

Notes and Graphs on the Economic Situation in the Community. Monthly. No. 1/1964. Three bilinguale editions: e/f; f/i; d/n. Price per issue: 11s.; \$0.50; Bfrs. 25. Annual subscription: £1.16.0; \$5; Bfrs 250.

2001

The Economic Situation in the Community. Quarterly Survey. No. 4/1963. (f, d, i, n, e) Price per issue : 15s.; \$2; Bfrs 100. Annual subscription: £1.10.0; \$7; Bfrs. 350.

8068

"Principles and methods used in the business surveys carried out among heads of enterprises in the Community". (f, d, i, n, e) ... p.

Special number of the regular publication Results of the Community Business Survey. Free of charge to subscribers.

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

D. Publications by the joint services of the three communities

Joint Information Service

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