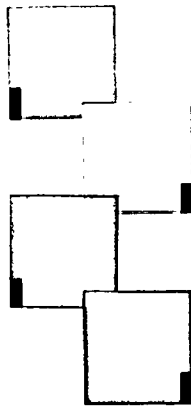


COMMUNAUTÉ  
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**BULLETIN**

of the

**EUROPEAN  
ECONOMIC  
COMMUNITY**

**EEC**

**BRUSSELS – APRIL 1964**

ISSUED MONTHLY

**N° 4**

SEVENTH YEAR



4-1964

# **BULLETIN**

of the European Economic Community

EXECUTIVE SECRETARIAT OF THE COMMISSION  
OF THE EUROPEAN ECONOMIC COMMUNITY



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# I. Financing of the common agricultural policy: the Agricultural Fund

The regulation on the financing of the common agricultural policy was adopted early in 1962. It provides for the establishment of a European Agricultural Guidance and Guarantee Fund (FEAGA) and sets out general rules concerning its receipts and expenditure, for both the transition period and the definitive single market stage.

During the second agricultural "marathon" in December 1963 the Council of Ministers adopted two supplementary regulations on this matter. One of these sets out the conditions for the grant of aid from the Fund and the other is the financial regulation governing the Fund. A third regulation is concerned with implementation of the cereals regulation and lays down rules for financing action in that sector.

The Agricultural Fund is the third fund, coming after the Social Fund and the European Fund for Overseas Development (FEOD), administered by the European Economic Community.

The Agricultural Fund has two fairly differing sections: the Guarantee Section operates as an equalization fund for products coming under the levy system, while the Guidance Section grants capital subsidies to farming in general or for individual products. About 3/4 of the Fund will be used for "non-member country" refunds and action on the internal market, and 1/4 to finance structural changes.

## Guarantee Section

The Guarantee Section is concerned with expenditure in respect of export refunds in trade with non-member countries and of interventions on the home market. For 1962/1963 the contribution of the Fund for such refunds and intervention has been fixed at one sixth, for 1963/1964 at one third, and for 1964/1965 at one half (3/6).

These contributions will then increase regularly until at the single-market stage the Community will be bearing 100 % of the expenditure. With the exception of the Percentage Community contribution from 1 July 1965 to 31 December 1969, the rules for partial or total repayment for refunds are laid down in detail. Some general rules have been fixed for the repayment of expenditure on intervention. The conditions and details of eligibility for aid will be specified in regulations on individual sectors.

The "non-member country" refunds are calculated on the basis of net exports and of the refund rate of the Member State with the lowest average refund. The net quantities are calculated by the so-called basic products method, derived products being expressed as basic product equivalents. This is normally done by applying the conversion factors laid down under the common organization of markets.

Each Member State must compute once a year the average refund for each basic product. This is done by dividing the total amount of the refunds by the gross quantities exported to non-member countries. Adjustments are made to the average refunds when these are influenced by certain special measures taken under the common organization of markets. The amounts "additional" to the refunds must be included because they are also financed by the Community. Average refunds which concern quantities of less than 5 % of the total exported by the Community are considered as non-representative and therefore ignored in arriving at the lowest rate.

The "third-country" refunds for the cereals, pigmeat, eggs and poultry sectors will be repaid from 30 July 1962. For rice, dairy produce and beef and veal the effective date will be 1 July 1964.

Two types of intervention on the internal market are eligible under the Fund: a) measures to withdraw from the markets quantities of products which it cannot absorb on condition that action is taken to find an alternative outlet for these on the home market; b) other interventions under Community rules when it is a question of compulsory action or of measures taken to avoid such action.

For the cereals sector these eligible interventions have been defined as follows:

- i) The denaturing bonuses granted by the Member States in respect of wheat other than durum and of barley and the losses resulting from the sale of these two cereals at a price below the target prices provided they have been made unfit for human consumption. In fact the aim and function of these denaturing operations are the same as those of refunds;
- ii) Expenditure borne or losses incurred in the transition from one marketing year to the next on stocks of home-grown cereals which have been purchased by government agencies.

For the dairy produce and rice sectors, the eligible interventions have still to be defined for the period beginning in July this year. For the pigmeat sector the Council must decide before April 1966 on the advisability of Community intervention measures, and for the beef sector before March 1967. The common organization of the market in fats as laid down by Council decision and similar agreements for the market in sugar proposed by the Commission also provide for Community intervention.

## Guidance Section

The Guidance Section is concerned with expenditure financed by the Fund in respect of common action to increase the productivity of agriculture by promoting technical progress, rational development of output and optimum use of the factors of production, in particular manpower. It includes structural changes made necessary by the development of the Common Market or essential to its proper functioning. Intervention by the Fund must not disturb the conditions of competition to an extent incompatible with the Treaty.

This section takes within its purview action:

1. To adapt and improve production conditions in agriculture and adapt and guide agricultural output;
2. To adapt and improve marketing and develop outlets for agricultural products subject to a common organization of markets.

The first type of action means the effective marshalling of the factors of production in agriculture for their optimum employment in the setting of the general economy and the adjustment of the volume of production to outlets. This may include the conversion of certain types of production, including reforestation, and the improvement of the quality of products.

The second type of action means Community measures to increase the consumption of certain products and improve distribution channels and, finally, to provide better knowledge of data concerning price formation.



Aid from the Fund consists of capital subsidies paid as a lump sum or in instalments. The subsidies may not exceed 25 % for any given project and the recipient must himself put up at least 30 %. The Member State on whose territory the project is carried out must share in the financing (this condition may be waived during the first two years if it is incompatible with the laws in force in that State).

The Council did not agree to other forms of aid proposed by the Commission, in particular interest rate subsidies. However, before 30 June 1967, the Commission is to submit a report to the Council on the lessons drawn from experience, and it can then propose diversification of the forms of aid.

Public, semi-public or private projects may be helped by the Fund if their purpose is to improve agricultural structures.

They must then conform to all the following general criteria:

- i) Be part of a Community programme;
- ii) Offer adequate assurances as to their lasting economic effects;
- iii) Aim at an adaptation or guidance of agriculture necessitated by the implementation of the common agricultural policy or designed to meet its requirements.

The first type of project must also:

- a) Aim at making or keeping farms economically viable and enhancing their competitive capacity;
- b) Attach sufficient importance to advisory services and vocational training;
- c) Contribute to improving the social and economic situation of workers in agriculture.

Each project must have been approved by the Member State in whose territory it is to be carried out.

Priority is given to projects which fit into the general development plan for a region. But if the necessary finance exceeds the Fund's liquid resources the projects will be selected in such a way that aid from the Fund will be equally and harmoniously distributed throughout the Community territory.

The Community programmes are drawn up by the Council on proposals from the Commission. They must take into account the co-ordination of agricultural structure policy and state, among other things, the areas in which the main effort is to be concentrated, the total expenditure and the duration of the work involved. The programme will be published in the official gazette. For two years at most the Fund may grant aid even if there is no programme.

Aid from the Fund is accorded to natural or legal persons or associations of such persons bearing the ultimate financial responsibility for the projects. This aid is granted through the body or bodies designated by the Member State concerned.

Applications for aid must be submitted to the Commission through the Member States concerned before 1 October each year. The Commission must make a decision on the substance within 15 months. For 1964, however, applications may be submitted only up to 1 July.

## Resources

The Fund forms part of the Community's budget and the appropriations are approved by the Council with the annual estimates. The percentage contributions of the Member States vary from year to year. Receipts during the first three years are made up of financial contributions from these States. One part of these contributions is computed according to the budget scale shown in Article 200 (1) and the second proportionally to the value of each Member State's net imports from non-member countries. The value of these imports is computed for each common organization of markets.

The two components of Member States' contributions make up the total income of the Fund in the following proportions:

	1962/1963	1963/1964	1964/1965
	%	%	%
According to the scale in Article 200 (1)	100	90	80
Proportionally to net imports	—	10	20

The Council has also fixed a ceiling for the contribution from each Member State during the first three years. This is 10.5 % for B.L.E.U., 31 % for the Federal Republic, 28 % for Italy and France and 13 % for the Netherlands. The Federal Republic and the Netherlands will therefore have to pay more than would be required by the general budget scale in Article 200 (1) because they have relatively the highest net imports from non-member countries.

Before the end of the third year the Council will draw up rules for the gradual advance towards the single-market system. In this phase the proceeds of levies on imports from non-member countries accrue to the Community and are used to meet Community expenditure in such a way that the Community's budget resources shall consist of a) this income from levies, b) all other income decided on under the rules of the EEC Treaty and c) budget contributions from the States as laid down in Article 200. In order that the Community may obtain these "independent resources", it will be necessary at the appropriate time to apply the special procedure provided for in Article 201 of the Treaty.

A special financial regulation governs budget matters and the annual repayment to Member States of expenditure under the Guarantee Section. The accounting period runs from 1 July to 30 June. Appropriations under the "Guidance Section" are automatically carried forward during the first 5 years if they are still due after the financial year in respect of which the commitment was made. The Council has also adopted a resolution inviting the Commission to present detailed estimates of total Community expenditure in respect of the common agricultural policy at the same time as it introduces its annual proposals for fixing the prices of cereals, milk and, possibly, other farm products (for instance, sugar and olive oil once these come under a common organization of markets). The Council will discuss these proposals as a whole and as far as possible fix these prices simultaneously.

Moreover the Council decided in 1962 to examine each year the consequences of Community financing of refunds on the pattern of production and the development of markets. Before the end of the third year the Council will make a general review.

## The machinery

In general the Commission administers the budget within the limits of the allocations made by the Council. This therefore also applies to the financial management of the Agricultural Fund. The Fund will not require a large staff since, as with the common agricultural policy in general, most of the executive action is left to authorities in the member countries; the Commission mainly co-ordinates and supervises. Thus, applications for aid from the Guidance Section of the Fund can be submitted only through the Member State concerned. The authority or the body designated by that State transmits to the Commission all relevant material to substantiate that the necessary conditions for each project are fulfilled. If need be the Commission can check on the spot. The Member States are also required to send the Commission information each quarter on gross exports and imports, "non-member country" refunds, and interventions.

Certain major decisions are reserved for the Council of Ministers. These include details and conditions for eligibility of expenditure in respect of intervention, the percentage contribution of the Fund to eligible expenditure, the amount of the Fund's resources and Community programmes to improve agricultural structures.

The Commission will be assisted by various Committees of representatives of the Member States under the chairmanship of a Commission representative having no voting rights. The function of the Committees is advisory. In several specific cases the Commission must refer to them a draft of the proposed measures for comment. The Committee decides by qualified majority (procedure under Article 148 (2) of the Treaty).

Finally the Commission decides on measures which are immediately applicable. If these conflict with the opinion rendered by the Committee the Commission may postpone their application for a maximum of one month. The Council may then take a different decision by qualified majority within the same time-limit.

The Committees in question are:

- a) The Committee of the Fund, recently set up to deal with the financial aspects and particularly the Guarantee Section (determination of the lowest average refund or calculation of the net quantities exported);
- b) The Management Committee for technical questions relating to the operation of the common organizations of markets (conversion factor for derived products);
- c) The Standing Committee on agricultural structure to deal with matters affecting the Guidance Section (decisions concerning aid from the Guidance Section and suspension or withdrawal of such aid if the required conditions are not complied with).

Because of the large sums which will be involved in financing the common agricultural policy, the question of parliamentary control of these funds and more generally of the Community budget becomes one of the great urgency. The European Parliament stressed this when giving its opinion on the Commission's proposals. When the problem came before the Council during its discussion of the European Guidance and Guarantee Fund, the Ministers emphasized the great importance they attach to strengthening the Parliament's budgetary powers. It was to take up the question again at its February 1964 session after receiving the reports on the merger of the Executives and the broadening of the Parliament's functions.

## II. Liberalization of establishment and services

### The Council's directives of 24 February 1964

On 24 February 1964 the Council issued its first three directives relating to employment in trade. Their object is to give effect to the General Programmes for the removal of restrictions on freedom of establishment and on freedom to supply services. Two of the directives concern wholesale trade and occupations serving trade and industry; the third lays down transitional measures for these two fields. To be read with them are commentaries reproduced from the minutes of the Council meeting.

In debating these measures the Council bore in mind the suggestions put forward by the European Parliament and the Economic and Social Committee, but on the whole the texts finally approved do not substantially differ from the Commission's proposals submitted on 28 July 1962. The General Programmes lay down the following time-table for the liberalization of employment in trade:

By the end of 1963 — wholesale trade and occupations serving trade and industry;

By the end of 1965 — retail trade; wholesale trade in pharmaceuticals;

By the end of 1967 — wholesale trade in coal;

By the end of 1969 — itinerant trades.

As regards wholesale trade and intermediary occupations, it has not been possible to maintain this time-table, since discussions on the Commission's proposal lasted more than eighteen months. This was mainly because the directives dealt with a number of questions of principle, including admission to professional associations, proof of good character, the situation of persons accompanying their employer in performing services, and legal questions concerning the application of the Treaty as regards transitional measures. These matters have now been settled and the path has been smoothed for the adoption of further directives in this field.

#### a) The directive on wholesale trade

This directive relates to internal, export, import and transit wholesale trade. Any individual or corporate body that, on a professional basis, buys goods in his or its own name and on own account and then sells those goods to other merchants, wholesalers or retailers, processing firms or consumers in trade or industry is engaged in a wholesale occupation within the meaning of the directive. As in the General Programme, all wholesale occupations are covered, other than trade in medicines and pharmaceuticals, poisons and pathogens and coal.

Beneficiaries of the directive are nationals of Member States and companies with their registered office or principal place of business in a Member State whatever the nationality of their members or the composition of their authorized capital.

Article 3 lists the various restrictions to be removed by the Member States. A point which gave rise to much discussion was whether the Federal Republic of Germany was obliged to exempt EEC companies from the requirement that foreign companies obtain a special permit (Gewerbeordnung, sec. 12 and Aktiengesetz, sec. 292). The Council decided — the German member abstaining — that these provisions of German law be regarded as restrictions that must be removed. However, it was agreed that

a Member State may require foreign companies setting up in business on its territory to make known their legal status in their country of origin. This will probably involve supplying the necessary particulars on their headed stationery. A Member State may also require the amount of subscribed capital to be specified in the case of joint-stock companies. These provisions, of course, will have no further practical significance once the co-ordination of company law stipulated in the Treaty has been effected.

Article 3 also lists as restrictions certain foreigners' cards required for establishment as self-employed persons in Belgium and France. However, the list is not exhaustive: each Member State is itself responsible for revoking all domestic provisions discriminating against foreigners. This applies to provisions that make it difficult for foreigners to acquire real property, discriminate against them in the matter of loans or subsidies, exclude them from professional organizations, place obstacles in the way of their appearing in court, and so on. Another article makes it easier for foreign traders to give proof of good character; as well as the certificate based on police records, any equivalent document will also be accepted by the authorities in the host country.

The Member States are required to bring their legislation into line with the directive within six months.

#### **b) The directive on intermediary occupations**

This covers commercial agents or representatives, brokers, commission agents and auctioneers. As the designations for these occupations vary considerably from one Member State to another, the directive gives a list of the terms generally used. The directive also applies to intermediaries in the paid employ of one or more industrial or commercial enterprises. Henceforth, no restrictions may be applied to them when they are temporarily in the territory of another Member State. Persons working for an employer resident in another Member State, on the other hand, come under the provisions on freedom of movement for workers. In this field the Council has just issued a new regulation and directive introducing a considerable degree of liberalization.

A number of intermediary occupations in certain sectors are not yet covered by the directive because special measures are required for them. This is the case for intermediaries in insurance, real estate and occupations ancillary to transport.

This directive too must be implemented by the Member States within six months.

#### **c) The directive on transitional measures**

The purpose of the third directive is to eliminate the differences in conditions of establishment still existing as a result of the lack of regulations in some Member States even after all restrictions have in principle been removed.

Nationals of States which have no regulations on access to these occupations must not be put at an undue disadvantage. Pending the co-ordination of general conditions of access, they must not be subjected to any similar requirement. Lastly, the liberalization of establishment and the supply of services must not work solely to the disadvantage of those countries where there are no statutory provisions; this would unduly benefit persons who were not able to comply with conditions governing access to and exercise of a given occupation in their country of origin.

The transitional measures are as follows:

1. Receiving states in which access to the occupations in question is regulated must recognize as adequate the actual pursuit of such an occupation in the country of origin for a reasonable length of time not too long past; this is intended to ensure that the person concerned has equivalent professional qualifications to those required of nationals of the host country; the length of time referred to is fixed at three years in the case of persons working on their own account or in a managerial capacity, provided no more than two years have elapsed between then and the date of their application. This last provision was considered necessary because in the wholesale food trade in particular familiarity with recent developments is essential.

2. States which do not regulate access to these occupations are empowered, where appropriate, to require nationals of the other Member States to produce evidence that they are qualified to pursue them in their country of origin. This provision is contained in Article 3 — the “safeguard clause”. The Economic and Social Committee expressed itself in favour of measures of this kind in the formal opinion it rendered on the General Programme for the removal of restrictions on freedom of establishment (doc. No. CES 20/61, 2 February 1961, page 15, last paragraph). This states: “that such provisional measures facilitate the creation of the Common Market and will make it unnecessary for the Member States to have recourse to safeguard clauses provided explicitly in the event of serious and possibly continued disturbances in a given sector of the economy or far-reaching changes in the economic situation of a given area.”

The directive does not touch upon the important question of co-ordination. It deals rather with the personal and professional requirements that may be made of nationals of one Member State wishing to set up in business or temporarily carry on their occupation in another Member State. Co-ordination will involve changing the law applying to nationals of the host country and will be dealt with in later directives, as will the mutual recognition of diplomas.

The directive will have immediate effects on wholesale trade: nine occupations are affected in the Netherlands, about five in Germany and all wholesale trade in Luxembourg. Brokers in Italy, Luxembourg and the Netherlands and “mandataires et approvisionnementneurs” in France are among the intermediaries affected.

## III. Activities of the Community

### M. Caron resigns from the Commission

In a letter to the six member Governments on 9 May 1963 M. Caron announced his resignation as a member and Vice-President of the Commission <sup>(1)</sup>. M. Caron informed the Governments, and at the same time the Commission, that he had been elected to the Italian Senate and was to take his seat on 15 May 1963. He could not therefore remain in office until his successor was appointed, as required by Article 159, third paragraph, of the Treaty.

The Commission has noted that M. Caron ceased to be a member and Vice-President of the Commission as from 15 May 1963.

### EXTERNAL RELATIONS

#### Association with Turkey

1. On 19 February the French Government lodged with the General Secretariat of the Council of the Community instruments of ratification of the association agreement between the European Economic Community and Turkey signed in Ankara on 12 September 1963. France was thus the first Member State to lodge these instruments.

The Turkish Government deposited its instruments of ratification on 5 March.

#### Relations with Denmark

2. A meeting was held on 28 February in Brussels between a Danish Government delegation led by M. Haekkerup, Minister of Foreign Affairs, and a Commission delegation under Vice-President Mansholt.

This was M. Haekkerup's third visit to the Commission and took place under the arrangements for periodical contacts between the Danish Government and the Commission. Business for the meeting had been prepared by experts.

Economic relations between the Community and Denmark, particularly problems which the common agricultural policy raises for Denmark were discussed. M. Haekkerup and M. Mansholt agreed to continue their discussions at further meetings.

#### Relations with Algeria

3. On 25 and 26 February in Brussels an Algerian Government delegation led by Ambassador Boualom Bessiah met a Commission delegation under M. Toulemon, Director in the Directorate-General of External Relations.

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<sup>(1)</sup> See Bulletin No. 7-63, Chap. III.

The two delegations discussed the present relations, which are considered as provisional, between the Community and Algeria as they stand after Algeria's accession to independence. They agreed to study jointly the future of relations between EEC and Algeria and for this purpose to carry further the exploratory conversations begun on 25 and 26 February in Brussels. The two delegations reviewed various hypotheses and examined the problems involved in each of them.

### Relations with Israel

4. On 24 and 25 February the Council discussed the Community's trade relations with Israel and instructed the Permanent Representatives Committee to draw up terms of references for the Commission in its further negotiations with the Israeli delegation.

### Relations with Kenya, Uganda and Tanganyika

5. Formal exploratory conversations between the Commission and an east African ministerial delegation were held from 10 to 14 February under the chairmanship of M. Rochereau, member of the Commission and President of the Overseas Development Group. M. Rey, member of the Commission and President of the External Relations Group took part.

Tanganyika was represented by M. Kahama, Minister of Commerce and Industry, Uganda by M. Mayanja-Nkangi, Minister of Trade, and Kenya by M. Kiano, Minister of Trade and Industry.

These conversations follow the request made in the autumn by the east African Governments <sup>(1)</sup> to open negotiations on the basis of the declaration of intention made by the Community countries when the Yaoundé Convention was signed. This declaration referred to the importance of inter-African co-operation and set out various possibilities for relations between EEC and African States whose economic structure and production are comparable with those of the associated African States and Madagascar.

After examining the various possibilities with the Commission representatives, the east African delegation reaffirmed its desire to negotiate an agreement on the basis of the second alternative mentioned in the declaration of intention, which provides for association agreements involving mutual rights and obligations, particularly in the sphere of trade. Although involving such rights and obligations an agreement concluded on this basis would be distinct from the Yaoundé Convention. The delegations studied the possible content of such an agreement under the heads of trade, the right of establishment, capital movements, decision-making bodies and general provisions.

It will be recalled that on 14 and 15 March 1963 the Commission received a ministerial delegation from these three States, to whom Commission experts explained the content of the new association convention with the African States and Madagascar and other possible forms of economic co-operation with the EEC.

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<sup>(1)</sup> See Bulletin No. 1-64, Chap. IV, sec. 8.



## Common commercial policy

6. The Commission has recently submitted a number of proposals to the Council on unifying commercial policy. These form part of a programme of work for 1964 listing the decisions needed for the systematic harmonization of commercial policy by the end of the transition period.

In the opinion of the Commission the harmonization of general commercial policy can no longer be put off, and decisions must be taken now with a view to preparing the change-over from the transition period to the definitive implementation of the Treaty.

Under the 1964 programme of work, the Commission will make proposals to the Council by the end of 1964 in each field covered by the common commercial policy action programme of 25 September 1962 <sup>(1)</sup> on the stages of progressive harmonization and the instruments and procedures for implementing the future uniform commercial policy.

This plan will cover the following sectors: liberalization, quotas, relations with State-trading countries, relations with Japan, measures to protect trade, measures to assist and promote exports, harmonization of export restrictions, conversion of bilateral agreements into Community agreements.

The Commission considers that three of the sectors enumerated above call for priority decisions. These are trade protection, relations with Japan and relations with the State-trading countries. As regards measures to protect trade, the Commission submitted a proposal to the Council in November 1963 <sup>(2)</sup>. The Commission expressed the hope that the Council would shortly make a decision in this field, for the customs union which is rapidly coming into operation will be endangered if national countervailing charges prevent the free movement of imported goods within EEC. Similarly, where other trade protection measures such as safeguard clauses are concerned, the import system also needs to be unified.

The Commission regards the normalization of relations with Japan as an important prerequisite for the success of the Kennedy Round. With Japan it will in fact be necessary to agree on a general safeguard clause and to draw up a limited list of products which are not to be liberalized. This would create conditions for liberalizing imports of industrial products at GATT level, and the application of internal safeguard clauses in EEC would also be limited.

As regards relations with State-trading countries, the Commission considers that it would be advisable to begin progressive harmonization of the commercial policies of the Member States with respect to these countries. An immediate transition to a common commercial policy vis-à-vis the East bloc would give rise to difficulties. The consultation procedure approved by the Council in October 1961 will therefore need to be adapted to the new circumstances in such a way as to facilitate the gradual co-ordination of existing national trade agreements and their later conversion into Community agreements. If the main lines of a common policy on the State-trading countries and a plan specifying stages for the introduction of commercial regulations based on uniform principles were laid down, the Treaty aims in this field could be

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<sup>(1)</sup> See official gazette of the European Communities, No. 90, 5 October 1962 and Bulletin No. 9/10-62, Chap. V, sec. 3.

<sup>(2)</sup> See Bulletin No. 1-64, Chap. IV, sec. 9.

fully achieved at latest by the end of the transition period. In the Commission's opinion such co-ordination measures should also make it possible to conclude long-term agreements with the State-trading countries. At present the Council decision of 9 October 1961 limits the validity of such agreements in principle to 31 December 1965.

## The Community and GATT

### Trade negotiations: preparatory studies

7. The sub-committee for the tariff negotiations plan met in Geneva on 26 February 1964. The main object was to obtain members' reactions or opinions regarding the Community proposals submitted at the previous meeting at the end of January. The United States delegation submitted the results of its studies and reflections as a counter-proposal containing two alternative ways acceptable to the United States of identifying sensitive disparities:

a) Either the adoption of a 40% threshold and a minimum disparity of 10 points, plus the use of the two additional criteria adopted by the Community in its own proposal, or

b) The new arithmetical formula of the double disparity, but with the minimum 10-point disparity above which this formula comes into operation also applied to semi-products, and with two new criteria, additional to those mentioned above but formulated from another angle, for the discussion of certain special cases, i.e.:

i) The exclusion of cases in which the high-duty country makes substantial imports of the product concerned from all sources;

ii) The exclusion of cases in which a non-member country is the chief supplier of the low-duty country, unless the latter negotiates with the chief supplier concerned the right to demand the application of the special reduction rule to the product in question.

The Commission representative expressed his appreciation of the special effort made by the US delegation to present precise proposals which would make the discussions more positive and effective. He asked for clarification of several points and reserved the right to express an opinion after sufficient time for consideration of these proposals and a thorough study of their practical effects.

### Meeting of experts on financial aid

8. The expert group on financial aid, set up in response to a suggestion by certain GATT Ministers, met in Geneva from 27 to 29 January 1964. Its task was to "study the role of GATT as regards the relation between trade and financial assistance".

The experts agreed that closer co-operation between GATT and credit institutions would be particularly fruitful. They pointed out that to assess the export possibilities of the developing countries and their market prospects would require systematic studies of the commercial relations of these countries individually and of the assistance they received.

In the matter of financial assistance the role of GATT should be to provide the developing countries with competent experts on trade to help them work out their

development plan and to contribute to the action of the lending governments and of the credit institutions through better knowledge of international trade problems.

The Community was represented in the group by experts from the Commission and the Member States.

## Contacts between the Commission and the US Government

9. On 5 March M. Rey, President of the External Relations Group of the EEC Commission, accompanied by M. Marjolin and M. Mansholt, Vice-Presidents of the Commission, went to Washington for discussions with leading representatives of the United States Government. The meetings, which lasted two days and were mainly devoted to the next series of international trade negotiations under the aegis of GATT, were part of a series of high-level periodical consultations between the Community and the United States which have now been going on for several years.

The United States was represented by Mr Christian Herter, the President's special representative for trade negotiations, Mr Orville Freeman, Secretary for Agriculture, Mr George Ball, Under-Secretary of State, and other senior officials.

The two delegations emphasized their firm resolve to bring to a successful conclusion the trade negotiations opening on 4 May 1964. The meeting provided a useful opportunity to exchange views on the rules and procedures to be adopted when the negotiations begin. Both sides emphasized the importance of a substantial across-the-board reduction in customs tariffs, with exceptions kept down to a strict minimum, and of special rules for disparities in the level of customs tariffs which are significant in trade terms. On this last point the talks centred on EEC's proposal of last December and on the counter-proposals presented as a working hypothesis by the United States last month in Geneva. In particular, a full exchange of views took place on the criteria which should govern an arithmetical formula to determine cases of significant disparity between customs tariffs. It was agreed on both sides that high priority would have to be given to a closer study of these proposals so that the negotiations could get off to a good start on 4 May next.

The two delegations also discussed how agricultural products would be dealt with in the negotiations. They reaffirmed the GATT Ministers' resolution of May 1963 that agricultural products be included so as to achieve a significant liberalization of world trade. Vice-President Mansholt explained the Commission proposal on the conduct of the agricultural negotiations, and Mr Herter and Mr Freeman submitted the United States' point of view. Both sides agreed on the need for further discussions during the weeks ahead in order to outline a plan for the handling of agriculture in the negotiations.

Other questions of mutual interest, including the coming United Nations Conference on Trade and Development, were also discussed.

## The Community and OECD

### Meeting of the Committee for Agriculture at ministerial level

10. The Commission took part in this meeting, which was held on 26 and 27 February in Paris.

The Ministers examined the problem of low farm incomes. They also dealt with the question of agricultural manpower and of the development of rural areas and approved the Committee's programme of work for 1964.

## Economic Policy Committee

11. On 24 and 25 February the Commission took part in the meeting of the Economic Policy Committee.

The text of the address delivered by M. Marjolin, Vice-President of the EEC Committee, to the European Parliament in Strasbourg had been distributed.

The Committee was informed of the Italian Government's new measures and showed concern at the deterioration of Italy's balance of payments; it was also disturbed by the large surplus in Germany's balance of current payments.

The Committee noted that in the OECD countries as a whole production was progressing faster than in 1963 and that expansion was particularly vigorous in the United States. It considered that the reduction of taxes under the new Act would be conducive to further expansion in that country.

## Trade Committee

12. On 26 and 27 February the Commission took part in a meeting of the Trade Committee, which was mainly taken up with an exchange of views before the opening of the United Nations Conference on Trade and Development. Ambassador Forthomme, Chairman of the ad hoc Working Party of the Trade Committee, which was set up by the OECD Council of Ministers to approximate the views of the member countries before and during the conference, submitted a progress report.

## Development aid

13. The Commission took part in the meeting arranged by the Development Assistance Committee to examine specific problems connected with the development of the Congo (Leopoldville).

## The Community and the United Nations

### The Community and the Economic Commission for Asia and the Far East (ECAFE)

14. The Community was represented at the ECAFE Trade Committee's seventh session, which took place at Bangkok from 15 to 21 January 1964.

In reply to criticism of the Community and in view of the concern expressed by countries in the region regarding the effects of association with the African States and Madagascar, the Community's representatives pointed out that the Community's imports from ECAFE countries had increased in the last few years even more considerably than those from the associated African States and Madagascar.

With reference to the misgivings expressed regarding the common agricultural policy, the Community's representatives said that any suggestion that this policy was an aggravated form of protectionism was highly debatable. Imports of agricultural products from non-member countries had in fact increased. The Community, they said, had shown every consideration, in giving effect to its agricultural policy, for the interests of non-member countries and especially those of the developing countries.

## Primary products

15. The Commission was represented by an observer at the extraordinary meeting of the International Coffee Council held in London on 10 February.

At this meeting it was decided that the quotas of importing States up to October 1964 should be raised from 45 733 million to 48 120 million sacks of coffee, an increase of 2 388 million sacks.

## Non-member countries' missions to the Community

16. On 31 January 1964, H.E. Ambassador Oguz Gökmen and H.E. Ambassador Sten Lindh presented their letters of credence to President Hallstein, respectively as head of the Turkish mission and new head of the Swedish mission to the Community.

On 14 February, H.E. Ambassador Morio Yukawa and H.E. Ambassador Clemente Yerovi Indaburu presented their letters of credence to President Hallstein, respectively as new head of the Japanese mission and head of the Ecuadorian mission to the Community.

On 21 February, H.E. Ambassador G.P. Malalasekera presented his letters of credence to President Hallstein as new head of the Singhalese mission to the Community.

The Community has agreed to the request by the Algerian Government for the establishment of diplomatic relations with the Community.

## INTERNAL MARKET

### Freedom of establishment and freedom to supply services

#### Six directives issued by the Council

17. On the basis of the Commission's proposals and after reference to the European Parliament and the Economic and Social Committee, the Council issued at its session of 24-25 February, in pursuance of the General Programmes for the removal of restrictions on freedom of establishment and freedom to supply services, the following directives:

1. Directive for the removal of restrictions on travel and residence by nationals of Member States within the Community as they affect freedom of establishment and freedom to supply services <sup>(1)</sup>;
2. Directive for co-ordination of special measures governing the entry and residence of foreign nationals, where such measures are warranted on grounds of *ordre public*, public safety or public health <sup>(1)</sup>;
3. Directive on freedom of establishment and freedom to supply services in connection with wholesale trade;
4. Directive on freedom of establishment and freedom to supply services in occupations serving trade and industry (intermediaries);

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<sup>(1)</sup> See supplement to Bulletin 9/10-62.

5. Directive detailing transitional measures for occupations in wholesale trade and occupations serving trade and industry (intermediaries) <sup>(1)</sup>;

6. Directive for the removal of restrictions on freedom of establishment and freedom to supply services in reinsurance and retrocession <sup>(2)</sup>.

Of these directives two concern travel and residence of nationals of Member States within the Community. They are of a general nature and their purpose is to help to prevent conditions relating to travel and residence from impeding freedom of establishment and freedom to supply services.

The other Council directives are limited to certain sectors, within which the liberalization measures they contain should effectively contribute to the interpenetration of markets in the Community.

In the matter of travel and residence, and subject to measures justified on grounds of *ordre public*, public safety or public health, the first directive aims at removing administrative obstacles and simplifying formalities for nationals of Member States and their families wishing to settle in any Member State as self-employed persons, to supply services or to receive services. It recognizes a permanent right of residence in the case of establishment.

The second directive, which applies also to wage-earners, aims at harmonizing measures justified on grounds of *ordre public*, public safety or public health, and applicable in each Member State to nationals of other Member States. The directive limits the grounds on which States may refuse a residence permit or expel non-nationals, laying down that they cannot be of an economic nature but must be related to the individual's personal behaviour. It also provides nationals of Member States with guarantees regarding the procedure in such situations. This directive, like the first, applies or will apply to all beneficiaries of the General Programmes, irrespective of their occupation, as such occupations are liberalized sector by sector by successive directives.

The directives concerning wholesale trade and intermediaries serving trade and industry <sup>(1)</sup> remove, for nationals of Member States who wish to carry on such occupations in a Member State other than their own, restrictions applying only to foreigners. Since there are regulations concerning professional qualifications in some Member States but not in others, a directive has been issued providing for transitional measures. It stipulates that the conditions imposed in States where such regulations exist must be considered as fulfilled if the beneficiary has carried on the occupation in question for a certain period in his country of origin. For countries where there are no such regulations, the directive provides that Member States may be authorized to take steps to prevent an excessive influx of individuals who would not satisfy the requirements laid down in their country of origin.

The directive on reinsurance and retrocession sets out the occupations which must be liberalized according to the time-table laid down by the General Programmes and lists the discriminatory provisions which must be abolished in the various Member States.

### Proposal for a directive concerning public works

18. On 16 March 1964 the Commission submitted to the Council a proposal for a directive in pursuance of the General Programmes for the removal of restrictions on freedom of establishment and freedom to supply services in connection with public works.

<sup>(1)</sup> See supplement to Bulletin 2-63.

<sup>(2)</sup> See also Chap. II of present Bulletin for a summary of these directives.

The problems arising in this sphere fall into two groups: the first concerns the abolition of laws, regulations and administrative practices in the Member States whereby firms from other Member States are wholly or partly excluded, even indirectly, from tendering for or executing work for the State, local authorities or other bodies which conclude contracts under public law.

The second group concerns the institution of common rules of procedure for concluding public contracts in order to ensure that in each State they are awarded impartially and that firms from other Member States are placed, in practice as well as by law, on the same footing as nationals.

The proposed directive in question deals only with the first group, since the co-ordination of procedures for the conclusion of public contracts will be the subject of another directive.

The Commission's proposal takes into account criteria set out in the General Programmes with a view to the gradual liberalization of public works contracts; by the progressive nature of the system it will be possible during the transition period to cushion the effects of removing discrimination in each Member State.

The main objectives of the proposal are:

- a) To lift restrictions on the freedom of establishment and freedom of supply services of public works contractors;
- b) To determine the conditions under which Member States may suspend during the transition period the award of public works contracts to nationals of other Member States;
- c) To extend liberalization to public works concessions;
- d) To extend the system to works contracts awarded by national railway boards.

The latter extension will not stand in the way of special rules being laid down, when Community regulations are issued on this subject, for national railways as regards their practice in concluding works contracts.

#### Proposal for a directive to co-ordinate the guarantees required of companies

19. On 21 February the Commission submitted to the Council a draft directive to co-ordinate legislation relating to joint stock companies (*sociétés anonymes, sociétés en commandite par actions*) and limited partnerships (*sociétés à responsabilité limitée*). <sup>(1)</sup>

The draft directive concerns mainly publication of particulars, validity of commitments and nullity of association.

It provides that by the publication of particulars all third parties must be enabled to inspect the memorandum and articles or other deeds of association of the company or partnership and to ascertain the identity of persons having authority to bind the firm.

Furthermore publication must serve to determine the validity of commitments entered into on behalf of the company and third parties acting in good faith must be protected by provisions limiting as far as possible any grounds on which such commitments might be declared invalid.

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<sup>(1)</sup> See supplement to Bulletin 3-64.

The draft allows only two grounds for nullity of association:

- i) Because no memorandum of association was drawn up or — depending on legal requirements in each Member State — because the formalities of prior inspection have not been complied with or the necessary instruments are bad for want of form;
- ii) Because the purpose of the association is unlawful or contrary to *ordre public*.

It excludes any retrospective effect of a declaration of nullity as regards third parties and prescribes a short time-limit for objections to be lodged when such objections are permitted by the laws of the country.

The final provisions lay down that before making any amendment to their company law the Member States must inform the Commission.

Work is in progress on a second draft directive to deal with all matters not covered by this first directive on limited liability companies (*sociétés anonymes*).

### Proposal for a directive concerning the supply of services in agriculture

20. On 3 March the Commission submitted to the Council a proposal for a directive setting out the general conditions for liberalizing the supply of services in agriculture and horticulture. <sup>(1)</sup>

Under this proposal supply of the following services will be liberalized between the Member States within six months after issue of the directive by the Council: destruction of weeds and vermin; spraying of plants and soil; pruning; picking, packing and packaging; running of irrigation systems and hiring out of agricultural machinery; care and dressing of soil or crops; harvesting, threshing, pressing and gathering.

Restrictions on the supply of services connected with stock-raising and other activities not listed above are to be abolished in 1966.

Forestry has not been included in the directive as a longer time-table was laid down for this sector in the General Programme; nor are drainage, irrigation and land reclamation included, since they are covered by two other directives which apply to public works.

The measures proposed by the Commission should be of benefit to a fair number of undertakings situated in frontier areas and certain firms which are sufficiently large and specialized to operate at long distance from their headquarters.

The effective liberalization of services as laid down by this directive will be greatly facilitated in practice by steps now being taken at Community level to eliminate obstacles caused by divergences between regulations in the various countries on the movement and use of certain agricultural equipment. Likewise, the Commission's recommendation of 8 December 1962 to the Member States, proposing as a general practice the temporary duty-free import of equipment for use in performing any kind of service, is of particular importance for agriculture.

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(1) See supplement to present Bulletin.



## Customs matters

### Tariff quotas

21. On 11 and 21 February the Commission granted, under Protocol XII, XIV and XV annexed to the List G Agreement, the following tariff quotas for imports from non-member countries:

Tariff heading	Product	Country	Quantity in metric tons	Quota duty
<i>For the period from 1.12.1963 to 31.12.1964:</i>				
76.01 A	Unwrought aluminium	Netherlands	10 800	5%
		B.L.E.U.	13 500	5%
<i>For 1964:</i>				
77.01 A	Unwrought magnesium	Germany (FR)	27 700	nil
		Netherlands	140	nil
		B.L.E.U.	420	nil
<i>For the period from 1.1.1964 to 30.6.1964:</i>				
ex 78.01 A	Unwrought lead containing at least 0.01% by weight of silver, for refining (work lead)	Germany (FR)	27 000	nil
78.01 A	Unwrought lead (including 2 000 mt of unwrought work lead containing at least 0.03% by weight of silver, for refining)	Belgium	5 000	nil
78.01 A	Unwrought lead	Netherlands	20 000	nil
ex 79.01 A	Unwrought zinc, containing at least 99.99% by weight of zinc (extra fine)	Germany (FR)	20 000	nil
79.01 A	Zinc spelter; unwrought zinc	Netherlands	5 000	nil

On 24 February the Commission granted to the Federal Republic of Germany, under Article 25(3) of the Treaty, a tariff quota of 350 000 hl. for imports from non-member countries of wine of fresh grapes, other than sparkling wine, for processing in its own territory, of an actual alcoholic strength not exceeding 22° and with a total dry extract not exceeding 30 grammes per litre, for distillation, and imported in containers of a capacity exceeding 2 litres, under headings ex 22.05 B I b, ex 22.05 B II b, ex 22.05 B III b 2 and ex 22.05 B IV b of the CET, at the duties of:

1.74 u.a./hl. for wine of an actual alcoholic strength not exceeding 13°

1.89 u.a./hl. for wine of an actual alcoholic strength exceeding 13° but not exceeding 15°

2.11 u.a./hl. for wine of an actual alcoholic strength exceeding 15° but not exceeding 18°

2.49 u.a./hl. for wine of an actual alcoholic strength exceeding 18° but not exceeding 22°

The quota is valid for the period from 1 December 1963 to 30 November 1964.

## Suspension of CET duties

22. At its session of 24 and 25 February the Council extended the suspension of the CET duty on beet sugar, solid, under heading 17.01 until 31 July 1964.

## COMPETITION

### Approximation of legislation

#### Industrial property rights

23. On 10 December 1963 a meeting was held in Brussels of the Committee of State Secretaries. 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 fundamental questions arising in the introduction of a European system of patent law. It was agreed that the report should deal with the various principles on which the convention in preparation might be based and examine their possible effects. The Governments concerned could then be able to take their decisions in full knowledge of the facts.

From 6 to 14 February a special committee sat in Brussels to draft the report. On the basis of a memorandum submitted by the Commission's staff, which provides the secretarial services for the Committee of State Secretaries, the Committee prepared a draft dealing with the following points:

- a) Possible aims of a European convention of patent law;
- b) Matters closely connected with such aims, in particular:
  - i) Administrative and legal structure of a European system of industrial property rights;
  - ii) Problems of accession to and association with the convention on patent law and future conventions on trade marks and on patterns and models;
  - iii) Compulsory licences;
  - iv) Division of the market in relation to the aims of the European patent;
- c) Issue of a European patent to nationals of non-member countries;
- d) Problems of harmonizing the legislation of individual States arising from the creation of a European patent;
- e) Possible participation of non-member countries in the work now proceeding.

The report ends with a detailed questionnaire intended to elicit the views of the Governments of the six member countries on the various possible alternatives.

#### Public contracts

24. The first meeting of the Working Party on the approximation of legislation in the sphere of public supply contracts was held in Brussels on 7 and 8 January 1964. The Working Party is to prepare a directive to co-ordinate the procedure for concluding public supply contracts; it will be the counterpart of the directive on public works <sup>(1)</sup>.

<sup>(1)</sup> See sec. 18.

In the course of the first meeting the Working Party examined a preliminary draft of the section dealing with the common rules on publication to which Community supply contracts will be subject.

### Pharmaceutical products

25. In February the Committee of Permanent Representatives continued its study, after new proposals had been formulated by certain delegations, of the first directive on the approximation of laws and regulations on pharmaceutical products.

26. The Working Party on the approximation of laws and regulations on pharmaceutical products met on 6-7 February 1964. It redrafted the main provisions of the proposed directive on the advertizing of medicinal preparations and continued its study of a draft directive on the use of colouring matters in these products.

### Criminal law

27. On 8-9 January 1964 the drafting committee on methods of bringing to light and dealing with offences in fields covered by EEC regulations or directives held its sixth meeting, during which the provisional text of a preliminary draft convention was almost completed.

A preliminary draft of a convention between the Member States of the EAEC, ECSC and EEC on the position of European officials vis-à-vis criminal law has been prepared with a view to the next meeting of the *ad hoc* drafting committee arranged for 7 April 1964.

### Taxation problems

#### Standing Committee of heads of revenue departments

28. At its meeting of 20 February 1964 the Committee discussed the amendments proposed by the Finance Ministers, at their meeting in Rome on 9-10 February 1964, to the Commission's draft directive on the harmonization of turnover taxes. In accordance with these proposals and those of the European Parliament and the Economic and Social Committee, the two stages of harmonization previously planned were to be combined in one.

The Standing Committee discussed the principles of a common added-value tax which were to be submitted to the Council with the amended draft directive. It also established the broad lines for further work in the sphere of direct taxes and double taxation among the member countries. Finally it discussed the Commission's studies on the taxation of means of transport and transport services.

#### New Italian measures to replace Law No. 103

29. On 28 January 1964 the Commission informed the Italian Government by letter that the new Bill which had been communicated to the Commission and which would grant drawbacks of internal taxes on exports of the mechanical engineering industry, was essentially an extension of Law No. 103 and therefore incompatible with the

obligations of Article 96 of the Treaty. The Commission therefore asked the Italian Government to withdraw the Bill or, at least, to take the necessary measures to prevent the granting of drawbacks until the Court of Justice had given a decision on its compatibility with the Treaty (1).

The Italian Government replied to the letter stating that it could not accept the Commission's view. It proposed, however, gradually to reduce the drawbacks provided for in the Bill.

The Commission once more informed the Italian Government, in answer to this proposal, that it could not give its assent, since such drawbacks were incompatible with the provisions of Article 96 of the Treaty, but that it was ready to consider, as in the past, any other possibility offered by the Treaty.

### Harmonization of taxes on capital movements

30 Working Party No. VI on indirect taxes on capital movements met in Brussels on 27-28 January and examined a draft directive on the harmonization of these taxes. The directive would abolish stamp duty in the Member States on owner's and loan capital and harmonize company tax (*droit d'apport*). A draft amended in the light of the various delegation's comments will shortly be submitted to the Standing Committee of heads of revenue departments.

### Harmonization of taxes on insurance contracts

31. On 31 January 1964 Working Party No. VII on taxes on insurance contracts met in Brussels to examine certain points in a proposed arrangement to avoid, in the sphere of taxes on insurance contracts, distortion and double taxation, which may arise in insurance through the introduction of freedom to supply services. The solution consists in harmonizing the rules on territorial divisions and on taxable contracts and the basis of assessment. A draft directive will be submitted in the next few months to the Standing Committee of heads of revenue departments.

32. On 30 January Working Party No. V on international taxation matters examined the terms of reference for its future work.

### Rules applicable to undertakings

#### Proposal for a regulation concerning exemption by classes

33. The Commission proposed to the Council that it issue a regulation empowering the Commission to absolve from the ban of Article 85(1) of the Treaty certain classes of agreements between undertakings, decisions by associations of undertakings or concerted practices. Exemption would be allowed by a Commission regulation and would apply from the time the regulation came into force. It would be for the firms concerned to ascertain whether their agreements were affected. The Commission would no longer need to take a large number of separate decisions. Moreover, many

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(1) See Bulletin 2-64, Chap. V, sec. 27.

firms would adjust their agreements to the standard conditions laid down in the Commission's regulation or would draw up new agreements on this model. In this way the Commission would be relieved of a considerable amount of administrative work and firms would obtain prompt decisions. Until such time as the Council has issued the proposed regulation, the existing procedure remains unchanged.

## **SOCIAL AFFAIRS**

### **European Social Fund**

34. On 27 January the Committee of the Fund examined an application for approval of a conversion scheme to be undertaken by the Ford Motor Company (Belgium) at Antwerp, which had been submitted by the Belgian Government under Article 15 of Regulation No. 9 (European Social Fund).

At the suggestion of the Fund Committee, the Commission studied the merits of the proposed conversion scheme in the light of the economic situation in the Community and notably as regards the effects of the scheme on employment. The Commission found that, in view of the activity to which the firm in question was to be converted, the scheme in itself would make no contribution either to the social or to the regional objectives of the Treaty, and was even likely to create difficulties for firms already pursuing this activity in other Community areas, where it might cause redundancies.

On the view that the social and economic impact of the scheme would not be such as to warrant Community support through the European Social Fund, the Commission felt unable to approve it.

### **Social security for migrant workers**

35. The Auditing Committee attached to the Administrative Committee for the Social Security of Migrant Workers held its 17th session on 4-5 February.

After approving in revised form the accounts for 1959, 1960 and 1961 and requesting its chairman to report on this subject to the Administrative Committee, it examined implementing details for the new regulations on social security for frontier and seasonal workers: it will propose to the Administrative Committee that the rules on the keeping of lists of families and retired workers should be adjusted.

The Auditing Committee also finalized arrangements to simplify certain administrative and financial procedures and drew up its programme of work and time-table for 1964.

### **Social security glossary**

36. On 30-31 January and 17-18 February 1964 meetings were held of independent experts of the six member countries who are drafting the definitive edition of the social security glossary. The work is continuing.

## AGRICULTURE

### Common agricultural policy

37. As reported in Bulletin 3-64, the Council, further to its decisions of 23 December 1963, formally approved on 3-5 February regulations in the four Community languages providing for the progressive establishment of joint market organizations for dairy produce, rice and beef, a regulation on aid from the European Agricultural Guidance and Guarantee Fund and its financial regulation <sup>(1)</sup>. The 23 December agreement has thus become a definitive decision. A large number of implementing regulations are now needed, dealing in particular with price brackets and levies. These regulations are now being drafted and adopted so that the joint organizations can take effect on 1 July 1964.

The Council also began its examination of the Commission's proposal to align cereal prices in a single operation from the 1964/65 marketing year onwards, and it instructed the Special Committee for Agriculture to prepare its decisions. The Special Committee set up two working parties, one to study the technical and economic aspects of the Commission's proposal and the other to study compensatory measures and financial repercussions. The Commission's proposal is not confined to cereal prices — it also provides for compensation for Community farmers who suffer a loss of income as a result of cereal price alignment and contains Community plans to improve the farmer's standard of living. The first of such Community plans is to be inaugurated in 1967; it will replace, at least in part, compensatory measures for Community farmers who find their income reduced.

The Economic and Social Committee met on 26-27 February to examine the Commission's proposed measures to establish a common level of cereal prices.

By a large majority, the Committee expressed itself in favour of the Commission's proposals, notably on the following points:

- a) The single-stage fixing of common cereal prices;
- b) The determination of these prices as early as possible, to strengthen the EEC's position in the GATT negotiations.

The Committee has no objections regarding the date proposed — 1 August 1964, though it notes a number of problems involved in introducing the common price system on this date.

### Functioning of existing joint market organizations

#### *Rice*

38. The Commission has laid before the Council a proposal for a first implementing regulation in connection with the joint rice market. It fixes limits for target prices in rice-producing member countries and threshold prices for rice and broken rice in the non-growing member countries for the marketing year beginning 1 July 1964. The Council is considering this proposal.

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<sup>(1)</sup> See official gazette of the European Communities, No. 34, 27 February 1964.

## *Pigmeat*

39. In a report to the Council on the pigmeat situation, the Commission dealt with trends on the pigmeat market from 1 July 1963 to 19 January 1964. The report explains the reasons for the aggravated decline in supplies and for the correspondingly rapid increase in prices in the Member States. It also contains forecasts for 1964 and suggestions for the solution of current problems on the pigmeat market.

Since early February prices on Community markets have become steadier. The Commission accordingly submitted to the Council a proposal for a regulation reducing the levies on pigs and certain cuts of pork imported from non-member countries between 15 February and 31 March 1964. The proposal was to reduce the levy by the amount of the present Dutch levy, a reduction which has already been made by Regulation No. 6/64/CEE. The Council adopted the Commission's new proposal on 5 February.

The Commission also submitted to the Council a proposed regulation concerning the normal quarterly adjustment of levies on imports in respect of the period 1 April to 30 June 1964. Because of the alignment of the Dutch price on the world price for feed-grain, the component (b) of the levy is reduced by 1.4616 u.a. par 100 kg. As the other components of the levy are unchanged the reduction in the levy on imports from non-member countries is the same.

The Commission has also made a regulation adjusting sluice-gate prices for pigs and pigmeat products imported from non-member countries between 1 April and 30 June. Following the increase in world feed-grain prices which has taken place between 1 July 1963 and 31 December 1963, the sluice-gate price for pig carcasses is increased from 51.6025 u.a. to 52.9317 u.a. per 100 kg.

## *Eggs and poultry*

40. In view of price trends for eggs and poultry, the Commission has issued two regulations increasing the surcharge added to levies on imports from non-member countries.

These are Commission Regulation No. 9/64/CEE of 6 February 1964 fixing the surcharge on imports of slaughtered hens and chickens from non-member countries <sup>(1)</sup> and Commission Regulation No. 10/64/CEE of the same date fixing the surcharge on poultry eggs in shell <sup>(1)</sup>.

In the first regulation, the surcharge is increased from 0.05 u.a. to 0.0625 u.a. per kg. and in the second, the surcharge is increased from 0.075 u.a. to 0.15 u.a. per kg.

Early in February another difficulty arose on the egg market: invoking Article 12 of Regulation No. 21, the Federal Republic of Germany notified the Commission on 3 February of its intention to suspend egg imports until further notice. The reason given was that home prices were in danger of slumping because of the relatively low prices of imported eggs, particularly Danish eggs. The Commission, which had consulted the Member States within the Egg Management Committee (Article 12 (2)), opposed the German decision, pointing out that difficulties in Germany were mainly due to a boom in domestic egg production and to an increase in imports from non-member countries rather than in those from other Community countries. The Commission had fixed the surcharge on imports of shell eggs from non-member countries at

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<sup>(1)</sup> See official gazette of the European Communities, No. 23, 7 February 1964.

0.15 units of account in order to ease the pressure of such imports on the market. Germany referred the matter to the Council, which held a special meeting on 8 February when it endorsed in general the arguments behind the Commission's decision. At this sitting, the German delegation withdrew its request and since then the Federal Republic has applied to imports the ordinary joint market arrangements, involving levies only.

### *Dairy produce*

41. The Commission has laid before the Council its first proposals for the establishment of a joint dairy produce market:

- a) Proposal for a Council decision fixing the upper and lower limits of the target price bracket for milk produced during the year 1 April 1964 to 31 March 1965;
- b) Proposal for a Council regulation defining best butter;
- c) Proposal concerning the determination of reference prices, the constitution of groups of products and the designation of pilot products;
- d) Proposal for a regulation establishing the amount of transport costs to the frontier of the importing country and the costs of crossing the frontier, so as to determine the free-at-frontier prices of certain dairy products.

### *Beef*

42. The Commission has begun drafting implementing provisions for the common organization of the beef market, beginning with a Council regulation fixing the upper and lower limits of the guide price for beef for the marketing year beginning 1 April 1964. The Council has begun its examination of this proposal.

### *Fruit and vegetables*

43. After consulting the appropriate Management Committee, the Commission has adopted two regulations concerning the adjustment of quality standards for onions and citrus fruit. Changes in marketing methods had rendered adjustments to the standards necessary.

Technical aspects of the application of uniform standards to fruit and vegetables have been examined with a group of Government experts from the Member States, certain difficulties in international trade arising from the enforcement of common quality standards were discussed.

### *Wine*

44. In this field the Commission's main task at present is the establishment of a register of vineyards. After consulting the Wine Management Committee, it has issued a regulation containing supplementary provisions on the establishment and current administration of the register.



## Financing of the common agricultural policy

45. The regulation on aid from the European Agricultural Guidance and Guarantee Fund and the financial regulation of that Fund now constitute the basis for Community financing of the common agricultural policy. The Fund will comprise two sections.

The "Guarantee" section will deal with the financing of joint market organization measures. It will make repayments in respect of refunds on exports to non-member countries (on the basis of net exports and lowest average refunds), and in respect of intervention measures on domestic markets.

The "Guidance" section will help to improve structures by granting aid for schemes fulfilling certain conditions and forming part of a Community programme established by the Council. Aid will take the form of subsidies not exceeding 25% of the cost of each scheme. The Member States will also participate and they also will have authority to supervise the execution of the schemes.

The Fund is maintained by contributions from the Member States fixed according to the scale given in Regulation No. 25. A Fund Committee will ensure co-operation between the Commission and the Member States and in certain cases will render opinions, by vote, in the same way as the various market management committees.

The financial regulation of the European Agricultural Guidance and Guarantee Fund is based on Article 209 of the Treaty and embodies special clauses governing the operations of the Fund.

The first implementing regulation has already been approved by the Council on a proposal from the Commission. It concerns aid from the Fund to the denaturing of wheat and rye in the Member States from 30 July 1962 onwards, and the financial losses suffered by the Member States left with stocks on their hands at the end of each marketing year.

## Harmonization of regulations on agricultural and horticultural seeds and seedlings and on forest seedlings

46. The Commission has taken the first step towards the harmonization of regulations on agricultural and forestry seeds and seedlings; it has submitted to the Council draft directives on the marketing of beet seed (sugar beet and fodder beet), cereal seeds, herbage seeds, potatoes seed and reproduction material for use in forestry <sup>(1)</sup>.

The purpose of the directives, which have been prepared in close association with Government experts and after consultation with professional circles, is to ensure that agriculture and forestry are supplied only with seeds and seedlings which present substantial advantages as to yield, reliability of performance and suitability for the grower's purpose. At the same time national rules and regulations hampering intra-Community marketing of seeds and seedlings must be as far as possible withdrawn.

To a very large extent only certified seeds, i.e. seeds and seedlings the quality of which, as regards varietal purity, has been confirmed by official inspection of the growing plants and examination of the products harvested for purity, germination power and health properties, and in forestry only genetically suitable material, will enter into

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

domestic and intra-Community trade. This means that users in the Member States can be certain, more than ever, of obtaining high quality seeds and seedlings, a factor of vital importance for agriculture and forestry.

The regulations are partly based on the systems worked out by FAO, OECD, and the Economic Commission for Europe and in particular on experiments made in certain Member States in the last twenty years or more.

The directives also provide that high-quality seeds and seedlings produced in non-member countries which are as reliable as Community-approved seeds may be freely marketed in the Community.

The directives represent only a first stage. National catalogues will for a time remain in use; they will limit trade to seeds and seedlings of varieties which can be profitably grown in the country. However, ways and means of establishing European Community catalogues are already being considered. In addition the problem of standards for external characteristics in the case of forestry seeds and seedlings remains to be solved.

In the agricultural sector, work is in hand on the preparation of directives concerning the marketing of vegetable seeds and vine stocks and seedlings, after which seeds of oleaginous and fibre plants will be dealt with.

A draft decision will be laid before the Council instituting a Standing Committee of Government experts on agricultural, horticultural and forest seeds and seedlings so as to ensure uniform application of all the harmonized regulations on seeds and seedlings and to advise the Commission in carrying out specific tasks entrusted to it by these directives.

## TRANSPORT

### Common transport policy

47. The European Parliament's Transport Committee met on 18 February in Brussels to examine reports on two Commission proposals concerning the implementation of the common transport policy. One deals with the introduction of a rate bracket system for rail, road and inland waterway freight services and the other the harmonization of certain arrangements affecting competition in transport by road, rail and inland waterway.

After a lengthy discussion of these reports, the Committee decided to continue its examination at a later sitting, at which it will also examine a report on the Commission's proposal concerning the constitution and operation of a Community quota for road haulage within the Community and the standardization of procedures for the issue of licences for road haulage between the Member States.

### Transport Advisory Committee

48. In accordance with the programme adopted by the Commission for the year 1963/64, the Advisory Committee has been consulted on the following questions:

a) Personal qualifications for the operation of passenger and goods transport services by road and goods transport by inland waterway;

b) The justification for, and the value of, "traffic consolidation tariffs" or tariffs "adopted in the interest of the carrier".

Working parties held several meetings in February to prepare a preliminary draft opinion on these matters.

In accordance with its time-table, the Committee expects to render its opinion to the Commission in March.

### Implementation of Articles 79 and 80

49. A meeting was held in Brussels on 24 February to consider to what extent the tariffs 17 B 3 applied in the transport of malt on certain routes in the Federal Republic are justified.

## OVERSEAS DEVELOPMENT

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

50. On 25 February the Burundi National Assembly passed a bill authorizing ratification of the Association Convention.

On 28 February, thirteen countries had deposited instruments of ratification with the EEC Council Secretariat in Brussels; they are, in the Community, France and Belgium and, among the AASM, Gabon, Chad, Central African Republic, Dahomey, Togo, Upper Volta, Niger, Ivory Coast, the Malagasy Republic, Cameroon and Senegal.

### EEC-AASM Interim Committee

51. The Interim Committee held its third meeting on 31 January in Brussels, at which it discussed problems arising from the need to accommodate the associated States' interests when establishing the common agricultural policy.

The associated States were notified of the Council's decisions taken at the end of December 1963. With regard to rice, the Committee noted that in accordance with a Council decision the Commission had submitted to the Council a proposal on imports from the associated States of Africa and Madagascar and from the overseas countries and territories <sup>(1)</sup>.

On the subject of the fats and oils regulation, it was announced that the Commission was due to lay its proposal before the Council by 1 June and that the Council would take a decision by 1 November.

A request from the Malagasy Government concerning the suspension of the EEC levy on imports of maize and pigmeat from Madagascar was not discussed in substance, but the Commission was instructed to examine it and make proposals.

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<sup>(1)</sup> See Bulletin 3-64, Chap. III, sec. 56.

The Community took note of a request from the Togo representative that definitive arrangements should be made as soon as possible for imports into the Community of manioc flour and starch originating in and consigned from the AASM. On this point also the Commission will make a proposal to the Council.

### Preparatory meeting for the parliamentary conference of the Association

52. This meeting was held in Messina on 21-22 February under the joint chairmanship of M. Gaetano Martino, then President of the European Parliament, and M. Lamine Guéy, President of the Senegal National Assembly. The representatives of 18 African Parliaments and members of the European Parliament were present.

It was decided that the first session of the conference would be held in Dakar between 1 and 10 November 1964. The total membership of 108 suggested at meetings in Strasbourg in May 1963 was confirmed. The conference will have three delegates from the parliament of each associated State, and an equal number of delegates from the European Parliament. The conference will elect each year its president and seven vice-presidents, and of these officers four will be European and four African or Malagasy. The presidential chair will be taken alternatively by an African or Malagasy and by a European.

The meeting also decided that the joint committee provided for in Article 50 of the Yaoundé Convention, which is the standing committee of the parliamentary conference, will comprise 36 members — one representative from each associated State and an equal number of representatives of the European Parliament. They will be appointed by the conference from among its own members.

Finally the meeting discussed matters of organization and procedure.

### Trade problems

53. Pending the entry into force of the new Convention of Association with the overseas States, the Commission has been devoting special attention to the application of the transitional arrangements.

In pursuance of the Council's decisions of May 1963 on technical assistance, the Commission has sent two missions to Niger and Togo, at the request of their Governments, to assist them in drawing up programmes of aid to production and diversification. Similar assistance is planned for Ivory Coast.

M. Rochereau, member of the Commission and President of the Overseas Development Group, has had conversations with the Italian authorities in Rome on association problems with special reference to the Somali Republic.

At international level, the Commission has participated in the work of the GATT Special Group on Trade in Tropical Products, which, in February, examined conditions on the cocoa market.

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

54. The Commission's staff has administered the scholarship programme now in progress and has reported on the results achieved in the academic year 1962/63. It is preparing a report on the first period of the programme for the current academic year.

The second period of the 1963/64 programme began on 17 February. Six civil servants from the associated States have been working in the Commission's Directorate-General for Overseas Development.

In February three seminars were held in Brussels for about 130 Africans, about 40 of whom were nationals of Commonwealth countries. In addition a first series of seminars was arranged in Douala from 3-8 February. It was attended by 175 persons, more than three-quarters of whom were nationals of Cameroon or of adjacent associated countries.

## European Development Fund

### *ECONOMIC PROJECTS*

55. In February 1964 the Council approved on proposals from the Commission the financing of the following economic projects:

*Madagascar:* The improvement of 235 bridges on a number of secondary and local roads; wooden structures will be replaced by bridges capable of carrying 15-ton vehicles.

The cost is estimated at about 2 755 000 u.a. (680 million frs. CFA).

*Burundi:* The clearing and planting for tea of 500 hectares of what is at present mainly forest, and the rebuilding or construction of a processing plant with a capacity of 400 to 800 metric tons of dry tea and of sheds, offices, dispensaries, etc. This scheme will enable Burundi to increase in a few years its output of a commodity now likely to become its second export crop.

The cost is estimated at about 1 420 000 u.a. (71 million frs. RB).

*Togo:* The planting in south-west Togo of 500 hectares of selected palm, including provision of the necessary staff and assistance for six years. The cost is estimated at about 587 000 u.a. (145 million frs. CFA).

*Martinique:* Extension of the harbour at Fort-de-France by the construction of a new 340-meter wharf; this will put an end to chronic congestion along the general cargo berths, and will enable shipyard, tourist and banana export activities to be developed.

The provisional commitment is about 2 127 000 u.a. (10 500 000 FF).

### *SOCIAL PROJECTS*

56. During the same period, the Commission approved a proposal to finance the following project:

*Congo (Brazzaville):* The completion of the main drains being built to take away rainwater in certain urban areas and the construction of ten road bridges over the drains. The work is estimated to cost about 2 917 000 u.a. (720 million frs. CFA).

The Commission has also approved an increase in the allocation for a social project in the Somali Republic.

This is in response to a supplementary application concerning the equipment of the Mogadishu Hospital. The increase in the authorized provisional commitment is about 408 000 u.a. (2 915 087 somalos).

# EUROPEAN DEVELOPMENT FUND

Financing approved at 29 February 1964

*(in thousand units of account)*

Country or territory	Number of projects	Amount
Congo (Leopoldville)	14	14 631
Rwanda	10	4 844
Burundi	13	4 753
Total	37	24 228
Algeria (incl. Sahara)	9	20 427
Cameroon	27	44 880
Central African Republic	24	14 225
Comoro Islands	6	2 636
Congo (Brazzaville)	17	18 702
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	12	26 434
Madagascar	40	53 528
Mali	25	33 009
Martinique	4	6 749
Mauritania	10	12 336
Niger	6	24 731
New Caledonia	5	1 560
Polynesia	1	2 474
Réunion	5	7 516
Saint-Pierre-et-Miquelon	1	3 545
Senegal	20	37 037
Chad	18	28 197
Togo	18	13 995
Group of States	3	7 891
Total	309	433 024
Somalia	4	5 468
New Guinea	4	7 458
Surinam	4	11 194
Total	8	18 652
Grand total	357	481 372

## *SIGNATURE OF FINANCING CONVENTIONS*

57. A financing convention was signed in February with the Republic of Mali for a social project to cost about 336 000 u.a. (83 million Mali francs).

## **ADMINISTRATIVE AFFAIRS**

### **Staff movements**

58. On 26 February M. Helmut Sigrist was appointed Deputy Executive Secretary to the Commission.

M. Sigrist is a Doctor of Economics and has been a senior official in the Foreign Service of the Federal Republic of Germany since 1951.

He has served as First Secretary at the German embassies in Rome and New Delhi.

M. Riccardo Luzzatto has been appointed to the post of Counsellor in the Internal Market Directorate-General.

M. Willy Schlieder has been appointed Head of the General Matters Division in the Directorate for Agreements, Monopolies, Dumping, and Private Discrimination (Directorate-General for Competition).

## IV. Institutions and organs

### A. THE COUNCIL

#### 123rd session

The Council held its 123rd session on 12 February, M. Charles Héger, Belgian Minister of Agriculture, presiding <sup>(1)</sup>.

This session considered the Commission's decision of 6 February requiring the Federal Republic of Germany to withdraw the safeguard measures taken for egg imports <sup>(2)</sup>.

After debating the matter the Council took note of the German Government's withdrawal of its request that the Council express an opinion on the Commission's decision.

#### 124th session

The Council held its 124th session on 24 and 25 February, with M. Henri Fayat, Minister of State at the Belgian Ministry of Foreign Affairs, in the chair. The following matters were dealt with:

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

On the basis of the Commission's proposals, and after consulting the European Parliament and the Economic and Social Committee, the Council adopted six directives to give effect to the General Programmes <sup>(3)</sup>.

The Council also decided to consult the Parliament and the Economic and Social Committee on a proposal for a second directive concerning the removal of restrictions on freedom of establishment and freedom to supply services in the film industry.

#### *Relations with Israel*

The Council instructed the Committee of Permanent Representatives to draw up a mandate for the Commission to continue its negotiations with the Israeli delegation.

#### *Tariffs*

The Council extended until 31 July 1964 the suspension of the CET duty on beet sugar and cane sugar, solid (heading 17.01).

#### *The Community's major tasks for 1964*

The Council held a broad exchange of views on the matters likely to come before it during 1964.

The members of the Council and the President of the Commission outlined the ideas of their Governments and of the Commission on the work to be done by the Community in the coming year. A broad measure of agreement was reached.

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<sup>(1)</sup> This session was called in pursuance of Article 12 (3) of Regulation No. 21, which provides that any Member State may refer a Commission decision to the Council.

<sup>(2)</sup> See Ch. III, sec. 40.

<sup>(3)</sup> See Ch. III, sec. 17.



## B. THE COURT OF JUSTICE

### Judgment

*Consolidated actions 73/63 and 74/63 (Applications for preliminary rulings on matters of interpretation of the Treaty, filed under Article 177)*

On 18 February the Court gave judgment in consolidated actions 73/63 and 74/63. The Court had been asked for preliminary rulings by the *College van Beroep voor Bedrijfsleven* (the Dutch appeal tribunal for trade and in industry), under Article 177 of the Treaty, on the interpretation of Article 226.

The Court's judgment was as follows:

1. The Commission decisions at issue, laying down safeguard measures for imports into the Federal Republic of Germany of bread and fondant paste from other Member States, confer upon the Government of the Kingdom of the Netherlands the power to levy a charge of the same amount on exports of these products to the Federal Republic of Germany.
2. An examination of the issues presented to the Court has revealed nothing that could affect the validity of the said decisions.

In the grounds for its judgment the Court stated that although the decisions contained no explicit authorization they nevertheless implied that the Dutch Government might levy the charge in question. In applying Article 226 the Commission should employ such means as would have the least possible impact on the State in which a given sector of the economy was affected by the measures authorized. The Court added that Article 226 made no distinction between difficulties resulting or not resulting from the application of the Treaty.

## C. THE ECONOMIC AND SOCIAL COMMITTEE

The Committee held its 35th session in Brussels on 26 and 27 February, with M. Roche in the chair.

By 71 votes to 10, with 3 abstentions, the Committee rendered a formal opinion on the Commission's proposed measures to establish a common price level for cereals <sup>(1)</sup>.

The Commission had referred this matter to the Committee on 18 January.

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<sup>(1)</sup> See Chap. III, sec. 37.

## V. European Investment Bank

On 21 February 1964, the European Investment Bank concluded seven loan agreements with the Cassa per il Mezzogiorno for the financing of two electric power stations and five industrial units to be set up in the southern part of the Italian Peninsula. The Bank's loans for these projects total 27.28 million units of account, against a total project cost of 81.71 million units of account.

The contracts were signed in Brussels by the President of the Cassa per il Mezzogiorno, M. Gabriele Pescatore, and by the President of the European Investment Bank, M. Paride Formentini.

The loans are underwritten by the Italian State; the guarantee contracts were signed by H.E. M. Antonio Venturini, Ambassador, Permanent Representative of Italy accredited to the European Communities, and by M. Paride Formentini.

The projects thus financed comprise:

1. The construction of a hydro-electric power station at Gallo (Caserta Province, Campania). The power station will be fed by the waters of the Lete and Sava rivers and provide 190.5 million kWh/year during peak-load hours. The project is to be carried out by the Ente Nazionale per l'Energia Elettrica (Enel), an institution of public law in charge of the production and distribution of electric power in Italy. Project costs total 20.8 million units of account, toward which the Bank will contribute a 20-year loan of 6 million units of account.
2. The setting-up, by the same institution, of a thermo-electric power unit of 300 MW at Brindisi (Apulia). This unit will be the first part of a new power station of 600 MW. Like the Lete-Sava power station, this Brindisi project constitutes one of the most essential elements of the power equipment plan for the Mezzogiorno. The total cost of the project amounts to 43.2 million units of account, toward which the Bank will contribute 15 million units of account through a 20-year loan.
3. The enlargement of a chemicals factory at Crotona (Catanzaro Province, Calabria), to be carried out by Montecatini — Società Generale per l'Industria Mineraria e Chimica of Milan. The project provides for the production of non-agricultural sodium phosphates and polyphosphates. The project will enable the employment of 100 new people to be engaged in the Crotona region. Fixed investments attain 8 million units of account, toward which the Bank will contribute 2.48 million units of account by a 12-year loan.
4. The enlargement of a factory for asbestine-cement products at Torre Annunziata near Naples (Campania). The annual production capacity of the factory will be raised to 20 000 tons of pressure pipes and 40 000 tons of other asbestine-cement products. The project will be realized by ITALTUBI S.p.A. — Società Riunite Gimfa-Italtubi of Torre Annunziata, and will provide 80 additional jobs. Fixed investments amount to 3.02 million units of account, toward which the Bank will contribute a 13-year loan of 1.12 million units of account.
5. The construction of a factory for cast-iron radiators with an approximate annual production of 20 000 tons at Chieti (Abruzzi). The project will be carried out by FA.RAD Italiana S.p.A. — Fabbrica Radiatori Italiana Società per Azioni of Chieti, and

will enable the employment of some 220 persons. Fixed investments attain 4.16 million units of account; the Bank will contribute to their financing by a 12-year loan of 1.6 million units of account.

6. The construction at Pomezia (Latium) of a factory for industrial refrigerators, with an annual production of some 15 000 units. The project will be carried out by Apparecchiature Industriali Frigorifere Elettrodomestiche Lattiere Sud — A.I.F.E.L. Sud S.p.A. of Naples, and will provide 155 jobs. Fixed investments attain 0.96 million units of account, toward which the Bank will contribute a 12-year loan of 0.4 million units of account.

7. The construction of a factory for metal tubes and bicycles at Salerno (Campania). As of the second business year, annual production will attain some 13 000 tons of welded tubes and light metal frames and 20 000 bicycles. The project, which enables the employment of some 105 persons, will be carried out by S.p.A. Bianchisider, a company belonging to the Bianchi group of Milan. The fixed investments of the project amount to 1.57 million units of account; the Bank will contribute 0.68 million units of account through a 12-year loan.

The interest rate of the loans granted to the Cassa per il Mezzogiorno is 5 7/8% per annum. For the financing of the two power stations, the Cassa per il Mezzogiorno will lend the countervalue of the Bank's loans in Italian liras directly to the Ente Nazionale per l'Energia Elettrica (Enel); in the case of the five industrial projects, the loans are granted indirectly, via the Istituto per lo Sviluppo Economico dell'Italia Meridionale (ISVEIMER), which in turn also participates in the financing of the same projects.

As regards the two projects to be carried out by Enel, financial participations of Italian special credit institutes of public law are also planned.

## 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 14 February and 11 March 1964

### EUROPEAN PARLIAMENT

#### Written questions and replies

<p>No. 115 de M. Richarts à la Commission de la CEE. Objet: Répercussions de l'alignement des prix des céréales sur les prix d'autres produits agricoles (No. 115 by M. Richarts to the EEC Commission: Repercussions of the alignment of cereal prices on the prices of other farm products)</p>	<p>No. 27 14.2.64</p>
<p>No. 120 de M. Leemans à la Commission de la CEE. Objet: Loi italienne no. 103 (No. 120 by M. Leemans to the EEC Commission: Italian Law No. 103)</p>	<p>No. 31 21.2.64</p>
<p>No. 122 de M. Vredeling à la Commission de la CEE. Objet: Perspectives de disette alimentaire dans les pays en voie de développement (No. 122 by M. Vredeling to the EEC Commission: Prospects of food shortage in the developing countries)</p>	<p>No. 31 21.2.64</p>
<p>No. 123 de M. Pedini à la Commission de la CEE. Objet: Bourses d'études accordées par la Communauté aux ressortissants des pays associés (No. 123 by M. Pedini to the EEC Commission: Scholarships granted by the Community to nationals of the associated countries)</p>	<p>No. 31 21.2.64</p>
<p>No. 124 de M. Metzger à la Commission de la CEE. Objet: Participation des syndicats grecs à la coopération économique européenne (No. 124 by M. Metzger to the EEC Commission: Participation by the Greek Trade Unions in European economic co-operation)</p>	<p>No. 31 21.2.64</p>
<p>No. 125 de M. Blaisse à la Commission de la CEE. Objet: Exportation de produits semi-finis d'aluminium du Benelux vers l'Allemagne occidentale (No. 125 by M. Blaisse to the EEC Commission: Export of aluminium semi-manufactures from Benelux to Western Germany)</p>	<p>No. 31 21.2.64</p>
<p>No. 126 de M. Pedini à la Commission de la CEEA, à la Commission de la CEE et à la Haute Autorité de la CECA. Objet: Les établissements européens d'enseignement supérieur et de recherche (No. 126 by M. Pedini to the EAEC and EEC Commissions and the High Authority of the ECSC: European establishments for higher education and research)</p>	<p>No. 33 25.2.64</p>
<p>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)</p>	<p>No. 41 9.3.64</p>
<p>No. 128 de M. Müller-Hermann à la Commission de la CEE. Objet: Contrôles de qualité des fruits et légumes dans les gares italiennes situées sur le parcours (No. 128 by M. Müller-Hermann to the EEC Commission: Quality controls at Italian railway stations of fruit and vegetables in transit)</p>	<p>N. 41 9.3.64</p>
<p>No. 129 de M. Armengaud à la Commission de la CEE. Objet: Introduction d'une clause analogue à l'article 11 du règlement no. 15 dans le règlement sur la libre circulation qui doit faire suite à ce même règlement no. 15 (No. 129 by M. Armengaud to the EEC Commission: Introduction of a clause analogous to Article 11 of Regulation No. 15 in the regulation on free movement of workers which is to implement Regulation No. 15)</p>	<p>No. 41 9.3.64</p>

No. 131 de MM. Klinker, Sabatini, Pedini, Pêtre, De Bosio, Moro, Leemans, Braccési, Charpentier, Van der Goes van Naters à la Commission de la CEE et à la Haute Autorité de la CECA. Objet: Difficultés dans le secteur de la construction navale (No. 131 by M. Klinker, M. Sabatini, M. Pedini, M. Pêtre, M. De Bosio, M. Moro, M. Leemans, M. Braccési, M. Charpentier and M. Van der Goes van Naters to the EEC Commission and the High Authority of the ECSC: Difficulties in the shipbuilding sector)	No. 41	9.3.64
No. 132 de M. Pedini à la Commission de la CEE. Objet: Adjudications du Fonds européen de développement (No. 132 by M. Pedini to the EEC Commission: Award of European Development Fund contracts)	No. 41	9.3.64
No. 135 de M. Vredeling à la Commission de la CEE. Objet: Coordination, au niveau communautaire, des initiatives nationales en matière de coopération technique et culturelle avec les pays en voie de développement. (No. 135 by M. Vredeling to the EEC Commission: Co-ordination at Community level of national projects for technical and cultural co-operation with the developing countries)	No. 41	9.3.64
No. 127 de M. Vredeling à la Commission de la CEE. Objet: Taxe à la consommation sur les huiles et graisses comestibles (dont la margarine) [No. 127 by M. Vredeling to the EEC Commission: Tax on consumption of edible fats and oils (including margarine)]	No. 42	10.3.64

#### Notice of general competitive examinations

Avis de concours général no. PE/2/LA (3 traducteurs-adjoints d'expression allemande) [Notice of general competitive examination EP/2/LA (3 German translators)]	No. 41	9.3.64
Avis de concours général no. PE/3/LA (traducteurs-adjoints: 5 de langue française, 5 de langue italienne et 5 de langue néerlandaise) [Notice of general competitive examination EP/3/LA (translators: 5 French, 5 Italian and 5 Dutch)]	No. 41	9.3.64

### CONFERENCE OF THE REPRESENTATIVES OF THE GOVERNMENTS OF THE MEMBER STATES

Renouvellement des mandats des présidents et vice-présidents de la Haute Autorité de la CECA, des Commissions de la CEE et de la CEEA (Renewal of the terms of office of the Presidents and Vice-Presidents of the High Authority of the ECSC and of the EEC and EAEC Commissions)	No. 31	21.2.64
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### COUNCIL AND COMMISSION

#### Regulations

Règlement no. 11/64 du Conseil, du 6 février 1964, 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 15 février au 31 mars 1964 (Council Regulation No. 11/64 of 6 February 1964 reducing levies on imports from non-member countries of pigmeat and certain cuts of pork from 15 February to 31 March 1964)	No. 27	14.2.64
Règlement no. 12/64 de la Commission, du 18 février 1964, fixant les conditions précisant la situation manifeste de sous-emploi prolongé au sens de l'article 2 alinéa 3 (a) du règlement no. 9 du Conseil concernant le Fonds social européen (Commission Regulation No. 12/64 of 18 February 1964, defining the manifest situation of prolonged under-employment within the meaning of Article 2, paragraph 3 (a) of Council Regulation No. 9 concerning the European Social Fund)	No. 32	22.2.64

Règlement no. 13/64 du Conseil, du 5 février 1964, portant établissement graduel d'une organisation commune des marchés dans le secteur du lait et des produits laitiers (Council Regulation No. 13/64 of 5 February 1964 providing for gradual establishment of a common organization of the markets for milk and milk products)	No. 34	27.2.64
Règlement no. 14/64 du Conseil, du 5 février 1964, portant établissement graduel d'une organisation commune des marchés dans le secteur de la viande bovine (Council Regulation No. 14/64 of 5 February 1964 providing for gradual establishment of a common organization of the market for beef and veal)	No. 34	27.2.64
Règlement no. 15/64 du Conseil, du 5 février 1964, autorisant la République fédérale d'Allemagne à prendre des mesures d'intervention en vue de permettre l'importation de bovins en provenance du Danemark (Council Regulation No. 15/64 of 5 February 1964, authorizing the Federal Republic of Germany to take intervention measures allowing importation of beef cattle from Denmark)	No. 34	27.2.64
Règlement no. 16/64 du Conseil, du 5 février 1964, portant établissement graduel d'une organisation commune du marché du riz (Council Regulation No. 16/64 of 5 February 1964 providing for gradual establishment of a common organization of the rice market)	No. 34	27.2.64
Règlement no. 17/64 du Conseil, du 5 février 1964, relatif aux conditions du concours du Fonds européen d'orientation et de garantie agricole (Council Regulation No. 17/64 of 5 February 1964 on conditions for grant of aid by the European Agricultural Guidance and Guarantee Fund)	No. 34	27.2.64
Règlement no. 18/64 du Conseil, du 5 février 1964, relatif au financement des dépenses d'intervention sur le marché intérieur dans le secteur des céréales (Council Regulation No. 18/64 of 5 February 1964 on financing the costs of intervention on the domestic market for cereals)	No. 34	27.2.64
Règlement no. 19/64 du Conseil, du 5 février 1964, portant modification des règlements nos. 20, 21 et 22 du Conseil en ce qui concerne les restitutions à l'occasion d'exportations à destination des autres Etats membres (Council Regulation No. 19/64 of 5 February 1964, amending Council Regulations Nos. 20, 21 and 22 as regards refunds on exports to other Member States)	No. 34	27.2.64
Règlement no. 20/64 de la Commission, du 4 mars 1964, relatif à la fixation d'un montant supplémentaire pour les œufs de volailles en coquille (Commission Regulation No. 20/64 of 4 March 1964 fixing a surcharge on poultry eggs in shell)	No. 39	6.3.64
Règlement no. 21/64 de la Commission, du 4 mars 1964, portant modification du prélèvement et du prix d'écluse pour les échines et cous de volailles (Commission Regulation No. 21/64 of 4 March 1964 modifying the levy and sluice-gate price for poultry spines and necks)	No. 39	6.3.64
Règlement no. 22/64 de la Commission, du 4 mars 1964, fixant un montant supplémentaire pour les échines et cous de volailles (Commission Regulation No. 22/64 of 4 March 1964 fixing a surcharge on poultry spines and necks)	No. 39	6.3.64
Règlement no. 23/64 du Conseil, du 4 mars 1964, 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 1er avril au 30 juin 1964 (Council Regulation No. 23/64 of 4 March 1964 fixing levies vis-à-vis non-member countries on imports of pigmeat and derived products between 1 April and 30 June 1964)	No. 42	10.3.64

## COUNCIL

### Information

Décision du Conseil, du 6 février 1964, portant prorogation de l'autorisation accordée au royaume de Belgique de limiter les exportations de porcs et de viande de porc à destination des Etats membres (Council decision of 6 February 1964 extending the authorization given to Belgium to limit export of pigs and pigmeat to the other Member States)	No. 27	14.2.64
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Amendement à l'annexe D du règlement no. 3 concernant la sécurité sociale des travailleurs migrants (Amendment to Annex D of Regulation No. 3 concerning social security for migrant workers)	No. 27	14.2.64
Amendement à l'annexe F du règlement no. 3 concernant la sécurité sociale des travailleurs migrants (Amendment to Annex F of Regulation No. 3 concerning social security for migrant workers)	No. 27	14.2.64
Remplacement d'un membre du Comité économique et social (Replacement of a member of the Economic and Social Committee)	No. 29	19.2.64
Règlement financier concernant le Fonds européen d'orientation et de garantie agricole (Financial regulation concerning the European Agricultural Guidance and Guarantee Fund)	No. 34	27.2.64
Résolution du Conseil sur les principes de base de l'organisation commune des marchés dans le secteur des matières grasses (Council resolution on the basic principles of the common organization of the market for fats and oils)	No. 34	27.2.64
Décision du Conseil, du 25 février 1964, portant suspension temporaire du droit du tarif douanier commun applicable au sucre de betteraves et de canne, à l'état solide, de la position 17.01 (Council decision of 25 February 1964 on the temporary suspension of the duty in the common customs tariff on beet and cane sugar, solid, falling under heading 17.01)	No. 35	29.2.64
Remplacement d'un membre du Comité du Fonds social européen (Replacement of a Committee member of the European Social Fund)	No. 37	4.3.64
Amendement à l'annexe D du règlement no. 3 concernant la sécurité sociale des travailleurs migrants (Amendment to Annex D of Regulation No. 3 concerning social security for migrant workers)	No. 37	4.3.64
Amendement à l'annexe D du règlement no. 3 concernant la sécurité sociale des travailleurs migrants (Amendment to Annex D of Regulation No. 3 concerning social security for migrant workers)	No. 37	4.3.64
Notification d'une convention intervenue entre les gouvernements allemand et luxembourgeois en vertu de l'article 7 du règlement no. 3 concernant la sécurité sociale des travailleurs migrants (Notification of an agreement between the Governments of Germany and Luxembourg under Article 7 of Regulation No. 3 concerning social security for migrant workers)	No. 37	4.3.64
Modification de l'annexe 4 du règlement no. 4 fixant les modalités d'application et complétant les dispositions du règlement no. 3 concernant la sécurité sociale des travailleurs migrants (Amendment to Annex 4 of Regulation No. 4 on implementing procedures and supplementary provisions in respect of Regulation No. 3 concerning social security for migrant workers)	No. 37	4.3.64
Décision du Conseil, du 4 mars 1964, portant suspension temporaire du droit du tarif douanier commun applicable aux mélasses de la position 17.03 B IV (Council decision of 4 March 1964 temporarily suspending the duties in the common customs tariff on molasses falling under heading 17.03 B IV)	No. 42	10.3.64

## COMMISSION

### Directives and Decisions

Décision de la Commission, du 6 février 1964, portant obligation pour la république fédérale d'Allemagne de supprimer les mesures de sauvegarde prises pour les importations d'œufs (Commission decision of 6 February 1964 directing the Federal Republic of Germany to abolish the safeguard measures for egg imports)	No. 27	14.2.64
Décision de la Commission, du 11 février 1964, portant octroi d'un contingent tarifaire à la république fédérale d'Allemagne pour le magnésium brut (Commission decision of 11 February 1964 granting a tariff quota to the Federal Republic of Germany for unwrought magnesium)	No. 38	5.3.64

Décision de la Commission, du 11 février 1964, portant octroi d'un contingent tarifaire au royaume de Belgique et au grand-duché de Luxembourg pour le magnésium brut (Commission decision of 11 February 1964 granting a tariff quota to Belgium and Luxembourg for unwrought magnesium)	No. 38	5.3.64
Décision de la Commission, du 11 février 1964, portant octroi d'un contingent tarifaire au royaume des Pays-Bas pour le magnésium brut (Commission decision of 11 February 1964 granting a tariff quota to the Netherlands for unwrought magnesium)	No. 38	5.3.64
Décision de la Commission, du 11 février 1964, portant autorisation à la république fédérale d'Allemagne d'introduire un contingent tarifaire pour le plomb brut (plomb d'œuvre) [Commission decision of 11 February 1964 authorizing the Federal Republic of Germany to introduce a tariff quota for unwrought lead (work lead)]	No. 38	5.3.64
Décision de la Commission, du 11 février 1964, portant autorisation au royaume de Belgique d'introduire un contingent tarifaire pour le plomb brut (Commission decision of 11 February 1964 authorizing Belgium to introduce a tariff quota for unwrought lead)	No. 38	5.3.64
Décision de la Commission, du 11 février 1964, portant autorisation à la république fédérale d'Allemagne d'introduire un contingent tarifaire pour le zinc brut (extra-fin) [Commission decision of 11 February 1964 authorizing the Federal Republic of Germany to introduce a tariff quota for unwrought zinc (extra fine)]	No. 38	5.3.64

### Delegations and Missions to the Community

Missions d'Etats tiers (Japon, Equateur) [Missions of non-member States (Japan, Ecuador)]	No. 32	22.2.64
Missions de pays tiers (Ceylan) [Missions of non-member States (Ceylon)]	No. 37	4.3.64

### European Development Fund

Avis d'appel d'offres no. 348 lancé par la république du Sénégal (Notice of call for tender No. 348 issued by the Republic of Senegal)	No. 28	15.2.64
Modificatif à l'appel d'offres no. 333 lancé par la république du Mali (Amendment to call for tender No. 333 issued by the Republic of Mali)	No. 28	15.2.64
Annulation d'investissements de caractère social en république de Côte-d'Ivoire (Cancellation of social investments in the Republic of Ivory Coast)	No. 29	19.2.64
Avis d'appel d'offres no. 349 lancé par la République algérienne (Notice of call for tender No. 349 issued by the Algerian Republic)	No. 29	19.2.64
Signature de deux conventions de financement (entre la CEE et le Cameroun et la CEE et le Mali) [Signature of two financing agreements (between the EEC and the Federal Republic of Cameroon and the EEC and the Republic of Mali)]	No. 32	22.2.64
Approbation d'investissements de caractère économique dans le royaume du Burundi et dans la République malgache (Approval of economic investments in the Kingdom of Burundi and the Malagasy Republic)	No. 33	25.2.64
Approbation d'investissements de caractère social dans la république du Congo (Brazzaville) [Approval of social investments in the Republic of Congo (Brazzaville)]	No. 33	25.2.64
Avis d'appel d'offres no. 350 lancé par le Surinam (Notice of call for tender No. 350 issued by Surinam)	No. 33	25.2.64



Avis d'appel d'offres no. 351 lancé par la république de Haute-Volta (Notice of call for tender No. 351 issued by the Republic of Upper Volta)	No. 33	25.2.64
Avis d'appel d'offres-concours no. 352 lancé par la république fédérale du Cameroun (Notice of call for tender No. 352 issued by the Federal Republic of Cameroon)	No. 35	29.2.64
Résultats des appels d'offres nos. 212, 217 et 222 (Results of calls for tender Nos. 212, 217 and 222)	No. 35	29.2.64
Approbation d'investissements de caractère économique dans la république du Togo et dans le département français de la Martinique (Approval of economic investments in the Republic of Togo and the French Department of Martinique)	No. 37	4.3.64
Résultats des appels d'offres nos. 256, 278 et 279 (Results of calls for tender Nos. 256, 278 and 279)	No. 37	4.3.64
Avis d'appel d'offres no. 353 lancé par la République malgache (Notice of call for tender No. 353 issued by the Malagasy Republic)	No. 40	7.3.64
Avis d'appel d'offres no. 354 lancé par la République centrafricaine (Notice of call for tender No. 354 issued by the Central African Republic)	No. 43	11.3.64
Avis d'appel d'offres no. 355 lancé par la République centrafricaine (Notice of call for tender No. 355 issued by the Central African Republic)	No. 43	11.3.64
Modificatif à l'appel d'offres no. 339 lancé par la république du Mali (Amendment to call for tender No. 339 issued by the Republic of Mali)	No. 43	11.3.64
Approbation d'investissements de caractère social en république de Somalie (augmentation du montant affecté) [Approval of social investments in the Republic of Somalia (increase in sum allocated)]	No. 43	11.3.64

#### 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. 38	5.3.64
Avis de concours no. CEE/256/B (un assistant) [Notice of competitive examination No. EEC/256/B (one assistant)]	No. 40	7.3.64
Avis de concours no. CEE/260/B (un assistant) [Notice of competitive examination No. EEC/260/B (one assistant)]	No. 40	7.3.64
Avis de concours no. CEE/261/B (un assistant) [Notice of competitive examination No. EEC/261/B (one assistant)]	No. 40	7.3.64

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

Supplement No. 6 of 19 February 1964  
 Supplement No. 7 of 26 February 1964  
 Supplement No. 8 of 4 March 1964  
 Supplement No. 9 of 11 March 1964

## C. Recent publications of the European Economic Community <sup>(1)</sup>

### Non periodical publications

8101\*

Etude no. 12 — Série agriculture

La structure du commerce des fruits et légumes dans les pays de la C.E.E. Standardisation et système de contrôle.

(Study No. 12 — Agricultural Series

Structure of fruit and vegetable trade in the EEC. Standardization and inspection system.)

1963. 46 p. (f, d, i, n) Bfrs. 60; 8s.6d.; \$1.20.

1016\*

Troisième rapport annuel sur la mise en œuvre des règlements concernant la sécurité sociale des travailleurs migrants. Janvier-Décembre 1961. (Third Annual Report on the implementation of Regulations concerning the social security of migrant workers. January-December 1961.)

1963. 138 p. (f, d, i, n) Bfrs. 120; 17s.; \$2.40.

8109

Corps diplomatique accrédité auprès de la Communauté économique européenne (Diplomatic missions accredited to the European Economic Community)

January 1964. 82 p. (f) Bfrs. 75; 10s.9d.; \$1.50.

### Periodical publications

4002

Notes and Graphs on the Economic Situation in the Community. Monthly.

No. 3/1964. Three bilingual editions: e/f; f/i; d/n.

Price per issue: 11s.; \$0.50; Bfrs. 25.

Annual subscription: £1.16.0; \$5; Bfrs. 250.

5002

Bulletin des acquisitions. Bibliothèque de la Commission de la Communauté économique européenne. (List of recent additions. Library of the Commission of the European Economic Community).

Monthly. Nos. 1 and 2/1964. Free distribution.

## D. Publications by the joint services of the three Communities

### *Joint Information Service*

Publications by offices in capital cities

Bonn: Europäische Gemeinschaft 3, March 1964

The Hague: Europese Gemeenschap 58, March 1964

Paris: Communauté européenne 3, March 1964

Rome: Comunità Europea 3, March 1964

London: European Community 3, March 1964

Washington: European Community 69, February-March 1964

### *Statistical Office of the European Communities*

General Statistical Bulletin — No. 3/1964

Commerce extérieur: Statistique mensuelle — No. 3/1964 (Foreign Trade: Monthly Statistics)

Sidérurgie — No. 2/1964 (Iron and Steel)

Statistical Information — No. 4/1964

(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.