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Contents

	Page
Competition policy as part of economic policy in the Common Market	5
I. The Parliament	13
II. Internal activities	
Establishment of a single market	34
Free movement of persons	39
Economic and financial policy	41
Common agricultural policy	44
Common transport-policy	54
Social policy	57
III. External activities	
Gatt activities	61
External relations	63
Relations with international organizations	64
UNESCO	67
IV. The Community and the Associated States	
Association of African States and Madagascar	68
V. Institutions and organs	
The Parliament	71
The Council	73
The Court of Justice	76
The Economic and Social Committee	77
The Monetary Committee	78
Miscellaneous	78

ANNEXES

	Page
Agreement of Council of 22 June 1965 on the organization of the transport market	86
Resolutions of the European Parliament	88
Publications of the European Economic Community	93

SUPPLEMENT

Approximation of legislation

Competition policy as part of economic policy in the Common Market

Extracts from the address delivered by
M. von der Groeben Member of the EEC Commission
to the European Parliament (Strasbourg, 16 June 1945)

[...]

In two years' time, we trust, there will no longer be any customs duties within the Community, and the uniform customs tariff for trade with the rest of the world will have become a reality. What does this rapid completion of customs union mean for our trade and industry? What can our firms and our consumers expect from it? What must we do in order to keep with the dynamic evolution of the Common Market? In my view, the completion of customs union means above all two things: more competition between our own firms, and more competition with those of countries outside the Community.

Firms must be able to face the growing challenge from their competitors at home and abroad. They accept such competition both as the source of our prosperity and as the guarantee of their own economic freedom. But they demand that this competition should be fair, that it should not be distorted by artificial or State aids or by differences in taxation or in laws affecting business; in short, they demand that equality of opportunity be created and guaranteed. They are opposed to any preferential treatment granted by the State to public undertakings in competition with private firms. Lastly, particularly deep concern is felt over any dominant position of large, financially powerful firms from non-member countries. It is therefore widely held that the need of the age is for companies to form larger groups, and that all artificial obstacles to mergers should be removed.

The Commission believes that our businessmen are right in calling for these things. They amount to the establishment of a system ensuring that competition shall not be distorted, by which it will be possible to improve the working and living conditions of our people. The real task of the European Economic Community is precisely to create an economic order that will promote prosperity and economic freedom to the utmost and thereby serve the interests of the consumer.

Such an economic order, however, does not develop of itself but only through the legal ordering and shaping of competition — a process that involves a large number of regulations and rules of conduct. So competition policy does not mean unleashing an internecine war and leaving the situation to develop as it may, but rather calls for the establishment and observance of standards of legality, enabling workable competition to be maintained while protecting firms from unfair competition. For

this is the only kind of competition that can increase productivity, well-being and freedom, on which the effectiveness of a free market economy depends. Competition policy is therefore an inseparable part of general economic policy.

[...]

(Information, omitted here, was given about the opening of domestic markets; the abolition of internal frontiers and frontier controls; the distortions of competition resulting from different levels of taxation, State aids, and differences between the Member States in laws affecting business; the position of State enterprises in the Common Market, and the Commission's policy on cartels and monopolies.)

[...]

Let me now turn to the question of how firms can best make use of their opportunities within this Community order, how they can deal satisfactorily with the problems of a large unified market and of keener competition from abroad, and what measures should be taken by the Community and the Member States to make it easier for firms to adapt to the second industrial revolution we are now witnessing, with its cybernetics, automation, nuclear physics and rocket technology. I say make it easier, Ladies and Gentlemen, for in our free economy, as I have already stressed, the initiative must always come from the entrepreneur himself. We may be sure that entrepreneurs will make the most of their opportunities. The question of industrial growth as a result of mergers arises here.

We start from the view, which is surely uncontested nowadays, that the coming European market and increasing trade and competition with the rest of the world require corresponding growth on the part of many European enterprises — internally by expansion, of course, but also externally by association. For some commodities we can see not only the beginnings of a single European market but even of its development into a world market simply. Present economic structures in Europe are in many cases not yet adapted to this twofold reorientation of the world economy. Mergers are consequently to be welcomed where they are economically and technically necessary: where they increase productivity. Such improvements in economic potential strengthen the competitive position and consequently the resilience of amalgamated enterprises on the European and international planes.

After careful study the Commission has concluded that it is impossible to generalize about the optimum size of firms. It depends on the nature of the product and the production process, on the size of the market and its structure. Nor does technical advance always necessitate increasing the size of firms; the economic optimum can often be achieved by various production processes and by firms of different sizes. But if we think of the firm as an economic and financial unit as well as a production unit, the advantages of a broader financial basis are obvious, especially as regards capital formation and research.

So it is not a matter of indiscriminate combination; mergers may be desirable or undesirable. The Commission further agrees with industry that mergers should not result from artificial incentives, that obviously the problem is not equally acute in all branches, and that legal or psychological obstacles to economically desirable mergers should be removed.

The Commission's policy for industrial growth therefore has three main objects. First, it must remove artificial obstacles to mergers that are economically desirable within the Common Market and thus ensure that Common Market firms can compete on world markets. Secondly it must try to eliminate artificial distortions of competition between larger firms and medium-size and small firms. Thirdly it must ensure that competition remains effective.

These objects are to be achieved in the following manner. Keener competition within the Common Market has made firms intensify their efforts, has built up their internal strength and has thus made them more competitive in relation to foreign firms also. This process will be further promoted by a coherent competition policy such as I outlined in the first part of my talk.

At the moment there are still considerable obstacles arising from company law and taxation law in the way of firms wishing to merge with or acquire an interest in firms in other countries and in the way of setting up joint subsidiaries. The Commission would like to see changes made here.

Consequently, it intends to urge the creation of a European form of company, which would answer the needs of firms in the Community wishing to amalgamate. Whether it would be better to adopt the French proposal for a European company under municipal law or to set up a European form of company under European law is still being studied. I hope we shall be able to put proposals to the Council in the coming weeks.

The Commission and the Member States have also made good progress on other points of company law. A draft agreement has been prepared on the mutual recognition of companies. Work is proceeding on an agreement to facilitate mergers between companies in different Member States. Another is being prepared to enable firms to move their head office from one Member State to another while retaining the same legal personality. The Commission has made a proposal to the Council for a first directive to co-ordinate provisions for the protection of members of companies and third parties so as to secure freedom of establishment for firms. A draft agreement on the mutual recognition and enforcement of judgments has been completed. And an agreement is now being drafted on the harmonization of bankruptcy law.

All these measures will facilitate international activities, co-operation and mergers between Common Market companies, eliminate various forms of intra-Community distortion of competition and make our firms more competitive on world markets.

The taxation difficulties in the way of international mergers and acquisition of interests must also be removed. The most important of these are provisions for disclosure and taxation of hidden reserves, harmoniza-

tion of taxes on retained and distributed profits, privileges for companies forming part of groups, and affiliation of companies. The Commission has already proposed a directive on the harmonization of company taxation, avoiding double taxation when mergers occur and standardizing tax regulations on the formation of companies.

Furthermore the Commission was prompt to recognize the extreme importance of science and technology for the expansion of the Common Market and the competitiveness of our firms in the rush of present-day developments. In close co-operation with Governments the Commission has therefore prepared a draft European patent law, to be followed by a European law on trade marks. We believe that such a law will simplify patent procedures and make them cheaper, that it must be applicable to nationals of other countries guaranteeing reciprocity, that it should eliminate the possibility of splitting off the former national markets by licensing agreements, that it should help the process of integration by being a truly European law and by instituting European procedures. And we believe that all countries prepared to join the Common Market should be free to sign the convention. Meanwhile, facilities for association ought to be provided. The Commission will continue to press for rapid adoption of the patent convention.

Mr. President, Ladies and Gentlemen, you will gather from these observations that the Commission is resolved to encourage rational mergers by removing artificial hindrances. However, it must not be forgotten that our small and medium-size firms are often at a disadvantage nowadays because of the inadequacy of their technical and market research and their sources of finance. These disadvantages are not infrequently aggravated by the relevant legal provisions, which are usually designed to suit big firms.

The Commission believes that small and medium-size firms, including craft industries, are of great importance to the operation of the competitive system, as their production fills in gaps left by the bigger concerns. They thus make a substantial contribution to satisfying the many needs of a highly advanced and industrialized society.

The Commission therefore believes it desirable that the position of these firms be improved :

- a) By introducing without delay the competitively neutral added-value tax system it has proposed;
- b) By arrangements on joint research, specialization and rationalization;
- c) By joint purchasing, as is already being done particularly in the retail trade;
- d) By reviewing national regulations on artificial distortions, which I have just mentioned;
- e) By facilitating access to the capital market and, if necessary, by subsidies for adaptation.

Here too, some mergers will prove necessary if advantage is to be taken of technological progress. And the same holds good for mergers between agricultural undertakings. The Commission will encourage such developments as far as it is competent, and for the rest it will co-operate closely with the Member States in order to improve co-ordination.

Another problem I cannot pass over in silence concerns mounting competition from large firms outside the Community, particularly in the United States. The creation of a European market with high purchasing power has led a number of foreign companies to settle in the Community. In general investments of this kind should be welcomed from the economic point of view, provided there is twoway traffic. But they lead to difficulties in so far as they are artificially attracted by, say, tax incentives or are prompted by a wish to dominate the market.

A liberal policy only makes sense where competition is undistorted and fair. Equal terms of competition should be the aim for all concerned here too. But even under these conditions there arises in some cases a problem of excessive size, a problem of the exploitation of excessive financial and commercial power. The Commission is resolved to apply the rules of competition to all restraint of competition in the common market, whether it is practised by firms inside or outside the Community. In view of a number of current cases, I would stress that this applies to State aids also.

I will not go into balance-of-payments problems here, since this would take us beyond the sphere of competition policy.

Ladies and Gentlemen, I have said that the Commission intends to encourage economically rational mergers by removing artificial obstacles. But if all these measures are to be effective, we must first ensure with all possible urgency the full realization of the common market in agricultural and industrial products and services, complete mobility of the factors of production and — I would repeat this with great emphasis — the removal of frontier controls, and I mean not only of customs frontiers but also of tax frontiers, and lastly an effective European capital market. For what would be the point of amalgamations and mergers if firms could not move about freely, could not utilize these new opportunities but were still obstructed by administrative controls?

This brings me to the third task of our policy in regard to industrial combination: the maintenance of workable competition. This task derives *inter alia* from Article 3(f) of the Treaty, which provides for a system to protect competition within the Common Market from distortion. This is confirmed by Article 85(3 b) of the Treaty, which specifies that even if it is shown that there are other favourable effects, no restraint of competition can escape the ban if there is a possibility that competition will be excluded for a significant part of the goods in question in the common market.

I have spoken in favour of setting up firms on a European scale and consequently in favour of the great majority of practical cases of merging; I must now say just as definitely that there is a limit. Growth of enterprises:

yes. Competition among big firms, if it is workable competition : yes. But monopoly, mergers that prevent competition from functioning and obstruct the freedom of choice and action of consumers, suppliers and buyers : no. To the extent that competition is unable to function, amalgamated firms gain unbridled market power. This can be used in many ways to obtain private business advantages without reducing economic costs or improving performance. Mergers are dubious from the competition policy angle when and in so far as they lead to an excess of market power, and here imports must be taken into account as well as competition within the common market.

Competition among oligopolistic enterprises often promotes technical and economic advance and at the same time may be intense enough to allow buyers and consumers to enjoy the benefits of this progress. This also applies to near-substitutes in particular.

And so workable competition means competition that is effective in practice. What is needed is for access to the market in question to remain open, for changes in supply and demand to be reflected in prices, for production and sales not to be artificially restricted, and for the freedom of action and choice of suppliers, buyers and consumers not to be compromised.

Now how far does the Treaty give us the means of realizing these aims ?

Whether Article 85 of the EEC Treaty prohibits mergers, while leaving open the possibility of clearance under paragraph 3 of that article, is a controversial question. The wording of the article would seem to indicate that it does. But the content, legal procedure, legal consequences, objective and applicability of Article 85 are against such an interpretation. Article 85 is neither intended to prevent the rise of excessive market power through mergers, nor is it appropriate for that purpose.

The Commission therefore considers that fundamentally Article 85 cannot be applied to mergers. Only when the merger really amounts to a cartel, that is when there is no irreversible change in the ownership situation but it is merely a case of market understandings between independent business concerns, can Article 85 be applied; but then it applies in its entirety, including the provisions for clearance under paragraph 3. The article therefore does not cover mergers in the true sense.

Article 86 is more important in this context. This prohibits only the abuse of dominant positions in the Common Market. Its application to industrial combines therefore has strict limits. For neither the existence nor the building up of dominant positions is forbidden as such. To what extent the acquisition of other enterprises by an enterprise in a dominant position constitutes abuse of its position within the meaning of Article 86 depends on the market situation in each individual case. But the more an enterprise in a dominant position approaches monopoly by merging with another enterprise and consequently endangers the freedom of action and choice of suppliers, buyers and consumers, the more probability there is that such a merger will constitute an abuse.

So much for the provisions of the Treaty, the application of which can only be considered in terms of individual cases — the Court of Justice having the last word. The negotiations on the amalgamation of the Treaties will offer further opportunity for discussing the Community's rules of competition. I know that, in addition to merger problems, there has been lively discussion on Article 60 of the ECSC Treaty in particular. I appreciate that here a problem arises especially for the basic materials industry.

I hope, Mr President, Ladies and Gentlemen, I have made it clear that our competition policy is not an end in itself but a means of attaining maximum productivity, satisfaction of demand, well-being and economic freedom for everybody in the Community. Competition also provides the basis for a distribution of income and property consonant with social justice, which must be supplemented by an effective social and incomes policy.

But competition has these socially, economically and politically desirable consequences in equal measure only when it is capable of functioning properly, when it is neither artificially distorted nor restricted. To ensure this is one of the tasks of the Commission. If we do this, we are making a more effective and lasting contribution to reinforcing the intra-Community and international competitive power of our firms than by any other means. Experience gained in opening up markets over the first eight years of the Economic Community provides impressive confirmation of this assertion. In this connection the measures taken by the Commission are by no means confined to intervention on specific points in individual cases; as I have explained today, the Commission is moving more and more in the direction of general measures. In our competition policy we are playing a more creative, forward-looking role rather than putting things right after the event.

Lastly, the interpenetration of competition policy and the other branches of economic policy is becoming closer and more fruitful. Competition policy is having increasing repercussions on our policies for agriculture, transport, structures, regional development and trade.

Now there are also matters of economic policy that cannot be spontaneously or automatically settled by competition policy. I refer to fields which are largely shielded from competition by government action, to budgeting and regional policy. In so far as in these fields competition cannot perform its guiding function, the instruments of competition policy must be supplemented by those of the medium-term economic policy proposed by the Commission. Apart from the need to co-ordinate public investments, the various forms of government intervention should be examined to see whether they are necessary or useful. Measures recognized to be necessary are to be co-ordinated and so framed that they affect the free play of the market no more than is absolutely necessary. Medium-term economic policy, then, will also reinforce and supplement competition policy. It is a competition-orientated policy which aims, not at more government intervention, but less — though more judicious.

With this concept of a medium-term economic policy on the basis of the common competition policy the Commission has not sought temporary compromises between incompatible ideas and objectives; rather is it a question of elaborating a European economic policy, meaning one that corresponds to the aims and requirements of the Community. In this scheme of things, competition policy, medium- and short-term economic policy, monetary policy, budget policy and incomes policy cannot be pursued in watertight compartments; they must be conceived as complementary and interlocking instruments of a unified economic policy and must be adapted to each other. And this is why I began with the proposition that a common economic and monetary policy will succeed in ensuring appreciable growth and full employment with a large measure of price stability, and the competition policy I have been describing here will not be the least important of the contributory factors.

Before I close, I should like to say a few words on the relation between the Community's competition policy and the Member States' economic policy. The integration process is a federative process, and it is therefore important that the Member States play their part in carrying through the Community's policy. Even if attitudes often differed and the methods employed were divergent, I do believe that some alignment has taken place in the course of the Common Market's development. I have already dwelt upon this in talking about public undertakings.

Once markets are opened, it becomes increasingly difficult to fix quantitative national targets for individual industries, because all national intervention or measures to stimulate the economy lose in effectiveness. On the other hand, the need for medium-term macro-economic forecasts for the free market economy too is gaining recognition. Further, there is a general tendency for specified aims to be achieved not so much by specific action as by general measures of credit, budget and tax policy, the effectiveness of which has long been underestimated in some Member States.

Thus conceived, competition policy has the purpose of making a decisive contribution to the attainment of a fair and viable economic and social order in Europe. Here the Commission trusts that this House will continue to lend its active support.

I. The Parliament

DEBATE ON THE LEGAL ORDER OF THE COMMUNITY

An important debate on Community law and its supremacy over domestic law took place in the European Parliament on 17 June, following the presentation of a report by M. Dehousse. Extensive extracts from the speech with which M. Dehousse introduced his report are given below, together with President Hallstein's speech and an indication of the main points that emerged during the debate. The President of the High Authority, M. Dino Del Bo, M. Sassen, on behalf of the Euratom Commission, and many members of the Parliament contributed to the debate.

M. Dehousse's speech

[...]

"First of all we need to know what is the precise character of the European Treaties, and whether, in view of the conditions in which they were ratified, their validity can be regarded as unassailable in relation to the Constitutions of the Member States or at least of some of them.

Secondly, we need to know not so much what becomes of the Treaties as what becomes of the great variety of Community rules and regulations that are based on those Treaties. Once decisions have been taken by the Community institutions, what is done about those decisions within the Member States?

As you can see, the report that I have the honour to present in fact raises two problems: firstly, that of the constitutionality of the European Treaties, and secondly, that of the application of Community rules and regulations in the municipal law of Member States.

[...] There is a passage in the introduction to the General Report submitted by the Common Market Commission which states that over a hundred court rulings — I repeat, over a hundred — have so far been handed down in the six countries on matters concerning the application of Community law. By now the figure is certainly even higher

[...].

I propose now to deal in turn with each of the two great problems with which my report is concerned, and first of all with the question of the constitutionality of the European Treaties in relation to the municipal law of certain Member States.

This question was raised in Italy in a famous case, the ENEL case, which came before the Italian Constitutional Court. [...]

The Court found that the legality of treaties entailing limitations of sovereignty is unassailable, provided that certain conditions are fulfilled. This is laid down in Article 11 of the Constitution of the Republic and admits of no argument.

In passing, however, the Court expressed the opinion that Article 11 does not confer any special or privileged status on the law ratifying the treaty — in this case, the Treaty establishing the European Economic Community.

What is important here [...] is the fact that this subsidiary opinion was expressed by the Court only in the statement of grounds of its judgment and was not repeated in the actual decision, so that one may still hope for what might, under the circumstances, be called a glorious reversal of legal opinion, which would not even need to be complete since the original ruling — this is important — was contained in the statement of grounds but not in the actual decision.

With this proviso, I would point out that the interpretation given by the Italian Constitutional Court nevertheless seemed highly debatable to your Legal Committee.

For the laws by which the European Treaties — and in particular the Common Market Treaty — were ratified rest on the Constitution itself. Had the Constitution not authorized it to do so, the Italian Parliament would have no right to vote such laws. Hence it follows, in the opinion of your Committee, that these laws cannot be regarded as ordinary laws that may later be abrogated by some other law. It also follows, in our reasoning, that the effect of the Treaties ratified by virtue of the provisions of Article 11 was to reduce the competence of the Italian Parliament itself — a consequence to which it had freely consented; it would therefore be unlawful of the Italian Parliament to assume the power to legislate in a way that would run counter to such treaties. Such legislation would actually constitute an infringement of Article 11 of the Constitution.

The Legal Committee of the European Parliament is not alone in holding this view. I would remind my colleagues that it is shared by an institution that concerns us very closely — the Court of Justice of the European Communities. The latter was asked to give an interlocutory ruling and did so on 15 July 1964. The extreme importance of this ruling was rightly stressed in the introduction to the report of the Common Market Executive. The view of the Court of Justice was precisely the one that I have just attempted to outline briefly.

I should also like to recall that this view [...] can also be justified by [...] reference to the general principles of law as interpreted by firmly established jurisprudence and case-law, which make a distinction, on the question of the constitutionality of treaties, between extrinsic and intrinsic constitutionality. An extrinsically unconstitutional treaty is one that has been concluded by a body not properly empowered to do so [...].

With regard to intrinsic constitutionality, the position is different. A treaty is intrinsically unconstitutional when it has been concluded by a competent body which was acting within the limits of its constitutional competence but which accepted in that treaty provisions conflicting not with the rules of form but with the rules of substance contained in the Constitution of the country concerned.

In this matter theory and practice provide a great deal of material, nearly all of which supports the validity of such an intrinsically unconstitutional treaty [...].

Thus there are, as you see, very weighty arguments in favour of the validity of a treaty that might be assumed to be intrinsically unconstitutional.

In the case of the Community treaties — the Treaty of Paris and the two Treaties of Rome — there is another, and in my view an essential, factor that must be considered; this is what lawyers term “the specificity of Community law”.

This is not the moment, Mr President, to embark upon an argument as to the exact juridical nature of Community law. Community law is certainly not municipal law.

Is it public international law? Is it a special category within public international law? For my part, I don't think so. I think that Community law is a specific, unprecedented, new type of law, with characteristics peculiar to it alone. It is, I believe, from this angle that we must approach the question of the constitutionality of a Community treaty.

This view has, moreover, been fully endorsed by the Court of Justice in its important judgment of 15 July 1964 in *Costa v. ENEL* [...]. One could well argue [...] that Community law is a law that is integrated in the municipal law of the several Member States, and is a law that binds the Member States to many different types of action.

[...]

No problems of constitutionality in fact arise where the Community treaties are concerned. My first reason for saying this is that I do not think that the Italian Constitutional Court actually went as far or said as much as some people have made out that it did; secondly, even supposing that the Treaty were intrinsically unconstitutional — which it is not — it would not be any the less valid for that; and thirdly, the specific character of Community law makes it an integrated law with which the Member States must comply in all their legal orders, including the constitutional order.

[...]

The second problem concerns not so much the Treaties themselves as the law flowing from the Treaties, that is, to use the phrase I used a moment ago, the great variety of rules and regulations which the Community institutions are continually producing.

Here, there have been signs of disturbing national practices for some time. Instances of these have occurred both in the legislative and executive spheres. There are some States whose Governments are so enslaved by tradition that they feel they must present the Community regulations under a national guise in order to make it possible for them to be applied within their territory.

[...]

If the principle were accepted that derogations from the rules laid down by the Communities acting within their competence can be made under municipal law, everything we do here and elsewhere would be provisional or tentative, and nothing certain; it would leave our decisions open to question. I do not doubt that in certain countries and certain circles forces which I have no hesitation in describing as reactionary would be delighted to scurry for shelter under the ample cloak of justice, with all its authority, as at last, perhaps desperate, refuge from the awful prospect of actually having to apply the Community rules and regulations they do not like.

[...]

Since the end of the nineteenth century, the scope of treaties has, as you well know, been considerably extended. The field covered by treaties has become practically identical with that covered by laws. We now legislate, *de facto* as well as *de jure*, in the same fields both by treaties and by laws. From the moment when this development first began, it was inevitable that problems of conflict in the domestic order of States should arise in similar cases, and it was then that, in Italy and Germany, a theory was born which has long been accepted as doctrines and is still very far from obsolete; this was the "dualist theory". According to this theory, public international

law and municipal law were regarded as moving on two different planes with no communication between them.

[...]

According to the dualists, [...] it is not the treaty but the particular law that is applied in the domestic order. It is the law ratifying the treaty that is thus transformed, because of the law, and is applied in the domestic order not as a treaty but as a law. This view is quite wrong. [...].

It is not the law ratifying the treaty that has its full and entire effect but the treaty itself. The treaty has its full and entire effect by virtue of the law that ratified it but without having been transformed by that law in the process.

[...]

This type of jurisprudence [...] shows a very marked tendency to confuse law and the laws, though these are not at all the same thing. [...] We may say that the view that "*lex posterior derogat priori*" is still to be found today inspiring much of the municipal case-law of more than one of the Community Member States. In my opinion, however, it is based on a fundamental fallacy which consists in putting two legal provisions emanating from two different sources on an equal footing and settling the matter by chronology. This boils down to a mere question of dates, for the treaty then takes precedence over the law when the latter precedes it in time and, conversely, the treaty is superseded by the law when the latter comes later. This is a fundamental error, for two provisions emanating from different sources cannot be put on an equal footing and treated in the same way.

[...]

In the case of the Common Market, there is also a third argument, based on Article 189 of the Treaty, an article dealing with Community regulations. Article 189 lays down that the Community regulations are — I quote — "binding in every respect and directly applicable in each Member State". It is quite clear that this Article becomes meaningless and worthless if Member States can subsequently cancel out or modify its effects by new laws.

[...]

A difficulty obviously arises when, in the domestic order, derived Community law conflicts with the rules of municipal law.

[...] Certain powers have in any case been transferred, so that, if the Member States were to legislate in a field for which they have consented to a transfer of their powers, they would be incompetent; any provisions that they might adopt would have to yield precedence to the Community rules and regulations because the former had been adopted by bodies that were incompetent to do so.

What, then, must the national judge do? Even where he declines to interpret a treaty because he believes that it is for Governments alone to do that and that he must respect this rule, can he really evade the task? Or must he simply give precedence to municipal law? No, because in that case the judge would in fact be allowing a provision adopted by an incompetent power — a provision which is therefore null and void — to take precedence over a Community provision.

This is, I think, since we are dealing with derived Community law, a very modern, a very new, but a very realistic approach to the problem of conflict between municipal and Treaty law.

[...]

Not only the judges but also the legal world in general are extremely ill-informed on the subject of Community law.

[...]

I am sure that a question is going to be asked at this point: [...] It is really the job of a Parliament to form an opinion on problems falling within the competence of the national judiciary? Is not this contrary to the sacrosanct principle of the separation of powers? [...]

Here we can safely answer "No". [...] Of course, we consider — and with reason — that respect for the independence of the judiciary must be regarded as a pillar of the democratic order within the European Communities; the resolution which you have before you says as much.

[...]

Having said this, I would repeat that we have nevertheless a duty: to defend what has been established and to watch over its destiny within the limits of the powers that have been conferred on us. In provoking a debate, all we are trying to do is to engender a clash of views so as to stimulate thought and to propagate ideas.

[...]

Address by Professor Dr Walter HALLSTEIN

[...] The Commission is pleased to see that its own concepts, which I laid before you a year ago in the form of theses, are fully in concordance with the results and conclusions of your Legal Committee.

[...]

The proper relationship between municipal and Community law is fundamentally, indeed vitally important for the progress of the economic and social integration stipulated in the Treaties.

[...]

But let us at the same time realize two other things. So far the problem is more important in principle than in practice — and I hope it will remain so in the future. True, it could rapidly become an immediate issue if its fundamental aspects were not clarified in good time.

But something else differentiates the problem we are dealing with today from the major political issues. It is a legal question. It must be decided by legal method, applying legal criteria, and only a solution which stands the test of legal method can be claimed correct.

If, despite agreement on the results, I now take the liberty of briefly expressing an opinion on the way they have been deduced, this is only to endeavour to supplement your Legal Committee's wide-ranging report by a few practical considerations. Perhaps I shall succeed from this different angle in contributing something further to the legal argumentation.

1. Community law and the municipal laws of the Member States are different legal systems. Each in itself is autonomous in the legal sense and therefore subject only to the conditions of elaboration and validity that are proper to it. This view has been repeatedly expressed by the Court of Justice of our Community.

What is the relationship of these different legal orders to each other? The municipal legal systems are juxtaposed in space but mutually exclusive. Their relationships are regulated by international law, regulations applied between states and municipal rules of conflict of laws, or what is known as private international law. The relationship of the Community system to the laws of the Member States is quite different. Here the territorial validity is completely identical. Community law applies to the same persons or corporations as municipal law. It deals with occurrences which hitherto were largely matters for the municipal systems.

2. From this arises the possibility — indeed we should say the probability — of conflict. What is the point exactly? Two legal precepts lead to conflicting legal consequences in the same factual situation. Both precepts make claim to be followed and, indeed, each to the exclusion of the other.

Faced with such a situation, simple common sense would lead us first of all to ask whence the two conflicting legal precepts derive. If they flow from the same source it may in general be postulated that the more recent should supersede the older. If they stem from different law-giving bodies the question will arise whether one of these is higher than the other or — what comes to the same thing — whether one body has wider powers, enabling it to set limits to those of the other at its discretion. Should this not be the case either, we will have to enquire which body was empowered to pronounce on the actual facts in dispute in the concrete case, and give preference to its decision.

[...]

3. The practical solution is more difficult and less obvious than the theoretical.

[...] The conflict has first to be found to exist and then determined. Who is to do these two things? [...].

4. Such an objective explanation can only emanate from one of the bodies which have to examine law as to its validity and to apply valid law, i.e. from a court. But what courts are competent to decide a conflict between a provision of Community law and one of municipal law?

Approaching the matter negatively, we may first say that the Court of Justice of the European Communities is not empowered to do this. It can indeed interpret the provisions of Community law with binding force [...] but it cannot declare a municipal rule to be inapplicable in a particular case of conflict.

Any specific case of conflict therefore arises not before the European Court of Justice but before the national courts. Are they competent to decide it? [...]

5. As a lawyer and as President of the Commission I do not hesitate to give an unqualified "yes" to the question put. The domestic courts are competent [...] to decide the conflict between municipal and Community law in individual cases as their judges think proper. Community law is not alien law but is valid directly in the Member States — in so far as it is directly applicable — without the need for any national act of ratification or re-formulation. It is binding on the citizen and on the courts in the same way as municipal law.

In no Member State are there any rules which could prevent the courts from determining conflicts between these two equally binding bodies of law. [...]

[...]

We must then ask ourselves which rule they have to apply and which to set aside.

[...]

1. Here and there an attempt has been made to equate Community law with general international law [...]. Your Legal Committee's report rejects this approach as irrelevant and incompatible in its effect with the aims and tasks of the Community. I can only agree most emphatically with this. If such an opinion were correct, German and Italian judges for instance would always have to apply municipal law — as they have to do vis-à-vis international law — even if it stood in the most flagrant contradiction with Community law. On the other hand, in conformity with Article 67 of the Netherlands Constitution, Dutch judges — to mention the other extreme — always proceed in the contrary direction, i.e., they set aside any domestic law which is in conflict with a European legal precept.

This is inadmissible. The Community is not only a creation of law: more perhaps than any other embodiment of public authority, it is also dependent solely on law to carry out its functions. The Community has no administrative infrastructure, no direct powers of coercion, no army and no police force. Its only instrument and its only weapon is the law which it has laid down. It is clear that its mission would be most seriously jeopardized, and even finally frustrated, if this single means of carrying out the Community's aims did not have equal binding force in all Member States.

However, in its substance also Community law is something different from traditional international law; it differs in at least two aspects. Normally it is directly applicable but in exceptional cases it is limited to obligatory relationships between Member States and Community. As we know, in international law the situation is exactly the opposite. Community law is furthermore an organized system governed by its own legislative, judicial and supervisory bodies. It is therefore the autonomous law of an association of states, and for this reason to equate it with international law is wrong in every respect.

2. This being so the question remains: what rank, what degree of validity has this Community law in the internal municipal system? It seems to me that the answer to this question is to be found only if we consider the special nature of the European Community. In what does this special nature consist? In the erection of a system. I do not shy from using the word "constitution" for the basic rules of this system

[...]. And it is a system of organs which have to exercise powers, of which the most important is the formulation of legal rules directly applicable in the Member States. Nobody would dispute that this is the factual situation, for it is expressly laid down in the Treaties (in Articles 4 and 189 of the EEC Treaty, for instance).

The establishment of a new unit transcending individuals means rather — and it seems to me that this is a general principle of law — that the members are subject to measures taken by the new law-making body in conformity with a treaty. This already holds in private law if we think of the constitution of companies and associations. It is also valid in municipal public law. And it is valid in the law as between States [...].

3. What follows from this? By setting up the Community the Member States have made themselves subject to this new system of law to the extent that they have vested powers in it. The Member States have to exercise these powers in conformity with the Treaty [...].

With this the question of validity is decided simply and unequivocally in favour of Community law. Within its rightful field of application Community law demands observance and sanction through the courts.

4. To return to the practical side: what will be the appropriate attitude for a municipal court to take when it has to deal with a conflict between a municipal and a Community rule?

The court will first endeavour to interpret the municipal rule, for it will rightly start from the assumption that the national legislative body wished to respect the contrary provision of European law. In this way many conflicts will prove to be no more than apparent.

If this approach proves fruitless the judge will reverse the process and address himself to the Community rule in order to see whether its objective meaning is really in opposition to the seemingly contradictory principle of municipal law and, when it is a rule created by Community institutions, whether it was issued in due and proper form. If the court is not one of final instance it can itself examine and interpret the Community rules as to their validity. However, just as the court of final instance must do, it can also refer these questions to the Court of Justice of the Communities for a preliminary ruling. Such optional submission in presumed cases of conflict has much to commend it. It allows of advance clarification by the court which if necessary must finally be called upon and relieves the national judge of part of his responsibility.

Thus only when, after the European Court of Justice has set an interpretation on the valid principle of Community law, the incompatibility of the two rules is beyond doubt — and I would again emphasize that such instances will be very rare — will the national court have to determine the conflict as it affects the case at issue. Its decision can only be to the effect that the municipal legal principle must not be applied since it infringes a valid rule of Community law — a solution which, as we know, the authors of the Netherlands Constitution, in exemplary fidelity to international law, expressly laid down for their courts even in cases of conflict between national and international law (Article 67 of the Netherlands Constitution).

I should like to conclude with a few words on another important problem connected with today's topic: how the Community's legal system stands in relation to the constitutions of the Member States.

1. There is no doubt that for the Communities to be formed the Treaties had to be in harmony with the constitutions of the Member States. This question of the constitutionality of the Treaties establishing the Communities was therefore thoroughly examined in all Member States in connection with ratification and everywhere answered in the affirmative. This same question will also engage the attention of the constitutional courts in Germany and Italy in the future. Like the Governments of these two Member States the Commission considers that the complaints made by two lower courts are inapposite. However, it does not feel called upon to go into the questions in dispute, which mainly touch on national constitutional law.

2. Another question is the applicability of national constitutional provisions — particularly those concerning fundamental rights — to the execution of the Treaties. It is sometimes feared that the way the Treaty powers are used could here and there lead to an impairment of individual rights secured by the fundamental rights, and that for this reason there would be advantage in binding the Community organs more strongly to the respect of freedoms enshrined in the constitutions.

The premise and the conclusion are equally wide of the mark.

The fundamental rights of the citizen are not being restricted as a result of the activity of Community bodies but in fact considerably enlarged. This is true of the principle of equality, which is widened into a prohibition on discrimination; it applies to free choice of occupation and freedom of movement as a result of the provisions concerning the liberalization of establishment and services, freedom of movement for workers, and the progressive implementation of all of these. Finally, the same applies quite generally to freedom to manage one's own business affairs, which will be facilitated and extended through the merger of the national markets.

So much for the factual situation. From the legal angle only two points need be made.

First, it follows from the independence of the Community legal order, from its systematic character, that the constitutions of the Member States are not directly applicable in respect of the actions of Community bodies. The European Court of Justice has repeatedly confirmed this principle. The Community bodies are not for this reason a technocratic apparatus removed from constitutional control, for the Court of Justice has also repeatedly emphasized another principle to which I would here like to point in the second place: the applicability of the general legal principles of the Member States in the Community system of law.

This second principle is the corrective for the first. The constitutions and in particular the provisions on fundamental rights do not directly affect the Community. But the latter must respect the concordant legal traditions of the Member States and take account of the common values which they recognize. This duty stems directly from Community law, from positive rules (for instance, Article 215 of the EEC Treaty) as also from the particular nature of that law, being the more recent legal system having roots in the national systems.

[...]

I conclude with the hope that our common endeavours will succeed in convincing public opinion of the soundness and necessity of our arguments and thus gain for European law its rightful place. Only then will it ensure what every system of law must ensure: security.

Speeches by the Spokesmen of the political groups and the general debate

In the debate which followed, the feeling of the House was one of fairly general agreement with the points made by M. Dehousse and M. Walter Hallstein.

Speaking on behalf of the Euratom Commission, M. Sassen said that this Commission had long considered that Community law was supreme over municipal law. Moreover, the fact that the Member States had set up European Communities as legal entities showed their determination to achieve a clearly defined objective — to establish the intrinsic nature of Community interests and to preserve and protect them by giving precedence to Community law. In its ruling of 15 July 1964, the Court of Justice had endorsed this idea. Like M. Dehousse, M. Sassen stressed the need to develop Community thinking on this vital subject, since, as M. Dehousse had readily admitted, his report was by no means exhaustive.

The President of the High Authority of the European Coal and Steel Community, M. Dino Dèl Bo said that fabric of the Community law could not be regarded as similar to that of international law, in the widest sense of the term, and still less as forming a part of international law. Hence it was impossible to consider the Community an international organization of the traditional kind, since it had established relations of a special type with individual legal persons in the Member States. There seemed to be no reason, he added, why an authority granted powers in a specific field in the context of one legal order should impose its will in a specific field in the context of another legal order.

Speaking on behalf of the Socialist Group, M. van der Goes van Naters said he agreed with the conclusions reached by the Legal Committee. There were serious risks involved in the argument that Community law should be treated as integrated into the municipal law of the Member States by reference to the rules of municipal law traditionally applied to international law. This argument would lead to the establishment not of one but of six Community legal systems. The correct term to use was perhaps "supranational law". Moreover, the Court of Justice of the European Communities had stated in *Costa v. ENEL* that "the EEC Treaty has created a separate legal system". The speaker wound up by saying that the supreme consideration was not the State but the Law, that the States must be constitutional States, and that the Europe of tomorrow must, in its turn, be a constitutional Europe.

Speaking on behalf of the Liberal and Allied Group, M. Berkhouwer said that the Treaties had not changed the powers of the national courts of law, as laid down in the constitutions of the Member States. He therefore considered that cases where municipal law conflicted with Community law should be settled by the legislation of the individual country concerned.

Regretting, however, the attitude adopted by the Italian judge in *Costa v. ENEL*, he agreed, in conclusion, that the use of national enactments to overrule Community law, which was an autonomous and a separate system, was illegal, and he recommended that the powers of the Court should be strengthened. In the ensuing debate, the speeches made by M. Battaglia, M. Furler, M. Carboni, M. Scelba, M. Herr, M. Pedini and M. Weinkamm showed that the House was in general agreement on the subject, notably on the constitutional nature of the three Community institutions and on the legal status of the Communities. In the main, it endorsed the views expressed by its Legal Committee. Among the points made were the following:—

a) The Community had the attributes of sovereignty by virtue of the fact that it was a legal person (M. Carboni, Christian-Democrat, Italy). It followed that Community law must take precedence. It was true that the Community was not a State, but it was entitled to enact legislation. This sovereignty was not a "mosaic" of transfers of sovereignty by the Member States, but sprang from the Treaty itself, to which the Member States were parties and which they had ratified, and was created with a single individuality of its own.

b) By the act of ratification, the Treaties had become an integral part of the municipal law of each Member State (M. Scelba), and the judges in the individual countries were under an obligation to put them into effect. It was impossible to amend an international treaty by means of unilateral action. It was therefore not the Parliament's responsibility to *decide* whether or not Community law took precedence, but to *declare* that this was in fact so, since its bases were to be found in the municipal law of each Member State: the Parliaments in the Member States had known perfectly well, when they ratified the Treaties, that they were giving an undertaking to abandon part of their sovereignty in order to set up a supranational legal order.

c) As regards the question whether or not the Treaties were compatible with the Italian Constitution, a number of deputies considered that they were. M. Battaglia, in particular, disagreed with the argument that the law ratifying the Treaties in Italy should have made provision for the revision of the Constitution.

d) In general, the various speakers defended the doctrine that the intention of the Treaties was to create a new entity having its own legal status, its own legal representatives, a system for enacting legislation and thus an independent Community legal order. They all agreed — with slight differences of emphasis — that the Member States were under an obligation to implement Community law in matters coming under the Community's jurisdiction, and that they had no right to evade the application of Community law by taking unilateral action.

A number of speakers also stressed the political aspects of this legal problem, the case-law built up — whether one liked it or not — in municipal law since the Treaties had been put into effect, and also the serious lack of information on legal developments in the Community among judicial authorities in the various Member States. In this connection, M. Herr (Christian-Democrat, Luxembourg) proposed, first, that the official gazette of the European Communities should be circulated as widely as possible in legal circles in the Member States and that an academy of Community law should be set up to provide a single source for the teaching, interpretation and co-ordination of Community law.

No resolution was voted following this important debate, since the Parliament took the view that while the problem under discussion was of the utmost importance, it was in no way urgent. It therefore decided to refer the proposed amendments to the draft resolution to the Legal Committee and to take a vote on the amended resolution at a future session.

PRESENTATION OF THE EIGHTH GENERAL REPORT ON THE ACTIVITIES OF THE EEC

In the first part of his speech, President Hallstein commented on the main events in the EEC during the past year, as recorded in the Eighth General Report. In the second part, he was more general and dealt with political matters:

"[. . .] Nearly two-thirds of the Community's transition period lie behind us; a good third, and not the easiest, lies ahead of us. What can we say of the Community movement itself? That is our third question. Is it strong? Has it become stronger or weaker? What forces now drive it forward? What hold us back? How can we strengthen the first and overcome the second?"

The factors that impel us forward are well-enough known:

Europe's self-confidence is indestructible.

Without a healthy, united Europe neither the European nor the world can really thrive.

Quite new criteria of size now apply to human activities.

Our economy and our society therefore need to be designed on a large scale.

On the other hand, Europe is still threatened.

A divided Europe will become the Balkans of the world, a constant temptation to others to intervene in its affairs.

Europe must speak with one voice if it is to be heard.

No single European state possesses the potential to replace unification by imposing its hegemony. This is why free peoples have formed a permanent Community with a firm constitutional structure that guarantees them peace, security, freedom, prosperity, independence and a voice in the international questions — a system based entirely on law.

What are the factors opposing us? It would be both unfair and dangerous to believe that it is only mental laziness, lack of imagination and a propensity to take things easy which account for a kind of European law of inertia.

The things that make European progress difficult are:

History;

Traditions, by which the past is brought to bear on the present;

The robust structures of the national communities;

In the cultural field, language differences;

The differing forms of social life and behaviour, with the strong influence they exert on upbringing;

To say nothing of the natural peculiarities of land and people, which are the source of many a deep cleavage even within the countries themselves.

In view of all these pros and cons, is there any need to add that the objective of European unification is not to destroy mature institutions and replace them by artificial structures? The goal is not a streamlined Europe, but a Europe of diversity. The values incarnated in the countries of Europe are to be perpetuated. They are to be kept alive as elements promoting that spirit of emulation which forms the richness of this old continent and spurs it on to constant self-renewal. The unity of Europe is thus an organic process. It derives naturally from the conditions determining the European personality and from the gifts with which Europe is endowed, and is a gain not only for the whole but also for all its parts.

Our drive towards integration has, then, an organic character, and it is not paradoxical to say, Mr President, ladies and gentlemen, that therein lies its greatest difficulty. My last task today will be to develop this theme.

The last five hundred years of history have seen the conflict and alternation of two principles of European order: the balance of power and hegemony. Since the last attempt to unify Europe under a hegemony — Hitler's frenzied thrust for power — it may be considered as settled that the principle of equilibrium is the only one that can fit Europe to play a historic role in our time. If the effort to establish such equilibrium fails this time, Europe may long languish in serfdom before succumbing, but she will not rise again to such a role.

Until the Nazis ran amok, we had had a European settlement based on the balance of power. This was the last metamorphosis of the "European state system" which consisted of a large number of states separated from one another by strict bounds of sovereignty. Each had sole responsibility for order within its territory and consequently control over its economic, military, political and diplomatic potential. They did not necessarily, nor even usually, act as single states on the international stage. But the alliances in which they worked together were adjusted to changing circumstances. The "Concert of Europe" acted as a guide and regulator, as did also Great Britain, which had developed into a fine art its policy of countering any move that endangered the balance of the continent, and particularly any bid for European hegemony, by throwing its own weight on the weaker side.

This was, then, a case of unstable equilibrium. Immanuel Kant gave the most concise and scathing description of the system when he said it was like a house that was built so much in accordance with all the rules of equilibrium that it would collapse if a sparrow alighted on the roof. But it was more than a sparrow that alighted on the European roof. With the end of the first World War the system increasingly lost its capacity to impose order. With the end of the second World War the need to replace it became obvious.

Nearly a generation passed before it was realized that the old system had lost its validity because it could not pass the only vital test of the twentieth century: it had proved incapable of ensuring peace.

The new order, our order, replaces the balance of power by an institutional system. The interest of Europe is served in that Europe administers itself. The relations of Europeans among themselves are tending more and more to become questions of European internal politics. Security vis-à-vis the outside world is growing as Europe's material and political strength grows and as its voice comes to be heard more clearly in international affairs. Unstable equilibrium is now being superseded by stable equilibrium.

Is this an exaggeration? Some may think so but I do not agree. We must be clear what we mean, however, by "stable equilibrium". We do not mean that the question of equilibrium no longer exists. We do mean that more effective machinery to safeguard equilibrium has replaced that tried and found wanting. The function of this machinery is to rectify the disturbances of equilibrium that must be expected at any time, and to do this by reactions which, although admittedly not automatic, are at least always ready to come into play.

It would be a fundamental and dangerous mistake to believe that when the Community is completely established problems of equilibrium will no longer arise. Heinrich Triepel, the great constitutional lawyer who taught in Berlin in the 'twenties, once said that a federal state was not static; it represented an armistice, not a lasting peace. Even the most superficial glance at the problem of states' rights in the United States of America, at the tensions between the cantons and the Confederal Government in Switzerland, at the constantly shifting relationships between the Federal Government and the Länder in Germany, is enough to show how right this observation is.

It is even more relevant to the European Communities, which are still a good way away from their goal of a real European federations. The effectiveness of a "community order", like that of a true federal order, is therefore not to be gauged by its ability to eliminate the equilibrium problem in a kind of cast-iron European colossus, but by whether it provides the means whereby this perennial problem of all political life can be solved afresh each day. "Suum cuique" — "to each his own", despite the constant flux of circumstance: this is another guarantee the European order must provide.

Only if its internal balance is assured can we be certain that the Community will have equal weight — equal to that of the other great powers — in world politics.

Mr President, ladies and gentlemen, I make these apparently academic observations because they are in fact of very practical and very topical interest. I cannot demonstrate this fully now, but I should like, none the less, to illustrate my argument with a number of points drawn solely from the experience gained in the life of our Communities.

In the Communities the problem of equilibrium arises particularly:

Between the various Member States;

Between Member States on the one hand and the Community on the other;

Between the Community institutions, and, finally, between the Community's various fields of economic activity and policy, e.g. between industry and agriculture, between internal and external economic policy, and so on.

These problems often overlap in many ways — in fact they usually do so. Certain States represent certain economic interests or views on economic policy; certain Community institutions embody certain values which should assert themselves in the Community order.

It is because we are drawing near to the end of the transition period that we have become more aware of these problems in recent years and months. I said at the beginning that our road was getting steeper. The accumulation of "synchronization" programmes shows this. The transition period is not only designed to accustom those concerned, the people, to the new order. Its aim is also to permit the Community institutions to complete the Community's constitution. Much of the constitution as provided by the Treaty of Rome consists only of blank forms to be filled

out later; for example, the Treaty provides that there must be a common commercial policy, a common agricultural policy and a common transport policy. At the same time it gives some guiding principles as to the way in which the blank forms should be filled out; this will itself partly decide the rules of substance and procedure that will obtain in the Community when it reaches its definitive form. And the situation at this point of departure is, of course, of supreme importance for those involved.

The constitutional framework within which the life of the Community will go on, the values and the organizational rules for the Community will go on, the basic values and the organizational rules for the Community order are thus provided by the Treaty of Rome and by the Community law for which it serves as a basis. To this must be added another element of order which is not to be underrated: I mean administrative practice, the way in which the authorities have now got used to availing themselves of the opportunities provided by the new order, "constitutional reality" as it is called at the national level.

A year and a half of admirably concentrated negotiations on the Treaty of Rome and seven and a half years of the life of the Community have made it sufficiently clear what the forces are that need to be brought into equilibrium and how they are distributed geographically, politically and economically within the Community.

When there is a "natural equilibrium", the interests of the Member States lie in those fields where they are identical, that is, in practice in all the fields which we have found to offer the major incentives to European unification. The only problem here has been to make the governments aware of the interests that they have in common and to induce them to take the decisions that should follow logically from those interests.

But there are also a large number of divergent interests. One country is particularly interested in exporting its manufactures, another in exporting its farm produce. In agricultural policy, one country favours basic production, another meat and livestock products. One country places all its confidence in a free market economy, another has leanings towards "dirigisme", e.g. with regard to investment. One country favours free trade, another has a protectionist tradition. One country looks particularly to trade with Africa, another with South America, a third with Asia. One country is, for reasons of economic geography, seeking closer relations with its neighbours; a second links this *rapprochement* with certain *desiderata* of its transport sector; a third is counting on a development policy that will benefit its backward outlying areas. One country needs manpower, another hardly knows what to do with its surplus labour. These examples are only a few among many.

How does the Community cope with so many differing problems? That is an eminently practical question.

The first and relatively the simplest answer is that a number of these clashes of interest can be left to settle themselves. But this may mean two things:

One of the consequences of the founding of the Community is that certain fields have now completely lost the political content by which specific interests in those fields were hitherto protected. The dismantling of internal customs frontiers is the classic example. Here the State has withdrawn and nothing has taken its place. But the same is true, in general, with regard to the creation of a common market organized according to the principles of a free market economy. The European common market

is based on principles which formerly applied to a national free market economy: competition among private persons and corporations engaged in economic activities. It could also be put this way: as long as national economies confront one another, their mutual relations are necessarily expressed in the relationship between national economic policies. With the conversion of six domestic economies into a common internal market, competition between economic policies pursued by States is replaced by competition between the various enterprises. — That is one possibility.

But it may also happen that only Community policy is “disinterested”, in which case national policy continues to apply. Cartel law is an example; in principle it is the subject of Community policy only in so far as relations between nationals of different Member States are affected.

The really interesting group, however, is formed by the conflicts of interest that must be constantly — I would say, daily — kept in balance in the political life of the Community. Here there is no universal recipe, no cut-and-dried solution. Often the balancing operation consists in simultaneous concessions on two fronts: trade with Africa and with America are both encouraged; in tariff negotiations trade in both industrial and agricultural products is taken into consideration. Or again a quantitative compromise is found. Where interests conflict, the balance may be found in a synthesis of new factors: the cereals price had to be fixed lower than the old German price in order to avoid over-production and obstacles in the way of farm imports; Community payments were therefore granted to German farmers.

Much more important than a catalogue of compromise devices — which must in any case be incomplete — is a lesson that the Community institutions have learned from experience: every time the need to accommodate conflicting interests has arisen, the necessary balance has in fact been achieved. This is the result of the way the Community is organized and operates in practice, and demonstrates its suitability for the task in hand.

The central feature of this by now familiar system is the “dialogue” between the Community interest and sectional interests, traditions and needs. This dialogue is embodied in the relationship between the Council and the Commission, between the European Parliaments and the national parliaments. Its achievements are safeguarded by the Court of Justice.

The whole system is dominated by two guiding principles: every conceivable interest is represented and the representing bodies are encouraged, even compelled, to work together. These guiding principles have been further refined and strengthened through the unwritten practice of the Community. In its most concrete form, the practical give-and-take between interests is conducted by the administrations and interest groupings — the administration of the Commission on the one hand, and the administrations of the member countries on the other, with the national and supra-national business federations, trade unions, etc. as the third factor. All these bodies represent forces which have to be brought into equilibrium. The Commission has developed a method of very close co-operation between its administration and the national government departments and the various interest groups. This is applied from the outset, that is, from the moment any new business arises. Not only does this method ensure that no interest important for equilibrium in the Community is overlooked; it also brings to light, in good time, all conceivable factors relevant to the assessment of such interests, and thus prevents the formation of a technocracy remote from the realities of life.

Lastly, it must not be forgotten that the implementation of Community law and Community policy is in the hands of the member Governments and their departments. In theory there are two ways of ensuring the execution of the Community's will vis-à-vis the citizen. The first is the system in the United States of America. There, federal affairs are normally carried out by federal authorities; this requires the creation of federal authorities right down to the local level. The other is the system adopted in the Federal Republic of Germany, where federal decisions are normally executed by the Länder. This second system is the one we have chosen for our Community, which has, properly speaking, no executive bodies of its own. In the last stage of the process, when a Community measure is to be brought to the notice of the European citizen whom it concerns, it is filtered back, translated into his own language and manner of thought, and into the administrative and governmental style familiar to him. Mr President, ladies and gentlemen, I am afraid I have gone into all this in some detail, but what I have sought to bring out is this:

Firstly, it would be a mistake to imagine that the completion of the Community structure will automatically mean the end of all divergences and clashes of interest and consequently of any need to strive for equilibrium. No, they will continue. The only change will be that they will be confronted and resolved — in so far as the Treaties provide sufficient guidance now and in the future — within the context of European internal politics governed by a constitution, and not on the tight-rope of foreign policy. Thus the quest for equilibrium is not a temporary problem confined to the transition period. Nor is it any mere peculiarity of the state of partial integration represented by the European Communities. For when we have reached the definitive stage of the unification of Europe, the European federation, we shall still have to go on striving for equilibrium.

Secondly therefore, nothing could be more inappropriate than to dramatize those occasions which arise from time to time when the emphasis is on the balancing of interests or when this process has to be effected in several fields simultaneously.

Our "marathons" themselves have been evidence of vitality rather than symptoms of a serious malaise. Their still somewhat unruly external manifestations are probably due to the youthfulness of the Communities, whose conduct is bound to become more sedate as they mature. The essentials will remain unaltered. The unification of Europe is a political process. All politics, however, is a struggle. Hence, even clashes of interest help to build up the Community. The basic strength of any human community resides in the diversity of its members. In a Community like ours there can be no deployment and development of strength without resistance, but every victory of the general over the particular interest toughens the fibre of our Community.

Strengthened by this thought, we move on into another year of Community work, a year during which we shall enter the last stage of the transition period".

After President Hallstein's speech, Mme Strobel, chairman of the Socialist Group, and M. van Hulst, speaking on behalf of the Christian-Democrat Group, briefly stressed the importance of finding a solution to the problem of Community financing, which was linked to a strengthening of the budgetary powers of the Parliament, and urged the Commission to take the Parliament's views into consideration during the difficult negotiations it is conducting within the Council.

THE DEBATE ON THE APPLICATION OF ARTICLE 118 OF THE EEC TREATY (1)

On 16 June 1965, the European Parliament held a general debate on the application of the social measures referred to in Article 118 of the EEC Treaty and voted an important resolution, the full text of which is attached to this Bulletin.

M. Nederhorst began the debate by presenting his report on the subject, drawn up on behalf of the Social Committee. He thought it essential to give an impetus to social policy by taking full advantage of the possibilities offered by the EEC Treaty, since the results achieved were very poor in comparison with the scope for action offered by Article 118.

In these case of all the other sections of the Treaty, the Council of Ministers dealt directly with the Commission. In the case of Article 118, on the other hand, the negotiating partners were the six Governments. No Community body was therefore involved.

It is stated in Article 118 that: "Without prejudice to the other provisions..." It might be as well to begin, then, by examining the nature of these other provisions.

Article 121 assigned only implementing duties to the Commission. On the other hand, provision was made in Article 100 for the issue of directives, while Article 235 also provided for a more effective social policy.

M. Nederhorst went on to express surprise that the six Ministers of Labour should have felt it necessary to reduce the powers of the Commission in the field of the harmonization of social conditions, in view of the fact that its action was already restricted in scope by Article 118.

The EEC Commission, he said, had made it quite clear that it was opposed to an arrangement whereby its powers to make studies and issue recommendations should be made subject to the approval of the six Ministers of Labour. It was of vital importance that contacts with employers and workers should be as close as possible. These contacts might be established either in joint committees manned by representatives of both employers and workers or in boards including Government representatives.

Boards of this type should be set up for each important sector of the economy. It was unfortunate that the Commission had not been able to realize this project.

The speaker then went on to deal with the question of establishing contacts between the members of the Parliament competent for social affairs and the Council of Ministers. Although the Commission was really the "interlocuteur valable", he was sorry that it had proved impossible to establish these contacts.

Speaking on behalf of the Christian-Democrat Group, M. Pêtre stressed the importance of a policy of social betterment as part of European economic development.

It would be unfair, he said, to disregard or belittle the results achieved in the social field. It was an unfortunate fact that the Governments and the Council of Ministers did not always devote the same attention to social problems as to economic matters.

(1) For other proceedings of the session of 14-18 June 1965, see Chapters II, III, IV and V European Parliament.

The speaker underlined the fact, therefore, that social progress should go hand in hand with economic development.

M. Pêtre thanked the EEC Commission for the efforts it had made in the social field and wound up by saying that the Christian-Democrat Group would vote for the resolution put forward in M. Nederhorst's report.

M. Krier took the floor on behalf of the Socialist Group. He pointed out that the EEC Commission should not be satisfied with simply carrying out studies on the subject. For this reason, he was pleased that the Commission had taken steps to harmonize social conditions. However, he considered that the Community should have its own independent social policy and he therefore called on the Council of Ministers to make known its views on the memorandum drawn up by the Italian Government on the Community's social policy.

The speaker went on to assure the EEC Commission that it could count on his Group's support if it was prepared to draw up a programme on the harmonization of social conditions, with or without the prior agreement of the Governments.

The harmonization of social conditions within the Community should be achieved by creating an institutional framework for relations with employers and workers. M. Krier ended his speech by stressing the importance of the action of the free trade-union movement.

M. van der Ploeg agreed with the rapporteur that the EEC Commission had power under several articles of the EEC Treaty to take the initiative in the creation of a harmonized social policy. He regretted the fact that the social sector lagged behind other sectors in this respect.

He hoped that M. Nederhorst's report would make a contribution to the rapid harmonization of social conditions in the Community.

M. Catroux thought that fundamental importance attached to the debate on Article 118 in view of the forthcoming merger of the Community institutions. The meaning of Article 118 was clear: it made provision for close co-operation with the States. This close co-operation on a mutual basis between the Commission and the Member States should not be reduced to a mere formality, but should be exploited to the full.

He reminded the House that the six Member States were prepared to make their records available and to communicate the results of their studies and their statistics, loyal as they all were to the preambles of the Rome and Paris Treaties.

M. Sabatini referred to the previous speaker's statement that the action for the improvement of social conditions provided for in Article 118 depended on co-operation between the Member States. He considered that this co-operation was not simply a matter of formally applying an article of the Rome Treaty, but of the political will to conduct an effective joint campaign. The prospects for the implementation of the social policy referred to in Article 118 might change rapidly if the political will of each government could be reorientated.

M. Levi Sandri's speech

M. Levi Sandri, Vice-President of the EEC Commission, thanked M. Nederhorst for having dealt in his report with the various aspects of the application of Article 118

of the EEC Treaty. He also expressed his thanks to M. Nederhorst, who was leaving the European Parliament to take up a new and important post in the Netherlands, for his efforts to promote social progress in the six Community countries.

Discussing problems connected with the interpretation of Article 118, the speaker said:

"This is a good opportunity, I think, to explain the Commission's views on Article 118: the interpretation of this Article has often given rise to controversy, and the Commission has at times been criticized in some quarters because its interpretation was too wide and in others because it was too narrow.

"Article 118 vests in the EEC Commission a specific right of initiative to 'promote close co-operation between the Member States'. For this purpose it must act 'in close contact with Member States' by means of studies, the issuing of opinions, and the organizing of consultations'.

"The entire Article is, then, based on the notion of "co-operation", which in its turn implies concordance of will between the Commission and the Member States. Whenever this concordance is lacking, the specific right of initiative vested in the Commission by Article 118 is stultified, and the Commission has no legal means of overcoming this difficulty within the terms of the Article. It should be noted in passing that the Member States, for their part, are not entirely free to grant or refuse their co-operation, since Article 5 requires them to facilitate the achievement of the Community's aims and to abstain from any measure liable to jeopardize the Treaty objectives. However, notwithstanding this interplay of mutual obligations, in which the Commission is required to take the initiative and the Member States to co-operate, Article 118 remains essentially based on the principle of co-operation and inter-governmental assent.

"This said, the problem arises — and here is the vital issue in the controversy — whether, given the specific nature of Article 118, the limited power it vests in the Commission does not preclude the latter from exercising, in the fields concerned, the more general power of initiative conferred on it by the Treaty. The problem, in other words, is whether, when the inter-governmental procedure of Article 118 can make no headway, the Commission can of its own right, i.e. by virtue of other provisions of the Treaty, pursue the objectives specified in this Article.

"The Treaty's answer to this question is unmistakably in the affirmative: Article 118 opens with the words "Without prejudice to the other provisions of this Treaty", which can only mean that inter-governmental co-operation must not be considered — *pace* certain governments — as the sole instrument for the implementation of this Article.

"The Commission believes, therefore, that there is no obstacle in the way of its invoking its general right of initiative even in the fields covered by Article 118. It furthermore takes the view that only in this way can it fully discharge the obligations incumbent on it under the Treaty and for which it is responsible to this Parliament.

"Accordingly, the Commission believes itself free to put in hand studies of its own accord and to make recommendations — as provided for in Article 115 — concerning topics dealt with in Article 118 as well as in other fields. The Commission has, in fact, already exercised this right, whose scope, under the Treaty, it has power to assess entirely at its own discretion. It has, for example, elaborated and laid before the Parliament and the Economic and Social Committee a number of draft recommendations despite the dissent of certain Member States. Nor is the Commission willing to forego

its right to issue directives for the alignment of legislation under Articles 100 and 101, whenever the conditions specified in these Articles are fulfilled. The Commission has already exercised this right, too, when it prepared a draft directive relating to the harmonization of safety regulations for the use of cartridge-operated stud-drivers.

“However, an examination of Article 118 raises a more general problem going well beyond the bounds of a conflict of interpretation: Article 118 is only the most conspicuous example of the present disequilibrium in the Treaty between general objectives which can be properly described as being essentially social in nature and the means and instruments provided for giving effect to a social policy. This disequilibrium is obviously bound to have an impact on the entire process of integration, engendering a corresponding imbalance between achievements in the social field and achievements in the economic field. The gravity of such a situation must not be underestimated: it is liable to alienate those who should be the prime artificers of the European integration process, the working classes.

“What is therefore urgently needed is a bold reappraisal of Community standards with regard to social policy, so that the opportunity provided by the merging of the Treaties can be used to establish not only a more comprehensive definition of social policy but also, and above all, a better balance between aims and powers, between principles and means of action”.

II. Internal activities

ESTABLISHMENT OF A SINGLE MARKET

Customs matters

Tariff quotas

1. Acting in pursuance of Protocol No. XI to the List G Agreement, the Commission decided, on 25 May 1965, to increase from 200 tons to 400 tons the duty-free tariff quota which the Netherlands was authorized to introduce for 1965 imports from non-member countries of ferro-chromium, tariff heading 73.02 E I ⁽¹⁾.
2. The Commission decided, on 23 June 1965, acting under Article 25(3) of the EEC Treaty, to grant a duty-free tariff quota, from 16 June 1965 to 14 February 1966, to the Belgo-Luxembourg Economic Union for imports from non-member countries, for use on its territory, of herrings (*clupea harengus*) fresh, chilled or frozen, for processing, coming under tariff heading ex 03.01 B I a 2, up to a maximum of 2 000 tons ⁽²⁾.

Temporary reduction of CCT duties

3. On the Commission's proposal, the Council decided, at its session on 15 June 1965, to reduce for the period 1 July to 31 December 1965 the CCT duties on the following products ⁽³⁾:

Tariff heading	Description of product	Rate of duty
14.02 B I	Vegetable hair	Nil
ex 38.19 Q	Silicon carbide briquettes	12 %
ex 48.01 E II	Japanese vellum (special long-fibre paper for the manufacture of artificial gut)	Nil
ex 29.27	Acrylonitrile	7 %
45.01	Natural cork, unworked, crushed, granulated or ground, waste cork;	
	A. Natural cork, unworked, in slabs or parts of slabs, of thickness not more than 30 mm.	4 %
	B. Miscellaneous	4 %

(1) See official gazette No. 105, 15 June 1965.

(2) *Ibid.*, No. 130, 16 July 1965.

(3) *Ibid.*, No. 109, 23 June 1965.

Processing traffic (petroleum products)

4. Acting under Article 10(2), the Commission fixed the percentage of customs duty on petroleum products from 1 June 1965⁽¹⁾. Since 1 November 1964 the CCT duties on products under tariff headings 27.10, 27.11, 27.12 and 27.13 B have been applied in their entirety by all the Member States. On the same date, duty on these products was completely abolished in intra-Community trade. It was, therefore, reasonable to increase to 100 % the percentage of customs duty on these products, in the form of a countervailing duty, in cases where they were used in the manufacture of goods which themselves came under one of the customs headings listed.

Safeguard clause (Art. 224)

5. On 4 June 1965, the Commission authorized Italy to adopt, under Article 226, a safeguard measure for zinc powders and flakes⁽²⁾. On the other hand, it rejected a request from the same country for authorization to take safeguard measures in respect of zinc chloride and of wrought plates, sheets and strip, of zinc.

COMPETITION

Rules of competition

Survey of the margarine sector

6. The EEC Commission has begun a survey of the margarine sector in pursuance of Article 12 of Council Regulation No. 17 of 6 February 1962.

The Commission has made this decision because, despite sharp price differences in the individual member countries, trade in margarine between them has lagged strikingly behind the general development of trade in other products. The Commission wished to ascertain the causes of this situation.

The inquiry will extend not only to the manufacture and trade, but also to the differences in Member States' laws and regulations regarding the composition and packaging of margarine, and also to rules on prices.

This inquiry into the margarine sector is the first application of Article 12 of Regulation No. 17. The Commission has the power to decide on such a general inquiry into a branch of the economy when the trend of trade between Member States, price movements, rigidity of prices or other circumstances suggest that in the sector concerned competition is being restrained or distorted within the Common Market. The inquiry will enable the Commission to judge whether the trend noted can be attributed to infringements of Article 85 and 86 of the EEC Treaty or whether there are other causes. The fact that this inquiry is being conducted does not therefore imply any assumption that there exists a cartel agreement or abuse of economic power.

⁽¹⁾ See official gazette No. 105, 15 June 1965.

⁽²⁾ *Ibid.*, No. 106, 18 June 1965.

Advisory Committee on cartels and monopolies

7. On 9 June 1965, at the eighth joint meeting with the Advisory Committee on cartels and monopolies set up under Article 10 of Regulation No. 17, the representatives of the Member States gave their views on a provisional proposal for a decision by the Commission. The decision concerned an exclusive dealing agreement to be exempted, under Article 85(3), from the ban of Article 85(1) of the EEC Treaty.

Approximation of legislation

General matters

8. On 17 June, the European Parliament held a debate on the report presented by M. Weinkamm, on behalf of the Legal Committee, on the harmonization of European legislation.

In the course of this discussion, M. von der Groeben, a member of the EEC Commission, dealt with a number of points raised in this report. He stressed the importance of the alignment of legislation as a factor making for integration; it was one means whereby the Community might achieve the aims of the Rome Treaty. The Commission had proceeded along the lines, in particular when, in 1962, it laid down the Community's Action Programme for the second stage.

It has thus taken measures in the most varying fields of economic activity as will be seen from the general tables published in the Supplement to the present Bulletin. However, although there has been variety, there has been no dispersal of effort. An examination of all the measures taken or contemplated by the Commission will show that they are all necessary to achieve the objectives of the EEC Treaty.

M. von der Groeben then announced the Commission's intention to draw up, in the near future, a special programme for the approximation of legislation in order to show clearly, at the beginning of the third stage, the general trend of this basic activity of the Community. He also pointed out that the harmonization of national legislation on the basis of the Rome Treaty could not proceed at the same pace as economic development. It was inevitably a slower and more delicate operation to modify legal systems and thereby, in many cases, well-tried administrative traditions, than to introduce new trade measures.

M. von der Groeben mentioned the three principal courses open to the Community for aligning legislations. First, regulations might be issued, which would bind both individuals and the Member States directly and would form an ideal means of approximating legislations since they would create uniform law. However, it would be possible to issue such regulations only in the cases explicitly mentioned in the Treaty, and such cases were few. The second method of aligning legislations was by means of directives. They would be binding on the Member States only in respect of the results to be achieved and would create something more like a model law than a uniform one. The third means of harmonizing legislation was by means of conventions. The latter method would also make it possible to create European law, although the role played by Community bodies would be more restricted. It was necessary to consider in each individual case by what means the objectives laid down in the EEC Treaty might be most fully achieved. In certain cases, it might even be possible to combine

these various means and to use directives to deal with some subjects and conventions to deal with others.

After drawing attention to the importance of Article 100 and 101, M. von der Groeben spoke of the content of Article 102. In future years, it would be necessary for the Member States to have a broader understanding of this article. Before drafting new legislation which might possibly have far-reaching effects at Community level, these States were under an obligation, as stipulated in Article 102, to consult the Commission in order to prevent such legislation giving rise to distortions. The experience gained in this field had proved that the States were wrong to restrict their consultation of the Commission to fields in which the Community had already taken action, e.g. in taxation matters.

Turning to the question of company law, M. von der Groeben recalled that a number of harmonization measures were explicitly laid down in the EEC Treaty. It might be wondered, however, whether these measures alone would suffice to satisfy all requirements, particularly in the stage of development at present reached in the Common Market. In this connection, the Commission considered it advisable to make provision for other measures, and in particular for the creation of a European type of company. There were various means of achieving these ends. The Commission had already reached an advanced stage in its study of this problem and would be in a position to make its views known before Council and Parliament went into recess.

In conclusion, M. von der Groeben pointed out that the Commission was convinced of the importance of the role played by Parliament in aligning legislation, which was one of the fundamental activities of the Community.

Taxation

International taxation

9. The working party on international taxation held a meeting in Brussels on 24, 25 and 26 May 1965. During this meeting, the working party continued its discussions on the possibility of concluding a multilateral convention between the six Member States for the avoidance of double taxation in respect of direct taxes.

A list of certain fundamental problems and technical questions was drawn up and will shortly be referred to the Standing Committee of Heads of Revenue Departments.

Harmonization of indirect taxes other than turnover taxes

10. The working party on excise duties held a meeting in Brussels on 14 June 1965.

The working party discussed a Commission proposal for harmonizing excise duty on manufactured tobacco, priority being accorded to this problem on account of the fact that, in certain member countries, customs duties and taxes were linked.

The proposal did not meet with unanimous support. A draft directive will be prepared by the Commission and discussed by the working party at a later session.

State aids

General aid arrangements

11. As regards the various systems which called for close scrutiny in order to assess their direct or indirect effects, the Commission decided on 4 June 1965:

a) That the measures taken by certain Governments at the instigation of the Commission concerning certain aid schemes (insurance covering fairs, insurance for market prospecting, medium-term credit, exporters' cards) should be considered adequate provided that the aid granted no longer applied to exports to Member States;

b) That the procedure initiated under Article 93(2) against the EFAC accounts system (freedom to dispose of part of the foreign currency earned by exports) should be suspended pending a formal examination of this measure;

c) That procedure should be initiated under Article 93(2) against other schemes (export credits at reduced rates of interest, insurance against non-commercial risks);

d) As regards exchange guarantees, that the Governments concerned should be invited, in accordance with Article 93(1), to take appropriate steps as required by the progressive development or working of the Common Market;

e) That the Member States should be asked to consult each other before granting medium-term credits for exports to another Member State.

12. On 2 June, the Commission reached a decision regarding the measures taken in the Netherlands concerning credits granted by the State to small and medium-sized firms. As the Commission was already familiar with the previous regulations on this matter, since they were included in the list of existing aids, and as the new system made no important changes, the Commission raised no objection.

Aids to particular economic sectors

13. Energy sector: at its 319th session, held on 26 May 1965, the Commission decided to raise no objection to the adoption of a German Bill granting tax relief on sales of Community coal to power stations.

However, this decision will affect only power stations for the construction or extension of which the necessary permits have been applied for before 1 January 1970 and which commence operation before 1 January 1972.

14. Agriculture: it is stipulated in Article 23(4) of Council Regulation No. 19/1962 that, in certain circumstances, the Member States shall be entitled to grant subsidies for cereals for home consumption. In order to obviate any possibility of this decision distorting competition and comprising trade in products manufactured from these cereals, referred to in Annex II of the EEC Treaty, the Commission submitted a proposal based on Article 93(1) to the Member States on 13 May 1965. So as to ensure that the importing industry should be treated on the same footing as the same industry in the country concerned, the Member States were requested to grant the same amount of aid to similar goods imported from other Member States.

FREE MOVEMENT OF PERSONS

Freedom of establishment and freedom to supply services

Public works contracts

15. The Commission adopted on 11 June 1965 and transmitted to the Council on 28 June 1965 a number of amendments to the draft directive it had submitted to the Council on 16 March 1964, on the abolition of restrictions on freedom of establishment and freedom to supply services in respect of public works contracts.

This course is open to the Commission under Article 149 of the EEC Treaty, which stipulate that, as long as the Council has not taken a decision on a proposal by the Commission, the latter may amend it, particularly in cases where the European Parliament has been consulted.

In their formal opinions rendered on 9 December 1964 and 23 March 1965 respectively, the Economic and Social Committee and the European Parliament gave full consideration to the views of the main European circles concerned (local authorities, railways, public undertaking, crafts and contractors). The amendments are concerned with the very structure of the text and most of them were considered likely to be supported by the Commission when submitted to the Council. The Commission therefore preferred to amend its initial proposal at the present stage and to lay before the Council a recast and complete text.

The following changes were made:

- a) A simplification of the quota system whereby Member States, during the transition period, can in certain circumstances suspend the award of public works contracts to nationals of other Member States;
- b) An improvement of the provision prohibiting discriminatory technical specifications, since this provision was considered too brief in the initial proposal;
- c) A clearer demarcation between the scope of the proposal and that of Directive No. 64/429 adopted by the Council on 7 July 1964, i.e. after the initial text had been submitted;
- d) An adaptation of the proposal to the large number of directives adopted by the Council recently in connection with freedom of establishment and freedom to supply services, using as far as possible the same layout, terminology and certain forms of expression.

As consultation of the Parliament and the Committee gave rise to lengthy discussion on certain points, the Commission felt the need to make certain additions to the preamble.

Convention on the mutual recognition of companies and other corporate bodies

16. Under the chairmanship of Professor B. Goldman of the Faculty of Law and Economics of the University of Paris, government experts and members of the Com-

mission's staff have just finished drafting, after over three years' work, a convention designed, in pursuance of Article 220, third sub-paragraph, to ensure the mutual recognition of companies within the meaning of Article 58(2) of the EEC Treaty.

Recognition is granted as of right to all companies under civil and commercial law, including co-operatives, and to all corporation under private or public law engaged in economic activities, provided that they are registered in one of the EEC countries. The convention also applies to one-man companies if their existence is recognized by law in the country of origin.

Recognition of companies and other corporate persons supplements the provisions of the Rome Treaty regarding the removal of obstacles to freedom to the supply of services and the movement of goods, capital and persons, particularly where freedom of establishment is concerned.

The convention is applicable within the European territory of the contracting States and the countries and territories associated with the Community, under Council decision of 25 February 1964. In addition, a joint declaration annexed to the convention sets out the conditions under which the convention will apply in the Associated States. In another joint declaration the hope is expressed that certain powers will be conferred upon the Court of Justice of the European Communities to ensure uniform interpretation of the convention.

If the Governments give their assent, the convention will probably be signed by the representatives of the contracting States within the EEC Council of Ministers in the near future.

The group of experts will continue its work, in pursuance of Article 220, third sub-paragraph, and will study in particular the possibility of international mergers between companies to which this convention will apply.

Freedom of establishment in agriculture

17. On 1 July 1965, the Economic and Social Committee rendered formal opinions on the "proposals for a Council directive concerning the application by the Member States of their legislation governing farm leases to farmers who are nationals of other Member States", and on the "proposal for a Council directive concerning freedom for farmers who are nationals of one Member State established in another Member State to transfer from one farm to another". After pointing out that the implementation of the common agricultural policy had been speeded-up considerably, the Committee recommended that the agricultural time-table in the General Programme for the abolition of restrictions on freedom of establishment should be adapted to the new situation.

It particularly advocated that the process of abolishing all *de facto* and *de jure* restrictions on the leasing of farms should be speeded up. The restrictions are concerned, in particular, with access to various forms of credit, co-operatives, other trade associations and various forms of aid, such as technical assistance, social benefits and vocational training.

The Committee also stressed the need to co-ordinate the laws, regulations and administrative instructions governing farm leases as soon as possible.

ECONOMIC AND FINANCIAL POLICY

Medium-term Economic Policy Committee

18. The Medium-term Economic Policy Committee held its sixth meeting on 25 June 1965 under the chairmanship of M. Langer. The Committee held an initial exchange of views on problems connected with the structural adaptation of labour to economic requirements. It also decided on the procedure to be followed for its future work on regional policy. The next meeting will be held on 25 July 1965.

The working parties were also active.

The working party on sectoral aspects of structural policy met on 4 June 1965 and held a preliminary exchange of views on the replies received from the delegations to the questionnaire on the sectoral aspects of structural policy drawn up by the Secretariat.

The working party on incomes policy held its first meeting on 11 June 1965. M. Van der Leij (Netherlands) was appointed chairman. The working party drew up a questionnaire on incomes policy to which the various national delegations will reply by 15 July 1965.

The working party on scientific and technical research policy held its first meeting on 14 June 1965, when M. Maréchal (France) was appointed chairman. It held a broad exchange of views on the general policy to be followed in its future work with a view to drawing up, by October, a preliminary report on the implementation of a joint policy in the field of scientific and technical research and to preparing a medium-term economic programme.

Short-term Economic Policy Committee

19. The Short-term Economic Policy Committee held its 23rd meeting on 28 and 29 June 1965 in Brussels under the chairmanship of M. Pérouse. It discussed the preliminary economic budgets of the Member States and rendered an opinion which was later transmitted to the Commission.

Panel of experts on business surveys

20. The panel of experts on business surveys held a meeting in Brussels on 17 and 18 June 1965. The first day was devoted to the discussion of a number of technical points connected with improving existing business surveys. On the second day, the possibility was examined of carrying out, within the Community, a business survey in the building sector. The experts approved this suggestion in principle, and a number of common viewpoints emerged from the discussions. On the basis of these preliminary results, a programme will be proposed by the Commission at the next meeting of the panel to be held at the end of November.

Panel of experts on economic budgets

21. The panel of experts on economic budgets held a meeting on 15 June 1965 to discuss the preliminary economic budgets for 1966. Three papers were discussed: the

preliminary economic budgets for 1966, supplied by the Member States, comments on the position in each country presented by Commission staff, and a composite summary of these budgets. These papers were transmitted to the Short-term Economic Policy Committee, which discussed them on 28 and 29 June 1965, as stated above.

The panel fixed its time-table of work as regards the complete economic budget for 1966 and agreed on certain improvements in lay-out.

Energy policy

Petroleum

22. On 2 and 3 June 1965, the panel of experts on petroleum held a meeting in Brussels. The following matters were discussed:

- a) Implementation of the protocol on imports into the EEC of refined petroleum products from the Netherlands Antilles;
- b) Diversification of the Community's supplies;
- c) Laws and regulations governing licences or concessions for oil prospecting or extraction on the territory of the Member States.

With regard to the first problem, the Member States were invited to supply to the Commission certain information on the control of imports and on import statistics.

Regional policy

23. The Commission transmitted to the Council on 14 May 1965 a memorandum on regional policy in the EEC, proposing in broad outline the action to be taken by the Member States in this field. The Commission considers it necessary:

- a) That agreement should be reached in the Community on the aims and methods of regional policy;
- b) That the Member States and, within their sphere of competence, the European institutions should co-ordinate the means at their disposal for the attainment of these aims.

The Commission therefore considered that the Member States and the common institutions should adopt an overall policy designed to ensure a better geographical distribution of industry and to narrow differences in living standards between various regions of the Community. Advantage must be taken of the changes that have occurred in sources of supply, particularly as regards energy and raw materials, owing to which the less industrialized regions on the outskirts of the Community are no longer at a disadvantage in this respect. Such a policy should lead to the creation in the less-favoured regions of competitive activities compatible with their natural propensities, so as to check growth in areas of excessive urbanization.

The Commission regards regional programmes as an indispensable instrument for implementing such a policy. Based on detailed study of economic and demographic trends, these programmes should enable the authorities to develop the main lines of the policy that they intend to pursue to exploit the potentialities of each region. In

this way it would be possible to achieve a better co-ordination of public and private efforts in this field and to concentrate them on a few judiciously selected areas, which is essential for it to be effective. Public investment programmes extending over several years should be worked out; these permit a more rational use of the resources available for development, which are of necessity limited. The active participation of interested circles in drawing up such programmes would facilitate their implementation.

These "guidance programmes" should be established on the same lines for the greatest possible number of regions. Where more difficult problems arise they would truly have to be action programmes. Particular attention must be given to problems that are of special interest to the Community, which concern particularly the large peripheral areas which are predominantly agricultural, certain agricultural areas affected by structural weaknesses, certain declining industrial areas, areas lying along the frontiers between Member States, and areas adjacent to the Soviet Zone.

In the large peripheral areas, the first steps should be to promote the growth of "industrial development poles", where industrial activities and complementary services are grouped together to form a coherent whole, capable, after initial aid, of self-sustained development. In smaller less-favoured regions, which can benefit from proximity to great industrial concentrations, a very effective method would be to create secondary industrial centres having the communal equipment necessary to prevent too great an exodus of the rural population from the neighbourhood.

The programmes will serve as a guide to the European institutions both in assessing the regional effects of Community policies (agriculture, transport, energy, etc.), and in their financial operations (European Investment Bank, European Agricultural Guidance and Guarantee Fund, Social Fund, etc.), which will become more and more important.

Which instruments of regional policy are most suitable will usually be decided by authorities in the Member States; they may take the form of financial assistance, investments in infrastructure, etc. Where such instruments are used — and particularly in the case of financial assistance — the provisions of the Treaty must be respected. The Commission's memorandum includes various suggestions on this point.

Furthermore, the European Communities, with the financial means available to them (European Investment Bank, European Agricultural Guidance and Guarantee Fund, Social Fund), are in a position to assist in the execution of regional programmes. They must also make sure that the common policies (agricultural policy, transport policy, energy policy, policy on vocational training) take full account of the needs of regional policy.

From the practical standpoint, the Commission intends to help forward the realization of the regional objectives of the Rome Treaty by the following means:

a) It proposes to address recommendations to the Member States, concerning the part to be played by regional programmes, the "development pole" and "growth point" method, infrastructures, and access for the European Investment Bank to the capital markets of Member States;

b) It will put in hand an action programme to help in the planning and execution of regional programmes by concerted use of the financial resources available to the European institutions;

c) It will promote co-operation between the national authorities of the Member States responsible for regional policy, in order that the common purposes of regional action may be fulfilled.

Moreover, an important part of the medium-term economic programme, which will be submitted to the Council at the end of the year, and on which the European Parliament and the Economic and Social Committee will be consulted, will be devoted to regional policy.

Credit insurance, guarantees and financial credits

24. At its session on 14 and 15 June 1965, the Council adopted a decision on the system to be applied in respect of guarantees and financing for exports to certain sub-contracts originating in other EEC Member States or non-member States ⁽¹⁾.

The main points of this decision, which follows on the principles adopted by the Council at its session on 7 July 1964 and will take effect from the date of its publication in the official gazette of the European Communities, are as follows:

a) It defines the meaning of the term "sub-contracting";

b) It determines the maximum percentages of sub-contracts to be included automatically in the cover granted to the main contracting party, both in intra-Community relations and in relations with non-member countries, in cases where conventions on the subject are concluded with these countries;

c) It lays down the basis for assessing percentages for automatic inclusion.

COMMON AGRICULTURAL POLICY

Financing of the common agricultural policy

25. At its session of 28-30 June 1965, the Council discussed the general report on the financing of the common agricultural policy and the Commission's proposals on this subject, on independent Community revenue and on wider powers for the European Parliament. No agreement was reached.

Statements by M. Couve de Murville

26. After the meeting of the Council of Ministers, which ended at about 2 a.m. on 1 July 1965, M. Couve de Murville, President of the Council, held a press conference in which he said: "We were forced to conclude that it was impossible to reach agreement on the completion of the financial regulation agreed upon in January 1962 and confirmed in December 1964. We discussed financial problems on the basis of the proposals submitted by the Commission and we have now realized that we cannot reach agreement on the vital question whether our agreements should extend over the whole transition period or only over one or two years.

⁽¹⁾ See official gazette No. 109, 23 June 1965.

In these circumstances, it was not possible to continue the discussion. It is now for the governments of the member countries to draw the necessary conclusions”.

The President of the Council then replied to a large number of questions.

Asked whether any attempt had been made to fix a date for the next Council meeting, M. Couve de Murville replied, in his capacity as head of the French delegation, that: “The Community has given an undertaking to complete the financial regulation by 30 June 1965: for the first time, it has failed to observe certain solemn undertakings. In these circumstances, we cannot but draw the obvious conclusions”.

In reply to another question, M. Couve de Murville said: “I can speak only on behalf of the French delegation: the French Government will deliberate on the matter. The French delegation notes that the undertakings have not been fulfilled, although France submitted reasonable proposals”.

He went on: “...It is inconceivable to enter upon an agricultural policy governing prices and markets without knowing how it will be financed. France had agreed to fix prices at a high level in the expectation that the policy would be financed by the Community. As long as the financial regulation has not been decided, it will be impossible to go ahead with the agricultural policy”.

Statements by Professor Hallstein

27. At a press conference on the afternoon of 1 July, M. Hallstein, President of the Commission, gave a detailed account of the stage reached in the negotiations regarding each point in the Commission’s proposal.

As regards the question of completing the Common Market, M. Hallstein pointed out that considerable progress had been made, adding that “In the Council, the conclusion was rapidly reached that it would be highly desirable for the Common Market, that is, the entire Common Market, both agricultural and industrial, to be completed by 1 July 1967”.

As regards the question of proceeds from levies on imports from third countries accruing to the Community, M. Hallstein said that agreement had been reached “on the principle of finding a solution whereby the proceeds of both levies and customs duties would accrue to the Community”.

With regard to the technical details of the regulation on the financing of the common agricultural policy, M. Hallstein said that, during the last stage of the negotiations, a whole series of questions, some of them questions of substance, would have to be dealt with from a fresh angle. M. Hallstein stated in this connection that “these questions are connected with the possibility of making financing dependent on the development of imports. I shall not go into details here, since no conclusions were reached on the subject, but there was simply a general feeling that various matters will have to be thought over yet”.

As regards widening the European Parliament’s powers over the budget, M. Hallstein said that there had been no precise discussion of this problem.

In conclusion, M. Hallstein noted that it had not been possible to reach agreement. “However”, he added, “it cannot be said either, from the stage the negotiations have

reached this morning, that agreement on the subjects under discussion is impossible. On the contrary, the progress made in the negotiations offers a fair prospect that, if the negotiations were continued, the outstanding problems could be solved in the reasonably near future”.

“The Commission”, the President added, “has naturally followed these negotiations with the closest attention. It has reflected at each stage of the negotiations as to what action it could take to help them forward. The Commission is now engaged in a fresh study of the whole matter; that is to say it is reviewing its own proposals to see if, in the light of the views expressed by the members of the Council, they should be amended, and suggestions made for the final agreement”.

Official French communiqué

28. The following communiqué was issued after the meeting of the French Council of Ministers on 1 July 1965: “Following the breakdown of the Brussels negotiations, the Council regretfully noted that an undertaking given three and a half years ago to complete the financial regulation by 30 June 1965 had not been fulfilled. It noted that the European Economic Community was consequently faced with a crisis which was all the more serious since it was on the basis of the financial regulation that the French Government had agreed, in January 1962, to embark on the second stage of the Rome Treaty, and since the decisions on common cereal prices reached on 15 December 1964 had been taken on the basis of definite and repeated assurances that the financial regulation would be completed by 30 June 1965, as agreed. The Council had also noted the general agreement on a time-table proposed by the French delegation providing for the completion of the agricultural regulations still pending and the fixing of common prices. This time-table held out the prospect of the free movement of agricultural produce within the Community, single prices, and uniform protective measures at the Community’s external frontiers in the form of levies by 1 July 1967.

The Council noted that, while some partners of France within the Common Market had accepted this calendar, others, by laying down new political and economic conditions during these final negotiations, had prevented an agreement on joint financial responsibility.

There was all the less justification for this crisis as the French delegation had made proposals that France should bear part of the financial burden, which had been considered excessive by some of its partners, and had, moreover, agreed on customs union being fully established for industrial products by 1 July 1967.

In these circumstances, the Government, for its part, has drawn the obvious political, economic and legal conclusions from the situation thus created”.

Communiqué from the Secretariat-General of the Councils

29. On 6 July 1965, the Secretariat-General of the Councils issued the following communiqué: “The Secretary-General of the Councils, M. Christian Calmes, has received M. Maurice Ulrich, Deputy French Permanent Representative to the European Com-

munities, at the latter's request, and was told, for the information of Council members, that M. Jean-Marc Boegner, French Permanent Representative to the European Communities, had been invited to return to Paris. M. Ulrich would be in charge of the French Permanent delegation.

M. Ulrich stated, on behalf of the French Government, that the French delegation would not attend Council meetings for the present. Moreover, the French Government requested that the session of the ECSC Council due to take place on 13 July should be cancelled.

As regards meetings of the Committee of Permanent Representatives, since the French Government would not be represented at the Council sessions, it would not be represented, either, at meetings of the Committee of Permanent Representatives, which prepared business for these sessions.

France would not send observers to the negotiations being conducted by the Commission on the Council's instructions.

The French delegation would not attend meetings of Committees and Working Parties preparing projects or carrying out studies for economic union, as, for example, the Medium-term Economic Policy Committee, the Working Party on the harmonization of taxation, etc.

As regards technical committees dealing with day-to-day matters such as administrative committees and fund administration committees, the French Government would inform the Secretary-General of its position later".

Common organization of agricultural markets

Cereals and rice

30. At its session of 14-16 June 1965, the Council adopted in the Community languages a regulation concerning imports into the Community of certain processed cereal products originating in the Associated African States and Madagascar and the associated overseas countries and territories⁽¹⁾. The regulation, which will apply until May 1969, makes such products eligible in principle for the same trade benefits as the Member States grant each other.

At its session of 28-30 June, the Council adopted the following decisions and regulations in the official languages:

a) A regulation concerning prices in the producer Member States and fixing common threshold prices for non-producer Member States for rice and broken rice in the 1965/66 marketing year⁽²⁾. This regulation extends the measures taken for the 1964/65 marketing year as regards the limits of target prices for rice in the producer Member States and the common threshold prices for rice and broken rice in the other Member States;

(1) Council Regulation No. 78/65/CEE, official gazette No. 109, 23 June 1965.

(2) Council Regulation No. 96/65/CEE, official gazette No. 118, 2 July 1965.

b) A decision extending the decision by which Italy was authorized to waive the provisions of Regulation No. 19 (cereals) as regards the fixing of intervention prices for durum wheat ⁽¹⁾. Since market conditions have shown no improvement during the marketing year 1964/65, the price support measures then applied have been extended to 1965/66;

c) A decision extending the decision by which Italy was authorized to charge an additional amount on imports of certain varieties of wheat other than durum ⁽²⁾. Since conditions had also remained unchanged in this field, it was necessary to retain the additional amount, which had been fixed for the marketing year 1964/65, so as to enable Italy to sell its crops of durum wheat and thus mitigate the possible effects of too wide a margin between the prices of durum and other wheat.

The Commission, for its part, reached the following decisions:

a) A decision fixing the cif prices of cereals, flours, groats and meal ⁽³⁾;

b) A decision fixing the premiums to be added to the levies on intra-Community trade in cereals ⁽⁴⁾.

The Commission also made a regulation, on 14 June 1965, waiving certain provisions of Regulation No. 102/64/CEE in respect of the term of validity of export licences for cereals ⁽⁵⁾. Regulation No. 180/64/CEE stipulated that licences for the export of wheat other than durum to state-trading countries situated at the greatest distance from the Community should remain valid from their date of issue until the expiry of the fifth month following that during which they were issued. Under the new provisions this term of validity will cover exports to all state-trading countries, whether remote from the Community or not.

P i g m e a t

31. On 1 June 1965, the Council adopted a regulation replacing Annex II A of Council Regulation No. 85/63/CEE determining sluice-gate prices and supplementary amounts and lying down transitional provisions for cuts, preparations and preserves of pigmeat ⁽⁶⁾.

On 29 June 1965, the Council adopted the following two regulations in the pigmeat sector:

a) A regulation fixing the amount of the intra-Community levies for live pigs, pigmeat and processed pigmeat products ⁽⁷⁾;

b) A regulation fixing the amount of the levies vis-à-vis non-member countries for live pigs, pigmeat and processed pigmeat products ⁽⁸⁾.

⁽¹⁾ Council Decision No. 65/341/CEE, official gazette No. 125, 9 July 1965.

⁽²⁾ Council Decision No. 65/340/CEE, official gazette No. 125, 9 July 1965.

⁽³⁾ Commission Decision No. 65/284/CEE, official gazette No. 97, 3 June 1965; and Commission Decision No. 65/288/CEE, official gazette No. 100, 8 June 1965.

⁽⁴⁾ Commission Decision No. 65/285/CEE, official gazette No. 97, 3 June 1965; and Commission Decision No. 65/308/CEE, official gazette No. 108, 22 June 1965.

⁽⁵⁾ Commission Regulation No. 77/65/CEE, official gazette No. 106, 18 June 1965.

⁽⁶⁾ Council Regulation No. 75/65/CEE, official gazette No. 99, 5 June 1965.

⁽⁷⁾ Council Regulation No. 93/65/CEE, official gazette No. 117, 30 June 1965.

⁽⁸⁾ Council Regulation No. 94/65/CEE, official gazette No. 117, 30 June 1965.

On the same date, the Commission adopted a regulation adjusting and fixing sluice-gate prices for live pigs and processed pigmeat products in the case of imports during the third quarter of 1965 (1).

Eggs and poultry

32. On 9 June 1965, the Commission adopted a regulation amending Regulations Nos. 77 and 131/64/CEE in respect of parts of farmyard poultry (2). This regulation was adopted owing to the fact that trade in parts of farmyard poultry, and particularly parts of turkeys, has been increasing, and the system of levies, which was originally restricted to a small number of items, no longer meets market requirements.

On 24 June 1965, the Commission also decided to increase the levies on imports of shell eggs from Bulgaria, Hungary and Rumania by a supplementary amount of 0.175 units of account per kilogramme (3).

On the same date, the Commission adopted a regulation reducing one of the supplementary amounts for slaughtered hens and the supplementary amount for halves or quarters of chickens and hens (4). The amount of 0.175 units of account was replaced by an amount of 0.1625 units of account for the products in question.

On 29 June 1965, the Council adopted the following regulations:

a) A regulation extending the term of validity of Council Regulation No. 76/64/CEE fixing the amount of levies on poultrymeat products in respect of which customs duties have been bound under GATT (5);

b) A regulation extending the term of validity of Council Regulations Nos. 45, 46 and 116, and of Council Regulation No. 59/64/CEE on farmyard poultry eggs for hatching (6);

c) A regulation fixing, in the cases referred to in Article 3(2) of Council Regulation No. 22, the amount of intra-Community levies on slaughtered hens, chickens and turkeys (7).

On the same date, the Commission adopted the following two regulations:

a) A regulation adjusting and fixing sluice-gate prices, from 1 July to 30 September 1965, for poultry eggs in shell and live and slaughtered poultry and fixing levies vis-à-vis non-member countries for poultry eggs in shell, live poultry not exceeding 185 grammes in weight and slaughtered poultry (8);

(1) Commission Regulation No. 95/65/CEE, official gazette No. 117, 30 June 1965.

(2) Commission Regulation No. 76/65/CEE, official gazette No. 102, 11 June 1965.

(3) Commission Regulation No. 81/65/CEE, official gazette No. 112, 25 June 1965.

(4) Commission Regulation No. 82/65/CEE, official gazette No. 112, 25 June 1965.

(5) Council Regulation No. 87/65/CEE, official gazette No. 115, 29 June 1965.

(6) Council Regulation No. 89/65/CEE, official gazette No. 115, 29 June 1965.

(7) Council Regulation No. 90/65/CEE, official gazette No. 116, 30 June 1965.

(8) Commission Regulation No. 91/65/CEE, official gazette No. 116, 30 June 1965.

b) A regulation fixing, in the case of imports after 1 July 1965, the amount of intra-Community levies on poultry eggs in shell, live poultry not exceeding 185 grammes in weight and slaughtered poultry as well as on products in the poultrymeat sector in respect of which customs duties have been bound under GATT ⁽¹⁾.

Milk and milk products

33. In June, the Commission took several decisions of a technical nature fixing:

a) free-at-frontier prices for trade with non-member countries in the milk and milk products sector ⁽²⁾;

b) free-at-frontier prices for intra-Community trade in the milk and milk products sector ⁽³⁾;

c) the supplementary amount eligible for refund on exports to non-member countries of cheeses which have been the subject of price support measures ⁽⁴⁾.

The Council also adopted, on 22 June, a regulation extending until 31 October 1965 the term of validity of Council Regulation No. 55/65/CEE on the marketing in the Member States of Emmental, Gruyère and Sbrinz cheeses or of Cheddar cheese having been the subject of national price support measures, and Regulation No. 56/65/CEE on refunds applicable in intra-Community trade in Emmental, Gruyère and Sbrinz cheeses ⁽⁵⁾.

On 29 June 1965, the Commission adopted a regulation fixing again the changes in levies on certain milk products and cancelling Regulation No. 154/64/CEE ⁽⁶⁾.

Beef

34. In the beef sector, the Council took three decisions and adopted a regulation on customs duties:

a) By Council decision of 22 June 1965, Germany was authorized to reduce temporarily, as regards non-member countries, its customs duties on live cows (heading ex 01.02 A II) ⁽⁷⁾. The scarcity of beef has caused a sharp rise in prices over the past few months in Germany. The present decision brings the rate of customs duties on imports from non-member countries down to 7 % until 30 June 1965 and 10 % from 1 July 1965 to 12 September 1965.

b) By Council decision of 29 June 1965, Belgium was authorized to suspend, as regards non-member countries, its customs duties applicable to live animals of the

(1) Commission Regulation No. 92/65/CEE, official gazette No. 116, 30 June 1965.

(2) Commission Decision No. 65/282/CEE, official gazette No. 97, 3 June 1965; and Commission Decision No. 307/65/CEE, official gazette No. 108, 22 June 1965.

(3) Commission Decision No. 65/283/CEE, official gazette No. 97, 3 June 1965; and Commission Decision No. 65/310/CEE, official gazette No. 108, 22 June 1965.

(4) Commission Decision No. 65/292/CEE, official gazette No. 101, 9 June 1965.

(5) Council Regulation No. 85/65/CEE, official gazette No. 114, 28 June 1965.

(6) Commission Regulation No. 97/65/CEE, official gazette No. 118, 2 July 1965.

(7) Council Decision No. 65/320/CEE, official gazette No. 114, 28 June 1965.

domestic bovine species, other (heading ex 01.02 A II), with the exception of animals weighing less than 220 kilogrammes and not having cut their second teeth ⁽¹⁾.

The rise in prices is, at present, considerable in Belgium where the prices of cattle have increased by almost 12 % as compared with the beginning of January 1965. In order to overcome these difficulties, the Council, acting by virtue of Article 18 of Regulation No. 14/64/CEE, authorized Belgium to suspend all customs duties on live cattle imported from non-member countries until 12 September 1965;

c) By Council decision of 22 June 1965, Italy was authorized to suspend, as regards non-member countries, its customs duties applicable to live animals of the domestic bovine species, other, of a unit weight not exceeding 340 kg., coming under heading ex 01.02 A II ⁽²⁾. The object was to encourage imports of young cattle into Italy and to counteract the run-down of stocks which has occurred over the past two years as a result of an increase in domestic consumption. The measures taken by Italy on the basis of earlier authorizations had not produced the desired effect.

d) On the same date, the Council adopted a regulation temporarily reducing the CCT duties on imports of frozen beef intended for processing under customs supervision ⁽³⁾. As there is still a considerable demand for frozen meat for processing and the demand is not likely to slacken during the next quarter, the Council simply extended Regulation No. 6/65/CEE until 14 September 1965 as regards Italy and until 30 September 1965 as regards Germany.

Provisions concerning refunds on exports to non-member countries

35. On 29 June 1965, the Council adopted a regulation waiving the provisions of Council Regulations Nos. 20, 21 and 22 concerning refunds on exports to non-member countries in the pigmeat, poultry, eggs and poultrymeat sectors ⁽⁴⁾. This amount was fixed for a period of three years on the basis of prices in the exporting Member State and prices on world markets. This amount was to be revised at the beginning of the fourth year (1 July 1965). Owing to difficulty in surveying the situation this revision was postponed until 1 November 1965.

Processed products

36. On 18 June 1965, the Commission extended its decisions taken in pursuance of the Council decision of 4 April 1962 authorizing certain Member States to impose countervailing duties on imports from other Member States of certain processed agricultural products ⁽⁵⁾.

Oils and fats

37. At its session of 14-18 June 1965, the European Parliament discussed the report of its Agricultural Committee concerning the Commission's proposal to the Council for a regulation establishing a common organization of the market in oils and fats.

⁽¹⁾ Council Decision No. 65/344/CEE, official gazette No. 126, 12 July 1965.

⁽²⁾ Council Decision No. 65/319/CEE, official gazette No. 114, 28 June 1965.

⁽³⁾ Council Regulation No. 86/65/CEE, official gazette No. 114, 28 June 1965.

⁽⁴⁾ Council Regulation No. 88/65/CEE, official gazette No. 115, 29 June 1965.

⁽⁵⁾ Commission Decision No. 65/321/CEE, official gazette No. 114, 28 June 1965.

The Parliament adopted a resolution supporting the proposed organization of the market subject to certain comments. As regards the whole group of products referred to in the proposed regulation, the Parliament recalled the views it had expressed earlier on the interdependence of markets in vegetable oils and fats and animal oils and fats and endorsed the opinion repeatedly expressed by the EEC Commission that these markets should be organized independently.

The Parliament also adopted a resolution on the Commission's proposal for a regulation providing for special measures concerning oil products imported into the Community from the Associated African States and Madagascar and the overseas countries and territories.

The Parliament approved the proposal subject to certain reservations. In particular, it expressed its satisfaction with the special measures taken to promote trade in oil-seeds originating in the Associated States and with the idea of granting financial aid to producers of oils and fats in the Associated States, in certain circumstances, in addition to the aid granted under the Association Convention and by the Council decision on the association of the overseas countries and territories, and was pleased to note that the tariff preference granted in the case of oils originating in the Associated States was conducive to the industrialization of these countries.

Finally, the Parliament adopted a resolution relating to the Commission's proposal to the Council for the introduction, in pursuance of Article 201 of the Treaty, of a charge on oils and fats ⁽¹⁾.

In this resolution the Parliament invites the Commission to review, without calling into question the essentials of the political compromise on which the regulation under consideration is based, its proposal concerning the measures to be taken by the Council in pursuance of Article 201 in connection with the introduction of a charge on oils and fats, and urges that if, notwithstanding the present opinion, a charge on oils and fats is introduced, the rate of this charge and the expenditure which it will finance should be determined by a procedure in keeping with this resolution, so as to ensure at least some degree of parliamentary supervision at the European level.

Co-ordination of agricultural structure policies

38. Official gazette of the European Communities No. 105 of 15 June 1965 contains a Commission recommendation dated 26 May 1965 to the Grand Duchy of Luxembourg concerning the agricultural guidance law.

For the purposes of giving effect to this law, farming should be brought more in line with modern economic conditions. Also needed was a great improvement in the capital-manpower ratio. No preferential treatment should be given to particular types of farms; the main consideration must always be their viability. It was also stressed that to qualify for this aid farms must be very carefully chosen, the object being to set up or maintain viable undertakings and increase their competitiveness.

(1) For extracts see annex.

Community aid in the fields of retraining and information

Proceedings of the European Parliament

39. At its session of 14-18 June 1965, the European Parliament adopted a resolution concerning the Commission's proposal to the Council for a regulation on Community aid for the retraining of agricultural workers wishing to change their jobs within agriculture. In this resolution, the European Parliament stressed the importance of the Commission's proposal for social policy in agriculture and welcomed it as a first step towards a common policy on vocational training.

At the same session, the Parliament adopted a resolution dealing with the Commission's proposal to the Council for a regulation on Community aid to the training of staff for advisory services concerned with changes of occupation for agricultural workers. The Parliament approved the Commission's proposal subject to the comments and amendments contained in the report of its Agricultural Committee.

The resolution stressed the importance of vocational training as an aspect of common agricultural policy, adding that this problem could only be solved satisfactorily if the Member States were prepared, in the educational sphere as in others, to take the action called for by the establishment of the Common Market.

Proceedings of the Economic and Social Committee

40. On 30 June 1965, the Economic and Social Committee rendered an opinion on the above-mentioned proposals for regulations.

The Committee approved both proposals. As regards the scope of the regulation on retraining, the Committee proposed that the regulation should be extended to cover paid farmworkers and that an identical system should thus be adopted for all persons employed in agriculture.

The Committee considered that the Community should concentrate its efforts on areas in which retraining schemes were most needed, so as to avoid any dispersion of aid which might jeopardize the achievement of the aims in view. It again stressed the need to solve structural and social problems in agriculture on a regional basis and particularly in the framework of Community programmes and plans.

The Committee also took the view that, if the problems raised by the drift from the land were to be solved, it would be necessary to make a study in each area of the employment situation in ancillary agricultural trades, where there was usually a shortage of medium-grade supervisory staff.

Farm accounts information service

41. The Council finally adopted, in the four official Community languages, a proposal for a Commission regulation setting up in the EEC an information service on farm incomes and conduct of business ⁽¹⁾.

⁽¹⁾ See Bulletin 6-65, Ch. II, sec. 24.

It will be recalled that the purpose of this service is to collect details of accounts needed for an annual assessment of incomes of full-time farmers growing cash crops and for studying the conduct of business on certain types of farm requiring particular attention at the Community level.

The data collected will be used as a basis for an annual report on the situation in agriculture and agricultural markets in the Community.

Information will be gathered from farms selected by regional committees appointed by the Member States and including government and farming representatives.

An individual return sheet for each farm selected will be drawn up by accounting offices; the sheets will mention no names.

For the first three years the number of farms investigated (account-keeping farms) will be limited to 10 000. During this initial period only farms with an area of 5 ha. or more (a little over 12 acres) will be included in the survey, but this limit will not apply to farms under crops with a high value in terms of output per hectare — such as wine, fruit, vegetables or oils.

A committee attached to the Commission will be set up on the same lines as the management committees for agricultural products. This committee will advise on the principal measures to implement the regulation before they are adopted by the Commission; it will also be consulted on the selection of account-keeping farms by the regional committees and on the interpretation of data supplied by the accounting offices.

COMMON TRANSPORT POLICY

Council session on transport matters

42. At its session on 22 June 1965, the Council took a decisive step forward towards the establishment of a common transport policy. In particular, it reached agreement on the general organization of the transport market, considered to be one of the three pillars of this common policy — the other two being competition on equal terms and the free movement of transport services. Hitherto, the Member States seemed to hold somewhat divergent views on this subject.

Organization of the transport market

43. The complete text of the agreement reached on 22 June 1965 will be found annexed to this Bulletin. It will be seen that this agreement covers a transitional period ending on 31 December 1972. It makes provision for two stages, but leaves open the question of the system to be established at the end of the second stage.

The main feature of the transitional system for the first two stages is the existence side by side of two tariff systems, a compulsory tariff and a reference tariff. Both are rate-bracket systems, but whereas the upper and lower limits must be respected in the case of the compulsory tariff (except for special contracts), they merely serve as a reference in the second system, firms which fail to adhere to the tariffs being obliged to publish any rates outside these brackets.

The result is that rates and conditions are published fairly widely: on the one hand, the competent authorities publish the compulsory and reference tariffs, and, on the other, the firms publish any rates and conditions outside the brackets in the case of transport coming under the reference tariff system and, where special contracts have been concluded, in the case of transport coming under the compulsory tariff system.

Provision is also made for the setting-up of a Market Committee consisting of government experts and attached to the Commission in order to assist in supervising the operation of the new system.

This tariff system is accompanied by measures aligning the conditions under which markets operate and laying down regulations governing access to the carrying profession, control of transport capacity, the system of cartels, non-governmental aid, the allocation of infrastructure costs, and the financial stability of the railways. This programme more or less corresponds to that proposed by the Commission some time ago.

During the first stage, extending over a period of three years, the new tariff system will be applicable only to international traffic between the Member States. It will be extended to cover inland transport from the beginning of the second stage. Thus, by the end of the second stage, all transport within the Community, whether inland or international, will be governed by Community rules. However, contrary to the proposal made by the Commission, these rules will consist not in a homogeneous tariff system but in two systems which will be applied side by side in the case of international traffic and between which the Member States will be able to choose for their inland traffic.

Although the tariff system thus adopted by the Council is rather different from that proposed by the Commission in the first place, it does move in the direction of liberalization of the transport market, as the Commission has always advocated. But at the time the Commission put forward its proposal for a regulation on the rate-bracket system, the Commission was of the opinion that the tariff systems in force in the Member States were still too inflexible to permit liberalization on as wide a scale as that now agreed upon by the Council. In the meantime, the situation has in fact altered, which explains why the agreement of 22 June was possible.

The Commission informed the Council that it intended to submit, before the end of September, amendments to its initial proposal taking the provisions of this agreement into account.

Consultation on transport infrastructure investments

44. Subject to editing of the text in the Community's official languages, the Council adopted a decision establishing a procedure for consultation on transport infrastructure investments.

This decision provides that:

a) The Member States shall communicate to the Commission any projects for transport infrastructure investments which are considered to be of Community interest. The communication is to contain a technical description of the projects, an estimate of total costs, the provisional working schedule and a note on their economic interest;

b) The Commission shall inform the Member States of all projects communicated to it in this way;

c) Consultation shall take place on projects thus communicated whenever the Commission considers this to be desirable or at the request of a Member State.

This decision does not go as far as the Commission's proposal to the Council, which, in addition to the consultation procedure, makes provision for the formation of a Committee of government experts to assist the Commission in examining questions connected with transport infrastructure investments and the submission by the Commission, at regular intervals, of a report on the situation regarding transport infrastructure investments in the Community and a statement of the aims to be pursued in this field over a five-year period.

The Commission did not feel able to amend its initial proposal in the restrictive sense suggested by the Council, but took the view that this decision constituted a first step towards Community action in the matter of co-ordinating investments.

Weights and dimensions of commercial vehicles

45. After an exchange of views on the points outstanding in the Commission's proposed directive on the weights and dimensions of commercial vehicles, the Council instructed the Committee of Permanent Representatives to continue its work on this subject and decided to return to this question at its next meeting on transport matters.

Goods transport by rail across the Italian frontier

46. The Commission presented a memorandum on this subject to the Council informing it of the improvements already made by the Governments concerned and of the problems which remained to be solved. The Italian representative invited the Commission to draw his Government's attention to any difficulties which might come to its knowledge.

Participation in conference on railway problems

47. The Council instructed the Committee of Permanent Representatives to look further into the question of participation in the coming conference on railway problems (see sec. 51 below).

Implementation of Article 80 of the EEC Treaty

48. On 29 June 1965, at the request of the French Government, the Commission authorized a tariff reduction of 15 % on the transport of artichokes from Brittany by road or rail over a minimum distance of 650 km. ⁽¹⁾.

⁽¹⁾ See official gazette No. 132, 20 July 1965.

Implementation of Article 79 of the EEC Treaty

49. At a meeting held on 28 and 29 June 1965 attended by French Government delegates and experts from the *Société Nationale des Chemins de fer français* (SNCF), the rates charged under Article 14(2) of the SNCF Articles and Conditions were discussed.

Harmonization of certain provisions affecting competition

50. An initial meeting attended by the government delegates was held on 28 June 1965 in Brussels in order to decide on arrangements to give effect to Article 6 of the Council decision of 13 May 1965 on the harmonization of certain provisions affecting competition in the field of road, rail, and inland waterway transport. ⁽¹⁾ This article stipulates that "the burden falling upon transport by reason of passenger rates and conditions applied in a Member State in the interest of particular sections of the public should be the subject of compensation to be determined by common means".

The results of this discussion and additional information supplied by the Member States will enable the Commission to make proposals within the period laid down in Article 6 of the decision in question.

Arrangements for conference on railway problems

51. A meeting to make preparations for the conference on railway problems was held on 15 June 1965 under the auspices of the Commission. Rapporteurs were appointed by the Member States on the following subjects:

1. Legal and financial system — Germany
2. Action of public authorities — Netherlands
3. Price formation — France
4. Optimum structure — Italy
5. Co-operation between railways — Belgium.

The conference will be held in the second half of February 1966.

SOCIAL POLICY

Vocational training

Advisory Committee

52. On 29 June 1965, the Advisory Committee on vocational training held its second session of the year.

(¹) Council Decision No. 65/271/CEE, official gazette No. 88, 24 May 1965.

The principal subject of discussion was the supply of teachers and instructors, of which there was a persistent shortage in most member countries.

The Committee set up a working party to give initial consideration to steps that might usefully be taken in this field, particularly as regards teaching methods and material for the training of teachers and instructors, and the recruitment of instructors from the ranks of skilled workers.

The Committee also examined a draft recommendation of the Commission to the Member States intended to promote vocational guidance for children and adults and encourage co-operation within the Community in this field.

Common rapid training scheme

53. On 29 June, the Commission approved the draft of a Council decision concerning a common rapid training scheme designed to remedy certain shortages of skilled labour in the Community.

In 1965/66, it is proposed to hold compressed courses to train 3 000 Italian workers for employment in the building, metal-processing, and hotel industries in the five other Member States.

Since this is a general scheme of interest to all the Member States, provision was made, in accordance with section 10 of the "General principles of a common policy on vocational training", for joint financing.

European Social Fund

Schemes benefiting three countries

54. Following approval by the European Social Fund Committee, the Commission approved the grant of approximately 2.5 million units of account to Germany, France and the Netherlands as a contribution to expenditure on vocational training and resettlement.

The breakdown of the sums granted is as follows:

a) For retraining

DM 455 418.64 (approx. 113 855 u.a.) to Germany

FF 10 359 031.40 (approx. 2 098 218 u.a.) to France

Fl. 733 452.26 (approx. 202 611 u.a.) to the Netherlands

b) For resettlement

Fl. 53 947.69 (approx. 14 903 u.a.) to the Netherlands.

These schemes have made it possible to re-employ 7 117 workers.

Proposals for regulations to increase the effectiveness of aid from the European Social Fund: debate in the European Parliament

55. On 16 June 1965, the European Parliament held a debate on two proposals for regulations to increase the effectiveness of aid from the European Social Fund submitted by the Commission to the Council on 27 January 1965 ⁽¹⁾.

In presenting her report on behalf of the European Social Fund Committee Mme. Elsner said that the problem facing the Community was no longer one of unemployment, but of deciding how the available labour could be used to the best advantage.

As regards the proposed new measures, the rapporteur was opposed to abolishing the lower age-limit of 16 years for retraining. Going on to the subject of aid for resettlement, Mme. Elsner stressed that this form of aid should be maintained and developed.

The speaker welcomed the arrangement whereby the European Social Fund could make grants for the construction of training centres and dwellings.

Finally, the speaker warmly appreciated the determination of the Commission and, in particular, M. Levi Sandri, the member responsible for social affairs, to make the European Social Fund an important factor in the mobility of labour.

M. Levi Sandri, Vice-President of the EEC Commission, said that there had been some intention of using the European Social Fund as a weapon against unemployment, but it should not be forgotten that its main task was to make labour more mobile within the Community. What the European Social Fund had to do at present was to maintain the level of employment. The proposed changes would make it possible to go beyond the field of unemployment alone to cover that of retraining. The Fund might also deal with such questions as the future of migrant workers, the problem of professional skills, and the establishment of regional development centres.

The Parliament then adopted a resolution expressing its satisfaction with the proposed new regulations, which largely followed its suggestion that the European Social Fund should broaden its activities and become a more effective instrument of social and regional policy.

Industrial health

56. At its session of 14-18 June 1965, the European Parliament adopted a resolution expressing an opinion on the Commission's draft recommendation on the medical supervision of workers exposed to special hazards.

The Economic and Social Committee also rendered an opinion on this draft recommendation on 30 June 1965.

Both the Parliament and the Economic and Social Committee stressed the importance of this measure and expressed their satisfaction that action had been taken to harmonize the protection of workers' health at the Community level. This recommendation, which was based on the principles of the two recommendations issued by the Commission in 1962, the first of which dealt with the question of industrial medicine and the other

⁽¹⁾ See Bulletin 3-65, Ch. II, sec. 48.

with the adoption of a European list of occupational diseases, has an important bearing on the work of factory medical officers.

The labour market

57. On 16 June 1965, the European Parliament adopted a resolution on the labour market situation in the Community in 1964 and the outlook for 1965.

The European Parliament took the view that one of the most urgent tasks for the Community was to make forecasts of the labour situation taking into account the short-term and long-term general economic trend.

The European Parliament stressed the need, if it was desired to avoid unequal treatment resulting in distortions of competition, to establish without delay a Community labour policy by co-ordinating national measures, while leaving open the possibility of measures to deal specifically with problems which might arise in certain areas.

III. External activities

GATT ACTIVITIES

Trade negotiations

58. In June, work in connection with the agricultural negotiations continued without respite.

The process of confronting agricultural policies continued from 1 to 30 June and the following groups of products were reviewed successively: live animals; eggs and poultry; tobacco; sugar; oils and fats; fruit and vegetables; trees, plants and bulbs; various preparations, and food waste.

The protective and support measures applied by the various countries were pinpointed and a great deal of useful information was gathered for the further progress of the negotiations and, in particular, for the preparation of the definite offers to be tabled by 16 September.

The Community delegation explained in detail the nature and scope of the commitments which the Community would be prepared to undertake according to products on the basis of its general approach involving support amounts.

From 10 to 19 June, the working party on cereals held its first round of discussions on the proposals tabled on 17 May for a General Agreement on these products. These discussions centred on the main factors to be considered in such an agreement, viz: domestic policies and access to the market, international prices, guarantees concerning supplies, stocking and non-commercial disposal.

The parties clarified their positions and there was fairly wide agreement on the main lines of the negotiations, in particular on the need for action and undertakings regarding domestic policies. A large number of problems still remain to be solved as regards the practical implementation of these principles.

On 24 June, the working party on tropical products held a meeting to determine the procedure for negotiations on these products. Certain points were left in abeyance, particularly the treatment of exclusively tropical products; the Trade Negotiations Committee will be informed of the position.

In the industrial sector, bilateral discussions are making satisfactory progress.

Working party on the association of the African States and Madagascar with the Community

59. A working party was appointed by the GATT Council in July 1964 to examine, in the light of the relevant provisions of the General Agreement, the Association Convention between the European Economic Community and the Associated African States and Madagascar. Later, at their 22nd session in March 1965, the Contracting Parties also instructed the working party to examine the EEC Council's decision of 25 February 1964 laying down for a further period of five years provisions governing the association

between the EEC and certain non-European countries and territories maintaining special relations with France and the Netherlands.

This working party held meetings on 24 March 1965 and from 17 to 21 May 1965. It had before it a document containing the information supplied by the Community and the Associated States in reply to requests for clarification made by the Contracting Parties.

The representatives of the Associated States and the EEC stated that the establishment of free trade areas between the EEC, on the one hand, and each of the Associated States and the Overseas Countries and Territories as a whole, on the other hand, had already reached an advanced stage. In accordance with Article XXIV of the General Agreement, customs duties and other restrictive trade regulations were being abolished in the case of most of the trade in products originating in the territories making up these areas. This removal of obstacles to trade was proceeding according to a plan and programme comprising reasonable time-limits. The parties to the Association Agreement had undertaken to keep the Contracting Parties informed of the establishment of free trade areas.

Some members of the working party expressed the view that the associations were quite incompatible with the provisions of Article XXIV and were merely an extension of existing preferences. The members concerned questioned whether the authors of Article XXIV had foreseen the possibility of free trade areas being created between countries at such different stages of development as the EEC and the Associated States. Other members of the working party considered that the information available on customs tariffs and the other regulations applied by the parties to the Convention in the field of trade and payments, and on the practical implementation of the Convention, was still inadequate to make it possible to conclude with certainty whether this Convention was compatible with the relevant provisions of the General Agreement.

Several members who had expressed doubts declared themselves satisfied with certain aspects of the Convention and the measures taken by the signatory States, and particularly with the fact that the Associated States retained their freedom of action in trade policy vis-à-vis non-member countries; they were also gratified that the Community had shown consideration for the interests of non-member countries, for example by reducing temporarily the common customs tariff for certain tropical products.

Other GATT activities

60. A Community delegation made up of representatives of the Member States and the Commission attended the first session of the GATT working party instructed to examine Australia's request for authorization to waive the most-favoured nation clause (Article I of the GATT rules) in order to apply preferential duties to imports of manufactured and semi-finished products from the developing countries.

The working party's discussions were of an exploratory nature. While a fair number of developing countries had certain misgivings concerning some aspects of the preferential system proposed by Australia — particularly with regard to the quotas involved in the preferences and the selection of products according to the need for protection — they were, on the whole, very favourably disposed towards this request for a waiver. The main advantage of this step, in their view, was that it gave concrete form to the

general discussion on the granting of preferences to the developing countries, which had hitherto been purely theoretical.

The Commission's representative requested further details of the proposed preference system, the criteria whereby the products were to be selected, and the possible effect of these preferences on Australia's contribution to the Kennedy round.

In the light of the information gleaned from these discussions the members of the working party will give their views on the proposed waiver at a later meeting.

EXTERNAL RELATIONS

Austria

61. A third round of negotiations between Austria and the EEC took place from 21 to 25 June 1965 in Brussels. The Austrian delegation was headed by His Excellency Ernst Lemberger, head of the Austrian Mission to the European Communities, and the EEC delegation was led by M. Axel Herbst, EEC Director-General of External Relations.

At the final meeting, the Austrian delegation was led by M. Fritz Bock, Minister of Trade.

Further consideration was given to the removal of obstacles to trade between the EEC and Austria and to commercial relations between Austria and the East bloc countries. The system for farm products was also re-examined in the light of a report submitted by the working party set up in May. This working party was instructed to study questions arising from the preferences to be granted reciprocally for trade in agricultural produce between the EEC and Austria until such time as their policies were harmonized.

The negotiations will be resumed at the end of September.

Morocco and Tunisia

62. At its session of 14-15 June 1965 the Council agreed on terms of reference for the Commission to open negotiations with Tunisia and Morocco.

The negotiations will begin on 6 July with Tunisia and on 12 July with Morocco.

Nigeria

63. At its session of 14-15 June 1965 the Council gave the Commission terms of reference for the final negotiations with Nigeria.

Latin America

Liaison office in Brussels

64. The Permanent Secretariat of the General Treaty for Central American Economic Integration (SIECA) has set up an office in Brussels, for liaison with the EEC ⁽¹⁾.

⁽¹⁾ See Bulletin 5-65, Ch. III, sec. 58.

M. Alberto Fuentes Mohr, formerly Deputy Secretary-General of the SIECA, has been appointed head of this office.

Latin-American Missions

65. The new series of meetings between the Latin-American Missions and Commission representatives which had begun on 30 April 1965 under the chairmanship of M. Rey, continued at various levels. Following the second meeting, on 21 May, during which procedural questions were dealt with, working parties on temperate products, tropical products and manufactured products were set up.

Meetings of these working parties took place on 9, 15, 22 and 29 June, and further meetings will be held on 6 and 13 July. A plenary meeting is due to be held on 16 July to review the progress of the working parties.

Missions of non-member countries to the Community

66. The Community gave its *agrément* to the appointment of Dr Fereydoun Diba and M. Hugo Boatti Ossorio, heads of the Iranian and Argentinian Missions to the European Economic Community, respectively.

On 1 June 1965, M. Walter Hallstein, President of the Commission, received His Excellency M. Jahn Brochmann Halvorsen, who presented his letters of credence as the new head of the Norwegian Mission to the European Economic Community.

RELATIONS WITH INTERNATIONAL ORGANIZATIONS

Western European Union (WEU)

Assembly of Western European Union

67. The Assembly of Western European Union held the first part of its eleventh ordinary session in Paris from 31 May to 3 June 1965.

M. Carlo Schmid (Socialist-Germany) was elected president.

M. Pierre Werner, Luxembourg Foreign Minister and Prime Minister and President of the WEU Council of Ministers, presented a report to the Assembly on the Council's activities during 1964. The Council had met at ministerial level in each quarter of the year under review. Even if its discussions had not necessarily resulted in a common foreign policy, said M. Werner, they had underlined the importance of Western Union as a forum for consultations between the seven member governments.

The Assembly's discussions centred on problems of European political unity, relations between the United Kingdom, EFTA and the EEC, and European security. As regards European political unity, the Assembly adopted unanimously a Council recommendation that the member governments should set up a permanent conference of advisors, as when the OECD and Rome Treaties were being drafted, in order to promote closer co-ordination between foreign policies.

As regards relations between the United Kingdom, EFTA, and the EEC, the Assembly unanimously adopted a recommendation to the Council that it should invite the member governments to press forward the Kennedy round of negotiations and take steps to promote trade between EFTA and the EEC; further, that the EFTA Secretariat should be authorized, in conjunction with the EEC Commission, to co-ordinate economic and technical measures to the farthest extent possible, permanent links between the two organizations being established for this purpose.

Council of WEU

68. The Council of Ministers of Western European Union held a meeting in Luxembourg on 29 and 30 June, under the chairmanship of M. Werner, the Luxembourg Prime Minister and Foreign Minister.

As in the past, the Commission was represented at meetings on economic matters.

The following subjects were discussed:

- a) The general business trend in the EEC and in the United Kingdom;
- b) Developments in EFTA and the possibility of co-operation between the EEC and EFTA in the light of the results of the meeting of the EFTA Council of Ministers in Vienna on 24 and 25 May;
- c) Preparations for the Kennedy round having regard to the proposals on agricultural products to be tabled in September.

The next meeting of WEU Council of Ministers will take place at The Hague in October.

Organization for Economic Co-operation and Development (OECD)

69. The OECD has recently been stepping up its activity in many fields, with the co-operation of the EEC.

Trade policy

70. Certain new aspects and problems of trade policy emerged from the New York meetings of Trade and Development Board of the United Nations Conference on Trade and Development. The Trade Committee discussed the possible consequences of these meetings as regards the Member States' intentions concerning the organization of commodity markets and markets in finished and semi-finished goods and as regards the general principles of trade with the developing countries. In particular, information was exchanged on preferences to be granted to the developing countries for finished and semi-finished goods. After lively discussions, the member countries co-ordinated their attitudes on all these problems with a view to the meeting of the Trade and Development Board in Geneva in August.

As regards trade between the OECD member countries, OECD's role as a consultative body was again confirmed by the Trade Committee, which extended the arrangement

made the previous year that prior consultations should be held if there were any change in the trade policy of Member States.

The Trade Committee also approved a procedure for the issue of import licences to be observed by government departments in the member countries in the future when making their own arrangements in this field.

With the co-operation of the Commission, progress was made on the question of government purchasing. When the methods of the OECD countries were discussed, those of the US Government and the proposals put forward by the EEC Commission for common regulations in this sphere were given special attention.

The Trade Committee also discussed Turkey's import programme for the present year. Finally, certain proposals of the Commission concerning restrictions on credit and on export credit guarantees also came up for discussion.

Import and export charges

71. The influence exerted on international trade by import charges and countervailing duties on exports is becoming more and more a problem of economic policy, to which OECD once again turned its attention. In a Council working party, on which the EEC Commission is represented, the effects of import and export charges on commercial policy were discussed in detail. Also discussed were the measures at present applied by the governments and the changes contemplated; in the latter connection, for example, the adjustments envisaged by the Community in harmonizing turnover taxes are particularly important.

Economic policy

72. Consultations on the economic and monetary situation continued at OECD, the main subject being the balance-of-payments situation in the United Kingdom and the United States. On 7 and 8 July, the Economic Policy Committee will make its quarterly high-level survey of the economic and monetary situation in the OECD countries. The Economic Policy Committee also studied the situation in Spain, the United Kingdom, Belgium, Luxembourg, Norway and Portugal.

Development policy

73. The development policy of the member countries of the Development Assistance Committee (DAC) was reviewed, as is customary each year, in June. On this occasion, the Commission's development policy — which is applied, in particular, through the European Development Fund — was fully discussed. A report drawn up by the President on the results of this policy will be laid before the Committee at a high-level meeting at the end of July. Discussion centred, *inter alia*, on the financial aspects of development assistance, estimates of the overall demand for assistance, and on the extent to which the developing countries were prepared to help themselves. The Development Assistance Committee also prepared business for the various United Nations conferences.

International Labour Office (ILO)

74. The EEC was represented at the 49th International Labour Conference, held in Geneva from 2 to 24 June 1965, by M. Levi Sandri, Vice-President of the EEC Commission, who made a statement on behalf of the Community ⁽¹⁾.

UNESCO

75. The Commission was represented at the meeting of the Committee of Experts on International Exchanges of Workers held by UNESCO in Copenhagen from 20 to 25 May 1965.

⁽¹⁾ A summary will be found under the heading "Miscellaneous".

IV. The Community and the Associated States

ASSOCIATION OF AFRICAN STATES AND MADAGASCAR

The EEC-AASM Association Committee

76. The EEC-AASM Association Committee held its seventh meeting on 18 June 1965 in Brussels under the chairmanship of His Excellency Mohamed Scek Hassan (Somalia).

One of the most important questions discussed was that of "products originating in..."

The EEC informed the meeting that it had been unable to reach a decision on printed fabrics, fish preparations and tinned fish but would do so by 31 October at the latest. The Associated States also requested the EEC to reconsider its replies to certain request made earlier. Finally, the Committee decided to implement as from 1 September 1965 the agreement reached during the second meeting of the Council of Association on the definition of the origin of most of these products. As regards the other products a decision will be taken in the autumn.

Moreover, the Committee, which had been duly empowered by the Council of Association, approved a draft progress report of the Council to the Parliamentary Conference.

As regards the annual report which, under Article 27 of the Yaoundé Convention, is to be submitted to the Council of Association by the institution administering the Community's financial and technical aid, the Committee was informed that this report would be ready in July.

The Committee also dealt with the following matters: the communication of tariff disarmament measures and the removal of quotas affecting the Associated African States and Madagascar; information on the EEC's position in the Kennedy round of negotiations, with particular reference to tropical products of interest to the Associated African States and Madagascar; marketing of tropical products from the Associated African States and Madagascar in the Community; consideration of the interests of the Associated African States and Madagascar as regards certain products similar to and competing with European products, viz. vegetable oils and sugar; negotiations between the Ivory Coast and non-member African countries with a view to forming a free trade area; appointment of two co-secretaries of the joint Secretariat.

The next meeting of the Association Committee will be held in the first half of October.

Implementation of the Association Convention

Signing of financing agreements

77. During the visit paid to Brussels by M. David Dacko, President of the Central African Republic, two new financing agreements were signed on 4 June 1965 by M. Rochereau, on behalf of the EEC Commission, and by M. Ayandho, Minister of Economic Affairs of the Central African Republic.

Financed under the second European Development Fund, to a total of approximately 750 million Frs. CFA (or about 3 million u.a.), these two agreements cover the second tranche of aid for the production of cotton and coffee, and a cattle-raising development project in the western part of the Central African Republic.

The financing agreement was also signed on 4 June 1965 for the first annual tranche of aid under the five-year ground-nut scheme in Senegal. The sum to be provided by the second European Development Fund is approximately 2 623 million Frs. CFA (or 10 492 000 u.a.).

Opinion rendered by the Economic and Social Committee

78. On 1 July 1965, the Economic and Social Committee rendered an opinion on matters concerning the elimination of customs barriers and quotas between the EEC Member States and the Associated States and the effects on trade with non-member countries.

In this opinion, which was adopted unanimously, the Committee, after drawing attention to the difficulty of assessing the commercial effects of tariff preferences and of making precise forecasts in this matter, since the Yaoundé Convention did not come into force until 1 June 1964, expressed the view that the customs preference granted to the Associated States was not in itself likely to exert a strong influence in the short term on trade with other developing countries and with industrialized countries exporting similar agricultural products, especially having regard to the increase in consumption within the EEC.

Moreover, the Committee stressed the importance of financial aid to facilitate the marketing of product from the Associated States at competitive prices. The Committee considered it essential to take steps to improve and regularize prices on the world market at an equitable level. Pending the conclusion of world agreements, it was agreed that support was necessary in cases where a drop in the world prices of certain products might have disastrous effects on the economy of the Associated States.

Visits to the Commission

79. On the 1 June 1965, M. Hallstein, the President of the EEC Commission, received M. C. G. Kahama, M.I.A, MP., the Tanzanian ambassador in Bonn.

The subject of the conversations was the negotiations with three East African countries, Tanzania, Kenya and Uganda, on the possibility of concluding an association agreement between these States and the EEC.

On 1 June 1965, M. Moise Tshombe, Primè Minister of the Congo Democratic Republic (Leopoldville) had talks with M. Hallstein, the President of the Commission, and M. Rochereau, the member of the Commission responsible for overseas development, on questions connected with association.

Following this visit, a Congolese delegation led by M. Delvaux, Minister, and His Excellency M'Beka, Ambassador, examined together with representatives of the European

Development Fund the possibility of carrying out a large number of investment and technical assistance projects.

On 22 and 23 June 1965, M. C. D. Kroon, Deputy Prime Minister of the Netherlands Antilles was received successively by M. Jean Rey and M. H. Rochereau, members of the Commission responsible for external relations and overseas development respectively, and by various high-ranking officials of the Commission.

This was the first official visit paid by ministers since the Association Agreement with the Netherlands Antilles came into force on 1 October 1964.

M. Kroon referred to certain aspects of technical and financial co-operation which had arisen since the Association Agreement came into force.

Missions of associated countries to the Community (May-June 1965)

80. On 26 May 1965 the Community took note of the appointment of His Excellency M. Hussein Nur Elmi as the representative of the Republic of Somalia to the EEC. On 21 June 1965, M. Hussein Nur Elmi was received by M. Hallstein, President of the EEC Commission.

V. Institutions and organs

THE PARLIAMENT

The Parliament was in session from 14 to 18 June, M. Duvieusart presiding.

M. Duvieusart paid tribute to the memory of M. Paul Finet, a former President of the High Authority recently deceased, as did also M. Dino del Bo, President of the High Authority, and M. Scarlato, President of the Special Council of Ministers of the ECSC.

M. Duvieusart informed the Parliament that, as he had not sought re-election as a Senator in Belgium, his mandate as President of the European Parliament would terminate as soon as the Belgian Parliament had approved the appointment of its new representatives following the recent elections. The enlarged Bureau had therefore proposed that the Parliament should meet on 24 September to appoint its new President.

The Parliament appointed M. Charpentier (France, Christian Democrat) rapporteur for the Eighth General Report on the activities of the Community in 1964/65 in succession to M. Colin.

M. Walter Hallstein, President of the EEC Commission, introduced the Eighth General Report, which was submitted to the Parliament at the beginning of June and will be discussed at the October session ⁽¹⁾.

Following the presentation of a report by M. Dehousse (Belgium, Socialist), the Parliament held a full debate on the primacy of Community law over municipal law. Speakers were numerous and included the President of the EEC Commission, the President of the ECSC High Authority, and a member of the Euratom Commission ⁽²⁾. The vote on a resolution on this subject was deferred to a later session.

M. von der Groeben, a member of the EEC Commission, addressed the Parliament on competition policy in relation to the common market ⁽³⁾, which will be debated at the next session.

Speaking for the Socialist Group, Mme Strobel asked the President of the Parliament a question in which she spoke of the "consternation" experienced by her Group on reading in the press of the speech which had been made by the President of the French Republic on 10 June 1965 at the reception given in honour of the French parliamentarians, a cursory speech disparaging the idea of a supranational Europe. There was no doubt that a large majority of the members of the European Parliament were firm supporters of a supranational, federal Europe, and the Socialist Group were all the more surprised to find that the statements reported by the press had not been repudiated, and asked the President whether he could check the accuracy of those press reports through official contacts with the French authorities. [...]

⁽¹⁾ See Ch. I of this Bulletin for extracts from this speech.

⁽²⁾ See Ch. I of this Bulletin.

⁽³⁾ Extracts from this speech are given in the Editorial to this Bulletin.

During this session, the Parliament held several debates, on social questions ⁽¹⁾, agricultural questions (particularly the introduction of a charge on oils and fats) ⁽¹⁾, external relations (Agreement with Lebanon) ⁽²⁾, the harmonization of European legislation, and indirect taxes on capital contributions ⁽¹⁾.

The Parliament adopted a number of resolutions ⁽³⁾.

On agriculture:

- i) Resolution conveying the opinion of the European Parliament on the proposal of the EEC Commission to the Council for a decision extending the Council decision of 4 April 1962 providing for a countervailing charge on certain processed agricultural products.
- ii) Resolution conveying the opinion of the European Parliament on the proposal of the EEC Commission to the Council for a regulation concerning Community grants towards the training of advisers to staff information services for farmers and farm-workers wishing to change their occupation.
- iii) Resolution conveying the opinion of the European Parliament on the proposal of the EEC Commission to the Council for a regulation establishing a common organization of the market in oils and fats.
- iv) Resolution conveying the opinion of the European Parliament on a proposal of the EEC Commission to the Council for Council provisions introducing a charge on oils and fats in pursuance of Article 201 of the Treaty.

On the Associated African States and Madagascar:

Resolution conveying the opinion of the European Parliament on the proposal for a regulation making special provisions for oil-seeds and oils imported into the Community from the Associated African States and Madagascar and the Overseas Countries and Territories.

On social policy:

- i) Resolution conveying the opinion of the European Parliament on the proposal of the EEC Commission to the Council for a regulation to render more effective the action of the European Social Fund.
- ii) Resolution conveying the opinion of the European Parliament on the proposal for a Council decision on certain aspects of social policy (Initiative 1964).
- iii) Resolution on the application of the social provisions of Article 118 of the Treaty establishing the EEC.
- iv) Resolution on the state of the labour market in the Community in 1964 and prospects for 1965.

⁽¹⁾ See Ch. II, "Internal activities".

⁽²⁾ See Ch. III, "External activities".

⁽³⁾ See extracts in Annex.

v) Resolution conveying the opinion of the European Parliament on the proposal of the EEC Commission to the Council for a regulation concerning Community grants towards the retraining of farmers and farmworkers wishing to change their occupation within agriculture.

vi) Resolution conveying the opinion of the European Parliament on the draft recommendation of the Commission to the Member States on the medical supervision of workers exposed to special risks.

On harmonization of legislation:

Resolution on the harmonization of European legislation.

On external relations:

Resolution on the agreement on trade and technical co-operation between the EEC and the Member States, on the one hand, and the Republic of Lebanon, on the other.

On capital movements:

Resolution conveying the opinion of the European Parliament on the proposal of the EEC Commission to the Council for a directive concerning indirect taxes on capital contributions.

On budgets:

i) Resolution on the accounts of the European Parliament for the year ended 31 December 1963.

ii) Resolution on the operational accounts and balance-sheets for the 1963 financial year and on the report of the Committee of Control relating to the accounts of the EEC and the EAEC for the 1963 financial year.

iii) Resolution on the estimates for the European Parliament's revenue and expenditure for the 1966 financial year.

THE COUNCIL

169th session

The Council held its 169th session on 14 and 15 June 1965 under the chairmanship of M. Couve de Murville, the French Foreign Minister.

The main items on the agenda were the following:

Credit insurance, guarantees and financial credits: The Council adopted a decision on arrangements for certain forms of sub-contracting (see Ch. II, sec. 24).

Temporary reduction in the common customs tariff: The Council decided to reduce temporarily, until 31 December 1965, the duties in the common customs tariff on a number of products (natural cork, vegetable hair, Japanese vellum, etc.) (see Ch. II, sec. 3).

Relations with Nigeria: The Council adopted the additional instructions for the negotiations between the EEC and Nigeria.

Relations with Morocco and Tunisia: The Council reached agreement on the initial instructions enabling the Commission to open negotiations with both Tunisia and Morocco (See Ch. III, sec. 62).

Relations with the associated African States and Madagascar (definition of products originating in these countries):

Agreement was reached on the position to be adopted by the Community with regard to the matters left open following the second session of the EEC/AASM Council of Association (on 7 April 1965) concerning the definition of "products originating in the associated African States and Madagascar" referred to in Protocol No. 3 annexed to the Yaoundé Convention (see Ch. IV, sec. 76).

The GATT multilateral tariff negotiations: The Council took note of the statement by the Commission's representative on the progress of negotiations in both the industrial and agricultural fields.

Financing of the common agricultural policy: The Council discussed the Commission's proposals and instructed the Committee of Permanent Representatives to carry out a comprehensive review in preparation for its session of 28 June 1965.

170th session

The Council held its 170th session, devoted to agricultural matters, from 14 to 16 June 1965 under the chairmanship of M. Pisani, the French Minister of Agriculture.

The Council adopted a number of regulations and reached decisions in the following fields:

Frozen beef: temporary reduction of part of the duties in the common customs tariff.

Fruit and vegetables: supplementary provisions on the organization of the market.

Condensed cream: Action to remedy trade distortions.

Rice: Pricing arrangements in the rice-producing Member States and measures fixing common threshold prices in the non-producing Member States.

Tariff measures: The Council approved several decisions temporarily reducing duties on live animals of the bovine species weighing not more than 340 kg or intended for processing.

Milk products (cheese): Extension until 31 October 1965 of the regulations on the marketing in the Member States of Emmenthal, Gruyère, Sbrinz or Cheddar cheeses and on refunds in intra-Community trade in these cheeses.

Processed products originating in the associated African States and Madagascar:

The Council adopted the regulations on arrangements for these products.

Countervailing duties on certain processed products: The Council adopted a decision extending until 31 October 1965 the Council decision on the levying of countervailing duties on certain processed products.

Details of these decisions will be found in Chapter II, "The common agricultural policy".

171st session

The Council held its 171st session, devoted to transport matters, on 22 June 1965, under the chairmanship of M. Jacquet, the French Minister of Public Works and Transport.

During this session, the Council adopted a number of decisions on the common organization of the market for freight transport by rail, road and inland waterway. These decisions are concerned with the organization of the market, the alignment of the operating conditions of markets, and the safeguard clause. *Inter alia* they deal with tariff rates and the publication of tariffs, set up a Market Supervision Committee, and provide for the common organization of the market in two stages.

The Council adopted a decision on consultation procedure in the field of transport infrastructure investments.

Details of these decisions will be found in Chapter II, "Transport Matters".

172nd session

The Council held its 172nd session from 28 to 30 June, under the chairmanship of M. Couve de Murville, the French Foreign Minister.

The following subjects were among those on the agenda:

Agricultural matters: The Council adopted several regulations on the fixing, as from 1 July 1965, of intra-Community levies and of levies on goods from non-member countries, (live pigs and pigmeat; extension of Regulation No. 76/64 fixing the amount of the levies on poultry-meat products bound in GATT; intra-Community levies on slaughtered hens, chickens and turkeys).

It adopted a decision authorizing Italy to waive the provisions on Regulation No. 19 (cereals) in respect of support prices for durum wheat.

It decided to abolish duties on live animals of the bovine species vis-à-vis non-member countries until 12 September 1965.

It adopted two regulations in the Community languages on rice and the formation of a new group of products for butter and cream.

It held an exchange of views on the organization of markets in the sugar, fruit and vegetables, and fats sectors.

Details of these decisions will be found in Chapter II, "The common agricultural policy".

Social security for migrant workers: The Council also adopted a regulation in the Community languages amending Regulations Nos. 3 and 4 on social security for migrant workers.

The Commission's proposals on the financing of the common agricultural policy: The Council was unable to reach agreement on the Commission's proposals in this field.

THE COURT OF JUSTICE

Cases pending

Case 32/65⁽¹⁾ — (Italian Republic v. EEC Council and EEC Commission)

On 31 May 1965 a suit was filed with the Court of Justice for annulment of certain provisions of Council Regulations Nos. 19/65 and 17/62 and of Commission Regulation No. 153/62 concerning the applicability of Article 85 of the Treaty to certain classes of agreements and concerted practices.

Case 33/65⁽¹⁾ — (Bundesversicherungsanstalt für Angestellte, Berlin v. Hafenaubauingenieur Adrianus Dekker, Utrecht)

On 31 May 1965 the Landessozialgericht, Berlin, submitted a request to the Court of Justice for an interlocutory ruling on the interpretation of Article 22 of Council Regulation No. 3, in relation to the "Reichsversicherungsordnung".

Case 38/65⁽²⁾ — (EEC Commission v. French Republic)

On 21 June 1965 the EEC Commission filed a suit against the French Republic requesting the Court to rule that the French Republic had committed a breach of the EEC Treaty by imposing a customs duty on imports of DIOFAN into France from the Federal Republic of Germany after the entry into force of the Treaty and with retrospective effect to 1 October 1959.

Judgments

Case 32/64⁽³⁾ — (Italian Government v. EEC Commission)

This was a suit for annulment of the decision of 22 May 1964 concerning the authorization granted to the Republic of Italy to adopt safeguard measures for certain products in chapter 50 of the Italian customs tariff.

On 17 June 1965 the Court of Justice ruled that the request for stay of execution was inadmissible and rejected the suit.

Consolidated cases 48/64 and 1/65⁽³⁾ — (Officials of the EEC Commission v. EEC Commission)

These suits were filed by the same official of the EEC Commission seeking annulment of the Commission's decisions concerning his grade.

By its decision of 16 June 1965 the Court rejected suit 48/64 as inadmissible and suit 1/65 as groundless.

⁽¹⁾ See official gazette No. 120, 5 July 1965.

⁽²⁾ *Ibid.*, No. 129, 15 July 1965.

⁽³⁾ See official gazette No. 140, 31 July 1965.

Attachment case 1/65 — (Assurance Centrale du Crédit S.A., Gand v. an official of the EEC Commission)

By its decision of 16 June 1965 the Court of Justice authorized Assurance Centrale du Crédit S.A. to attach from the EEC Commission the sum owed to it by the Commission's official.

THE ECONOMIC AND SOCIAL COMMITTEE

The Economic and Social Committee held its 47th session in Brussels on 30 June and 1 July 1965. First M. Cool and then M. Giustiniani presided.

At this session, the Committee adopted the following opinions:

1. An opinion on the Commission's draft recommendation to the Member States on the medical supervision of workers exposed to special risks (see Ch. II, sec. 56).

This opinion was adopted by 76 votes with 12 abstentions.

The Commission had consulted the Committee on this draft recommendation on 28 February 1965.

2. An opinion on certain problems arising from the working of the Association Convention (Removal of customs barriers and quota restrictions between the Member States and the Associated States and the effects of this removal of restrictions on trade with non-member countries) (see Ch. IV, sec. 78).

This opinion was adopted unanimously.

M. Rochereau, member of the Commission and President of the Overseas Development Group, had stated at the Committee's session on 27 October 1964 that the Commission would like to have the Committee's opinion on certain problems arising from the working of the Association Convention.

3. An opinion on the proposal for a Council directive on the application of the legislation governing farm leases in the Member States to farmers who are nationals of other Member States and on the proposal for a Council directive on the freedom of farmers who are nationals of one Member State, but established in another Member State, to move from one farm to another (see Ch. II, sec. 17).

The Committee adopted this opinion unanimously.

The Council had consulted the Committee on these proposals on 3 February 1965.

4. An opinion on the proposal for a Council regulation on Community grants for the re-training of farmworkers wishing to change their occupation within agriculture and on the proposal for a Council regulation on Community grants for promoting and facilitating the training of specialists in information and advisory services for farmers and farmworkers wishing to change their occupation (see Ch. II, sec. 40).

The Committee adopted this opinion unanimously.

The Council had consulted the Committee on these proposals on 3 March 1965.

MONETARY COMMITTEE

The Monetary Committee held its 62nd session in Brussels on 10 and 11 June 1965 under the chairmanship of M. van Lennep. In the course of its programme of periodical reviews of the situation in the Member States, it examined the monetary and financial situation of the Netherlands. Its conclusions are embodied in a formal opinion transmitted to the Commission and Council. The Committee also discussed current problems connected with the international monetary system.

* * *

MISCELLANEOUS

Meeting of senior members of the judiciary of the six countries to discuss problems of Community law

Senior members of the judiciary of the six Member States have met for the first time to discuss problems of Community law. The meetings, held on 10 and 11 June in Luxembourg, were attended by the Presidents of the Councils of State, and by the first Presidents and Attorneys General of the Supreme Courts of Appeal of the six Member States. Problems of Community law were discussed by M. Trabucchi, judge at the Court of Justice. The members of the judiciary also discussed problems connected with the working of this Court, on the basis of a report submitted by M. Roemer, Advocate-General, and the question of co-operation between the judicial authorities in the individual countries and the Community authorities, on the basis of a report submitted by M. Donner, President of the second Chamber of the Court of Justice. M. R. Lecourt, President of the first Chamber, commented on the value of this first meeting.

Visit by representatives of the French judiciary to the Commission

On 23 June 1965, M. Walter Hallstein, President of the Commission, was host to a group of members of the French judiciary led by four presidents of Chambers of the Supreme Court of Appeal. The party included 34 officials from the Ministry of Justice, the Supreme Court of Appeal, the Courts of Appeal and the courts of first instance.

The group had been received in Luxembourg the previous day at the Court of Justice of the European Communities and at the High Authority of the European Coal and Steel Community.

In his welcoming address, M. Walter Hallstein, President of the Commission, stressed the importance of the relations now being established or built up between members of the judiciary in the individual countries and the Community institutions with a view to the gradual creation of a Community legal system. The group also heard a lecture by M. Jean Rey, a member of the Commission, on the external relations of the Community, and a number of senior officials of the Commission gave talks.

Visit of the President and members of the German Federal Supreme Court — Colloquium on European and municipal law

The President of the German Federal Supreme Court, Dr Bruno Heusinger, together with members of this Court, visited the Commission on 1 July 1965, at the invitation of M. Hans von der Groeben, a member of the Commission.

The guests discussed questions of European law, particularly cartel law, with M. von der Groeben and with senior officials of the Commission. The session concluded with a colloquium on the relationship of Community law to municipal law, and on the tasks and problems facing European competition policy.

The progress made in ratifying the Treaty on the merger of the European Executives

After a debate, the French National Assembly adopted on 16 and 17 June a Bill ratifying the Treaty merging the European Executives and setting up a single Council and a single Commission for the European Communities. The Bill was adopted by 432 votes to 43, the Communist members voting against.

The French Senate passed the Bill on 26 June 1965.

The Bundestag adopted on 30 June a Bill ratifying the Treaty on the merger of the European Executives; it adopted at the same time a resolution on the Commission's proposals on agricultural matters.

Address by M. Levi Sandri, Vice-President of the EEC Commission, at the 49th International Labour Conference (Geneva, 15 June 1965)

Speaking at the 49th International Labour Conference, M. Levi Sandri stressed the considerable effort that would be called for in the matter of public and other investments. M. Levi Sandri also referred to the special place that an incomes policy was bound to occupy in the programme of medium-term economic policy. He pointed out that a wage policy was not enough — it was necessary to have a policy for all income, including profits, unearned income and dividends, that is to say also embracing income from self-employment and capital. M. Levi Sandri went on to discuss the active participation of the representatives of both sides of industry in Community life and drew attention to the Commission's policy in this field. He emphasized that the European Secretariats and European Liaison Offices should be the nucleus of true European Confederations playing the same role in the Community as the unions and employers' federations did in the individual countries.

Address by M. von der Groeben, a member of the EEC Commission, to the "Deutsche Volks- und Betriebswirtetag" (Darmstadt, 19 June 1965)

M. von der Groeben addressed the "Deutsche Volks- und Betriebswirtetag" in Darmstadt on the subject of "The aims, experience and problems of the EEC". One of

the main aims, he said, of the EEC was the steady improvement of the standard of living and of employment conditions in a single European market. The EEC proposed to achieve this objective by removing all barriers within the Common Market, by setting up an economic system based on competition, and, finally, by pursuing a common — and liberal — external policy. The progress of the EEC had already made a decisive contribution to the economic prosperity of all the Member States, he added.

XVth Round Table Conference on European problems: address by M. Colonna di Paliano

At the XVth Round Table Conference on European problems, held on 7 and 8 June in Brussels, M. Colonna di Paliano, a member of the EEC Commission, discussed the problem of the size of firms in Europe. In the economic field, he said, the concept of a European company meant that the requirements of European individuality must override national requirements, and the European company sprang logically from the notion of a large unified European market whose producers must be capable of competing on equal terms with the most powerful non-member countries. The progressive establishment of the customs union and the prospects of success in the Kennedy round were factors which had influenced developments in this field. He stressed that the time-lag between the natural development of firms towards a certain degree of concentration and the progress made in harmonizing national legislations entailed a risk. Two problems had to be faced: first, a legal problem arising from the need to adapt national legislations to an economic system of integrated markets, and, secondly, the economic and political problem of defining the limits within which this development towards concentration must be kept. M. Colonna di Paliano also emphasized that there was a large body of opinion in favour of the creation of a European company law, and he concluded by pointing out that the Commission was determined to press on energetically with the implementation of the Treaty in this field and would study carefully all proposals for the establishment of a new legal form of company.

Round Table Conference on monetary problems and investment

On 9 and 10 June a Round Table Conference on monetary problems and investment was held in Brussels. M. J.W. Beyen took the chair. A large number of officials from the member countries and of the Commission discussed the reform of the monetary system and problems arising in connection with capital movements.

Summer session of the Institut d'études européennes in Brussels

The Institut d'études européennes of the University of Brussels, which is an institution of higher education and research, caters for students of all nationalities, who read either European economics, politics or law and take a degree in European studies. The course is intended for young law students who already have some knowledge of European problems and deals thoroughly with such questions as relations between the Communities and non-member countries and the approximation of legislation in the Common Market.

From 11 to 24 July 1965 about 100 young law students attended a study session on Community law. The session had been prepared with the assistance of the Faculté internationale pour l'enseignement du droit comparé.

Summer session of the Centre international d'études et de recherches européennes in Luxembourg

The Centre international d'études et de recherches européennes of the Université internationale de sciences comparées in Luxembourg held its summer session from 5 to 24 July in Luxembourg. Among the questions discussed were special proceedings before the Court of Justice of the European Communities, the safeguard clauses contained in the EEC and ECSC Treaties, the technical aspects of Community policy with regard to cartels and industrial combines, the discretionary powers of the European Executives and legal control, the elements of European atomic law, legal and economic aspects of COMECOM, and problems connected with the association of Austria with the Community.

Institutes of European studies

The list of European institutes promised in Bulletin 6-65 is given below (1):

a) *Institutes of higher European studies*

Centre universitaire d'études des communautés européennes (Faculty of Law, Paris);

Institut d'études juridiques européennes (Faculty of Law, Liège);

Institut d'études européennes et internationales (University of Louvain);

Collège d'Europe (Bruges);

Centre européen universitaire (University of Nancy);

Centre universitaire des hautes études européennes (University of Strasbourg);

Collège universitaire d'études fédéralistes (Val d'Aoste) ⁽¹⁾; (Val d'Aosta) ⁽²⁾; (Nice);

Institut européen des hautes études internationales;

Institut universitaire d'études européennes (Turin);

Institut d'études européennes (University of Brussels);

Istituto di Studi Europei Alcide de Gasperi (University of Rome);

Institut d'études européennes (University of the Saar, Saarbrücken);

(1) For a complete list of these institutes and details of their work, see the booklet "University Research and Studies on European Integration" published by the European Community Institute for University Studies (General secretariat: 244, rue de la Loi, Brussels 4).

(2) This establishment is run by the Centre International de Formation Européenne (CIFE).

Université internationale des sciences comparées (Luxembourg);
Europa-Instituut (University of Amsterdam);
Europa-Instituut (University of Leiden);
Forschungsinstitut für Politische Wissenschaft und Europäischen Fragen (Cologne);
Institut für das Recht der europäischen Gemeinschaften (Cologne);
Institut für Europäische Wirtschaftspolitik (Hamburg);
Institut européen d'administration des affaires (Fontainebleau);

b) *There are also a large number of institutes which devote considerable attention to teaching and research on European integration*

Bankseminar der Universität Köln (Cologne);
Centre d'études d'Afrique noire (Bordeaux);
Centre national d'études judiciaires (Bordeaux);
Centre interuniversitaire de droit comparé (Brussels);
Centre national d'étude des problèmes de sociologie et d'économie européennes (Brussels);
Centre de préparation à la gestion des entreprises (Grenoble);
Centre de recherches économiques de l'Institut de recherches économiques, sociales et politiques (Louvain);
Centre de perfectionnement dans la direction des entreprises (Louvain);
Centro informazioni e studi sulla Comunità europea (Venice);
Centre de Bologne de l'Université John Hopkins);
(John Hopkins University Bologna Center);
Centre international d'études et de recherches européennes (Luxembourg);
Centre français de droit comparé (Paris);
Centro di Documentazioni e Studi sulle Comunità Europee (Ferrara);
Centro di Specializzazione e Ricerche Economico-Agrario per il Mezzogiorno (Naples);
Centro Italiano di Studi Europei (Luigi Einaudi) (Rome);
Centro Internazionale di Studi e Documentazione sulle Comunità Europee (Milan);
Centre d'études et d'information sur les problèmes des Communautés européennes (Bari);
Commission pour l'étude des Communautés européennes (Paris);
Energiewirtschaftliches Institut (Cologne);
Forschungsgesellschaft für Agrarpolitik und Agrarsoziologie (Bonn);

Forschungsinstitut der deutschen Gesellschaft für auswärtige Politik (Bonn);
Forschungsinstitut für Wirtschaftspolitik (Mainz);
IFO-Institut für Wirtschaftsforschung (München);
Institut atlantique (Paris);
Institut d'études politiques (Aix-en-Provence);
Institut d'études politiques (Bordeaux);
Institut d'études politiques (Grenoble);
Institut d'études politiques (Paris);
Institut d'études politiques (Toulouse);
Institut d'études juridiques européennes (Liège);
Institut d'économie régionale du Sud-Ouest (Bordeaux);
Institut de recherches économiques, sociales et politiques (Louvain);
Institut de droit du travail et de la sécurité sociale (Lyon);
Institut des hautes études internationales (Paris);
Institut de droit comparé (Paris);
Institut de droit européen et de droit comparé (Rennes);
Institut d'études internationales et des pays en voie de développement (Toulouse);
Institut für ausländisches und internationales Privatrecht (Freiburg im Breisgau);
Institut für ausländisches und internationales Wirtschaftsrecht (Frankfurt on Main);
Institut für öffentliches Recht (Freiburg im Breisgau);
Institut für Völkerrecht (Göttingen);
Institut für europäische Wirtschaftspolitik (Hamburg);
Volkenrechtelijk Instituut (Utrecht);
Instituut voor Politieke Wetenschap en Massacommunicatie (Nijmegen);
Institut für politische Wissenschaft (Heidelberg);
Institut für Weltwirtschaft (Kiel);
Institut für Verkehrswissenschaft (Cologne);
Institut für Wirtschaftspolitik (Cologne);
Institut für europäisches und internationales Wirtschaftsrecht (München);
Institut für europäisches und internationales Patent-, Urheber- und Markenrecht (München);

Institut für öffentliches Recht und Politik (Münster);
Institut für Exportforschung (Nürnberg);
Institut für europäisches Recht (Saarbrücken);
Istituto Angelo Straffa dell'Università Luigi Bocconi (Milan);
Istituto di Economia Internazionale (Genoa);
Max-Planck-Institut für ausländisches und internationales Privatrecht (Hamburg);
Max-Planck-Institut für ausländisches öffentliches Recht und Völkerrecht (Heidelberg);
Nederlandsche Economische Hoogeschool (Rotterdam);
Otto-Suhr-Institut — Deutsche Hochschule für Politik (Berlin);
Section d'économie politique de la faculté de droit (Liège);
Séminaire de géographie de la faculté des sciences (Liège);
Seminar für öffentliches Recht und Staatslehre (Hamburg);
Seminar für Handels- Schiffahrts- und Luftrecht (Hamburg);
Seminar für Versicherungswissenschaft (Hamburg);
Seminar für Finanzwissenschaft (Cologne);
Sozialforschungsstelle (Münster);
Economische Instituut (Utrecht);
Istituto di Strade e Trasporti (Trieste);

c) *In non-member countries:*

British Institute of International and Comparative Law (London);
Centre for Advanced European Studies (London);
Centre for International Affairs, Harvard University);
Committee on European Community Studies (Edinburgh);
Institute of Agrarian Affairs (Oxford);
List-Institut (Basle);
London School of Economics (London);
Michigan University Law School (Ann Arbor);
Political and Economic Planning (London);
The Royal Institute of International Affairs (London);
Institut universitaire d'études européennes (Geneva);

Agricultural Institute (Dublin);

Centre de recherches européennes de l'université (Lausanne);

Österreichisches Institut für Wirtschaftsforschung (Vienna);

d) *Two associations:*

Association pour le développement européen de la science politique (Paris);

Association des instituts d'études européennes (Geneva).

ANNEX I

AGREEMENT OF COUNCIL OF 22 JUNE 1965 ON THE ORGANIZATION OF THE TRANSPORT MARKET

I. Definition of the system

The system is based on a common organization of the goods transport market and on a harmonization of the conditions under which the national markets operate.

A. Common organization of the transport market

The common organization of the transport market will be introduced in stages, the first lasting three years and the second finishing on 31 December 1972. Before the end of the second stage the contents of a final stage and the conditions for its implementation will be defined.

The description of the first two stages covers the outlines of the system, while the solution of certain important problems such as the width and the differentiation of the charge brackets, relations with certain third countries etc. still await definition when the texts are drafted at a later date.

The provisions to be laid down will also apply to transport falling under the Treaty establishing the European Coal and Steel Community in so far as this Treaty and the provisions adopted pursuant to it do not lay down special measures.

B. Harmonization of the conditions under which the markets operate

During the first two stages the conditions under which the markets operate will have to be harmonized, in particular in the following fields :

1. Within a period of three years following the system's entry into force :

a) Control of entry into the carrying profession and of its exercise (checks on professional aptitude, solvency, etc.) and definition of the methods for checking on transport capacity and the criteria according to which these methods could be employed.

b) Definition of the arrangements to apply to vertical and horizontal mergers. These arrangements must allow transport enterprises to form units of technically and economically rational size.

c) Joint solution of the problems which may arise from certain non-State forms of intervention which affect transport prices and disturb conditions of competition.

d) Joint solution of the problem of allocating infrastructure costs.

2. Before 31 December 1972 :

Financial stability of the railways, taking into account the standardization of accounts and the solution of the problems arising from State intervention (regional planning, support tariffs, etc.).

In addition, in its Decision No. 65/271/EEC of 13 May 1965, the Council adopted a time-table for harmonizing conditions of competition which must be implemented as planned.

C. Safeguard clause

In the Regulation implementing the system it will be necessary to provide for a safeguard clause laying down a Community procedure allowing each Member State to have the necessary powers of intervention on the transport market, within the context of its general policy, in the event of the economic stability of such State being compromised by developments in the transport market.

II. Characteristics of the common organization

The common organization is characterized by the following elements :

i) A system of tariffs which are either compulsory or which serve as a reference according to the case in question.

ii) A system for the publication of tariffs prices and conditions of transport.

iii) The setting up of a market supervision committee.

1. *Tariffs*

A system of compulsory tariff brackets will be applied to certain classes of traffic. This tariff system will not exclude private contracts outside the bracket, but these contracts must be justified and must be published.

For other classes of traffic a system of reference brackets will be set up which allow prices to find their own level. The reference tariffs must be published, and also those prices and conditions of transport which depart from them.

Both the compulsory tariffs and the reference tariffs will be established on the basis of criteria to be fixed by the Council. For national traffic they will be ratified by each Member State and, for international traffic, by the Member States by means of agreements between themselves.

2. *Publication*

Both the compulsory tariffs and the reference tariffs will be published by the Member States.

Prices and conditions which depart from the compulsory or reference tariffs must be communicated, between the conclusion of transport contracts and the commencement of their execution, to the bodies responsible in each Member State for publishing these prices and conditions.

Publication will be facilitated by setting up bodies which are able to maintain a permanent contact between supply and demand in the transport sector (freight exchanges, freighting offices etc.).

3. *Market supervision committee*

A market supervision committee consisting of government experts and with a representative of the Commission in the Chair;

will receive all necessary information on tariffs, prices in force and other data useful for following the market,

will, in accordance with procedures still to be determined, assist the Commission in the performance of the tasks to be entrusted to it by the Council, in particular as regards the fixing and checking of tariffs, the justification of private contracts, and as regards publication,

will periodically draw up reports on market trends.

III. Introduction of the common organization

1. *First stage*

The provisions laid down for this stage will only apply to international traffic between the Member States.

The systems applicable to the various modes of transport will be as follows:

a) Inland waterways: Reference tariffs.

b) Railways: Compulsory tariffs.

As regards the justification of private contracts outside the brackets, account will in particular be taken of the railways' need to meet the competition of other modes of transport, it being understood that these contracts must contribute to the railways' earning capacity.

c) Roads: Compulsory tariffs above 50 km.

As regards internal traffic, the Member States will have the option, for all three modes of transport, either of maintaining their present arrangements or of modifying them in order to align them with the system laid down for the second stage.

2. *Second stage*

The provisions laid down for this stage will apply both to national traffic and to international traffic between the Member States.

a) The reference tariff system will apply to:

1. International transport by inland waterway (as during the first stage).

2. Certain types of national and international transport of heavy goods, to be defined by the Council.

3. Other types of national transport defined by each of the Member States.

In respect of all transport subject to reference tariffs, the railways will have to balance their budget, including a proportion, to be determined, of their fixed charges.

In addition, if Governments were to impose abnormally low tariffs on the

railways for reasons outside the transport sector, these tariffs would be considered as public service charges. They would be accounted for separately and would be financially compensated.

b) The compulsory tariff system will apply to:

1. International transport by rail and international transport by road beyond

50 km, with the exception of certain types of transport of heavy goods referred to in paragraph a), item 2 above.

2. National transport not subject to reference tariffs above a distance still to be defined, it being understood that the prices in force for traffic falling between 50 km and this distance will be published.

ANNEX II

RESOLUTIONS OF THE EUROPEAN PARLIAMENT

Resolution on the harmonization of European legislation

The European Parliament

Having regard to its resolution of 22 October 1964 on the Seventh General Report on the activities of the European Economic Community⁽¹⁾, in which it regretted, among other things, the delay in the harmonization of legislation, and in this connection:

[...]

Declared that it is a function of the European Parliament to co-operate actively in the approximation of legislation, and

Urged the Council of Ministers and the member Governments to open the way for European parliamentary legislation in specified fields;

[...]

Considering that the approximation of legislation is the surest and most proven method of bringing the various nations of the Community together, and of achieving an ever closer union among the European peoples in the spirit of the preamble to the EEC Treaty;

[...]

Convinced that the transfer of legislative powers of the national parliaments to the executive and administrative organs of

the Communities has weakened parliamentary democracy to a disquieting degree;

[...]

Recalls that the Member States are bound by Article 3(h) of the EEC Treaty to approximate their respective municipal law to the extent necessary for the functioning of the Common Market;

Stresses that the EEC Treaty provides an adequate basis for the harmonization of national legislation in numerous fields;

Regrets that the approximation of legislation has, in some cases, not been achieved within the time-limits laid down in the EEC Treaty or in the General Programmes adopted by the EEC Commission with the Council's approval;

Calls upon the EEC Commission and, especially, the Council to make up as quickly as possible for this delay, and to prove by concrete measures that they have the political will to achieve a harmonious development of economic life within the Community;

Points out the danger of harmonizing national legislation without any overall plan and in some of the Member States only, because that may lead to distortions and disturb the normal course of European integration;

⁽¹⁾ Official gazette No. 177, 6 November 1964, pp. 2813/64.

Expressly recommends that the Council confer on the Commission certain powers of a purely technical nature where directives on harmonization are concerned, thus making more use of the possibility afforded by Article 155 of the EEC Treaty;

Stresses that the approximation of legislation must not be confined to civil, commercial and administrative law but must, in particular, also include criminal law;

Calls upon the Member States to ensure that mutual recognition and enforcement of legal judgments is achieved without delay;

Strongly urges the Member States not to amend or reform their laws without allowing for the development of Com-

munity law and harmonization measures in progress;

Requests that an appropriate procedure for creating and revising Community law be adopted in the near future and in any case by the time the Treaties are merged — a procedure in which the European Parliament would play the decisive part of legislative and controlling organ;

[...]

Considers that, if European legislation is to be applied judiciously, the Member States must endeavour without delay to train lawyers specializing in Community law;

[...]

Resolution embodying the opinion of the European Parliament on the EEC Commission's proposal to the Council for a directive concerning indirect taxes on capital contributions

The European Parliament

[...]

Welcomes the proposal to abolish stamp duties on securities within the Member States;

Also welcomes the fact that taxation at source of earnings on capital is being studied from the point of view of relations between Member States and with the outside world;

Supports the view that the best way to free the formation of capital on the capital market from all burdens would be to abolish all capital duties and to place companies' own capital and loan capital on an equal footing;

[...]

Believes, however, that the Commission's proposals, and particularly that fixing the maximum rate of capital duty at 1%, constitute the least that must be done in this field;

[...]

Considers that all remissions of duties that Member States regard as advisable on social grounds or in view of special circumstances may be authorized under Article 9;

Approves the proposal in this spirit without any amendment.

Resolution embodying the opinion of the European Parliament on the EEC Commission's proposal to the Council for a charge on oils and fats in pursuance of Article 201 of the Treaty

The European Parliament,

[...]

Supports the principle whereby all the Community's revenue and resources are included in its budget and used, without distinction, to finance any expenditure provided for;

Notes that after submission of the EEC Executive's proposal for the introduction of a charge on oils and fats to contribute to the Community's independent revenue, a set of proposals for full financing of the Community budget was submitted to the Parliament by the Executive;

Is of the opinion for these reasons that :

a) Creation of a special source of revenue to finance the aids envisaged in the Council resolution published in the official gazette of 27 February 1964 should be avoided;

b) Expenditure connected with these aids... should be included in the Community budget, on the understanding that this item of expenditure be met, like all the others, from the independent revenues proposed by the Executive...;

Therefore requests the EEC Commission to reconsider its proposal for Council provisions introducing a charge on oils and fats in pursuance of Article 201 of the Treaty, without calling in question the essential elements of the political compromise on which the regulation concerned is based;

Recalls its resolution of 12 May 1965, and *urges* that if a charge on oils and fats is

introduced notwithstanding the present opinion, the rate of the charge and the expenditure for which it is used shall be fixed in a way which accords with that resolution, so as to ensure at least some degree of parliamentary control at European level;

If the charge is introduced :

Stresses that, to ensure a coherent policy, the authorization to the Federal Republic of Germany and the Kingdom of the Netherlands to defer application of the charge should only be granted for as short a period as possible;

Considers it inadvisable that the amount of the charge should vary from year to year;

[...]

Resolution on the agreement on trade and technical co-operation between the EEC and its Member States, on the one hand, and the Republic of Lebanon, on the other

The European Parliament

[...]

Approves the conclusion of this agreement;

Hopes that it will help to improve relations between the Arab countries and Israel;

Reiterates that the problems facing the Mediterranean countries can only be solved by an overall arrangement applying to all the countries concerned, for which it is first necessary that the Community should have a well-defined commercial policy;

[...]

Resolution on the labour market situation in the Community in 1964 and the prospects for 1965

The European Parliament,

Notes that there is still full employment in all countries of the Community except Italy, and that no substantial easing of the labour situation is expected in the short term;

Considers that one of the most urgent tasks for the institutions of the Community is to work out forecasts of employment at Community level which will take into account the general short-term and long-term economic prospects and enable accurate deductions to be made as to the probable trends in supply of and demand for labour;

Welcomes the fact that the EEC Commission produces estimates each year and makes a

close assessment of the position in its monthly "Graphs and Notes on the Economic Situation in the Community";

Points out that the EEC Commission must ensure harmonization of the concepts, nomenclature and methods of presentation which form the basis of the statistics it receives from the Member States;

Stresses the great importance of consultations between Member States and the home countries of migrant workers in the Community on all matters connected with their migration;

Is concerned at the wide variety of measures envisaged or adopted by the several Member States to cope with the present

acute shortage of manpower within the Community;

Notes that Italy is the only Community country in which there is still a manpower reserve of any size, and considers it essential, particularly in view of the Community provisions in force (Regulations Nos. 15 and 38), that priority should be given to this reserve when vacancies are to be filled;

Emphasizes the need — if inequalities of treatment and consequent distortions of competition are to be avoided — to work out forthwith a Community employment policy, co-ordinating what is being done at national level, which will enable the six Member States to adopt a common approach

while remaining free to take special measures to deal with particular problems arising in certain regions;

Expects the EEC Commission to formulate proposals under this head, and above all urges it to carry out studies without delay on:

i) The distribution of foreign workers in the various countries, and the effects of this distribution on the social and economic development of the Community;

ii) The social measures that are urgently needed at Community level to assist the increasing number of workers from non-member countries or overseas.

Resolution on implementation of the social provisions envisaged in Article 118 of the Treaty establishing the European Economic Community

The European Parliament

Stresses the increasing need for means of implementing a common social policy applicable at Community level to all the matters listed in Article 118 of the Treaty establishing the EEC;

Advises therefore that a wide interpretation be set upon Article 118 and the other Articles of the Treaty which clearly empower the EEC Commission to initiate action and promote collaboration, thus authorizing it to take Community measures in the social sphere;

Points out in this connection:

i) That Articles 100, 121, 155 and 235 of the Treaty establishing the EEC provide possibilities for increasing the effectiveness and force of Community action in the fields listed in Article 118;

ii) The positive attitude already adopted by certain Governments with regard to a wide interpretation of Article 118 and to the Community action it authorizes;

iii) The prospects which an application of the Treaty on progressive lines has already opened up with regard to social matters in certain sectors such as agriculture, and considers that these successes should lead to increasingly energetic action in the sphere of general social policy.

Attaches great importance to the EEC Commission's right to initiate action which authorizes it to propose Community measures in the fields listed in Article 118, and rejects the view of the Governments of certain Member States that complete agreement must be reached between the six Governments before the European Commission can be authorized to study new questions of a social nature or to make recommendations under Article 118;

Considers that there is no reason why, on the basis of Article 118, the EEC Commission should not forthwith:

i) Work out a common employment policy aiming at full employment — which is becoming more and more urgent — based on precise data relating to the situation and trends on the labour market and to vocational training and guidance;

ii) Intensify its efforts to organize, in the best possible conditions, permanent joint consultations by industry, in order to associate the representatives of the employers' and workers' organizations more and more closely with the Community's activities in the social sphere;

iii) Work out a table of priorities for harmonization operations in the various fields listed in Article 118, and formulate proposals to fix time-limits for implementation of the provisions of Article 118, as

in the case of other provisions of the Treaty, but without separating social questions from their general context;

Is pleased to note that the EEC Commission is preparing or already carrying out studies and surveys relating to the social matters listed in Article 118, and hopes to be kept regularly informed of the results;

Calls upon its members to continue to do all they can in their national parliaments

towards persuading their Governments to carry out the EEC Commission's recommendations and proposals and towards hastening adoption of the necessary national legislation;

Attaches particular importance to the specific problems of social security, which it will be studying more closely on the basis of a special report on the matter by its Social Committee.

A. Items concerning the activities of the European Economic Community published in the official gazette of the European Communities between 11 June and 15 July 1965

PUBLICATIONS OF THE EUROPEAN ECONOMIC COMMUNITY

EUROPEAN PARLIAMENT

Written questions and replies

N° 6 de M. Vredeling à la Commission de la CEE. Objet : Le marché italien du soufre (No. 6 by M. Vredeling to the EEC Commission : The Italian sulphur market)	No. 102	11.6.65
N° 10 de M. E. Martino à la Commission de la CEE. Objet : Articles 201 et 203 du Traité CEE (No. 10 by M. E. Martino to the EEC Commission : Articles 201 and 203 of the EEC Treaty)	No. 102	11.6.65
N° 3 de M. Pleven à la Commission de la CEE. Objet : Obligation de dénaturation pour les aliments du bétail d'origine française imposée par l'Italie (No. 3 by M. Pleven to the EEC Commission : Denaturing of animal feed — new Italian regulation for imports from France)	No. 113	26.6.65
N° 16 de M. Troclet à la Commission de la CEE. Objet : Famille de miliciens et assurance contre la maladie (No. 16 by M. Troclet to the EEC Commission : Health insurance for dependants of national servicemen)	No. 113	26.6.65
N° 2 de M. Kriedemann à la Commission de la CEE. Objet : Participation de la CEE au renouvellement de l'accord mondial sur l'étain (No. 2 by M. Kriedemann to the EEC Commission : EEC participation in renewal of world tin agreement)	No. 127	13.7.65
N° 4 de M. Dupont à la Commission de la CEE. Objet : Evolution des prix des œufs et de la volaille (No. 4 by M. Dupont to the EEC Commission : Price trends for eggs and poultry)	No. 127	13.7.65
N° 11 de Mme Strobel à la Commission de la CEE. Objet : Effets de la CEE sur les consommateurs (No. 11 by Mme Strobel to the EEC Commission : Effects of EEC on consumers)	No. 127	13.7.65
N° 17 de M. Vredeling à la Commission de la CEE. Objet : Taxe sur les matières grasses (No. 17 by M. Vredeling to the EEC Commission : Charge on oils and fats)	No. 127	13.7.65
N° 18 de M. Vredeling à la Commission de la CEE. Objet : Subventions à l'exportation de blé vers la Chine communiste (No. 18 by M. Vredeling to the EEC Commission : Subsidies for exports of wheat to Communist China)	No. 127	13.7.65
N° 19 by M. Laudrin à la Commission de la CEE. Objet : Investissements étrangers du 1.1.1959 au 31.12.1964 (No. 19 by M. Laudrin to the EEC Commission : Foreign investment between 1.1.1959 and 31.12.1964)	No. 127	13.7.65
N° 20 de M. Rademacher à la Commission de la CEE. Objet : Proposition de la Commission de la CEE au Conseil concernant une décision du Conseil relative à l'abolition des contrôles aux frontières entre les Etats membres (No. 20 by M. Rademacher to the EEC Commission : Proposal of the EEC Commission to the Council for a Council decision on the abolition of frontier controls among the Member States)	No. 127	13.7.65

N° 21 de M. Berkhouwer au Conseil de la CEE. Objet : Lenteurs de la procédure touchant le règlement de certaines questions sociales par le Conseil de la CEE (No. 21 by M. Berkhouwer to the EEC Council: The Council's failure to deal promptly with certain social questions)

No. 127 13.7.65

COUNCIL AND COMMISSION

Regulations

Règlement n° 76/65/CEE de la Commission du 9 juin 1965, modifiant les règlements n°s 77 et 131/64/CEE en ce qui concerne les parties de volailles (Commission Regulation No. 76/65/CEE of 9 June 1965 amending Regulations Nos. 77 and 131/64/CEE in respect of parts of poultry)

No. 102 11.6.65

Règlement n° 77/65/CEE de la Commission, du 14 juin 1965, dérogeant en ce qui concerne la durée de validité des certificats d'exportation pour les céréales à certaines dispositions du règlement n° 102/64/CEE (Commission Regulation No. 77/65/CEE of 14 June 1965 waiving certain provisions of Regulation No. 102/64/CEE with regard to the period of validity of export licences for cereals)

No. 106 18.6.65

Règlement n° 78/65/CEE du Conseil, du 15 juin 1965, relatif au régime applicable à certains produits transformés originaires des Etats africains et malgache associés et des pays et territoires d'outre-mer (Council Regulation No. 78/65/CEE of 15 June 1965 concerning the system applicable to certain processed products originating in the Associated African States and Madagascar and in the Overseas Countries and Territories)

No. 109 23.6.65

Règlement n° 79/65/CEE du Conseil, du 15 juin 1965, portant création d'un réseau d'information comptable agricole sur les revenus et l'économie des exploitations agricoles dans la Communauté économique européenne (Council Regulation No. 79/65/CEE of 15 June 1965 setting up an information service on farm incomes and conduct of business in EEC)

No. 109 23.6.65

Règlement n° 80/65/CEE du Conseil, du 15 juin 1965, modifiant et complétant les règlements n°s 3 et 4 concernant la sécurité sociale des travailleurs migrants (sécurité sociale des agents auxiliaires des Communautés européennes [Council Regulation No. 80/65/CEE of 15 June 1965, amending and supplementing Regulations Nos. 3 and 4 concerning social security for migrant workers (social security for auxiliary staff of the European Communities)])

No. 111 25.6.65

Règlement n° 81/65/CEE de la Commission, du 24 juin 1965, fixant le montant supplémentaire pour les œufs de volaille en coquille (Commission Regulation No. 81/65/CEE of 24 June 1965 fixing the supplementary amount for poultry eggs in shell)

No. 112 25.6.65

Règlement n° 82/65/CEE de la Commission, du 24 juin 1965, diminuant l'un des montants supplémentaires pour les poulets et poules abattues et le montant supplémentaire pour les moitiés ou quarts de poulets et poules (Commission Regulation No. 82/65/CEE of 24 June 1965 reducing one of the supplementary amounts for slaughtered chickens and hens and the supplementary amount for halves or quarters of chickens and hens)

No. 112 25.6.65

Règlement n° 83/65/CEE du Conseil, du 12 avril 1965, remplaçant le texte de l'article 2 paragraphe 3 du règlement n° 141/64/CEE du Conseil relatif au régime des produits transformés à base de céréales et de riz [Council Regulation No. 83/65/CEE of 12 April 1965 replacing the text of Article 2(3) of Council Regulation No. 141/64/CEE concerning the system to be applied to processed cereal and rice products]	No. 113	26.6.65
Règlement n° 84/65/CEE du Conseil, du 13 avril 1965, concernant certaines mesures dans le domaine des prix des céréales pour la campagne 1965-1966 (Council Regulation No. 84/65/CEE of 13 April 1965 on certain measures to be applied with regard to cereal prices for the 1965/1966 marketing year)	No. 113	26.6.65
Règlement n° 85/65/CEE du Conseil, du 22 juin 1965, modifiant le règlement n° 55/65/CEE relatif à l'écoulement sur les marchés des Etats membres de fromages des types Emmental, Gruyère et Sbrinz ou du type Cheddar ayant fait l'objet de mesures nationales d'intervention et le règlement n° 56/65/CEE relatif à la restitution applicable dans les échanges intracommunautaires de fromages des types Emmental, Gruyère et Sbrinz (Council Regulation No. 85/65/CEE of 22 June 1965 amending Regulation No. 55/65/CEE relating to the marketing in the Member States of Emmental, Gruyère, Sbrinz and Cheddar cheeses where these cheeses have been the object of national intervention measures and Regulation No. 56/65/CEE relating to the refund payable in intra-Community trade in Emmental, Gruyère and Sbrinz cheeses)	No. 114	28.6.65
Règlement n° 86/65/CEE du Conseil, du 22 juin 1965, portant <i>suspension partielle</i> du droit du tarif douanier commun applicable à l'importation de viande bovine congelée destinée, sous contrôle douanier, à la transformation (Council Regulation No. 86/65/CEE of 22 June 1965 partially suspending the CCT duty on imports of frozen meat for processing under customs control)	No. 114	28.6.65
Règlement n° 87/65/CEE du Conseil, du 29 juin 1965, portant prorogation de la validité du règlement n° 76/64/CEE du Conseil, relatif à la fixation du montant des prélèvements pour les produits du secteur de la viande de volaille dont les droits de douane ont fait l'objet d'une consolidation dans le cadre du GATT (Council Regulation No. 87/65/CEE of 29 June 1965 extending the validity of Council Regulation No. 76/64/CEE concerning levies on poultrymeat products bound under GATT)	No. 115	29.6.65
Règlement n° 88/65/CEE du Conseil, du 29 juin 1965, portant dérogation aux dispositions des règlements nos 20, 21 et 22 relatives aux restitutions à l'exportation vers les pays tiers dans les secteurs de la viande de porc, des œufs et de la viande de volaille (Council Regulation No. 88/65/CEE waiving the provisions of Regulations Nos. 20, 21 and 22 relating to refunds on exports to non-member countries of pigmeat, eggs and poultry)	No. 115	29.6.65
Règlement n° 89/65/CEE du Conseil, du 29 juin 1965, relatif à la prorogation de la validité des règlements nos 45, 46 et 116 du Conseil, ainsi que du règlement n° 59/64/CEE du Conseil en ce qui concerne les œufs à couver de volaille de basse-cour (Council Regulation No. 89/65/CEE of 29 June 1965 extending the validity of Council Regulations Nos. 45, 46 and 116, and of Council Regulation No. 59/65/CEE in respect of farmyard poultry eggs for hatching)	No. 115	29.6.65
Règlement n° 90/65/CEE du Conseil, du 29 juin 1965, portant fixation, dans le cas prévu à l'article 3 paragraphe 2 du règlement n° 22 du Conseil, du montant des prélèvements intracommunautaires applicables aux poules, poulets et dindes abattus (Council Regulation No. 90/65/CEE of 29 June 1965 fixing, for the case referred to in Article 3 of Council Regulation No. 22, the intra-Community levies for slaughtered hens, chickens and turkeys)	No. 116	30.6.65

<p>Règlement n° 91/65/CEE de la Commission, du 29 juin 1965, portant, pour la période du 1^{er} juillet au 30 septembre 1965, adaptation et fixation des prix d'écuse pour les œufs de volailles en coquille et les volailles vivantes et abattues et fixation des prélèvements envers les pays tiers pour les œufs de volailles en coquille, les volailles vivantes d'un poids n'excédant pas 185 grammes et les volailles abattues (Commission Regulation No. 91/65/CEE of 29 June 1965 adjusting and fixing the sluice-gate prices for poultry eggs in shell and live and slaughtered poultry, and fixing the levies on imports from non-member countries of poultry eggs in shell, live poultry not exceeding 185 grammes in weight per head and slaughtered poultry, for the period from 1 July to 30 September 1965)</p>	<p>No. 116 30.6.65</p>
<p>Règlement n° 92/65/CEE de la Commission, du 29 juin 1965, fixant, pour les importations effectuées à partir du 1^{er} juillet 1965, le montant des prélèvements intracommunautaires pour les œufs de volailles en coquille, les volailles vivantes d'un poids n'excédant pas 185 grammes et les volailles abattues ainsi que pour les produits du secteur de la viande de volaille dont les droits de douane ont fait l'objet d'une consolidation dans le cadre du GATT (Commission Regulation No. 92/65/CEE of 29 June 1965 fixing, for imports effected on or after 1 July 1965, the intra-Community levies for poultry eggs in shell, live poultry not exceeding 185 grammes in weight per head and slaughtered poultry, and for poultrymeat products bound under GATT)</p>	<p>No. 116 30.6.65</p>
<p>Règlement n° 93/65/CEE du Conseil, du 29 juin 1965, portant fixation du montant des prélèvements intracommunautaires pour le porc, la viande de porc et les produits à base de viande de porc (Council Regulation No. 93/65/CEE of 29 June 1965 fixing the intra-Community levies for pigs, pigmeat and pigmeat products)</p>	<p>No. 117 30.6.65</p>
<p>Règlement n° 94/65/CEE du Conseil, du 29 juin 1965, portant fixation du montant des prélèvements envers les pays tiers pour le porc, la viande de porc et les produits à base de viande de porc (Council Regulation No. 94/65/CEE of 29 June 1965 fixing the levies on imports from non-member countries of pigs, pigmeat and pigmeat products)</p>	<p>No. 117 30.6.65</p>
<p>Règlement n° 95/65/CEE de la Commission, du 29 juin 1965, adaptant et fixant les prix d'écuse pour les porcs et les produits à base de viande de porc pour les importations effectuées durant le troisième trimestre 1965 (Commission Regulation No. 95/65/CEE of 29 June 1965 adjusting and fixing the sluice-gate prices for pigs and pigmeat products imported during the third quarter of 1965)</p>	<p>No. 117 30.6.65</p>
<p>Règlement n° 95/65/CEE du Conseil, du 29 juin 1965, concernant les mesures à appliquer dans le domaine des prix par les Etats membres producteurs et portant fixation des prix de seuil communs des Etats membres non producteurs, pour le riz et les brisures, pour la campagne 1965/1966 (Council Regulation No. 95/65/CEE of 29 June 1965 concerning the measures to be applied by producer Member States with regard to prices, and fixing the common threshold prices of the non-producer Member States for rice and broken rice, for the 1965/66 marketing year)</p>	<p>No. 118 2.7.65</p>
<p>Règlement n° 97/65/CEE de la Commission, du 29 juin 1965, déterminant à nouveau les modifications des prélèvements applicables à certains produits laitiers et abrogeant le règlement n° 154/64/CEE (Commission Regulation No. 97/65/CEE of 29 June 1965 introducing a new system for adjusting the levies on certain milk products, and rescinding Regulation No. 154/64/CEE)</p>	<p>No. 118 2.7.65</p>

Règlement n° 98/65/CEE de la Commission, du 2 juillet 1965, modifiant le règlement n° 96/63/CEE portant fixation du montant supplémentaire dans le domaine de la viande porcine (Commission Regulation No. 98/65/CEE of 2 July 1965 amending Regulation No. 96/63/CEE fixing the supplementary amount for pigmeat)	No. 121	5.7.65
Règlement n° 99/65/CEE de la Commission, du 7 juillet 1965, fixant les modalités d'application de l'article 11, paragraphe 2 du règlement n° 23 du Conseil portant établissement graduel d'une organisation commune des marchés dans le secteur des fruits et légumes (Commission Regulation No. 99/65/CEE of 7 July 1965 fixing the detailed application of Article 11(2) of Council Regulation No. 23 on the progressive establishment of a common organization of the market in fruit and vegetables]	No. 124	8.7.65
Règlement n° 100/65/CEE de la Commission, du 7 juillet 1965, portant fixation des prix de référence pour les prunes (Commission Regulation No. 100/65/CEE of 7 July 1965 fixing reference prices for plums)	No. 124	8.7.65
Règlement n° 101/65/CEE de la Commission, du 7 juillet 1965, portant fixation des prix de référence pour les pêches (Commission Regulation No. 101/65/CEE of 7 July 1965 fixing reference prices for peaches)	No. 124	8.7.65
Règlement n° 102/65/CEE de la Commission, du 7 juillet 1965, portant fixation des prix de référence pour les tomates de plein air (Commission Regulation No. 102/65/CEE of 7 July 1965 fixing reference prices for tomatoes grown in the open)	No. 124	8.7.65
Règlement n° 103/65/CEE de la Commission, du 7 juillet 1965, portant fixation des prix de référence pour les cerises (Commission Regulation No. 103/65/CEE of 7 July 1965 fixing reference prices for cherries)	No. 124	8.7.65
Règlement n° 104/65/CEE de la Commission, du 7 juillet 1965, portant fixation des prix de référence pour les raisins de table de plein air (Commission Regulation No. 104/65/CEE of 7 July 1965 fixing reference prices for dessert grapes grown in the open)	No. 124	8.7.65
Règlement n° 105/65/CEE de la Commission, du 7 juillet 1965, portant fixation des prix de référence pour les poires (Commission Regulation No. 105/65/CEE of 7 July 1965 fixing reference prices for pears)	No. 124	8.7.65
Règlement n° 106/65/CEE de la Commission, du 7 juillet 1965, portant fixation des prix de référence pour les pommes (Commission Regulation No. 106/65/CEE of 7 July 1965 fixing reference prices for apples)	No. 124	8.7.65
Règlement n° 107/65/CEE de la Commission, du 7 juillet 1965, portant fixation des prix de référence pour les citrons (Commission Regulation No. 107/65/CEE of 7 July 1965 fixing reference prices for lemons)	No. 124	8.7.65
Règlement n° 108/65/CEE du Conseil, du 29 juin 1965, portant modification des règlements n° 111/64/CEE et n° 114/64/CEE du Conseil et constitution d'un nouveau groupe de produits pour le beurre et la crème de lait (Council Regulation No. 108/65/CEE of 29 June 1965 amending Council Regulations Nos. 111/64/CEE and 114/64/CEE, and creating a new group of products for butter and cream)	No. 125	9.7.65
Règlement n° 109/65/CEE du Conseil, du 30 juin 1965, modifiant et complétant les règlements nos 3 et 4 concernant la sécurité sociale des travailleurs migrants (versement des allocations familiales — simplification de la procédure de notification des modifications apportées aux annexes — modifications de divers annexes) [Council Regulation No. 109/65/CEE of 30 June 1965 amending and supplementing Regulations Nos. 3 and 4 concerning social security for migrant workers (payment of family allowances — simplification of procedure for notifying amendments to the Annexes — amendments to various Annexes)]	No. 125	9.7.65

Règlement n° 110/65/CEE de la Commission, du 8 juillet 1965, modifiant différents règlements de la Commission en ce qui concerne le calcul des prélèvements et restitutions applicables à la crème de lait, au beurre et au beurre fondu (Commission Regulation No. 110/65/CEE of 8 July 1965 amending various Commission Regulations in respect of the calculation of levies and refunds applicable to cream, butter and butter lard)	No. 126	12.7.65
Règlement n° 111/65/CEE de la Commission, du 9 juillet 1965, portant fixation de montants supplémentaires pour les importations de viandes de l'espèce porcine domestique et de <i>lard</i> en provenance des pays tiers (Commission Regulation No. 111/65/CEE of 9 July 1965 fixing supplementary amounts for imports of pigmeat and bacon from non-member countries)	No. 126	12.7.65
Règlement n° 112/65/CEE de la Commission, du 8 juillet 1965, modifiant et prorogeant le règlement n° 101/64/CEE relatif aux restitutions à l'exportation de riz et de brisures (Commission Regulation No. 112/65/CEE of 8 July 1965 amending and extending for a further period Regulation No. 101/64/CEE on refunds on exports of rice and broken rice)	No. 127	13.7.65
Règlement n° 113/65/CEE de la Commission, du 8 juillet 1965, relatif aux majorations mensuelles des prix indicatifs et d'intervention du riz pour la campagne 1965/1966 (Commission Regulation No. 113/65/CEE of 8 July 1965 on the monthly increases in the target and intervention prices for rice for the 1965/66 marketing year)	No. 127	13.7.65
Règlement n° 114/65/CEE de la Commission, du 8 juillet 1965, fixant les montants forfaitaires pour le riz décortiqué et les brisures pour la campagne 1965/1966 (Commission Regulation No. 114/65/CEE of 8 July 1965 fixing the standard amounts for husked rice and broken rice for the 1965/66 marketing year)	No. 127	13.7.65
Règlement n° 115/65/CEE de la Commission, du 12 juillet 1965, relatif à la suppression du montant supplémentaire pour les œufs de volailles en coquille (Commission Regulation No. 115/65/CEE of 12 July 1965 on abolition of the supplementary amount for poultry eggs in shell)	No. 128	13.7.65

THE COUNCIL

Information

Consultation et avis du Comité économique et social au sujet d'une proposition de règlement du Conseil portant application de règles de concurrence aux secteurs des transports par chemin de fer, par route et par voie navigable (Reference to the Economic and Social Committee of the proposal for a Council Regulation making rules of competition applicable to transport by rail, road and inland waterway)	No. 103	12.6.65
Consultation et avis du Comité économique et social au sujet d'une proposition de directive du Conseil concernant la réalisation de la liberté d'établissement et de la libre prestation des services relevant des branches électricité, gaz, eau et services sanitaires (branche 5 C.I.T.I.) [Reference to the Economic and Social Committee of the proposal for a Council directive on freedom of establishment and freedom to supply services in self-employed activities in electricity, gas, water and sanitary services (Division 5 ISIC)]	No. 103	12.6.65

Consultation et avis du Comité économique et social au sujet d'une proposition d'une deuxième directive concernant le rapprochement des dispositions législatives, réglementaires et administratives, relatives aux spécialités pharmaceutiques (Reference to the Economic and Social Committee of the proposal for a second directive on the harmonization of laws and regulations governing branded pharmaceuticals)	No. 107	19.6.65
Décision du Conseil, du 15 juin 1965, portant nouvelle prorogation de la décision du Conseil du 4 avril 1962, prévoyant la perception d'une taxe compensatoire sur certaines marchandises résultant de la transformation de produits agricoles (Council Decision of 15 June 1965 again extending for a further period the Council Decision of 4 April 1962 providing for a countervailing charge on certain processed agricultural products)	No. 109	23.6.65
Décision du Conseil, du 15 juin 1965, relative au régime applicable, dans les domaines des garanties et des financements à l'exportation, à certaines <i>sous-traitances</i> en provenance d'autres pays membres ou de pays non membres de la Communauté économique européenne (Council Decision of 15 June 1965 on export guarantee and financing arrangements applicable to certain sub-contracts from other Member States of the European Economic Community or from non-member countries)	No. 109	23.6.65
Décision du Conseil, du 15 juin 1965, portant <i>suspension temporaire</i> des droits du tarif douanier commun applicables à certains produits des positions ex 29.27 et 45.01 (Council Decision of 15 June 1965 temporarily reducing the CCT duties on certain products under ex Heading 29.27 and 45.01)	No. 109	23.6.65
Décision du Conseil, du 15 juin 1965, portant suspension temporaire des droits du tarif douanier commun applicables à certains produits des positions 14.02 B I, ex 38.19 Q et ex 48.01 E II (Council Decision of 15 June 1965 temporarily reducing the CCT duties on certain products under Heading 14.02 B I and ex Headings 38.19 Q and 48.01 E II)	No. 109	23.6.65
Résolution du 13 avril 1965 des représentants des gouvernements des Etats membres de la Communauté économique européenne, réunis au sein du Conseil, relative à l'harmonisation des prix de seuil des céréales (Resolution of 13 April 1965 of the representatives of the member Governments of the European Economic Community meeting in the Council on harmonization of threshold prices for cereals)	No. 113	26.6.65
Décision du Conseil, du 22 juin 1965, autorisant la République italienne à suspendre à l'égard des pays tiers ses droits applicables aux animaux vivants de l'espèce bovine, des espèces domestiques, autres, d'un poids unitaire n'excédant pas 340 kilogrammes, de la position ex 01.02 A II [Council Decision of 22 June 1965 authorizing Italy to suspend its duties on imports from non-member countries of live animals of the bovine species (of domestic species: other) not exceeding 340 kg in weight, ex Heading 01.02 A II]	No. 114	28.6.65
Décision du Conseil, du 22 juin 1965, autorisant la République fédérale d'Allemagne à suspendre partiellement à l'égard des pays tiers ses droits de douane applicables aux vaches vivantes, de l'espèce bovine, des espèces domestiques, de la sous-position ex 01.02 A II (Council Decision of 22 June 1965 authorizing the Federal Republic of Germany to suspend part of the duties on imports from non-member countries of live animals of the bovine species (of domestic species: other) not exceeding 340 kg in weight, ex Heading 01.02 A II]	No. 114	28.6.65
Résolution du Conseil, du 16 juin 1965, relative aux prix de graines de colza, de navette et de tournesol pour la campagne 1966/1967 (Council Resolution of 16 June 1965 concerning the prices of colza, rape and sunflower seeds for the 1966/67 marketing year)	No. 115	29.6.65

Remplacement d'un membre suppléant démissionnaire du Comité du Fonds social européen (Replacement, on his resignation, of an alternate member of the European Social Fund Committee)	No. 118	2.7.65
Remplacement d'un membre démissionnaire du Comité consultatif pour la libre circulation des travailleurs (Replacement, on his resignation, of a member of the Advisory Committee for the free movement of workers)	No. 118	2.7.65
Remplacement d'un membre du Comité économique et social (Replacement of a member of the Economic and Social Committee)	No. 118	2.7.65
Décision du Conseil, du 29 juin 1965, prorogeant la décision autorisant la République italienne à percevoir un montant additionnel à l'importation de certaines variétés de blé tendre (Council Decision of 29 June 1965 extending for a further period the decision authorizing Italy to charge an additional amount on imports of certain varieties of wheat other than durum)	No. 125	9.7.65
Décision du Conseil, du 29 juin 1965, autorisant la République italienne à déroger aux dispositions du règlement n° 19 en ce qui concerne la fixation des prix d'intervention du blé dur (Council Decision of 29 June 1965 authorizing Italy to waive the provisions of Regulation No. 19 in respect of the fixing of intervention prices for durum wheat)	No. 125	9.7.65
Décision du Conseil, du 30 juin 1965, autorisant le royaume de Belgique à suspendre totalement à l'égard des pays tiers ses droits applicables aux animaux vivants de l'espèce bovine, des espèces domestiques, autres, de la position ex 01.02 A II, à l'exclusion des animaux d'un poids inférieur à 220 kilogrammes et qui n'ont pas de dents de remplacement [Council Decision of 30 June 1965 authorizing Belgium to suspend all its duties on imports from non-member countries of imports of live animals of the bovine species (of domestic species : other) under ex Heading 01.02 A II, with the exception of animals weighing less than 220 kg which have not cut their second teeth]	No. 126	12.7.65

THE COMMISSION

Directives and decisions

Décision de la Commission, du 20 mai 1965, relative aux recours du royaume de Belgique, du grand-duché de Luxembourg et du royaume des Pays-Bas à l'article 115 alinéa 1 du Traité, pour exclure du traitement communautaire certains produits originaires du Japon et mis en libre pratique dans les autres Etats membres (Commission Decision of 20 May 1965 concerning the invocation by Belgium, Luxembourg and the Netherlands of Article 115, first paragraph, of the Treaty to exclude from Community treatment certain products originating in Japan and in free circulation in the other Member States)	No. 105	15.6.65
Décision de la Commission, du 20 mai 1965, relative au recours de la République française à l'article 115 alinéa 1 du Traité, pour exclure du traitement communautaire « les oignons à l'état frais et réfrigérés » originaires de Pologne et mis en libre pratique dans les autres Etats membres (Commission Decision of 20 May 1965 concerning the invocation by France of Article 115, first paragraph, of the Treaty to exclude from Community treatment "onions, fresh or chilled" originating in Poland and in free circulation in the other Member States)	No. 105	15.6.65

Décision de la Commission, du 25 mai 1965, portant augmentation du volume du contingent tarifaire au bénéfice du royaume des Pays-Bas pour le ferrocchrome (Commission Decision of 25 May 1965 increasing the volume of the tariff quota granted to the Netherlands for ferrochromium)	No. 105	15.6.65
Décision de la Commission, du 1 ^{er} juin 1965, relative à la fixation, à l'égard des produits pétroliers, du pourcentage des droits de douane à percevoir, en application de l'article 10 paragraphe 2, deuxième alinéa du Traité, à titre de prélèvement compensateur (Commission Decision of 1 June 1965 on fixing, with regard to petroleum products, the percentage of customs duties to be charged as a compensatory levy by virtue of Article 10(2), second sub-paragraph, of the Treaty)	No. 105	15.6.65
Décision de la Commission, du 4 juin 1965, autorisant la République italienne à adopter, sur base de l'article 226 du Traité, une mesure de sauvegarde pour les poudres et paillettes de zinc (Commission Decision of 4 June 1965 authorizing Italy to adopt safeguard measures under Article 226 of the Treaty for zinc powders and flakes)	No. 106	18.6.65
Décision de la Commission, du 26 mai 1965, portant fixation des prix franco frontière pour les échanges avec les pays tiers dans le secteur du lait et des produits laitiers (Commission Decision of 26 May 1965 fixing free-at-frontier prices for imports of milk and milk products from non-member countries)	No. 108	22.6.65
Décision de la Commission, du 26 mai 1965, portant fixation des primes s'ajoutant aux prélèvements dans les échanges intra-communautaires des céréales (Commission Decision of 26 May 1965 fixing the premiums to be added to the levies in intra-Community trade in cereals)	No. 108	22.6.65
Décision de la Commission, du 2 juin 1965, relatif au recours de la République fédérale d'Allemagne à l'article 115 alinéa 1 du Traité pour exclure du traitement communautaire « les carpes fraîches, réfrigérées et congelées » originaires de Yougoslavie et mises en libre pratique dans les autres Etats membres (Commission Decision of 2 June 1965 concerning the invocation by the Federal Republic of Germany of Article 115, first paragraph, of the Treaty to exclude from Community treatment "carp, fresh, chilled or frozen" originating in Yugoslavia and in free circulation in the other Member States)	No. 108	22.6.65
Décision de la Commission, du 11 juin 1965, portant fixation des prix franco frontière pour les échanges intracommunautaires dans le secteur du lait et des produits laitiers (Commission Decision of 11 June 1965 fixing free-at-frontier prices for intra-Community trade in milk and milk products)	No. 108	22.6.65
Décision de la Commission, du 2 juin 1965, relative au recours de la République française à l'article 115 alinéa 1 du Traité, pour exclure du traitement communautaire les <i>crevettes simplement cuites à l'eau et décortiquées</i> , originaires du Chili et mises en libre pratique dans les autres Etats membres (Commission Decision of 2 June 1965 concerning the invocation by France of Article 115, first paragraph, of the Treaty to exclude from Community treatment "shelled shrimps, simply boiled in water" originating in Chili and in free circulation in the other Member States)	No. 112	25.6.65
Décision de la Commission, du 18 juin 1965, portant prorogation de ses décisions prises en application de la décision du Conseil du 4 avril 1962 autorisant certains Etats membres à percevoir des taxes compensatoires sur les importations de certaines marchandises résultant de la transformation de produits agricoles, en provenance d'autres		

Etats membres (Commission Decision of 18 June 1965 extending for a further period its decisions in pursuance of the Council Decision of 4 April 1962 authorizing certain Member States to impose countervailing charges on imports of certain processed agricultural products from other Member States)	No. 114	28.6.65
Directive de la Commission, du 16 juin 1965, portant fixation du rythme de suppression de la taxe appliquée par le royaume des Pays-Bas à l'importation de graines horticoles (tuinbouwzaden), en provenance des autres Etats membres [Commission Directive of 16 June 1965 fixing the rate at which the charge made by the Netherlands on imports of horticultural seeds (tuinbouwzaden) from other Member States should be scaled down and abolished]	No. 120	5.7.65
Directive de la Commission, du 16 juin 1965, portant fixation du rythme de suppression de la taxe appliquée par le royaume des Pays-Bas à l'importation de certains produits destinés à l'alimentation du bétail en provenance des autres États membres (Commission Directive of 16 June 1965 fixing the rate at which the charge made by the Netherlands on imports of certain products intended for animal feed from other Member States should be scaled down and abolished)	No. 120	5.7.65
Directive de la Commission, du 16 juin 1965, portant fixation du rythme de suppression de la taxe appliquée par la République fédérale d'Allemagne à l'importation de moutons de boucherie et de viande de mouton en provenance des autres Etats membres (Commission Directive of 16 June 1965 fixing the rate at which the charge made by the Federal Republic of Germany on imports from other Member States of sheep for slaughter and mutton should be scaled down and abolished)	No. 120	5.7.65
Décision de la Commission, du 30 juin 1965, portant fixation des prix CAF des céréales, farines, gruaux et semoules (Commission Decision of 30 June 1965 fixing the cif prices of cereals, flours, groats and meal)	No. 125	9.7.65
Décision de la Commission, du 1 ^{er} juillet 1965, portant fixation des prix CAF des céréales, farines, gruaux et semoules (Commission Decision of 1 July 1965 fixing the cif prices of cereals, flours, groats and meal)	No. 125	9.7.65
Corrigendum à la décision de la Commission du 21 mai 1965 portant fixation des prix franco-frontière pour les échanges avec les pays tiers dans le secteur du lait et des produits laitiers (J.O. n° 97 du 3.6.1965) [Corrigendum to the Commission Decision of 21 May 1965 fixing fee-at-frontier prices for imports of milk and milk products from non-member countries (official gazette, No. 97, 3 June 1965)]	No. 125	9.7.65

Recommendations and opinions

Recommandation de la Commission, du 26 mai 1965, adressée au grand-duché de Luxembourg au sujet de la loi d'orientation agricole (Commission Recommendation of 26 May 1965 to Luxembourg concerning the law on agricultural guidance)	No. 105	15.6.65
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Delegations and missions to the Community

Missions de pays tiers (Royaume-Uni) [Missions of non-member countries (United Kingdom)]	No. 102	11.6.65
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Missions de pays tiers (Norvège) [Missions of non-member countries (Norway)]	No. 106	18.6.65
Représentations des Etats d'outre-mer associés (République de Somalie) [Delegations of Associated Overseas States (Somalia)]	No. 128	13.7.65

European Development Fund

Avis d'appel d'offres n° 425 lancé par la République de Haute-Volta (Notice of call for tender No. 425 issued by Upper Volta)	No. 106	18.6.65
Deuxième modificatif à l'appel d'offres n° 406 (Second amendment to call tender No. 406)	No. 114	28.6.65
Modificatif à l'avis d'adjudication n° 410 (Amendment to notice of award of contract No. 410)	No. 114	28.6.65
Avis d'appel d'offres n° 426 lancé par la République du Dahomey (Notice of call for tender No. 426 issued by Dahomey)	No. 120	5.7.65
Avis d'appel d'offres n° 427 lancé par la République malgache (Notice of call for tender No. 427 issued by Madagascar)	No. 121	5.7.65
Avis d'appel d'offres n° 428 lancé par la République du Gabon (Notice of call for tender No. 428 issued by Gabon)	No. 126	12.7.65
Résultats d'appels d'offres (nos 319, 339, 349, 355, 359, 375, 376, 379 et 381) [Results of calls for tender (Nos. 319, 339, 349, 355, 359, 375, 376, 379 and 381)]	No. 129	15.7.65

General Information

Consultation et avis du Comité économique et social au sujet de la situation conjoncturelle de la Communauté (Reference to the Economic and Social Committee of a memorandum on the economic situation in the Community)	No. 107	19.6.65
Consultation et avis du Comité économique et social au sujet de la proposition de règlement du Conseil portant dispositions complémentaires pour l'organisation du marché des fruits et légumes (Reference to the Economic and Social Committee of the proposal for a Council Regulation laying down supplementary provisions for the organization of the market in fruit and vegetables)	No. 110	24.6.65
Avis de concours n° CEE/479/C (secrétaires sténodactylographes de langue allemande) [Notice of competitive examination No. CEE/479/C (German-speaking secretaries with shorthand/typing)]	No. 123	7.7.65
Avis de concours n° CEE/591/C (dactylographes) [Notice of competitive examination No. CEE/591/C (typists)]	No. 123	7.7.65
Avis de concours n° CEE/594/C (secrétaires sténodactylographes de langue française) [Notice of competitive examination No. CEE/594/C (French-speaking secretaries with shorthand/typing)]	No. 123	7.7.65
Avis de concours n° CEE/601/L (traducteurs) [Notice of competitive examination No. CEE/601/L (translators)]	No. 123	7.7.65
Avis de concours n° CEE/602/L (traducteurs adjoints) [Notice of competitive examination No. CEE/602/L (assistant translators)]	No. 123	7.7.65

Avis de concours n° CEE/643/C (secrétaires sténodactylographes de langue néerlandaise) [Notice of competitive examination No. CEE/643/C (Dutch-speaking secretaries with shorthand/typing)]	No. 123	7.7.65
Avis de concours n° CEE/644/C (secrétaires sténodactylographes de langue italienne) [Notice of competitive examination No. CEE/644/C (Italian-speaking secretaries with shorthand/typing)]	No. 123	7.7.65

COURT OF JUSTICE OF THE EUROPEAN COMMUNITIES

Communications

Recours introduit le 31 mai 1965 par le gouvernement de la République italienne contre le Conseil et la Commission de la CEE (affaire n° 32/65) [Suit filed on 31 May 1965 by the Government of the Republic of Italy <i>v.</i> the EEC Council and Commission (Case 32-65)]	No. 120	5.7.65
Demande de décision préjudicielle contenue dans la décision du Landessozialgericht de Berlin, dans l'affaire Bundesversicherungsanstalt für Angestellte contre M. Adrianus Dekker (affaire 33-65) [Request for preliminary ruling submitted by the Landessozialgericht of Berlin <i>in re</i> Bundesversicherungsanstalt für Angestellte, <i>v.</i> M. Adrianus Dekker (Case 33-65)]	No. 120	5.7.65
Recours de la Commission de la CEE contre la République française, in troduit le 22 juin 1965 (affaire 38-65) [Suit filed on 22 June 1965 by the EEC Commission <i>v.</i> the Republic of France (Case 38-65)]	No. 129	15.6.65
Recours introduit le 25 juin 1965 par M. Bruno Costantini contre le Parlement européen (affaire 42-65) [Suit filed on 25 June 1965 by M. Bruno Costantini <i>v.</i> the European Parliament (Case 42-65)]	No. 129	15.6.65
Recours introduit le 25 juin 1965 par Madame Marie-Jeanne Lux contre le Parlement européen (affaire 43-65) [Suit filed on 25 June 1965 by Mme Marie-Jeanne Lux <i>v.</i> the European Parliament (Case 43-65)]	No. 129	15.6.65

ECONOMIC AND SOCIAL COMMITTEE

Informations

Modifications intervenues dans la composition des organes du Comité économique et social (Appointment of member of the Committee as member of specialized sections)	No. 113	26.6.65
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B. Issues of the agricultural supplement of the official gazette containing the tables appended to the Commission's decisions fixing cif prices, premiums to be added to levies, the amounts to be added or deducted in computing refunds for cereals, and free-at-frontier cereal prices :

Supplement No. 22 of 16 June 1965

Supplement No. 23 of 23 June 1965

Supplement No. 24 of 30 June 1965

Supplement No. 25 of 7 July 1965

Supplement No. 26 of 14 July 1965

C. Recent publications of the European Community (1)

Periodical publications

4002

Graphs and Notes on the Economic Situation in the Community. Monthly. No. 7/1965. Three bilingual editions: e/f, d/n, f/i. Price per issue: 3s.6d.; \$0.50; Bfrs. 25
Annual subscription: £1.16s.0d.; \$5.00; Bfrs. 250

2001*

The Economic Situation in the Community. Quarterly Survey. No. 2/1965. (f, d, i, n, e)
Price per issue: 15s.0d.; \$2.00; Bfrs. 100
Annual subscription: £2.10s.0d.; \$7.00; Bfrs. 350

5002

Bulletin des acquisitions. Bibliothèque de la Commission de la C.E.E. (List of recent additions. Library of the EEC Commission.) Monthly. No. 5/1965. Free

...

CEE. Informations. Marchés agricoles. Echanges commerciaux. (EEC Information. Agricultural markets. Trade.) Fortnightly. No. 2 June and No. 1 July 1965. (f, d, i, n). Limited distribution

...

CEE. Informations. Marchés agricoles. Prix (EEC Information. Agricultural markets. Prices.) Fortnightly. No. 10/1965. (f, d, i, n). Limited distribution.

Non-periodical publications

3675

Textes — Sécurité sociale des travailleurs migrants

Etat au 1^{er} janvier 1965

(Texts — Social security for migrant workers. Situation at 1 January 1965)
1965. 183 pp. (f, d, i, n). FF 8.00; Bfrs. 80

(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.

8126

Dictionnaire comparatif de professions donnant lieu le plus souvent à migrations dans les pays de la CEE

(Comparative Glossary of Occupations in which migration is frequent in the EEC countries) Second (quadrilingual) edition. (f, d, i, n.)

1965.=(Introduction + tables, 18 pp.; job descriptions, 119 pp.)

4s.6d.; \$0.60; Bfs 30; FF 3 00

8154

Regulations and Resolution in the Field of Agriculture — Adopted by the Council on 5 February 1964

(Milk and milk products, beef and veal, cattle from Denmark, rice, cereals, fats, European Agricultural Guidance and Guarantee Fund) (English translation of texts published in the official gazette, No. 34, 27 February 1964)

1965. 62 pp.

7s.6d.; \$1.00; FF 5.00; Bfrs. 50;

8155

Treaty establishing a single Council and a single Commission of the European Communities and annexed documents

(Decision by the representatives of the Governments of the Member States relating to the provisional location of certain institutions and services of the Communities)

1965. 73 pp. (f, d, i, n). Limited distribution

D. Publications by the joint services of the three Communities

Joint Information Service

Publications by offices in capital cities

Bonn: Europäische Gemeinschaft No. 7, July 1965

The Hague: Europese Gemeenschap No. 73, July-August 1965

Paris: Communauté européenne No. 7-8, July-August 1965

Rome: Comunità Europea No. 7, July 1965

London: European Community No. 7, July 1965

Washington: European Community No. 82, June 1965

Statistical Office of the European Communities

Overseas Associates: Statistical Bulletin — Glossary

Overseas Associates: Statistical Bulletin — Nos. 5 and 6/1965

Commerce extérieur — Tableaux analytiques — Janvier/mars 1963, importations — Janvier/mars 1963, exportations

(Foreign Trade — Analytical tables — January/March 1963, imports — January/March 1963, exports)

Classification statistique et tarifaire pour le commerce international, importations 1962, tab. 4,5 (Statistical and Tariff Classification for International Trade — imports 1962, tables 4 and 5)

Nomenclature du Commerce — 1965 (Trade Nomenclature, 1965)

Statistiques agricoles No. 3/1965 (Agricultural Statistics, No. 3/1965)