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Report

drawn up on behalf of the Committee on Development and Cooperation

on the results of the Tenth Annual Meeting of the Parliamentary Conference of
the EEC-AASM Association (Rome, 30 January – 1 February 1974)

Rapporteur : Lord REAY

PE 35.842/fin.



By letter of 14 January 1974 the European Parliament instructed the Committee on Development and Cooperation to prepare a report on the results of the Tenth Annual Meeting of the Parliamentary Conference of the EEC/~~AASB~~ Association which was to be held at Rome (30 January - 1 February 1974).

On 24 January 1974, the Committee on Development and Cooperation appointed Lord Reay as rapporteur on this subject.

During its meetings of 21 February 1974 and 8 March 1974, the committee examined the Motion for a Resolution and the attached Explanatory Statement.

At this latter meeting the committee unanimously adopted the motion for a resolution and the Explanatory Statement.

The following were present: Mr Achenbach, chairman, Lord Reay, rapporteur, Mr Bersani, Mr Dewulf, Mr Harmegnies, Mr Laudrin, Mr Knud Nielsen, Mr Nolan, Mr Rivierez, Mr van der Sanden, Mr Seefeld and Mr Spénale.

CONTENTS

	<u>page</u>
A. MOTION FOR A RESOLUTION	5
B. EXPLANATORY STATEMENT	8
ANNEX I Resolution on the management accounts of the Parliamentary Conference of the Association for the 1972 financial year and the estimates for the 1974 financial year	13
ANNEX II Resolution on the Ninth annual report on the activities of the Association Council	14

The Committee on Development and Cooperation hereby submits to the European Parliament the following motion for a resolution together with explanatory statement:

MOTION FOR A RESOLUTION

on the results of the Tenth Annual Meeting of the Parliamentary Conference of the EEC - AASM Association (Rome 30 January - 1 February 1974)

The European Parliament,

- referring to its resolutions of 20 January 1965 (1), 11 March 1966 (2), 15 March 1967 (3), 22 January 1968 (4), 4 March 1969 (5), 12 March 1970 (6), 17 May 1971 (7), 17 March 1972 (8) and 6 June 1973 (9)
 - having regard to the report of the Committee on Development and Cooperation (Doc. 406/73),
1. Endorses the conclusions reached by the Parliamentary Conference of the EEC - AASM Association in its resolution adopted 1st February 1973 in Rome;
 2. Reaffirms its belief in the value of the Association in view of the profound historical ties between Europe and Africa and the importance of the two continents maintaining as constructive a contact as possible in the modern era;
 3. Draws attention to the Community's intention of establishing an overall aid policy on a worldwide basis and to the steps it has already taken in this direction and states its belief that this policy and the association policy are complementary to each other;
 4. Nevertheless regrets with the Conference the fact that the Associated States have not been able to receive compensation for the loss of their exclusive access to the Common Market by means of a guarantee of free access to other industrial countries in particular the U.S.;
 5. Notes with satisfaction that 44 States are currently negotiating with the Community and wishes to point out that in addition to bringing in countries

(1) See O.J. No. 20, 6.2.1965, p. 281

(2) See O.J. No. 53, 24.3.1966, p. 778

(3) See O.J. No. 63, 3.4.1967, p. 975

(4) See O.J. No. C10, 14.2.1968, p. 5

(5) See O.J. No. C41, 1.4.1969, p. 5

(6) See O.J. No. C40, 3.4.1970, p. 43

(7) See O.J. No. C35, 3.6.1971, p. 5

(8) See O.J. No. C36, 12.4.1972, p. 42

(9) See O.J. No. C49, 28.6.1973, p. 25

outside Africa, namely in the Caribbean, the Indian Ocean and the Pacific, thereby holding out a prospect for a broader base for the Community's Association policy, this also brings up the number of African States negotiating to the full number of those in independent black Africa;

6. Repeats its expressed wish that the new agreement should be completed in time for ratification before January 1st 1975, and accordingly invites the Council to complete the Commission's negotiating mandate in order to avoid any delay being attributable to the Community;
7. Notes the concern which dominated the Conference respecting the consequences of recent disturbing and epochal economic developments;
8. Notes the view of the Conference that the traditional rules of Free Trade prevailing in the relations between industrialized and developing countries have received a severe setback in recent months, and the wish expressed by the Conference that trade should be organized on a more balanced and equitable basis; in particular notes its view that cooperation between the exporters and importers of primary commodities is desirable.
9. Notes the extremely serious situation in which developing countries find themselves who have no means of compensating for the rise in price of certain raw materials, in particular oil, and who must also expect to pay more in due course for their imports of manufactured products;
10. Notes that problems on such a scale cannot be alleviated by Europe alone, particularly in view of her reduced possibilities, and accordingly expresses the hope that broader machinery to include oil producing countries with substantial surplus revenues, can be established for development purposes;
11. Recognizes nevertheless, the more so in view of recent events, that it is important for Europe to apply her aid selectively, in particular to those in most need, and notes in this respect that with 17 out of the 25 poorest countries being included among the Associated and Associable States, the Association with its established structures can play a significant part towards the realization of this objective;
12. Believes also that developing countries will have to be more closely associated with attempts to solve international problems, such as for example international monetary problems;
13. Recalls its resolutions of May 7 and 11, 1973¹, and of December 11, 1973² and expresses its appreciation to the Council of the Communities for the supplementary help given to the Sahel countries and Ethiopia, the major portion of which is devoted to essential structural actions;
14. Draws attention to the fact that the situation in the drought stricken

¹ O.J. No. C37, 4 June 1973

² O.J. No. C2, 9 January 1974

countries continues to be extremely serious and addresses an urgent appeal for further efforts to be made by the Community, its Member States, international and non-governmental organizations, most immediately by making available aircraft for the transport of supplies within the countries concerned.

15. Requests its President to forward this resolution, together with the report, to the Council and Commission of the European Communities and, for information, to the Presidents of Parliaments in the Associated African States and Madagascar and Mauritius, and to the members of the Parliamentary Conference of the Association.

EXPLANATORY STATEMENT

1. The Parliamentary Conference of the EEC - AASM Association held its Tenth Annual Meeting from 30 January to 1 February 1974 at Rome. The work of the Conference was prepared by the Joint Committee at three meetings; from 26 to 29 June 1973 in Bruges, from 26 to 31 October 1973 in Lome and finally from 28 to 29 January 1974 in Rome.
2. The Conference was attended, among others, by Mr Walter SCHEEL, President - in - Office of the Council of the European Communities, Mr PERTINI, President of the Italian Chamber of Deputies, Mr Mohamed WARSAMA ALI, President - in - Office of the Association Council EEC - AASM, Mr PEDINI, Italian Secretary of State for Foreign Affairs.
3. For the first time representatives of Mauritius took part at the Conference as full members of the Association. Furthermore, for the first time representatives of the associable states were present as observers¹. Also present as observers were representatives of the East African Community.
4. The following documents had been forwarded to the Conference since its last meeting:
 - a) from the Association Council:
The Ninth Annual Report on the activities of the Association Council to the Parliamentary Conference of the Association (Doc. 48 - I/II and Doc. 48 - III)
 - b) from the Joint Committee:
 - Report by Mr FALL BABAHA on the management accounts of the Parliamentary Conference of the Association for the 1972 financial year and the draft estimates for the 1974 financial year (Doc. 49)
 - Report and supplementary report by Mr BERSANI on the Ninth Annual Report on the activities of the Association Council to the Parliamentary Conference of the Association (Doc. 50 and Doc. 51).
5. The report by Mr FALL BABAHA on the management accounts of the Parliamentary Conference of the Association for the 1972 financial year and on the draft estimates for the 1974 financial year was unanimously approved without debate (See Annex I).

¹ Representatives who attended on behalf of Associable States were: Mr JOSNA RABUKAWAGA (Fiji), Mr MUSTAPHA DIEBBA (Gambia), Mr K.B. ASANTE and Mr J. OSEI-HWEDIH (Ghana), Mr FRANK FRANCIS (Jamaica) and Mr M.J. TIMOTHY ZWANE (Swaziland)

The Conference gave a discharge to the Secretary - General of the European Parliament in respect of the management of the financial year 1972, noted the draft estimates for the financial year 1974 of expenditure chargeable to the European Parliament totalling 81.000 u.a.¹, approved the estimates for the financial year 1974 of expenditure chargeable to the Associated States, totalling 17,750.000 CFA francs² and decided to maintain the contribution of each Associated State for 1974 at 600.000 CFA francs².

6. The work of the Conference was almost exclusively devoted to a debate on Mr BERSANI's report. In his introduction the rapporteur dwelt on the problems of the present Association in their international context. The Conference was dominated by two considerations: recent international economic developments, and the current negotiations for a new Association agreement.

The Conference was able to receive first hand reports of the extremely serious, even disastrous, prospects facing many associated states, and other developing countries as a result of the recent rise in price of many raw materials, in particular oil, but including also for example cereals. At the same time considerable anxiety was expressed about the inflationary effects of such price rises on the exports of the industrialized countries, which would also hit severely developing countries.

For their part, members of the European Parliament were able to make it plain that Europe also had suffered from the crisis, indeed that she had herself reached a critical stage in her economic development, and that she could not be expected alone to accept responsibility for improving the prospects for developing countries. African members of the Conference while expressing their own views on the economic developments, did not contest that Europe now had new problems of her own. Of course it remains true that the industrialized countries, apart from other considerations, have a great interest in maintaining the markets, and therefore the economic strength, of developing countries.

Attention was drawn to the problem now arising from the marked increase in the liquidity of the oil producing states. In the context of the critical financial position of some of the developing countries, speakers expressed the wish to see these funds used for investment in these countries.

In a speech which reflected both the anxieties and aspirations of the Euro- African partnership, Mr YACE, Vice-President of the Conference said:

¹ This sum does not cover travel and expense allowances for Members and personnel of the European Parliament, which is charged on the Parliament's normal budget

² 50 CFA = 1 FF

"It is important that Europe on the one hand and the Associated and potential associated States on the other should learn a lesson from the present crisis and take stock of their complementary role by uniting their efforts, and by developing a new and restructured form of cooperation in which the strongest countries are reasonable and perceptive enough to take account of the interests of the weakest countries, or those presumed to be the weakest".

7. Where trade is concerned, the Conference noted that, largely as a result of increases in raw material prices, the trading position of some of the AASM vis-à-vis the EEC had improved in 1972. But the Conference "deplored the fact that the extension of the EEC's system of generalized preferences has so far meant that the AASM have not received in rightful return for the loss of their exclusive access, the guarantee of free access to the markets of other industrialized countries and notably that of the United States".

The resolution of the Conference recommended that, during the next round of multilateral talks in GATT, special consideration should be given to the situation of the least advanced countries.

8. On the subject of world-wide cooperation the wish was expressed that the EEC should make a positive contribution towards the conclusion of world agreements on those primary commodities, namely sugar and coffee, with regard to which international initiatives have already been taken.

The occasion of the Conference gave the opportunity for members of the European Parliament to draw the attention of the associated states to the fact that the Committee on Development and Cooperation had already adopted a resolution on the Commission's proposals for the future sugar policy of the Community.

Special attention was drawn to the adverse effects of the prolonged closure of the Suez canal on the economies of certain associated states. As an example of this, the Conference was made fully aware of the consequences for Somalia whose banana exports, a principal source of revenue, have suffered materially and the Conference endorsed the plea by Somalia for special measures to solve their problem.

9. In the context of financial and technical cooperation between the EEC and the AASM, several speakers noted that the EDF, following the guidelines laid down by the associated states, was now directing its investments more and more towards, on the one hand, activities which show an immediate return and, on the other, inter-African regional projects. Where the administration of the Fund is concerned, there should be a closer correlation between the management of the Fund and its aims, and a more effective participation of the Associated States in the management of the Fund and the means by which financial aid is provided. But your rapporteur believes

nevertheless that the Commission should not concede the principle of the retention of financial control by the EDF.

10. Aid to the drought stricken countries of the Sahel was discussed at length and appreciation expressed for the help given both in the form of urgent financial assistance and supply and transportation of food aid.

The Conference was deeply concerned at the extremely serious situation which continues to affect the Sahel countries and threatens the adjoining regions of the Sahel.

Mr CHEYSSON and other speakers paid tribute to the initiative of the European Parliament in the recent EEC decision to allocate to the 1974 Community budget a supplementary appropriation of 35 million u.a. for structural measures and of 5 million u.a. for additional food aid actions to be taken in the countries affected by drought, including non-associated countries.

Your rapporteur draws attention to the fact that, inspite of the efforts made, the situation in the drought stricken countries has shown only a small improvement because of the unfavourable climatic conditions and that an additional effort must be made.

11. The fact that 43 (now 44) developing countries in Africa, in the Pacific and in the Carribean are taking part in the negotiations for the renewal and enlargement of the Association confirms the importance and value of this partnership between Europe and those countries. It should be noted that these countries have adopted a common stand and speak with a single voice in the negotiations with the Communities and your rapporteur believes that this is a remarkable political achievement which should be welcomed by the Community.

The resolutions (13 January 1972 and 31 March 1973) adopted by the Parliamentary Conference with regard to the new association set out the main heads of negotiations:

- the basis of trade agreements
- the options for trading preferences
- the fixed quantities of products of particular importance to the economy of some associated and associable countries,
- the guarantee by the EEC of the same advantages to the new Associated States as far as financial and technical cooperation is concerned,
- the financing of EEC aid by Community resources from 1975 on.

Although the Community was asked to take steps to tackle the problem of the export income of the associated states, your rapporteur wishes to draw attention to the fact that no mandate has yet been given to the Commission in this respect.

12. It can be expected that the course of negotiations could be slow in view

of the unstable international situation, the large number of States involved and the wish of the associated and associable states to negotiate as a single body, not to mention possible delay by the Council in completing the Commission's negotiating mandate. Moreover, time needs to be allowed for political attitudes to be developed which reflect the fundamental changes which have occurred in the distribution of power in the world, and particularly those which must effect relationships between industrialised countries, especially European industrialised countries and certain developing countries. However, it must be hoped that the new agreement will be completed in time for ratification before January 1st 1975.

13. Where the institutions of the Association are concerned, many speakers expressed the conviction that these institutions would continue to constitute valuable instruments in the relationship which Europe and Africa have the opportunity to establish. Your rapporteur shares this view.

The enlargement of the Association may however require that adjustments to the Institutions should be made and in the opinion of your rapporteur it is essential that both partners approach the question with flexibility.

14. Some dissatisfaction has been expressed at the lack of opportunity given to the Conference to discuss adequately the Resolutions prepared by the Joint Committee. Accordingly, your rapporteur suggests that an approach should be made to the President of the Conference with a view to proposing that, in future, time should be set aside following the traditional general debate for the consideration of the Resolutions, which should then be voted on separately.

Amendments would be allowed; the time by which they would be required to be tabled would be announced by the President at the beginning of the Conference.

15. At the conclusion of the debate, the Conference adopted with only two abstentions, a resolution on the Ninth Annual Report on the activities of the Association presented by Mr BERSANI (See Annex II).

16. CONCLUSION

The Rome Conference took place in a new atmosphere caused by the fact of the present difficult international situation and the problems of the renewal and enlargement of the Association. Frank words were exchanged on both sides but the impression prevailed that, even though the Conference did not solve problems, it contributed to a better mutual understanding of the problems which each continent faces, and gave both parties the occasion to examine the opportunities they have for cooperation in a new, highly dynamic, threatening and increasingly interdependent world situation.

RESOLUTION

on the management accounts of the Parliamentary Conference
of the Association for the 1972 financial year and the
estimates for the 1974 financial year

The Parliamentary Conference of the Association,

- having regard to its financial regulation¹ and in particular Articles 6 and 11 thereof;
 - having regard to the Joint Committee's Report (Doc. 49);
 - having regard to the level of expenditure incurred or still likely to be incurred for the 1973 financial year;
 - having regard to the foreseeable effects of the current international situation on expenditure for the 1974 financial year;
 - considering that given the present level of reserves, it seems possible to meet this additional expenditure, as regards the Associated States as a whole, without raising contributions,
1. endorses the considerations contained in the report;
 2. notes that the expenditure of the Conference chargeable to the Associated States as a whole, in pursuance of Article 2(3) of Protocol No. 10 annexed to the Association Convention amounts to 112,295.41FF for the financial year 1972;
 3. gives a discharge to the Secretary-General of the European Parliament in respect of the revenue and expenditure account for the financial year 1972 as submitted;
 4. notes the draft estimates for the financial year 1974 of expenditure chargeable to the European Parliament in pursuance of Article 2(3) of Protocol No. 10, totalling 450,000 FF;
 5. approves the estimates for the financial year 1974 of expenditure chargeable to the Associated States as a whole in pursuance of Article 2(3) of Protocol No. 10, totalling, 355,000 FF;
 6. resolves to maintain the contribution of each Associated State for the year 1974 at 600,000 CFA francs;
 7. instructs its President to forward this resolution and the report of the Joint Committee to the President of the Parliaments of the Associated States and of the European Parliament, and also to the Council of the Association

¹ Official Journal of the European Communities No.220, 24 December 1965, p.3232/65

RESOLUTION

on the 9th Annual Report on the activities of the
Association Council

The Parliamentary Conference of the Association,

- meeting in Rome from 30 January to 1 February 1974, pursuant to Article 52 of the Convention of Association between the EEC and the African countries and Madagascar, signed in Yaoundé on 29 July 1969;
- having regard to the 9th annual report on the activities of the Association Council (Doc. 48/1 - II) and the report from the Commission of the European Communities to the Council on the management of financial and technical cooperation in the financial year 1972 (Doc. 48/III);
- noting the statements made by the President of the Association Council, the President of the Council of the Communities and the representative of the Commission of the European Communities;
- having regard to the report and supplementary report, submitted by Mr Bersani on behalf of the Joint Committee (Doc. 50 and 51);

I. Problems of the present Association

(a) activities of the institutions

1. Notes with satisfaction the activity engaged in by the joint institutions of the Association, which is called upon to give rapid proof of its effectiveness and capacity for change in the face of new international realities and the needs of its present and future partners;
2. Is gratified by the participation in the work of the Parliamentary Conference and the Joint Committee of representatives of the associable countries;
3. Notes that the institutions of the European Community are seeking to lay down an initial series of guidelines for the progressive implementation of a policy of development cooperation on a world-wide basis;

(b) Trade

4. Notes that in 1972, largely as the result of increases in raw material prices, the trading position of some Associated States vis-à-vis the EEC improved, parallel with a further substantial increase in European trade with other developing countries;
5. Notes that the traditional rules of free trade prevailing in the relations between industrialized and developing countries, which ensured that the

former obtained primary products at optimum prices, have received a severe setback in recent months.

6. Deplores the fact that the extension of the EEC's system of generalized preferences has so far meant that the AASM have not received in rightful return for the loss of their exclusive access, the guarantee of free access to the markets of other industrialized countries and notably that of the United States;
7. Underlines the urgent need for an improvement of the present procedures for consultation and information on trade policy;
8. Deplores the fact that certain suggestions made by the AASM to promote their exports to Europe have not been adopted by the Community;
9. Insists on the need for measures to facilitate the sale within the EEC, through harmonization of legislation on health and plant health protection and the safeguarding of natural products, of certain agricultural products of particular importance to the Associated States;
10. Once again draws attention to the negative repercussions of the prolonged closure of the Suez canal on the economies of certain Associated States and again expresses the hope that a peaceful solution to the problem will lead as soon as possible to the reopening of this internationally important waterway;
11. Notes with keen concern, in this connection, the serious effects which this situation has long had on exports of bananas from Somalia to the European market, stresses the urgent need for special measures to resolve the problems - also outside the E.D.F - and regrets that none have so far been taken to allay the prejudice which this country has suffered and to cope with those which it continues to suffer.

(c) Worldwide cooperation between the partners

12. Notes with satisfaction the entry into force of the international cocoa agreement and urges the EEC to make a positive contribution to current international initiatives for the conclusion of other world agreements on primary commodities (sugar, coffee,);
13. Expresses its deep concern at the present international economic difficulties and hopes that close cooperation between the Association partners will contribute to the definition of new policies aimed at a more equitable and balanced organization of world trade;
14. Notes the commitment of the industrialized countries to take into account the interests of the developing countries during the next round of multi-lateral talks in GATT and recommends that special consideration be given to the situation of the least advanced countries;

(d) financial and technical cooperation

15. Notes that effective measures have been taken by the European Development Fund in accordance with the guidelines provided by the developing countries, to provide greater backing for immediately productive activities and inter-African regional projects and hopes that its activities will be developed in even closer accord with its nature and objectives;
16. Hopes that more intense measures will be undertaken to foster the development of industry and crafts in the Associated States by making use of all types of finance available under the resources of the Fund and of all forms of private investment and of existing or future guarantees designed to promote such investment;
17. Notes with satisfaction the new training and instruction policies now being followed, to allow the implementation of multi-annual programmes;

(e) aid to the drought-stricken countries of the Sahel

18. Is deeply concerned at the extremely serious situation which continues to affect the drought-stricken countries of the Sahel region, where the period before the new harvest in 1974 seem likely in many cases to be still more difficult than last year;
19. Expresses its keen appreciation for the help given by the EEC and its Members, by the associated and associable states and by non-governmental organizations to these countries, both in the form of urgent financial assistance and the supply and transportation of food aid;
20. Is gratified by the recent EEC decision to allocate to the 1974 Community budget a supplementary appropriation of 35 million u.a. for structural measures and of 5 million u.a. for supplementary food aid in the countries affected by drought, including Ethiopia;
21. Strongly hopes that consideration will also be given to preventive measures to help the areas bordering on the Sahel region which are especially threatened.
22. Addresses an urgent appeal to the international community and public opinion to fully understand the gravity of the problem and to give all possible support to efforts aimed at alleviating the consequences of the present tragedy and preventing the repetition of similar catastrophes;

II. The future of the Association

23. Notes that, after strenuous and fruitful preparations, the negotiations for the renewal and enlargement of the Association have opened in accordance with the deadlines laid down in the Yaoundé Convention and the Act of Accession;
24. Recommends that the talks be rapidly concluded so that the ratification procedure may be completed in time for the new Association arrangement to

enter into force on 1 February 1975, as envisaged in the Yaoundé Convention and Arusha Agreement, and, in the case of the Commonwealth countries, in Article 115 of the Act of Accession;

25. Warmly welcomes the fact that almost all the African countries whose economic structure and production resemble those of the associated States are taking part in the negotiations and have adopted a common stand, pursuant to the recommendations of the Organization of African Unity;
26. Draws attention to the exceptional importance of these major negotiations for an overall agreement of cooperation between a large group of developing countries and the Europe of Nine, given that the latter is the Third World's principal trading partner, the main international importer of primary commodities and, both on a Community and bilateral level, the main source of aid to development, particularly since they follow the recent changes in the international economic situation and come on the eve of the new international negotiations in GATT;
27. Considers that the process of change now taking place in the world's economy calls for a fairer organization of international trade and monetary relations and the establishment of economic cooperation between the importers and exporters of primary commodities that takes greater account of the problems of the developing areas and especially of the difficult position of the less advanced countries.
28. In regard to the revision and improvement of the Association policy, recalls the position adopted in its resolutions of 13 January 1972 and 31 March 1973, pointing out in particular that
 - the Association's trade arrangements must rest on a stable contractual basis which cannot be attacked by third parties, particularly in relation to GATT;
 - the options for trading preferences between the future partners must be carefully considered so that all the legal, economic and commercial implications for the countries concerned may be evaluated;
 - substantial quantities of products which are particularly important to the economy of some associated and associable countries must enjoy permanent access to the Community market at profitable prices; special means of safeguarding the interests of countries whose economies are crucially dependent on sugar exports must be found;
 - EEC financial and technical aid should guarantee at least the present value of that received by the Associated states, so that the new Associated states will be assured of equivalent advantages; in allocating this aid, account should be taken of the level of development and the specific situation of each of the beneficiary countries;

- as from 1975, EEC aid should be financed out of the Community's own resources, thus ensuring that aid always remains in proportion to Community resources.

29. Urges the Community to take a prompt decision on the terms of reference for negotiation on the still outstanding problem of the Associated States' export revenue.
30. On the basis of past experience, expresses its conviction that the Association's joint institutions and particularly the Parliamentary Conference, provide a forum for a highly useful dialogue and should be maintained.
31. Stresses the decisive importance in the present international context of a balanced, stable and lasting overall cooperation agreement between the Europe of the Nine, the present associated States and the "associable" States that wish to participate.
32. Instructs its President to forward this resolution and the accompanying explanatory statement to the Association Council, the European Parliament and the Parliaments of the Associated States, the Council and Commission of the European Communities and, for information, to the governments of the countries taking part in the negotiations for the renewal and enlargement of the Association.

Luxembourg
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