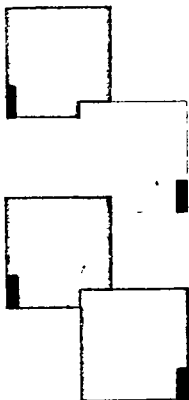


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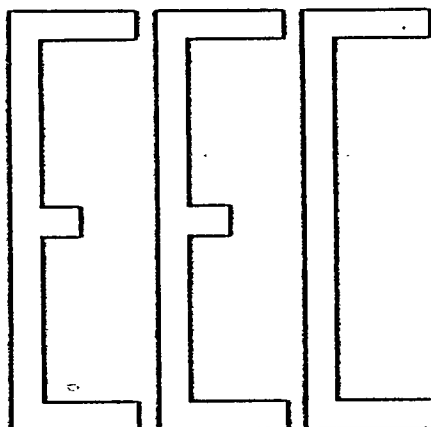
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**BULLETIN**

of the

**EUROPEAN  
ECONOMIC  
COMMUNITY**



**BRUSSELS – JANUARY 1962**

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**N° 1**

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# BULLETIN

of the European Economic Community

SECRETARIAT OF THE COMMISSION OF THE  
EUROPEAN ECONOMIC COMMUNITY



## Contents

	Page
Appointment of the new Commission	5
Tributes to President Hallstein on the occasion of his sixtieth birthday	7
I. Decisions adopted by the Council at the end of the year	8
II. First ministerial meeting between the Associated African States and Madagascar and the EEC Council	13
III. Conference on Regional Economies	20
IV. The symposium between the Institutions	22
V. The United States and the Common Market	28
VI. Accession of non-member countries to EEC	34
VII. Requests for the opening of negotiations by Austria, Sweden and Switzerland	37
VIII. Activities of the Community	
— External relations	38
— Economic and financial affairs	45
— The internal market	47
— Competition	49
— Social affairs	53
— Agriculture	57
— Transport	57
— Overseas development	63
— Administrative affairs	70
— Publications of the Statistical Office of the European Communities	71

IX. Institutions and organs	
A. The Parliament	74
B. The Council	79
C. The Monetary Committee	85
 Annex : Resolutions of the European Parliament	
— Resolution on social harmonization	86
— Resolution on industrial health and safety in the European Economic Community	87
— Resolution on the Regulation concerning the first measures to implement the free movement of workers in the Community	88
— Resolution referring back to the Councils the draft operational budgets of the EEC and Euratom and the draft research and investment budget of Euratom for the financial year 1962	88
— Resolution on problems of the association of overseas States with the European Community	89

## Appointment of the new Commission

On 20 December 1961 the representatives of the Member States' Governments appointed the members of the Commission in accordance with Article 158 of the Treaty. All the former members, with the exception of Mr. Lemaignan, were reappointed. The term of office of the new members runs from 10 January 1962 to 9 January 1966.

After consulting the Commission, in accordance with Article 161 of the Treaty, the Representatives of the Member States' Governments appointed M. Walter Hallstein as President and M. Sicco Leendert Mansholt, M. Robert Marjolin and M. Giuseppe Caron as Vice-Presidents. These appointments are for two years.

The new Commission is as follows :

President :	M. Walter Hallstein.
Vice-President :	M. Sicco Leendert Mansholt;
Vice-President :	M. Robert Marjolin;
Vice-President :	M. Giuseppe Caron.
Members :	M. Jean Rey;
	M. Hans von der Groeben;
	M. Lambert Schaus;
	M. Lionello Levi Sandri;
	M. Henri Rochereau.

The new member, Mr. Henri Rochereau, was Senator for the Vendée in five Parliaments between 1946 and 1959. He was Chairman of the Economic Affairs Committee of the Council of the Republic from 1955 to 1958 and he has also been a member of the Commission on National Accounts and Estimates, a member of the Senate Committee for Economic Affairs and Planning, a member of the Committee for the Co-ordination of Statistical Surveys and a member of the Council for Scientific Research and Technical Progress. In addition he was a delegate to the European Parliament.

M. Henri Rochereau resigned from the Senate on 28 May 1959 on becoming Minister of Agriculture, which office he held until 24 August 1961.

In addition the representatives of the Governments of the Member States have appointed the new Commission of the EAEC and the new High Authority of the ECSC. All the members of the latter have been reappointed. M. Pierre Châtenet (France) was appointed President of the Euratom Commission.

M. Pierre Châtenet, former French Minister of the Interior (1959 to 1961), has been Maître des Requêtes to the Cabinet since 1 January 1946 and, on detachment to the Ministry for Foreign Affairs, he has carried out many missions to the United Nations, at the Residence-General of France in Tunis, and with NATO.



## Tributes to President Hallstein on the occasion of his sixtieth birthday

Professor Walter Hallstein, President of the EEC Commission, celebrated his sixtieth birthday on 17 November 1961. In a ceremony at which the Representatives of the member countries offered their congratulations to President Hallstein, Ambassador Harkort, who is the Representative of the Federal Republic with the European Economic Community, invested President Hallstein, on behalf of Federal President Lübke, with the Order of Merit of the Federal Republic of Germany (Grand Cross, First Class). The award is made in appreciation of Professor Hallstein's work as President of the Commission of the European Economic Community since 1958.

The Vice-Presidents and members of the EEC Commission gave a reception for President Hallstein which was attended by a large number of guests from political, academic and economic circles.

Vice-President Caron announced that the Senate of the University of Padua had decided to award to Professor Hallstein the Honorary Degree of Doctor of Law.

Professor Hallstein is the first non-Italian citizen to receive this award.

Founded in 1222, the University of Padua is the oldest University in Italy after the University of Bologna. Among its distinguished alumni are Galileo, Spallanzani and Pacinotti.

# I. Decisions adopted by the Council at the end of the year

As on 30 December 1961 the Council had not reached agreement on all points of its agenda, especially those concerning agriculture, it decided to extend its 60th session into the first days of 1962, and to meet again on 4 January.

The next issue of the Bulletin will contain the decisions taken at this latter part of the session, and in particular those on the transition to the second stage in the implementation of the Treaty of Rome.

This Bulletin, therefore, contains only those decisions which were taken from 18 to 22 and on 29 and 30 December 1961; they will be discussed in detail in the " Institutions and Organs " Chapter of the next issue. The following are the essential Council decisions taken by the end of 1961.

## **Equal remuneration for equal work as between men and women workers**

In fulfilment of the obligations undertaken pursuant to Article 119 of the Treaty, the representatives of the Governments of the Member States have agreed to bring the remuneration of men and women workers progressively into line.

The following time-table has been adopted :

- a) By 30 June 1962 any difference exceeding 15 % to be reduced to that amount;
- b) By 30 June 1963 any difference exceeding 10 % to be reduced to that amount;
- c) By 21 December 1964 all discrimination to be abolished.

Various supplementary measures have been adopted.

The following is the text of the resolution adopted by the Conference of the Member States on equal pay for men and women workers.

The Member States :

**HAVING REGARD** to their obligations under Article 119 of the Treaty;

**MINDFUL** of the need harmoniously to implement the principle of equal remuneration for men and women workers and to provide a uniform method of application in all Member States;

**MINDFUL** also of the need to proceed by stages, the measures to be taken before the end of the first stage being put into effect in accordance with a reasonable time-table :

1. WILL apply, by 31 December 1961 in accordance with their national systems for the fixing of wages, the appropriate procedures to ensure a principle of equal remuneration for men and women workers such as may be upheld by the Courts. These procedures must lead to the practical implementation of that principle in accordance with the following time-table, either by laws or regulations or, when such machinery exists and is adequate, by compulsory collective agreements.

a) By 30 June 1962 any difference in remuneration exceeding 15 %, to be reduced to 15 %;

b) By 30 June 1963 any difference of remuneration exceeding 10 % to be reduced to 10 %;

c) By 31 December 1964 all discrimination to be abolished.

2. UNDERTAKE not to recognize as generally binding any collective agreements which, despite government directives or recommendations, do not comply with the above time-table;

3. RECOGNIZE that the progressive implementation of the principle of equal remuneration for men and women workers is intended to abolish all discrimination in the fixing of wages, and in particular :

a) The application to men only of compulsory minimum wages, or the fixing of such wages at different levels for men and women;

b) The fixing of a different level of minimum wages according to sex where collective bargaining, pay scales or wage agreements so provide;

c) The fixing of time or piece rates on different bases for men and women;

d) The establishment of distinct categories for men and women or the application of different classification criteria where wages are fixed in accordance with a trade classification system;

e) In general, the maintenance, in collective bargaining, pay scales or wage agreements, of differences in remuneration on grounds of sex.

The Member States further recognize that any practices of systematic downgrading of women workers shall be incompatible with the principle of equal remuneration when different qualification rules are adopted for men and women or when criteria in job evaluation for the classification of workers are used which are not related to the objective conditions in which the work is done.

4. SHALL ENSURE by the most suitable methods and in accordance with their national legislation that such practices shall be abolished in step with the time-table laid down in paragraph 1 above;

5. MAY SUBMIT precise and reasoned requests for an examination of cases in which enterprises or economic sectors would appear to be at a disadvantage by reason of differences in male and female wages existing in other countries. The Commission shall arrange for consultations among the Member States to ensure that remedial measures are taken where necessary. Where difficulties persist the Commission, which shall in any case watch over the observance of the above undertakings, shall take such action as the Treaty puts at the disposal of the Community institutions to settle difficulties of this kind;

6. SHALL CO-OPERATE in organizing a statistical inquiry into the wages structure and shall as soon as possible make a specific statistical survey of male and female wages. The Commission shall complete this documentation by inquiries into collective agreements and the methods of job classification applied in the Six countries, with the assistance of both sides of industry. The Commission shall also study cases which may be suitable for an international comparison of male and female job classifications.

The work indicated above must be done in such a manner as to keep to the time-table laid down in paragraph 1 above so that a harmonious adaptation may be ensured in the various countries of the Community.

### **First Regulation pursuant to Articles 85 and 86 of the Treaty**

The Council has unanimously approved the first Regulation pursuant to Articles 85 and 86 of the Treaty (rules of competition applicable to enterprises).

This Regulation will take effect on the twentieth day after publication in the official gazette of the European Communities. It will be published as soon as the text has been finally drawn up in the four official languages of the Community.

The Regulation, which has frequently been discussed in the Bulletin, will be published in the Annex of a later issue.

### **Social Security of Migrant Workers**

On a proposal from the Commission the Council has adopted an important Regulation concerning the social security of migrant workers, which will enter into force on 1 January 1962. Under the terms of Regulation No. 3 certain benefits available to families of workers who have not been able to join the head of the family in the country where he is working, terminate on 31 December 1961.

These are mainly sickness and maternity benefits in kind and family allowances which concern a considerable number of families in the Community. The new Regulation extends some of the periods and makes it possible to continue these benefits beyond the end of the present year.

### **Administrative Committee of the European Social Fund**

The Council has appointed M. Appio Claudio Rocchi a member of the Administrative Committee of the European Social Fund, to take the place of M. Mario Romani who has resigned. M. Rocchi's term of office will run for the remaining period of that of his predecessor, i.e. to 26 September 1962.

The Council has also appointed M. Carlo Savoini and M. Roger Lallemand alternate members, in succession to M. Rocchi who has been appointed a regular member and M. Kirpach who has resigned.

### **Tariff questions**

On a proposal from the Commission the Council has adopted in accordance with Article 25 (1) of the Treaty, decisions concerning tariff quotas to be granted to several Member States for certain products.

The Council has also, in accordance with Article 28 of the Treaty, decided temporarily to suspend either wholly or in part for the year 1962 the duties of the Common External tariff for certain products for which tariff quotas have been requested.

The Council has further, under Article 28 of the Treaty, adopted a decision on the modification of certain duties and amendments to the wording of certain headings in the common external tariff. These changes are mainly of a technical kind.

### **Statute of service**

The Councils have adopted the Regulation laying down the statute of service for the officials of the Communities and the rules applicable to the other employees of the European Economic Community and the European Atomic Energy Community.

Since the effort to bring the statute of service for the officials of the EEC and the EAEC into line with that applicable in the ECSC has failed, largely because of the difference of opinion between the Committee of Presidents of the

ECSC and the Councils, the latter have decided to put into effect on 1 January 1962 a statute of service for the two Brussels institutions. This statute, which embodies with some amendments Ambassador Borschette's draft, will be published in the official gazette of the Communities.

The Councils have further, on a proposal from the Commissions, adopted the Regulation on the Community tax applicable to officials of the EEC and EAEC.

This Regulation will also come into force on 1 January 1962. The Regulations concerning the statute of service and the Community tax will be discussed in a later issue of the Bulletin.

## II. First ministerial meeting between the Associated African States and Madagascar and the EEC Council

The first meeting between the Ministers of the Associated African States and Madagascar with the Council of Ministers of the European Economic Community was held on Wednesday 6 and Thursday 7 December in Paris. The chair was taken successively by Professor Ludwig Erhard, Vice-Chancellor and Minister for Economic Affairs and Professor Müller-Armack, Under-Secretary of State in the Ministry for Economic Affairs of the Federal Republic of Germany. The Commission took part in this meeting, which was also attended by representatives from the Kingdom of Burundi and from the Republic of Ruanda and by observers from the Euratom Commission and the ECSC High Authority (1).

The Conference opened on 6 December at 11.30 a.m. with a speech of welcome from M. Couve de Murville, French Foreign Minister, followed by an introductory address from Professor Erhard, who spoke in his capacity as President in office of the EEC Council.

The main purpose of the Conference was to work out in common the principles and objectives of the new Association Convention.

M. Ludwig Erhard stressed the significance of this meeting :

“ For the first time, African Ministers and Ministers from the European Community are about to discuss together the future relations between their States. In these negotiations we are staking for the first time the entire system of our relationship, I might even say the very fate of Africa and of Europe ”.

M. Jacques Rabemananjara, Minister for Economic Affairs of Madagascar, in a speech which attracted much attention, declared: “ Let us make no mistake about it, the association of the overseas States with the EEC is a political act: it would be useless and dangerous to disguise this vital truth behind the technicalities of economic machinery. It is political, firstly, because it confirms and strengthens our links with Europe; it is so again — and this above all — because for countries like ours economic development is political requirement No. 1 ”.

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(1) The list of representatives of the Governments of Member and Associated States is given below.

A general discussion developed on the problems involved in the joint drafting of this new Convention, in the course of which the delegations from the Associated States put forward the views of their respective Governments.

The atmosphere of cordiality and mutual understanding which prevailed throughout the Conference bore witness once again to the determination of all those taking part to reach an agreement without delay.

At the close of the discussion, the Conference approved the following text :

## **PRINCIPLES AND OBJECTIVES OF THE NEW ASSOCIATION CONVENTION**

### **I. General problems**

#### *1. Principles of the Association*

The Association is based on a desire for co-operation freely expressed by sovereign States negotiating on terms of complete equality.

#### *2. Aims of the Association*

In accordance with the principles set out in the Treaty of Rome, the prime object of the Association is to further the interests of the Associated States and the prosperity of their peoples in such a manner as to promote their economic, social and cultural development.

For this purpose, the Community and the partner countries in the Association shall co-operate closely and actively in order to ensure among other things :

- a) The development of co-operation and trade between the Associated States and the Community;
- b) The diversification of the economy and the industrialization of the Associated States;
- c) The development of inter-African co-operation and trade;
- d) The strengthening of the economic independence of the Associated States.

#### *3. Legal form of the new Convention*

The new Convention between the Community and the Associated States may take the form of a model agreement supplemented by bilateral or multilateral conventions or protocols.



#### *4. Duration of the Association and of the Convention*

The Association may be of unlimited duration but open to adjustments in its manner of application. Any Associated State, as well as the Community, shall have the right to denounce the Convention in accordance with procedure to be determined by common consent.

The duration of the new Convention shall be from five to seven years.

### **II. Economic and commercial problems**

Within the framework of the aims and objectives of the Association, the new Convention shall ensure advantages at least equivalent to those enjoyed by the Associated States under the Treaty of Rome. It shall provide for measures which, by common agreement, will facilitate the disposal of tropical products and render them more marketable and more profitable.

The new Convention will provide for the possibility of the Associated States' imposing customs duties to protect their developing industries or to provide revenue.

### **III. Technical co-operation and training of staff**

#### *1. Technical co-operation and training of staff in general*

The Convention will provide, according to arrangements to be jointly agreed, for positive action by the Community in the field of technical co-operation and the training of supervisory staff in general. During the negotiations consideration will be given to the possibility of establishing development institutes in Europe and in Africa.

#### *2. Technical assistance connected with investments*

The Convention will provide, according to arrangements to be jointly agreed, for action by the Community in the field of technical co-operation prior to investment (before, during and after the realization of specific projects) commensurate with the recognized needs of the Associated States.

### **IV. Financial co-operation and contribution of Member States to investments required for the progressive development of the Associated States**

#### *1. Development Fund*

The Convention will provide for the establishment of a new development fund. The capital endowment of this Fund will not be less than that of the present Fund.

The operating methods of the Fund, and particularly the participation of the Associated States in its management, will be determined by common agreement.

Financial aid from the Community must be planned to meet the requirements of structural adaptation in the economies of the African States.

## *2. Measures to attract private capital*

The new Convention may include arrangements, to be determined by common agreement, designed to attract private investment, in which the Associated States would also give their support.

## **V. Institutions**

The Association shall provide for institutions appropriate to the new status of the associated countries in international law.

These will include :

1. An Association Council at ministerial level, which will examine, by jointly agreed procedure, the general problems of association;
2. An Association Committee, which will prepare business for the Association Council;
3. A parliamentary institution.

## **VI. Procedure and time-table**

For the attainment of these objectives, the establishment of the following shall be provided for :

1. A Steering Committee, which will organize and co-ordinate the activities of the Working Parties and give the necessary directives;
2. A Working Party on institutional and administrative problems;
3. A Working Party on financial and technical co-operation;
4. A Working Party on trade and marketing, with sub-groups for particular products.

The Chairman of the Steering Committee shall be a national of the same State as the President of the EEC Council, and in the Working Parties and sub-groups the chair shall be occupied in turn by delegates of the Member States

and the Associated States. The Working Parties will proceed on very practical lines and will take account of all the relevant factors, including factors outside the European Economic Community (financial aid from non-member countries and international organizations, the pattern of trade with non-member countries, etc.).

The following time-table shall be observed :

- a) Working Parties : January 1962 in Brussels;
- b) Second meeting between the Ministers of the Member States and the Ministers of the Associated States : 9 and 10 April in Brussels;
- c) Third meeting between the Ministers of the Member States and the Ministers of the Associated States : to be arranged at the above meeting for mid-1962.

#### **List of Representatives of the Governments of Member and Associated States**

The African Associated States and Madagascar were represented by :

##### *Republic of Cameroun :*

M. Victor Kanga, Minister for Economic Affairs;

##### *Central African Republic :*

M. Marcel Douzima, Minister of State and Minister of Planning;

##### *Republic of Congo (Brazzaville) :*

M. Alphonse Massamba-Debat, Minister of Planning;

##### *Republic of Congo (Leopoldville) :*

M. Justin Bomboko, Minister for Foreign Affairs;

##### *Ivory Coast Republic :*

M. Raphaël Saller, Minister for Finance, Economic Affairs and Planning;

##### *Republic of Dahomey :*

M. Paul Darboux, Minister for Trade and Economic Affairs;

##### *Republic of Gabon :*

M. André Gustave Anguile, Minister for Economic Affairs;

##### *Republic of Upper Volta :*

M. François Bouda, Minister of Trade, Industry, Economic Affairs and Mines;

##### *Republic of Madagascar :*

M. Jacques Rabemananjara, Minister of State responsible for Economic Affairs;

*Republic of Mali :*

M. Seydou Badian Kouyate, Minister of Agriculture and Planning;

*Islamic Republic of Mauritania :*

M. Mohamed El Moktar Marouf, Minister of Planning;

*Republic of Niger :*

M. Amadou Mayaki, Minister for Trade and Industry;

*Republic of Senegal :*

M. Abdoulaye Fofana, Minister for Trade and Industry; .

M. Doudou Thiam, Minister for Foreign Affairs;

*Republic of Somali :*

M. Abdimir Mohamed Hussen, Minister for Public Works and Communications;

M. Mohamed Ali Daar, Assistant Under-Secretary for Foreign Affairs;

*Republic of Chad :*

M. Baba Hassane, Minister for Economic Affairs and Trade;

*Republic of Togo :*

M. Hospice Coco, Minister for Finance and Economic Affairs.

The Kingdom of Burundi and the Republic of Ruanda were represented by :

*Burundi :*

M. Ngendandumwe, Deputy Prime Minister;

*Ruanda :*

M. Kayibanda, President of the Republic and Prime Minister;

The EEC Member States were represented by :

*Federal Republic of Germany :*

M. Ludwig Erhard, Vice-Chancellor, Minister for Foreign Affairs;

M. Müller-Armack, Under-Secretary of State in the Ministry of Economic Affairs;

M. Rolf Lahr, Under-Secretary of State in the Ministry for Foreign Affairs;

*Belgium :*

M. Paul-Henri Spaak, Minister for Foreign Affairs;

M. Fayat, Deputy-Minister for Foreign Affairs;

M. Brasseur, Minister of External Trade;

*France :*

M. Couve de Murville, Minister for Foreign Affairs;  
M. Gorse, Under-Secretary of State in the Ministry for Foreign Affairs;  
M. Jean Foyer, Minister for Co-operation;

*Italy :*

M. Carlo Russo, Assistant Under-Secretary of State in the Ministry of Foreign Affairs;

*Luxembourg :*

M. Borschette, Ambassador, Luxembourg Permanent Representative with the EEC;

*Netherlands :*

M. Luns, Minister for Foreign Affairs;  
M. Zijlstra, Minister of Finance.

The EEC Commission was represented by :

M. Hallstein, President;  
M. Lemaigen, Member of the Commission.

*Observers :*

M. Razafimbhininy, Secretary-General of the OAMCE (Afro-Malagasy Organization for Economic Co-operation);  
M. Krekeler, Membre of the Commission of the European Atomic Energy Community;  
M. Reichling, Director of External Relations, High Authority of the European Coal and Steel Community.

### III. Conference on Regional Economies

From 6 to 8 December 1961 a conference on regional economies was held in Brussels under the aegis of the Commission.

It was attended by three hundred people concerned in various ways with regional policy, delegates from public administrations, educational circles, industry, agriculture and trade unions in the six countries. Twenty reports on recent regional development schemes in the Community were presented and discussed.

After an address by the President of the Commission, M. W. Hallstein, an introductory report by M. R. Marjolin, Vice-President, and a further address by M. P. Formentini, President of the European Investment Bank, the conference divided into two committees.

The first, under the chairmanship of M. S. Mansholt, Vice-President of the Commission, studied the development of predominantly agricultural regions, the Mezzogiorno, Languedoc, Schleswig-Holstein, Western France, Emsland, the Eifel-Hunsrück area and certain frontier areas.

The second committee under M. H. von der Groeben dealt with methods of regional industrial development — the industrial complex at Lacq and the decentralization of the Philips concern — with problems of declining industrial regions — Hainaut and Upper Franconia — and with methods of regional economic planning in Germany, France, Italy and the Netherlands.

At the final session the chairman of the Committees, M. S. Mansholt and M. H. von der Groeben, summed up the work done and highlighted the main ideas which had emerged. A full debate followed.

In his summing up M. Marjolin drew the lessons from the conference and pointed to certain future objectives of the Commission in this field.

The conference afforded an opportunity — and this was one of its aims — to establish very close relations between the leading officials responsible in the six countries for planning and implementing regional policy. It drew lessons from the efforts of these countries to attain more harmonious development of the main regions making up each national economy; it thus brought out the common aspects of regional problems, and in particular the effect of the Common Market on these problems and their possible solutions. These studies have thrown into clearer relief the help which the Commission can give the Member States in this field.

Co-operation between the Community and the Member States will need to be intensified. Not only will the Commission continue to study the regional impli-

cations of the common policies, but it will also press forward the studies already in hand on the development of the regions. .

Finally, the Commission is planning, by agreement with the Governments of the Member States, to expedite studies on the establishment of centres of industrial development in certain regions of the Community.

The results of the conference will be discussed in an item in Bulletin No. 2.

## IV. The symposium between the Institutions

The symposium between the Institutions of the Community was held in Strasbourg from 20 to 21 November 1961.

Like previous symposia it centred around two topics, and afforded an opportunity for a full exchange of views between the Parliament, the Council and the Executives.

The two subjects chosen — the transition from the first to the second stage of the Common Market, and the association of the overseas countries — were thoroughly examined in discussions which developed along clear-cut lines.

The Governments were represented by M. Erhard for the Federal Republic of Germany, M. Brasseur for Belgium, M. Gorse for France, M. Piccioni for Italy, M. Schaus for the Grand Duchy of Luxembourg, and M. Van Houten for the Netherlands.

The EEC and Euratom Commissions and the ECSE High Authority also took part.

After the symposium, the European Parliament adopted two resolutions on the subjects set for discussion: a resolution on the association of the overseas States and a resolution on the transition to the second stage <sup>(1)</sup>.

### **The transition to the second stage**

After a statement by the President in office of the Council, M. Erhard, who gave an account of the Council's activities, the discussions were conducted on the basis of reports from the Political Committee, the Committee on Agriculture, the Internal Market Committee and the Social Committee.

The Parliament declared itself in favour of transition from the first to the second stage, taking the view that, despite certain shortcomings which had to be made up before the end of the year (and this should not constitute a *sine qua non*) the objectives laid down in the Treaty had in the main been achieved.

Various speakers felt that though certain objectives had not yet been attained, the Community was politically ripe for transition to the second stage. M. Hallstein observed that the yardstick by which Article 8 of the Treaty was to be interpreted should be political and not legal.

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(1) See below, "Institutions and Organs — The Parliament".



M. Edoardo Martino (Italy, Christian Democrat), concurring with a number of other speakers considered that this transition was essential in order to strengthen the Communities, particularly vis-à-vis Great Britain, and in order to accentuate the irreversible nature of the Treaty.

The unanimity rule, which during this first stage had sometimes reduced the Council to impotence when important decisions had to be taken, was referred to by M. Pleven (France, Liberal), who said this was " a problem touching the very heart of the Community ". Other speakers also dwelt on the fact that the transition of the second stage would bring in the majority rule in the Council : this would do something to cure the Council's inability to act. M. Bohy (Belgium, Socialist) and M. Boscary-Monsservin (France, Liberal) were also of this opinion. The majority rule within the Council would lead to a stronger Community and the development of the Community spirit.

Replying to criticism, M. Erhard said that though it was true that little progress had been made, particularly in the agricultural sphere, the Council was aware that a step forward was now desirable. Speaking in his capacity as German Minister for Economic Affairs, M. Erhard gave an assurance that if they failed to move on to the second stage the blame could never be laid at the door of Western Germany. Speaking as President of the Council, he added that the Council would find practical solutions before the end of the year to the problems of minimum prices and levies. It was often necessary to seek compromise solutions, and the reason why the Council had adhered to the unanimity rule even in cases where majority decisions would have sufficed was that solutions acceptable to all had to be found which would make for an atmosphere of confidence and co-operation between all the States.

As to social matters, all speakers were in favour of the interpretation of Article 119 proposed by the Commission. M. Fischbach (Luxembourg, Christian Democrat) and M. Troclet (Belgium, Socialist) said that equal pay for equal work could only be brought in gradually, but this must not stand in the way of transition to the second stage.

The progress to be made in the field of competition was also discussed. The President of the Council pointed out that in this sphere as in others the respective standpoints of the national Governments were making their weight felt in the Council's decisions, and might delay solutions. He hoped that the members of the Parliament would take action in their national Parliaments with a view to attaining common solutions.

Various comments were made on the legal nature of the decisions to be taken by the Council for the transition to the second stage. A number of speakers,

among them M. Blaisse (Netherlands, Christian Democrat), said that all the Council had to do was to make a confirmatory statement — there was no need for negotiations. This point of view was accepted by the President of the Council, who observed, however, that the Council had to make its assessment of the value and scope of the objectives attained, the definition of which raised particular problems for each Government. What was required was a political appraisal of the general situation, but it was not necessary for all the questions dealt with by the Community in the last four years to be solved before the transition. Numerous speakers stressed the political necessity of moving on to the second stage, having regard to the impact of such a step on relations with non-member countries.

President Hallstein, M. Turani (Italy, Christian Democrat), M. Bégué (France, Liberal), M. Vendroux (France, Liberal), and M. Burgbacher (Germany, Christian Democrat) spoke of the applications for membership from the United Kingdom and other European countries : these applications must not in any way delay the process of economic integration — the transition to the second stage would facilitate negotiations.

M. Erhard said the Council attached great importance to these applications, adding that all those concerned must see that the work of integration was not suspended nor even delayed during the negotiations.

Some speakers (MM. Bohy, Turani and Legendre) dealt with political integration. M. Piccioni pointed out that transition to the second stage was an essential pre-requisite for European political unification, which ought to be attainable in the near future.

### **Association with the overseas States**

The second topic of the symposium was introduced by M. Erhard, taking as a basis for discussion the principles adopted by the Euro-African Conference last June. The parliamentarians discussed in detail the major problems involved in the renewal of association with the overseas States and suggested solutions. Agreement was reached on a certain number of points : the aim of the association, its unlimited duration, the creation of a new development fund, wider co-operation on technical assistance and the establishment of institutions for co-operation at ministerial and parliamentary level.

Differences of opinion remained on other points, namely the legal basis of the association, the grade system and measures for marketing tropical products.

It was generally acknowledged that the problem of renewing the association was a political one, and speakers were unanimous on the need for the overseas countries to join in forming a wider Community. The President of the Council and all the speakers emphasized that each decision would have to be taken by the common consent of the associated countries and the Member States. M. Erhard pointed out that this was the reason for which the Council could not there and then anticipate the answers to be found for all the problems raised.

Speaking for the Commission, President Hallstein stressed that since genuine political independence was conditional on economic independence, it was the economic problems which were the most important. He expressed his satisfaction that the Parliament and the Commission fully agreed on this point and urged that the development fund's operations should be diversified over a range of measures which would together constitute an organic whole. Lastly he expressed the hope that the association would contribute to the unification of the countries of Africa, even though the economic standpoints of the African countries were not always identical; he emphasized once more that any association agreement must be based on reciprocity, since it went further than a trade agreement.

A number of speakers referred to institutional problems. They felt that the future association should take the form of an outline convention, open to the innovations future years might bring, but at the same time solidly constructed; bilateral or multilateral conventions and protocols might be used to supplement them on certain points.

M. Krekeler, speaking on behalf of the Euratom Commission, stressed the unitary nature of the three Communities vis-à-vis the Associated States; Euratom should take part in the current negotiations on an official basis. The President of the Council replied to M. Krekeler that, in view of the outstanding importance for the associated countries of problems which were to be settled within the framework of the Economic Community, this matter should be left over until an agreement on the future association system has been reached.

A number of other institutional problems were touched upon by M. Dehousse (Belgium, Socialist), M. van der Goes van Naters (Netherlands, Socialist), and M. Moro (Italy, Christian Democrat), notably the establishment of an arbitration court; they felt that such a body should be more than a piece of inter-ministerial machinery.

Economic problems, especially the system of trade and the economic advantages at present granted by certain EEC member countries to African products, were the subject of a discussion in which speakers acknowledged unanimously the extremely difficult nature of the problem; a new balance between Community

interests, those of the Associated States and those of non-member countries must be found.

Replying in a personal capacity to M. Peyrefitte (France, Liberal), who had urged Community global quotas for imports of tropical products, M. Erhard said that such a device might be too complicated and that it would also impose excessively rigid patterns of consumption in Europe.

Two other topics discussed were consumer taxes on tropical products and the stability of raw material prices. M. Dehousse and M. Nederhorst (Netherlands, Socialist) wanted to see this matter settled in a spirit of real solidarity.

As to the problem of the economic development of the associated countries, various speakers felt that progressive industrialization should enable them to abandon single crop farming, and this would lead to stable raw material prices.

As for the activities of the Fund, speakers urged that they should not only be maintained but widened under the new association system, and that the sum of 220 million units of account contributed to it should be increased. M. van der Goes van Naters and M. Dehousse suggested that its management should be made subject to joint European and African parliamentary control.

In the field of technical co-operation and assistance problems, all the speakers agreed that the outstanding problem was that of training technicians and managerial staff; in this context the question of establishing a European development institute was raised.

Some members expressed misgivings as to the impact the accession of the United Kingdom might have on the negotiations for the renewal of the association, and M. Dehousse pointed out that the associated countries would have to be consulted before any decision concerning the problems affecting certain Commonwealth countries was taken.

The association of the Netherlands Antilles and of Surinam with the Community was also discussed.

The Parliament urged the Council to pursue the negotiations with the associated countries as expeditiously as possible; they should be concluded with enough time in hand for the national Parliaments to complete a ratification procedure by the end of 1962. The President of the Council gave the Parliament assurances on this point.

Replying to the two-day debate, the President of the Council noted that the Parliament and the Council had shown themselves in agreement on the main problems concerning the new system of association. He affirmed the political will of the Council to press forward along the road to Europe; he hoped that the

Ministers of the six Member States might have more frequent discussions at the national level with the parliamentarians of their countries who were also members of the European Parliament on matters connected with the activities of the Communities.

In conclusion, M. Furler, President of the European Parliament, said that the ideas expressed during the symposium and the broad measure of agreement which had emerged had given great satisfaction to all those present.

## V. The United States and the Common Market

On 1 November, George Ball, Under-secretary of State for Economic Affairs, presented the basic outlines of a new United States policy on international trade in a speech before the 48th National Foreign Trade Convention, in New York.

Mr. Ball's speech appeared to represent the Administration's determination to take an aggressive stand for another extension of the Reciprocal Trade Agreements Act in Congress early next year. The present act, which empowers the President to bargain over reciprocal tariff cuts, expires next June 30.

The speech was reported to have been approved by President Kennedy, indicating that the Administration had decided to push for liberal trade policies.

Mr. Ball cited the "startling effects" of the European Common Market as the compelling factor in opening a new era of "open competitive trading" among nations of the non-Communist world.

Mr. Ball cited three main points as "minimum specifications" if United States industry was to retain its share in the new kind of "open trading world". These were :

— Giving the President new authority to negotiate trade agreements on an "across-the-board" basis, rather than the current product-by-product arrangement. The new method, entailing uniform cuts in duty on whole categories of products, would be necessary to fit the Common Market countries' method of sweeping tariff cuts.

— Providing Federal aid for domestic industries affected by the greater competition of freer trade. This would involve channeling production into new fields, retraining and relocating workers, accelerating tax write-offs on obsolete machinery and credits for plant modernization.

— Providing ways to bring other countries into the new "open trading market". This would be accomplished by negotiations in which the mutual concessions agreed on by the United States and the Common Market would be extended to imports of other countries. They in turn, would make reciprocal concessions to the two main trading partners.

On 6 December 1961 President Kennedy made a speech to the National Association of Manufacturer's sixty-sixth annual Congress in which he discussed United States policy on trade.

Substantial extracts from the President's speech are given below :

“ ...But there is one area in particular where the initiative can and has been ours — an area of strategic importance in which we have the capacity for still greater effort — and that is the area of economic initiative.

“ The Mashall Plan was an example of our initiative in this area. So were Point 4 and OECD and the Alliance for Progress. The year's new long-range program to aid in the growth of the under-developed and usually unaligned nations can bring us still further gains — not merely as a blow against Communism but as a blow for Freedom.

“ Of equal if not greater importance is the stunning evolution of Western European economic unity from treaty to concrete reality. And it is the success of this still-growing movement which presents the West, at this time, with an historic opportunity to seize the initiative anew. The United States is, in fact, required to do so for its own self-interest and progress...

#### *Our Balance of Payments*

“ While exaggerated fears can be harmful, we would not inspire needed confidence abroad by feigning satisfaction with our international balance of payments position. In essence, that position reflects the burden of our responsibilities as the free world's leader, chief defender of freedom and major source of capital investment around the world.

“ As the cost of those responsibilities grows, and is not offset by foreign expenditures here, the monetary deficit in our relations with the rest of the world grows, except to the extent that our trade surplus (of exports over imports) can increase with it. During the previous three years, as competition in international markets increased, our trade surplus did not keep pace. At the same time, higher interest rates in other countries as well as speculation in the price of gold attracted some American short-term capital away from our shores. Our balance of payments was in deficit at a rate of nearly \$4 000 000 000 a year; and, with its consequences extended by a weakened confidence in the dollar, we suffered a net loss of \$5 000 000 000 in our gold reserves.

“ The complete elimination of this problem is clearly some time off — but so are any dangerous consequences. The United States still holds some 43 % of the free world's monetary gold stock, a proportion far larger than our share of its trade and clearly sufficient to tide us over a temporary deficit period while we mount an offensive to reverse these trends. Our exports and export surplus have both been rising. The net claims of Americans against foreigners have doubled during the last decade, and the annual increase in the value of our assets

abroad has regularly exceeded our payments deficit. Contrary to the assertion that this nation has been living beyond its means abroad, we have been increasing those means instead.

“ This year, moreover, our wholesale prices have been steady — confidence in the dollar has been upheld — the speculation fever has ceased — the outflow of gold has been reduced from \$2 000 000 000 in the ten months before February 1, 1960, to \$450 000 000 in the last ten months and, due partly to the temporary decline in imports that accompanies a recession, overall, our payments deficit in 1961 will be less than half of the 1960 deficit.

“ There is cause for concern, in short, but no cause for alarm. We should be blind to neither our basic strengths nor our basic problems. A long-term deficit requires long-range solutions, and we must not be panicked by setbacks of a short-run nature or the inevitable results of a reviving economy.

#### *A Series of Steps*

“ What we will do, and have been doing, is to take a series of positive steps to reduce our outpayments and increase our receipts from abroad.

— “ First of all, we recognize, as already stressed, that this country cannot solve this problem alone. Our Allies have a vital interest in its solution. This we have sought to increase the share of the contribution which the other industrialized states are making in the less-developed world; and are seeking their assumption of a larger share of the cost of our joint defense requirements...

— “ Secondly, to hold our own outlays abroad to the absolute essentials, we have emphasized procurement in this country for our military aid and overseas defense programs, and insisted upon it for three-quarters of our economic aid. We have also substituted local currency expenditures for dollar expenditures to cover local costs wherever possible; and sought to discourage (by a change in the customs law) heavy expenditures abroad by tourists to supplement restrictions already placed on military families.

— “ Third, to encourage a greater movement of funds in this direction, and discourage transfers in the other direction, we have set up a new program to attract foreign visitors; secured passage of a tax exemption encouraging foreign central banks to invest their capital in United States securities; kept our own short-term interest rates high enough to avoid unnecessary outflows; and urged our allies to free their own private capital for investment here. At the same time we have directed the Treasury, for the first time in a generation, to buy and sell foreign currencies in the international exchange markets so as to strengthen its ability to offset unfavorable developments affecting the value of the dollar.



— “ Fourth, we have asked the Congress to remove the artificial tax preference for American investment in highly developed nations with no capital shortage and the unjustifiable tax avoidance loopholes available to those Americans investing in so-called “ tax haven ” nations. We do not seek to penalize — only to equalize. Artificial stimulants to the export of our capital are no more reasonable than artificial restrictions...

— “ Fifth, and most important of all, we are seeking to increase our exports — and thus our surplus of exports over imports. I shall discuss our opportunities here in more detail in a moment; but it is worthwhile recounting now that we have embarked on a stepped-up campaign of export promotion and trade fair exhibitions — increased our agricultural exports, striving for dollar sales wherever possible — broadened the Export-Import Bank’s loan guarantee system — created a new program of export credit insurance — and, in a variety of ways sought to keep American prices competitive.

“ This requires — if we are to avoid the inflation that will price our goods out of the world market — price and wage restraint by industry and labor, and responsible budget policies by Government. It requires — if we are to offer modern products efficiently produced at low cost — a higher rate of investment in new equipment, encouraged by the fullest use of existing capacity in a strong recovery, by the investment tax credit now pending before the House Ways and Means Committee, and by the depreciation reform now under study and already put into effect on textile machinery...

### *Our Balance of Trade*

“ ...One of those tools — one we urgently need for our own well-being — is a new trade and tariff policy. The Reciprocal Trade Agreements Act expires in June of next year.

“ It must not simply be renewed — it must be replaced. If the West is to take the initiative in the economic arena — if the United States is to keep pace with the revolutionary changes in its trading world — if our exports are to retain and expand their positions in world markets — then we need a new and bold instrument of American trade policy.

“ For the world of trade is no longer the same. Some 90 % of the free world’s industrial production may soon be concentrated in two great markets — the United States of America and an expanded European Common Market. Our own example — of fifty states without trade barriers behind a common external tariff — helped to inspire the Common Market. Our support — ever since the close of World War II — has been thrown behind greater European unity. For we recognized long ago that such unity would produce a Europe in which the

ancient rivalries that produced two world wars could rest in peace — a Europe in which the strength and destiny of Germany would be inextricably tied to the West — and a Europe no longer dependent on us, but on the contrary, strong enough to share in full partnership with us the responsibilities and initiatives of the free world.

“ Now this new “ House of Europe ” we sought so long is actually rising, and it means vast new changes in our outlook as well. With the accession of the United Kingdom and other European nations, the Common Market will have almost twice as many people as we do; it will cover nations whose economies have been growing twice as fast as ours and it will represent an area with a purchasing power which someday will rival our own. It could be — it should be— our biggest, our most reliable, our most profitable customer. Its consumer demands are growing, particularly for the type of goods we produce best, for American goods not previously sold and sometimes not even known in European markets today. It is an historic meeting of needs and opportunity. At the very time we urgently need to increase our exports, to protect our balance of payments and pay for our troops abroad, a vast new market is rising across the Atlantic.

“ If, however, the United States is to enjoy this opportunity, it must have the means to persuade the Common Market to reduce its external tariffs to a level which permits our products to enter on a truly competitive basis.

### *Fresh Approach Essential*

“ That is why a trade policy adequate to deal with a large number of small states is no longer adequate. For almost thirty years, the Reciprocal Trade Agreements Act has strengthened our foreign trade policy. But today the approach and procedures provided for in that act are totally irrelevant to the problems and opportunities we confront. Its vitality is gone — a fresh approach is essential — and the longer we postpone its replacement, the more painful that step will be when it happens.

“ For this is no longer a matter of local economic interest but of high national policy. We can no longer haggle over item-by-item reductions with our principal trading partners, but must adjust our trading tools to keep pace with world trading patterns — and the EEC cannot bargain effectively on an item-by-item basis.

“ I am proposing, in short, a new American trade initiative which will make it possible for the economic potential of these two great markets to be harnessed together into a team capable of pulling the full weight of our common military economic and political aspirations. I am not proposing — nor is it either neces-

sary or desirable — that we join the Common Market, alter our concepts of political sovereignty, establish a “rich man’s” trading community, abandon our traditional most-favored-nation policy, create an Atlantic free trade area, or impair in any way our close economic ties with Canada, Japan and the rest of the free world.

“I am not proposing — nor is it either necessary or desirable — that in setting new policies on imports we do away altogether with our traditional safeguards and institutions. I believe we can provide more meaningful concepts of injury and relief, and far speedier proceedings. We can use tariffs to cushion adjustment instead of using them only to shut out competition. And the Federal Government can aid in that process of adjustment, through a program I shall discuss further tomorrow — not a welfare program, not a permanent subsidy, but a means of permitting the traditional American forces of adaptability and initiative to substitute progress for injury.

#### *Imports Will Increase*

“For obviously our imports will increase — not as much as our exports, but they will increase. And, we need those imports if other nations are to have the money to buy our exports and the incentive to lower their tariff barriers. We need those imports to give our consumers a wider choice at competitive prices. We need those imports to give our industries and our defense establishment the raw materials they require at prices they can afford and to keep a healthy pressure on our own producers and workers to improve efficiency, develop better products, and avoid the inflation that could price us out of markets vital to our own prosperity.

“Finally, let me make it clear that I am not proposing a unilateral lowering of our trade barriers. What I am proposing is a joint step on both sides of the Atlantic, aimed at benefiting not only the exporters of the countries concerned but the economies of all the countries of the free world. Led by the two great common markets of the Atlantic, trade barriers in all the industrial nations must be brought down. Surely it will be said that the bold vision which produced the EEC will fall short if it merely transfers European protectionism from the national to the continental level.

“But if we can obtain from the Congress, and successfully use in negotiations, sufficient bargaining power to lower Common Market restrictions against our goods, every segment of the American economy will benefit...

“But if American industry cannot increase its sales to the Common Market, and increase this nation’s surplus of exports over imports, our international payments position and our commitments for the defense of freedom will be endangered.”

## VI. Accession of non-member countries to EEC

### **Great Britain's application for membership of the European Economic Community**

The Deputies of the heads of delegations met on 22, 23 and 24 November and 4 and 5 December and submitted a first report to the heads of delegations (ministerial meeting of 8 December). This report was based on the programme of work drawn up at the ministerial meeting of 9 and 10 November.

At these meetings it proved possible to reach wide agreement on the common customs tariff of the enlarged Community and also on the continuation of the present tariff negotiations in GATT.

A list of products for which the British delegation desired a zero or minimal tariff was passed to a group of experts for study. The ministerial meeting of 8 December decided that the experts would continue the examination of these products and assemble the necessary statistical and economic information. This same group of experts was also instructed to study in the light of all relevant economic and statistical factors the problems of manufactures from the industrialized countries of the Commonwealth (Canada, Australia, New Zealand).

The first aim of the Deputies in dealing with the problems posed by the Commonwealth countries was to assemble the necessary statistical and tariff information; they entrusted this task to the Commission in collaboration with the British delegation.

In the discussions on the approach to Commonwealth problems, the Head of the Commission delegation proposed the following method for Commonwealth countries other than Canada, Australia and New Zealand : a preliminary classification of the countries according to the nature of their respective problems would be made by taking the various categories of products in turn. Such a classification could facilitate the search for solutions at a subsequent stage by immediately bringing out the main elements of the problems to be solved and by grouping these problems according to a set of correlated factors.

On 18 December the Committee of Deputies heard a preliminary report based on the proposals of the Commission's representative, concerning the joint studies by the Commission and the British delegation. The work is being continued so that the Deputies may resume their examination of the matter on 9 January 1962.

A further ministerial meeting has been fixed for 18 January 1962.

## **Denmark's application for membership of the European Economic Community**

After the exploratory conversations between the Governments of the EEC Member States, the Commission and the Government of Denmark on 26 October last, the Danish Government on 30 November opened negotiations with the Governments of the Member States for Denmark's entry into the European Community. The Danish delegation was led by M. J.O. Krag, Danish Minister for Foreign Affairs, and the meeting was under the chairmanship of Under-Secretary of State Müller-Armack. The Commission was represented by President Hallstein, M. Caron, M. Mansholt and M. Rey.

Speaking on behalf of the Governments of the six Member States, M. Lahr expressed his pleasure at Denmark's request for membership and in particular at the approval given by that country to the aims laid down in Articles 2 and 3 of the Treaty of Rome. He also noted with great satisfaction the Danish Government's intention of participating fully in the political co-operation envisaged by the Six under the terms of the Bad Godesberg declaration of 18 July 1961.

President Hallstein associated himself with M. Lahr's remarks. As to certain points raised by the Danish Government, as regards the elimination of customs duties and the introduction of the common customs tariff, he asked the Danish delegations whether they did not see their way to accepting the safeguard clauses as adequate rather than appeal to special time-table facilities which could only be justified by the existence of purely Danish problems on the nature of which he would like, if possible, to be enlightened. On the economic union, President Hallstein asked the Danish delegation to explain the Danish Government's attitude to the Community's social policy particularly in relation to the Nordic common labour market and to freedom to invest in stocks and shares. President Hallstein also expressed his confidence that due regard would be paid in the negotiations to the Danish Government's desiderata in the agricultural sphere.

Replying to the Community's representatives, M. Krag said that he hoped a solution would be found which would make it possible during the period of negotiations to protect Danish interests as regards trade in agricultural products and the working out of the common agricultural policy. This would be an important moral factor, politically, by its effect on Danish public opinion. It was essential that any new country joining the Community should not be treated less favourably than the founder members. Turning to the conduct and tempo of the negotiations, M. Krag stressed the importance, when agricultural problems came up for discussion with the British, of conducting the negotiations with the United Kingdom Government and with the Danish Government at the same pace and more or less parallel. M. Krag justified the Danish Government's

request for a special time-table in the elimination of obstacles to certain Danish imports by the fact that Danish industry was not very advanced. He intimated that in December he would send a memorandum dealing inter alia with the Danish position on agriculture and with the questions concerning the economic union raised by M. Hallstein.

After discussion, it was agreed that the representatives of the Communities would send in December the Danish Government a special technical questionnaire in which particular attention would be paid to observations contained in the Danish Government's memorandum.

The next meeting at ministerial level was fixed for 6 February 1962. It will be preceded by a meeting of the deputies on 29 January.

## VII. Requests for the opening of negotiations by Austria, Sweden and Switzerland

On 12 December 1961 M. Bruno Kreisky, Minister for Foreign Affairs of Austria, addressed to M. Ludwig Erhard, Vice-Chancellor and Minister for Economic Affairs of the Federal German Republic and President in office of the EEC Council, a letter containing the Austrian Government's request for the opening of negotiations for a purely economic agreement to enable Austria to participate in an enlarged European market.

On 12 December 1961 M. Östen Unden, Minister for Foreign Affairs of Sweden, addressed to M. Ludwig Erhard a letter containing the Swedish Government's request for the opening of negotiations for an agreement to enable Sweden to collaborate in establishing an integrated European market.

On 15 December 1961 M. F. T. Wahlen, President of the Swiss Confederation, Head of the Federal Political Department, addressed to M. Ludwig Erhard a letter containing the Swiss Government's request for the opening of negotiations with a similar aim.

## VIII. Activities of the Community

### EXTERNAL RELATIONS

#### **The association of Greece with the EEC**

1. The Greece-EEC interim committee which is to prepare the work of the Council of Association during the period preceding the entry into force of the Agreement, held its first meeting in Brussels on 29 November 1961. Ambassador Harkort, Permanent Representative of the Federal Republic of Germany, was in the chair. The Greek delegation was headed by M. Permazoglou, Minister Plenipotentiary, while M. Seliger, Director General of External Relations of EEC, led the Commission delegation.

The agenda comprised the following points : progress report on the ratification of the Agreement in the various States concerned; organization of the interim committee; draft rules of procedure for the Council of Association; problems relating to the implementation of the Association Agreement; imports of Greek wines by the Community after 1 January 1962.

The national delegations informed the interim committee of the progress made in ratifying the Association Agreement. Generally speaking, it may be expected that the ratification procedures will be concluded in February 1962. This would make 1 May the date of entry into force of the Agreement.

#### **The association of the Netherlands Antilles with the EEC**

2. In implementation of the Council's instructions at the 13-14 November session <sup>(1)</sup>, the Committee of Permanent Representatives, meeting on 16 November, requested the Netherlands Antilles working party to finalize from the technical and legal angles the texts adopted by the Council and to fit them into the procedural machinery necessary to implement the association of the Netherlands Antilles.

The Working Party held its first meeting on 28 November : it will convene again in the first half of December with the aim of submitting the final texts as soon as possible.

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<sup>(1)</sup> See Bulletin No. 12/61, Chap. IV, sec. 2.



## **The Community and GATT**

### *The general tariff negotiations (Dillon negotiations)*

3. At its session of 6 November the Council considered the question of general tariff negotiations in GATT and more particularly the problems of negotiations with the United States and Canada. At the beginning of the Meeting M. Rey pointed out that an agreement with the United States was the linchpin of the tariff negotiations and that it seemed difficult, in view of the close co-operation between the United States and Canada in agricultural matters, to conduct the negotiations separately and to bring one of these countries alone to sign an agreement with the Community.

### *Nineteenth Session of the Contracting Parties*

4. The Commission took part in the Nineteenth Session of the Contracting Parties which began in Geneva on 13 November.

The agenda of the first two weeks of the ordinary session included discussion of the European Economic Community. The subject was divided into three separate elements, on each of which the Contracting Parties held a lively and thorough debate.

#### *a) Communication of information by the Community.*

Continuing the system of mutual information adopted at the Fifteenth, Sixteenth and Seventeenth Sessions, the representative of the Commission, speaking for the Community, outlined the latter's activities and achievements since the Treaty of Rome came into force, and laid special emphasis on those aspects of particular concern to the Contracting Parties. His statement shows that the economic expansion of the Community, which was reflected between 1957 and 1961 in an annual average increase of about 4.8 % in the gross national product and a year-to-year growth rate of about 20 % in trade between the member countries compared with 14 % between 1953 and 1957, also benefited the non-member countries: their exports to the Community increased in volume at an annual average rate of 10.5 %.

The Contracting Parties noted with satisfaction the favourable development reflected in these figures and expressed their appreciation of the fullness of the information supplied by the Community. Several of them nevertheless reiterated their anxiety over the system of association of the overseas countries and the

possible effects of the future common agricultural policy. Mention should also be made of the satisfaction with which the developing countries received the statement by the Commission's representatives that "Although the quantities of raw materials purchased from the developing countries have shown a favourable trend, the average value has slackened appreciably during this period. Thus, the trend of prices for basic products on the world market has deprived the developing countries of a part of the profit which the increase in the volume of sales could bring them. The Commission considers that this state of affairs is highly regrettable and that concerted international action should be taken to remedy it."

b) *Association of the overseas territories.*

The inclusion of this item in the agenda of the Nineteenth Session was proposed by the GATT Council at its session of September 1961. Certain Contracting Parties seized this occasion of again voicing their fears concerning the harm which association might do to their trade with EEC. None, however, gave any examples which would lend substance to these fears. Speaking in the name of the associated countries the delegate of Senegal mentioned that the increase in EEC imports of coffee and cocoa between 1958 and 1960 had benefited non-member countries more than the associated countries.

a) *Examination of the common external tariff under Article XXIV (5a) of GATT.*

The report of the Tariff Negotiations Committee on this point had been submitted to the Eighteenth Session which, after discussion, had referred the question of the general incidence of the common tariff to the Council of the Contracting Parties. Having noted that the problem was essentially one of the legal interpretation of the General Agreement, the Council referred the question to the Contracting Parties.

The debate on this point gave certain Contracting Parties, in particular countries exporting agricultural products and the developing countries, an occasion to renew their complaints concerning the incidence of the duties in the EEC common external tariff on certain of their exports. However, the Commission's representative pointed out that the problems which the common external tariff might pose for the Contracting Parties individually and for the solution of which they can have recourse to consultations under Article XXII, were not the question under discussion, which was that tariff's general incidence under the terms of Article XXIV (5a).

### *GATT meeting at ministerial level*

5. As part of the Nineteenth Session of the Contracting Parties a meeting at ministerial level took place in Geneva from 27 to 30 November 1961, with ministers or ministerial representatives from 44 countries participating. The Commission was represented by M. Rey, President of the External Relations Group.

The agenda of the meeting comprised the three main subjects which make up the GATT programme of work for the expansion of trade :

- a) Reduction of tariff obstacles to trade;
- b) Factors hampering the trade of the less developed countries;
- c) Trade in agricultural products.

The conclusions adopted by the Ministers reflect their unanimous desire to put GATT in a position to adapt itself to the new aspects of international trade. These conclusions have been given practical application by the Contracting Parties in the following measures :

- a) The establishment of a working party to examine new procedures and methods by which to continue the reduction of tariff obstacles on the basis of most-favoured-nation treatment. In addition of three Member States of EEC, the Commission itself will take part in the work of this group;
- b) The adoption of procedures aimed at providing a basis for the negotiation of practical measures to ensure for agricultural products acceptable conditions of access to world markets;
- c) An action programme to improve the trade of the less developed countries; this would be drawn up in the framework of Committee No. III.

M. Rey's speech, which was received with satisfaction, showed resolute optimism and great understanding of the fears and disappointments of certain countries, and also emphasized the importance which the Community attached to the rules of GATT.

He also read a speech by M. Mansholt in which the Vice-President of the Commission suggested certain principles by which to obtain fair remuneration for farmers throughout the world. These suggestions were received with particular interest by the countries exporting agricultural products.

It should be emphasized that the Ministers representing the EEC Member States reaffirmed their Community position in a speech made in their name by the representative of the Federal German Republic.

## **Relations with international organizations**

### *The Economic Policy Committee of OECD*

6. The Economic Policy Committee of OECD held its first meeting on 24 and 25 October 1961 in Paris. The Community was represented at this meeting.

The Committee elected as chairman Sir Robert Hankey, former chairman of the Council of OEEC, with M. van Lennep, chairman of the Committee's Working Party No. 3 (monetary questions), as his deputy.

Among the questions discussed were the problem of rising prices and the economic trend.

The problem of rising prices was studied chiefly from the point of view of the influence of wages on the price level. The Committee's discussions were based on a report drawn up by six independent experts.

The picture of the present economic trend that took shape from the discussions showed that: in the United States the recession is all but over; the boom in Europe is tending to quieten down, for reserve productive capacity is practically exhausted in many countries; Germany's creditor position is showing slight signs of weakening; the situation of the United Kingdom has greatly improved; and the French and Italian economies are shaping satisfactorily.

### *The Ministerial Council of OECD*

7. The first OECD Ministerial Council was held on 16 and 17 November under the chairmanship of Mr. Donald Fleming, Canadian Minister of Finance.

The EEC Commission was represented by M. Rey, President of the External Relations Group.

The chief subjects discussed were:

a) Economic growth.

The Council approved the Belgo-American proposal to fix as an objective for the Member States as a whole in the period 1960 to 1970, a growth rate of 50 % of the gross national product.

b) Future activity of the Development Assistance Committee (DAC).

All the ministers stressed the political importance and the urgency of aiding the developing countries. The Council agreed to make an annual review of the aid made available by their countries. The German delegate asked that the work of DAC should be tied in with what was being done in Brussels by the Six and mentioned the figure of 1 % of the gross national product as an aid target

for each DAC country. The delegations of the United States, Spain and Italy requested that DAC should take into account the Punta del Este programme (1).

M. Fujiyama, Minister of State, and M. Haguivara, Japanese Ambassador to France, attended this part of the Council meeting.

The possibility of setting up an OECD development centre was among the points discussed.

#### c) Trade.

During the conversations, M. Erhard, German Minister of Economics, and Mr. Ball, American Under-Secretary of State, stressed the need for a liberal policy in all OECD Member States. According to M. Ball, the establishment of a single market in Europe comparable to that of the United States will lead to the concentration of trade between these two markets, which together represent 90 % of the production of the free world. This will call for a complete overhaul of trade policy and of its instruments. The United States is working to this end.

The Commission's representative, M. Rey, pointed out the importance and the farsightedness of the position adopted by the United States Government. He also expressed the hope that the negotiations at present going on to bring the United Kingdom into EEC would be successful.

#### *FAO Conference*

8. The Commission was represented at the 11th session of the FAO Conference held in Rome from 4 to 24 November 1961. Among the subjects considered at this session were the problems of basic agricultural products and the effects of regional integration on agricultural markets. After consultation with the Commission's representatives, the delegates of the EEC Member States tabled some amendments to a Latin American resolution on the common agricultural policy of the Six. The aim of these amendments, which were accepted by the Conference, was to eliminate any formula implying a condemnation of the Commission's proposals in this sphere.

#### *The Conference of NATO parliamentarians*

9. The Commission was represented at the 7th session of the conference of NATO parliamentarians held in Paris from 13 to 18 November 1961. The conference declared that regional economic groupings tend to develop world trade, and recognized that the accession of the United Kingdom and other States to the European Economic Community will considerably strengthen the cohesion, stability and political solidarity of Western Europe.

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(1) See Bulletin No. 9-10/61, Chap. V, sec. 11.

### *Collaboration between EEC and the ILO*

10. Under the 1958 Liaison and Co-operation Agreement between EEC and the ILO, two new provisions have been adopted associating the EEC Commission with the International Vocational Training Information and Research Centre (CIRF) and establishing a permanent contact committee.

The Centre is a special section of the International Labour Office which collates and circulates information material on occupational training questions in all sectors of the economy.

The permanent contact committee will make available to the EEC Commission and the International Labour Office a system of direct consultations leading to a more effective use of the liaison and co-operation procedures fixed by the EEC-ILO agreement.

### **Problems of basic products**

#### *The International Olive Growers Council*

11. At its session from 23 to 27 October in Madrid the International Olive Growers Council decided to admit an EEC observer to its meetings. The next session of the Council is due to take place in April 1962 and an observer will be present.

In connection with the general problem of the participation of the Community in the work of the different international understandings on basic products, it will be remembered that the Community has already been officially permitted to send an observer to the International Wheat Council and to the International Study Group on Lead and Zinc.

### **Appointment by associated countries of representatives of the Community**

12. On 6 November M. Walter Hallstein, the President of the EEC Commission, received Ambassador Amadou Seydou in his capacity as representative of the Republic of Niger with EEC.

### **Establishment by non-member countries of missions to the Community**

13. The EEC institutions concerned have given their agreement to the request of the Government of the Argentine Republic and of the Government of the

Republic of India for the establishment of diplomatic relations with the Community.

The EEC institutions concerned have also approved the appointment of M. Hans Tabor to be the new head of the Danish Mission to EEC in the capacity of Envoy Extraordinary and Minister Plenipotentiary.

## **ECONOMIC AND FINANCIAL AFFAIRS**

### **Joint programme for a survey of economic trends**

14. In order to improve its means of analysing economic trends at Community level and to organize exchanges of information among industrialists in the member countries, the Commission has decided to put in hand a joint programme of periodical economic surveys. The programme consists mainly in co-ordinating and developing the enquiries at present conducted among industrialists by the national Institutes.

### **Group for the co-ordination of policy on credit insurance**

15. The fifth meeting of the Group for the co-ordination of policy on credit insurance, guarantees and financial credits took place on 6 November 1961 in Brussels. It considered a draft agreement on the details of the consultation procedure which had been approved in outline at the previous meeting on 28 June (1).

This draft agreement provides for prior consultation within the Group before a Government or governmental body grants guarantees or credits associated with the supply of goods, whenever the period for such credits is to exceed five years. Special provisions have also been laid down for global credits and outline agreements concerning the granting of guarantees.

The consultations, which will be compulsory, will normally commence by the State which is contemplating a given transaction supplying all the particulars; they will continue, whenever another party to the procedure requests that the transaction shall be discussed, in meetings of a small committee which will take place, at least in the early stages, every two months.

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(1) See Bulletin No. 7-8/61, Chap. V, sec. 15.

The agreement on the consultation procedure, of which the final text will be approved at the next meeting of the Group on 12 and 13 December, will make possible a considerable degree of harmonization of Member States' policies towards the developing countries in the matter of credits for the purchase of equipment goods, and will also avoid anarchic competition on the markets of non-member countries.

The Group also took note of a document prepared by the Commission's staff on the scope for action by private financial institutions in the financing of medium and long-term credits to the developing countries. It was agreed that the Group should ask the Fédération Bancaire of the EEC for its views on the points put forward, and in particular the practical suggestions, in the document in question; the Group will then hold a full discussion at the December meeting.

#### **Application of Article 221 of the Treaty**

16. On 8 November 1961 a meeting of national experts was organized by the Commission to study the application of Article 221 of the Treaty.

Article 221 lays down that within a period of three years after the date of the entry into force of the Treaty, Member States shall treat nationals of other Member States in the same manner, as regards financial participation by such nationals in the capital of companies within the meaning of Article 58, as they treat their own nationals, without prejudice to the application of the other provisions of the Treaty.

It emerged from this joint study that only a few statutory provisions did not conform to the obligations flowing from Article 221; these exceptions were, moreover, of only minor importance in practice.

The national experts stated that their Governments were willing to alter the provisions in question and to examine any other provisions which seemed to be incompatible in certain respects with Article 221.

They gave assurance that the measures taken and the conclusions reached on examining all the doubtful points would be communicated to the Commission's staff by 15 December 1961.

Moreover, it was agreed that the relevant government departments would inform the staff of the Commission by 15 December 1961 of any other national statutory provisions that might be incompatible with Article 221.



## THE INTERNAL MARKET

### Increase in volume of tariff quotas

17. At its session of 13 and 14 November 1961 the Council, on a proposal of the Commission <sup>(1)</sup>, adopted unanimously the following Decisions :

a) A Decision authorizing an increase from 85 to 130 metric tons of the tariff quota for vanadium pentoxide (vanadium anhydride), from heading 28.28 G.I. of the common customs tariff, granted to the Italian Republic;

b) A Decision authorizing an increase from 4 100 to 7 000 metric tons of the tariff quota for crude iron or steel powders, from heading 73.05 A, of the common customs tariff, granted to the Federal Republic of Germany.

### Re-examination of applications for tariff quotas for 1962

18. In accordance with the recommendations adopted by the Council at its session of 13 and 14 November 1961 <sup>(2)</sup>, the Commission's staff have, in co-operation with the Member States' experts, examined :

a) How far it was feasible for applications for tariff quotas to be withdrawn;

b) Where the withdrawal of an application could not be accepted directly, to what extent the use of a Community solution (reduction or suspension of duties) might make such withdrawal feasible.

After a product-by-product examination held during several days by the national experts and the Commission's staff, the national delegations met on 29 November to decide upon their final positions on these points.

At this meeting, each delegation first made it clear that it would only withdraw applications subject to a reciprocal attitude on the part of the other delegations, and that it would review its position in the light of the general results of the meeting.

These general results have been very satisfactory. The Member States' experts have clearly endeavoured to give effect to the Council's recommendation, as can be seen from the following table :

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<sup>(1)</sup> See Bulletin No. 12/61, Chap. IV, sec. 22.

<sup>(2)</sup> See this Bulletin, Chap. IX.

	Applications sub- mitted (Art. 25 (1) and (2), List G)	Total withdrawals	Remainder
Germany (F.R.)	56	33	23
France	3	1	2
Italy	39	16	23
Netherlands	62	32	30
B.L.E.U.	28	11	17
Total	188	93	95

For industrial products it will be noted that the applications have been cut by about 50 %, and this proportion is followed fairly closely by all the Member States. A comparison with the figures for 1961 is also significant :

	1961 (applications remain- ing after withdrawals)	1962 (applications remain- ing after withdrawals)
Article 25 (1)	46 (26 granted)	28
Article 25 (2)	38 (11 granted)	31
Protocols List G	44 (34 granted)	36
Total	128	95

This table shows that the number of applications maintained for 1962 is only 75 % of those maintained for 1961. The trend has therefore been favourable, and suggests that the number of quotas for industrial products to be granted for 1962 will not exceed the number accorded for 1961.

Furthermore it should be pointed out that in several cases the Member States have of their own accord cut the quotas applied for, whilst in other cases they have agreed to limit to six months the period of validity requested.

As far as the Protocols concerning List G products are concerned, and particularly Protocol No. X (glass beads), a Community solution not only makes possible the withdrawal of the two applications but also offers two Member States (France and the Federal Republic of Germany) an inducement to forgo for 1962 the quotas to which they are automatically entitled under this Protocol.

Lastly, quota application concerning industrial products have been cut down to figures not exceeding those for 1961 : Member States have halted a trend which might have imperilled the customs union.

## Tariff quotas granted for 1962

19. At its session of 4 and 5 December, the Council adopted the Commission's proposals for the granting for 1962 of seven tariff quotas to the Member States which had applied for them. Details are given in the following table :

No. in the customs tariff	Description of products	Applicant Member States	Quantities granted (metric tons)
28.13 E	Silicic anhydride (silica gel)	Italy	80 at 0 %
ex 28.29 A IV	Potassium and tantalum fluoride	Italy	2 at 0 %
	} for the manufacture of synthetic rubber		
ex 28.13 F	Hydrobromic (gaseous)	Netherlands	25 at 0 %
48.01 A	Newsprint	Germany (F.R.)	325 000 at 0 %
73.05 A	Iron or steel powders	Netherlands (B.L.E.U.)	1 000 at 0 %
ex 73.05 A	Crude iron or steel powders	Germany (F.R.)	8 000 at 3 %

In addition the Council has approved the suspension of duties for a certain number of products which had been the subject of applications for tariff quotas (24 products) and for which it was recognized that suspension was a fairer solution for the whole Community. These suspensions have enabled certain Member States to withdraw their applications in respect of these products.

## COMPETITION

### Rules applicable to enterprises

#### *First draft regulation pursuant to Articles 85 and 86 of the Treaty*

20. The European Parliament gave its opinion on 19 October 1961 on the Commission's proposal concerning a first draft regulation pursuant to Articles 85 and 86 of the Treaty <sup>(1)</sup>, and the Council then discussed the Commission's pro-

(<sup>1</sup>) The Council was informed of the Economic and Social Committee's opinion on 28 March 1961 (see Bulletin No. 4/61, Chap. IV, sec. 20). For the Parliament's opinion, see Bulletin No. 12/61, Chap. IV, sec. 23, and Chap. V.

posal at its November session. The Council's session was followed by a special meeting of the Ministers from the Member States responsible for matters of competition. A panel of experts has been appointed to continue work on the proposal. The draft regulation, together with the experts' opinion, will be submitted to the Council for its December session.

At its session on 2 December 1961, the Council continued its work on the draft of a first regulation under Article 87. At this session it was clear that differing opinions had been brought closer together and that there was a general desire to reach an agreement.

In co-operation with the Commission's staff, the government experts have devoted numerous meetings to making a series of amendments to the draft.

Thus the preparatory work is going ahead and it is hoped will be concluded for the forthcoming session of the Council of Ministers on 18 to 21 December 1961.

### **Approximation of legislation**

#### *Public contracts*

21. The Working Party on the approximation of legislation concerning public contracts met in Brussels on 15 and 16 November.

It took note of the Council's instructions in the General Programmes for the abolition of restrictions on freedom of establishment and on freedom to supply services. According to these instructions the measures for abolishing formal restrictions existing in the various national systems of regulations will have to be accompanied by common rules designed to supplement the effects of these measures of abolition. It was agreed with the national delegations that these instructions should be put into effect by the Working Party concurrently with the study of a European procedure for the letting of public contracts on the basis of the working paper drafted by the Commission's staff.

However, in view of the final date of 31 December 1963 fixed by the Council for the preparation of the common rules on public contracts, this work will be given absolute priority.

The Working Party examined in detail the proposals in the working paper concerning wide publicity for invitations to tender in order to create as far as possible perfect competition within the Common Market. This matter will be considered again together with that of criteria for the letting of contracts at the next session of the Working Party on the approximation of legislation, which will take place in Brussels on 17 and 18 January 1962.

The Working Party also decided to establish a single list of the types of local authorities and public boards which will be subject to the common rules laid down by the Council and to the European procedure when this has been worked out and has been approved by the Council.

### **Convention on the reciprocal recognition and enforcement of judgements and convention on bankruptcy**

22. Since the last report <sup>(1)</sup>, work has continued on the law relating to the enforcement of judgements and the law of bankruptcy.

The Government experts held a further session, from 23 to 27 October, devoted to the drafting of a convention of the enforcement of judgements. The discussions mainly concerned the method of simplifying and expediting exequatur procedure. This is a particularly important problem in practice. What must be avoided is that the exequatur procedure should lead to fresh legal proceedings involving heavy costs and a considerable loss of time. It is hoped to find a solution within the framework of the Economic Community which business circles in particular will find to be an improvement.

The Government experts finished at their recent session their examination of the preliminary draft prepared by a sub-committee, the first part of which they had discussed in June 1961. The sub-committee on the law on the enforcement of judgements will now reshape this preliminary draft on the basis of the work done at the two last sessions. The experts will then examine this new draft and thus bring the first stage of their work to an end.

On the question of bankruptcy, the Working Party recently held a session lasting several days to pursue its examination of the basic problems involved in a convention on this subject. A preliminary draft was prepared, which will be discussed by the Government experts at their next meeting, scheduled for 15 to 19 January 1962.

### **Motor vehicle equipment and parts**

23. On 21 and 22 November 1961 at the second meeting of the special panel drawn for the Working Party on " Technical obstacles to trade — various products " reports presented on direction indicators and registration plates were examined.

A report on safety glass windows will be submitted to the next meeting.

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<sup>(1)</sup> See Bulletin No. 7-8/61, Chap. V, sec. 35.

### **Agricultural tractors**

24. A further meeting of this special panel was held on 23 November 1961. Problems concerning the maximum speed of tractors were discussed. It was decided to study for the next meeting problems concerning the braking, lighting and weight of tractors, which have a bearing on maximum speed.

### **Fiscal problems**

25. Further to the meeting of heads of taxation departments of the Member States, held in Brussels on 5 October 1961 under the Chairmanship of M. von der Groeben, a member of the Commission <sup>(1)</sup>, two Working Parties were convened by the Commission for 12 and 13 December 1961.

At their first meeting, the Working Parties will draw up a programme of practical work for 1962. Following the plan of a working document drafted by the Commission's staff, Working Party No. 1 will examine the problems of appreciation of assets, stocks, amortization and trading losses. Working Party No. 2 will consider :

- 1) The taxation of investments made within the six countries by countries outside the Common Market, and vice-versa;
- 2) Tax treatment of investments of one member country in another member country.

Various points arise under these headings : application of the parent company-subsidiary privilege for subsidiaries abroad; utilisation of tax advantages offered by certain " tax haven " countries for the enterprises of the Common Market; abolition of double taxation by bilateral conventions or by unilateral means; tax treatment of investments in developing countries.

### **State aids**

26. Further to the decision of the Council of 19 December 1960 <sup>(2)</sup> concerning the French system of aid for the paper-pulp industry, the Commission has examined with the Member States concerned the French draft order determining subsidies for 1961.

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(1) See Bulletin No. 12/61, Chap. IV, sec. 25.

(2) See Bulletin No. 1/61, Chap. V, A.

The Commission did not feel that the conditions of trade between France and the other member countries were so adversely affected by these methods of assistance as to be damaging to the common interest, and therefore has not thought it necessary to refer this matter to the Council.

The Commission has noted that exports of paper-pulp from the member countries to France have increased steadily since 1958. Moreover, it seems unlikely that the member countries will in the near future be able to allocate a much larger share of their output to the French market, in view of the extent to which they depend on non-member countries for their own paper-pulp requirements.

As for the size of the subsidies, the Commission has taken the view that, having regard to the series of cuts which followed the Council's decision, it is clear that the system is being tapered down.

## **SOCIAL AFFAIRS**

### **The application of Article 119**

27. At its session of 13 and 14 November 1961, the Council examined the first report submitted by the Commission on the activities of the Working Party set up to study the application of Article 119 of the Treaty (equal pay for equal work).

After a brief discussion, the Council and the Commission agreed to ask the special Working Party to examine the suggestions made by the delegations and the Commission.

The special Working Party accordingly held two meetings, on 20 and on 28 November 1961, at which it studied the notes presented by the Governments of France and of the Federal Republic of Germany and a statement of the views of the Benelux countries presented by their delegations on 28 November. At the close of the discussions, the special Working Party agreed unanimously on the terms of a resolution to be submitted to the Council for adoption. This resolution states in particular that the Member States will set in motion before 31 December 1961 the appropriate procedure, having due regard to their national systems for wage-fixing, in order to secure for women workers a right to equal pay within the meaning of Article 119 that can be vindicated in the Courts. The special Working Party left open for discussion by the Council, however, the matter of a time-table for the measures to be taken. The resolution

was submitted to the Council during its fifty-eighth session on 4 and 5 December 1961.

The Council was broadly in agreement with the draft resolution, subject to certain amendments proposed by the Benelux delegations and disjoining the section laying down a time-table for putting into effect the equal pay principle.

The Council instructed the Working Party to reconsider the draft in the light of the views expressed in the course of the discussion and to propose alternatives for the time-table.

The Council will take up this question at its next session from 18 to 21 December 1961.

## **European Social Fund**

### *Committee of the European Social Fund*

28. On 15 November the Working Party on resettlement met for the first time. It has been set up within the Committee of the European Social Fund to study questions involved in the examination of applications for reimbursement in connection with the resettlement of unemployed workers.

At this meeting the Working Party held an initial discussion on all retroactive applications for reimbursement submitted to the Social Fund. It examined in particular certain problems which arise in connection with the resettlement operations from one country to another. Various practical decisions were taken dealing, among other things, with arrangements for checking the accuracy of the particulars supplied in the retroactive applications.

### *Rules of procedure of the Committee of the European Social Fund*

29. In accordance with the provisions of Article 14 of the Statute of the Committee of the European Social Fund, the Commission submitted, together with its favourable opinion, the revised text of the Committee's rules of procedure to the Council for approval.

On 14 April 1961, the Commission had submitted to the Council with a favourable opinion the first version of the rules of procedure of this Committee. However, the Committee of Permanent Representatives had suggested certain amendments to this text. The Commissions submitted these suggestions to the Committee of the Fund, which revised the text at its meeting of 3 July 1961, and it is this text which is now submitted for the approval of the Council.



## **Administrative Committee for the Social Security of Migrant Workers**

30. The EEC Administrative Committee for the Social Security of Migrant Workers held its twenty-eighth session on 23 and 24 November 1961. It approved a draft setting out principles for the compensation of workers contracting an occupational disease in the course of work done in more than one Member State and also laying down principles for apportioning the cost of such compensation. This draft had been prepared by the Working Party (1). The Administrative Committee decided to convene this Working Party again early in January with a view to finalizing the measures to give effect to these principles. The Committee will then submit to the EEC Commission a proposal for revising the present provisions of Regulations Nos. 3 and 4 concerning compensation for occupational diseases.

The Administrative Committee also approved the draft of its second annual report on the implementation of Regulations No. 3 and No. 4 (administrative and legal section).

It also studied certain matters raised by the Auditing Committee in connection with difficulties met with in applying the financial provisions of these Regulations (2).

Lastly the Administrative Committee agreed to the convening, as suggested by the representative of the ECSC High Authority, of a special Working Party to study the revision of bilateral agreements concerning mine-workers which have been kept in force by inclusion in Annex D of Regulation No. 3 and in Annex 6 of Regulation No. 4.

## **The Auditing Committee**

31. The Auditing Committee attached to the Administrative Committee for the Social Security of Migrant Workers held its sixth session in Brussels on 27 November 1961.

It drafted a document intended for the competent authorities in the Member States drawing attention to the further need for agreements on the manner of assessing the sums to be reimbursed for benefits coming under Articles 20 and 22 (paragraph 2) of Regulation No. 3.

The examination of the preliminary draft statistical section of the second annual report of the Administrative Committee was completed. The Auditing Com-

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(1) See Bulletin No. 12/61, Chap. IV, sec. 36.

(2) See Bulletin No. 12/61, Chap. IV, sec. 34.

mittee has noted, and in some cases approved, various applications for reimbursement of benefits granted in 1959.

### **Social services for workers moving to other Community countries**

32. The EEC Commission has prepared a draft opinion addressed to the Member Governments concerning "the work of the social services with respect to workers moving to other Community countries". This opinion was drawn up in pursuance of Articles 118 and 155 of the Treaty.

The draft opinion was prepared in view of the important part played by social service in the adaptation of workers and their families settling in a country other than their own, and in the light of the new prospects opened up by the entry into force of the First Regulation on the free movement of workers. It is based mainly on a survey carried out in the six countries, which has brought into clearer focus the success already achieved and the problems still outstanding.

The three parts of this draft concern respectively the objectives to be reached, the criteria for co-operation between social services, and the training of social workers. It stresses the need to develop and, where necessary, to establish social services covering all the stages of the migration process, the need to promote close co-operation between social services, not only inside each country but also between countries, the need for social workers attached to these services to receive supplementary training, of which the main theoretical and practical aspects are dealt with in the draft.

In its conclusions, the Commission expresses the hope that implementing measures will be taken in the six countries and that it will be kept informed of them; it offers so far as it can the help of its staff in the planning of schemes, for which, in view of the varying situations, it leaves the Member States to determine priorities and methods.

In accordance with Article 118, the Commission has referred this draft opinion to the Economic and Social Committee, and has also transmitted it to the Social Committee of the European Parliament.

### **The free movement of workers**

33. The Commission has appointed M. Levi Sandri, President of the Social Affairs Group of the Commission, to be Chairman of the Consultative Committee and of the Technical Committee provided for in Regulation No. 15 on the free movement of workers.

## **AGRICULTURE**

34. Activity in this field has consisted mainly of discussion in the Council and the preparation of material for these discussions by the special Committee for Agriculture.

The Council's proceedings up to its session of 12 December 1961 are reported in Chapter IX of this Bulletin.

The final decisions of the Council, taken at its session of 18 to 21 December 1961, are given in Chapter I of this Bulletin, together with the other decisions connected with transition to the second stage of the Treaty.

## **TRANSPORT**

### **The Common Transport Policy**

#### *Deliberations in the Council*

35. On 28 November 1961 the Council held a special session to deal with transport problems.

At this session the Council approved a proposed decision to establish a procedure of examination and prior consultation regarding any laws or regulations contemplated by the Member States in the transport field. To make acceptance of this proposal possible the Commission had agreed to set aside the case of transport by pipeline which it had included after consulting the European Parliament and the Economic and Social Committee (1). The Council decided to consider this latter form of transport at a later stage. The Commission has assured the Member States that the consultation provided for in Article 2, paragraph 3, will be multilateral.

The decision will be published in the official gazette of the European Communities.

This procedure, which reflects a Community spirit, is an important new step in the matter of a common transport policy, which it will be instrumental in working out.

The Council continued its examination of the Commission's Memorandum on the general lines of a common transport policy and decided to discuss the subject again at a meeting in January 1962.

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(1) See Bulletin No. 12/61, Chap. V, A and D.

The discussions led to a certain concordance of views, and the Committee of Permanent Representatives was asked to prepare material to enable further progress to be made at a later Council session.

The Council received communications from the Commission concerning the implementation of Article 80 of the Treaty (supporting rates and conditions) <sup>(1)</sup> and the application of Regulation No. 11 concerning the abolition of discrimination in transport rates and conditions.

*Discussions with representatives of the trade associations and trade unions concerned*

36. On 26 and 27 October the Commission discussed its Memorandum on the general lines of a common transport policy with the representatives of the transport trade unions affiliated to the ICFTU and with representatives of the unions affiliated to the IFCTU.

The Commission requested the trade unions to forward their final comments on the Memorandum in writing, especially on those parts which concerned the social aspects.

On 7 and 8 November, the Commission held an exchange of views with representatives of the Six in the International Union of Railways.

After a point by point examination of the Memorandum, it was agreed that the group of the Six make known their views in writing.

On 5 December the Commission will consult the Liaison Committee established within the International Road Transport Union (IRU). On 12 December it will also consult representatives of the Union of industries of the European Community (UNICE) and on 14 December the Committee of European Transport Users established within the International Chamber of Commerce.

**The Consultative Committee on Transport (Article 83 of the Treaty)**

37. The Consultative Committee on Transport established under Article 83 of the Treaty met on 9 and 10 November 1961 to study certain points arising in the establishment of common rules applicable to international goods transport by road [Article 75 (1a) of the Treaty].

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<sup>(1)</sup> See sec. 40 below.

The Committee gave special attention to the conclusions of its two Working Parties on these questions.

In the opinion submitted to the Commission the Consultative Committee on Transport recommends that obstacles to international traffic in certain categories of goods transport by road for hire or reward should be abolished throughout the Community. The Committee however recognizes the necessity to preserve the licencing system for certain types of such transport even after quotas have been abolished. The Committee is in favour of abolishing all quotas for international goods transport by road on own account; the existing compulsory licencing systems could nevertheless be preserved for some time. The draft directive which the Commission submitted to the Council and which is referred to in section 38 below was drawn up on the basis of this opinion.

The Committee further held an initial discussion on a working document prepared by the Commission on the implementation of Article 75 (1b) of the Treaty concerning conditions for the admission of non-resident carriers to road and inland waterway transport services in a Member State.

The preparatory work for the opinion requested by the Commission has been entrusted to a Working Party.

### **International goods transport by road**

38. On 15 November 1961 the Commission laid before the Council a draft directive for certain common rules applicable to international goods transport by road, a draft declaration of intention by the Council, and a draft for the establishment of a procedure to permit more rapid attainment of certain aims of the Treaty in this field.

The draft directive contains a list of types of international goods transport which by the end of 1962 should be freed from all existing quota and licencing arrangements (e.g. transport into a frontier area, transport of certain machine tools and spare parts). The draft also contains a list of transport operations which should be freed from quotas by the end of 1962 but may remain subject to licencing (e.g. transport into a frontier area, foods transport by motor vehicles with a carrying capacity of up to 4 tons, and transport of cement by special vehicles). The proposal also provides for the liberalization of international transport on own account (abolition of quotas by the end of 1962 and abolition of licencing system by the end of 1963).

In the terms of the draft declaration of intention proposed by the Commission, it must submit to the Council by not later than 31 May 1962 proposals :

- a) To speed up bilaterally among the Member States — and if possible at the Community level — a first substantial widening of existing quotas for international goods transport by road for hire or reward, and to liberalize transit operations as quickly as possible;
- b) To establish the procedure and lay down the timing for the later widening of quotas by stages, taking into account the requirements of transport co-ordination and aiming to adapt international goods transport to the needs of integration at the Community level and an expansion of traffic.
- c) To determine, in order to make possible the action referred to in a) and b) above, the measures to be taken from now onwards in accordance with a precise time-table so that the conditions under which road transport firms operate in the Member States, and which distort competition may be brought into line.

The Council would examine these proposals by 30 June 1962 at the latest, when it would plan the stages of its work relating to the common transport policy so as to be in a position to take final decisions before 31 December 1962.

At its session of 28 November the Council instructed the Committee of Permanent Representatives to consider whether the decision concerning reference of this draft directive to the Economic and Social Committee and to the European Parliament could be taken at the Council's session of 19 December 1961.

### **Discrimination**

39. In pursuance of Article 5 of Regulation No. 11 concerning the abolition of discrimination in transport rates and conditions <sup>(1)</sup> the Governments were to notify the Commission before 1 July 1961 of any tariffs or agreements on transport rates and conditions in effect in their countries which lay down within the Community different transport rates and conditions for the same traffic links and the same goods according to the country of origin or destination of these goods. The Commission is studying the information supplied in order to ascertain whether or not certain transport rates and conditions are discriminatory within the meaning of Article 79 <sup>(1)</sup> of the Treaty.

Under the consultation procedure provided for in Articles 14 and 16 of Regulation No. 11 which concern the supervision and sanctions to be applied by the Governments, the Commission has studied the Belgian Royal Decree on Road

(1) See official gazette of the Communities, third year, No. 52 of 16 August 1960.

Transport of 28 June 1961 and the draft decree which the French Government proposes to make in the near future.

The Italian Government has consulted the Commission on a draft decree concerning the implementation of Regulation No. 11. The Commission will let this Government have its comments without delay.

The Italian Government will also shortly consult the Commission on a second draft decree for the implementation of Articles 14 and 16 of Regulation No. 11 which relate to the obligations of Governments in the matter of supervision and sanctions.

### **Support rates**

40. On 13 and 14 November 1961 a consultation took place between the Commission and the Member States as provided for in Article 80 (2) of the Treaty in connection with the implementation of that Article. Certain French and Italian railway tariffs were considered. The delegates of the governments stated their views on several measures taken, and submitted their requests. The Commission will bear the results of this consultation in mind when preparing the decisions which it must take with regard to the support rates that were discussed.

### **Infrastructure costs**

41. In connection with the work of the Committee of Government experts instructed to assist the Commission in the study of transport costs the Working Parties on road and inland waterways infrastructure costs have met in Brussels to consider the problems arising in carrying out the first stage of the enquiry into the infrastructure costs of these two forms of transport.

The Working Party on road infrastructure costs held two meetings, on 10-11 October and on 23-24 November 1961, at which it examined the questions of defining and inventorying roads and road installations for purposes of establishing the total cost of infrastructure. The experts have agreed upon a list of the component factors in road infrastructure costs and have continued their examination of criteria for the classification of roads. They have decided to settle this question finally by the "written procedure".

The Working Party on inland waterways navigation infrastructure costs held its first meeting on 8 and 9 November 1961 and considered the same problems as the other Working Party.

### **Meeting of the inter-executive Working Party on transport**

42. On 17 November the inter-executive Working Party on transport met in accordance with the co-operation agreement in the transport field; M. Coppé, Vice-President of the High Authority, and M. Schaus, a member of the EEC Commission, attended the meeting.

The subjects discussed were, on the High Authority's side, the application of Recommendation No. 1/61, and on the Commission's side the entry into force as from 1 January 1962 of the prohibition of support rates as provided in Article 80 of the EEC Treaty, the application of Regulation No. 11, the consultation procedure proposed by the Commission to the Council in matters of transport, and the results of the talks which had already taken place with the industrial circles concerned on the Commission's Memorandum on the general lines of a common transport policy.

In view of the stage now reached in this work it was decided to step up contact and co-operation between the two institutions, especially at the administrative level.

### **Transport statistics**

43. The first meeting of the Committee on Transport Statistics was held on 14 and 15 November 1961 at the request of the Statistical Office of the European Communities and with the co-operation of the Directorate General of Transport in the EEC Commission.

The Committee was composed of government experts and observers from interested international organizations.

It was decided to set up a co-ordinating committee and a Working Party for each form of transport.

The Committee studied the problems connected with the compilation of transport statistics for ECSC products and decided upon arrangements for the enquiry into the transport of petroleum products for the year 1961.

The Committee further discussed the application of the uniform nomenclature of goods for use in transport statistics (NST). It entrusted the co-ordinating committee with the systematic examination of the programme for transport statistics drawn up by the Commission's staff in conjunction with the Statistical Office of the European Communities.



## OVERSEAS DEVELOPMENT

### Meeting between the Representatives of the associated overseas States and the Permanent Representatives of the European Economic Community

44. The second meeting between the Representatives of the Associated Overseas States and the Committee of Permanent Representatives of the EEC was held in Brussels on 10 and 11 November under the chairmanship of Ambassador Harkort, the chairman in office of the Committee; representatives of the EEC Commission and observers from Euratom and the High Authority of the ECSC also attended the meeting.

As at the first of these meetings (1-3 June 1961) <sup>(1)</sup> the object was to prepare business for the session at the ministerial level on 6 and 7 December 1961 in Paris between the associated overseas States and the Council of Ministers of the EEC.

The delegations of the overseas States <sup>(2)</sup> were headed by MM. Ferdinand Oyono (Cameroun, Ministry of Foreign Affairs); R. Guérillot (Central African Republic, Former Minister, Commercial Attaché with the High Commissioner's Office in Paris); Bikoumou (Congo-Brazzaville, Ambassador in Paris); Mbeka (Congo-Leopoldville, Ambassador in Brussels); Adoum Aganaye (Chad, Ambassador); Marcel Dadjo (Dahomey, Ambassador); Allouko Gaston Fiankan (Ivory Coast, Ambassador and Permanent Representative with the EEC); Georges Damas (Gabon, Ambassador); Albert Ratsimamanga (Malagasy Republic, Permanent Representative with the EEC); N'diaye Bokar (Mali, Ambassador); Mamadou Touré (Islamic Republic of Mauritania, Permanent Representative with the EEC) Amadou Seydou (Niger, Ambassador); Djime Momar Gueye (Senegal, Ambassador); Mohamet Sheik Hassan (Somalia, Ambassador); Joachim Hunlede (Togo, Ambassador); Henri Guissou (Upper Volta, Ambassador).

The delegations of the Member States of the European Community were led by the Permanent Representatives of the Six accredited to the EEC and Euratom.

In his opening address Ambassador Harkort said how glad his colleagues and he were to be able to welcome the Representatives of the Associated States at the seat of the European Economic Community for the second time. After thanking them for honouring this second meeting with their presence, Ambassador Harkort explained that the Community greatly appreciated the friendship of which the Governments of the Associated States were giving constant proof, and that it

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<sup>(1)</sup> See Bulletin No. 6/61, Chap. I, sec. 58.

<sup>(2)</sup> In alphabetical order.

rejoiced in the progress which had been made in the field of inter-African co-operation, of which the Afro-Malagasy Organization for Economic Co-operation was one of the most recent manifestations.

Ambassador Harkort said that he was sure he was speaking for all those present in asking the Belgian Government to convey to the autonomous Governments of Burundi and Ruanda their best wishes for success and their hope soon to have representatives of these governments sitting with them as full members.

So far, the speaker continued, twelve Associated States had set up a permanent delegation to the Community and co-operation, which was also rapidly developing at the parliamentary level, would enable both sides to draw valuable lessons and derive encouragement. At the ministerial meeting in Paris the Governments of the Member States and of the Associated States would be called upon to discuss the future association arrangements. The Council of Ministers of the Community had not been idle in this matter; it had proposed items for the agenda of that meeting covering all the concerns previously expressed by the Representatives of the Associated States. The proposal provided for the discussion of all matters which had to be dealt with in the new implementing convention and also the short-term problems arising.

In the view of the Community the ministerial meeting should endeavour to define the underlying principles of the future association, which might be set out in the conclusions. The Ministers might leave it to ad hoc Working Parties to define ways and means of giving effect to these principles. The new implementing convention would thus be worked out in successive stages.

In conclusion Ambassador Harkort said that the Member States were firmly resolved to reach satisfactory results at the ministerial meeting in Paris. It was the ambition of the Six to do everything to ensure that association would strengthen the sovereignty of the Associated States by stimulating their development and their economic expansion.

M. Djime Momar Gueye, the Ambassador of Senegal, thanked Ambassador Harkort on behalf of the Member States of the Afro-Malagasy Organization for Economic Co-operation (Cameroun, Central Africa, Chad, Congo-Brazzaville, Dahomey, Gabon, Ivory Coast, Madagascar, Mauritania, Niger, Senegal and Upper Volta).

He spoke of the very special importance attached in Africa to human relations and expressed his and his colleagues' great appreciation of this meeting and of those it foreshadowed. The work they were undertaking must lead to a reshaping of their association with the EEC, the terms of which must be freely discussed between equal partners.

He said that it was not so much a question of creating or renewing as of remoulding old links; for his colleagues and himself the ministerial conference of 6 December would herald a new and long-awaited phase in the relationship between Europe and Africa.

He and his colleagues were ready to study any suggestion put forward. He was sure that their Governments would not cling obstinately to certain formulas and that in due course the Governments of the associated States would weigh up the advantages and disadvantages of the formulas proposed for association as compared with the present situation and would then take their decision objectively bearing in mind the interests of their countries and of peace.

M. Gueye went on to say that it was the purpose of association to safeguard the interests both of Europe and of Africa, and that all would benefit from the strength of each. "Naturally we cannot expect everything to come from Europe, and the progress of the Associated States will depend in the first place on their own efforts and their own determination. Nevertheless external help is necessary and must be harmonized with the Associated States' own action and constantly adapted to it..... Association with the EEC, in accordance with the principles which appear at the head of the Treaty, seems the right framework in which to establish that vigorous co-operation, respecting the individuality of all partners, which can offer the world an example of active solidarity".

After a brief discussion on the progress made so far in the work concerning association, both within the Community and by the Associated African States and Madagascar, the Representatives of these States, the members of the Committee of Permanent Representatives and of the Commission began in an atmosphere of friendship and understanding, a detailed study of the problems listed on the agenda for the ministerial meeting in Paris (6 and 7 December).

The object of this meeting is to work out the general principles of the new Association Convention, and the discussions will concern general and institutional problems, economic and commercial matters, financial and technical co-operation and the training of staff.

The Ministers will also be called upon to study short-term problems and ways and means of encouraging investment. Finally, they will have to decide upon the procedure and a time-table for their future work.

## **Trade**

45. On 8 November 1961, the Commission held a consultation with the Representatives of the associated overseas States on the requests for tariff quotas for imports of tropical products which the Member States had submitted to the

Commission pursuant to Article 25 (3) of the Treaty. The Commission was represented by officials from all the Directorates General concerned. Experts from all the Member States attended the meeting; the associated States represented were Cameroun, the Central African Republic, Congo (Brazzaville) and Congo (Leopoldville), Gabon, Ivory Coast, the Malagasy Republic, Senegal.

The consultations concerned the following products : bananas, tropical woods, cocoa, coffee, palm oil, tea, tunny fish and essential oils.

A second meeting of the experts was called by the Commission on 9 November to discuss requests for the reduction of duties under the common external tariff on tropical products, submitted by non-member countries during the tariff negotiations in GATT.

The Commission has adopted a draft recommendation to the Italian Government to modify the banana monopoly. In this draft it is suggested that, pending specific measures which will create equal conditions of purchasing and marketing for suppliers in the Member States and in the Associated States, the Italian Government should expand its banana buying, especially in the Associated States other than Somalia, on the basis of the quantity laid down in advance for 1962.

#### **Training periods and symposia for nationals of Associated Overseas States**

46. Under the scholarship scheme for 1961/62 which provides 300 scholarships for nationals of African Associated States, scholarship holders have been more rapidly directed to various educational establishments.

Two symposia were organized by the Commission in November. The first met in Brussels on 6 and 7 November and was attended by 28 African students from various French universities. The second was held on 27 and 28 November, again in Brussels, and was attended by 40 students of the Administration Department of the Institut des Hautes Etudes d'Outre Mer in Paris, a group of English-speaking Africans and some students from the Congo (Leopoldville).

#### **European Development Fund**

47. In November 1961 the Commission approved the financing by the European Development Fund of the following seven social projects :

##### *In the Central African Republic :*

a) The improvement of public health facilities by the building, rebuilding or extension of five dispensaries, 11 hospital wards, 9 maternity hospitals, 4 surgical X-ray blocks, 20 residences and annexes.

The total cost of the work and equipment is reckoned at 240 000 000 frs. CFA or about 972 000 units of account.

This project constitutes the third and last instalment of the schemes already approved by the European Development Fund for equipping the Central African Republic with health facilities. It brings the total amount for these operations to 1 560 000 units of account.

b) Provision of 832 water points (springs or wells) in country districts.

The cost is estimated at 162 500 000 frs. CFA or about 658 000 units of account. The Central African Republic is carrying out a scheme to establish water points all over the country in two stages, the first of which (Central area) has already been financed by the European Development Fund. The second concerns the Eastern and Western areas. The water points are needed in the interests of public health and hygiene and will make a notable contribution to the welfare of the rural population.

*In the Republic of Congo (Brazzaville) :*

a) Construction or extension of buildings for twelve continuation classes distributed among the main towns of the Congo.

The cost of the scheme is estimated at 386 700 000 frs. CFA or about 1 567 000 units of account.

Each "préfecture" will then have full continuation classes which will enable the Congo Republic to train much-needed supervisory staff for its administrative services and for the private sector.

b) Construction of annexes for use as class-rooms and boarding establishment for the Lycée of Brazzaville. The cost is estimated at 158 000 000 frs. CFA or about 640 000 units of account. With the extension of secondary education in the Congo it has been found necessary to expand this Lycée.

*In the Republic of Ivory Coast :*

a) Building and equipment of a high school for girls at Abidjan. The estimated cost of this project is 398 000 000 frs. CFA or about 1 612 000 units of account.

This is part of the Ivory Coast's education programme; the Government is anxious to set up a balanced educational system and to make up the leeway in schooling for girls.

The school will have places for 560 pupils. It is to be governed by a private association in Abidjan called "Sainte Marie de Cocody". This will be the first time that a school has been established in Africa in the tradition of the

French " Collèges Saint-Marie " founded by Madame Daniélou. The association will meet about a quarter of the school's running expenses. The remainder will be covered by Government funds.

b) Building and equipment of a higher teachers' training college at Abidjan, planned by the Republic of Ivory Coast to meet its needs and those of the three other States of the Council of the Entente.

The cost of the project is estimated at 215 000 000 frs. CFA, equivalent to about 871 000 units of account.

The object of the Government is to provide a local centre for training secondary and technical school teachers and primary school inspectors.

The College in Abidjan will train some 50 to 60 teachers each year.

The special fund of the United Nations will provide teachers for 6 years and will grant scholarships to students who will in time replace them.

The College will work in close contact with the existing branches of education and with the Institute of Education, the establishment of which is being financed from other sources.

#### *In the Republic of Senegal :*

Financing of a programme of social, economic and technical studies preparatory to the development of rice-growing in Casamance.

This scheme is one of the main points in the Senegal Development Plan. Its aim is to reduce the considerable deficit in food crops of a country which annually imports nearly 200 000 tons of grain, half of it rice.

The studies planned will enable the Government to draw up a practical programme for the first stage based on an exact assessment of the social and technical factors.

The project calls for a provisional commitment of 90 000 000 frs. CFA or about 365 000 units of account.

#### **Financing agreements signed**

48. During the same period the following financing agreements were signed :

An agreement with the Central African Republic to finance an economic project with a commitment of 154 500 000 frs. CFA (approximately 626 000 units of account).

## OPERATIONS OF THE EUROPEAN DEVELOPMENT FUND

Financing approved — situation on 30 November 1961

in thousand units of account

Countries or territories	Number of projects	Total amount
Congo (Leopoldville)	8	9 384
Rwanda-Burundi	11	2 937
Total	19	12 321
Cameroun	17	16 021
Central African Republic	13	6 028
Comores	5	2 069
Congo (Brazzaville)	7	8 216
Ivory Coast	12	19 978
French Somali Coast	1	742
Dahomey	11	8 389
Gabon	9	8 058
Upper Volta	8	14 806
Madagascar	22	25 562
Mali (former Sudan)	17	14 727
Mauritania	7	9 780
Niger	2	7 290
New Caledonia	4	273
Polynesia	2	2 769
Senegal	9	15 115
Chad	10	11 851
Togo	12	9 409
Réunion	3	1 682
Martinique	1	2 542
Group of States	1	2 010
Guadeloupe	2	970
Algeria and the Sahara	7	17 680
Total	182	205 967
Somalia	4	4 760
Netherlands New Guinea	6	12 487
Grand total	211	235 535

An agreement with the Republic of Upper Volta to finance a social project with a commitment of 897 000 000 frs. CFA (about 3 634 000 units of account).

An agreement with the Republic of Dahomey to finance a social project with a commitment of 172 000 000 frs. CFA (about 697 000 units of account).

An agreement with the Islamic Republic of Mauritania to finance two economic projects with a total commitment of 1 210 000 000 frs. CFA (about 4 901 000 units of account).

An agreement with the Republic of Senegal to finance a social project with a commitment of 220 000 000 frs. CFA (about 891 000 units of account).

An agreement with the Somali Republic to finance two economic projects with a total commitment of 18 500 000 somalos (about 2 590 000 units of account).

An agreement with the Republic of Togo to finance a social project with a commitment of 333 000 000 frs. CFA (about 1 349 000 units of account).

An agreement with the territory of Rwanda-Burundi covering a social project with a commitment of 10 500 000 frs. RB (about 210 000 units of account).

An agreement with the Republic of Mali to finance two economic projects with a total commitment of 1 690 000 000 frs. CFA (about 6 846 000 units of account).

An agreement with the Somali Republic to finance a social project with a commitment of 145 000 somalos (about 20 000 units of account).

## **ADMINISTRATIVE AFFAIRS**

### **Statute of service**

49. At their meeting of 13, 14 and 15 November 1961, the Councils of EEC and ECSC studied the draft regulation fixing the statute of officials and other employees of the Communities and the conditions of employment of the latter, as well as the draft regulation on the Community tax. The Councils will continue the examination of these drafts at their session of 4 and 5 December next.

### **Budget affairs**

#### *Report of the Committee of Control of the financial year 1960*

50. On 10 November 1961 the Committee of Control transmitted its final report on the financial year 1960 to the EEC Commission.



### *Draft EEC budget for the financial year 1962*

51. At its plenary session in November 1961 the European Parliament examined the report submitted by the responsible Parliamentary Committee and adopted a resolution to the Council proposing a number of amendments <sup>(1)</sup>.

At its session of 4 and 5 December 1961 the Council adopted the Community's draft budget for 1962 without amendment. It instructed the Committee of Permanent Representatives to draft a letter informing the President of the European Parliament to this effect.

In the same resolution the Parliament recalled the provisions of the Treaty of Rome under which the Commission must present proposals for providing the European Economic Community with resources of its own.

### *Amended supplementary budget of the Community for the financial year 1961*

52. At its session of 4 and 5 December 1961 the Commission adopted without change the amended supplementary budget of the Community for 1961.

### *Appointments and changes in the administrative staff of the Commission*

53. On 13 November 1961, M. O. von Stempel, Head of the "basic questions and right of establishment" Division in the General Affairs Directorate General of Overseas Development, left the Commission's service to take up an appointment in his original department at the Ministry for Foreign Affairs in the Federal Republic of Germany.

On 1 December 1961, the Commission appointed M. Poensgen to replace M. von Stempel. M. Poensgen took up his functions on 1 December 1961.

## **PUBLICATIONS OF THE STATISTICAL OFFICE OF THE EUROPEAN COMMUNITIES**

### **Grain balance-sheets**

54. Booklet No. 3/1961 in the "Agricultural Statistics" series, containing balance-sheets of grain supplies in the Community and its Member States for the farming years 1955/1956 to 1959/1960, has just been published by the Statistical Office of the European Communities.

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(1) See this Bulletin, Chap. IX.

These balance-sheets, which are on a standard model, have been drawn up by the working party on supply balance-sheets of the Agricultural Statistics Committee established a year ago. They provide, for the various Community countries and the Community as a whole, figures of optimum comparability which can be used as one of the bases for implementing agricultural policy measures.

These new balance-sheets, which differ appreciably in layout and in scope from those hitherto available for comparisons on the international plane, are specially valuable documents. They comprise a "total balance-sheet" subdivided into two parts: "utilization of grain production in agriculture" and "market balance-sheet". This presentation in three parts throws the chief trends on the grain market into clearer relief. The main purpose of the "utilization balance-sheet" is to show the quantities of grain used in agriculture itself — for most varied purposes — and the quantities sold. In addition, the "market balance-sheet" shows the quantities coming on the market from farms, stocks or imports and subsequently either consumed in a great variety of forms within the country (human or animal food, seed, industrial uses) or exported.

The other tables and diagrams in this 98-page booklet contain further valuable information about supplies of grain products that covers subjects such as self-sufficiency, the development of foodstuffs for human consumption, industrial uses, and grain stocks. Special tables show the breakdown of external trade in a very varied range of grains and grain products and the origin of imports and the destination of exports to particular countries.

### **Inquiry into wages**

55. The Statistical Office of the European Communities has just completed the evaluation of the results of the enquiry into wages in 14 branches of industry in the Community which was the subject of Regulation No. 10 on the organization of an inquiry into wages in 1959 (see official gazette of the European Communities of 31 August 1960).

The findings were laid before the government experts for study at a meeting of the responsible working party on 6 July 1961 and were approved without reservation.

On 7 September 1961 these same findings were communicated to both sides of industry at an information meeting. Meanwhile, the staff of the Statistical Office have prepared the draft for publication, which was again discussed and approved by the government experts on 20 October 1961.

At these meetings the government experts and the representatives of both sides of industry several times expressed the wish that the findings of the 1959 inquiry

should be published before the end of 1961, so that they may be as topical as possible.

The Commission has therefore decided to publish the report prepared by the Statistical Office and has agreed to the request by the government experts for its additional distribution to the enterprises which participated in the enquiry.

The report will appear in the " Social Statistics " series for normal circulation.

## IX. Institutions and organs

### A. THE PARLIAMENT

The Parliament met in plenary session from 20 to 24 November 1961. The first two days were devoted to a symposium between the Parliament, the Council, the Commissions of the EEC and Euratom, and the High Authority of the ECSC (1).

#### Social problems

On 22 November M. Rubinacci presented his report on the free movement of workers, M. Angioy his report on industrial health and safety in the EEC and M. Nederhorst his report on social harmonization.

M. Rubinacci (Italy, Christian Democrat) said that it was high time a final regulation were issued on the free movement of workers, even if it had to be subject to modifications later.

M. Nederhorst (Netherlands, Socialist), Chairman of the Social Committee, regretted that the EEC Commission had sought a compromise with the Council without even attempting to face the latter with its responsibilities. The Commission's proposals for the first steps towards free movement had thus been seriously watered down to make them palatable to the Council, especially in the matter of priority for the Community labour market. The Parliament, which have given its support to these initial proposals, was now faced with an accomplished fact and this was setting a dangerous precedent for the powers of the Commission.

M. Nederhorst said that social harmonization must be coupled with a rise in the standard of living for the nations of the Community and with a progressive narrowing of the disparities which had their origin in differences of regional development.

Speaking for the Socialist Group, M. Troclet (Belgium) expressed complete agreement with M. Angioy's report on the protection of workers and suggested that they should once more press for the establishment of an organization analogous to that of the ECSC for the study and harmonization of provisions on industrial health and safety; he advocated close co-operation between the Member States and the employers' and workers' organizations.

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(1) See "Symposium between the Institutions", Chap. IV.

Replying on behalf of the Commission, M. Levi Sandri said that free movement of workers was not only a means of bringing together the factors of production more effectively; it was the first outward sign of a European citizenship. He was attracted by M. Rubinacci's suggestion, which was to lay down by the end of 1962 the final organization for free movement and to embody in the regulation any transitional provisions that might be necessary.

The first measures to promote the mobility of manpower now expressly provided for giving priority to the Community labour market, which was a step forward. M. Levi Sandri said that the Executive has shown a realistic attitude in submitting to the Governments a compromise formula without waiting for a vote in the Council, but it had not given way on any essential point.

M. Levi Sandri agreed that a broadly based advisory body should be set up to deal with problems of industrial safety. With regard to social harmonization he said that the idea put forward by M. Nederhorst was well worth studying; this was to ensure that in each Member State an equal proportion of the national revenue was spent on social services.

M. Levi Sandri was opposed to the idea that social harmonization should be subordinated to economic integration. He added that the free movement of workers would not apply to Greece until the end of the transition period laid down in the Convention of Association.

Three resolutions were unanimously adopted (1) :

- (i) In favour of close collaboration between the Member States and the employers' and workers' organizations (contained in M. Nederhort's report as amended by M. De Bosio);
- (ii) On the regulation concerning the first measures to give effect to the free movement of workers (contained in M. Rubinacci's report);
- (iii) On the health protection of workers in the Community (contained in M. Angioy's report).

### **Co-operation between the Parliament and the Governments**

On 23 November M. Battista presented on behalf of the Political Committee a report on procedure for co-operation between the Parliament and the Governments of the six Member States of the European Communities in the light of the declaration the heads of State or Government made in Bonn on 18 July 1961.

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(1) See extracts of these resolutions in the Annex.

The Parliament adopted without debate a resolution instructing its President to approach the Governments with a view to determining procedure by which the Parliament could inform them of recommendations concerning the draft Treaty establishing a union of European States, at present under study by the Committee of which Ambassador Fouchet is the chairman; the recommendations to be proposed by the Parliament should be submitted to it by the Political Committee during the December session.

### **Budget questions**

The debate on the budgets of the EEC and Euratom took place on 23 November after M. Janssen (Netherlands, Christian Democrat) had presented the report on the draft amended supplementary budget of the EEC for the financial year 1961 and on the estimates of the EEC and Euratom for the financial year 1962.

M. Janssens asked the Parliament to withhold its approval from the texts laid before it by the Council so as to compel the latter to re-examine the budget documents.

Several speakers severely criticized the Council for its decision to cut down the preliminary draft budgets of the two European Commissions.

M. Hettlage, Under-Secretary of State in the German Federal Ministry of Finance and representative of the Council of the Communities, said that the Council's use of the term " interim budget " meant " transition budget " and that 1962 was to be considered a year in which the Community would find itself faced with tasks the magnitude of which is was not yet possible to assess with any certainly.

M. Hallstein, President of the EEC Commission, replied that the budget submitted by his Commission reflected political decisions; this was not the kind of budget that is drawn up to launch an undertaking, but one in which political problems were more important than those of an administrative character. M. Hallstein said that all the items were justified. If, by the Council's decisions, the burden of work falling upon the staff of the Commission had been mounting more quickly, this also meant that the Commission must be able to make additional appointments. No comparison was possible with any national administration, since the Community was not static but constantly evolving. M. Hallstein added that the administrative staff of the EEC performed functions which in certain Member States fall within the competence of at least eight separate Ministries. Certain Ministries employed more staff than did the whole administration of the Community.

“ We cannot acquiesce in our proposals being described as an “ interim budget ”, because we shall not be able to do what is expected of us without appointing new staff in 1962 ”.

Realising that one of the principal objections of the Council which would explain its reluctance to approve the Commission's proposals, was the expectation that the Community would be enlarged by the entry of new members, M. Hallstein said that this was a well-founded argument. Nevertheless, he did not feel that for the Council to propose a budget to be followed by a supplementary budget was the right way of dealing with the situation.

M. Kreyssig (Germany, Socialist) said that since there was no means of controlling the Council he would like, if that were possible, to see a vote of censure against the Governments.

The Parliament unanimously adopted a resolution declining to approve the draft budgets for the EEC and Euratom for 1961 or the Euratom draft research and investment budget for 1962, and referring the draft budgets back to the Councils with the request that they be reconsidered with the Commissions of the EEC and Euratom (1).

### **Composition of the Energy Committee and competence of the Internal Market Committee**

On 23 November M. Poher (France, Christian Democrat) and M. Pleven (France, Liberal) submitted a draft resolution on the competence and composition of the Energy Committee and on the competence of the Internal Market Committee.

The resolution was adopted by the Parliament without debate. Under the terms of the resolution, matters concerning the production and consumption of coal are transferred from the Internal Market to the Energy Committee, whose membership is increased from 17 to 29.

### **Association of overseas States and territories**

On 24 November M. Dehousse (Belgium, Socialist), on behalf of the Committee on Co-operation with the Developing Countries, presented his report on problems relating to the association of overseas states and territories with the European Community.

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(1) See extracts of the resolution in the Annex.

In the resolution (1), which was adopted without debate, the Parliament urges that negotiations on the revision of the Association Convention be begun as soon as possible and vigorously pressed forward and that the existing provisions be given effect.

### **Entry into the second stage of the transition period**

The Parliament adopted the resolution submitted by MM. Martino (Italy, Liberal), Blaisse (Netherlands, Christian Democrat), Boscary-Monsservin (France, Liberal), Troclet (Belgium, Socialist), Poher (France, Christian Democrat), Birkelbach (Germany, Socialist) and Pleven (France, Liberal) on the move from the first to the second stage of the Common Market. In this resolution the Parliament notes the favourable economic development of the Community, considers that in the terms of Article 8 of the Treaty the essence of the objectives of the Treaty has in the main been achieved, and " requests the Council to adopt, before the end of the year, the decisions falling within its competence on the matters laid before it by the Commission of the EEC, and urges that the move to the second stage of the transition period be given effect on 1 January 1962 ".

### **The agricultural debate**

On 24 November a report on the draft regulation concerning the establishment of a common market organization for fruit and vegetables was presented by M. Braccesi (Italy, Christian Democrat) on behalf of the Committee on Agriculture, who moved that the Parliament adopt the regulation with the amendments proposed by M. Bégué (France, Liberal).

M. Estève (France, Libéral) stressed the urgency for an organization of the fruit and vegetables market on the eve of Great Britain's accession to the Community, and asked the Executive to use its best endeavours so that the beginnings of a market organization might be in operation by 1 July 1962. M. Estève recalled Professor Erhard's words when on 21 November, during the symposium of the Institutions, he said that " the move from the first to the second stage will certainly not fail because of the German attitude in the matter of the common agricultural policy ".

" We will then ", concluded M. Estève " have given our farming population what they have been expecting of us for four years: an operative common agricultural policy ".

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(1) See extracts of the resolutions in the Annex.



After hearing several members Mme. Strobel (Germany, Socialist), MM. Bégué (France, Liberal), Richarts (Germany, Christian Democrat), Charpentier (France, Christian Democrat), Dupont (Belgium, Christian Democrat), Vredeling (Netherlands; Socialist), and M. Mansholt (Vice-President of the Commission of the EEC), the Parliament unanimously adopted the opinion contained in M. Braccési's report.

For the wine market, M. Vals (France, Socialist) submitted a draft regulation for the progressive establishment of a common market organization for the wine-growing sector and a draft decision concerning the opening of a 150 000 hecto-litre quota for France and Italy of wine of specified origin presented in casks.

After the debate, in which MM. Marengi (Italy, Christian Democrat), Richarts and Mansholt took part, the Parliament adopted the opinion, amended by M. Vredeling, contained in M. Vals report.

M. Bégué then submitted a report dealing with the Council's request for an opinion of the Parliament on a proposal concerning bluemould in tobacco.

The Parliament unanimously adopted an opinion that the Member States should prohibit any reproduction or multiplication of cultures of tobacco bluemould (*peronospora tabacina*) and should immediately notify any measures taken in pursuance of the Commission's directive.

The session of the European Parliament will be resumed on 19 December 1961.

## **B. THE COUNCIL**

### **54th session (6 November)**

The Council of the European Economic Community held its 54th session at Brussels on 6 November 1961, under the chairmanship of M. Müller-Armack, Secretary of State at the Ministry for Economic Affairs of the Federal Republic of Germany, and in the presence of the President and members of the Commission.

The discussion bore upon matters connected with the general tariff negotiations (Dillon negotiations) at present under way in the GATT framework. The Council devoted particular attention to the negotiations with the United States and Canada (\*).

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(\*) See this Bulletin, Chap. VIII, sec. 3.

## 55th session (13-14 November)

The Council of the European Economic Community held its 55th session at Brussels on 13 and 14 November 1961, under the chairmanship of M. Müller-Armack, Secretary of State at the Ministry for Economic Affairs of the Federal Republic of Germany, and in the presence of the President and members of the Commission.

The following matters were discussed :

*Association of Turkey* : the Council held a further exchange of views on the possible association of Turkey with the Community and agreed to resume consideration of this problem at its next meeting on 4 and 5 December 1961.

*Association of the Netherlands Antilles* : the outstanding matters relating to the association of the Netherlands Antilles with the Community were settled. Consequently, subject to completion of the procedures stipulated by the EEC Treaty, the association of the Netherlands Antilles can be considered as finalized <sup>(1)</sup>.

*Associated overseas States* : the Council continued the preparation of business for the ministerial meeting to be held on 6 and 7 December 1961 at Paris between the EEC Council of Ministers and the Commission, on the one hand, and the competent Ministers of the African States and of the Malagasy Republic on the other, and approved the draft agenda for this meeting. The Associated States' representatives had already approved this draft.

*Tariff quotas* : the Council approved the Commission's proposals to widen two tariff quotas previously granted for 1961, under Article 25 <sup>(1)</sup> of the Treaty, to the Federal Republic of Germany and to Italy <sup>(2)</sup>.

The Council also held a general exchange of views on the Community's future policy in regard to tariff quotas.

At the close of the discussion, the Council, which had invited Member States to reconsider the requests submitted for 1962, agreed to postpone its decision on proposals for tariff quotas for that year until its session of 4 and 5 December 1961.

*Competition* : the European Parliament having on 19 October 1961 <sup>(3)</sup> rendered its opinion on the Commission's proposal for the first regulations to be made under Articles 85 and 86 of the Treaty, the Council took note of the current

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<sup>(1)</sup> See Bulletin No. 12/61, Chap. IV, sec. 2.

<sup>(2)</sup> See Bulletin No. 4/61, Ch. IV, sec. 15.

<sup>(3)</sup> See Bulletin No. 12/61, Chap. IV, sec. 23, and Chap. V.

position regarding the examination of the essential provisions in the Commission's proposal. The Council invited the experts to continue their work in close co-operation with the Commission in order to produce as soon as possible the elements of a solution so that the Council could discuss it at an early date.

*Application of Article 119 of the Treaty*: the Council heard statements by the French and German delegations on the implementation of Article 119 of the Treaty (equal remuneration for equal work as between men and women workers). The Commission also specified measures to be taken for applying this Article.

After a brief exchange of views, the Council and the Commission agreed to submit the suggestions of the above delegations and of the Commission to an ad hoc Working Party set up under the Commission, so that the latter could present a new document <sup>(1)</sup> to the Council for its session of 4 and 5 December 1961.

*Merger of the European Councils and Executives*: the Councils of EEC and of Euratom agreed to resume in January 1962 consideration of the Netherlands' proposal to revise the Rome Treaties by means of a Convention setting up a Council of the European Communities and a European High Commission <sup>(2)</sup>.

*Statute of service*: the Councils of EEC and Euratom and the ECSC Committee of Presidents discussed in detail the question of a single body of regulations applicable to all staff of the Communities.

Considerable progress was made. The Councils agreed to return to this subject at their session of 4 and 5 December 1961 with a view to reaching a joint decision.

### **56th session (28 November)**

The Council of the European Economic Community held its 56th session, devoted to transport, at Brussels on 28 November 1961, under the chairmanship of M. H.C. Seebohm, Minister of Transport of the Federal Republic of Germany, and in the presence of Vice-Presidents and members of the Commission.

The Council approved the text of a decision on procedure for preliminary examination and consultation on the laws and regulations of Member States in matters of transport <sup>(3)</sup>.

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<sup>(1)</sup> See Bulletin No. 12/61, Chap. IV, sec. 32, and this Bulletin, Chap. VIII, sec. 27.

<sup>(2)</sup> See Bulletin No. 7-8/61, Annex V.

<sup>(3)</sup> See this Bulletin, Chap. VIII, sec. 35.

The Council also continued its examination of the Commission's memorandum on a common transport policy and agreed to hold a further exchange of views on this subject in January 1962.

#### **57th session (29-30 November and 1-2 December)**

The Council of the European Economic Community held its 57th session on 29-30 November and 1-2 December 1961, under the chairmanship of M. Müller-Armack, Secretary of State at the Ministry for Economic Affairs of the Federal Republic of Germany, and in the presence of the President and members of the Commission.

During its meetings set aside for agriculture the Council examined, on the basis of a report by the Special Committee for Agriculture, possible courses of action on the salient points in the Commission's proposed regulations instituting a levy system for grain, pigmeat, eggs and poultry meat. On the main points under discussion, the Council took note of a statement by M. Schwarz on behalf of the Federal Republic of Germany.

Considerable progress was made on certain problems.

The Council instructed the Special Committee for Agriculture to make a detailed study of the outstanding points on the basis of amendments proposed by the Commission and bearing in mind certain approaches made recently.

This study which — particularly in the case of poultry meat — must be carried out in the light of recent economic developments, should pave the way for decisions by the Council on the adoption of the various regulations.

The Council also examined the proposed regulation on the gradual establishment of a common market organization in the fruit and vegetables sector. The Council approved the list of products to be covered by this regulation. The Council also examined the Commission's proposals for the wine sector. The Special Committee for Agriculture was instructed to study certain matters of a somewhat technical nature for the Council's next session on agriculture, which it was agreed should be held on 12 December 1961.

The Council also discussed the Commission's proposal for the first regulations to be made under Articles 85 and 86 of the Treaty. The Council instructed the experts to put the draft regulations in final form and to examine the French delegation's proposals. The Experts will meet on 12 and 13 December 1961, the Council having agreed to examine the problem on 18 December 1961.

## 58th session (4-5 December)

The Council of the European Economic Community held its 58th session at Brussels on 4 and 5 December under the chairmanship of M. Müller-Armack, Secretary of State at the Ministry for Economic Affairs of the Federal Republic of Germany, and in the presence of the President and members of the Commission.

The Council dealt with the following questions :

*Association of Turkey* : the Council held an exchange of views and agreed to continue its examination at a meeting to be held for the purpose with the participation of the Finance Ministers of the Member States.

*Associated overseas States* : the Council continued on the preparation of business for the ministerial meeting to be held on 6 and 7 December 1961 at Paris between the Council of the European Economic Community and the Ministers of the associated African States and Malagasy Republic. The Council discussed in particular the procedure and time-table for work on the future system of association.

*Tariff quotas* : the Council held a general exchange of views on the requests for tariff quotas for 1962.

On a proposal by the Commission it was decided to accede to the requests by several Member States for tariff quotas under Article 25 <sup>(1)</sup> of the Treaty and for an increase in the volume of a quota previously granted to a Member State <sup>(1)</sup>. The Council also decided temporarily to suspend for 1962 the duties on certain products for which tariff quotas have been requested <sup>(1)</sup>.

*Implementation of Article 119 of the Treaty* : the Council held a broad exchange of views on the basis of the resolution adopted by the ad hoc Working Party under the chairmanship of M. Levi Sandri and of the amendments submitted by the Benelux delegations.

Certain Governments having stated that they were obliged to consult trade unions and employers' associations before drawing up a time-table for measures to introduce equal pay for men and women, the Council agreed to re-examine the whole question at its next session to be held from 18 to 21 December 1961.

*Social Security of Migrant Workers* : the Council heard a report by the Commission on the proposed regulation giving effect to Articles 20 (2) and 40 (5) of Regulation No. 3 on the Social Security of Migrant Workers, the proposal being an amendment to Article 42 (3) of that Regulation <sup>(2)</sup>. The urgency of a

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<sup>(1)</sup> See this Bulletin, Chap. VIII, sec. 18 and 19.

<sup>(2)</sup> See Bulletin No. 12/61, Chap. IV, sec. 35.

decision was stressed since certain time-limits in Regulation No. 3 expire on 31 December 1961.

The Council agreed to resume consideration of this question at its next session to be held on 18-21 December 1961.

*Draft budget of the EEC* : the Council adopted finally and without amendment the draft budget of the Community for the financial year 1962. It instructed the Committee of Permanent Representatives to draft a letter to this effect for information of the President of the European Parliament.

*Revised and supplementary budget of the Community for the financial year 1961* : the Council adopted finally and without amendment the revised and supplementary budget of the Community for the financial year 1961.

*Appointment to the Economic and social Committee* : the Council appointed M. H. von Manteuffel, Deputy Secretary-General of the "Deutscher Bauernverband", as a member of the Economic and Social Committee in succession to M. E. Rehwinkel, who had resigned, for the remainder of the latter's term of office, i.e. until 24 April 1962.

*Appointment to the Consultative Committee provided for in Regulation No. 15* : the Council appointed as an alternate member of the Consultative Committee provided for in Regulation No. 15 on the Free Movement of Workers within the Community M. Del Piano, Head of the Agricultural Trade Union Office in the Italian Confederation of Trade Unions, in succession to M. Rocchi, who had resigned, for the remainder of the latter's term of office, i.e. until 24 October 1963.

### **59th session (12 December)**

The Council of the European Economic Community held its 59th session in Brussels on 12 December 1961 under the Chairmanship of M. Müller-Armack, Under-Secretary of State in the Ministry for Economic Affairs of the Federal Republic of Germany, and in the presence of members of the Commission.

At this meeting, which dealt with agricultural questions, the Council examined two proposals of the Commission concerning, first, a regulation concerning the application, in accordance with Article 42 of the Treaty, of certain rules of competition to the production of and trade in agricultural products, and secondly, objective criteria for the fixing of minimum prices (Article 44 of the Treaty).

Having signified its agreement with the general tenor of the regulation, the Council instructed the Special Committee for Agriculture to continue its examination of technical problems and to report at the next session.

The Council approved an amendment submitted by one delegation regarding the Commission's second proposal.

The Council further approved the Commission's proposal on lowering the minimum percentage for the extension of global quotas for certain types of wine imported by the Federal Republic of Germany; it fixed the reduction at 10 %.

In considering the implementation of Article 45 of the Treaty (long-term agreements or contracts concerning agricultural products) the Council noted that less importance attached to this matter inasmuch as a common agricultural policy was to be introduced.

The Council agreed to rely on Article 235 of the Treaty as the legal basis for the Commission's proposal on the introduction of import dues for certain processed agricultural products. The Council instructed the Special Committee to study the amendments which the Commission proposed to make to its original text.

The Council studied the institutional problems arising in connection with the draft regulations on the principal agricultural products and agreed that a committee should be set up in order to ensure prompt and effective decisions. The special Committee was instructed to continue its work with this suggestion in mind.

Finally, the Council agreed to the principles on which the Commission could base certain modifications to its proposals, especially in the grain and pigmeat sectors, at the next session of the Council from 18 to 21 December 1961.

### **C. THE MONETARY COMMITTEE**

The Monetary Committee met on 14 and 15 November 1961. Pursuing its periodical review of the monetary and financial situation of the Community countries the Committee examined the situation in Belgium and the Grand Duchy of Luxembourg. It made a general survey of recent trends of economic and monetary development in the Community countries.

## ANNEX

### RESOLUTIONS OF THE EUROPEAN PARLIAMENT

#### Resolution on social harmonization

##### I

The European Parliament,

CONSIDERING that the economic development referred to in the European Treaties is not an end

accordance with Article 2 of the Treaty establishing the EEC, be accompanied by greater prosperity and an improvement in the social situation of the nations of the Community;

CONSIDERING that economic progress largely depends on new achievements in the social field;

AGREES with the Commission's view that it is not possible to rely solely on economic development in order to make social progress along the lines of harmonization and approximation stipulated in the Treaties;

PLEADS for a deliberate social policy on the part of the European institutions, so that social development may proceed at the same pace as economic progress;

URGES the European Governments and Executives

to press forward energetically with social harmonization as provided for in the Treaties;

to reduce existing disparities in the standards of living within the Community;

to initiate a continuous and lasting improvement of the social situation;

CONSIDERING that the existing disparities in the levels of prosperity attained by the various regions of the Community can largely be attributed to conditions unfavourable to an increase of productivity;

URGES the Commission to call on the Governments to increase their investment aid to the less developed regions of the Community and to extend the activities of the European Investment Bank in order to establish conditions favourable to an approximation of the levels of prosperity and to the reduction of regional disparities in the level of prosperity.

##### II

The European Parliament,

.....

CONSIDERS that at the Community level the co-operation of joint committees composed equally of employers and workers with the Commission is an effective means to promote the harmonization of social conditions;

.....

NOTES with satisfaction that in the agricultural sector also there has emerged a desire amongst employers and workers to promote social harmonization through a joint committee composed equally of employers and workers;

.....

URGES the Commission and the employers' and workers' organizations to promote in pursuance of Article 118 of the Treaty,



the establishment of such committees and to stimulate the activities of existing committees with a view to examining the results of the studies made by the Commission and to promoting social harmonization;

HOPES that these measures will favour the establishment of European labour legislation and will move towards a harmonization of collective bargaining by the end of the transition period and contribute to the harmonization of social security systems.

### III

The European Parliament,

CONVINCED that the progress of social policy and of harmonization in the agricultural and transport sectors will have a beneficial effect on social harmonization in the other sectors of the economy;

URGES the Commission to give energetic support to these developments which can promote the progress of social harmonization.

### IV

The European Parliament,

STRESSES the importance to be attached to the implementation of the principle of equal remuneration for equal work as between men and women workers as an element of the policy of social harmonization;

HOPES that substantial progress will be made in this matter and that the governments will interpret and implement Article 119 in accordance with its interpretation by the Commission of the EEC;

REMINDS the governments that they must fulfil the pledges they have given in concluding the EEC Treaty.

## Resolution on industrial health and safety in the European Economic Community

The European Parliament,

.....

3. NOTES the substantial work done by the Executive of the EEC in compiling comprehensive documentation on the present situation as regards industrial health and safety in the Community;

4. NOTES the readiness of the Executive to sustain and increase its effort to harmonize and improve legislation and regulations in the Community countries pursuant to Articles 118 and 155 of the Treaty;

5. RECOMMENDS that medical supervision services in industry be extended as far as possible, and in view of the need

of specially trained medical officers for this service, hopes that post-graduate courses of industrial medicine will become more general;

6. RECOMMENDS that greater efforts be made to keep the various categories of workers and the population as a whole better informed on questions of industrial health and safety;

7. URGES that a body be established in the EEC similar to that already set up with the High Authority of the ECSC to study the harmonization of provisions on problems of industrial health and safety.

## **Resolution on the Regulation concerning the first measures to implement the free movement of workers in the Community**

The European Parliament,

.....

1. NOTES with satisfaction that the Council of Ministers adopted on 12 June 1961 a Regulation embodying the first measures to implement the free movement of workers in the Community and containing directives on procedure and administrative practice, the said Regulation and directives taking effect from 1 September 1961;

.....

3. IS OF THE OPINION that, apart from any transitional provisions which may prove necessary, the text of the final Regulation on the free movement of workers should be approved by the proposed date of 31 December 1962;

4. HOPES that the Commission of the EEC will propose within the time-limit fixed in Article 46 of the Regulation the provisions concerning the situation of seasonal and frontier-crossing workers, and that after consulting the European Parlia-

ment the Council of Ministers will approve these as soon as possible.

5. NOTES that the principle of priority for the Community labour market which is laid down in Article 43 of the Regulation is worded differently from the originally proposed version which would have ensured its widest and most effective application, and hopes that this principle will be safeguard by new provisions in the final Regulation;

6. REQUESTS the Executive of the EEC to submit to the European Parliament an annual report on the practical application of the provisions of the Regulation and directives in the various States of the Community, stating in particular the extent and manner in which the various States have drawn on manpower from non-member countries, and in regard to the occupations concerned the relationship between the use of such labour and the availability of manpower within the Community — taking into account the most important geographical locations.

## **Resolution referring back to the Councils the draft operational budgets of the EEC and Euratom and the draft research and investment budget of Euratom for the financial year 1962**

The European Parliament,

a) NOTING that the Councils have prepared the draft budgets for the financial year 1962 on the assumption that 1962 would be a year for awaiting developments,

b) STRESSING that on the contrary 1962 will be politically a momentous year for the economic integration of Europe and

for its relations with the overseas countries and territories associated with the Community;

.....

d) OBSERVING that the substantial reductions made by the Councils in the appropriations proposed by the Commissions are a serious obstacle to the proper functioning of the Communities and im-

pede the achievement of the Treaty's objectives within the time-limits set;

.....

f) BELIEVING that general budgets must make provisions for all the expenditure envisaged for the financial year under consideration and that the practice of supplementary budgets to cover expenditure which could have been foreseen in the first place is undesirable;

.....

I. DECLARES that it cannot approve the draft operational budgets for the EEC and Euratom.... as at present submitted;

II. REFERS the draft budgets back to the Councils, for reconsideration in conjunction with the Commissions of the EEC and EAEC, and

III. PROPOSES the following amendments:

A. To the draft operational budget of the EEC for the financial year 1962 (document 83):

1. An increase in the establishment of the EEC Commission for the proper accomplishment of its work in the time-limits set for the agricultural, social, transport and competition policies and provision of the corresponding appropriations;

2. Restoration of the appropriations for information activities as requested by the

Commissions, and re-examination of the requests for staff submitted by the Commissions for the Joint Press and Information Service.

3. Restoration, under sub-head 92, item 923, of the provisional estimate by the EEC Commission of 250 000 units of account which had been proposed as a contribution towards instruction periods for young workers;

4. Re-examination of the appropriations provided for in the EEC Commission's estimate for meetings of experts...;

5. Re-examination of the appropriations provided for meetings of the Councils of the EEC and Euratom, with regard to the expected developments in the activities of the Councils during the financial year 1962 and the need for the appropriations in respect of these meetings to cover all expenditure normally borne by the organizing institution;

6. Re-examination of the appropriations provided for the members of the Commissions and of the Court of Justice, with particular regard to compensation for what is known as "transitory" incompatibility, account being taken of the frequent observations of the Parliament and its Committee competent for these matters;

.....

### **Resolution on problems of the association of overseas States with the European Community**

The European Parliament,

.....

CONVINCED of the urgent need for negotiations between the Community and the associated States;

NOTING that despite concordance of the views of the governments of the Member

States on certain problems relating to the future system of association, there is still no agreement in the Council of Ministers on several essential points;

REQUESTS that the preparatory work for a new and freely negotiated system of association be pressed forward and that existing provisions be put into practice;

RECALLS the five recommendations adopted by the Conference of the European Parliament with the Parliaments of the African States and of Madagascar on 24 June 1961;

.....

BELIEVES the attainment of concrete results at the governmental conference in Paris on 6 and 7 December 1961 essential,

so as to allow joint working parties to work out precise proposals;

URGES the Council of Ministers of the European Economic Community to bear in mind the above proposals and considerations at the next meetings and at the governmental conference on 6 and 7 December.

## PUBLICATIONS OF THE EUROPEAN ECONOMIC COMMUNITY

**A. List of publications concerning the activities of the European Economic Community appearing in the Official Gazette of the European Communities from 25 November to 19 December 1961**

### EUROPEAN PARLIAMENT

#### Written questions and answers

- N° 49 de M<sup>me</sup> Strobel à la Commission de la CEE. Objet : Harmonisation des législations sur les denrées alimentaires (No. 49 by Mme. Strobel to the Commission of the EEC. Subject : Harmonization of legislation on foodstuffs). No. 76, p. 1465/61
- N° 52 de M. Pedini à la Commission de la CEE et à la Commission de la CEEA. Objet : Les rencontres entre Européens et Africains au Collège de l'Europe à Bruges (No. 52 by M. Pedini to the Commission of the EEC and EAEC. Subject : Meetings between Europeans and Africans at the Collège of Europe in Bruges). No. 77, p. 1479/61
- N° 53 de M. Vredeling à la Commission de la CEE. Objet : Restrictions aux importations à l'intérieur de la Communauté (No. 53 by M. Vredeling to the Commission of the EEC. Subject : Restrictions on imports within the Community). No. 79, p. 1509/61
- N° 54 de M. Kapteyn à la Commission de la CEE. Objet : Application du règlement n° 11 (No. 54 by M. Kapteyn to the Commission of the EEC. Subject : Application of Regulation No. 11). No. 82, p. 1593/61
- N° 55 de M. Vredeling à la Commission de la CEE. Objet : Le Fonds européen pour l'amélioration des structures agricoles (No. 55 by M. Vredeling to the Commission of the EEC. Subject : The European Fund for Structural Improvements in Agriculture). No. 82, p. 1595/61
- N° 59 de M. Vredeling à la Commission de la CEE. Objet : Principe des quatre langues (No. 59 by M. Vredeling to the Commission of the EEC. Subject : The four-language rule). No. 82, p. 1596/61

### COUNCIL

#### INFORMATION

Directive en matière de procédures et pratiques administratives relatives à l'introduction, l'emploi et le séjour des travailleurs d'un Etat membre, ainsi que de leur famille, dans les autres Etats membres de la Communauté (Directive on administrative practices and procedures concerning the entry, employment and residence of workers and of their families from one Member State in other Member States of the Community).

No. 80, p. 1513/61

Amendements à l'annexe D du règlement n° 3 concernant la sécurité sociale des travailleurs migrants (Amendments to Annex D of Regulation No. 3 concerning the Social Security of Migrant Workers).

No. 80, p. 1535/61

Amendement à l'annexe 6 du règlement n° 4 fixant les modalités d'application et complétant les dispositions du règlement n° 3 concernant la sécurité sociale des travailleurs migrants (Amendments to Annex 6 of Regulation No. 4 laying down the particulars of implementation and supplementing the provisions of Regulation No. 3 concerning the Social Security of Migrant Workers).

No. 80, p. 1535/61

Décision portant remplacement d'un membre démissionnaire du Comité économique et social (Appointment of a successor to a member of the Economic and Social Committee who has resigned).

No. 82, p. 1601/61

## COMMISSION

### INFORMATION

#### Delegations and Missions to the Community

Représentations d'Etats d'outre-mer associés (République de Haute-Volta, République du Dahomey) (Delegations from associated overseas States [Republics of Upper Volta, Dahomey]).

No. 76, p. 1468/61

Missions d'Etats tiers (Brésil) (Missions from non-member countries [Brazil]).

No. 76, p. 1468/61

#### European Development Fund

Résultats des appels d'offres n° 77 lancé par la République du Congo (Brazzaville), n° 99 lancé par la République du Sénégal, n° 103 lancé par les Républiques de Côte d'Ivoire et de Haute-Volta, n° 107 lancé par le Territoire de la Nouvelle-Calédonie, n° 119 lancé par le Territoire du Rwanda-Burundi (Results of calls for tender No. 77, issued by the Republic of Congo [Brazzaville], No. 99, issued by the Republic of Senegal, No. 103, issued by the Republics of Ivory Coast and Upper Volta, No. 107, issued by the Territory of New Caledonia, No. 119, issued by the Territory of Rwanda-Burundi).

No. 76, p. 1469/61

Signature de Conventions de financement (entre la CEE et la République du Mali; entre la CEE et la République Somalienne (Signature of financing agreements [between the EEC and the Republic of Mali and between the EEC and the Republic of Somalia]).

No. 76, p. 1470/61

- Avis d'appel d'offres n° 159 lancé par la République Malgache pour un projet financé par la CEE (Notice of call for tender No. 159, issued by the Malagasy Republic for a project financed by the EEC). No. 76, p. 1471/61
- Avis d'appel d'offres n° 160 lancé par la République du Cameroun pour un projet financé par la CEE (Notice of call for tender No. 160, issued by the Republic of Cameroun for a project financed by the EEC). No. 76, p. 1472/61
- Approbation d'investissements de caractère social dans les Républiques de Côte d'Ivoire, Centrafricaine et du Congo (Brazzaville) (Approval of social investments in the Republics of Ivory Coast and Congo [Brazzaville] and the Central African Republic). No. 76, p. 1474/61
- Avis d'appel d'offres n° 161 lancé par la République de Haute-Volta pour un projet financé par la CEE (Notice of call for tender No. 161, issued by the Republic of Upper Volta for a project financed by the EEC). No. 77, p. 1493/61
- Signature d'une Convention de financement entre la CEE et la République du Sénégal (Signature of a financing agreement between the EEC and the Republic of Senegal). No. 77, p. 1494/61
- Situation de trésorerie du Fonds européen de développement arrêtée à la date du 30 septembre 1961 (Cash position of the European Development Fund on 30 September 1961). No. 78, p. 1502/61
- Signature de quatre conventions de financement (entre la CEE et la République de Haute-Volta, la CEE et la République Islamique de Mauritanie, la CEE et la République du Togo, la CEE et la République du Dahomey) (Signature of four financing agreements [between the EEC and the Republic of Upper Volta, the EEC and the Islamic Republic of Mauritania, the EEC and the Republic of Togo, and the EEC and the Republic of Dahomey]). No. 78, p. 1503/61
- Résultats des appels d'offres n° 27 lancé par la République du Gabon, n° 88 lancé par la République du Togo, n° 108 lancé par la République du Mali, n° 117 lancé par la République de Haute-Volta, n° 143 lancé par la République Centrafricaine (Results of calls for tender No. 27, issued by the Republic of Gabon, No. 88, issued by the Republic of Togo, No. 108, issued by the Republic of Mali, No. 117, issued by the Republic of Upper Volta, and No. 143, issued by the Central African Republic). No. 78, p. 1504/61
- Avis d'appel d'offres n° 162 lancé par la République du Mali pour un projet financé par la CEE (Notice of call for tender No. 162, issued by the Republic of Mali for a project financed by the EEC). No. 78, p. 1505/61

- Avis d'appel d'offres n° 163 lancé par la République Malgache pour un projet financé par la CEE (Notice of call for tender No. 163, issued by the Malagasy Republic for a project financed by the EEC). No. 79, p. 1511/61
- Approbation d'investissements de caractère social dans la République du Sénégal (Approval of social investments in the Republic of Senegal). No. 79, p. 1512/61
- Signature de conventions de financement (entre la CEE et la République Centrafricains et entre la CEE et la République du Cameroun) (Signature of financing agreements [between the EEC and the Central African Republic and the EEC and the Republic of Cameroun]). No. 81, p. 1587/61
- Avis d'appel d'offres n° 164 lancé par la République gabonaise pour un projet financé par la CEE (Notice of call for tender No. 164, issued by the Republic of Gabon for a project financed by the EEC). No. 81, p. 1588/61
- Avis d'appel d'offres n° 165 lancé par la République Centrafricaine pour un projet financé par la CEE (Notice of call for tender No. 165, issued by the Central African Republic for a project financed by the EEC). No. 81, p. 1589/61

## THE COURT OF JUSTICE

### Communication

- Radiation de l'affaire 4-61 (Maurice Prelle contre Conseils de la Communauté européenne de l'Energie atomique et de la Communauté Economique Européenne) (Case 4-61 struck out [Maurice Prelle versus the Councils of the European Atomic Energy Community and the European Economic Community]). No. 77, p. 1481/61

### **B. List of official publications recently issued by the European Community.**

#### Periodical publications

##### Joint Press and Information Service

Publications by the offices in the capital cities :

- Bonn : Europäische Gemeinschaft (weekly);  
 The Hague : Europese Gemeenschap, No. 33, December 1961;  
 Paris : Communauté européenne, No. 12, December 1961;  
 Rome : Comunità Europea, No. 10/11, October/November 1961;  
 London : European Community, No. 7, October; No. 8, November; No. 9, December 1961;  
 Washington : European Community, No. 50, November 1961.



## Statistical Office of the European Communities

Bulletin général de statistiques (No. 12/1961, German/French, General statistics).

Commerce extérieur : Statistiques mensuelles (No. 12/1961, German/French, Monthly external trade statistics).

Commerce extérieur : Tableaux analytiques, exportations 1960 (Published in 5 languages : German/French/Italian/Dutch/English. External trade : Analytical tables — Exports 1960).

Statistiques de base, pour 15 pays européens (Published in 5 languages : German/French/Italian/Dutch/English. Basic statistics).

Statistiques industrielles (No. 4/1961, German/French, Industrial statistics).

