

COMMUNAUTÉ
ÉCONOMIQUE EUROPÉENNE



COMUNITÀ
ECONOMICA EUROPEA



EUROPÄISCHE
WIRTSCHAFTSGEMEINSCHAFT

EUROPESE
ECONOMISCHE GEMEENSCHAP

BULLETIN

of the

EUROPEAN
ECONOMIC
COMMUNITY

BRUSSELS – FEBRUARY 1966

ISSUED MONTHLY

No. **2**
NINTH YEAR

2-1966

BULLETIN

of the European Economic Community

EXECUTIVE SECRETARIAT OF THE COMMISSION
OF THE EUROPEAN ECONOMIC COMMUNITY.

Contents

	Page
The economic situation in the Community in 1965 and the outlook for 1966	5
I. Concentration of firms in the Common Market	16
II. Internal activities	
Establishment of the common market	19
Competition	24
Free movement of persons	26
Economic and financial policy	29
Common agricultural policy	30
Common transport policy	35
Social policy	36
III. External activities	
GATT	41
Bilateral relations	42
Common commercial policy	42
The Community and the developing countries	43
IV. The Community and the associated States	
Association of Turkey with the Community	45
Association of the African States and Madagascar	45
European Development Fund	48
Scholarship, in-training and seminars	53
V. Institutions and organs	
The Council	54
The Court of Justice	54
The Economic and Social Committee	56
The Monetary Committee	57
Administrative affairs	57

VI. European Investment Bank	59
Miscellaneous	59
ANNEX	
Parliamentary Conference of the EEC-AASM Association	62
Publications of the European Economic Community	64

The economic situation in the Community in 1965 and the outlook for 1966

Address by M. Robert Marjolin, Vice-President of the EEC Commission,
to the European Parliament (Strasbourg, 18 January 1966)

M. Marjolin's annual review of the Community's economic situation was preceded by a general survey of its economic development since 1958. The complete text is given below of those parts of the review dealing with developments in 1965 and prospects for 1966, and a summary is given of the survey from 1958 to 1965.

A. EEC from 1958 to 1965

M. Marjolin pointed out that since 1958 the Community had experienced very rapid progress in production and an appreciable rise in living standards. Whereas in 1958 its gross product at current prices was about 165 000 million dollars, it rose to about 305 000 million in 1965. Allowing for the rise in prices there still remained a very considerable increase in volume (44%). Over the same period the GNP went up by about 35% in the United States and about 29% in the United Kingdom.

Analysing the factors behind this rapid expansion, M. Marjolin dwelt on the advances in productivity, which had been very appreciable. If the trend of productivity was examined country by country it was noted that between 1960 and 1965 it was most rapid in Germany, France and Italy, with an increase of about 4.5% yearly. The trend in Italy, if account was taken of 1959 and 1960, had even been towards an appreciably stronger increase. For the Netherlands and Belgium, a figure of about 3% could be taken but with a definite tendency to gather momentum in the latter country (no figure was yet available for Luxembourg).

M. Marjolin pointed out that movement of the working population to those sectors with the highest level of productivity was still one of the chief causes of improvement of productivity throughout the economy. According to most recent estimates the working population in agriculture fell by 22% between 1958 and 1965 whereas in industry and services it increased by 13 and 15% respectively. The improvement of productivity depended on the advance achieved in each branch of activity thanks to investments which increased the degree of mechanization and, especially, by providing new equipment placed scientific and technical progress at the service of production. In this respect, the trend noted since 1958 had been marked by substantial progress. It was essential that this should continue.

If the growth of directly productive investment were too weak — and this had been seen in the case of France and, more recently, in Italy — this could have grave consequences for growth in the longer term. If it were desired to maintain the advances in production and productivity which the Community had achieved since 1958 it would probably be necessary in certain countries to stimulate industrial investment. This was one of the chief problems calling for solution in working out a medium-term Community policy.

In relation to 1958 and for the Community as a whole, private consumption in 1965 showed an increase of one third in volume per head of population or an annual

average of 4.2%. This figure pointed to a considerable rise in the standard of living over the last seven years.

After reviewing the problem of external payments and the trend of trade and stressing the remarkable expansion of intra-Community trade, which had increased threefold since 1958, M. Marjolin went on to examine the "less brilliant reverse side of the medal". Between 1960 and 1965, consumer prices had risen by 24% in Italy, 20% in the Netherlands, 19% in France, 16% in Germany and 15% in Belgium. He pointed out that "although this development originated in the private sector of the economy ... public finances in general have not contributed that element of balance needed by the economy which should normally be applied in the context of any short-term economic policy worthy of the name". For the future there was a clear lesson to be drawn from this experience: it had become an unavoidable necessity to pursue a truly anti-cyclical budget policy, accompanied of course by an appropriate monetary policy. Care had to be taken that the increasingly strong boosting effects which the member countries communicated to each other did not in the long run create an inflationary situation in the Community at large, just as a recession in a leading Community country might carry its partners along the same road. This being so, it was vital for the Community to organize effective co-ordination of short-term economic policies. Endeavours in this field would have to be continued and even intensified.

B. *Economic trends in 1965*

The steep rise of prices which had taken place in the period 1960-64 continued into 1965. In a few Community countries, admittedly, the pace of the upward movement slowed down and in one of the member countries, France, it was, as in 1964, distinctly slower than in previous years. Apart from this exception, the rise in the general level of prices became excessive throughout the Community.

According to consumer price indices, derived from national accounts, the increase in the year was 4.5% in the Netherlands and Italy, 4% in Luxembourg, 3.5% in Belgium and the Federal Republic of Germany, and 2.5% in France.

Except perhaps for France, these increases were well in excess of what the economists call creeping inflation, a term which denotes a slow but constant erosion of the purchasing power of money.

In order to examine fully the causes of this trend, we must first look at the general economic conditions in which it has come about.

For the Community as a whole 1965 was again a boom year. The trend of demand from abroad continued to be very dynamic; the expansion of visible exports was only slightly less vigorous than in 1964; growth in value was roughly 11% against 11.5% in the previous year.

If we now consider exports from each of the six countries, including those to other EEC countries, we observe that in Germany and the Netherlands they went up in value by 10%, in France by 11%, in B.L.E.U. by 13% and in Italy by 20%.

Internal demand in the Community, on the other hand, increased in the aggregate less than in 1964, but I must add straight away that the positions of the various member countries diverged considerably in this respect; this also largely explains the divergences observed within the Community from the angle of economic growth. By and large we

have the Federal Republic of Germany and the Netherlands on the one hand and the other Community countries, Belgium, France, Italy and Luxembourg, on the other.

Overall domestic demand rose in value from 1964 to 1965 by nearly 10% in Germany and the Netherlands, by 6.5% in Belgium, by some 5% in France, 4.5% in Italy and 3.5% in Luxembourg.

In Germany and the Netherlands, therefore, demand again showed an appreciable increase, which was however smaller than the exceptionally sharp rise in 1964. Household consumption (up 9.5% and 12% respectively) was encouraged not only by a net increase in the gross incomes of households but also by a reduction in direct taxes. The growth of capital expenditure, furthermore, remained very appreciable, particularly on equipment by firms in the Federal Republic of Germany and on housing in the Netherlands, although the very high 1964 rates of fixed asset formation were no longer attained. The increase of public spending gave a very lively impetus to economic activity in the two countries. The increase in public current expenditure was 11.5% in Germany and 13% in the Netherlands.

The trend in the other four countries show a number of common features but also considerable differences. The principal common feature was, as I have already said, a slowdown in overall domestic demand, whether this be due, after the inflationary tendencies of the previous years, to general stabilization of policies, to restrictive measures limited to the credit sector, to a more or less sharp squeeze on profit margins, to an unfavourable business situation in certain industries or to a combination of several of these factors.

The more hesitant expansion of private consumption in the four countries during part of 1965 is mainly accounted for by a slower growth of wage incomes, which in its turn is due to the moderation of the rise in wages, and also largely to the shorter working week and a fall-off in employment in certain sectors. This trend was most in evidence in France, and to a lesser degree in Italy, Belgium and Luxembourg. The consequent dampening influence on economic activity in the four countries was, however, offset considerably by a substantial increase in their exports to the Federal Republic of Germany. The increase in the first nine months of 1965, as against the same period in 1964, was no less than 52% for Italy, 36% for B.L.E.U. and 26% for France.

The movement of stocks also played a role in slowing down the growth of overall demand in this group of countries. Not only was there a running-down of stocks of raw materials and semi-finished products, which was reflected partly in imports — and consequently had little effect on the rate of production — but also in the first half of 1965 trade and industry seem to have reduced somewhat their stocks of finished products, thus intensifying the curbing effect of the slower expansion of consumption and investment.

Among the difference between the trends in the four countries, attention must first be drawn to those connected with public current expenditure. While the increase in 1965 was under 7% in France and Luxembourg, it was 12.5% in Italy and 15.5% in Belgium.

Fixed asset formation by volume differed strikingly, from France where the 1965 increase was 5% and Belgium where it was insignificant, to Italy where there was a 10% drop and Luxembourg where the fall-off was 14%.

If we look more closely at the complex picture described by the term "fixed asset formation", we find that in Luxembourg there was an appreciable reduction in invest-

ment by enterprises, owing chiefly to the weak steel market, while in Belgium the same kind of investment remained stationary. In both countries activity in the housing sector was moderate, while public investment distinctly tended to diminish during part of the year.

In France, while investment by private industry decreased in volume by roughly 5% in 1965, investment expenditure by public undertakings increased sharply and expenditure on housing continued to rise, though more slowly. Investment by public authorities increased rapidly.

In Italy, as I have already said, there was a drop of about 10% in gross fixed asset formation in 1965. This was despite a very distinct tendency to expand in the public works sector, a general rapid increase in investment by public authorities and a continuous, and even faster, growth of investment expenditure by public and semi-public undertakings. The weakening of fixed asset formation reflects a decline in equipment expenditure by private industry and above all a serious crisis in housing construction.

The operation of these various factors led to a very distinct reduction in the growth rate of the GNP in France, where it dropped from 5.5% in 1964 to 2.5% in 1965, in Belgium, where the corresponding figures were 5.2% and 3%, and in Luxembourg, where they were 6.3% and 1.5%.

In Italy the growth rate remained more or less stationary at about 3%. The explanation lies in the fact that in 1964 the slowdown of production was already very pronounced, while in 1965 the pick-up began early in the year. The 1965 harvest, furthermore, seems to have been better than in the previous year, and this is in a country where agricultural production still forms a large part of total production.

The figures I have just given for the four countries are averages for 1965. To be more precise I must add that demand picked up during the year, first in Italy, then in France, mainly as a result of private consumption.

In the Federal Republic of Germany and the Netherlands, too, there was a slowdown in economic growth in real terms, but it sprang from different causes than those obtaining in the other Community countries. The main causes were, the persistent shortage of manpower, which became very acute in Germany, and to some extent the shortage of production capacity, despite the net growth of investment. That is why in 1965 the GNP increased in Germany by only 4.8% in real terms against 6.5% in 1964, and by 5% in the Netherlands against 8.2% in 1964. It is true that in the latter country the 1964 results had been influenced by exceptional factors.

The trend of imports into the Community can easily be deduced from the trends of internal supply and demand.

The moderate trend of domestic demand in most of the Community countries, and in particular the running-down of stocks of raw materials, caused imports from non-member countries to decline during part of 1965, though imports from these countries into Germany tended on the contrary to expand even faster. In the aggregate, visible imports from non-member countries increased by only 5% in value in 1965 against 8.5% in the previous year.

In view of what I have said about exports, the Community's trade balance has improved; so has the current account, the surplus on which probably increased in 1965 by about \$1 500 million.

This improvement in the balance of current payments was common to all the Community countries except the Federal Republic of Germany. In that country,

with a continuing satisfactory trend of total exports the speed-up in imports from not only non-member countries but also Community countries, of which I have already spoken, led to a considerable reduction in the surplus on goods and services.

The few references I have already made to the growth of trade between the member countries have already made it clear that such trade continued to expand appreciably in 1965. In value intra-Community trade grew by 12%, against 14.5% in the preceding year; the slowdown was therefore less marked than that of Community production.

In the light of this broad outline it is now easier to answer the question: Why were price increases, generally speaking, excessive in 1965?

In the case of the Federal Republic of Germany and the Netherlands there is scarcely any doubt that the main cause was the over-rapid growth of total demand in relation to the possibility of expanding production. We must not forget, however, the importance of the role played by the increase in unit production costs. In a climate of general economic imbalance and strong demand, increase in costs are much more easily passed on in prices.

It may be wondered, moreover, if in the past we have not under-estimated the period during which increases in costs continue to influence selling prices, even when the general economic disequilibria have waned or even disappeared entirely. This reflection is prompted by the price situation in 1965 in countries other than the Federal Republic of Germany and the Netherlands, where the growth of demand slowed down or was in the main modest, leaving quite an appreciable margin of unused production resources. There is no doubt that in all these countries, except for some sectors perhaps, the increase in prices was due to higher costs. It is also interesting to note that among all the Community countries, the one where the campaign against an exaggerated expansion of demand was begun the earliest — I refer to France — experienced the smallest increase in prices.

C. *Outlook for 1966*

The prospects for 1966 may be summarized as follows: the countries which in 1965 experienced a slowdown in activity — in the majority, however, a pick-up had already started or was well under way — will experience a recovery or acceleration of their economic activity; in the Netherlands the growth of production will continue to be rapid thanks to the firm trend of demand and to an appreciable increase in the working population; in the Federal Republic of Germany a less lively expansion of overall demand is expected in general, and in several branches the insufficiency of available capacity will continue to act as a brake on the growth of production, especially in the early months of the year.

In these circumstances the gross Community product should increase by 4.5% in 1966 as against 4% in 1965. In accordance with the tendencies I have outlined, the growth rate of the GNP should go up in France from 2.7% to 4.5%, in Italy from 3% to 4.5%, in Belgium from 3% to 3.5%, in the Netherlands from 5% to 5.5% and in Luxembourg from 1.5% to 2.5%. In the Federal Republic of Germany, on the other hand, a slight drop can be expected — from 5% to 4%.

In the Community as a whole the stimulus provided by external demand, while remaining appreciable, will probably be a little weaker than in 1965. It is almost certain that economic expansion will remain very lively in the United States, but it is likely to be sluggish in the United Kingdom and to slow down in other industrial countries in Western Europe. Furthermore, to judge from the trend of the external

purchasing power of the developing countries, the slowdown in these countries' purchases from the Community which had set in in 1965 may extend into a part at least of 1966.

The different rates of activity in the various member countries will, however, be determined in the main by the trend of domestic demand, which should expand appreciably more than in 1965, especially in Italy and France. In both countries we may reasonably expect some pick-up of investment by private industry, the first signs of which seemed to be confirmed in late 1965. In Belgium a similar pattern may take shape, to which extensive investment programmes, particularly of foreign companies, may contribute. In all these countries, furthermore, it is expected that there will be an increase, probably large, of investment by public authorities and undertakings, and that the trend of housing construction will continue to be satisfactory in France and will improve in Italy and Belgium.

The replenishment of stocks of raw materials and semi-finished products will also give a stronger boost to economic activity. Moreover, in these three countries, Italy, France and Belgium, demand for exports from Germany, while less dynamic than in 1965, will continue to be an important factor in the expansion of production. In view of all these factors, it may also be concluded that there will be a sharper increase in the number of persons employed, in the number of hours worked, and in the income and consumption of households.

In the Netherlands, too, there will be a faster expansion of investment by enterprises and by the public authorities; but the rise in wages will probably not be as marked as in 1965, so that private consumers' expenditure should increase less.

Lastly, in Germany the recent trend of order-books in the capital goods industries suggests that the investment boom has passed its peak, so that in 1966 investment by enterprises should expand at a distinctly slower pace than in 1965. The resulting effect on the level of employment and activity should, it seems, be sufficiently appreciable for a smaller increase in household incomes to be expected, especially disposable income, all the more so because reductions in direct taxes will be more limited in 1966 than in 1965.

While in one Community country the expansion of domestic demand and production is expected to slow down, the Community's total imports from non-member countries are likely to increase more in 1966 than in 1965. As the growth of exports should be slighter, there will be a deterioration in the Community's trade balance and balance of current payments. In all probability this deterioration will be slight and none of the Community countries will have balance-of-payments difficulties. France and Italy, in fact, are expected to continue to show large surpluses on current account.

I now come to what is perhaps the key point. Can we look forward in 1966 to a slowdown of the rise in prices in those countries where it was particularly sharp in 1965 and a comparable rate of increase where it was modest? In every case will it remain excessive or become so again, an important matter in view of the need to maintain the Community's competitive capacity in the medium term and to protect savings against a heavy and continuous fall in purchasing power?

In the countries which have suffered a marked slowdown in expansion starting from different dates in the last few years, and where surplus production capacity has been built up, the expected pick-up in 1966 should come about without excessive price increases. But owing to the delayed action of inflation to which I referred a little while ago and the easy-going habits contracted during periods of inflation, this conclusion is by no means certain.

In countries where surplus capacities do not exist the task is likely to be even more difficult.

To sum up, the answer to our questions will depend on the economic policies pursued by the Member Governments in 1966 and on the degree of co-operation they can obtain from the two sides of industry. In the present circumstances, it is difficult to be even moderately optimistic, except perhaps in respect of France. And even there difficult problems arise in connection with the freezing of prices and the weakness of investment in private industry.

The moment has come to consider what could and should be the economic policies of 1966.

D. Economic policy problems

The foreseeable trend as I have just sketched it out indicates that 1966 will not set any major problems as regards economic growth, employment or the balance of payments.

The figures I have quoted suggest that economic growth will be distinctly more harmonious within the Community than it was in 1965.

I must emphasize however that this forecast is valid only for the different member countries considered, each in general terms. It does not apply to all the industries or to all the regions which make up their economy. Obviously some industries will continue to experience special difficulties and it is equally certain that all regions will not participate in expansion to the same extent. We will have occasion to come back to this last point on another occasion.

In those countries which experienced some increase in unemployment in 1964 and 1965 — and here I am thinking chiefly of Italy — the general economic outlook justifies the expectation that the situation will tend to improve. On the other hand, there is reason to fear that serious manpower shortages will continue in the Federal Republic of Germany and to a lesser extent in the Netherlands.

The deterioration in the Community's balance of current payments in 1966 will probably be limited in extent and will still leave an appreciable surplus — of the order of \$2 000 million — in 1966. This could be called a normal situation for an industrialized area like the European Community, which should be a net exporter of long-term capital and which moreover bears considerable responsibilities in the supply of aid to developing countries.

What caused us anxiety — even in the recent past — was excessive surpluses on the long-term and, sometimes, the short-term capital balances, in view of their consequences not only for the balance of international payments but also for the Community's internal equilibrium.

That is why we were happy to see the Government of the United States endeavouring to limit the export of American capital, particularly under its February 1965 programme — supplemented and strengthened last December — to redress the balance of payments.

The Community for its part should endeavour to make more substantial contributions to the international capital market. However, this task is closely linked with the progress we can accomplish ourselves towards the setting up of a genuine European capital market by gradually removing the many obstacles still existing in this field.

I expect to be able to report to the Parliament on this point in the course of 1966 and to indicate the main lines of concerted action by the member countries and the Community to achieve the desired result.

Our chief concern for 1966 continues to be a return to stability of prices and of costs per unit of output or at least — to be more realistic — a very distinct slowdown in the rises noted in recent years.

We must first of all ward off a potential danger — the resurgence of generalized inflationary trends in the Community. I would like to dwell on this point without necessarily restricting the horizon of our forecasts to 1966 but also keeping in mind what may happen in 1967 if the necessary precautions are not taken forthwith.

We have to avoid the continuance of a strong expansion of demand in the Federal Republic of Germany and the Netherlands, coinciding in 1966 with a speedier economic expansion in the other Community countries, finally leading to a situation which, as in 1963 and 1964, could compromise the general balance of the Community as a whole.

Germany and the Netherlands, where the imbalance between overall demand and domestic supply is likely to persist in 1966, must naturally take very special care, first to limit the expansion of demand by applying a stricter budget policy while continuing to follow a restrictive monetary policy and, secondly, to make the best use of their productive resources.

To apply a stricter budget policy means for these two countries to tread a path quite different from that followed in 1965, when, because of tax reductions and a steep rise in public spending, the execution of public budgets greatly stimulated the economy. From what we know of draft budgets for 1966 the governments of the two countries seem in fact to be taking this road. But it may be wondered whether the efforts they are making will suffice to achieve the objective of a more stable economy.

It seems to me that, in accordance with the opinion formulated on this matter last July by the Short-term Economic Policy Committee, Germany and the Netherlands should keep to the budgeting standards which the Council of the Community adopted in 1964 and confirmed in April 1965.

A few figures may be useful here. If we first take the Federal Republic of Germany we note that in 1965 spending by the Bund rose 11% and by the Länder and communes about 9%. Moreover, tax reductions slowed down the rise in revenue considerably.

The Federal authorities have planned for an appreciable reduction in the expansion of expenditure in 1966 and also for some minor measures to increase receipts. If account is taken of these decisions and of certain others which I cannot describe in detail here and if we consider the non-inflationary portion of the increased tax revenue due to the graduated nature of the tax it may doubtless be said that in 1966 the Bund's budget policy is coming closer to that recommended by the Council.

But considerable uncertainty remains as regards the trend of actual spending by the Bund, the Länder and the communes.

In the Netherlands if expenditures shown in the 1966 budget are compared with actual spending in 1965 it may be expected that State expenditure will increase from one year to the next by about 11%, instead of 15.4% in 1965. If we deduct the increased resources attributable to tax changes and also that part of higher revenues due to graduated taxation and which is not inflationary, there nevertheless remains

an increase in State spending appreciably in excess of the 5% rule. The margin of excess will however be clearly smaller than in 1965 unless actual spending should be higher than is estimated in the budget.

A stricter approach to budgeting in these two countries seems to me all the more necessary since the implementation of a restrictive monetary policy, which is certainly imperative in the present circumstances, is likely some time or other to come up against limits beyond which its effectiveness would diminish. In fact, with the strains which exist and which will continue on German and Dutch capital markets — and in which heavy official calls on this market are a potent factor in the first-named country — interest rates are likely to rise above the level at which foreign capital begins to flow in. This not only detracts from the effectiveness of national monetary policy but also creates disturbances on external markets.

In these circumstances a proper balance between the two types of policy, with the accent on budget policy, is an inescapable component of any stabilization policy.

In the other Community countries where inflationary strains due to excessive overall demand have disappeared or become greatly attenuated, policies differing in various respects can be followed. However it is important in these countries that the expansion of certain components of demand should not exceed reasonable limits and that the structure of total demand should improve to the benefit of productive investment, which must expand rapidly if an adequate increase in production capacity is to be assured for the future. It is also important that the public deficit should not reach such a level as to weigh heavily on the capital market and cause serious troubles of various kinds.

In Belgium the economic outlook seems to be dominated by the difficult position of public finances. The Belgian Government has the laudable intention to limit the increase in public spending in 1966 and to keep a strict watch that actual outlay does not exceed the amounts authorized.

Nevertheless, despite these efforts, the increase in Treasury disbursements in 1966 in relation to 1965 will be very considerable. It is true that an appreciable increase in taxation will tend to offset this. But the deficit to be financed will remain high, so that heavy calls will be made on the capital market by the authorities, with all risks involved in such a situation (financing by the money market, inflow of foreign capital, need to clamp down on public investment expenditure, difficulties in financing private investment). Furthermore the increase in indirect taxation will exert both a direct and an indirect influence on certain prices. Generally speaking, the price rise may well continue to be rapid. It will be necessary to watch the economic situation very closely and take fresh measures if these dangers should become imminent.

In the Grand Duchy of Luxembourg the increase in State expenditure was again very rapid in 1965, being about 9%. Certainly this trend does not conform with the Council's recommendation. The budget for 1966 provides for a fairly large deficit which will perhaps be still higher if all Treasury transactions are considered. Serious problems might be involved in covering this deficit from the resources of the domestic capital market. This being so, a more severe reduction in the expansion of expenditure or, failing this, an increase in revenue would be very desirable.

In France budget policy as it appears in the Finance Bill for 1966 seems adapted to the needs of the present economic situation. I would however add that should the recovery of investment remain inadequate it would be advisable to stimulate it more, particularly by fiscal means. At the same time it would be necessary to ensure that

the necessary finance is available to ensure the expansion of investment, particularly in private industry. In this respect, we may mention an increase in self-financing, which has become clearly insufficient, and appropriate channelling of the flow of savings so that firms will be able to have greater recourse to the capital market.

In this connection several measures have already been taken by the authorities (reform of corporation tax, of the system of fixed-interest investment, encouragement of saving for housebuilding, collection and redistribution of long-term savings by the authorities for the benefit of enterprises). But it would certainly be desirable, in the interests of balanced expansion, to pursue efforts to build up adequate resources of long-term finance and to adapt its flow to the requirements of an expanding economy.

It may also be asked whether the time is not coming when it will be feasible and desirable to abolish price freezing. This was a temporary measure, necessary no doubt at the time when it was introduced, but to prolong it may have serious consequences, particularly for industry. Its effects in fact vary greatly. They are felt most in industry but are weakest in the services sector. Such distortions affect in arbitrary fashion not only the structure of consumption and the distribution of incomes but also, and to the detriment of industry, the allocation of production factors, the building up of profits and, above all, the investment possibilities of the various industrial branches i.e. the future margin for expansion and the competitive position vis-à-vis foreign countries.

Price freezing and price control are two different things and I certainly would not recommend any weakening of control. If the abolition of price freezing resulted in unjustified or excessive rises in certain sectors, suspensions of customs duties and other incentives to imports, which need only be temporary, and measures to strengthen internal competition, particularly in the commercial field, will probably be sufficient to restore things to normal.

As regards Italy I consider it a judicious policy in the present economic situation to increase public expenditure and that of semi-public enterprises. However, it may be wondered whether all the burdens which the Treasury will have to bear, directly or indirectly, following decisions already taken or others which will probably be taken in the near future, are not already in excess of the limit which should reasonably be fixed. The result of this could be financing difficulties and excessive recourse to the money market. In this connection I should like to point out that it would be useful if we had clear and simple documentation giving a complete picture of all the burdens which the authorities assume directly or indirectly.

On the other hand, the trend of the pattern of State expenditure as it can be judged from the draft 1966 budget seems questionable to me. Whereas it is more than ever necessary to give priority to measures directly or indirectly stimulating investment, it is planned, on the contrary, that total authorizations for capital expenditure by the State will be lower in 1966 than in 1965. It will perhaps be possible, by using appropriations relating to earlier budget years, to maintain actual spending at a high level in 1966 but in the longer run the reduction of commitments decided on for 1966 must make itself felt. On the other hand, appropriations for consumption and transfer expenditure provided for in 1966 show a very substantial increase, as they did in the previous year.

Finally, it would be dangerous to allow money to become so easy that considerable inflation potential would be built up in the form of over-abundance of liquidity. Surpluses on the balance of payments and financing from the money market of a portion of Treasury expenditure in fact provoke in Italy a considerable swelling of liquidity.

Independently of the need to prevent or to slow down any excessive expansion of demand, the Community will also have to find a solution to persistent inflation caused by rising costs. I would recall in this respect that price increases linked with rising costs continued in 1965 even in those member countries where demand was clearly rising only moderately.

This being so it seems obvious that measures affecting supply or total demand are incapable of halting this type of price rise unless one accepts restrictions of demand so severe as to entail grave damage to economic growth and employment.

It is preferable to combat the inflationary trends from which this increase in costs originates at a very early stage. The aim of the economic policy which I advise for 1966 is precisely to prevent the re-emergence of over-strong expansion of demand in those countries where economic growth will speed up.

Meanwhile a halt to the present upward trend of costs cannot be envisaged without close co-operation between management, labour and the Governments and, more precisely, without voluntary restraint of wage claims. Such co-operation is necessary everywhere, but it is particularly important where it is a question of preventing price and cost rises spiralling because of the existence of clauses linking wages to a cost-of-living index.

Conclusion

The Community's economic situation in 1966 as we foresee it would seem on the whole likely to be better than in 1965. Economic growth will speed up and will be more harmonious as between the various member countries. In the matter of employment the trend will be satisfactory on the whole and the balance of current payments will not pose any major problems.

But the rise in prices and costs will continue to be too rapid and all our efforts should be directed to slowing it down, particularly if we do not wish to jeopardize the excellent prospects for economic growth which are opening before us for the years ahead.

I. Concentration of firms in the Common Market

Acting on a proposal from M. von der Groeben, the member of the Commission with special responsibility for competition, the Commission of the European Economic Community has sent the Governments of the Member States a memorandum on concentration of firms in the Common Market. This document, the fruit of extensive research, deals with problems of economics, company law, tax law and monopoly law that arise in this connection.

The memorandum takes as its starting-point the Community's Action Programme of October 1962 (secs. 25 and 26). It illustrates and amplifies the speech on "Competition policy as a part of economic policy in the Common Market" which was made by M. von der Groeben before the European Parliament in Strasbourg on 16 June 1965. (1)

The research done by the Commission has led to the following conclusions:

1. The progressive abolition of customs duties and quotas induces many enterprises to adapt themselves to the larger market in the European Community. This process or adaptation makes it necessary for enterprises to come together in many ways, whether by merger, acquisition of holdings, the creation of joint subsidiaries, or other means. These arrangements often encourage productivity, technical progress and research; they improve both the resilience of the enterprises and their competitiveness on the national, European and world markets.

It is not possible to make valid generalizations about the optimum size of an enterprise. Often, however, larger enterprises are better able to adapt themselves to Europe's expanding internal market and to keener international competition than are smaller ones, as these find themselves at a disadvantage particularly over raising capital and financing technical research.

2. To make this process of adjustment easier for enterprises, obstacles arising from tax law will have to be removed, as these discourage mergers and holdings when the firms concerned are separated by frontiers. In mergers of this type, for example, considerable tax reserves must be declared and tax paid on them. The resulting difficulties must be removed as far as possible. A special Working Party is considering the problems involved.

In addition, the Commission will prepare the ground for the harmonization of direct taxation, particularly the taxation of corporate profits, in order to prevent artificial distortions of competition and errors in siting. In this connection a comparative study of the tax burden will be made, the results of which will be important for the subsequent work on harmonization.

3. Considerable obstacles to international mergers and international holdings and to the creation of joint subsidiaries are presented by company law: as yet there is no international regulation governing the way in which enterprises on different sides of a frontier may combine. The Commission will therefore give steady support to attempts to create a new legal form of European limited company. Preliminary work on this is now in progress.

(1) See Bulletin No. 8-65, editorial.

4. At the same time the Commission considers it important to ensure that small and medium-sized enterprises are able to continue to fulfil their specific tasks. In competition with large enterprises they may find themselves placed at a particular disadvantage where sales organization and market research are concerned; purchasing conditions may be less favourable; difficulties may arise in adapting machines and equipment to the smaller size of their undertaking; they might find they were less able to influence demand; capital might be difficult to procure, and so might information, particularly with regard to technical progress and foreign markets; and there might be complications over access to particular markets (e.g. orders from public authorities).

The Commission therefore advocates the following measures: earlier introduction of its proposed system of taxation on value added, which will not affect competition; relaxation of the rules governing agreements on joint research, specialization and rationalization; approval of joint purchasing arrangements; a review of national regulations which work to the disadvantage of small and medium-sized enterprises; and measures that will make it easier for them to gain access to the capital market. The Commission intends to discuss in detail with the Member States and the parties concerned what can be done in this respect within the framework of the Treaty of Rome.

5. While the Commission will, on the one hand, work for the elimination of artificial barriers that prevent European enterprises coming together in a way that would increase productivity, it will use its powers under the EEC Treaty and Council Regulation No. 17 to oppose any form of combination that would lead to the monopoly of a market.

The ban on cartels (Article 85 of the Treaty) is, in the Commission's opinion, neither intended nor suitable to prevent the domination of a given market by mergers or other forms of combination.

The provision dealing with monopolies (Article 86) prohibits the abuse of dominant positions within the Common Market.

In any particular case the first thing to be done is to find out whether the enterprise in question does in fact enjoy a dominant position. This cannot be determined simply by considering an enterprise's share of the market or other quantitative features. A dominant position consists primarily in the ability to exert a substantial and, for the enterprise in question, a predictable influence over what happens on the market. For example, an enterprise that is in a position to oust competitors from the market at will can already be said to enjoy a dominant position even when its own share of the market is still comparatively small.

A dominant position may have its roots in production, distribution or financial strength. The trend of the market should therefore always be taken into account, and the firm concerned should be seen in the context of all its economic relations. Within an oligopoly the enterprise that is found to be the "price leader" may well be dominant.

The firm's position as a supplier within the Common Market is decisive. It is therefore possible even for an enterprise registered in a non-member country to enjoy a dominant position within the Common Market; consequently, what matters in the case of a firm situated within the Common Market is its competitive position viewed in the light of imports.

The next point to be clarified in any particular case is what constitutes abuse of a dominant position. The monopoly provision of the Treaty (Article 86) itself includes examples of such improper practices:

- a) The direct or indirect imposition of any inequitable purchase or selling prices or of any other inequitable trading conditions;
- b) The limitation of production, markets or technical development to the prejudice of consumers;
- c) The application to parties to transactions of unequal terms in respect of equivalent supplies;
- d) The subjecting of the conclusion of a contract to the acceptance, by a party, of additional supplies which, either by their nature or according to commercial usage, have no connection with the subject of such contract.

A further example of importance is the cutting of prices in order to oust from the market a competitor who lacks the resources needed to sell for a considerable period at less than his cost price. When an enterprise exploits its dominant position by such cut-throat competition or other malpractices in order to force another enterprise to merge against its will or on unfavourable terms, this constitutes an abuse.

It is clear from the examples given in Article 86 that the ban on abuse of dominant positions is not directed solely against particular improper practices on the market. On the contrary, Article 86 cites practices (limitation of production, markets or technical development) which, by changing the structure of supply, work to the disadvantage of the consumer, although they do not concern what an enterprise does on the market but what happens within the enterprise. Where a merger between one enterprise in a dominant position and another enterprise puts an end to competition which would otherwise have continued to exist on the market in question and so establishes a monopoly, it can have just the same detrimental effects for purchasers and consumers as the examples mentioned in Article 86. A monopoly position does in fact remove the incentive to further technical development and greater productivity, to mention only two of its harmful consequences. It has the result of limiting the level of production so much that maximization of profits is achieved by means of prices that are higher than they would be in a market where there is effective competition and therefore a higher level of production.

The Commission came to the conclusion that a concentration which establishes a monopoly on a market, and therefore prejudices the freedom of action of suppliers, purchasers and consumers, may in a particular case constitute abuse of a dominant position in the sense of Article 86 of the Treaty, and would therefore not be permissible. This is the only interpretation that accords with the objectives of the Treaty in general and with the rules of competition in particular. It is on this basis that a system of undistorted competition must be founded; the aim of the rules of competition involved in such a system is to ensure that competition continues to be effective and to preserve both the freedom of action and freedom of choice of entrepreneurs and consumers equally. If this aim is to be achieved, no cartel and no enterprise in a dominant position must be permitted to destroy competition and the economic freedom of others by establishing a monopoly on any market.

II. Internal activities

ESTABLISHMENT OF THE COMMON MARKET

Customs matters

Tariff quotas

1. On 23 November 1965 the Commission, acting under Article 25(3) of the Treaty, granted the Federal Republic of Germany a tariff quota of up to 80 000 hectolitres for natural red wines of fresh grapes (headings ex 22.05 B I b, ex 22.05 B II b and ex 22.05 B III b 2 of the common customs tariff) at the following rates ⁽¹⁾:

i) *From 1 to 31 December 1965:*

5.81 u.a./hl. for wines with an acquired alcohol content not exceeding 13 degrees;

6.11 u.a./hl. for wines with an acquired alcohol content exceeding 13 and not exceeding 15 degrees;

6.56 u.a./hl. for wines with an acquired alcohol content exceeding 15 and not exceeding 18 degrees.

ii) *From 1 January to 31 November 1966:*

6.37 u.a./hl. for wines with an acquired alcohol content not exceeding 13 degrees;

6.97 u.a./hl. for wines with an acquired alcohol content exceeding 13 and not exceeding 15 degrees;

7.87 u.a./hl. for wines with an acquired alcohol content exceeding 15 and not exceeding 18 degrees.

2. On 29 November 1965, the Commission, acting under Article 25 (3 and 4) of the Treaty, increased the tariff quota granted to Italy for 1965 for cod, including stockfish and klippfish, salted only or preserved in brine or dried, whole, headless or in pieces, (heading 03.02 A I b) from 34 000 metric tons to 37 000 metric tons ⁽²⁾.

3. On the same date, the Commission, acting under Article 25 (3 and 4) of the Treaty, increased the tariff quota granted to Italy for 1965 for tunny, fresh, chilled or frozen, for canning, (heading 03.01 B I b) from 36 000 metric tons to 40 000 metric tons ⁽²⁾.

4. On 2 December 1965, the Commission increased the duty-free quota granted to the Netherlands for ferro-manganese, other than carburized, ferro-silicon and ferro-chromium ⁽³⁾. These quotas are increased, respectively, from 100 to 155 metric tons, from 3 500 to 4 750 metric tons, and from 400 to 550 metric tons.

⁽¹⁾ See official gazette No. 204, 4 December 1965.

⁽²⁾ *ibid.*, No. 211, 15 December 1965.

⁽³⁾ *ibid.*, No. 210, 11 December 1965.

5. On 14 December 1965, the Commission, acting under Article 25 (3 and 4) of the Treaty, increased the tariff quota granted to the Federal Republic of Germany for 1965 for cod, coalfish (pollack), haddock, Norwegian rosefish or black halibut, fresh, chilled or frozen, (heading ex 03.01 B I c) from 10 500 metric tons to 14 000 metric tons ⁽¹⁾.

6. On 21 December 1965, the Commission, acting under Article 25(3) of the Treaty, granted the Federal Republic of Germany a tariff quota of 6 000 metric tons for 1966. at a duty of 8.9%, for imports of prunes (heading 08.12 C) from non-member countries for home consumption ⁽²⁾.

7. On 22 December 1965, the Commission, acting under Article 25 (2) of the Treaty and certain Protocols annexed to the List G Agreement, granted the following tariff quotas from non-member countries ⁽³⁾:

Member State	Tariff heading	Description of product	Quantity (m.t.)	Duty	Period
Germany	29.16-A III a	Calcium tartrate, crude	2 000	1.9 %	1966
Germany	ex 29.44 D	Erythromycine	800 kg	3.2 %	1966
B.L.E.U.	25.01-A I	Salt for chemical processing	160 000	0 %	1966
Germany	ex 45.02	Natural cork in blocks, plates, sheets or strips	145	2.5 %	1966
Germany	ex 45.02	Cubes or square slabs, cut to size for corks or stoppers	5	4.9 %	1966
Netherlands	45.02	Natural cork in blocks, plates, sheets or strips (including cubes or square slabs cut to size for corks or stoppers)	15	2.5 %	1966
B.L.E.U.	45.02	Natural cork in blocks, plates, sheets or strips (including cubes or square slabs cut to size for corks or stoppers)	20	2.5 %	1966
Germany	50.04	Silk yarn, other than yarn of noil or other silk waste, not put up for retail sale	10	2.5 %	1.1 to 1.3.66
Germany	50.05	Yarn spun from silk waste other than noil, not put up for retail sale	28	1 %	1.1 to 1.3.66
Germany	76.01 A	Unwrought aluminium	121 000 of which at least 10 000 of unalloyed aluminium	5 %	1966

⁽¹⁾ See official gazette No. 6, 14 January 1966.

⁽²⁾ *ibid.*, No. 16, 27 January 1966.

⁽³⁾ *ibid.*, No. 16, 27 January 1966 and No. 19, 31 January 1966.

Member State	Tariff heading	Description of product	Quantity (m.t.)	Duty	Period
Netherlands	76.01 A	Unwrought aluminium	13 000	5 %	1966
B.L.E.U.	76.01 A	Unwrought aluminium	35 000	5 %	1966
Germany	77.01 A	Unwrought magnesium	45 000	1.5 %	1966
Netherlands	77.01 A	Unwrought magnesium	190	1.5 %	1966
B.L.E.U.	77.01 A	Unwrought magnesium	580	1.5 %	1966
Germany	78.01 A	Unwrought lead	60 000	0 %	1966
Netherlands	78.01 A	Unwrought lead	30 500	0 %	1966
Belgium	78.01 A	Unwrought lead	10 000 of which 4 000 of work lead containing at least 0.03 % by weight of silver, for refining	0 %	1966
Germany	ex 79.01 A	Unwrought, unalloyed zinc	60 000	0 %	1966
Netherlands	79.01 A	Unwrought zinc	10 000	0 %	1966

8. On 29 December, the Council, acting under Article 25 (a) of the Treaty, granted the following tariff quotas:

Member State	Tariff heading	Description of product	Quantity (m.t.)	Duty	Period
Germany	ex 30.01-A I	Organo-therapeutic bovine livers powdered	35	3.6 %	1966
Netherlands	ex 38.08 C	Hydrogenized, polymerized and dimerized rosin	2 700	1.7 %	1966
Germany	ex 38.08 C	Polymerized and oxydized rosin	2 600	1.7 %	1966
Germany	ex 54.03-B I a	Certain qualities of flax yarn	500	3 %	1966
Germany	ex 73.05 A	Unprocessed iron or steel powders	11 000	4.8 %	1966
Netherlands	73.05 A	Iron or steel powders	1 500	2.9 %	1966
B.L.E.U.	73.05 A	Iron or steel powders	1 080	2.9 %	1966

9. On 23 December 1965, the Council, acting under Article 25 (1 and 4) of the Treaty, increased the tariff quota granted to the Netherlands for 1965 for hydrogenized, polymerized and dimerized rosin (heading ex 38.08 C) from 2 700 metric tons to 3 225 metric tons.

Suspension of CCT duties ⁽¹⁾

10. After the mixed Committee of government experts for the common customs tariff had examined the various requests for suspension made by the Member States for 1966, the Commission submitted to the Council three drafts providing for the suspension or reduction of certain CCT duties.

In most cases, the suspensions or reductions already in force in 1965 have been maintained.

The first list, which was the subject of a Council decision of 28 December 1965, covers 58 tariff items (on 18 of which the CCT duties are suspended altogether). These include: vegetable hair, chlorides of rare earth metals, iron phosphides, pinenes, camphene, vinyltoluene, butylene oxide, sebacic acid, commercial hydroabietylic alcohol, pyrethrum extract, raw guanine, polysulfohaloethylenes, copolymers of vinyl chloride and of vinylidene chloride, copolymer of vinylidene fluoride and of hexafluoropropylene, ethylcellulose, wooden shingles, yarn of man-made fibres with hollow strands, used bags for packing, glass beads, imitation precious stones, and a number of basic products used in the manufacture of medicines, insecticides, weed-killers, etc. ⁽²⁾.

A second list (12 products) (Council decision of 29 December 1965) includes, in addition to a few basic substances used in the manufacture of pharmaceutical products or weed-killers, spirits of turpentine, rosin, cork, Japan paper, hydroxypropylmethylcellulose and uranium depleted in uranium 235 ⁽³⁾.

In addition the reduction in duties on nuclear reactors and their parts (heading 84.59 B) were also maintained for 1966 after consultation with the Euratom Council and Commission (Council decision of 23 December 1965) ⁽⁴⁾.

Panel of officials from customs departments

11. The panel of officials from customs departments in the Member States met at the beginning of December when it considered, in particular, the possibility of granting facilities to simplify customs formalities, in certain cases; it will continue its examination of this question in the light of information furnished by the Member States about their own regulations.

⁽¹⁾ See also sec. 59, "Suspension or temporary reduction of certain customs duties on products exported by developing countries".

⁽²⁾ See official gazette, No. 223, 29 December 1965.

⁽³⁾ *ibid.*, No. 225, 31 December 1965.

⁽⁴⁾ *ibid.*, No. 222, 28 December 1965

Particular attention was given to methods of administrative co-operation designed to ensure the correct application of the agricultural regulations. A procedure for post-checking is under consideration.

The panel also considered the question of concessions for goods contained in travellers' luggage and small consignments addressed to individuals (Recommendation of 18 December 1964) ⁽¹⁾.

Safeguard measures (Art. 226)

Italy: sulphur and carbon disulphide

12. On 21 December 1965, the Commission adopted a decision authorizing Italy, until 30 June 1966, to:

- i) Limit sulphur imports to 65 000 metric tons;
- ii) Make the issue of import licences conditional upon purchases of Italian sulphur;
- iii) Maintain a duty of 7% on carbon disulphide imported from the other Member States ⁽²⁾.

Approximation of legislation in order to overcome technical obstacles to trade

Two proposals for directives concerning motor-vehicle number-plates and the suppression of radio interference from motor vehicles

13. Two proposals for Council directives to harmonize national legislation were adopted by the Commission and submitted to the Council on 22 December 1965.

The first concerns the rear number-plates of motor vehicles. At present, most manufacturers seem to find it impossible to design motor bodies to which the official registration plates of all Member States can be fitted. The directive proposed by the Commission is intended to overcome these difficulties and solve the problems posed by the different shapes and sizes of registration plates and by the different ways in which the same plate can be placed and fixed.

The other directive concerns the suppression of radio interference from motor vehicles. The object is to harmonize the existing regulations on the subject and work out arrangements for the mutual recognition of controls carried out by Member States in accordance with Community provisions. If the principle of mutual recognition of controls — also embodied in the directive on traffic indicators — is adopted, Member States will not be able to withhold approval of a motor vehicle that fulfils

⁽¹⁾ See official gazette No. 7, 22 January 1965, and Bulletins 2-65 and 9/10-65, sec. 4.

⁽²⁾ *ibid.*, No. 6, 14 January 1966.

the common technical requirements, and once such approval or partial approval has been granted by the authorities of one State it will be valid in all the other Community countries.

COMPETITION

Approximation of legislation

Pharmaceutical products

14. A meeting with the trade and professional organizations concerned was held in Brussels on 13 December 1965 for purposes of information.

The main outlines of a preliminary draft concerning mutual recognition of sale licences for branded pharmaceuticals were discussed. The delegates were requested to let the Commission have, as soon as possible, a list of the problems which they considered should be solved before such a system could be introduced.

Technical obstacles to trade (various products)

15. The Working Party on technical obstacles to trade (various products) held its 11th meeting on 9 and 10 November 1965. It examined several proposals for directives to harmonize national legislation with regard to:

- i) Safety glass;
- ii) The licensing of motor vehicles;
- iii) The licensing of farm tractors.

In addition, the Commission submitted to the Council on 22 December 1965 two proposals for directives concerning motor vehicles, one dealing with rear number-plates and the other with the suppression of radio interference ⁽¹⁾.

Criminal law

16. The 5th plenary meeting of the Working Party on criminal law, held on 9 December 1965, was devoted to a study of the preliminary draft Convention on the investigation and punishment of infringements in matters governed by EEC regulations, directives or decisions.

Recognition of companies and corporations

17. The draft Convention on mutual recognition of companies and corporations had been completed in June 1965 by the government experts and representatives of the EEC Commission, under the chairmanship of Professor B. Goldman of the

⁽¹⁾ See sec. 13 above.

Faculty of Law and Economics of the University of Paris. On 14 December 1965 the text, together with Professor Goldman's report, was transmitted to the Permanent Representatives of the Member States, the President of the Council of Ministers of the European Communities and the EEC Commission. The Member Governments are therefore now in a position to initiate procedure for signature.

Postal charges : opinion of the Economic and Social Committee

18. At its meeting of 7-8 December 1965, the Economic and Social Committee rendered an opinion on the proposed Council directive on the alignment of postage rates in the member countries for letters up to 20 grammes and postcards ⁽¹⁾. The Committee is convinced that the abolition of postal frontiers and the introduction of a uniform postage rate will have a considerable psychological effect and help to create a Community spirit. Among the Member States, there will no longer be separate inland and foreign rates but only the intra-Community rate.

The Committee made certain reservations with regard to criteria and procedure for the fixing and adjustment of these charges. It agrees that postal charges should generally be calculated by the Member States in the light of, for example, the administrative costs of their postal services, about 80% of which are for wages and salaries, it is, however, convinced that the fixing, and especially the adjustment of these charges, is primarily a political decision, for which the Governments also take into account, in addition to the administrative costs mentioned above, fiscal, economic and social considerations. Consequently, the Committee would not like the procedure for the adjustment of these tariffs to become automatic; it prefers that the Member States, who can take the current political climate into account, decide themselves whether or not to ask for the charges to be revised, when they find that their operational accounts show a difference in costs of the order of 15%.

The Committee therefore agrees that a change of 15% would be a cogent argument for the charges to be adjusted. But, of course, this criterion will not be entirely valid until the Member States have normalized their operational accounts, as they must do before the end of the transition period, i.e. before 31 December 1969.

Taxation

Harmonization of turnover taxes

19. At its meeting of 25-26 November 1965 in Brussels, the *ad hoc* panel of experts from the national revenue departments and from the Commission, assisted by agricultural experts, studied matters relating to the inclusion of agriculture in the field of application of a common added-value tax. The panel discussed the system that should be established in accordance with Article 12(2) of the draft second directive on implementing procedures for an added-value tax system.

(1) See supplement to Bulletin 7-65.

Italian export rebates for engineering products — EEC
Commission v. the Republic of Italy ⁽¹⁾ — (Case 45-64)

20. The Court of Justice of the European Communities gave its ruling on 1 December 1965 in Case No. 45-64, brought by the EEC Commission against the Italian Republic over "drawback" payments on exports of engineering products. A very large range of products of interest to almost all branches of Italian engineering (precision instruments, electrical machinery, steam locomotives, jet aircraft, etc.) are eligible on export from Italy for a payment described as a "drawback" of taxes on production; this is computed at a flat rate per kilogramme of the various products or classes of products concerned.

In October 1964 the Commission asked the Court of Justice for an interpretation of the Treaty on this point. The Commission held that Italy was violating Article 96 of the Treaty by accepting as eligible for drawback certain charges which could not be considered as imposed on the products, and by fixing the amount on a flat-rate basis, which was equivalent to adopting average rates.

In its ruling, the Court first rejected the procedural objections raised by the Italian Republic and confirmed that the application by the Commission of Article 169, at the stage prior to judicial proceedings, was valid and proper. On the substance of the case, the Court found that Article 96 allows the payment of "drawback" only in respect of taxes imposed directly (i.e. on finished products) or indirectly (i.e. on raw materials or semi-finished products entering into the process of manufacture). This condition is not satisfied in the case of the Italian taxes objected to by the Commission, such as company registration charges, stamp duty, mortgage charge, charges on government concessions, and taxes on motor vehicles and advertising. On this point therefore, Italy has infringed the Treaty.

As regards the refund of other taxes effectively imposed on products, as is also provided under the Italian drawback system, it is necessary to establish that the amount of the refund does not exceed the equivalent of the taxes borne in each case. Accordingly, it is for the Italian Republic to show, by precise particulars for the various products, that this second condition is satisfied. Proceedings may therefore be resumed on this matter after the Italian Republic has submitted the particulars required of it by the Court; it has been allowed three months for this purpose.

FREE MOVEMENT OF PERSONS

Freedom of establishment and freedom to supply services

Two proposals for directives concerning transport auxiliaries, travel agents, warehousemen and customs agents

21. On 21 December 1965 the Commission adopted and submitted to the Council two proposals for directives relating to the removal of restrictions on freedom of establishment and freedom to supply services, and to certain supplementary transitional measures, concerning:

⁽¹⁾ See bulletin 12-64, Chap. III, sec. 15.

- a) certain transport auxiliaries (carriers, brokers, forwarding agents, truck hivers, etc.) and travel agents (Group 718 ISIC);
- b) warehousemen (Group 720 ISIC);
- c) customs agents (ex Group 839 ISIC).

Article 1 of the proposed directive relating to the removal of restrictions on establishment and the supply of services in these fields states that the Member States shall abolish, in favour of individuals or corporations, the restrictions mentioned in Title III of the General Programmes as far as access to and pursuit of these activities are concerned.

Article 2 lists the various activities.

Article 3 gives the exceptions to the application of the directive (notably, in France, the sale of ships by auction and the fixing of freight charges and, for the Six, the technical inspection of vehicles carried out on behalf of the State).

Under Article 5 the Member States shall see that the beneficiaries of the directive may join trade or professional organizations on the same conditions and with the same rights and duties as nationals of the country concerned.

The provisions governing proofs of good character and proof that the beneficiaries have not been declared bankrupt (Art. 7) are similar to those given in directives previously proposed.

The proposed directive laying down transitional measures defines the general, commercial or professional knowledge and competence required when a Member State demands certain qualifications. The proposed directive also defines the equivalences of the functions exercised. These provisions will be applicable until the end of the transition period.

The Council must refer these proposals to the European Parliament and the Economic and Social Committee.

Two proposals for directives in the field of agriculture

22. On 20 December the Commission adopted, and on 21 December 1965 submitted to the Council, two proposals for directives relating to freedom of establishment in agriculture. The first concerns the freedom of farmers who are nationals of one Member State and established in another Member State to join co-operatives, either as members or managers. The other concerns the freedom of farmers who are nationals of one Member State and established in another to have access to various types of credit. These proposals will be referred to the European Parliament and to the Economic and Social Committee.

The Economic and Social Committee

23. At its session of 7-8 December 1965, the Economic and Social Committee rendered an opinion on the proposal for a Council directive on freedom of establishment and freedom to supply services in a self-employed capacity in the food and beverage industries. The Committee hoped that this directive would enter into force at the same time as that relating to retail trade, and pointed out that

it would not be sufficient by itself to bring about the free movement of persons, owing to possible restrictions on the construction of new establishments in the food sector.

At the same time, the Committee rendered an opinion on the transitional measures applicable to the above activities, approving the harmonization of this directive with the similar one on manufacturing and crafts.

Free movements of workers

Comparison of manpower movements in 1965

24. On 6 December 1965 the government experts of the Member States, together with Commission staff, compared the 1965 estimates of the Community's manpower resources and the Member States' requirements of foreign workers with the manpower movements that had actually taken place.

The object was to enable Member States to make estimates of their manpower resources and requirements for 1966 so that a better balance might be attained in the Community.

The experts endorsed the main conclusions of the Commission's staff, in particular, the need to improve the machinery for vacancy clearing and to step up ordinary and compressed training courses in the Community so that supply might be more effectively adjusted to demand.

The exercise also disclosed the extent to which Member States had given priority in employment to Community manpower.

Glossary of trades and professions

25. Experience in implementing the Community provisions on vacancy clearing has shown that these activities would be greatly facilitated if a standardized terminology were adopted so that errors of interpretation could be avoided, particularly as regards information on professions in which there is a shortage or a surplus.

The results of its first attempt in this field encouraged the European Office for co-ordinating the clearing of vacancies and applications for employment to compile an alphabetical glossary in the four Community languages containing the terms used in Regulation No. 38/64 on the free movement of workers in the Community and Council Directive No. 64/240 of 25 March 1964 on the abolition of restrictions on movement and residence of workers and their families belonging to the Member States. The method used was one that had already been tried out with success.

This will shortly be supplemented by a work containing, in addition to the expressions most often used in the European Office's documents and reports, a standard translation of the names of some 600 trades and professions which are not given in the comparative dictionary of the trades and professions in which movement from one country to another is most frequent, nor in the professional monographs.

ECONOMIC AND FINANCIAL POLICY

Committee of experts on economic trends

26. The Committee of experts on economic trends held its last quarterly meeting of 1965 in Brussels on 7 December 1965, when it considered the present economic situation in the Community and future prospects.

On the whole, the experts accepted the analyses and forecasts contained in the draft report prepared by the Commission's staff. The report shows that in 1965 economic expansion in the Community continued, although slightly more slowly, and that it may perhaps quicken somewhat in 1966, largely owing to the faster growth of domestic demand, especially in France, Italy and Belgium.

The likelihood of price increases continues to give grounds for anxiety, so that caution must be exercised in the orientation and scope of expansion policy in Italy, and to a lesser extent also in France, while in the other member countries, particularly Germany and the Netherlands, fresh efforts must be made to check the growth of domestic demand in money terms.

Expert panel on business surveys

27. The expert panel on business surveys met on 6, 7 and 8 December 1965 to consider how the existing business surveys might be improved and to work out a joint programme for a new business survey in the construction sector.

It was decided to enlarge the questionnaire for the monthly business survey in 1966, adding questions on obstacles to production, the working time represented by orders in hand, reserve capacity and the competitive position on the Community market and in non-member countries.

The panel decided that the survey in the construction sector should be carried out monthly, probably starting from the middle of 1966. On several other matters, such as questionnaires and publications, the main lines were settled, but the final details of the programme were left for discussion at the next meeting in February 1966.

Medium-term Economic Policy Committee

28. The Medium-term Economic Policy Committee held its 11th meeting on 2 December 1965 under the chairmanship of M. Brouwers. It continued its study of the preliminary draft of the first medium-term economic programme, particularly Chapter II, "General conditions of growth in the coming years", and Chapter III, "General lines of medium-term economic policy in the coming years".

Working Party on medium-term economic forecasts

29. The Working Party on medium-term economic forecasts held its 11th meeting on 17 December 1965, under the chairmanship of M. A. Kervyn de Lettenhove.

A lengthy discussion took place on the problems of comparative prices and the general price level.

The next meeting was fixed for 21 and 22 January 1966.

Budget Policy Committee

30. The third meeting of the Budget Policy Committee was held on 6 December 1965, with M. Marzano (Italy) presiding. The Committee examined the broad outlines of the Member States' budget policies for 1966 as revealed by the draft budgets that are already before the national Parliaments or by information from the delegations of countries where, owing to special difficulties, the budget for 1966 has not yet been finalized. When its examination is concluded, the Committee will render an opinion for communication to the EEC Council and Commission.

The alternate members of the Budget Policy Committee met for the fourth time on 7 December 1965 under the chairmanship of M. Milazzo (Italy). They continued the work delegated to them by the Committee.

Panel of experts on money markets

31. The panel of experts on money markets, which was set up by the EEC Commission to study the problems involved in the gradual development of a truly European money market, has completed the first part of its work. At the nine meetings it has held the panel has examined the technical difficulties that would be experienced by the various sectors of the market, taking into account the main differences or organization that exist at present and common problems connected with structure. It also considered the adjustments that would have to be made in the field of economic policy when an integrated money market becomes a reality, particularly where recourse to certain monetary or budgetary instruments is concerned.

As its study of the specific problems that will be dealt with in the report was completed in December 1965, the panel has now begun the second part of its work; a draft report will be prepared by its secretariat during the second quarter of 1966 and it is hoped that the final report will be presented to the Commission during the third quarter of 1966.

COMMON AGRICULTURAL POLICY

Common organization of agricultural markets

Cereals, including rice

32. On 13 December 1965 the Council adopted a regulation relating to the levies on hybrid maize for sowing ⁽¹⁾. The object of the regulation is to ensure that the undertakings given by the Community at GATT with regard to the binding, at 4%, of the customs duty on hybrid maize for sowing are respected.

The levies on imports of this product from non-member countries may not exceed the duty which has been bound at 4%. The levies on imports from Member States may not exceed an amount corresponding to this duty less the percentage of the tariff reductions that have taken place since 1 January 1959 or are to take place, this percent-

⁽¹⁾ Council Regulation No. 172/65/CEE, official gazette No. 223, 29 December 1965.

age being the one applicable, at the time of import, to non-liberalized agricultural products. This method of calculating the intra-Community levy ensures Community preference.

The regulation entered into force on the day of publication in the official gazette of the European Communities, but its application can be deferred until 1 June 1966 at the latest.

Beef and veal

33. On 29 November 1965 the Commission authorized Germany to reduce, until 31 March 1966, its customs duties on imports from non-member countries of live cows for slaughter (sub-heading ex 01.02 AII) ⁽¹⁾. The reason for this derogation was that once all the animals had been brought in from pasture beef supplies in Germany would fall, causing prices to rise.

Pigmeat

34. In view of the high pigmeat prices due to the cyclical drop in supply and the seasonal increase in demand, the Council, acting on a proposal of the Commission, adopted a decision authorizing the Federal Republic to reduce the levies on slaughtered pigs by a maximum of DM 22/100 kg. The levies on live pigs and cuts may be reduced by the same percentage as the levy on slaughtered pigs.

In order to protect the markets of the other Member States, the same decision authorized the latter to raise the levies by the same amount on all pigmeat products imported from Germany ⁽²⁾.

As the increase in feed-grain prices has not reached 3%, it was possible for the levies on imports from non-member countries and the sluice-gate prices for the first quarter of 1966 to be kept at the level of 1 July 1965 ⁽³⁾.

Eggs and poultry

35. On 9 December 1965 the Commission adopted a regulation fixing a supplementary amount for whole dried eggs and reducing the supplementary amounts for whole liquid or frozen eggs and for dried egg yolks ⁽⁴⁾.

By virtue of this regulation, which entered into force on 13 December 1965, the supplementary amount of 0.625 u.a./kg, which was valid for imports from five countries only, will be applicable to imports from all non-member countries; in addition, the supplementary amount for whole liquid or frozen eggs is reduced by 0.200 u.a./kg to 0.175 u.a./kg, and that for dried egg yolks by 0.625 u.a./kg to 0.5625 u.a./kg.

⁽¹⁾ Commission decision No. 65/553/CEE, official gazette No. 208, 10 December 1965.

⁽²⁾ Council decision No. 65/551/CEE, *ibid.*, No. 215, 20 December 1965.

⁽³⁾ Council Regulation No. 167/65/CEE, *ibid.*, and Commission Regulation No. 169/65/CEE, *ibid.*, No. 216, 21 December 1965.

⁽⁴⁾ Commission Regulation No. 164/65/CEE, *ibid.*, No. 208, 10 December 1965.

On 15 December 1965 the Commission adopted a regulation fixing intra-Community levies for poultry eggs for hatching ⁽¹⁾. The intra-Community levies currently in force are retained for the first quarter of 1966.

As the present world market prices for eggs in shell are tending to rise, and as the situation on the Community market is characterized by insufficient supplies in relation to demand, and by a tendency towards rising prices which could lead to an undesirable increase in production, the Council has, in respect of imports effected on or before 8 January 1966, reduced the levies on shell eggs from non-member countries by 0.0719 u.a./kg, and the intra-Community levies in countries other than Germany by 0.0163 u.a./kg; in Germany, the intra-Community levies are reduced to 0.0460 u.a./kg ⁽²⁾.

Milk and milk products

36. On 21 December 1965 the Commission adopted Regulation No. 170/65/CEE extending and amending Regulation No. 116/65/CEE concerning the period of validity of the refund applicable, in certain cases, to exports of certain milk products to non-member countries ⁽³⁾. As a result, Member States will be able to extend until the end of the 1966/67 milk year the validity of refunds granted on exports to non-member countries in connection with calls for tender. The new regulation also includes provisions under which the refund can be adjusted if the threshold price is altered, and details of the information to be given to the Commission.

On 29 December 1965 the Council adopted a decision altering the intervention price for butter in France during the 1965/66 milk year ⁽⁴⁾. Notwithstanding the provisions of Article 21(1) of Regulation No. 13/64/CEE, France is authorized to increase the intervention price for first-quality home-produced fresh butter for the 1965/66 milk year by FF 15/100 kg.

Fruit and vegetables

37. *New system for sweet oranges proposed by the Commission* ⁽⁵⁾:

On 20 December 1965 the Commission submitted to the Council a proposal for a regulation amending the basic fruit and vegetables regulation (No. 23, Article 11 new 3), and a proposal for a resolution on the financing of subsidies to orange growers. Before the Council takes a decision on these, the European Parliament has to be consulted.

The two new measures, which would apply only to sweet oranges, would have the following effects:

i) *For importing countries of the Community and for exporting non-member countries*; the effective level of protection for the preferred varieties (Group II, Navels, etc.) would be reduced from 15.5 to 13.1 u.a./100 kg. This is about the same level as last season.

⁽¹⁾ Commission Regulation No. 166/65/CEE, official gazette No. 213, 17 December 1965.

⁽²⁾ Council Regulation No. 168/65/CEE, *ibid.*, No. 215, 20 December 1965.

⁽³⁾ Commission Regulation No. 170/65/CEE, *ibid.*, No. 218, 22 December 1965.

⁽⁴⁾ Council decision No. 65/581/CEE, *ibid.*, No. 225, 31 December 1965.

⁽⁵⁾ See Bulletin 1-66, Chap. I, sec. 34.

ii) *For Italian orange growers:* they would receive direct subsidies to compensate them for any loss of earnings resulting from the adoption of a lower reference price for the purpose of calculating the countervailing charge on imports outside the Community. This subsidy would be granted when the price fell below 15.5 u.a./100 kg, but could not exceed the difference between 13.1 and 15.5 u.a./100 kg, since the system of reference prices would come into effect if the price fell below 13.1 u.a./100 kg and countervailing charges would then be imposed. Thus the level of protection for Community producers would be virtually the same as at present.

The lowering of the reference price will affect the whole Community, and it is therefore justifiable for the entire cost of the subsidies to be borne by the Agricultural Fund (EAGGF). The total cost to the Community budget would, however, be only about 30% of the cost that would otherwise be borne by consumers in the Community. In fact, only 30% of Community orange consumption is met by Italian growers.

Treatment of citrus fruits with certain preservatives: By Regulation No. 171/65/CEE ⁽¹⁾, adopted on 23 December 1965, the Commission extended Regulation No. 21/63/CEE providing a provisional waiver of the common quality standards for citrus fruits. The Member States may now keep in force until 31 December 1966 their national legislation governing treatment of the peel of citrus fruits with certain preservatives.

Commercial relations with state-trading countries

38. Pending completion of the work being done to establish a definitive system governing imports from the state-trading countries, applicable to all products, the Council decided to maintain in force until 31 December 1966 the provisional system for the following agricultural products: cereals, pigmeat, eggs, poultry, milk, beef and veal, rice ⁽²⁾. In view of the time needed to work out the rules by which import policy towards the state-trading countries will subsequently be governed, the Council limited the extension to one year, i.e. until 31 December 1966.

Financing the common agricultural policy

39. On 10 December 1965 the Fund Committee met to examine the Commission's documents and draft decisions for the repayment of one sixth of expenditure eligible under the European Agricultural Guidance and Guarantee Fund, Guarantee Section, for the year 1962/63. During its discussion, the Fund Committee made several suggestions to improve the working of Community financing. After having approved the lowest average refunds, the Fund Committee was consulted on the draft decisions concerning aid from the Fund.

On 15 December 1965, the Commission therefore fixed the lowest refunds by basic products, which are used in calculating the EAGGF's contributions to Member States' eligible expenditure in respect of refunds on exports to non-member countries for the 1962/63 financial year ⁽³⁾.

⁽¹⁾ See official gazette No. 222, 28 December 1965.

⁽²⁾ Council Regulation No. 173/65/CEE, official gazette No. 223, 29 December 1965.

⁽³⁾ Commission decision No. 65/574/CEE, *ibid.*, No. 224, 30 December 1965.

In addition, on 15 December 1965, the Commission decided upon the allocation of the first instalment of aid from the Guarantee Section of the EAGGF, i.e. the precise amounts that will be repaid to each Member State for the year 1962/63 ⁽¹⁾. These are as follows:

<i>Member State</i>	<i>Amount repaid (in u.a.)</i>	<i>%</i>
Belgium	305 388.41	1.06
Germany	1 790 190.60	6.23
France	24 479 196.22	85.23
Italy	1 280 606.02	4.46
Luxembourg	3 445.96	0.01
Netherlands	864 258.92	3.01
Total	28 723 086.13	100.00

The payments will be made at the beginning of 1966 by a clearing transaction between the debtor and creditor Member States.

For 1962/63, when one sixth of the eligible expenditure was to be borne by the Fund, the only sectors for which the Community had financial liability were cereals, pigmeat, eggs and poultry. Since the autumn of 1964 three new sectors — milk products, beef and veal, rice — have been covered by the Fund.

On 15 December 1965 the Commission also adopted a declaration concerning the Guarantee Section for the 1962/63 financial year ⁽²⁾, which includes the following passage:

“In adopting the aforementioned decisions, account was taken of trade between the Soviet zone of Germany and Member States other than the Federal Republic of Germany. The Government of the latter country has let it be known that this basis of calculation gives rise to political and legal objections on its part, which should be closely examined by the Community.

As such an examination cannot be carried out unless the decision fixing the amount of aid granted by the EAGGF for expenditure under the Guidance Section in respect of the 1962/63 financial year is postponed, contrary to the wishes expressed by all the Member States and to the provisions in force, the Commission declares, on taking the annexed decisions, that it leaves in abeyance for the time being the question raised by the German Government. It will study this matter without delay and, should the need be found, will modify the decisions accordingly.”

At its meeting of 14-15 December 1965, the Standing Committee on Agricultural Structure examined the first five Community programmes in detail.

⁽¹⁾ Commission decision No. 65/575/CEE, official gazette No. 224, 30 December 1965.
 Commission decision No. 65/576/CEE, *ibid.*
 Commission decision No. 67/577/CEE, *ibid.*
 Commission decision No. 67/578/CEE, *ibid.*
 Commission decision No. 67/579/CEE, *ibid.*
 Commission decision No. 67/580/CEE, *ibid.*

⁽²⁾ Commission Declaration No. 65/573/CEE, *ibid.*

Conditions of competition in agriculture

40. In pursuance of Article 93(3) of the Treaty, the Commission has taken four decisions concerning:

The Netherlands — three projects for aids in the eggs and poultry sector;

Belgium — aid to place vine-growing on a sounder footing;

Italy — a Bill concerning measures to be taken to assist certain areas stricken by natural disasters;

Italy — a Bill of the Trentino-Alto Adige region concerning “subsequent financing and supplements to Regional Law No. 19 (water engineering in certain areas)”.

Approximation of legislation

Preservatives for citrus fruits

41. On 23 December 1965 the Council adopted a directive amending the Council directive of 5 November 1963 on the approximation of Member States' legislation concerning permitted preservatives in food for human consumption ⁽¹⁾. The new directive extends until 31 December 1966 the time during which Member States may keep in force their national legislation governing treatment of the peel of citrus fruits with diphenyl, orthophenylphenol and sodium orthophenylphenate.

Economic and Social Committee

42. At its meeting of 7 and 8 December 1965, the Economic and Social Committee rendered a formal opinion on the proposed Council directive amending the Council directive of 5 November 1963 on the approximation of Member States' legislation concerning permitted preservatives in food for human consumption.

The Committee proposes that current national legislation on the subject should be maintained until 31 December 1966 (i.e. for one year), and that Community arrangements should be instituted from 1 January 1967, based on the Commission's proposals.

It urges that the scientific work at present in progress with regard to diphenyl and other preservatives should be continued.

COMMON TRANSPORT POLICY

Consultative Committee on Transport (Art. 83)

43. During December 1965 the groups of rapporteurs within the Consultative Committee on Transport met several times to complete draft opinions on:

- i) Questions relating to the development of, and regulations for, road haulage depots (section III of the 1965/66 work programme);
- ii) The problems that the abolition of intra-Community frontier controls will involve for transport.

⁽¹⁾ Council directive No. 65/569/CEE, official gazette No. 222, 28 December 1965.

The Committee will render an opinion on these matters at its plenary session on 11-12 January 1966.

Discussions with trade unions

44. On 14 December and 16-17 December 1965, the Commission held discussions in Brussels with representatives of the Trade Union Committee of Transport Workers in the Community (ITF, ICFTU) and of the European Transport Committee (IFCTU).

In each case the proceedings opened with an introductory report by M. Lambert Schaus, the member of the Commission with special responsibility for transport.

The object was to make a comprehensive survey of all the problems arising in connection with the common transport policy.

The talks took place in a frank and cordial atmosphere and gave the representatives of the participating Committee an opportunity to express their organizations' views on the various problems, while enabling the Commission's representatives to supply the necessary information as to the prospects of the common transport policy.

Implementation of Articles 79 and 80 of the Treaty

45. On 2 and 3 December 1965 a meeting was held in Brussels with representatives of the French Government and the French Railways (SNCF) in order to examine the first batch of 120 unpublished SNCT contracts.

In addition, at its meeting of 15 December 1965, the EEC Commission extended until 31 December 1966 the authorization to apply tariffs Nos. 202, 210 and 218 of the Italian State Railways (FS), which relate to certain specified products transported within Sardinia and Sicily, and the FS's tariff No. 251 A, which relates to fruit and vegetables exported from the South of Italy (Mezzogiorno) ⁽¹⁾.

SOCIAL POLICY

European Social Fund

46. On 22 December 1965, by agreement with the European Social Fund Committee, the EEC Commission approved grants for vocational retraining (2 806 167 u.a.) and resettlement (1 083 371 u.a.) in Germany, Belgium, France and Italy.

The grants are as follows:

	<i>Retraining</i>	<i>Resettlement</i>
Germany	1 035 129.20	1 281.42
Belgium	468 700.92	1 477.34
France	—	38 392.55
Italy	1 302 336.74	1 042 219.83
Total	<u>2 806 166.86</u>	<u>1 083 371.14</u>

(1) See official gazette No. 6, 14 January 1966.

These decisions bring the total amount of aid granted by the Fund in 1965 to about 7 200 000 u.a. The grants cover 50% of the expenditure incurred by the beneficiary countries for vocational retraining and resettlement, as a result of which 95 711 unemployed or underemployed workers were able to find new jobs.

Allowing for the Member States' contributions to the Fund's expenditure, the accounts closed at the end of the financial year show a credit balance only in the case of Italy — about 1 316 000 u.a. The other Member States have a debit balance as follows: Germany, about 684 000 u.a.; Belgium, 163 000 u.a.; France 167 500 u.a.; Luxembourg, 14 500 u.a.; the Netherlands, 286 000 u.a.

A total of some 32 million u.a. has been granted by the Commission to the Member States from the European Social Fund during the first few years of its operation (1961 to December 1965).

Social security for migrant workers

Administrative Committee

47. The Administrative Committee on social security for migrant workers held its 71st session in Luxembourg on 21 and 22 December 1965, at the invitation of the ECSC High Authority.

The session was devoted to an examination of the final text of the draft of the revised Regulation No. 3, which is the outcome of the Administrative Committee's deliberations and of the study and adoption of the Administrative Committee's draft report to the EEC Commission.

Social security for seamen

48. On 3 December 1965 the EEC Commission adopted and submitted to the Council a proposal for a regulation extending to seamen the application of Regulations Nos. 3 and 4, which deal with social security for migrant workers.

These regulations, which took effect from 1 January 1959, secure for workers from other Community countries the same social benefits as nationals of the host country, make it possible for entitlement to benefit to be determined by adding together periods completed under the legislation of different States, and ensure that benefits can be paid in the Community country where the beneficiary happens to be.

The principle that these provisions should also be applied to seamen was already contained in Regulation No. 3, where it was stated that the requisite regulation would be issued subsequently. This is the purpose of the Commission's proposal.

Until now, the social security systems applicable to seamen have been co-ordinated by means of bilateral and multilateral conventions.

If the present position were to continue, it might hamper the free movement of seamen; nationals of one Member State might be discouraged from joining a vessel sailing under the flag of another, and it might also be against the interests of the sailors themselves. The bilateral conventions applicable to seamen are, in fact, less advantageous than the regulations on social security for migrant workers, and complete co-ordination between these various bilateral conventions — in the case of a seaman whose working life has been spent under the flags of more than two Member States — is not achieved by the existing multilateral instruments.

The Commission's proposal is intended to overcome these drawbacks. The most important amendment and addition that it makes to Regulation No. 3 lies in the method of determining which legislation is applicable. It lays down that seamen serving on board a ship should be subject to the legislation of the Member State whose flag the ship flies. In most cases this is the same as the State in which the ship is registered, which is the criterion employed in the social security conventions, but it seemed preferable to go by the flag because this definition is sometimes wider and is the one used in the domestic law of most of the Member States concerned, to decide the social security system to which seamen should be affiliated.

Industrial health and safety

49. The Economic and Social Committee rendered its opinion on the two proposed Council directives for the approximation of laws, regulations and administrative instructions relating, respectively, to dangerous substances and preparations and to their classification, labelling and packaging ⁽¹⁾.

The Committee approved the EEC Commission's initiative, as also the legal basis of the two draft directives, but stressed that adoption of the procedure laid down in Article 100 must not obscure the fact that the main aim of the harmonization which it is sought to achieve is to protect the life and health of workers and the population in general.

The Economic and Social Committee also welcomed the fact that the Commission had first proposed an outline directive laying down the basic principles for any directives that might be adopted later as the need for, and possibility of, action by the Commission become apparent.

The Committee agreed that the transport of dangerous substances should, in the initial period, be excluded from the Community arrangements. It stressed, however, that it would be undesirable for the Community to give the impression of adding a new complex of regulations to those already existing. For this reason, it requested the Commission and the Council to base their regulations as closely as possible on one of the systems already in existence at the international level, and to continue their efforts to arrive at similar rules for the different sectors as far as possible.

Implementation of Article 118

50. The representatives of ministers responsible for social affairs met on 2 December 1965, in the absence of the French representative, to discuss the state of the work on social security and on the general problems connected with the application of Article 118 of the Treaty of Rome. The chair was taken by M. Levi Sandri, Vice-President of the Commission and the member with special responsibility for social affairs.

On 16 December 1965 the central panel of workers and employers, also under the chairmanship of M. Levi Sandri, met to discuss matters related to Article 118.

⁽¹⁾ See Bulletin 7-65, Chap. II, sec. 29.

Seminar on vocational guidance

51. A seminar on vocational guidance, organized by the EEC Commission, was held in Brussels from 29 November to 1 December 1965.

The seminar, which was designed to provide a forum for the exchange of information and experience on systems of vocational guidance, was attended by the heads of public vocational guidance services in the EEC member countries. In addition to the exchange of information, the programme, which was mainly a practical one, included visits to several vocational guidance centres in Belgium.

The seminar forms part of a programme of work drawn up by the EEC Commission to promote close co-operation between the administrative departments of Member States concerned with vocational guidance.

The Commission's document on social assistance for migrant workers

52. In connection with the Community provisions concerning the free movement of workers and social security for migrant workers, the Commission has always attributed the greatest importance to the human problems arising out of the migration of workers. In its efforts to help solve these problems, it addressed a recommendation to the Member States on 23 July 1962, concerning the activities of the social services for workers who move from one Community country to another.

The Commission, which keeps a watch on the effect given to its recommendations, has issued a document giving the official reports from member Governments about their action in this field in the three years following the adoption of the Recommendation of 23 July 1962. The document also contains statistics on movements of the working population in the six EEC countries and on the sums of money allocated to assistance for migrant workers.

As a result of the recommendation, new bodies have been created to deal specifically with social assistance for migrants. They are: in France, the Social Action Fund for Foreign Workers (FAS) set up by Decree No. 64-356 April 1964; in Luxembourg, the Social Assistance Committee for Foreign Workers instituted by the ministerial Regulation of 2 May 1964, in which explicit reference is made to the EEC recommendation; in the Netherlands, the Contact and Advisory Committee for Assistance to Foreign Workers established by the Decree of 10 September 1964; in Belgium, Regional Reception Committees.

The pattern of social assistance for migrant workers varies very widely as it has had to be adapted to the various stages of migration, to differences of background and to personal situations.

Certain sectors where notable progress has been made deserve special mention: reception of immigrants; teaching of the local language, in part by new methods devised for this purpose; development of leisure activities to prevent loneliness and facilitate adjustment; and finally the very wide field of aid to unite families, from contributions towards the travelling expenses of members of the family, to help with housing, schooling and the technical training of young people. A special effort has also been made in the matter of information for migrant workers and for the population of the host country, and there have been experiments with new communication techniques.

Good progress has also been made in the further training of social service personnel who deal with migrant workers. This progress is due partly to the Commission's direct action in awarding scholarships to social workers from the six countries for in-service training in another Community country. The present scholarship programme is the third one.

To sum up, it is clear from the Commission's document that the efforts made in social assistance for migrant workers have proved very fruitful. Nevertheless, the Commission has pointed to some sectors in which efforts should be stepped up in order to provide better living conditions and possibilities of social advancement for workers moving from one Community country to another.

III. External activities

GATT

Trade negotiations

53. During December 1965 the Community delegation continued the bilateral and multilateral contacts which constitute the present phase of the negotiations.

The Sub-Committee on Participation of the Less-developed Countries met on 16 December, when it reviewed the bilateral discussions which had taken place first, between the less-developed countries and developed countries and, secondly, between the less-developed countries themselves. The representative of the EEC Commission expressed the hope that such contacts would become more numerous. The Sub-Committee agreed that bilateral discussions should be pursued more actively after 15 January 1966, with a view to pinpointing as soon as possible the problems arising in this part of the negotiations.

Other GATT activities

54. In December, a Community delegation consisting of representatives of the Member States and of the Commission took part in the third session of the GATT Working Party set up to examine Australia's request to be allowed to waive the most-favoured-nation rule (Art. I) in order to apply preferential duties to imports of certain manufactures and semi-manufactures from the less-developed countries.

The Working Party had discussed the various aspects of the Australian proposal at its previous meetings ⁽¹⁾.

After many delegations had expressed their views on the questions of principle raised by the Australian proposal, the Working Party studied a draft decision under Article XXV of the General Agreement. This article lays down that, in certain circumstances, the Contracting Parties may waive an obligation imposed upon a contracting party by the General Agreement. When discussion began on the draft decision, several members of the Working Party pointed out, however, that their participation in its elaboration must not be taken to prejudice their final position with regard to the granting of a waiver.

The Working Party was not able to reach agreement on a draft decision and therefore confined itself to annexing to its report the text of a waiver that would be acceptable to the Australian delegation.

During the Working Party's discussions, the Community delegation tried to work out a compromise wording on points where the views of the Australians were in conflict with those of one or more members of the Working Party.

The GATT Council will meet on 24 January to examine the Working Party's report.

Conclusion of tariff negotiations with New Zealand under Article XXVIII

55. As New Zealand completely recast its customs tariff in 1961 and 1962, altering the nomenclature and methods of determining customs value, the concessions previously granted to the GATT Contracting Parties had to be transposed to the new tariff.

⁽¹⁾ See Bulletin 8-65, Chap. III, sec. 60, and Bulletin 11-65, Chap. II, sec. 48.

In 1962 New Zealand therefore opened renegotiations under Article XXVIII with the Contracting Parties concerned. In accordance with Article 111 of the Treaty of Rome, the EEC Commission conducted the negotiations on behalf of the Community, employing the procedure laid down by the Council in its decision of 5 December 1961.

The renegotiations were completed on 4 June 1965. The Council, acting under Articles 111, 114 and 228, concluded them by the written procedure on 9 December. The agreement includes concessions by New Zealand on a large part of its new tariff. The volume of trade concerned is about £ N.Z. 6 million (about \$17 million).

BILATERAL RELATIONS

Relations with Austria

56. A further round of negotiations between Austria and the European Economic Community took place in Brussels from 6 to 10 December 1965. The Austrian delegation was led by Dr. Eugen Buresch, envoy extraordinary and plenipotentiary, and that of the Community by Dr. Axel Herbst, Director-General of External Relations in the EEC Commission.

At the final meeting, the Austrian delegation was led by Dr. Fritz Bock, the Federal Minister for Trade and Reconstruction, and that of the Community by M. Jean Rey, the member of the Commission with special responsibility for external relations.

The delegates continued the discussions begun during the last round in September concerning the harmonization of economic policies.

The questions raised by Austria's permanent neutral status were considered in detail. The delegates also discussed solutions which, while taking Austria's political obligations into account, would allow her to carry out the harmonization necessary to avoid distortions of competition.

The next round of meetings, at which the delegations will consider the institutions required to ensure the smooth working of the agreement, will probably be held at the beginning of February 1966.

Relations with EFTA

57. Two meetings for the exchange of information were arranged between officials of the EEC Commission and of the EFTA Secretariat General. The first, which was held in Brussels on 1 December 1965, concerned national accounts and certain problems of medium-term economic policy. The second, in Geneva on 15 December 1965, dealt with standardization and the effects of customs disarmament on consumers.

Other meetings of the same type are planned for 1966.

COMMON COMMERCIAL POLICY

58. On 29 December the Council, acting in pursuance of Article 111 of the Treaty and on a proposal from the Commission, adopted a decision extending the time-limit laid down in Article 3 of the Council decision of 9 October 1961 concerning standardization of the periods for which trade agreements with non-member countries are concluded ⁽¹⁾.

(1) See official gazette No. 223, 29 December 1965.

Under Article 3 of the original decision, the Commission should have examined with the Member States, by 1 January 1966, all agreements in force on commercial relations, as also the trade and navigation treaties concluded by Member States, in order to see that they do not hinder the establishment of the common commercial policy laid down by the Treaty.

The Commission made its proposal to the Council on 19 November 1965 because it was not possible to complete the required examination before the end of 1965.

THE COMMUNITY AND THE DEVELOPING COUNTRIES

Suspension or temporary reduction of certain customs duties on products exported by the developing countries

Certain spices and sporting goods

59. On 23 December 1965, the EEC Council, acting under Article 28 of the Treaty, suspended or temporarily reduced certain CCT duties on products exported by the developing countries for the period 1 January - 21 December 1966 ⁽¹⁾.

This decision extends the measures previously laid down in the Council decision of 3 December 1963, which concerned cashew nuts, "capsicum" pimentos, cardamoms, coriander seeds, ginger, curry powder and paste, bleached lac, castor-oil and tobacco-seed oil, mango chutney, and cricket and polo accessories.

In addition, the representatives of the Governments of the EEC Member States, meeting in the Council of Ministers and acting under Article 24 of the Treaty, decided that on 1 January 1966 the Member States should temporarily reduce their national customs duties on most of these products to the level indicated in the aforementioned Council decision, in anticipation of the alignment of national tariffs towards the common customs tariff.

These new measures suspending or temporarily reducing customs duties, together with those referred to below, show that it is the Community's intention to take the interests of the developing countries into account and meet their concerns as far as possible.

Tea, maté and tropical hardwoods

60. On 23 December 1965, the Council, acting under Article 28 of the Treaty, adopted a decision suspending or temporarily reducing the CCT duties on tea, maté and tropical hardwoods ⁽¹⁾.

The Commission had previously submitted a draft decision to the Council on this subject ⁽²⁾.

By this decision of the Council, the CCT duties on maté, tropical hardwoods and tea in packages of net weights of over 3 kg will be suspended altogether, and those on tea in packages of net weights of 3 kg or less will be reduced to 5%, during the period 1 January - 31 December 1966.

⁽¹⁾ See official gazette No. 4, 8 January 1966.

⁽²⁾ See Bulletin 1-66, Chap. II, sec. 64.

On the same date, the representatives of the Governments of the EEC Member States meeting in the Council of Ministers took a decision suspending or temporarily reducing the CCT duties on these three products ⁽¹⁾, in accordance with the Council's decision.

On 27 December 1965 the Council decided to extend until 31 December 1966 the tariff arrangement concluded in 1963 between the United Kingdom and the Community concerning the simultaneous suspension or reduction of customs duties on tea, maté and tropical hardwoods. On the same date, the President of the Council appointed M. Hijzen, leader of the EEC Commission delegation, as the Community's plenipotentiary to exchange letters with the United Kingdom mission regarding prolongation of the said arrangement. The exchange of letters between M. Hijzen and H.E. Sir James Marjoribanks, head of the United Kingdom mission to the European Communities, took place on 30 December 1965.

United Nations Trade and Development Board (UNCTAD)

61. The Community was represented at the earlier part of the first meeting of the Committee on Invisibles and Financing related to Trade, set up by the UN Trade and Development Board, which was held in Geneva from 6 to 22 December 1965.

The meeting was mainly devoted to drawing up a programme of work covering statistics of international transactions in services; questions of insurance and reinsurance; questions relating to tourism, and questions relating to other invisible transactions.

International Coffee Council

62. The second part of the 7th session of the International Coffee Council was held in London from 30 November to 12 December 1965. It was attended by representatives of most of the producing and consuming countries that are members of the International Coffee Organization and by observers from several international organizations.

Of the EEC Member States, Germany, Belgium, France and the Netherlands, which are signatories to the Agreement, were represented. Italy, which has not yet ratified the Agreement, sent observers. The Community as such was represented by observers.

During the first part of the 7th session, which took place in August 1965, the International Coffee Council had decided that the same session should be resumed towards the end of the year, to deal with points relating to production objectives and to examine the basic quotas.

The two weeks of negotiations within the Council, which had been preceded by lengthy preparation on the part of a Working Party and the Executive Board of the International Coffee Organization, did not have much success in bringing about the revision of quotas. At the end of the session, however, a practical and provisional formula was worked out under which exemptions totalling 1.4 million bags would be granted to a number of producing countries that had asked for their quotas to be revised.

Furthermore a resolution was adopted on export and import regulations. With regard to the possible application of measures to limit exports from countries that are not members of the Organization (an obligation mentioned in Article 45 of the International Coffee Agreement), the Council also adopted a resolution laying down that countries which have contracted contrary obligations — as have the EEC Member States — must disclose the precise nature of such obligations to the Council before 1 March 1966.

⁽¹⁾ See official gazette No. 4, 8 January 1966.

IV. The Community and the associated States

ASSOCIATION OF TURKEY WITH THE COMMUNITY

63. The EEC-Turkey Association Council decided on 20 December 1965 to increase, from 1 January 1966, the tariff quotas that the EEC Member States allow Turkey for three of the four products mentioned in Article 2 of the provisional Protocol annexed to the Ankara Agreement. The new quotas for 1966 are as follows:

(in metric tons)

	Tobacco		Dried grapes		Dried figs		Hazel-nuts		
	quota for 1965	quota for 1966							
B.L.E.U.	1 250	1 375	3 250	3 575	840	924	540	quotas unchanged	
Germany	6 600	7 500	9 750	10 725	5 000	5 500	14 500		
France	2 550	2 550	2 800	3 080	7 000	7 700	1 250		
Italy	1 500	1 500	7 700	8 470	—	—	—		
Netherlands	600	690	6 500	7 150	160	176	710		
EEC Total	12 500	13 615	30 000	33 000	13 000	14 300	17 000		17 000

ASSOCIATION OF THE AFRICAN STATES AND MADAGASCAR

Parliamentary Conference of the EEC-AASM Association

64. The Parliamentary Conference of the association between the European Economic Community and the African States and Madagascar held its second annual session in Rome from 6 to 9 December 1965.

The main business was to examine the first annual report of the Council of Association. Discussions on this point were marked by great moderation in the tone of speeches by both the European and the African and Malagasy delegates and by an evident desire for mutual understanding and co-operation. They closed with the adoption of a resolution which is given in an annex to this Bulletin.

The Conference also adopted a report by Mme Strobel (Germany, Socialist) on amendments to its rules of procedure and two reports, one concerning the financial arrangements of the Conference, and the other the operational accounts for 1964 and the estimates for 1966.

The opening meeting

65. At the formal opening meeting, which took place at the Capitol, the Conference first elected its officers. Under the rule by which office alternates annually between European and African and Malagasy parliamentarians, M. Victor Leemans, President of the European Parliament, was elected President of the Conference, while M. Lamine Gueye, a former President, was elected first Vice-President.

Official addresses were then made, President Leemans emphasizing in particular the original nature of the Parliamentary Conference through which democratic control of the Association was exercised.

M. Lamine Gueye reaffirmed the unconstrained and enthusiastic support of the African and Malagasy peoples for the work undertaken by the Association on a footing of equality and freedom.

The Mayor of Rome, M. Petrucci, welcomed those taking part and spoke of the historical, geographical and political links between the city of Rome and Africa.

M. Colombo, Italian Minister of the Treasury and currently President of the EEC Council, mentioned the political importance of the Association as the first example of permanent and harmonious co-operation between a community of countries with a highly developed economy and a large group of developing countries. After expressing his satisfaction at the excellent relations between the institutions of the Association, M. Colombo assured the Conference that the EEC would continue to follow with the closest attention the trend of trade with the AASM and the work of the European Development Fund.

The President of the Association Council, M. Hel Bongo, Minister of Health in the Republic of Chad, also spoke and associated himself with the wishes of the other speakers for the success of the Conference and for the solution of the difficulties which the Community was at present experiencing. On behalf of the eighteen associated States he stressed the need to prevent the gap between living standards in industrialized and in developing countries from widening. Measures would have to be taken to this end, particularly regarding the stabilization of commodity prices. M. Hel Bongo expressed the hope that a solution would be found to these problems in the Association framework by bringing to a rapid conclusion the discussions on increasing the exports of AASM products to the Six and on the definition of the concept of "products originating...".

Finally, M. Rochereau, the member of the EEC Commission with special responsibility for overseas development, conveyed to the Conference the good wishes of the Commission. He stressed that the latter was especially competent in the administration of financial and technical aid, which required continual contacts with the Governments of both the Member States and of the Associated States. M. Rochereau emphasized the importance of diversifying the Associated States' economies and added that this should be the chief aim of the combined efforts of the Association bodies and of the Member States in their bilateral aid activities.

Report of the Council of Association

66. The first annual report of the Association Council was introduced by its President, M. Hel Bongo, who dealt with the following questions:

- a) The machinery of the Association;
- b) Trade;

- c) Financial and technical co-operation;
- d) Freedom of establishment;
- e) Information and consultations on applications for association submitted by other African States.

At its two meetings in Berlin and Luxembourg, the Joint Committee had adopted a report drawn up by M. Pedini (Italy, Christian Democrat) which elaborates all the points in the first annual report of the Association Council.

After emphasizing the political significance of the Association in the setting of great world problems such as peace and balance between the nations, M. Pedini gave a historical summary of the Association and examined its legal basis. To his mind this lay in the Rome Treaty. In fact, the Treaty imposed on the Member States an obligation to form the association whilst the Yaoundé Convention and possible successors thereto had to determine its substance and its forms and procedures.

As regards trade between EEC and the AASM, the rapporteur was glad to note that it had increased and that the obligations in the Convention concerning the liberalizing of markets had been respected. He nevertheless deplored the delay in defining the concept of "products originating...". In his opinion any further increase in trade depended not only on the action of the Member States but also on what the Associated States could do to adapt their production to European markets and to the tastes of consumers by better presentation of their products and avoidance of any *de jure* or *de facto* discrimination between Member States. The Community for its part should spare no effort to contribute to the establishment of fairer economic conditions on the world market. In particular it must give earnest consideration to the problems raised at the Geneva Conference on world trade.

67. During the discussions various general and specific problems were raised, in particular:

- a) Improvement of the terms of trade between EEC and AASM;
- b) Use and administration of the Development Fund;
- c) Technical and cultural co-operation, particularly vocational training.

Speaking on behalf of the EEC Commission M. Rochereau took up certain points and replied to the various speakers. He first expressed his pleasure at the efforts of the African States to organize viable economic areas between themselves. Giving some figures on the operations of the Development Fund, he said that Community action was on two main lines: industrialization and trade promotion.

He added, however, that the Community's efforts needed to be supplemented by other action on a wider plane in international organizations such as GATT and the World Conference on Trade and Development.

M. Del Bo, President of the High Authority of the ECSC, stressed the desirability of creating basic industries in the African States with iron and steel production playing an important part. To this end, the European States should make available to Africa the benefit of their experience and their technical and financial assistance.

On behalf of the Euratom Commission, M. Margulies gave an account of the work done by Euratom for the application of radiobiology to medicine and agriculture in the Associated States; the Commission had eight projects under consideration.

At the close of the debate M. Hel Bongo replied to certain remarks on behalf of the Association Council. He agreed with what had been said concerning educational co-operation; Africa's need for skilled manpower called for a special effort in the field of vocational training. He wondered whether the resources of the Associated States in this field should not be pooled to promote the establishment of technical schools in the States themselves.

Turning to points made by various members, in particular concerning the stabilization of commodity prices, M. Hel Bongo said that the Association must present a common front to the outside world, particularly in such assemblies as the Trade and Development Conference and the GATT. On this subject he drew the attention of the Conference to the proposal recently made at an international meeting that a quasi-monetary value be conferred on the commodities of the developing countries by controlling their release on the market, holding stocks which could then serve to guarantee loan issues for the benefit of the producing States.

Coming finally to the problem of stepping up exports from the Associated States, M. Hel Bongo said that the Council of Association was studying the question and hoped to be able to produce positive results. In this context he recalled the importance of measures which could be taken by the Associated States themselves to satisfy more fully the tastes and demands of European consumers.

68. At the close of the debate, the Conference adopted unanimously, subject to various amendments, the draft resolution worked out by the Joint Committee.

Meetings of the Joint Committee

69. During the Conference, three meetings were held of the Joint Committee of representatives of the Council of Association, the EEC Council and the Commission. The Committee drafted the resolution which was adopted by the Conference and renewed the term of office of its members. M. Georges Damas (Gabon) was elected Chairman, and M. Gaston Thorn (Luxembourg) Vice-Chairman.

The Conference decided to hold its next session in 1966 at Abidjan (Ivory Coast).

EUROPEAN DEVELOPMENT FUND

Financing decisions approved

70. With the approval of the Fund Committee the EEC Commission decided, on 22 December 1965, to finance nine projects by non-repayable grants from EDF. The total commitment will be 14 995 000 units of accounts. The projects and programmes concerned are as follows:

1. Second annual tranche of production aid programme in Niger: Frs. CFA 439 571 000 or some 1 781 000 u.a. This instalment will be used for price support of groundnuts and cotton and for structural improvement.

2. Extension of secondary school for girls at Cotonou in Dahomey: Frs. CFA 95 million or some 385 000 u.a. New class-rooms and dormitories will be built and equipped for the principal girls' secondary school in Dahomey, as the premises are now inadequate.

3. Building and equipping of Ampefiloha hospital, Tananarive, Madagascar: 1 625 million Malagasy francs or about 6 583 000 u.a.

The project is to substitute a fully equipped new building for the hospital in the Befelatanana district of Tananarive, which falls far short of modern health standards and needs. The old buildings, mostly dating from 1925, were planned for 600 patients but, in fact, have 1 085 beds. The new hospital situated in the Ampefiloha district will take over the functions of the earlier one as the hospital of a provincial capital and the chief establishment in Madagascar, accepting patients from all over the island. At the same time it will fill a gap in university training by making available to the Tananarive Faculty of Medicine the necessary clinical teaching facilities.

The aid approved dovetails with Madagascar's 1964-1968 five-year plan, which provides not only for a long-term increase in the number of hospital beds to serve a growing population but also the restoration of existing hospitals. Certain buildings of the Befelatanana hospital will be retained and renovated as a charge on the Malagasy budget and will accommodate the maternity ward and the class-room and boarding facilities for nurses and midwives. There will later be added a paediatric unit, which the EDF will be asked to finance. The specialized annexes to the new hospital will be financed by French bilateral aid.

The EDF grant will not therefore be an isolated one. It represents only a portion — but the largest — of a joint operation to put the entire hospital system in Tananarive and the province on a proper footing.

4. Inter-African Statistical Training Centre at Yaoundé, Cameroun: Frs. CAF 61 million or some 247 000 u.a.

The Yaoundé Training Centre, set up in 1961 under the auspices of the Federal Cameroon Government and the United Nations, at present trains only statistical technicians, who are recruited from persons holding an elementary school certificate. It began with 20 students but has 65 for the scholastic year 1965-1966. The present project is to add to the existing technical section a second one for the training of technical assistants with the "baccalauréat" as an entry requirement. The buildings to be financed by EDF are planned to accommodate about 60 students in the first category, whose studies last one year, and about 20 future technical assistants who will take a two-year course. The students come from various countries in French-speaking Africa, in particular Central Africa, but also in increasing numbers from other parts of the continent.

For several years now the EDF has been concerned to promote the establishment of such regional technical schools in the associated African States and Madagascar. These schools benefit several countries and make it possible to avoid the considerable expenditure and adjustment difficulties involved in sending students to Europe. The training of statisticians comes under the heading of specialized schools which cannot be justified by the requirements of a single country but which it is preferable to set up in Africa.

This is not the first time that EEC has helped the Yaoundé Centre: in the 1964-65 academic year, for instance, it granted 15 scholarships for statistical training.

5. Supplementary aid to revive the National Institute of Agricultural Studies in the Congo (Leopoldville) — INEAC: 117 750 000 Congolese francs or 785 000 u.a. Equipment will be provided for the eight main INEAC stations that are accessible

at present and temporary technical assistance will be given by seconding two experts for five years to the Institute's Directorate-General and Advisory Scientific Council.

6. 500 hectares for tea-plantations at Tora in Burundi: 192.5 million Burundi francs or some 2.2 million u.a. This scheme is the first submitted under Burundi's five-year diversification plan and concerns the planting of 300 ha. of tea on an industrial scale and 200 ha. divided into family holdings. The project comes after two other tea-plantation schemes in Burundi, which were financed by the first EDF. Tea planting was started in Burundi following a survey carried out in 1961 with help from the first EDF.

7. Two agricultural improvement studies in Madagascar: 70 million Malagasy francs or some 284 000 u.a. The two studies concern the cultivation of two oil-yielding plants in Madagascar, the coconut palm and the oil palm, and will facilitate the preparation of a 2 100-ha. coconut plantation and a 3 000-ha. plantation of oil palms. This technical assistance and investment project is the first to be financed under Madagascar's five-year diversification plan.

8. Building of the M'Banga-Kumba railway (Ediki-Kumba section) in Cameroon: Frs. CFA 279 million or some 1 130 000 u.a.

This project is for the building of a 13.7-km long railway to link the town of Kumba (40 000 inhabitants) with the port of Douala (using the Ediki-M'Banga section at present being built and the existing M'Banga-Douala line). The aid which the Cameroon authorities have requested of the Fund will be used for part of the earth-moving work, the building of bridges and the like, the supply of ballast and the building of three branch roads to serve these works.

The supply of rails and sleepers, the laying of the track and the ballast, the building of ancillary installations, the procurement of locomotives and also some of the earth-moving will be paid for by the Cameroon railways from their own funds (330 000 000 Frs. CFA).

The supply of rolling stock (55 carriages and trucks) will be financed later by a special EDF loan.

The opening up of this very short section is a profitable operation for the railway since the increased traffic expected is estimated at 78 000 tons of freight and nearly 100 000 passengers a year, who will use the railway to go to Kumba or Douala.

Again, this project is specially important as one of the Federal Government's efforts to speed up the re-unification of the two Cameroon States, which were separated for nearly 45 years. This section of railway, which crosses the difficult barrier of the Mungo, will be one of a number of schemes to multiply links between the States, the absence of which in the past aggravated political separation.

9. Emergency aid to the Somali Republic to run the Mogadishu General Hospital up to 30 June 1967: 11 425 000 So Sh. or about 1 600 000 u.a.

The new projects bring the second EDF's total commitments, by 103 financing decisions taken since it began to operate in July 1964, to 207 115 000 units of account.

TABLE 1

Second EDF commitments at 31 December 1965
(beneficiary States, countries and territories)

(in '000 u.a.)

Beneficiary state, country or territory	Economics and social projects	Aid to diversification	Aid to production	Technical assistance linked with investment	General technical co-operation	Emergency aid	Total	Advances to Price Stabilization Funds
A. A A S M								
Burundi	160	2 200	—	1 453	—	—	3 813	—
Cameroon	11 019	749	4 372	105	—	—	16 245	6 076
Central African Republic	5 262	—	2 561	789	—	—	8 612	—
Congo (Brazzaville)	3 403	4 420	—	224	—	—	8 047	—
Congo (Leopoldville)	6 445	—	—	348	1 506	—	8 299	—
Ivory Coast	211	34 814	—	28	—	—	35 053	—
Dahomey	2 479	—	1 027	354	2	—	3 860	—
Gabon	—	—	—	2 378	—	—	2 378	—
Upper Volta	1 345	—	—	1 108	30	—	2 483	—
Madagascar	26 100	284	8 552	785	66	—	35 787	—
Mali	4 193	—	1 195	762	—	—	6 150	—
Mauritania	9 585	1 357	—	28	—	—	10 970	—
Niger	6 272	—	2 030	345	—	—	8 647	—
Rwanda	900	1 888	—	1 152	15	—	3 955	—
Senegal	—	1 025	10 492	81	—	—	11 598	—
Somalia	6 419	—	—	446	1 068	1 850	9 783	—
Chad	7 332	—	2 985	677	—	—	10 994	—
Togo	1 013	—	991	633	—	—	2 637	—
B. OCT/Overseas Departments								
Netherlands Antilles	1 925	—	—	—	—	—	1 925	—
Comoro Islands	223	—	—	154	—	—	377	—
Guadeloupe	375	—	—	—	—	—	375	—
Surinam	—	—	—	185	—	—	185	—
Aid not distributed or not broken down				6 383 ⁽¹⁾	8 557 ⁽²⁾		14 942	
Overall total	94 661	46 737	34 205	18 418	11 244	1 850	207 115	6 076

⁽¹⁾ This refers to the part of the two overall amounts (5 million and 4 million u.a.) which have not yet been used by the EFD's principal Certifying Officer to finance surveys and supervision of works.

⁽²⁾ This consists mainly of the overall totals allocated under the heading of scholarship, in-service training, seminar and information programmes which it is not possible to break down as between the beneficiary states and countries.

TABLE 2
Second EDF commitments at 31 December 1965
(Sectors of activity)

(in '000 u.s.)

Sectors	Amounts	%
1. DEVELOPMENT OF PRODUCTION		
1. Agricultural price support	21 170	
2. Structural improvement of existing production	14 551	
3. Agricultural diversification	46 399	
4. New agricultural developments	15 849	
5. Livestock	2 451	
6. Development of co-operatives	1 211	
7. Rural and pastoral water supply	8 366	
8. Industrial diversification	3 668	
9. Trade promotion	180	
Total 1	113 845	56.82
2. MODERNIZATION OF ECONOMIC INFRASTRUCTURE		
1. Ports	5 818	
2. Roads	29 309	
3. Railways	1 145	
4. Telecommunications	4	
Total 2	36 276	18.10
3. SOCIAL DEVELOPMENT		
1. Training of cadres	7 458	
2. Education	6 944	
3. Public health	21 859	
4. Urban water supply	6 698	
5. Urban drainage and sewerage	5 153	
6. Electrification	5	
Total 3	48 117	24.01
4. MISCELLANEOUS		
1. Development programming	1 667	
2. Information	225	
3. Emergency aid	250	
Total 4	2 142	1.07
Total 1 + 2 + 3 + 4	200 380	100.00
+ Commitments not yet allocated ⁽¹⁾	6 735	—
= Total commitments Second EDF	207 115	—
Stabilization of prices of agricultural products ⁽²⁾	6 076	

⁽¹⁾ This refers to that part of the overall amounts made available under the heading of tied technical assistance and of general technical co-operation (studies) not yet used by the EDF's principal Certifying Officer to finance individual operations.

⁽²⁾ Price stabilization advances are financed from the current availabilities of the EDF (Convention, Art. 20) and their total need not be added to that of commitments.

SCHOLARSHIPS, IN-SERVICE TRAINING AND SEMINARS

Scholarships

71. The EEC Commission's staff have continued the work of administering the programme of scholarships for nationals of the overseas States, countries and territories. Sessions have been held in Brussels with two Belgian and French organizations known as OCD and ASATOM, which have a hand in carrying out the EEC's scholarship programme.

Seminars

72. In November 1965 three seminars were held in Liège, Toulouse and Brussels for 86 Africans, of whom 35 were English-speaking.

V. Institutions and organs

THE COUNCIL

176th session

The 176th session of the Council was held on 20 December 1965, with M. Emilio Colombo, Italian Minister of the Treasury, in the chair. The French delegation was absent.

The Council heard a report by the President on the talks he had had with the French Minister of Foreign Affairs on 8 December 1965 in accordance with the instructions given him at the Council meeting of 29 and 30 November 1965. The Council then discussed possible arrangements for a resumption of work with the French delegation, and confirmed its declaration of 26 October 1965.

Regarding the discussion with the European Parliament, originally scheduled for November 1965, the Council agreed that the date for this should be 19 January 1966 and the subject "The present situation of the European Communities", as proposed by the President of the Parliament.

Extension to Algeria of the tariff-dismantling measures due to come into force on 1 January 1966 was also mentioned. This question is to be discussed again in January 1966.

During the press conference after the Council meeting, the President, M. Colombo, referred to his recent talks with the French Minister and said that "the difficult period might soon come to an end". M. Colombo drew attention to the fact that France's answer to the invitation by its five partners had been held up by the second round of the French presidential elections, and was expected very shortly.

France accepted this invitation by *note verbale* sent on 23 December 1965 by M. Couve de Murville, French Minister of Foreign Affairs, via the Italian Ambassador to France, to M. Colombo, the current President of the Councils.

On 6 January 1966, M. Werner, Luxembourg Minister of Foreign Affairs and current President of the Councils, after consulting the Committee of Permanent Representatives, called the "special meeting of the Council" ⁽¹⁾ for 17 and 18 January 1966 at Luxembourg.

COURT OF JUSTICE

Cases pending

Case 56/65 — Société Technique Minière v. Maschinenbau GmbH., Ulm ⁽²⁾
On 25 November 1965 the Court of Justice transmitted to the EEC Commission a

⁽¹⁾ See the Council's declaration after the meeting of 26 October 1965, in which the Five instructed the President "to invite the French Government, within the framework of the Treaty of Rome, to join them in a special meeting of the Council of Ministers", and Point 4 of the communiqué which followed the Council meeting of 29 and 30 November 1965 (see Bulletins 12-65, Chap. I and 1-66, "The Council").

⁽²⁾ See official gazette No. 208, 10 December 1965.

request for a preliminary ruling which had been made to it by the Paris Court of Appeal on 7 July 1965.

This points raised by the Court of Appeal concerned:

1. The interpretation of Article 85(1) and implementing regulations in respect of any contract which has not been the subject of notification and which, while granting "exclusive selling rights", does not prohibit the concessionary agent from re-exporting the merchandise and does not bar parallel imports;
2. The question whether, under Article 85(2), a contract is automatically null and void in its entirety if it contains a clause prohibited by Article 85(1) or may this nullity apply in certain circumstances only to the prohibited clause itself.

Case 57/65 — Alfons Lütticke GmbH, v. The Head Customs Office, Saarlouis ⁽¹⁾
On 25 November 1965 the tax tribunal (Finanzgericht) of the Saar, applied to the Court of Justice for a preliminary ruling on the interpretation of Article 95 of the EEC Treaty.

The point raised was whether Article 95, read where applicable with Article 12 or 13, can produce direct effects and create personal rights which must be upheld by national courts.

Case 61/65 — Mme Vaassen-Göbbels v. the central committee of the "Beambtenfonds voor het Mijnbedrijf" (Mining Officials' Fund), Heerlen ⁽²⁾

On 14 December 1965 the Arbitration Committee ("Scheidsgerecht") of the "Beambtenfonds voor het Mijnbedrijf", Heerlen, submitted to the Court of Justice a request for a preliminary ruling on the interpretation of EEC Council Regulation No. 3 of 23 September 1958 concerning the social security of migrant workers and in particular the interpretation of Articles 1, 4 and 22.

Judgments

Case 44/65 — Hessische Knappschaft v. Singer et Fils et M. Stadelwieser

On 9 December 1965 the Court of Justice gave a preliminary ruling on this case as had been requested of it by the Colmar (France) Court of Appeal by virtue of Article 177 of the Treaty.

The questions raised concerned Article 52 of Regulation No. 3. This Article deals with the substitution of a social security institution for a worker in his claim to compensation for an injury from a third party. If this right of substitution exists by virtue of the legislation applicable to the institution in question, it must be recognized by the other Member States.

Two points had been raised by the Court of Appeal:

1. The scope *ratione personae* of Article 52;
2. Whether the Article was applicable in respect of accidents which occurred before 1 January 1959, the date of entry into force of Regulation No. 3.

⁽¹⁾ See official gazette No. 7, 14 January 1966.

⁽²⁾ *ibid.*, No. 17, 27 January 1966.

On the first point, the Court referred to the reply it had already given in its judgment 63/64 of 11 March 1965, namely that Article 52 applies to all workers affiliated to a social security scheme and not only to migrant workers, and for any injury sustained on the territory of a Member State, even unrelated to employment.

On the second point the Court, accepting the submissions of the EEC Commission, which were adopted by the Advocate-General, said that Article 52 empowered the social security institutions concerned to proceed against the third party responsible to obtain refund of benefits paid in respect of an accident which had occurred before 1 January 1959.

Cases 52/64, 5/65, 12/65 — Officials of the EEC Commission v. EEC Commission

The last three cases still pending between the EEC Commission and members of its staff were settled by the Court of Justice on 14 December 1965. One of the applicants was complaining of the grade in which he had been placed on establishment, and the other two, on the basis of the judgment in case 70/63, were complaining of the step on which they had been placed in their grade.

Confirming its previous decisions in similar cases, the Court declared that the three appeals could not be entertained, because they had been lodged after the time-limit laid down in Article 91 of the Statute of Service without the applicants being able to adduce any new fact which would justify extending the time-limit for appealing against the decisions in dispute.

ECONOMIC AND SOCIAL COMMITTEE

The Economic and Social Committee held its 50th session on 7 and 8 December 1965 in Brussels with M. Giustiniani in the chair.

The Committee rendered the following five opinions:

1. Opinion on the proposal for a Council directive on freedom of establishment and freedom to supply services in a self-employed capacity in the food and beverage industries (ISIC Major Groups 20 and 21) (See Chap. II, sec. 23).

This opinion was unanimous.

The Council had referred the proposal to the Committee on 14 May 1965.

2. Opinion on the proposal for a Council directive on detailed transitional measures applicable to self-employed activities in the food and beverage industries (ISIC Major Groups 20 and 21) (See Chap. II, sec. 23).

This opinion was unanimous.

The Council had referred the proposal to the Committee on 14 May 1965.

3. Opinion on the proposal for a Council directive on the approximation of laws, regulations and administrative instructions concerning dangerous substances and prepara-

tions, and that relating to classification, labelling and packaging of dangerous substances (See Chap. II, sec. 49).

This opinion was unanimous.

The Council had referred the proposal to the Committee on 15 June 1965.

4. Opinion on the proposal for a directive amending the Council directive of 5 November 1963 on the approximation of legislation of the Member States on permitted preserving agents in foodstuffs for human consumption (See Chap. II, sec. 42).

This opinion was unanimous.

The Council had referred the proposal to the Committee on 9 November 1965.

5. Opinion on the proposal for a Council directive on the alignment of postal rates for letters up to 20 grammes and postcards (See Chap. II, sec. 18).

This opinion was unanimous.

The Council had referred the proposal to the Committee on 30 June 1965.

MONETARY COMMITTEE

The Monetary Committee met on 1 and 17 December 1965 with M. van Lennep in the chair. At each session, international monetary problems were discussed. The meeting of 17 December dealt in particular with the monetary and financial situation in the Federal Republic of Germany; a report to the EEC Council and Commission was adopted. The business of the meeting had been prepared by a working party, which had met on 10 December under the chairmanship of M. van den Bosch, Director of the "Nederlandsche Bank".

ADMINISTRATIVE AFFAIRS

Staff movements

M. Michel Albert has been appointed Director for Economic Structure and Development in the Directorate-General for Economic and Financial Affairs.

M. Jean Chapperon, Chief Executive Assistant to M. Rochereau, has been appointed Principal Adviser to the Directorate-General for Overseas Development.

M. René-Christian Béraud has been appointed Legal Adviser to the Legal Service, EEC branch.

M. Gérard Labeau had been appointed Head of the Division for Economic Matters in the Directorate for Agreements, Monopolies, Dumping and Private Discrimination in the Directorate-General for Competition.

M. Jacob van der Lee, Director for General Affairs in the Directorate-General for Overseas Development, whose resignation has been accepted, left the service of the Commission on 1 January 1966.

Budget matters

In accordance with the EEC Financial Regulation laying down procedures for rendering and auditing accounts, the Audit Board had submitted to the EEC Commission its report on the execution of the budget for 1964 by the deadline fixed in Article 10 of the Regulation.

On 28 January 1966 the Commission transmitted to the Council the replies of the EEC institutions to the comments made in the report.

VI. European Investment Bank

On 12 November, 1965, the European Investment Bank signed a loan agreement with the firm Phrix-Werke AG of Hamburg, for the financing of the extension of a plant producing synthetic fibres at Neumünster (Schleswig-Holstein).

The project aims at the enlargement of the production programme and essentially provides for the setting up of a new production unit, which will considerably increase the actual production of synthetic fibres. The project will create employment for 300 more people and thus have a favourable influence on the area's economy.

For the three years 1965 through 1967, the Phrix-Werke have worked out an investment programme totalling about DM 80 million (some 20 million u.a.), which comprises the project taken into consideration by the Bank. The Bank will contribute a loan of DM 10 million (2.5 million u.a.) towards the financing of the project.

An unconditional guarantee for the loan was given by the Land of Schleswig-Holstein at the end of November.

The European Investment Bank has authorized a loan for a counter-value of 15 000 million lires (24 million units of account) to the "S.p.A. Società Autostrade Valdostane — S.A.V." for the construction of the Val d'Aosta highway.

The loan is guaranteed by the Italian State.

The total cost of the project amounts to 50.5 thousand million lires (80.8 million u.a.).

The construction and administration of the highway was handed over to the "S.A.V.", by the Ministry of Public Works, within the framework of the development programme for the Italian highway system.

The Val d'Aosta highway will have a total length of 47.4 kilometres. It will connect Aosta with the Turin-Ivrea-Quincinetto highway, which has already been in service for several years.

The Val d'Aosta highway will thus establish a link between the roads giving access to the tunnels of the Great St. Bernard of the Swiss border and the Mont-Blanc on the French border. The execution of the project means the completion of the two great transalpine thoroughfares on the Italian side.

*
* *

MISCELLANEOUS

Ratification of Treaty on the merger of the Executives of the European Communities

The Belgian Chamber of Representatives and Senate have been asked by the Government to ratify the merger Treaty as soon as possible. The Foreign Affairs Committee of the Chamber had already approved the text.

Congress of the European Union of Christian Democratic Parties

The 17th Congress of Christian Democratic Parties was held in Taormina, Sicily, from 9 to 12 December 1965 on the subject "The democratic future of Europe". For the first time the Congress was attended by Christian Democrat parties from nine European countries, including the Six; numerous observers were invited.

In his opening speech M. Mariano Rumor, President of the Union, recalled the main aspects of the European concept of Christian democracy: strengthening of the Europe of the Six with a view to a political community; membership open to other Western European countries; and collaboration with the United States within the Atlantic alliance. He called on Liberals and Socialists to give their wholehearted support to the construction of Europe.

M. E. Colombo, Italian Minister of the Treasury and the then President of the Councils of the European Communities, expressed the hope that a solution to the crisis would be found which respected the Treaty and yet implemented it with flexibility.

Speaking of the future role of the nations in the Community, M. W. Hallstein, President of the EEC Commission, said "They retain their sovereign powers but at the same time they are invested with Community sovereignty. We must go beyond them and achieve, through the nations and common institutions, an all-embracing harmony."

In its final resolution the Union affirmed its support of the Treaty of Rome, i.e. the maintenance of an independent Commission with all its powers; majority voting in the Council; the establishment of democratic control by strengthening the powers of the European Parliament and its election by direct universal suffrage; and the setting-up of a "living social and economic democracy".

Round table on European law

A round table, attended by numerous professors of international and constitutional law from Italy and other Community countries, was held in Brussels in December. Three resolutions were adopted. The first recommended that in faculties and institutes of law and schools of political science, economics and commerce, there should be at least one course on international organizations with particular reference to the European Communities. The second called for closer collaboration between the universities and European Communities in the matter of scholarships, in-service training etc.; the third, relating to the adaptation of national legal systems to commitments arising from the Treaties establishing the European Communities, called for a further and more thorough study of the problem in February 1966 in Rome.

Visit to the Commission

Sir John Coulson, Secretary-General of EFTA, had talks in Brussels on 13 December 1965 with M. Marjolin, Vice-President, and M. Rey, Member of the EEC Commission. This was the first official reception of an EFTA Secretary-General and was purely a courtesy visit.

Visit by M. Levi Sandri, Vice-President of the Commission, to Turkey

M. Levi Sandri visited Turkey from 7 to 12 December 1965 for study and information purposes and met the Turkish Foreign Minister and Minister of Labour.

European Community Prize

An international jury presided over by M. E.N. van Kleffens and consisting of Professor Maurice Byé (University of Paris), Professor Fernand Dehousse (University of Liège), Professor Ferdinand Hermens (University of Bonn) and Professor Rolando Quadri (University of Naples), made awards to three graduates selected from 65 candidates.

M. Antonio Tizzano received the first prize, worth Bfrs. 100 000 for his thesis on "The jurisdiction of the Court of Justice of the European Communities".

M. Solms Wittig received the second prize, worth Bfrs. 60 000, for his thesis on "Guarantees for ECSC bondholders".

M. Olaf Sievert received the third prize, worth Bfrs. 40 000, for his thesis on "Countervailing charges in international trade".

ANNEX

PARLIAMENTARY CONFERENCE OF THE EEC-AASM ASSOCIATION

Resolution concerning the First Annual Report on the activities of the Association Council (1 June 1964 to 31 May 1965)

The Parliamentary Conference of the Association,

Meeting at Rome from 6 to 9 December 1965;

Having regard to Article 50 of the Convention of Association between the European Economic Community and the Associated African and Malagasy States, signed at Yaoundé on 20 July 1963;

Having examined the Association Council's First Annual Report on its activities;

Having regard to the report submitted on this matter by M. Pedini on behalf of the Joint Committee;

Recalling the problems referred to in the resolution it adopted at Dakar on 10 December 1964;

1. *Finds* that institutional co-operation between the EEC and the Associated States has already yielded encouraging results which give grounds for hoping that further progress will be made, in particular arising from the improvement of relations between the Association's institutions;

2. *Earnestly hopes* that the appropriate measures will be taken to adjust the timetable for the Association's institutions so as to ensure smooth performance of the work;

3. *Emphasizes* the importance of the part which, within the institutional framework of the Association, is allotted to the Council, the only organ for making policy decisions;

4. *Calls* on the Member States and the Associated States to do their utmost to enable the Council to meet as often as the Association's policy requires;

5. *Hopes* that the facilities offered by Article 52 of the Convention will be utilized as soon as possible;

6. *Notes* with satisfaction that several Associated States have embarked upon fruitful co-operation in numerous fields, and recommends that this action be continued, especially

as regards co-ordination on a regional scale of the development plans of the Associated States;

7. *Welcomes* the action taken by the new European Development Fund, both in the field of investments and technical co-operation and in that of aids to diversification and production;

8. *Urges* the need to direct the activities of the Fund and the Bank towards investments capable of contributing, particularly through an increased industrialization effort, to diversification of the economic structure of the Associated States — though without neglecting infra-structure projects — and to steadily raising the standard of living in the Associated States;

9. *Stresses* the importance of links between technical co-operation and investments;

10. *Hopes* for Community co-ordination of the various systems of guarantees for private investment;

11. *Considers* that more attention should be paid to the great possibilities of local vocational training in certain fields, that action here should be intensified, and that the exchange of young workers should be facilitated by additional credits;

12. *Recommends* that programmes for the training of qualified staff should be drawn up to meet new needs resulting, in particular, from implementation of economic and social development schemes aimed at broad and complete improvement of society via, for example, education and care for the health of the population;

13. *Recalls* that a fundamental object of the Association is to increase trade between the Associated States and the Member States, according to the letter and spirit of the preferential system provided for in Title I and of Annex VII of the Convention;

14. *Hopes* in this connection that the improvement in trade which began within

the Association after the entry into force of the Convention will continue so as to meet the real needs of the Associated States to an increasing extent;

15. *Stresses* the need to define the concept of "goods originating in ..." as soon as possible, and to supplement the effects of preference by measures to improve terms of trade for the Associated States and by a purposeful trade-promotion campaign, in particular by creating a study centre for harmonized programming of production and marketing of goods from the Associated States;

16. *Desires* greater efforts to be made to improve the Association's international position, as a regional system of co-operation in aid to development, in the context of the trend revealed by examination of worldwide problems of trade and development;

17. *Calls* on the Joint Committee to study, on the basis of a report, measures to promote the marketing within the EEC, at stable and remunerative prices, of each individual product of the Associated States, including products similar to and competitive with European products;

18. *Emphasizes* the need to maintain and strengthen the mutual trust between the partners in the Association by ensuring freedom of establishment without discrimination, in the spirit of the Yaoundé Convention;

19. *Reaffirms* the wish to see the ECSC and Euratom contribute still more to the economic and social development of the Associated States, and notes with satisfaction the efforts they have already made in this direction;

20. *Recalls* the importance it attaches to Article 27 of the Convention, implementation of which will also enable it to deal with the questions of the Association's future;

21. *Instructs* its Presidents to forward the present resolution to the Association Council, the European Parliament and the Parliaments of the Associated States, the Governments of the Member States and the Associated States, the Commission and Council of Ministers of the EEC, the High Authority of the ECSC, and the Euratom Commission.

PUBLICATIONS OF THE EUROPEAN ECONOMIC COMMUNITY

A. Items concerning the activities of the European Economic Community published in the official gazette of the European Communities between 11 December 1965 and 12 January 1966

EUROPEAN PARLIAMENT

Written questions and replies

No 54 de M. Vredeling à la Commission de la CEE. Objet: Publication au Journal officiel des Communautés européennes de propositions présentées au Conseil par la Commission de la CEE (No. 54 by M. Vredeling to the EEC Commission: Publication in the official gazette of proposals by the Commission to the Council)	No. 213	17.12.65
No. 55 de M. Metzger à la Commission de la CEE. Objet: Application de l'article 235 du traité de la CEE (No. 55 by M. Metzger to the EEC Commission: Application of Article 235 of the EEC Treaty)	No. 213	17.12.65
No 61 de M. Troclet à la Commission de la CEE. Objet: Charte sociale européenne (No. 61 by M. Troclet to the EEC Commission: European Social Charter)	No. 2	4.1.66
No 62 de M. Troclet à la Commission de la CEE. Objet: Directive du Conseil de la CEE relative aux modalités des mesures transitoires dans le domaine des activités du commerce de gros et des activités d'intermédiaires du commerce, de l'industrie et de l'artisanat (No. 62 by M. Troclet to the EEC Commission: Council Directive on details of transitional measures in connection with wholesale trade and intermediary occupations serving commerce, industry and the artisan sector)	No. 2	4.1.66
No 63 de M. Vredeling à la Commission de la CEE. Objet: Rôle de la conférence des Nations-unies sur le commerce et le développement (UNCTAD) (No. 63 by M. Vredeling to the EEC Commission: The EEC's role in UNCTAD)	No. 2	4.1.66
No 67 de M. Müller-Hermann à la Commission de la CEE. Objet: Harmonisation des conditions de travail et des dispositions en matière sociale dans les transports routiers et, plus spécialement des dispositions concernant la composition des équipages (No. 67 by M. Müller-Hermann to the EEC Commission: Harmonization of working conditions and social provisions in road transport, and particularly the composition of crews)	No. 2	4.1.66

Written questions without replies

No 47 de M. Vredeling au Conseil de la CEE. Objet: Décision du Conseil du 15 décembre 1964 (No. 47 by M. Vredeling to the EEC Council: Council Decision of 15 December 1964)	No 2	4.1.66
--	------	--------

PARLIAMENTARY CONFERENCE OF THE EEC-AASM ASSOCIATION

Règlement de la Conférence parlementaire de l'association entre la Communauté économique européenne et les Etats africains et malgache associés (Rules of Procedure of the Parliamentary Conference of the EEC-AASM Association)

No. 220

COUNCIL AND COMMISSION

Regulations

- Règlement no 165/65/CEE du Conseil, du 9 décembre 1965, portant prorogation du délai de non-application aux transports par chemin de fer, par route et par voie navigable du règlement no 17 du Conseil (Council Regulation No. 165/65/CEE of 9 December 1965 extending the period of non-applicability of Council Regulation No. 17 to rail, road and inland waterway transport) No. 210 11.12.65
- Règlement no 166/65/CEE de la Commission, du 15 décembre 1965, portant fixation des prélèvements intracommunautaires pour les œufs de volailles à couvrir (Commission Regulation No. 166/65/CEE of 15 December 1965 fixing intra-Community levies for poultry eggs for hatching) No. 213 17.12.65
- Règlement no 167/65/CEE du Conseil, du 13 décembre 1965, portant fixation du montant des prélèvements envers les pays tiers pour le porc, la viande de porc et les produits à base de viande de porc, pour les importations effectuées durant le premier trimestre 1966 (Council Regulation No. 167/65/CEE dated 13 December 1965 fixing the levies on imports of pigs, pigmeat and pigmeat products from non-member countries during the first quarter of 1966) No. 215 20.12.65
- Règlement no 168/65/CEE du Conseil, du 17 décembre 1965; portant diminution du montant des prélèvements applicables aux œufs en coquille en ce qui concerne les importations effectuées jusqu'au 8 janvier 1966 (Council Regulation No. 168/65/CEE of 17 December 1965 reducing the levies on eggs in shell imported up to 8 January 1966) No. 215 20.12.65
- Règlement no 169/65/CEE de la Commission, du 20 décembre 1965, adaptant et fixant les prix d'écluse pour les porcs, la viande de porc et les produits à base de viande de porc pour les importations effectuées durant le premier trimestre 1966 (Commission Regulation No. 169/65/CEE of 20 December 1965 adjusting and fixing the sluice-gate prices for imports of pigs, pigmeat and pigmeat products during the first quarter of 1966) No. 216 21.12.65
- Règlement no 170/65/CEE de la Commission, du 21 décembre 1965, portant prorogation de la validité et modification des dispositions du règlement no 116/65/CEE concernant la durée de validité du montant de la restitution applicable dans des cas particuliers à l'exportation de certains produits laitiers envers les pays tiers (Commission Regulation No. 170/65/CEE concerning the period of validity of the refund applicable in particular cases to exports of certain preserved milk products to non-member countries) No. 218 22.12.65
- Règlement no 171/65/CEE de la Commission, du 23 décembre 1965, prorogeant le règlement no 21/63/CEE, portant dérogation transitoire aux normes communes de qualité pour les agrumes (Commission Regulation No. 171/65/CEE of 23 December 1965 extending the period of validity of Regulation No. 21/63/CEE providing for provisional derogation from the common quality standards for citrus fruits) No. 222 28.12.65
- Règlement no 172/65/CEE du Conseil, du 13 décembre 1965, relatif aux prélèvements applicables au maïs hybride destiné à l'ensemencement (Council Regulation No. 172/65/CEE concerning levies on hybrid maize) No. 223 29.12.65
- Règlement no 173/65/CEE du Conseil, du 29 décembre 1965, portant prorogation du règlement no 3/63/CEE du Conseil, relatif aux relations commerciales avec les pays à commerce d'Etat en ce qui concerne certains produits agricoles (Council Regulation No. 173/65/CEE of 29 December 1965 extending the period of validity of Council Regulation No. 3/63/CEE concerning trade with State-trading countries in certain agricultural products) No. 223 29.12.65

Règlement no 174/65/CEE des Conseils, du 28 décembre 1965, fixant les tables de mortalité et d'invalidité et la loi de variation des salaires à utiliser pour le calcul des valeurs actuarielles prévues au statut des fonctionnaires des Communautés (Council Regulation No. 174/65/CEE of 28 December 1965 fixing the expectation of life and invalidity tables and the formula for use in calculating the actuarial values prescribed in the Statute of service for officials of the Communities

No. 226 31.12.65

THE COUNCIL

Information

Décision du Conseil, du 16 décembre 1965, autorisant la république fédérale d'Allemagne à diminuer le montant des prélèvements pour les porcs vivants et la viande de porc (Council Decision of 16 December 1965 authorizing the Federal Republic of Germany to reduce levies on live pigs and pigmeat)

No. 215 20.12.65

Directive du Conseil, du 23 décembre 1965, modifiant la directive du Conseil du 5 novembre 1963 relative au rapprochement des législations des Etats membres concernant les agents conservateurs pouvant être employés dans les denrées destinées à l'alimentation humaine (Council Directive of 23 December 1965 amending Council Directive of 5 November 1963 on the alignment of the Member States' legislation concerning permitted preserving agents in food for human consumption)

No. 222 28.12.65

Décision du Conseil, du 23 décembre 1965, portant prorogation de la suspension partielle des droits du tarif douanier commun applicables aux réacteurs nucléaires et à certaines de leurs parties et pièces détachées de la position ex 84/59 B (Council Decision of 23 December 1965 extending the period of suspension of CCT duties on nuclear reactors and certain parts of them under Heading ex 84.59 B)

No. 222 28.12.65

Décision du Conseil, du 28 décembre 1965, portant suspension temporaire des droits du tarif douanier commun applicables à certains produits (Council Decision of 28 December 1965 suspending CCT duties on certain products)

No. 223 29.12.65

Décision du Conseil, du 29 décembre 1965, prorogeant le délai visé à l'article 3 de la décision du Conseil du 9 octobre 1961 relative à l'uniformisation de la durée des accords commerciaux avec les pays tiers (Council Decision of 29 December 1965 extending the period prescribed in Article 3 of Council Decision of 9 October 1961 concerning standardization of the periods for which trade agreements with non-member countries are concluded)

No. 223 29.12.65

Décision du Conseil, du 29 décembre 1965, concernant la modification du prix d'intervention pour le beurre en France pendant la campagne laitière 1965-1966 (Council Decision of 29 December 1965 amending the intervention price for butter in France during the milk year 1965-66)

No. 225 31.12.65

Décision du Conseil, du 29 décembre 1965, portant prorogation de l'autorisation accordée à la république fédérale d'Allemagne de suspendre, à l'égard des pays tiers, les droits de son tarif applicables aux maisons en bois, démontables, de la position ex 44.23 et à certain ouvrages de la position ex 68.11 du tarif douanier commun (Council Decision of 29 December 1965 extending the period of the authorization granted to the Federal Republic of Germany to suspend duties on imports from non-member countries of prefabricated and sectional houses of wood under Heading ex 44.23 and certain articles under Heading ex 68.11)

No. 225 31.12.65

Décision du Conseil, du 29 décembre 1965, portant suspension, totale ou partielle, pour l'année 1966, des droits du tarif douanier commun applicables à certains produits (Council Decision of 29 December 1965 temporarily suspending or reducing CCT duties in certain products for 1966)

No. 225 31.12.65

Décision du Conseil, du 23 décembre 1965, portant suspension temporaire des droits du tarif douanier commun sur le thé, le maté et les bois tropicaux (Council Decision of 23 December 1965 temporarily suspending or reducing CCT duties on tea, maté and tropical hardwoods)	No. 4	8.1.66
Décision du 23 décembre 1965, des représentants des gouvernements des Etats membres de la Communauté économique européenne, réunis au sein du Conseil, portant application intégrale des suspensions des droits du tarif douanier commun sur le thé, le maté et les bois tropicaux (Decision of 23 December 1965 by the representatives of the EEC Member Governments, meeting in the Council, to implement in full the temporary suspension or reduction of CCT duties on tea, maté and tropical hardwoods)	No. 4	8.1.66
Décision du Conseil, du 23 décembre 1965, portant suspension temporaire des droits du tarif douanier commun applicables à certaines épices et à certains articles de sport (Council Decision of 23 December 1965 temporarily suspending or reducing CCT on certain spices and certain articles of sports equipment)	No. 4	8.1.66
Décision du 23 décembre 1965, des représentants des gouvernements des Etats membres de la Communauté économique européenne, réunis au sein du Conseil, portant application intégrale des suspensions des droits du tarif douanier commun sur certaines épices et certains articles de sport (Decision of 23 December 1965 by the representatives of the EEC Member Governments, meeting in the Council, to implement in full the temporary suspension or reduction of CCT duties on certain spices and certain articles of sports equipment)	No. 4	8.1.66
Décision, du 23 décembre 1965, des représentants des gouvernements des Etats membres de la Communauté économique européenne, réunis au sein du Conseil, portant suspension totale des droits de douane que les Etats membres appliquent entre eux sur certains produits tropicaux (Decision of 23 December 1965 by the representatives of the EEC Member Governments, meeting in the Council, suspending intra-Community duties on certain tropical products)	No. 4	8.1.66

THE COMMISSION

Directives and Decisions

Décision de la Commission, du 2 décembre 1965, portant augmentation des volumes des contingents tarifaires au bénéfice du royaume des Pays-Bas pour le ferro-manganèse, autre que carburé, le ferro-silicium et le ferro-chrome (Commission Decision of 2 December 1965 increasing the tariff quotas granted to the Netherlands for ferro-manganese other than high-carbon ferro-manganese, ferro-silicon and ferro-chromium)	No. 210	11.12.65
Décision de la Commission, du 29 novembre 1965, portant augmentation du volume du contingent tarifaire octroyé à la République italienne pour les thons frais, réfrigérés ou congelés, destinés à la conserverie (Commission Decision of 29 November 1965 increasing the tariff quota granted to Italy for fresh, chilled or frozen tunny for preserving)	No. 211	15.12.65
Décision de la Commission, du 29 novembre 1965, portant augmentation du volume du contingent tarifaire octroyé à la République italienne pour les morues, y compris stockfish et klippfish, simplement salées ou en saumure ou séchées, entières, décapitées ou tronçonnées (Commission Decision of 29 November 1965 increasing the tariff quota granted to Italy for cod, including stockfish and klippfish, salted, in brine or dried, whole, headless or in pieces)	No. 211	15.12.65
Décision de la Commission, du 15 décembre 1965, portant détermination des restitutions moyennes les plus basses pour le financement des restitutions à l'exportation vers les pays tiers de la période de comptabilisation 1962/63 (Commission Decision of 15 December 1965 fixing the lowest average refunds on exports to non-member countries for the accounting year 1962/63)	No. 224	30.12.65

- Décision de la Commission, du 15 décembre 1965, concernant le concours du Fonds européen, d'orientation et de garantie agricole — section garantie — aux dépenses du royaume de Belgique pour les restitutions à l'exportation vers les pays tiers et les interventions sur le marché intérieur pour la période de comptabilisation 1962/63 [Commission Decision of 15 December 1965 on aid by the EAGGF (Guarantee Section) to Belgium in financing refunds on exports to non-member countries and intervention on the domestic market for the accounting year 1962/63] No. 224 30.12.65
- Décision de la Commission, du 15 décembre 1965, concernant le concours du Fonds européen, d'orientation et de garantie agricole — section garantie — aux dépenses de la république fédérale d'Allemagne pour les restitutions à l'exportation vers les pays tiers et les interventions sur le marché intérieur pour la période de comptabilisation 1962/63 [Commission Decision of 15 December 1965 on aid by the EAGGF (Guarantee Section) to the Federal Republic of Germany in financing refunds on exports to non-member countries and intervention on the domestic market for the accounting year 1962/63] No. 224 30.12.65
- Décision de la Commission, du 15 décembre 1965, concernant le concours du Fonds européen, d'orientation et de garantie agricole — section garantie — aux dépenses de la République française pour les restitutions à l'exportation vers les pays tiers et les interventions sur le marché intérieur pour la période de comptabilisation 1962/63 [Commission Decision of 15 December 1965 on aid by the EAGGF (Guarantee Section) to France in financing refunds on exports to non-member countries and intervention on the domestic market for the accounting year 1962/63] No. 224 30.12.65
- Décision de la Commission, du 15 décembre 1965, concernant le concours du Fonds européen, d'orientation et de garantie agricole — section garantie — aux dépenses de la République italienne pour les restitutions à l'exportation vers les pays tiers et les interventions sur le marché intérieur pour la période de comptabilisation 1962/63 [Commission Decision of 15 December 1965 on aid by the EAGGF (Guarantee Section) to Italy in financing refunds on exports to non-member countries and intervention on the domestic market for the accounting year 1962/63] No. 224 30.12.65
- Décision de la Commission, du 15 décembre 1965, concernant le concours du Fonds européen, d'orientation et de garantie agricole — section garantie — aux dépenses du grand-duché de Luxembourg pour les restitutions à l'exportation vers les pays tiers et les interventions sur le marché intérieur pour la période de comptabilisation 1962/63 [Commission Decision of 15 December 1965 on aid by the EAGGF (Guarantee Section) to Luxembourg in financing refunds on exports to non-member countries and intervention on the domestic market for the accounting year 1962/63] No. 224 30.12.65
- Décision de la Commission, du 15 décembre 1965, concernant le concours du Fonds européen, d'orientation et de garantie agricole — section garantie — aux dépenses du royaume des Pays-Bas pour les restitutions à l'exportation vers les pays tiers et les interventions sur le marché intérieur pour la période de comptabilisation 1962/63 [Commission Decision of 15 December 1965 on aid by the EAGGF (Guarantee Section) to the Netherlands in financing refunds on exports to non-member countries and intervention on the domestic market for the accounting year 1962/63] No. 224 30.12.65
- Décision de la Commission, du 15 décembre 1965, fixant le montant maximum de la restitution valable pour les exportations de bovins vivants vers les pays tiers (Commission Decision of 15 December 1965 fixing the maximum amount of refund on exports of live cattle to non-member countries) No. 3 6.1.66
- Décision de la Commission, du 21 décembre 1965, relative à la fixation des moyennes arithmétiques des prélèvements agricoles envers les pays tiers servant de base pour le calcul du prélèvement compensateur institué

en vertu de l'article 10 du Traité (Commission Decision of 21 December 1965 fixing the arithmetic averages of import levies on farm products from non-member countries to be used in computing the compensatory levy instituted under Article 10 of the Treaty)	No. 3	6.1.66
Décision de la Commission, du 21 décembre 1965, relative à la fixation du pourcentage des droits de douane et des moyennes des prélèvements agricoles applicables envers les pays tiers à prendre en considération, à partir du 1 ^{er} janvier 1966, pour la détermination du taux des prélèvements compensateurs institués en application de l'article 10, paragraphe 2, du Traité [Commission Decision of 21 December 1965 fixing the percentage of customs duties and of the arithmetic averages of levies on imports of farm products from non-member countries which is to be used, with effect from 1 January 1966, in computing the compensatory levy instituted under Article 10(2) of the Treaty]	No. 3	6.1.66
Décision de la Commission, du 23 décembre 1965, autorisant la République française à diminuer les prélèvements pour les œufs en coquille (Commission Decision of 23 December 1965 authorizing France to reduce levies on eggs in shell)	No. 3	6.1.66
Décision de la Commission, du 15 décembre 1965, portant fixation d'une taxe compensatoire sur les importations en république fédérale d'Allemagne de tulipes, de narcisses et de jacinthes originaires des Pays-Bas (Commission Decision of 15 December 1965 fixing a countervailing charge on imports into the Federal Republic of Germany of tulips, narcissi and hyacinths originating in the Netherlands)	No. 5	12.1.66
Décision de la Commission, du 15 décembre 1965, portant fixation d'une taxe compensatoire sur les importations en France de tulipes, de narcisses et de jacinthes originaires des Pays-Bas (Commission Decision of 15 December 1965 fixing a countervailing charge on imports into France of tulips, narcissi and hyacinths originating in the Netherlands)	No. 5	12.1.66

Recommendations and Opinions

Recommandation de la Commission, du 20 décembre 1965, adressée aux Etats membres en vertu des articles 155 et 115 au sujet du régime d'exportation, à appliquer vers les pays tiers pour les graines de semence de chanvre (Commission Recommendation of 20 December 1965 to the Member States, pursuant to Articles 155 and 115, concerning arrangements governing exports of hemp seed to non-member countries)	No. 5	12.1.66
Recommandation de la Commission, du 20 décembre 1965, adressée aux Etats membres en vertu des articles 155 et 115 au sujet du régime d'exportation à appliquer vers les pays tiers pour certaines catégories de peaux brutes (Commission Recommendation of 20 December 1965 to the Member States, pursuant to Articles 155 and 115, concerning arrangements governing exports to non-member countries of certain categories of raw hides and skins)	No. 5	12.1.66
Recommandation de la Commission, du 20 décembre 1965, adressée aux Etats membres en vertu des articles 155 et 115 au sujet du régime d'exportation à appliquer vers les pays tiers pour certains déchets et cendres de métaux non ferreux et des méthodes de coopération administrative entre les Etats membres (Commission Recommendation of 20 December 1965 to the Member States, pursuant to Articles 155 and 115, concerning arrangements governing exports to non-member States of certain kinds of non-ferrous metal ash, residues, waste ap, and methods of administrative co-operation between the States)	No. 5	12.1.66

Cartels and monopolies

Décision de la Commission, du 17 décembre 1965, relative à une procédure au titre de l'article 85 du Traité (IV/A 22491 "Maison Jallatte S.A. — Hans Voss KG", "Maison Jallatte S.A. — S.A. Ets Vandeputte" [Commission Decision of 17 December 1965 in proceedings under Article 85 of the Treaty (IV/A 22491 "Maison Jallatte S.A. — Hans Voss K.G.", "Maison Jallatte S.A. — S.A. Ets. Vandeputte")]

No. 3 6.1.66

European Development Fund

Avis d'appel d'offres no 459 lancé par la république fédérale du Cameroun (Notice of call for tender No. 459 issued by the Federal Republic of Cameroon)

No. 211 15.12.66

Résultats d'appels d'offres (nos 322, 328, 334, 352, 369 et 372) (Results of calls for tender Nos. 322, 328, 334, 352, 369 and 372)

No. 213 17.12.65

Résultats d'appels d'offres (nos 376, 377, 378, 382, 383 et 389) (Results of calls for tender Nos. 376, 377, 378, 382, 383 and 389)

No. 214 18.12.65

Avis d'appel d'offres no 448 de la république islamique de Mauritanie : appel à la concurrence relatif à la présélection des entreprises admises à participer à l'appel d'offres restreint qui sera lancé ultérieurement pour les travaux d'amélioration de l'axe routier Nouakchott-Rosso (Notice of call for tender No. 448 issued by the Islamic Republic of Mauritania: Call for candidatures in connection with the preselection of firms to participate in the limited call for tender to be issued later for improvement works on the Nouakchott-Rosso highway)

No. 216 21.12.65

Avis d'appel d'offres no 460 lancé par les Antilles néerlandaises (Notice of call for tender No. 460 issued by the Netherlands Antilles)

No. 216 21.12.65

Avis d'appel d'offres no 461 lancé par la République malgache (Notice of call for tender No. 461 issued by the Malagasy Republic)

No. 216 21.12.65

Résultats d'appels d'offres (nos 390, 391, 392, 399, 410, 412 et 423) (Results of calls for tender Nos. 390, 391, 392, 399, 410, 412 and 423)

No. 217 22.12.65

Avis d'appel d'offres no 462 relatif à la présélection des entreprises admises à participer à l'appel d'offres restreint qui sera lancé ultérieurement par la république de Madagascar pour les travaux d'aménagement hydro-agricole du secteur d'Andranomanitsy dans le delta du Mangoky (Notice of call for tender No. 462 in connection with the preselection of firms to participate in the limited calls for tender to be issued later by the Malagasy Republic for irrigation and land improvement works in the Andranomanitsy area of the Mangoky delta)

No. 218 22.12.65

Modificatif d'un appel d'offres restreint (appel d'offres no 401) (Amendment to limited call for tender No. 401)

No. 3 6.1.66

Avis d'appel d'offres no 463 lancé par la république de Côte-d'Ivoire (Notice of call for tender No. 463 issued by the Republic of Ivory Coast)

No. 3 6.1.66

Modificatif à l'appel d'offres no 450 (Amendment to call for tender No. 450)

No. 4 8.1.66

Modificatif à l'appel d'offres no 458 (Amendment to call for tender No. 458)

No. 4 8.1.6

Approbation de projets et programmes financés par le Fonds européen de développement (Approval of projects and programmes financed by the European Development Fund)

No. 5

European Agricultural Guidance and Guarantee Fund

Déclaration de la Commission adoptée le 15 décembre 1965 en même temps que ses décisions concernant les concours du FEOGA — section garantie — pour la période de comptabilisation 1962/63 [Statement by the Commission adopted on 15 December 1965 together with its decisions on aid by the EAGGF (Guarantee Section) for the accounting year 1962/63]

No. 224 30.12.65

General information

Avis de concours no CEE/733/C (dactylographes de langue anglaise) [Notice of competitive examination No. CEE/733/C (English-language typists)]

No. 217 21.12.65

Avis de concours no CEE/756/S (secrétaires sténodactylographes de langue allemande) [Notice of competitive examination No. CEE/756/C (German-language secretaries with shorthand/typing)]

No. 217 21.12.65

Avis de concours no CEE/757/S (secrétaires sténodactylographes de langue française) [Notice of competitive examination No. CEE/757/C (French-language secretaries with shorthand/typing)]

No. 217 21.12.65

Avis de concours no CEE/758/S (secrétaires sténodactylographes de langue italienne) [Notice of competitive examination No. CEE/758/C (Italian-language secretaries with shorthand/typing)]

No. 217 22.12.65

Avis de concours no CEE/759/S (secrétaires sténodactylographes de langue néerlandaise) [Notice of competitive examination No. CEE/759/C (Dutch-language secretaries with shorthand/typing)]

No. 217 22.12.65

Avis de concours no CEE/760/C (dactylographes) ([Notice of competitive examination No. CEE/760/C (typists)])

No. 217 22.12.65

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

Supplement No. 48 of 15 December 1965

Supplement No. 49 of 22 December 1965

Supplement No. 50 of 29 December 1965

Supplement No. 1 of 12 January 1966

C. Recent publications of the European Community ⁽¹⁾

Periodical publications

4002

Notes and graphs on the economic situation in the Community. Monthly. No. 12/65. Three bilingual editions: e/f, d/n, f/i. Price per issue: 11s.0d.; \$0.50; Bfrs. 25
Annual subscription: £1.16s.0d.; \$5.00; Bfrs. 250

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

2001*

The Economic Situation in the Community

Quarterly. No. 4/65

(f, d, i, n; e: *in preparation*). Price per issue: 15s.0d.; \$2.00; Bfrs. 100

Annual subscription: £2.10s.0d., \$7.00; Bfrs. 350

C.E.E. Informations. Marchés agricoles. Echanges commerciaux. (EEC Information.
Agricultural Markets. Trade) Bi-monthly. No. 1 and 2 January 1966 (f/d/i/n) Limited
distribution

C.E.E. Informations. Marchés agricoles. Prix (EEC Information. Agricultural Markets.
Prices) Bi-monthly. No. 1/1966 (f/d/i/n). Limited distribution

5002

Bulletin des acquisitions. Bibliothèque de la Commission de la CEE (List of recent additions.
Library of the Commission of the EEC) Monthly. No. 12/65. Limited distribution.

D. Publications by the joint services of the three Communities

Joint Information Service

Publications by offices in capital cities:

Bonn: Europäische Gemeinschaft No. 1, January 1966

The Hague: Europese Gemeenschap No. 78, January 1966

Paris: Communauté européenne No. 1, January 1966

Rome: Comunità Europea No. 1, January 1966

London: European Community No. 1, January 1966

Washington: European Community No. 88, January 1966

Other publications: Comunidad europea, No. 1, January 1966

Statistical Office of the European Communities

General Statistical Bulletin, No. 1/1966

Commerce extérieur: Statistique mensuelle, no 1/1966 (Foreign Trade: Monthly Statistics)

Associés d'outre-mer: Statistique du commerce extérieur, nos 1 et 2/1966 (Overseas Associated Areas: Foreign Trade Statistics, No. 1 and No. 2/1966)

Basic Statistics — 1965 (at present only available in French)

Statistiques industrielles — annuaire 1965 (Industrial Statistics — Yearbook 1965)

Statistique agricole — nos 6, 7 et 8/1965 (Agricultural Statistics — No. 6, No. 7 and No. 8/1965)