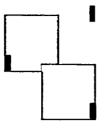
COMMUNAUTÉ ÉCONOMIQUE EUROPÉENNE

> EUROPÄISCHE WIRTSCHAFTSGEMEINSCHAFT

COMUNITÀ ECONOMICA EUROPEA

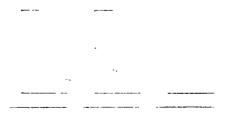


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BULLETIN

of the

EUROPEAN ECONOMIC COMMUNITY



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of the European Economic Community

Contents

		Page
I.	The textile industry in the Community	5
II.	Internal activities	9
	Establishment of the common market	9
	Competition	10
	Free movement of persons	16
	Economic and financial policy	17
	Common agricultural policy	19
	Common transport policy	25
	Social policy	25
III.	External relations	28
	GATT	. 28
	Bilateral relations	28
	International organizations	28
	The Community and the developing countries	29
IV.	The Community and the associated States	31
	Association of Greece with the Community	31
	Association of Turkey with the Community	31
	Associated African and Malagasy States	32
	European Development Fund	33
V.	Institutions and organs	34
	European Parliament	34
	Court of Justice	38
	Council	39
	Monetary Committee	41
	Administrative affairs	41
	Miscellaneous	42

VI. European Investment Bank	45
Annex:	
Resolutions of the European Parliament	46
Publications of the European Economic Community	49

Supplement

Report by the Commission to the Council on future trends in the production of some important agricultural items and possible outlets for them

I. The textile industry in the Community

As one of its studies of particular sectors, the Commission has prepared a memorandum on the textile industry, one of the most sensitive industries in the Community.

The memorandum outlines the situation of the textile industry and its development, and indicates the objectives for any structural policy adopted in this sector and the means that could be used to achieve them.

The relative importance of the textile industry is shown by the following figures: the industry employs about 1.8 million workers (6% of all the industrial workers in the EEC); the value of its production is estimated at about 8% of that of all industrial production in the Community; imports and exports of textiles each represent about 8% of the Community's total trade with non-member countries.

Cotton, wool and knitted goods are the most important branches of the textile industry; they account for about 60% of the manpower employed and 50% of the industry's trade with non-member countries.

The structural changes that haven taken place in the industry are due to three main factors: consumption of textiles is expanding at a moderate pace in the Community countries, as in most industrialized countries; between the wars and especially since 1945, textile industries have been established in the developing countries; new techniques developed in the last few years have influenced both the equipment used and the goods produced.

These factors have affected operations and production conditions in the textile industry in the Community. Since 1953, production has been expanding by about 4% a year, taking the average for the Community as a whole. This rate of growth is substantially lower than in most of the main sectors of industry, such as chemicals, petroleum, fuel oils and natural gas, engineering and electrical products, ores and non-ferrous metals.

The Community is still largely dependent on outside countries for its supplies of raw materials. Where yarn, woven fabrics and knitted goods are concerned, the Community's net exporting position deteriorated between 1960 and 1964, imports rising faster than exports. Although these imports are still at a relatively low level compared with consumption, their effect on the Community is sometimes considerable; this is because they are concentrated on a few particular products, and because a growing proportion of imports is accounted for by low-cost products which tend to depress prices on the Community market.

Production conditions in the Community's textile industries have undergone a transformation, mainly as a result of the technical progress that has been made in equipment, in order to increase productivity or make use of the new man-made fibres.

Generally speaking, modernization has led to a reduction in the amount of equipment and manpower used, while production has remained as high as before or higher. Between 1953 and 1964, the numbers employed in all branches of the textile industry fell by about 180 000, or almost 10%. In spite of the improvement in most branches in the last few years, it would seem that the textile industry has still not achieved a satisfactory degree of modernization and of capacity utilization, particularly if results are compared with those in the United States.

These changes, and the economic and social consequences of recent developments in the textile industry in the Community have sometimes given rise to serious difficulties which have prompted the public authorities to intervene directly in certain countries.

The action taken or contemplated in the Member States in recent months shows that the Governments are concerned to overcome the difficulties facing their textile industries. It would therefore seem that the time has come, if not to work out common solutions, at least to harmonize those now planned; otherwise steps may be taken by the different countries which would be difficult to reverse and might well hinder the application of the Treaty with regard to internal competition and/or relations with non-member countries.

In a sector as complex and diversified as textiles, it is difficult to work out a policy for the industry as a whole without first making extensive studies. The remarks that follow should be regarded as the main outlines of a policy which will certainly have to be amended and clarified later in the light of further study. But it is possible at the present stage to suggest steps to be taken regarding modernization, rationalization, combination, integration and research.

In order to improve its competitive position, the textile industry must continue to modernize its equipment and increase the degree of utilization of its new capacity adapted to current needs. In deciding in which branches action should be taken, particular attention must be paid to local and regional conditions, so that manpower and capital may be concentrated on the sectors that are expanding most.

The present tendency towards combination and intergration must be continued but need not concern all enterprises. It is reasonable to think that the creation of a limited number of large units would be sufficient to assure the Community's industries a place on the world market. Consequently, this development need not rule out the retention of a considerable number of small and medium-sized enterprises, particularly for sub-contracting and the manufacture of specialized products.

In addition, it is important that research should be intensified in this sector.

The reorganization of the textile industry must not be considered in isolation; it forms part of a general situation characterized by a tight labour market. In principle, the transfers of manpower that have still to take place following modernization of the means of production should not present any serious problems at a time when business is good. One must, however, bear in mind that the textile industry employs more women than men (57%), and that it is bound to be more difficult to find other employment for women workers because they are less mobile and there are fewer jobs that they can do. Moreover, the textile industry is often located in areas that were industrialized long ago, where structural problem are harder to solve. It is also particularly difficult to find other employment for textile workers in areas requiring development and adaptation, especially in certain peripheral regions.

If a detailed study is made of the siting of branches of the textile industry, it should be possible to determine the areas where social problems might arise if workers were laid off.

In order to attain the objectives proposed, action must be taken both by the persons concerned in the textile industry and by the national or Community authorities. It must concern both commercial policy and internal industrial policy.

A common commercial policy must be worked out in the light of two general objectives: to expand trade with the industrialized countries, and to alleviate the abnormal pressures

exerted on EEC markets by low-cost textile imports, most of which come from developing countries. Arrangements will have to be made with these countries, gradually increasing their outlets on the Community market while at the same time alleviating the disturbance of markets that is caused by their low prices. This means that agreement must be sought on tariff protection and quotas.

Where industrial policy is concerned, it would be best if the proposed measures were adopted by common consent of all the Member States; failing that, steps will have to be taken to ensure that these measures do not lead to distortions of competition between the Member States.

Investment in modernization schemes might be encouraged by measures on financing or tax reliefs.

Financing might be provided by loans with interest rebates, which have just been introduced in two German Länder.

With regard to taxation, the best solution at present might be to provide for more rapid amortization.

The elimination of old plant which, in certain branches, must go hand in hand with modernization, would be encouraged if the system of "scrapping bonuses" were adopted in all countries, possibly with government intervention.

Three sets of measures were proposed in the Commission's previous document on industrial mergers in the Common Market:

- i) Obstacles arising from tax law will have to be removed, as these discourage mergers and acquisition of part interest;
- ii) In the field of company law, measures are being worked out with a view to the mutual recognition of companies, mergers between companies from different Member States, and the co-ordination of provisions for the protection of shareholders;
- iii) Other obstacles to the combination of firms could be eliminated by measures to harmonize legislation. These concern patent law, trade mark law, legislation to prevent unfair competition, and numerous technical provisions and rules in the industrial sector.

The promotion of research will partly depend on the results achieved with regard to the combination and integration of firms. Large concerns can devote much more money to research than can small and medium-sized firms.

Rapid progress could, moreover, be made if there were closer co-operation between the textile research institutes in the different Member States, so that they could specialize and co-ordinate their efforts.

The measures affecting manpower will vary according to the objective pursued.

In order to improve the degree of utilization of textile equipment — which is essential if the enterprises are to become more competitive — it is important that two-shift or three-shift working should become general; at the same time, the regulations

forbidding night working by women and young people under 18 would of course have to be respected.

The re-employment of workers laid off by the textile industry (following closures or modernization) will necessitate vocational retraining or other measures which the Social Fund could help to finance. These measures would have to form part of the Member States' regional policies; serious difficulties in finding other employment (e.g. for women) might sometimes justify special provisions in certain areas, but the mobility of labour, which benefits branches that are expanding, must not be artificially hampered.

II. Internal activities

ESTABLISHMENT OF THE COMMON MARKET

Customs matters

Tariff quotas

- 1. On 8 March 1966 the Commission, acting under Article 25 (3 and 4) of the Treaty, increased the tariff quota granted to the Belgo-Luxembourg Economic Union for 1 April 1965 to 31 March 1966 for certain kinds of crabs and shrimps (CCT heading ex 16.05) from 90 metric tons to 115 metric tons.
- 2. On 29 March 1966 the Commission, acting under Article 25 (3) of the Treaty, granted the following tariff quotas for the period from 1 April 1966 to 31 March 1967 (1):

Member State	Tariff heading	Description of product	Quantity (m t)	Duty
Germany	ex 03,01 B I c	Spiny dogfish	2 900	4.8%
Germany	ex 07.01 P II a	Chanterelles	5 000	4 %
Germany	08.08 B II	Bilberries	7 000	4.5%
B.L.E.U.	ex 16.05	Certain kinds of crabs and shrimps	115	6 %
Italy	17.03 B II	Certain forms of sugar-cane molasses	1 800	1.4%

- 3. On 22 March 1966 the Council, acting under Article 25 (1) of the Treaty, granted Germany a duty-free quota for imports of up to 393 750 metric tons of newsprint (CCT heading 48.01 A) from non-member countries for use within Germany.
- 4. On 22 March 1966 the Council, acting under Article 25 (1) of the Treaty, granted France a duty-free tariff quota for imports of up to 57 000 metric tons of newsprint (CCT heading 48.01 A) from non-member countries for use within France.

The Community's textile industry

5. On 28 March 1966 the Commission called a meeting of senior officials responsible for general industrial policy and the textile industry in the Member States. The chair was taken by M. Colonna di Paliano, a member of the Commission with special competence for internal market matters.

The object of the meeting was to enable the Member States to exchange views, regarding the reasons for present difficulties in the textile industry and regarding

⁽¹⁾ See official gazette No. 67, 14 April 1966.

possible measures of commercial and industrial policy to improve competitiveness in this important branch of the Community's economy.

The national officials present warmly appreciated the initiative of the Commission in calling the meeting and broadly agreed with the opinions expressed in the working document, distributed by the Commission.

Most of the delegates felt, however, that the document required further study with a view to filling out the analysis of the present situation and amplifying or amending certain remarks.

To this end, a second meeting with M. Colonna in the chair may take place in June or July 1966.

COMPETITION

Application of the rules of competition: cartels and dominant positions

Case brought by the Italian Republic before the Court of Justice concerning the applicability of Article 85 of the Treaty to certain classes of agreements and concerted practices — Case 32/65

6. On 31 May 1965, the Italian Republic filed a suit with the Court of Justice for annulment of certain clauses of Council Regulations Nos. 19/65 and 17/62 and of Commission Regulation No. 153/62 relating to the applicability of Article 85 of the Treaty to certain classes of agreements and concerted practices (1).

Plaintiff and defendants made their oral comments on 1 March and Advocate-General Römer made his submissions on 22 March 1966. M. Römer moved for dismissal of the suit arguing that it was inadmissible in respect of the Commission regulation and ill-founded in respect of the Council regulations.

Application of Articles 85 and 86

7. On 23 February 1966, the Commission adopted its first decision pursuant to Article 11(5) of Regulation No. 17. This decision requires an enterprise which had submitted incomplete answers to two requests for information previously sent to it to reply within one month to certain questions designed to throw light on the legal situation, the economic situation and the facts of the case.

The enterprise concerned has replied within the time-limit laid down.

8. The Consultative Committee on Cartels and Monopolies has held two meetings, one in February and one in March 1966. At its ninth meeting held on 10 and 11 February, the Member States' representatives prepared an opinion concerning a draft regulation exempting certain classes of bilateral exclusive dealing agreements from the Treaty ban on cartels (2). At the tenth meeting, on 9 March 1966, the Committee examined a draft decision relating to a case in which it is proposed to declare the Treaty ban inapplicable to three exclusive dealing contracts.

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

⁽²⁾ See Bulletin 3-66, Ch. III, sec. 9.

9. The parties to the cartel concerned have applied to the Court of Justice of the European Communities (Cases 8, 9, 10 and 11/66) for annulment of a communication sent last January (1), pursuant to Article 15(6) of Regulation No. 17, to 53 Belgian, German and Dutch firms in the cement industry.

Procurement clauses in patent licence agreements

10. The Commission has dropped the proceedings instituted for an alleged infringement of the cartel and monopoly rules of the Treaty (Articles 85 and 86) on a complaint filed by a French chemical manufacturer against two of its competitors in the Common Market. These two firms have informed the Commission that they have discontinued the practices concerned.

The firms, with headquarters in Germany and France, were owners of patents on the application of a plastics process. They exchanged licences in respect of these patents, together with the right to grant sub-licences bought from the two licensors non-patented products used in the process. On the basis of this agreement the two firms granted licences to other firms. If certain of the products used in the process were bought from the licensor, the licences were granted free. If the licencees wished to purchase products from a manufacturer other than the licensor, a royalty had to be paid.

These stipulations induced licensees to procure the products concerned from the licensors and to reject offers made by competing firms in other Common Market countries. The plaintiff, a former supplier of some of the licensees, regarded this obligation of licensees to obtain from the licensor non-patented products that were not essential to a technically perfect application of the process as an inadmissible extension of the patent monopoly, by which the sales of other firms on the relevant market suffered unwarranted restriction.

Before any decision was issued, the defendants notified the Commission that they had cancelled the agreements containing the clauses complained of and undertook to allow their processes to be used in future without imposing conditions of this nature.

Approximation of legislation

Technical obstacles to trade

11. The Working Party on technical obstacles to trade (various products) held its 12th meeting on 21 and 22 March. The agenda included a discussion of a proposed general directive concerning pressure appliances. This directive lays down principles and specifies the inspection procedures to be used for these appliances.

The general directive will be issued with a number of specific directives concerning various pressure appliances for which the present legislation varies from country to country in the Community. The Working Party also examined a draft directive concerning weldless gas cylinders.

These directives are to be submitted by the Commission at the appropriate time to the Council in pursuance of Article 100, the legal basis for the harmonization work undertaken in this field.

⁽¹⁾ See Bulletin 3-66, Ch. III, sec. 7.

12. The Commission submitted to the Council on 3 March and 1 April 1966 respectively two other directives, again in pursuance of Article 100, the purpose of which is the approximation of legislation concerning braking equipment of motor vehicles and wheeled farm tractors (maximum speed, passenger seats and loading surfaces).

Postal services and telecommunications

- 13. The Working Party on postal services and telecommunications met on 9 March 1966. The delegations from the Member States, consisting of the heads of the competent government departments or of senior officials, reached agreement on:
- a) The establishment of a telecommunications sub-group to study the very special problems arising in this sector, notably that of telegrams;
- b) The establishment of a postal services working party to press forward harmonization work begun when the first Commission proposal for a Council directive, concerning postal rates for letters not exceeding 20 grammes and postcards, was undertaken.

The main Working Party will meet at a later stage for a joint examination of problems arising in both fields.

Taxation

International taxation

14. The Working Party on international taxation held its 16th meeting in Brussels on 22 and 23 February 1966.

Problems relating to the proposed preparation of a multilateral convention for the avoidance of double taxation were once again examined by experts from the national revenue departments.

The following questions were discussed:

- a) The definition of the concept of personal partnerships or associations of persons;
- b) Determination of the profits of permanent establishments;
- c) Definition of the concept of dividends;
- d) Double taxation cases including more than two Member States.

The examination of technical questions still pending will be continued at the next meeting, which has been fixed for 24 and 25 May 1966.

Harmonization of direct taxes

15. The second joint meeting of the Working Parties on harmonization of direct taxes and on international taxation was held in Brussels on 24 February 1966 to examine the problem of taxation on national and Community company mergers. The new working document, drafted by the Commission's departments at the request of

the Member States, was discussed and the feeling of the meeting was that the right approach to the problem had been found and that the solutions suggested were suitable for further discussion.

In view of the complexity of the technical questions to be solved, it was however agreed that the problem should be further studied in the light of the replies by the Member States to a questionnaire which the Commission is to send out shortly.

Compensatory charges on imports and export drawbacks

16. The Working Party on problems relating to the application of Articles 95 to 97 in respect of turnover taxes met in Brussels on 9 March 1966.

The agenda included the following:

a) A prior consultation as provided for in the Resolution of 21 June 1960 (1). The consultation was requested by the Italian Government and concerned a draft amendment to the present rules governing Italian compensatory charges on imports and export drawbacks.

Further to the consultation, the Commission will inform the Italian Government of its views regarding the compatibility of the measures contemplated by the Italian Republic with the Resolution of 21 June 1960 and with Articles 95 to 97 of the Treaty.

b) An examination of Italian Law No. 1309 of 4 December 1965, concerning turnover tax on woolen yarn.

The Italian delegation replied to the many questions and comments submitted by the Commission's departments and by delegation from the other Member States concerning this law. After studying a memorandum on controversial points, which is to be drafted in the near future, the Commission will make known its views.

Harmonization of turnover taxes: opinion o f the European Parliament

17. On 8 March 1966 the European Parliament rendered an opinion both on the amended proposal for a first directive (2) on turnover tax harmonization and on the proposal for a second directive, concerning the form and methods of application of the common system of taxation on value added (3).

The discussions in the European Parliament of these proposals were based on a report made on behalf of the Internal Market Committee of the Parliament (rapporteur, M. Seuffert). This Committee had also consulted the Economic and Financial Committee (rapporteur, M. Bersani) and the Agricultural Committee (rapporteur, M. Klinker).

The amended proposal for the first directive was approved. In its resolution, the European Parliament suggests, however, a number of amendments to the Preamble.

18. The proposal relating to the second directive, concerning the common system of taxation on value added, was also approved. Nine amendments were suggested.

⁽¹⁾ The Resolution is a "standstill" agreement, under which the Member States have agreed not to change existing rates without first giving reasons for the change proposed.

(2) See Bulletin 8-64, Ch. I, sec. 30, and Supplement to Bulletin 7-64.

(3) See Supplement to Bulletin 5-65.

In its resolution on the proposed second directive, the European Parliament:

- a) Welcomes the EEC Commission's proposals as an essential step forward to the establishment of the Common Market and to the harmonization of tax legislation;
- b) Stresses that when the Member States go over to the common arrangements they must take action to counter any ill-effects the transition may have in the economic and social fields and must co-ordinate their policies in this respect;
- c) Stresses once more the need to complete without delay the dismantlement of tax frontiers and to establish as soon as possible absolute neutrality of taxation in respect of the origin of goods and services, and calls on the Commission to speed up, if possible, the drafting of the relevant proposals;
- d) Feels strongly that when the tax-on-tax deduction system to apply to investments is being worked out, a thorough study should be made of its repercussions on the conditions of competition and on the economic trend; and that care should be taken to ensure that the principle set out in Article 2, second paragraph, of the first directive is properly complied with, so as to obviate any aggravation of the charges borne by consumers and the emergence of further disparities between the Member States in the fields of competition and short-term economic policy. The European Parliament has endorsed the Commission's proposal to adopt the method of immediate deductions for investments whilst leaving it to the Member States to decide whether to apply deductions pro rata temporis during a specified transition period;
- e) Approves the implementation of the TVA system in the agricultural sector with certain reservations (see amendment to Article 12 mentioned below);
- f) Believes that in so far as the entry into force of the directive entails a limitation of the legislative powers of the national parliaments, equivalent powers must be conferred on the European Parliament, particularly if the rules laid down are to be amended;

Among the amendments proposed which concern the actual text of the directive, the following should be mentioned:

- a) No. 21 of the "Detailed Provisions" (Annex A) should be supplemented by a rule granting the Member States the option to apply deductions for the tax attracted by capital goods and stocks existing at the time of the entry into force of the common TVA;
- b) Banking transactions carried out on behalf of a taxpayer should be deleted from the list of services to which the directive is applicable (Annex B, No. 8);
- c) The procedures for the application of the TVA to farmers which the Commission is to propose to the Council (pursuant to Article 12(2) should give farmers a choice between the standard-rate deduction of the tax paid at previous stages and the normal application of the TVA system according to a simplified method. In particular, the accounting requirements laid down in Article 10 should be simplified.
- 19. In the course of the debate in the European Parliament on the harmonization of turnover taxes, M. Hans von der Groeben, member of the Commission, made a statement concerning EEC taxation policy. He also took this opportunity to outline the Commission's intentions with regard to harmonization measures in fields other than that of the turnover tax.

The alignment of indirect taxes, i.e. turnover taxes and consumer taxes, which was essential if tax frontiers were to be abolished, concerned, he said, the Member States'

tax systems in their entirety. Because of the interdependence of taxes the harmonization of turnover taxes and consumer taxes had effects on direct taxes as well. Some measure of adjustment in this field could therefore not be avoided. The aim was certainly not harmonization for the sake of harmonization. Where, however, differences between tax legislation hampered the success of the Common Market, inducing firms to move their headquarters and engendering distortions of competition, something would have to be done. Consequently, the question must be considered whether taxation on company profits should not be aligned.

In particular, with the growing integration of the Community economy and the increasing alignment of other factors determining investment, tax considerations were gaining importance in management decisions. Firms would set up and lay out capital where the most favourable investment conditions obtained. Precisely for this reason, it seemed of great importance that the taxation factor should be neutralized within the Community.

The harmonization of direct taxes, however, would not only neutralize taxes on production and trade but also those on capital movements. High international mobility of capital was making a most important contribution to the integration of the separate economies. This sector, which was particularly sensitive to competition, was therefore also one in which harmonization was urgently required. For this reason the arrangements — which varied widely from country to country — for taxing income from capital at source should be aligned as soon as possible.

There were many cases in which the economy could not be made more competitive without company mergers. If this kind of industrial combination at Community level were to be made possible, it would be necessary to set aside existing obstacles in the field of taxation. At present, companies wishing to amalgamate were hampered by heavy taxation, which — where the firms belonged to different countries — would hit undisclosed reserves. They were thus forced to resort to other forms of combination, such as the reciprocal purchase of shares, the setting up of joint research establishments, etc. These expedients did not, however, always meet the needs of the enterprises concerned.

Finally, M. von der Groeben spoke of the effectiveness and yield of taxes, a question which, he said, was relevant for both direct and indirect taxes. The most thoroughgoing alignment of taxes in the Common Market would be pointless if the revenue authorities in fact administered tax rules along widely differing lines. Consequently, the Commission had sent out a questionnaire on the mechanism of taxation to the Member States' finance departments and these had sent detailed replies. A working party was now drafting a collective report which would be available, it was hoped, in the course of the year.

State aids

General aid systems

- 20. A meeting of Commission officials and experts from the Member States has been held to make a prior examination of draft regulations, notified by the Dutch Government in accordance with Article 93(3), for industrial conversion measures in the Dutch province of Limbourg. The results of this meeting, now under study, will enable the Commission to state its views on the aid measures under discussion.
- 21. In Paris and Rome bilateral conversations have begun with the authorities responsible for aid schemes at national level. The purpose of the conversations is to

elicit on the spot the supplementary information needed for the preparation of the annual multilateral meetings devoted to an examination of existing aid schemes (Article 92(1) and for a fuller understanding of the scope of certain proposed new aid schemes notified by France and Italy.

FREE MOVEMENT OF PERSONS

Free movement of workers

22. On 1 March 1966 the representatives of the Government of the Member States and of the EEC Commission met in Brussels to examine the annual report on the free movement of manpower and on labour markets in the Community which the Commission had adopted on 16 February 1966 (1).

The report disclosed that in 1965:

- i) The Member States short of manpower had made heavier demands on foreign labour; (562 816 workers took permanent jobs in Community countries in the first nine months of 1965 compared with 477 850 in the same period of 1964);
- ii) The tendency, current since 1961, for the share of non-member countries in total foreign manpower to increase was reversed;
- iii) The number of workers coming from Member States rose by 44 % over 1964 (212 000 compared with 147 000), and the number of Italian workers in the other Member States rose by 50 % (193 000 in the first nine months of 1965 as against 129 000 in the same period of 1964);
- iv) Labour from non-member countries remained nevertheless at a high level which still exceeded greatly the percentage of labour from member countries, except in Luxembourg, where this latter percentage was 77 %.

For 1966, Italian manpower available for employment in the other Member States is estimated at 200 000 workers, consisting of 120 000 skilled and semi-skilled workers and 80 000 unskilled labourers. The overall requirements of the Member States for foreign labour will be slightly less in 1966, and may amount to between 500 000 and 550 000 permanent jobs.

On the close of the discussions, all the delegations agreed, within the terms of Council Regulation No. 38/64 on the free movement of workers in the Community:

- i) To do their utmost to ensure that workers from other Community countries receive equality of treatment in access to vacancies;
- ii) To encourage priority for Community labour when foreign labour had to be employed;
- iii) To give the Technical Committee certain specific tasks for the purpose of perfecting, in particular, the machinery for clearance of offers of employment and applications.

⁽¹⁾ See Bulletin 4-66, Ch. III, sec. 11.

ECONOMIC AND FINANCIAL POLICY

Short-term Economic Policy Committee

23. The Committee met on 8 February 1966 with M. Guidotti in the chair. The Member States' final economic budgets for 1966 were compared; formulation of the Committee's opinion for the Commission was remitted to a Working Party, which met on 21 February 1966.

Committee of experts on economic trends

24. The Committee met on 8 March 1966 for its quarterly survey of the economic situation and prospects of the Community. Broadly speaking, the views expressed by the national experts coincided with those in the draft survey by the Commission's staff, to the effect that the Community as a whole will continue to expand economically at a slightly faster rate than in 1965.

As usual, a summary of the quarterly survey appears in the present Bulletin.

Medium-term Economic Policy Committee

25. The Committee held its 14th meeting on 24 and 25 March, when it finalized and adopted the preliminary draft of the first medium-term policy programme. The programme consists of six chapters: general aims, general prospects for economic growth during the coming years, policy for employment and vocational training, public finance policy, regional policy, and several annexes including the report of the Group of experts on medium-term forecasts. The programme is shortly to be forwarded to the Commission.

The Committee's next meeting will be held on 7 June 1966, when it will decide on its future programme.

Working Party for the comparative study of Member States' budgets

26. The Working Party met in Brussels on 14 March 1966.

It approved the draft report by the Commission on the trend of budgets of State expenditure proper in the EEC countries between 1963 and 1966. It was agreed that the report should be finalized in April, in order to take account of more recent figures that certain delegations had undertaken to provide.

The Working Party then studied the trend of the budgets of local authorities between 1961 and 1964, and their financing. A report will be compiled shortly on the basis of additional data to be furnished by the various delegations.

Debate in the European Parliament on the economic situation in the EEC

27. At its session of 7-11 March 1966 the Parliament discussed the EEC Commission's report on the economic situation of the Community during 1965 and the outlook for 1966 (1).

⁽¹⁾ See M. Marjolin's address in Bulletin 2-66.

M. Kriedemann presented his report on behalf of the Economic and Financial Committee; and affirmed the Committee's agreement with the account given by M. Marjolin. He emphasized the interdependence of economic trends from country to country, and the increasing difficulty of preventing adverse developments in one Member State from affecting another. He welcomed certain signs of a more favourable trend.

Mme Elsner (Socialist), Chairman of the Economic and Financial Committee, spoke of the need for economic growth together with the maintenance of stable prices. Everyone, without exception, should keep a more watchful eye on economic trends; it was not enough to raise the alarm from time to time and then intervene more or less vigorously. In this connection economic budgets were an insufficiently flexible instrument; it was of course possible to exert a certain influence on events by slowing down or speeding up expenditure, but this was not enough.

Mme Elsner suggested that the Commission should draw up "golden rules" for a budgetary policy suitable for various situations, rules which should go beyond the principle of the anticyclical budget.

Finally, she touched on food prices, fearing that a corresponding rise in other prices might be unavoidable.

Speaking for the Christian Democrat M. Lücker concurred with the views expressed by M. Marjolin and referred to some points made by Mme Elsner: every expanding economy, whatever political system was in operation, was confronted by the problem of rising prices, and in this field one system was no more likely to succeed than another. M. Lücker then stressed the need for redoubling efforts to create a common capital market, and the vital importance of making the Community's economy truly competitive. This implied establishment of European law on matters of commercial competition and European company law. M. Lücker illustrated his argument by a comparison of the turnovers of large European and American firms, and in conclusion confirmed the Christian Democrat group's agreement with the Parliamentary Committee's report.

M. Marjolin, Vice-President of the EEC Commission, confined himself to a few remarks on the present situation as compared with the forecasts made in January.

As regards the increase in the Community's gross product, M. Marjolin said that the estimate of 4.5% was to stand; the only notable changes were a more marked slowing-down in Germany and a more definite expansion in France.

As regards prices, M. Marjolin said that the misgivings mentioned in his January speech were tending to be justified. This was the key point; the rise in cost-of-living indices was about 50% due to the increase in food prices, but increases in rents and in charges for public services also contributed.

M. Marjolin endorsed Mme Elsner's opinion that expansion should not be sacrificed in the effort to achieve a relative stabilization of prices. But, he said, prices must not be allowed to increase either, for a persistent rise in prices would provoke stabilization measures which, in their turn, would impede economic expansion.

M. Marjolin called on the European Parliament, the Governments and the EEC Commission to join forces in laying down directives which would enable balanced progress to be made towards a higher standard of living in the Community.

Speaking of short-term economic policy, M. Marjolin said that, in view of the profound differences in habits between the countries of the Community, it was still difficult to speak of a common policy. However, harmonization was progressing, and advances were gradually being made towards more similar patterns.

In conclusion M. Marjolin said that the Commission hoped to see before the summer a meeting of the Council of Ministers devoted entirely to a discussion of short-term economic development in the Community, including ways and means of strengthening the control of short-term trends in the Community.

The debate issued in a resolution affirming that not enough progress had been made towards a common economic policy and that national conceptions of economic policy were still very lively. The resolution also emphasized the need for harmonizing economic development in the Member States, and urged the Commission to make available to capital investors data as concrete and complete as possible, in order to encourage them to abandon the criteria of national economies for those of the Community (1).

COMMON AGRICULTURAL POLICY

Financing of the common agricultural policy

28. At its sessions of 21 and 22 March 1966 the Council continued its discussions on the financing of the common agricultural policy on the basis of a report drawn up by the Committee of Permanent Representatives.

All the problems outstanding were taken up and discussed by the various delegations in a spirit of mutual understanding.

Although no decision was taken, the discussions brought the various points of view closer together. The Council instructed the Committee of Permanent Representatives to continue their studies on the matter and prepare a general report on the basis of which the Council would be able to resume study of the financing problem at its session of 4-5 April 1966.

Common organization of agricultural markets

Cereals

29. On 2 March 1966 the Commission adopted a regulation waiving certain provisions of Regulation No. 102/64/CEE with regard to the period of validity of export licences for wheat flour and rye flour (2).

The aim is to facilitate exports of wheat flour and rye flour to the state-trading countries, in which import contracts for these products are concluded for six months ahead or more and there is no possibility of prices being revised. The period for which licences for exports of wheat flour and rye flour to these countries remain valid has been increased to a maximum of seven months.

⁽¹⁾ This resolution is given in an annex to the present Bulletin.
(2) Commission Regulation No. 17/66/CEE, official gazette, No. 38, 3 March 1966.

By a regulation of 14 March 1966, the Commission amended Regulation No. 103/64/CEE relating to the conversion scale between the processing stages of rice (1).

The regulation amends Article 1 of Regulation No. 103/64/CEE laving down the scale to be used when converting one kind of rice into another. In its original form, the article did not indicate how the conversion scales should be used in every possible case, and the new regulation repairs this omission without altering the substance of the article.

On 30 March 1966 the Council adopted a regulation extending until 30 June 1966 Council Regulation No. 130/65/CEE on refunds to procedures of maize groats and meal for brewing (2).

Beef and veal

30. On 7 March 1966 the Council adopted a regulation maintaining until 31 March 1967 the method of determining beef and veal prices on the markets of Member States (3).

On 21 March 1966 the Council adopted a regulation on guide prices in the beef and veal sector for the 1966/67 year (4). The bracket for the national guide prices for cattle has been fixed at DM 242-257 per 100 kg., while the upper and lower limits for calves have been raised to DM 320 and 347 per 100 kg respectively, in order to discourage the slaughter of calves at too early an age. To allow the Governments time to adopt implementing provisions, particularly in Germany, the 1966/67 marketing year will again not begin until 11 April in Germany and 4 April in the other member countries.

The upper and lower limits within which the Member States must fix their guide prices for the 1966/67 marketing year are given below (in national currency per 100 kg live weight).

Limit	DM	FF	Lit.	Bfrs/Lfrs.	. Fl.
Cattle					
Upper limit	242	298.69	37 813	3 025	219.01
Lower limit	257	317.21	40 156	3 312.50	232.59
Calves					
Upper limit	320	394.96	50 000	4 000	289.60
Lower limit	347	428.29	54 219	4 337.50	314.04

On 29 March 1966 the Council adopted a regulation extending until 30 April 1966 Regulation No. 3/66/CEE containing certain exceptional measures in respect of imports of frozen beef and veal from non-member countries (5). Regulation

⁽¹⁾ Commission Regulation No. 22/66/CEE, official gazette, No. 46, 17 March 1966.
(2) Council Regulation No. 35/66/CEE, ibid., No. 61, 31 March 1966.
(3) Council Regulation No. 20/66/CEE, ibid., No. 42, 8 March 1966.
(4) Council Regulation No. 27/66/CEE, ibid., No. 52, 23 March 1966.
(5) Council Regulation No. 33/66/CEE, ibid., No. 60, 30 March 1966.

No. 3/66/CEE authorized the Member States to suspend the levies on imports of frozen beef and veal from non-member countries until 31 March 1966.

On 30 March 1966 the Council adopted a regulation authorizing Italy to suspend its customs duties and levies on imports from non-member countries of live animals of the domestic bovine species not exceeding 340 kg in unit weight (CCT heading ex 01.02 A II) (1).

Italy has several times been authorized to suspend its customs duties on imports of calves from non-member countries, with beneficial results for cattle stocks in Italy; it was therefore decided to facilitate imports of calves into Italy from non-member countries by suspending any customs duties and levies applicable to them.

Pigmeat

31. On 7 March 1966 the Council adopted a regulation fixing the levies on pigs, pigmeat and pigmeat products imported from non-member countries in the second quarter of 1966 (2). This is the usual quarterly revision of levies. The levies in force in the first quarter of 1966 have been modified slightly in order to allow for the increase in cereal prices which took place on the world market between 1 July and 31 December 1965. As cereal prices rose by 3.61% during that period, the levies have been reduced accordingly.

On 18 March 1966 the Commission adopted a regulation adjusting and fixing the sluice-gate prices for pigs, pigmeat and pigmeat products imported in the second quarter of 1966 (3). This is the usual quarterly revision of sluice-gate prices. It was necessary to fix new sluice-gate prices for the second quarter of 1966, because world cereal prices had gone up by 3.61%.

Eggs and poultry

32. On 4 March 1966 the Commission adopted a regulation increasing the supplementary amounts for whole eggs, liquid or frozen, and for liquid or frozen eggs yolks, and fixing a supplementary amount for dried egg yolks (4).

By this regulation, the Commission has increased the supplementary amount for imports from non-member countries of whole eggs, liquid or frozen, from 0.175 u.a. per kg to 0.250 u.a. per kg, and the supplementary amount for imports of liquid or frozen egg yolks originating in non-member countries from 0.2 u.a. per kg to 0.3 u.a. per kg. The supplementary amount for imports of dried egg yolks from China, Denmark, the United Kingdom, Poland, Sweden, South Vietnam, Czechoslovakia and Yugoslavia has been fixed at 0.75 u.a. per kg.

On 7 March 1966 the Council adopted a regulation amending Regulations Nos. 45, 46, 116 and 129/63/CEE and 59/64/CEE in respect of poultry eggs for hatching and live poultry not exceeding 185 grammes in weigt (5). These regulations, which

⁽¹⁾ Council Regulation No. 36/66/CEE, official gazette, No. 61, 31 March 1966.
(2) Council Regulation No. 21/66/CEE, ibid., No. 44, 11 March 1966.
(3) Commission Regulation No. 26/66/CEE, ibid., No. 51, 22 March 1966.
(4) Commission Regulation No. 18/66/CEE, ibid., No. 40, 5 March 1966.
(5) Council Regulation No. 19/66/CEE, ibid., No. 42, 8 March 1966.

concern the method of calculating the levies, have been extended until 31 October 1966. In Articles 5 and 6 of Regulation No. 129/63/CEE, amended by Regulation No. 126/65/CEE, the date of 1 April 1966 is replaced by 1 November 1966.

On 18 March 1966 the Commission adopted a regulation adjusting and fixing the sluice-gate prices, and fixing the levies, for imports of eggs and poultry from non-member countries in the second quarter of 1966 (1). This follows the change in feed-grain prices on the world market.

On the same date, by Regulation No. 25/66/CEE, the Commission fixed the intra-Community levies on poultry eggs for hatching (2).

The intra-Community levies on poultry eggs for hatching, laid down in Annex I of Regulation No. 92/65/CEE, are maintained until 30 June 1966.

Milk and milk products

33. A large number of regulations and decisions relating to milk and milk products were adopted by the Council and Commission during March 1966, the last month of the 1965/66 milk year. Some of these provisions concern measures to be taken in the new milk year. In addition, the situation on the butter market in the Community, which has been marked by increased output and the accumulation of large stocks of butter, was such that the Council and Commission had to adopt a number of provisions enabling Member States, in view of the state of their own markets, to resorb public or private stocks before the beginning of the new milk year.

On 30 March 1966 the Council adopted a regulation concerning prices for milk and milk products in the 1966/67 milk year, amending Council Regulation No. 113/64/CEE (3).

This regulation again narrows the bracket within which the Member States will fix their target prices. The lower limit has been fixed at 8.625 u.a. and the upper limit at 10.3 u.a. per 100 kg of milk with a fat content of 3.7%. Expressed in national currency, the limits are:

Limit	DM	FF	Lit.	Bfrs/Lfrs.	Fl.
Upper limit	41.20	50.85	6 437.5	515	37.29
Lower limit	34.50	42.58	5 390.6	431.25	31.22

Germany, Belgium, Italy and Luxembourg may not increase their target prices, while France and the Netherlands may increase theirs up to a limit of 9.465 u.a. per 100 kg.

In view of the reduction in aids in certain countries, alterations to the target prices, and the necessary changes in the market prices of milk products (butter, cheese, preserved milk), the Council has, as last year, also adopted measures amending the threshold prices for the 1966/67 milk year.

⁽¹⁾ Commission Regulation No. 24/66/CEE, official gazette, No. 51, 22 March 1966. (2) Commission Regulation No. 25/66/CEE, ibid.

⁽³⁾ Council Regulation No. 37/66/CEE, ibid., No. 61, 31 March 1966.

On 28 February 1966 the Council adopted a regulation relating to special measures concerning purchases of butter from private stocks by intervention agencies (1).

Under this regulation Member States may be authorized to buy some of the butter held in private stocks, in order to obviate the danger of the market being disrupted by a sudden release of butter at the end of the destocking period.

In pursuance of the latter regulation, and at the request of France, the Commission Decision of 4 March 1966 relating to special measures concerning private stocks of butter in France (2) authorized that country to arrange for 15 000 metric tons of butter to be purchased by the public intervention agency and to extend the destocking period until 15 May 1966 instead of 1 April as normally.

In addition, the Decision of 28 February 1966 on the disposal of private stocks of butter in Belgium (3) constitutes a special case of application of Council Regulation No. 13/64/CEE concerning the sale of private stocks of butter after conversion into rendered butter. This decision makes it possible for Belgium to grant aid for the rendering of privately held stocks of butter and for the sale of the rendered butter so produced, in order to stimulate the sale of butter by bringing it within the reach of more consumers.

The Commission Decision of 22 March 1966 authorized Belgium to take similar steps by selling public stocks of butter after rendering (4).

Under Commission Regulation No. 28/66/CEE of 23 March 1966 concerning the sale of public stocks of butter to processing industries at reduced prices (5) Member States may be authorized to dispose of public stocks of butter which is no longer of first quality by selling it to processors.

On 18 March 1966 the Commission adopted a regulation relating to the period of validity of the maximum amount of refund applicable to exports of certain types of rendered butter to non-member countries (6). The aim is, in view of the current large stocks of butter in the Community, to introduce special provisions concerning certain types of rendered butter into the system of refunds on exports to non-member countries, so that exporters of rendered butter may be able to enter into supply contracts with non-member countries for periods longer than those envisaged in the regulations already in force.

On 29 March 1966 the Council adopted Regulation No. 31/66/CEE determining the amount of aid granted for private storage of butter (7). The system at present in force is maintained until the end of the 1966/67 milk year.

On 30 March 1966 the Council adopted a regulation extending the period of validity of Council Regulation No. 113/64/CEE and amending the provisions of that regulation with regard to milk powder (8). Regulation No. 113/64/CEE is maintained for the 1966/67 milk year, and the minimum threshold price for milk powder for use in animal feed is modified. New provisions have been introduced to ensure more effective control of the use made of powders imported for human consumption or for animal feed.

⁽¹⁾ Council Regulation No. 16/66/CEE, official gazette, No. 37, 1 March 1966. (2) Commission Decision No. 66/170/CEE, ibid., No. 46, 17 March 1966. (3) Commission Decision No. 66/166/CEE, ibid. (4) Commission Decision No. 66/209/CEE, ibid., No. 65, 6 April 1966. (5) Commission Regulation No. 28/66/CEE, ibid., No. 55, 25 March 1966. (6) Commission Regulation No. 23/66/CEE, ibid., No. 50, 19 March 1966. (7) Council Regulation No. 31/66/CEE, ibid., No. 60, 30 March 1966. (8) Council Regulation No. 37/66/CEE, ibid., No. 61, 31 March 1966.

On the same date the Council adopted a regulation extending until 31 December 1966 Regulations Nos. 55 and 56/65/CEE concerning special provisions for the marketing of certain cheeses, and amending Regulation No. 56/65/CEE. The quantities fixed for France and Germany by the latter regulation have been increased (1).

On 25 March 1966 the Commission adopted Regulation No. 30/66/CEE extending certain provisions of Regulation No. 192/64/CEE relating to arrangements for intervention on the butter market (2). More particularly, the new regulation maintains for the 1966/67 milk year the maximum amounts of depreciation for public stocks of butter laid down in Article 12 of Regulation No. 192/64/CEE, and the part of the aid granted for private storage under Article 7 of the said regulation and corresponding to the normal depreciation of butter, depending on the period of storage. It was found that the provisions in question had provided satisfactory trading conditions for butter from both public and private stocks.

In addition, the Commission adopted a regulation fixing supplementary amounts for the 1966/67 milk year, to ensure Community preference in intra-Community trade (3). Having regard to the probable development of the markets, the supplementary amounts fixed are the same as those for the previous milk year, which fulfilled their purpose.

On 31 March 1966 the Commission adopted two decisions, one fixing maximum compensatory amounts for exports of milk products from the Netherlands and maximum subsidies for imports of butter into the Netherlands (4), and the other fixing maximum compensatory amounts for exports of butter from Luxembourg and maximum subsidies for imports of butter into Luxembourg (5).

For the two Member States that avail themselves of the authorization provided for in Article 10 of Regulation No. 13/64/CEE, these two decisions determine maximum compensatory amounts for exports and maximum subsidies for imports, in the light of the alterations that have been made for the new milk year to the amount of aid granted by the Netherlands and Luxembourg for the various products concerned.

Common price level

34. On 24 March 1966 the European Parliament's Agricultural Committee held an exchange of views with M. Mansholt, Vice-President of the EEC Commission, who presented the Commission's proposals on the establishment of a common price level for a number of important agricultural products, with a view to preparing the formal opinion that the Parliament will be required to give on these proposals.

During its meeting of 22 March, the Economic and Social Committee also began an examination of the Commission's proposals on prices and the preparation of its formal opinion on them.

Provisions governing refunds on exports to non-member countries

35. On 29 March 1966 the Council adopted a regulation extending until 31 August 1966 Council Regulation No. 88/65/CEE concerning refunds on exports of pigmeat, eggs and poultrymeat to non-member countries (6).

⁽¹⁾ Council Regulation No. 34/66/CEE, official gazette, No. 61, 31 March 1966.
(2) Commission Regulation No. 30/66/CEE, ibid., No. 59, 29 March 1966.
(3) Commission Regulation No. 29/66/CEE, ibid., No. 57, 26 March 1966.
(4) Commission Decision No. 66/221/CEE, ibid., No. 66, 7 April 1966.
(5) Commission Decision No. 66/222/CEE, ibid.
(6) Council Regulation No. 32/66/CEE, ibid., No. 60, 30 March 1966.

COMMON TRANSPORT POLICY

Consultative Committee on Transport (Article 83)

36. On 8, 9 and 10 March 1966 the Committee held a session at which it rendered an opinion on problems of supervision of capacity in goods transport by inland waterway.

ECSC/EEC Inter-Executive Working Party on transport

37. The Working Party met in Brussels on 25 March 1966. M. Coppé, Vice-President of the High Authority of ECSC, and M. L. Schaus, the member of the Commission with special responsibility for transport, were present.

The object of the meeting was to study, from the angle of the Rome and Paris Treaties respectively, the situation created by the introduction of special rail tariffs in favour of the Saar, allegedly to meet potential competition from the projected Saar-Palatinate canal.

Consultation procedure

38. In pursuance of the Council decision of 21 March 1962 on a prior examination and consultation procedure in respect of any arrangements planned by Member States likely to have a bearing on the common transport system, the Netherlands Government has communicated to the Commission proposed changes in the structure of tariffs applicable to whole-truck consignments carried by the Netherlands railways.

In the opinion it formulated on 23 March 1966 (1) the Commission noted that the essential purpose of the proposed arrangement was to bring freight rates closer to costs and stated that it had no comment to make.

SOCIAL POLICY

Equal pay for men and women — Article 119

39. On 15 March 1966 a meeting was held of the special working party studying equal pay for men and women (Article 119 of the Treaty).

Each delegation outlined developments in its country since 31 December 1964. This survey will be completed by a written note to the Commission before 25 March.

Field of application of social security

40. On 24 March a meeting of Government experts examined certain aspects of the application of social security, with particular reference to income ceilings in certain countries and to the social security of young people (apprentices, students, trainers, unemployed).

⁽¹⁾ See official gazette, No. 66, 7 April 1966.

Proceedings of the European Parliament

41. At its session of 7 to 11 March 1966, the Parliament held two debates, and adopted three resolutions, in the social field:

Debate on vocational guidance and training

42. The Parliament considered two reports drawn up by M. Sabatini for the Social Committee, one on the EEC Commission's draft recommendation to Member States on the development of vocational guidance, and the other on the Commission's programmes to promote a common policy on vocational training in general and on training in agriculture.

The two reports were debated concurrently on 11 March.

M. Sabatini said that the recommendation on vocational guidance aimed at improving the social situation, not only of young people, but also of adults by making it possible to choose a calling without haste or anxiety. He also stressed the optional character of vocational guidance, which respected the rights of the person, and pointed out that the most pressing need was to give young people more information so that they could choose their path and be clear about what they wanted, and also more documentation on actual opportunities in the various sectors.

The rapporteur emphasized the growing importance of vocational training following greater specialization of manpower and the increasing harmonization of the apparatus of production in general. He also drew attention to the need to set up vocational training centres and to produce an adequate number of qualified teachers and instructors.

M. Levi Sandri, Vice-President of the Commission with special responsibility for social affairs, replied to the debate. Training in agriculture, he said, had certain special aspects, because of the flight from the land; and there were special problems in the training of those who stayed on the land.

M. Levi Sandri went on to say that all the items on the Commission's programme were urgent; the Commission proceeded by order of priority.

The recommendation on vocational guidance was a first step towards concrete achievements on the Community plane. Referring to measures in this field advocated by other international organizations, in particular the International Labour Office, M. Levi Sandri hoped that the Commission's recommendation would prompt the Governments of the Member States to effective action.

He added that social problems would occupy an important place in the Community's first medium-term economic programme.

In its resolution concerning the draft recommendation for the development of vocational guidance, the Parliament emphasized the very special importance of such guidance for young people in the choice of their calling and for all workers changing their jobs. The Parliament also stressed the need to develop vocational guidance with a view to a new and effective training policy designed to meet the requirements of production.

A resolution of the Parliament approved the Commission's programmes in the field of common vocational training but urged the Executive to implement the various objectives by recourse to the most effective legal instruments (1).

⁽¹⁾ This resolution is given in an annex to the present Bulletin.

Debate on action by the Member States to implement the Commission recommendation concerning the co-ordination of social security systems applicable to workers moving within the Community

43. The Parliament passed a resolution on the action taken by the Member States following the above recommendation.

The rapporteur, M. Carcarterra, had pointed to some of the many measures already taken by the Governments, in particular the increase in funds allotted to the social services and the co-ordination of public and private action. The Parliament welcomed the effective measures thus introduced by the Governments to implement the recommendation. However, in the interest of further progress, it requested the Commission "to use the most effective legal instruments at its disposal", and hoped that its new proposals concerning the Social Fund would be adopted rapidly.

III. External relations

GATT

Multilateral negotiations

44. In the framework of multilateral negotiations in Geneva for a general cereals arrangement, the EEC Council, at its session of 22 March 1966, held an exchange of views on the level of international reference prices and on the principles and methods for joint international financing of the marketing of surpluses.

It may be recalled that the Council, at its meeting of 13 and 14 May, had drawn up directives concerning the outline arrangement proposed by the Community in the framework of the multilateral trade negotiations in GATT.

However, these directives did not include any details on the two basic points which were discussed at this session.

The Commission will work out proposals on these two points for submission to the Council for its session of 4 and 4 April 1966.

BILATERAL RELATIONS

Austria

45. A second Commission report to the Council on the results of the first phase of negotiations with Austria has been drawn up. It deals with the general problem of the harmonization of the economic policies of the Community and Austria and with the institutions required for the proper functioning of the future agreement.

INTERNATIONAL ORGANIZATIONS

The European Free Trade Association (EFTA)

46. An exchange of views between officials of the EEC Commission and the EFTA General Secretariat was held in Brussels on 22 March 1966. Three subjects were discussed: non-tariff obstacles to trade, short-term economic policy and the international comparability of statistics on national accounts and payments balances.

Western European Union (WEU)

47. The WEU Council of Ministers met in London on 15 and 16 March 1966. As in the past, the second day was given over to economic questions and the Commission was represented by M. Rey, the "external relations" member. The agenda called for a review of the economic situation and outlook in EEC, the United Kingdom and EFTA, as well as the problems of UNCTAD, the Kennedy round and relations between EEC and the United Kingdom.

The Council of Europe

48. The Committee of Ministers of the Council of Europe met in Strasbourg on 21 March 1966. Representatives of the Community took part in this meeting, which mainly dealt with the programme for the Council's inter-governmental activities.

Organization for Economic Co-operation and Development (OECD)

49. The Commission was represented at the meeting of OECD's Economic Policy Committee on 15 and 16 March, at which the economic situation in the United States, the United Kingdom, Germany, Italy, Japan, France and Belgium was examined.

As regards the United States the Committee expects that rapid expansion will continue. The American authorities foresee an improvement in the visible trade balance and they firmly intend to attain balance in the current account for 1966 as a whole.

The Committee noted that the United Kingdom had succeeded in reducing its external deficit in 1965. It expected that in 1966 internal demand in that country will continue to expand slowly and that the pressure of demand will weaken.

At this meeting the Economic Policy Committee also examined the changes in international capital movements in 1965 resulting from the United States Government's programme of voluntary restriction and considered the outlook for the year to come.

For its part the Economic and Development Review Committee surveyed the economic position during the year in Italy, the Netherlands and Sweden.

The Commission also participated in the meeting of the Plenary Trade Committee on 17 and 18 March. Full discussion was given to questions concerning the World Conference on Trade and Development (UNCTAD), the results of the third session of the Council of this organization, and preparations for the fourth.

The confrontation of commercial policies and practices between Japan and the other Member States also took place in March. First, the Japanese delegation explained their country's policies and practices as regards import procedures in liberalized and non-liberalized sectors and other questions of interest to Japan's trading partners. In the second part of this exercice, the Japanese delegation drew its OECD partners' attention to the restrictions on Japanese imports still existing and to certain "voluntary restrictions" on exports.

The working party on agricultural policies of the Committee for Agriculture examined the Community's policy. The Community's representatives described the various aspects of the common agricultural policy and replied to numerous questions put by delegates of non-Community countries belonging to OECD.

THE COMMUNITY AND THE DEVELOPING COUNTRIES

Trade and Development Board (UNCTAD)

50. The UNCTAD Committee on Manufactures held the second part of its first session in Geneva from 28 February to 9 March 1966, the first part having taken place from 10 to 20 July 1965. Germany, Belgium, France, Italy and the Netherlands were represented in their capacity as members of the Committee; the Community sent observers.

The Committee first studied problems of its own internal organization and programme of work. A special working party was set up to examine the problem of preference which the industrialized countries might grant the developing countries. It will hold its first meeting in Geneva from 26 July to 12 August 1966.

The Committee then turned its attention to the question of trade promotion for developing countries' manufactures imported into the advanced countries. The advisability of setting up an international centre for commercial information and trade promotion under the aegis of UNCTAD was discussed, with due regard to the activities of the existing GATT centre for trade information services. It was generally agreed that there was no urgent need for a new centre of this kind.

The activities of the national central services in the industrialized countries with a market economy were also reviewed.

The Committee has undertaken a study of the industrial sectors whose expansion could help the developing countries' exports to industrialized countries. Subject to approval by the Board it was decided to set up a special working party on forestry products and articles made of wood.

The next session of the Committee on Manufactures will be held in Geneva from 1 to 18 November 1966.

IV. The Community and the associated States

ASSOCIATION OF GREECE WITH THE COMMUNITY

51. The EEC-Greece Council of Association held its 17th session on 23 March 1966 at ministerial level. M. Fischbach, President of the EEC Council, was in the chair.

The Council reviewed several questions of relations between the Community and Greece, in particular the dismantling of tariffs on tobacco and the application of the Financial Protocol to the Athens Agreement.

On 1 July 1966 the Member States, in conformity with an EEC Council Decision of 22 March, will apply between themselves a customs duty equivalent to 25% of the duty in force on 1 January 1957 for tobacco and tobacco refuse (24.01). This will be reduced to 20% on 1 January 1967. This decision, which is in response to a request submitted by Greece towards the end of last year, will bring the reduction of the original duties on Greek tobacco imports into the Community from 70% to 75% and then to 80%.

Under the terms of Protocol 15, customs duties on imports of Greek tobacco into the Member States will be abolished at the latest by 31 December 1967.

The Council of Association also examined the application of the Financial Protocol to the Athens Agreement. In conformity with this protocol the Community may during the first five years of the Association grant loans to Greece up to a total of \$125 m. to finance investment projects which will help to increase the productivity of the Greek economy and serve the aims of the Agreement.

The Council also held a brief exchange of views on the trend of trade between the Community and Greece.

ASSOCIATION OF TURKEY WITH THE COMMUNITY

52. The EEC-Turkey Association Council held its third session on 23 March 1966 at ministerial level. M. Fischbach, President of the EEC Council, took the chair.

The Council adopted its first annual report to the Joint Parliamentary Committee of Association. This report covers the period between the entry into force of the Agreement (1 December 1964) and 31 December 1965. It comprises *inter alia* a chapter on the institutional development of the association, a chapter on trade relations between EEC and Turkey which examines how far the quotas opened by the Member States for this country in conformity with the provisional protocol to the Ankara Agreement have been taken up, a chapter on the implementation of the Financial Protocol, and a final chapter on several minor questions concerning the functioning of the Association.

The Council then reviewed the results of the Association system in general.

The Turkish Minister of Foreign Affairs, M. I.S. Caglayangil made a general statement on the results attained since the Association Agreement came into force. Turkey's development plan and association with the EEC were following parallel courses.

The Council session was preceded by a preparatory meeting of the EEC-Turkey Association Committee on 15 and 16 March 1966.

THE ASSOCIATED AFRICAN AND MALAGASY STATES

The Association Committee

53. The EEC-AAMS Association Committee held its 8th meeting on 18 March 1966 under the chairmanship of M. Sidi Touré (Togo). It studied certain problems arising in the implementation of the Yaoundé Convention.

In particular it examined the question of the definition of "products originating" and noted on the one hand that the effective date of the decision laying down this definition could not yet be fixed and on the other that the Community had not yet reached agreement concerning the products provisionally excluded from the decision but would present proposals at the next meeting of the Association Committee.

The problem of marketing products originating in the AAMS, which is the subject of Annex VIII to the Convention, was also examined. On a proposal of the AAMS the Community agreed that a committee of alternates should meet at the beginning of April 1966 to establish terms of reference for a joint group of experts which would study the problem with a view to finding practical solutions.

The Association Committee then began preparations for the meeting of the Association Council to be held on 18 May at Tananarive (Madagascar): the draft agenda of this meeting was examined.

Certain Associated States have supplied the details requested by the Community regarding their customs tariffs and the quantitative restrictions they applied. In particular these concerned restrictions on imports of petroleum products in Ivory Coast, heavy trucks in Senegal and TV sets in Madagascar.

Finally, the Community drew the attention of the AAMS to the provisions of Article 12 of the Convention on trade policy measures and the information and consultation procedures relating to them.

Debate in the European Parliament on the results of the second meeting of the Parliamentary Conference of the Association

54. On 11 March 1966 the Parliament held a debate on the second meeting of the Parliamentary Conference of the Association held in Rome from 6 to 9 December 1965. A report by M. Metzger on behalf of the Committee for co-operation with the developing countries formed the basis of the discussion.

Presenting his report, M. Metzger pointed out that the Parliamentary Conference in Rome had strengthened co-operation between parliamentarians from the two groups of countries, and stressed the importance of such co-operation.

As to the requirements of the African States, the rapporteur stated that cultural aid was of capital importance — even more important as a foundation than economic and social aid. M. Metzger also said that further training of scholarship holders in Europe was nor enough and that provision should be made for a programme of training on the spot. He added that the abolition of customs duties and the introduction of freedom of establishment were matters which also called for attention.

On behalf of the Commission, M. Levi Sandri, one of its Vice-Presidents, associated himself with the rapporteur's remarks.

The Parliament then adopted a resolution stating its agreement with the conclusions of the Conference and recommending to the Council and Executives of the Communities that they take all necessary actions to attain the objectives laid down by the resolution.

The Parliament also hoped that the establishment of a single Executive for the Communities would help to strengthen co-operation between the latter and the associated African and Malagasy States along the lines laid down by this resolution.

EUROPEAN DEVELOPMENT FUND

Financing decisions

55. After endorsement by the EDF Committee on 22 March 1966, the Commission, on 31 March, approved a grant for the third annual tranche of aid to production in the Central African Republic amounting to 1 107 000 u.a. This aid is for the structural improvement of cotton growing (use of fertilizers and insecticides) and for price support. The structural improvement of coffee growing (again fertilizers and insecticides) is a further aim.

Signing of a financing agreement

56. On 23 March 1966 the Community and the Republic of Niger signed an agreement for the second annual tranche of aid to production in Niger. The essential aim of this tranche, which amounts to 1 781 000 u.a., is the structural improvement of groundnuts production and price support for this product; and, to a lesser extent, structural improvement and price support for cotton growing.

Co-operation with Euratom

57. Several discussions took place in March 1966 between leading EDF officials and the competent Euratom departments. Schemes for the application of nuclear techniques to the problems of the associated countries were examined, in particular the plans to eradicate tsetse fly (control of tripanosomiasis) in the Central African Republic and to eliminate tapeworm from butchers' meat in Chad.

V. Institutions and organs

THE EUROPEAN PARLIAMENT

The annual session of the Parliament opened in Strasbourg on 7 March 1966, M. Granzotto Basso, presiding as the oldest member present. The President reviewed the arguments in favour of European integration, spoke of the disquieting revival of nationalism, and urged close co-operation between all federalist and European forces.

The Parliament then proceeded to the election of its new President, by secret ballot. M. Alain Poher (France, Christian Democrat) was elected by 73 votes to 41 for M. Francis Vals (France, Socialist). The Vice-Presidents were then elected by acclamation; they are, in order of precedence, MM. Kapteyn, Battaglia, Vendroux, Furler, Wohlfahrt, Berkhouwer, Carboni and Metzger. The membres of Committees were also elected.

In a speech upon his investiture, M. Poher gave a brief review of the Parliament's history and added that, after the crisis through which it had just passed, the Community of the Six could not hope for institutional developments in the near future. He therefore called upon the Parliament to make use of the intervening period to improve its working methods. M. von der Groeben, speaking for the EEC Commission, and M. Linthorst Homan, on behalf of the ECSC High Authority, congratulated the new President on his election.

At this session, the Parliament held several debates, of which the two most important were the political debate on the present position of the Community and the economic debate which is summarized in the Chapter on "Internal Activities" under the heading "Economic and Financial Policy".

Debate on the present position of the Community

The debate was based on a report drawn up by M. Metzger on behalf of the Political Committee. The President of the Council, M. Fischbach, was present but did not speak in the debate.

Introducing his report, M. Metzger urged the Parliament to adopt a firm position, without allowing itself to be paralysed by the fear of another crisis. Referring to the problems discussed at Luxembourg, he said that care must be taken above all to see that the Treaty was applied.

The Political Committee was glad that an agreement of principle had been achieved and that the Council was again working normally since, in view of the very high degree of interdependence that had been achieved between the six economies within the Common Market it would have been very harmful to the Community had the situation been prolonged; to stand still or turn back would mean the end of the Community. Nevertheless, the Political Committee could not but express certain doubts and reservations; although it was convinced that the Council would always try to reach solutions acceptable to all parties, it considered that the Treaty would be violated if a decision that was necessary to safeguard or develop the Community. and which could be taken by a majority, were postponed indefinitely in the hope of achieving unanimity. Moreover, the Political Committee welcomed the declaration concerning co-operation between the Council and the Commission. It considered that the Treaty conferred on the Commission all the powers and authority necessary for

the fulfilment of its tasks, and thought that, in matters concerning co-operation with the Commission the Council ought to discuss its views with the present Commission. It was surprised that the Executives had not been officially informed of the declaration adopted at Luxembourg, and hoped that joint discussions would begin as soon as possible. Lastly, the Political Committee regretted that the Council had not touched upon the problems of the democratic structure of the Communities and the role of the European Parliament.

For the Christian-Democrat group, M. Illerhaus said that at Luxembourg the Council had arrived at a compromise formula which made it impossible to speak of winners or losers and provided a way out of the difficulties created by the crisis. Certain tendencies and procedures which would result in a complete return to the system of bilateralism must, however, be resolutely opposed.

M. Illerhaus then examined the seven points concerning co-operation between the Commission and the Council (1), stressing that fidelity to the Treaty was the only answer to the crisis, for the Community, "which possessed neither divisions, bombs, nor rockets", had no force available to it save that of law.

In conclusion, he said that the authority of the Community must be restored as quickly as possible and that this could only be done by strengthening the Community and giving it a democratic structure.

On behalf of the Socialist group, M. Vals said that he feared the Community had not emerged unscathed from its seven month's paralysis, and hoped that the Luxembourg compromise did not mean that Europe's first concrete achievements had been undermined. The power of persuasion embodied in the majority vote might well become a sword of Damocles, for "the paralysing fear of provoking a fresh crisis would now become the decisive factor". Recalling the seven points concerning relations between the Council and the Commission, M. Vals expressed some misgivings as to their content. He was also against the idea of rotation in the office of President of the Commission, believing that this would weaken the Commission. For all these reasons, he said, the Socialist group held that instruments of ratification relating to the Treaty merging the Executives should not be deposited until two conditions had been fulfilled: "maximum guarantees as to the composition of the single Commission, and an assurance ... that the establishment of the new machinery would not weaken the Commission's authority".

The new President of the European Democratic Union group, M. Terrenoire, disputed the construction set upon the Luxembourg agreements by previous speakers, and said that in many respects M. Metzger's report was an attack on a new trend imputed to the Council and the French Government.

Examining the different points relating to co-operation between the Commission and the Council, M. Terrenoire declared that several of them had already been current practice for some time, and that others were less important than had been said. He then put forward a number of arguments in support of the French Government's attitude on these matters and on the question of qualified majority vote and the use that should be made of it.

M. Terrenoire concluded by asserting that the objectives of the Treaty would not be attained unless a common political will made itself felt, as at the Luxembourg meeting in January.

⁽¹⁾ See Bulletin 3-66, "Extraordinary session of the Council".

Speaking for the Liberal group, M. Pleven concurred with M. Illerhaus's comments on the Luxembourg meeting. In particular, he said that if there was a genuine desire to get the European machinery working again as soon as possible it was imperative to put a speedy end to the uncertainty caused by delay in merging the Executives.

M. Pleven did not think that the real cause of the crisis of 30 June lay in the problem of agriculture. The crisis was "a symptom of something much deeper and much more serious which we must have the courage to face up to". In conclusion he urged the Governments of the Five to respond to France's call for a new political impetus.

M. Scelba, Christan Democrat, said that he considered the Luxembourg agreements fully compatible with respect for the European Treaties, and that they contained some useful points. However, he emphasised the need for progress towards political union.

For the EEC Commission, M. Levi Sandri, Vice-President, expressed satisfaction at the resumption of normal working, and gave his opinion on several points raised in M. Metzgers report (1).

The resolution (2) was adopted almost unanimously by those present, only one vote being cast against it — by M. Vredeling, who said that he could not support a resolution expressing the Parliament's satisfaction with the results of the Luxembourg meeting when it was clear that these implied a violation of the Treaty. No member of the European Democratic Union group was present in the Chamber when the vote was taken.

Debate on the European schools

M. Merten, the rapporteur for the Research and Cultural Affairs Committee, began by recalling the contribution that the European schools had made towads strengthening the European idea in education in general through the repercussions or their teaching on the curricula of ordinary schools. He added that the European schools helped to encourage greater mobility among technical, commercial and scientific personnel.

Numerous questions were raised during the debate, in which several members took part. These included the creation of a European teacher-training institute, the choice of school text-books, and the extension of the European schools system to technical education. The proposals in the report were supported by the Executives of the three Communities, represented by M. Levi Sandri, Vice-President of the EEC Commission, M. Coppé, Vice-President of the ECSC High Authority, and M. Margulies, a member of the Euratom Commission.

The Parliament unanimously adopted a resolution calling upon the Member States to give active encouragement to the European schools, as an experiment in international education, by affording them all the support they needed as regards teaching staff, finance and administration so that they might fulfil the purpose for which they were created, in the best possible conditions and up to highest educational level.

The Parliament also called for the creation of a European teacher-training institute under the auspices of the Council of the European schools.

⁽¹⁾ For the full text of this declaration, see Bulletin 4-66.

⁽²⁾ For the full text of this resolution, see the Annex to this Bulletin.

Debate on the creation of a European sports diploma

On 10 March 1966 the Parliament held a debate on this subject, based on a report prepared by M. Bernasconi in the name of the Research and Cultural Affairs Committe.

The rapporteur pointed out that sport could play an extremely valuable part in giving young people a sense of European solidarity through joint sports events. Such events would be open to young people aged between 12 and 16, and a diploma would be awarded. M. Bernasconi pointed out that the problem did not arise where young people over 16 were concerned, as the Committee of Ministers of the Council of Europe had in 1963 instituted a diploma which they could take. This method of making young people aware of their common membership of the European community would, he added, supplement what was being done in the way of information, which mainly concerned the over 16's.

The Parliament unanimously adopted a resolution calling upon the Member States to conclude an intergovernmental agreement with a view to instituting a European sports diploma, in the four Community languages, which could be awarded to nationals of the EEC countries between the ages of 12 and 16.

During this session the Parliament also passed resolutions:

On economic policy

i) Resolution on the EEC Commission's report on the economic situation in the Community in 1965 and the outlook for 1966 (see Annex to this Bulletin).

On the approximation of tax legislation

- ii) Resolution on the proposal for a second directive for the harmonization among Member States of turnover tax legislation, concerning the form and methods of application of the common system of taxation on value added (see Ch. II, sec. 17).
- iii) Resolution on the amended proposal for a first directive for the harmonization among Member States of turnover tax legislation (see Ch. II, sec. 17).

On budgetary questions

- iv) Resolution on the draft budget of the European Economic Community for the 1966 financial year (see Ch. V, Administrative Affairs).
- v) Resolution on the draft statement of the accounts of the European Parliament for the 1965 financial year.

On social policy.

- vi) Resolution on the draft recommendation of the EEC Commission to the Member States concerning the extension of vocational guidance (see Ch. II, sec. 42).
- vii) Resolution on the EEC Commission's programmes for a common policy on vocational training in general and in agriculture (see Annex to this Bulletin).
- viii) Resolution on the action taken by Member States on the EEC Commission's recommendation concerning the work of social services for workers who move from one Community country to another (see Ch. II, sec. 43).

On the Associated African and Malagasy States

ix) Resolution on the results of the second meeting of the Parliamentary Conference of the Association (see Ch. IV, sec. 54).

Miscellaneous

- x) Resolution on the present position of the European Community (see Annex to this Bulletin).
- xi) Resolution on the European schools and their development.
- xii) Resolution on the creation of a European sports diploma.
- xiii) Resolution on the submission by the EEC Commission of a report on the results achieved during the second stage and of an action programme for the third stage of the transition period.
- xiv) Resolution on the procedure for examining the General Reports on the activities of the European Communities.
- xy) Resolution on the European Communities' contribution towards relieving famine in India (by putting all available quantities of essential foods at India's disposal).

COURT OF JUSTICE OF THE EUROPEAN COMMUNITIES

Cases pending

Case 4/66 (1) - Mme J.E. Hagenbeek, widow, v. Raad van Arbeid, Arnhem.

On 16 February 1966 the "Raad van Beroep" submitted to the Court of Justice a request for a preliminary ruling on the interpretation of Regulation No. 3 of the EEC Council concerning social security for migrant workers. The request relates in particular to the effect on Articles 27 and 28 of the provisions of Annex G III (b) with regard to the application of Dutch legislation.

Case 6/66 (2) — Official of the Commission v. EEC Commission.

This suit, filed on 22 February 1966, is for annulment of the decision taken by the Directorate-General of Administration on 23 November 1965 demanding repayment by the plaintif of family allowances that had been paid to him in error.

Case 7/66 (2) — P. Kruse, Hamburg v. EEC Commission.

This action for damages under Articles 215, second paragraph, of the Treaty was brought before the Court of Justice on 28 February 1966; it arises out of the Court's ruling of 1 July 1965 (consolidated cases 106 and 107/63) which annulled the Commission's decision of 3 October 1963 maintaining a safeguard clause against imports of maize into Germany.

Case 8/66 (2) - S.A. Cimenteries C.B.R. Cementbedrijven N.V. and others v. EEC Commission (suit filed with the Court on 2 March 1966).

⁽¹⁾ Official gazette, No. 46, 17 March 1966. (2) ibid., No. 52, 23 March 1966.

Case 9/66 (1) - EMIJ N.V. (Cementfabriek Ijmuiden) v. EEC Commission (suit filed on 9 March 1966).

Case 10/666 (1) — ENCI N.V. (Eerste Nederlandse Cementindustrie) v. EEC Commission (suit filed on 9 March 1966)

Case 11/66 (1) — Alsensche Portland-Cement-Fabrieken K.G. and others v. EEC - Commission (suit filed on 9 March 1966).

These four cases are appeals against communications issued by the Commission under Article 15(6) of Council Regulation No. 17 and termed "decisions" by the plaintiffs. Cases 9/66 and 10/66 also challenge Article 15(6) of Council Regulation No. 17 itself.

Judgments

Case 48/65 (2) — Alfons Lütticke GmbH and others v. EEC Commission.

The main plea of this application under Article 173 was against a letter — termed "decision" by the plaintiffs — informing them that the Commission saw no reason to take action against the Federal Republic of Germany for the imposition of a countervailing charge on imports of milk powder. In a secondary plea, the plaintiffs, invoking Article 175, claimed that the Commission's failure to act was a violation of the Treaty.

On 1 March 1966 the Court of Justice rejected the plaintiff's two pleas as inadmissible.

THE COUNCIL

178th session

The 178th session of the Council was held on 7 and 8 March 1966 under the chairmanship of M. J.P. Buechler, State Secretary in the Luxembourg Ministry of Agriculture.

This meeting was concerned with questions of common agricultural policy and the Council dealt in particular with the following matters:

Beef and veal: The Council approved a regulation concerning guide prices in the beef and veal sector for the marketing year beginning on 4 April 1966 (see Chap. II sec 30).

Milk and milk products: The Council approved a regulation concerning prices in the milk and milk products sector for the 1966/67 marketing year (see Chap. II sec. 33).

Time-table for decisions on agricultural matters and programme of work:

The Council agreed in principle to most of the dates for the main decisions still outstanding to complete the common agricultural policy.

Miscellaneous decisions: The Council approved, in the Community languages, the regulations on pigmeat, beef and veal, and eggs and poultry (see Chap. II secs 30, 31 and 32).

⁽¹⁾ Official gazette, No. 63, 2 April 1966. (2) ibid., No. 56, 26 March 1966.

The Council decided to refer the following proposals to the European Parliament and the Economic and Social Committee:

- i) A draft Council decision setting up a committee on foodstuffs;
- ii) A proposal for a Council directive amending the Council directive of 5 November 1963 concerning the approximation of legislation on permitted preserving agents in foodstuffs for human consumption;
- iii) A proposal for a Council directive amending the Council directive concerning the approximation of legislation on permitted colouring matters in foodstuffs for human consumption;
- iv) A proposal for a Council directive on the communication to the Commission of statistical information concerning capital movements to and from non-member countries;
- v) A Commission recommendation for a Council decision for consultation within the Community on national policies in the matter of capital movements from non-member countries.

The Council also decided to refer to the European Parliament the Commission's memorandum to the Council on the establishment of a common price level for milk and milk products, beef and veal, sugar, rice, fats and olive oil, to which is appended a proposal for a Council resolution on these matters.

179th and 180th sessions

The 179th and 180th sessions of the Council were held on 21 and 22 March 1966, M. J.P. Buechler, State Secretary in the Luxembourg Ministry of Agriculture, and M. P. Werner, Prime Minister and Minister for Foreign Affairs of the Grand Duchy, presiding in turn.

The Council dealt with the following questions:

Multilateral negotiations in GATT (see Chap. III, sec. 44).

Financing of the common agricultural policy: On the basis of a report by the Committee of Permanent Representatives, the Council continued its study of the financing of the common agricultural policy (see Chap. III, sec. 28).

Miscellaneous decisions: The Council decision to grant duty-free quotas for newsprint for the period 1 April to 31 December 1966 to the Federal Republic of Germany and France (see Chap. II, sec. 3).

The Council decided to refer to the European Parliament and the Economic and Social Committee the following proposals:

- a) Amendments submitted by the Commission to its proposal for a regulation establishing a rate bracket system for goods transport by rail, road and inland waterway;
- b) Proposal for a Council directive to unify regulations on brakes for certain categories of motor vehicles.

181st session

The 181st session of the Council was held on 28 and 29 March 1966, M. J.P. Buechler, State Secretary in the Luxembourg Ministry of Agriculture, presiding.

The Council approved the text in the Community languages of the regulations fixing common quality standards for garden cabbages, Brussels sprouts and ribbed celery.

It also adopted the regulation on prices for milk and milk products. The threshold price level fixed by this regulation is given in Chapter II, sec. 33. The Council further adopted in the Community languages the regulation fixing the amount of aids granted for private stocking of butter, which maintains the system at present in force. This regulation will become effective on 1 April 1966, and apply until the end of the 1966/67 milk year.

The Council adopted the regulation extending the validity of Regulations Nos. 55/65 and 56/65 concerning the disposal of certain cheeses on the markets of Member States, and amending Regulation No. 56/65 (see Chap. II, sec. 33).

In this context the Council also held an exchange of views on the efforts of Committee 111 to arrive at a final solution, in particular its consideration of the unbinding in GATT of Cheddar and Emmenthal cheeses.

The Council adopted in the Community languages the regulation extending for one month Regulation No. 3/66 on certain exceptions in the matter of imports of chilled beef and veal from non-member countries.

The Council agreed to authorize the Italian Republic to suspend, completely and simultaneously with respect to all non-member countries, customs duties and levies on live animals of the bovine species, of domestic species, other, of a unit weight not exceeding 340 kg.

As regards cereals conversion products the Council adopted in the Community languages a regulation extending until 31 August 1966 the validity of Regulation No. 88/65 (export refunds for pigmeat, eggs and poultrymeat).

Finally, the Council adopted a regulation extending until 30 June 1966 Regulation No. 130/65 (production refund for maize groats and meal used in the brewing industry).

The Council postponed consideration of the problems involved in common market organization for the sugar, fruit and vegetables, and fats sectors until its meeting of 21 April.

THE MONETARY COMMITTEE

The 81st meeting of the Monetary Committee was held on 5 March 1966 in Paris under the chairmanship of M. Van Lennep. The Committee studied ways and means of improving the international monetary system.

A Working Party of the Committee met on 25 March 1966 in Paris to prepare business for a meeting on 4 and 5 April 1966 at which the Committee will study the monetary and financial situation of France.

ADMINISTRATIVE AFFAIRS

Budget

At its session of 7 to 11 March 1966, the European Parliament studied the report of M. De Gryse, rapporteur for the Budget and Administration Committee, on the draft EEC budget for the financial year 1966.

In the resolution adopted the Parliament particularly stressed the conservatory and provisional character it attributes to this budget: the debate had shown that even if the Parliament refrained for the time being from proposing changes this was mainly to enable the institutions to have a final budget available and to put an end to the system of "provisional twelfths" which was necessitated by circumstances after 1 January 1966.

The Parliament therefore invited the EEC Commission to prepare, and the Council to establish, with the least possible delay, a draft supplementary budget for 1966, which would include appropriations for the following purposes:

- a) Adaptation of the Commission's establishment to its growing tasks in the various sectors;
- b) Conduct of certain surveys requested by the Statistical Office of the European Communities, particularly on social affairs, agriculture, transport, the economic situation and investment;
- c) A common rapid vocational training programme to remedy a certain scarcity of skilled manpower in the Community;
- d) Special measures in favour of redundant sulphur mine workers;
- e) Financing of a study mission to the African States and Madagascar by members of the Development Fund Committee.

Staff movements

- M. Adolphe De Baerdemaeker, Director charged with special tasks and negotiations in the Directorate-General of External Relations, has been appointed permanent Commission delegate to OECD with effect from 15 April 1966.
- M. Johannes Westhoff, divisional head in the Directorate-General for Agriculture, has been appointed Director of General Affairs in the Directorate-General for Overseas Development.
- M. Peter Moeckel has been appointed Head of the Division for the co-ordination of monetary and financial policies in the Directorate for monetary matters of the Directorate-General of Economic and Financial Affairs.
- M. Bernard Molitor has been appointed Head of the Division for medium-term economic policy programmes in the economic structure and development Directorate of the Directorate-General for Economic and Financial Affairs.
- M. Gianpietro Morelli has been appointed Head of the capital movements Division in the Directorate for monetary matters in the Directorate-General for Economic and Financial Affairs.

The resignation of M. Roger Touzelet, Head of the customs legislation division in the Directorate for Customs in the Directorate-General for the Internal Market has been declared final with effect from 1 May 1966.

MISCELLANEOUS

Visit of African leaders to the Commission

A number of leaders from Associated States came to Brussels in March. From the 15th to the 18th a delegation from Upper Volta headed by M. Daimba, Minister of Development, examined, with departments of the European Development Fund, several

projects at present under study, in particular those concerning water supply and electrification in Koudougou. These were linked with the building of a cotton-mill which France and the Federal Republic of Germany were planning to finance jointly. On the 28th, the Minister of Public Works of Dahomey studied with the European Development Fund projects of interest to his department now being worked out or implemented. On the 29th a similar approach was made on behalf of the Republic of Congo by M. Matsika, Minister of Planning, and M. Mounbouno, General Commissioner for Planning.

Resolutions of the Executive Committee of the European Trade Unions Secretariat

The Executive Committee of the European Trade Unions Secretariat, which comprises the free trade unions of the Common Market countries (ICFTU), met in Brussels on 17 March under the chairmanship of M. Bruno Storti (Italy).

The Executive Committee reviewed the political situation in the Community after the Luxembourg Conference. It noted with concern that the work of the EEC, particularly in the social field, was handicapped by the unco-operative attitude of certain governments as regards the powers of the Commission and collaboration between management and workers in the field of social harmonization. It protested strongly against this attitude.

Speaking of the possibility of representatives of the CGT (France) and the CGIL (Italy), two trade-union organizations of Communist allegiance, being accepted as members of the Economic and Social Committee, the Executive Committee reaffirmed the stand taken in 1964 by the General Assembly of free Trade Unions in the Common Market expressly rejecting all contacts with organizations affiliated to the Communistic World Federation of Trade Unions.

Establishment of association of former Community trainees

On 17, 18 and 19 March a seminar arranged on the initiative of the Commission brought together about 300 of its former trainees. The aim was to maintain contacts between former trainees and the Administration, to keep them abreast of the Community's progress and also to select those best qualified to keep their respective countries informed of the Community's activities. After a number of speeches, in particular M. Levi Sandri, Vice-President of the Commission, and several Directors-General or Directors, the seminar ended by inaugurating an association of former Community trainees.

Family budgets in Belgium - a study by the Statistical Office of the Communities

The Statistical Office of the European Communities has devoted the second of a series of eight volumes to a broad survey of family budgets which it has organized in co-operation with the national statistical institutes of the six Member States. This volume of about 700 pages, published in the Social Statistics series, deals with Belgium, where more than 4 800 families of workers and employees, civil servants and farmers contributed to the inquiry carried out during the 1963/64 financial year. The three above-mentioned social and occupational sections to which these families belong represent about 60% of the total population.

The results of the inquiry mainly concern what the Statistical Office calls indicators of living-standards, for instance the possession of a dwelling, car, refrigerator, washing-machine, television, etc. The inquiry also provides abundant information on the amount and pattern of household expenditure on 286 different articles and services. As well as expenditure on foodstuffs, data on the quantities of food products consumed are given.

European Colloquia at the Free University of Brussels

On 1 March 1966, M. Jean Duvieusart, former President of the European Parliament, spoke to the Institute for European Studies of the Free University of Brussels on the role of the European Parliament and the national parliamentary institutions in the development of the Communities.

A colloquium on the subject of the European Communities and East-West relations was also arranged on 31 March jointly by the Free University Study Centre for the eastern countries and the Belgian National Centre for the study of problems of European sociology and economy. M. Jean Rey, a member of the Commission and M. Dehousse, Senator and former Minister, spoke on the Community's external trade problems.

German Council of the European Movement

On 6 March, the German Council of the European Movement elected M. Ernst Majonica as President and re-elected M. Fritz Erler and M. Friedrich Carl von Oppenheim as Vice-Presidents.

VI. European Investment Bank

a) On the 22 March 1966, a loan agreement was signed in Brussels by the "Energieversorgung Weser-Ems Aktiengesellschaft (E.W.E.)", Oldenburg (Oldbg.), and by the European Investment Bank, for the financing of the development, in the North of Lower Saxony, of the distribution of natural gas.

Energieversorgung Weser-Ems Aktiengesellschaft is the only electricity and natural gas company in the North of Lower Saxony. The project covers the building of three natural gas high pressure pipe lines, together with the relative control stations and will result in the opening up of new markets for natural gas, especially in industry. Lastly, the project is of interest to the European Economic Community insomuch as it affects border regions common to two member countries and provides for the supply, by the Netherlands to the EWE, of a certain quantity of the required natural gas.

The total cost of the project will be DM 50.9 million (12.7 million units of account) to which the Bank will contribute with a loan equivalent to DM 20 million (5 million units of account).

The loan is covered by the joint guarantee of the Staatliche Kreditanstalt Oldenburg-Bremen.

b) On 31 March 1966, the European Investment Bank concluded a loan agreement with the firm SOCATRAL, Société camerounaise de transformation de l'aluminium, for the financing of an aluminium laminating mill located at Edea (Cameroons).

The Mill lies in the proximity of a reduction plant belonging to ALUCAM, Compagnie camerounaise de l'aluminium Pechiney-Ugine which will provide technical aid It will produce laminated products such as metal strips for the manufacturing of aluminium sheeting and lids as well as for the making of houshold wares. The production capacity of the financial project will be 8 500 t per year.

This mill is the first plant of its kind to be installed in the African countries which are associated with the European Economic Community.

The total cost of the project will be about 940 million francs CFA (3.8 million units of account) to which the bank will contribute a loan equivalent to 300 million francs CFA (1.215 million units of account).

The loan is covered by a joint guarantee of the Federal Republic of the Cameroons and the firm ALUCAM.

The guarantee was signed by His Excellency M. Daniel Masuke, Minister of Economic Affairs and Planning of the Federal Republic of the Cameroons, and by M. Jean Matter, Honorary President of ALUCAM.

This loan constitutes the second intervention of the Bank in the Federal Republic of the Cameroons under the terms of the Yaoundé Convention between the European Economic Community and the seventeen African countries and Madagascar who are associated with the Community.

ANNEX

EUROPEAN PARLIAMENT

Resolution on the action programmes of the EEC Commission in pursuance of a common policy for vocational training in general and for training in agriculture

The European Parliament,

- 1. Recalls its earlier resolutions on this subject (1);
- 2. Emphasizes the importance of vocational training for the progress of modern society;
- 3. Affirms the need for an official Community policy in this matter, which is inseparably linked with employment policy, particularly from the angle of its implementation;
- 4. Considers that vocational training is a sine qua non for the full attainment of free circulation of persons within the Community;
- 5. Stresses the vital importance of vocational training policy for regional development policy.
- Affirms that a closer link must be established between theoretical and practical training by calling on the co-operation of teaching personnel drawn directly from circles engaged in production;

- 7. Emphasizes the special importance of the proper training of instructors and teaching personnel;
- 8. Considers that the final objective should be a Community pattern and continuity of vocational training at all levels, with the structures which this requires;
- 9. Draws attention to the special requirements of the agricultural sector, which must cope with profound structural changes in which vocational training is destined to play a leading role, and stresses the need to make use of all the resources of the Treaty to develop vocational training in the framework of Community programmes;
- 10. Approves the programmes worked out by the Executive but invites the latter to put the various objectives into practice by using the most effective legal instruments.

Resolution on the present situation of the European Economic Community

The European Parliament,

Having regard to the results of the extraordinary meeting of the Council of Ministers in Luxembourg on 17 and 18 and 28 and, 29 January 1966.

- 1. Welcomes what it considers the most important result of this meeting, that is to say, the agreement between the members of the Council on a resumption of the normal course of the Community's work, in conformity with the Treaty, a resumption whose first practical manifestation was the elaboration of a programme of work and the adoption of the budget of the European Economic Community and of the European Atomic Energy Community;
- 2. Is concerned nevertheless at the uncertainties which still prevail as to the interpretation of certain points in the documents published after the session of the Council concerning the ideas and decisions of the

latter — uncertainties which call for certain reservations on the part of the Parliament;

- 3. Believes, as regards the qualified majority rule for Council decisions laid down in the Treaty, that the members of the Council will assuredly make every effort to find solutions which will serve the Community interest and be acceptable to all concerned;
- 4. Considers that the Council should not renounce the possibility of taking decisions by majority vote;
- 5. Is concerned at the incalculable consequences which might follow if the Council, in a given situation, were to note the existence of "over-riding interests" preventing the application of the majority rule;
 - 6. Welcomes the Council's declaration that the principles of future co-operation will be drawn up by agreement with the Commission on the basis of Article 162 of the EEC Treaty

⁽¹⁾ See official gazette No 31, 26 April 1962, p. 1034/62.

and that the powers and attributions of the two institutions must not be impaired.

- 7. Considers it indispensable that the rules which will govern relations between the Council and the Commission should be agreed to jointly when the Executives are merged;
- 8. Expresses its disquiet at the delays which the new procedures envisaged for co-operation between the Commission, the Council and the Governments of the Member States could provoke in the normal functioning of the Executive Commission.
- 9. Urges that these procedures should not in any case curtail the rights of the Parlia-

- ment as an institution exercising in conformity with the Treaty political control over the Executive Commission;
- 10. Emphasizes that the Executives, even as regards their activity in the information field, retain the full confidence of the Parliament, which does not desire any restriction of their powers in this sector;
- 11. Regrets that, in its public statements after the extraordinary meeting on 28 and 29 January at Luxembourg, the Council did not address itself to the still topical problems of the democratic structure of the Communities and the mission of the Parliament;

Resolution on the Statement by the EEC Commission concerning the Community's economic situation in 1965 and prospects for 1966

The European Parliament,

Having studied the EEC Commission's statement of 18 January 1966 concerning the economic situation in the Community,

- 1. Notes with satisfaction the benefical effects of the establishment of the Community on trade between Member States, the increase in national product and the improvement of living standards in the Community countries;
- 2. Considers that this trend reflects the vitality of the Community;
- 3. Welcomes the new increase in productivity and draws attention to the possibilities of a further increase;
- 4. Notes with disquiet, however, that largely because of the crisis which occurred last year insufficient progress has been made in common economic policy and that tendencies towards national concepts in economic matters have remained strong;
- 5. Emphasizes that, with the greater interpenetration of the economies of the six countries, it is becoming increasingly urgent to harmonize the economic trend in the Member States:
- 6. Stresses that it is no longer possible at the present time for any Community country

- to cope with the difficulties and tasks of economic policy by a purely national approach;
- 7. Urges the Commission and the Council to take energetic action so that a common economic policy may be worked out and applied and a more harmonious evolution of the Community thus encouraged;
- 8. Is convinced that one of the priority political tasks at present—in certain Member States particularly—is to halt the rise in prices, as the Council and the Commission recommend, by taking all appropriate measures and above all by a graduated adjustment of public expenditure and revenue to the economic trend;
- 9. Stresses the decisive importance if investment for an increase in productivity and notes that the share of the national product earmarked for investments differs widely between member countries;
- 10. Emphasizes that the resources of the capital market should be allocated in the first place to direct productive investments and where budget funds are insufficient to the development of economic and social infrastructure;
- 11. Hopes that use will be made of public funds to encourage the transformations of economic and social structures which are indispensable in many sectors;

- 12. Draws attention to the fact that excess demand on the labour market in the most sensitive centres is a prime cause of economic strains and rising prices, and that it is therefore urgent to encourage the transfer of workers from relatively unproductive sectors to those with better prospects, and, in this connection, urges the early adoption of the EEC Commission's proposals for a reform of the European Social Fund;
- 13. Urges the EEC Commission to make available to investors the fullest information to encourage them to abandon national economic criteria and adopt those of the Community;
- 14. Deplores the delay in establishing a European capital market and reiterates its conviction that economic integration must lead to the creation of a single currency for the Member States:
- 15. Emphasizes the importance of competition in guiding economic development and, in particular, in putting a stop to the rise of prices, and urges the Council and the Commission to give every encouragement to

- the planning and execution of a European policy for competition;
- 16. Urges the Community, both in its own interest and because of its responsibility for the development of the world economy, to take the essential commercial policy decisions, particularly as regards the continuation of the Kennedy negotiations;
- 17. Invites the Commission to submit the medium-term economic policy programme for the years 1966 to 1970 with the least possible delay;
- 18. Supports the recommendations on economic policy for the immediate future which the Commission addressed to the Governments of the Member States in its statement of 18 January 1966 and requests the Commission to inform the Economic and Financial Committee as soon as possible on the reactions of the Governments to these recommendations:
- 19. Draws attention to the need for political circles to encourage by their example an attitude in economic matters which will ward off the dangers inherent in a predominantly expansionary economic trend.

PUBLICATIONS OF THE EUROPEAN ECONOMIC COMMUNITY

A. Items concerning the acivities of the European Economic Community published in the official gazette of the European Communities between 17 March and 14 April 1966.

COUNCIL AND COMMISSION

Regulations

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	Règlement no 22/66/CEE de la Commission, du 14 mars 1966, modifiant le règlement no 103/64/CEE relatif au barème de conversion entre les stades de transformation du riz (Commission Regulation No. 22/66/CEE of 14 March 1966 amending Commission Regulation No. 103/64/CEE on the conversion scale between the processing stages of rice)	No. 46,	17.3.66
	Règlement no 23/66/CEE de la Commission, du 18 mars 1966, relatif à la durée de validité du montant maximum de la restitution applicable à l'exportation vers les pays tiers de certains beurres fondus (Commission Regulation No. 23/66/CEE of 18 March 1966 on the period of validity of the maximum refund on exports of certain types of rendered butter to non-member countries)	No. 50,	19.3.66
	Règlement no 24/66/CEE de la Commission, du 18 mars 1966, portant, pour le deuxième trimestre 1966, adaptation et fixation des prix d'écluse et fixation des prélèvements envers les pays tiers dans le secteur des œufs et volailles (Commission Regulation No. 24/66/CEE of 18 March 1966 adjusting and fixing sluice-gate prices and fixing levies for imports from non-member countries of eggs and poultry for the second quarter of 1966)	No. 51,	. 22 3 66
~	Règlement no 25/66/CEE de la Commission, du 18 mars 1966, portant fixation des prélèvements intracommunautaires pour les œufs de volailles à couver (Commission Regulation No. 25/66/CEE of 18 March 1966 fixing intra-Community levies for poultry eggs for hatching)	No. 51,	
	Règlement no 26/66/CEE de la Commission, du 18 mars 1966, 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 deuxième trimestre 1966 (Commission Regulation No. 26/66/CEE of 18 March 1966 adjusting and fixing the sluice-gate prices for imports of pigs, pigmeat and pigmeat products during the second quarter of 1966)	No. 51,	22.3.66
	Règlement no 27/66/CEE du Conseil, du 21 mars 1966, concernant les mesures à appliquer en matière de prix d'orientation dans le secteur de la viande bovine pour la campagne de commercialisation 1966-1967 (Council Regulation No. 27/66/CEE of 21 March 1966 on measures concerning guide prices for beef and veal for the 1966-67 marketing year)	No. 52,	23.3.66
	Règlement no 28/66/CEE de la Commission, du 23 mars 1966, relatif à la vente à prix réduit de beurre de stock public à des industries transformatrices (Commission Regulation No. 28/66/CEE of 23 March 1966 on the sale at reduced prices of butter from public stocks to processing industries)	No. 55,	25.3.66
	Règlement no 29/66/CEE de la Commission, du 25 mars 1966, portant fixation des montants forfaitaires pour certains produits laitiers pour la campagne laitière 1966-1967 (Commission Regulation No. 29/66/CEE of 25 March 1966 fixing the standard amounts for certain milk products for the 1965-66 marketing year)	No. 57,	26.3.66
	Règlement no 30/66/CEE de la Commission, du 25 mars 1966, prorogeant certaines dispositions du règlement no 192/64/CEE relatif aux modalités d'intervention sur le marché du beurre (Commission Regula-		

tion No. 30/66/CEE of 25 March 1966 extending the period of validity of certain provisions of Commission Regulation No. 192/64/CEE on methods of procedure for intervention on the butter market)

Règlement no 31/66/CEE du Conseil, du 29 mars 1966, relatif à la détermination du montant des aides accordées au stockage privé de beurre (Council Regulation No. 31/66/CEE of 29 March 1966 fixing the amounts of aid towards private storage of butter)

Règlement no 32/66/CEE du Conseil, du 29 mars 1966, portant prorogation de la validité du règlement no 88/65/CEE du Conseil relatif aux restitutions à l'exportation vers les pays tiers dans les secteurs de la viande de porc, des œufs et de la viande de volaille (Council Regulation No. 32/66/CEE of 29 March 1966 extending the period of validity of Council Regulation No. 88/65/CEE relating to refunds on exports to non-member countries in the pigmeat, egg and poultrymeat sectors)

Règlement no 33/66/CEE du Conseil, du 29 mars 1966, portant prorogation de la durée de validité du règlement no 3/66/CEE du Conseil relatif à certaines mesures dérogatoires en matières d'importation de viandes bovines congelées en provenance de pays tiers (Council Regulation No. 33/66/CEE of 29 March 1966 extending the period of validity of Council Regulation No. 3/66/CEE on certain derogation measures relating to the import from non-member countries of frozen meat of animals of the bovine species)

Règlement no 34/66/CEE du Conseil, du 29 mars 1966, portant prorogation de la validité des règlements no 55/65/CEE et no 56/65/CEE du Conseil concernant les dispositions particulières relatives à l'écoulement de certains fromages et portant modification du règlement no 56/65/CEE (Council Regulation No. 34/66/CEE of 29 March 1966 extending the period of validity of Council Regulations Nos. 55/65/CEE and 56/65/CEE on the marketing of certain cheeses, and amending Regulation No. 56/65/CEE)

Règlement no 35/66/CEE du Conseil, du 30 mars 1966, prorogeant le règlement no 130/65/CEE du Conseil relatif à l'octroi d'une restitution à la production pour les gruaux et semoules de maïs utilisés par l'industrie de la brasserie (Council Regulation No. 35/66/CEE of 30 March 1966 extending the period of validity of Council Regulation No. 130/65/CEE granting a refund to producers in respect of maize groats and meal used in the brewing industry)

Règlement no 36/66/CEE du Conseil, du 30 mars 1966, portant suspension des droits de douane et des prélèvements applicables par la République italienne aux importations en provenance des pays tiers, d'animaux vivants de l'espèce bovine, des espèces domestiques, autres, d'un poids unitaire n'excédant pas 340 kilogrammes, de la position ex 01.02 A II [Council Regulation No. 36/66/CEE of 30 March 1966 suspending customs duties and levies applied by Italy to imports from non-member countries of live animals of the bovine species (of domestic species: other), not exceeding 340 kg. in weight, ex heading 01.02 A II]

Règlement no 37/66/CEE du Conseil, du 30 mars 1966, concernant les mesures à appliquer en matière de prix dans le secteur du lait et des produits laitiers pour la campagne 1966/67 et portant modification du règlement no 113/64/CEE du Conseil (Council Regulation No. 37/66/CEE of 30 March 1966 on measures concerning the prices of milk and milk products for the 1966/67 marketing year, and amending Council Regulation 113/64/CEE)

Règlement no 38/66/CEE de la Commission, du 1er avril 1966, augmentant les montants supplémentaires pour les œufs entiers, liquides ou congelés, ainsi que pour les œufs entiers séchés et modifiant le montant supplémentaire pour les jaunes d'œufs liquides ou congelés (Commission Regulation No. 38/66/CEE of 1 April 1966 increasing the supplementary amounts for whole liquid, frozen or dried eggs and amending the supplementary amount for liquid or frozen egg yolks)

No. 59, 29.3.66

No. 60, 30.3.66

No. 60, 30.3.66

No. 60, 30.3.66

No. 61, 31.3.66

No. 61, 31.3.66

No. 61, 31.3.66

No. 61, 31.3.66

No. 63, 2.4.66

Règlement no 39/66/CEE de la Commission, du 1 ^{er} avril 1966, portant modification de l'annexe 1 du règlement no 158/64/CEE en ce qui concerne les impositions inférieures perçues sur certains produits laitiers à l'importation aux Pays-Bas (Commission Regulation No. 39/66/CEE of 1 April 1966 amending the Annex 1 of Commission Regulation No. 158/64/CEE as regards internal taxation of certain milk products imported into the Netherlands) Règlement no 40/66/CEE de la Commission, du 6 avril 1966, fixant le	No. 63,	2.4.66
montant maximum des restitutions applicables aux exportations vers les pays tiers de viande bovine congelée n'ayant pas fait l'objet de mesures d'intervention (Commission Regulation No. 40/66/CEE of 6 April 1966 fixing the maximum refunds on exports to non-member countries of frozen meat of animals of the bovine species which has not been the subject of intervention measures)	No. 66,	7.4.66
THE COUNCIL		
Information		
Décision du Conseil, du 2 mars 1965, donnant décharge à la Commission sur l'exécution des opérations du FED pour l'exercice 1962 (Council Decision of 2 March 1965 giving a discharge to the Commission in respect of the operations of the EDF for the financial year 1962)	No. 49,	19.3.66
Décision du Conseil, du 28 février 1966, donnant décharge à la Commission sur l'exécution du budget et des budgets supplémentaires pour l'exercice 1962 (Council Decision of 28 February 1966 giving a discharge to the Commission in respect of the execution of the budget and of the supplementary budgets for the financial year 1962)	No. 49,	19.3.66
Budget supplémentaire de la CEE pour l'exercice 1965 (EEC supplementary budget for the financial year 1965)	No. 49,	19.3.66
Remplacement de deux membres du CES (Replacement of two members of the Economic and Social Committee)	No. 59,	29.3.66
Remplacement de trois membres titulaires du Comité consultatif pour la formation professionnelle (Replacement of three members of the Advisory Committee on vocational training)	No. 59,	29.3.66
Remplacement de deux membres titulaires et de deux membres suppléants du Comité du FSE (Replacement of two members and two alternates of the European Social Fund)	No. 59,	29.3.66
Décision du Conseil, du 30 mars 1966, portant suspension totale du droit du tarif douanier commun applicable aux pommes de terre, autres, non dénommées, de la position 07.01 A III b) (Council Decision of 30 March 1966 suspending the CCT duty on potatoes, other, not specified, heading 07.01 A III b)	No. 61,	31.3.66
Remplacement d'un membre titulaire du Comité consultatif pour la formation professionnelle (Replacement of a member of the Advisory Committee on vocational training)	No. 65,	6.4.66
THE COMMISSION		
Directives and Decisions		

Décision de la Commission, du 28 février 1966, relative à l'écoulement du beurre de stocks privés en Belgique (Commission Decision of 28 February 1966 on the marketing of butter from private stocks in Belgium)

No. 46, 17.3.66

Décision de la Commission, du 1er mars 1966, relative au recours de la République française à l'article 115, alinéa 1, du Traité, pour exclure du traitement communautaire les appareils d'enregistrement et de reproduction du son et les appareils mixtes, originaires du Japon et mis en libre pratique dans les autres Etats membres (Commission Decision of 1 March 1966 on the invocation by France of Article 115, first paragraph, of the Treaty, in order to exclude from Community treatment sound recorders sound reproducers, and combined sound recorders and reproducers originating in Japan and in free circulation in the other Member States)

Décision de la Commission, du 1er mars 1966, relative au recours de

Décision de la Commission, du 1er mars 1966, relative au recours de la République française à l'article 115, alinéa 1, du Traité, pour exclure du traitement communautaire le café, non torréfié, non décaféiné, de la position 09.01 A I a du tarif douanier commun, originaire des pays autres que les Etats africains et malgache et que les pays et territoires d'outre-mer associés à la CEE et mis en libre pratique dans les pays du Benelux (Commission Decision of 1 March 1966 on the invocation by France of Article 115, first paragraph, of the Treaty, in order to exclude from Community treatment coffee, unroasted, not freed of caférine, CCT heading 09.01 A I, originating from countries other than the African and Malagasy States and overseas countries and territories associated with the EEC, and in free circulation in Benelux)

Décision de la Commission, du 4 mars 1966, relative à la mise à jour de la liste des organismes de droit public, prévue à l'article 18 du règlement no 9 du Conseil concernant le Fonds social européen (Commission Decision of 4 March 1966 on keeping up-to-date the list of bodies under public law provided for in Article 18 of Council Regulation No. 9 on the European Social Fund)

Décision de la Commission, du 4 mars 1966, relative à des mesures particulières concernant le beurre de stocks privés en France (Commission Decision of 4 March 1966 on special provisions concerning private stocks of butter in France)

Décision de la Commission, du 1er mars 1966, portant octroi d'un contingent tarifaire à la république fédérale d'Allemagne pour le ferrosilico-manganèse (Commission Decision of 1 March 1966 granting Germany a tariff quota for ferro-silico-manganese)

Décision de la Commission, du 1^{er} mars 1966, portant octroi d'un contingent tarifaire au royaume des Pays-Bas pour le ferro-silico-manganèse) Commission Decision of 1 March 1966 granting the Netherlands a tariff quota for ferro-silico-manganese)

Décision de la Commission, du 2 mars 1966, portant nouvelle modification de sa décision du 6 novembre 1964, autorisant la perception de taxes compensatoires sur les importations, en république fédérale d'Allemagne, de pain et de produits similaires, en provenance du royaume des Pays-Bas (Commission Decision of 2 March 1966 again amending its decision of 6 November 1964 authorizing Germany to impose countervailing charges on imports of bread and the like from the Netherlands)

Décision de la Commission, du 2 mars 1966, portant modification de sa décision du 7 février 1966, autorisant la perception de taxes compensatoires sur les importations, en république fédérale d'Allemagne, de biscuits et gaufres en provenance des autres Etats membres (Commission Decision of 2 March 1966 amending its decision of 7 February 1966 authorizing Germany to impose countervailing charges on biscuits and waffles from the other Member States)

Décision de la Commission, du 2 mars 1966, portant nouvelle modification de sa décision du 21 décembre 1964, autorisant la perception de taxes compensatoires sur les importations, en république fédérale d'Allemagne, de caramels mous, de caramels durs, de dragées ainsi que de pâte à fondant en provenance des autres Etats membres (Commission Decision of 2 March 1966 again amending its decision of 21 December 1964 No. 46, 17.3.66

No. 46, 17.3.66

No. 46, 17.3.66

No. 46, 17.3.66

No. 48, 18.3.66

No. 48, 18.3.66

No. 58, 29.3.66

No. 58, 29.3.66

authorizing Germany to impose countervailing charges on imports of soft caramels, hard caramels, sugared almonds and fondant paste from the other Member States)	No. 58,	29.3.66
Décision de la Commission, du 2 mars 1966, portant nouvelle modifica- tion de sa décision du 6 novembre 1964, autorisant la perception de taxes compensatoires sur les importations, en République française, de sucreries sans cacao ne contenant pas de liqueur alcoolique, en provenance des autres Etats membres (Commission Decision of 2 March 1966 again amending its Decision of 6 November 1964 authorizing France to impose countervailing charges on imports of sugar confectionery and preparations not containing cocoa or alcohol from the other Member States)	No. 58,	29.3.66
Décision de la Commission, du 2 mars 1966, portant nouvelle modification de sa décision du 6 novembre 1964, autorisant la perception de taxes compensatoires sur les importations, en République française, de chocolat et de confiseries et préparations comportant du cacao ou du chocolat sans liqueur alcoolique, en provenance des autres Etats membres (Commission Decision of 2 March 1966 again amending its Decision of 6 November 1964 authorizing France to impose countervailing charges on imports of chocolate and confectionery and preparations containing cocoa or chocolate, but not, alcohol, from the other Member States)	No. 58,	29.3.66
Décision de la Commission, du 2 mars 1966, portant nouvelle modifica- tion de sa décision du 30 novembre 1964, autorisant la perception de taxes compensatoires sur les importations, en République française, de glucose (dextrose) en provenance de certains Etats membres (Commission Decision of 2 March 1966 again amending its Decision of 30 Novem- ber 1964 authorizing France to impose countervailing charges on imports of glucose (dextrose) from certain Member States)	No. 58,	29.3.66
Décision de la Commission, du 22 mars 1966, autorisant le royaume de Belgique à vendre à prix réduit du beurre de stock public, après transformation en beurre fondu (Commission Decision of 22 March 1966 authorizing Belgium to sell public stocks of butter at a reduced price, after rendering)	No. 65,	6.4.66
Décision de la Commission, du 31 mars 1966, portant fixation du maximum des montants compensatoires à l'exportation des produits laitiers en provenance des Pays-Bas et du montant des subventions à l'importation aux Pays-Bas (Commission Decision of 31 March 1966 fixing the maximum countervailing charges on exports of milk products from the Netherlands and the subsidy on imports into the Netherlands)	No. 66,	7.4.66
Décision de la Commission, du 31 mars 1966, portant fixation du maximum des montants compensatoires à l'exportation du beurre en provenance du grand-duché de Luxembourg et du montant de la subvention à l'importation du beurre au Luxembourg (Commission Decision of 31 March 1966 fixing the maximum countervailing charges on exports of butter from Luxembourg and the subsidy on imports of butter into Luxembourg)	No. 66,	7.4.66
Décision de la Commission, du 29 mars 1966, portant octroi à la république fédérale d'Allemagne d'un contingent tarifaire pour les squales, dits "aiguillats", frais, réfrigérés ou congelés (Commission Decision of 29 March 1966 granting Germany a tariff quota for spiny dogfish ("aiguillats") fresh, chilled or frozen)	. No. 67,	14.4.66
Décision de la Commission, du 29 mars 1966, portant octroi à la république fédérale d'Allemagne d'un contingent tarifaire pour les chanterelles (Commission Decision of 29 March 1966 granting Germany a tariff quota for chanterelles)	No. 67,	14.4.66
Décision de la Commission, du 29 mars 1966, portant octroi à la république fédérale d'Allemagne d'un contingent tarifaire pour les myrtilles (Commission Decision of 29 March 1966 granting Germany a tariff quota for bilberries)	No.´ 67,	14.4.66

Décision de la Commission, du 29 mars 1966, portant octroi d'un contingent tarifaire au royaume de Belgique et au grand-duché de Luxembourg pour certaines espèces de crabes et crevettes destinés à la conserverie (Commission Decision of 29 March 1966 granting Belgium and Luxembourg a tariff quota for certain kinds of crabs and shrimps for canning)	No. 67, 14.4.66
Décision de la Commission, du 29 mars 1966, portant octroi d'un contingent tarifaire à la République italienne pour les mélasses de cannes à sucre, destinées à la fabrication de succédanés du café (Commission Decision of 29 March 1966 granting Italy a tariff quota for sugar-cane molasses intended for the manufacture of coffee substitutes)	No. 67, 14.4.66
Recommendations and opinions	
Avis de la Commission, du 23 mars 1966, adressé au royaume des Pays-Bas au sujet du projet de modification de la structure de la tarification des charges complètes des chemins de fer néerlandais (Commission Opinion of 23 March 1966 addressed to the Netherlands on the proposed amended national tariff of the Netherlands railways)	No. 66, 7.4.66
European Development Fund	
Avis d'appel d'offres no 479 lancé par la république du Congo (Brazzaville) [Call for tender No. 479 issued by Congo (Brazzaville)]	No. 46, 17.3.66
Avis d'appel d'offres no 480 lancé par la république du Dahomey (Call for tender No. 480 issued by Dahomey)	No. 48, 18.3.66
Avis d'appel d'offres no 481 lancé par la république fédérale du Cameroun (Call for tender No. 481 issued by Cameroon)	No. 48, 18.3.66
Appel d'offres no 482 (appel d'offres par consultation publique) de la république fédérale du Cameroun (Caisses de stabilisation des prix des cafés) pour un programme financé partiellement par la CEE (Call for supply tender No. 482 issued by Cameroon (stabilization funds for	
coffee prices) for a programme financed in part by the EEC)	No. 51, 22.3.66
Avis d'appel d'offres no 483 lancé par la république du Tchad (Call for tender No. 483 issued by Chad)	No. 51, 22.3.66
Avis d'appel d'offres no 484 lancé par la république du Mali (Call for tender No. 484 issued by Mali)	No. 57, 26.3.66
Avis d'appel d'offres no 485 lancé par le royaume du Burundi (Call for tender No. 485 issued by Burundi)	No. 60, 30.3.66
Modificatif à l'avis d'appel d'offres no 479 (Amendment to call for tender No. 479)	No. 60, 30.3.66
Avis d'appel d'offres no 486 lancé par la République gabonaise (Call for tender No. 486 issued by Gabon)	No. 63, 2.4.66
Résultats d'appels d'offres (Appels d'offres no 352, 363, 371, 394, 403, 406, 419, 431, 464 et 467) (Results of calls for tender Nos. 352, 363, 371, 394, 403, 406, 419, 431, 464 and 467)	No. 65, 6.4.66
Avis d'appel d'offres no 487 lancé par la République gabonaise (Call for tender No. 487 issued by Gabon)	No. 66, 7.4.66

General

Proposition d'une directive du Conseil concernant des problèmes sanitaires et de police sanitaire lors de l'importation d'animaux des espèces bovine et porcine et de viandes fraîches en provenance des pays tiers (présentée par la Commission au Conseil le 15 septembre 1965) [Proposed Council

Directive on health requirements for imports of cattle, pigs and fresh meat from non-member countries (submitted by the Commission to the Council on 15 September 1965)]	No. 56,	26.3.66
Projet d'une décision du Conseil instituant un comité vétérinaire (pré- senté par la Commission au Conseil le 15 septembre 1965) [Draft Council Decision instituting a veterinary committee (submitted by the Commission to the Council on 15 September 1965)]	No. 56,	26.3.66
Avis de concours no CEE/796/B (Notice of competitive examination No. CEE/796/B)	No. 60,	30.3.66
Projet d'une décision du Conseil instituant un Comité de denrées alimentaires (présenté par la Commission au Conseil le 20 septembre 1965) [Draft Council Decision instituting a committee on foodstuffs (submitted by the Commission to the Council on 20 September 1965)]	No. 63,	2.4.66
Proposition d'une directive du Conseil 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 (présentée par la Commission au Conseil le 20 septembre 1965) [Proposed Council Directive amending Council Directive of 5 November 1963 on the approximation of Member States' legislation concerning permitted preservatives in food for human consumption (submitted by the Commission to the Council on 20 September 1965)]	No. 63,	2.4.66
Proposition modifiée d'une directive du Conseil portant modification de la "Directive du Conseil relative au rapprochement des réglementations des Etats membres concernant les matières colorantes pouvant être employés dans les denrées destinées à l'alimentation humaine" (présentée par la Commission au Conseil le 20 septembre 1965) [Amended proposal for a Council Directive amending the Council Directive relating to the approximation of Member States' laws and regulations on permitted colouring matters in food for human consumption (submitted by the Commission to the Council on 20 September 1965])	No. 63,	2.4.66
Proposition d'une directive du Conseil relative à l'estérification des huiles d'olive à usage alimentaire (présentée par la Commission au Conseil le 23 septembre 1965) [Proposed Council Directive on the esterization of olive oils for use as food (submitted by the Commission to the Council on 23 September 1965)]	No. 63,	2.4.66
Subsides de la Commission de la CEE en faveur de certaines publications (Grants by the EEC Commission in aid of certain publications)	No. 65,	6.4.66
Proposition d'un règlement du Conseil concernant la suppression des discriminations en matière de prix et conditions dans le domaine des transports (présentée par la Commission au Conseil le 29 octobre 1965) [Proposed Council Regulation on the abolition of discrimination in transport charges and conditions (submitted by the Commission to the Council on 29 October 1965)]	No. 66,	7.4.66
Proposition de directive du Conseil pour la communication à la Commission des données statistiques afférentes aux mouvements de capitaux à destination et en provenance des pays tiers (présentée par la Commission au Conseil le 4 novembre 1965) [Proposed Council Directive on notification to the Commission of statistical data relating to capital movements to and from non-member countries (submitted by the Commission to the Council on 4 November 1965)]	No. 66,	7.4.66
Recommandation de la Commission en vue d'une décision du Conseil relative à l'organisation de consultations au sein de la Communauté sur les politiques nationales en matière de mouvements de capitaux en provenance des pays tiers (présentée par la Commission au Conseil le 4 novembre 1965 [Commission Recommendation for a Council Decision		

laying down procedure for consultation on national policies relating to capital movements from non-member countries (submitted by the Commission to the Council on 4 November 1965)]

Avis de concours no CEE/812/B (un assistant) [Notice of competitive examination No. CEE/812/B (first assistant)]

No. 66, 7.4.66

No. 67, 14.4.66

THE COURT OF JUSTICE OF THE EUROPEAN COMMUNITIES

Judgments

Arrêt de la Cour dans l'affaire 48-65 (1. Société à responsabilité limitée Alfons Lütticke, 2. Société en commandite simple Dr Otto Suwelack, 3. Société Kurt Siemers et Cie, contre Commission de la CEE) [Judgment of the Court in case 48-65 (1. Alfons Lütticke GmbH, 2. Dr. Otto Suwelack K.G., 3. Kurt Siemers & Co. v. EEC Commission)]

No. 56, 26.3.66

Communications

Recours de l'Istituto Nazionale per l'Addestramento ed il Per	fezio	oną-
mento dei Lavoratori dell'Industria (INAPLI) contre la Commis	sion	. de
la CEE (Affaire 2-66) [Suit by Istituto Nazionale per l'Addesti	rame	ento
ed il Perfezionamento dei Lavoratori dell'Industria (INAPLI)	v.	the
EEC Commission (case 2-66)]		
	,	

Recours introduit le 16 février 1966 par M. Cesare Alfieri contre le Parlement européen (Affaire 3-66) [Suit by M. Cesare Alfieri v. the European Parliament, filed 16 February 1966 (case 3-66)]

Demande de statuer à titre préjudiciel faite par ordonnance du Centrale Raad van Beroep, dans l'affaire: Mme J. E. Hagenbeek, veuve de W. Labots, à Arnhem, contre le Raad van Arbeid, à Arnhem (Affaire 4-66) [Request for interlocutory ruling submitted by the Netherlands Central Court of Appeal *in re* Mme J. E. Labots (née Hagenbeek, widow of W. Labots), Arnhem, v. Raad van Arbeid, Arnhem (case 4-66)]

Recours de l'entreprise E. Kampffmeyer contre la Commission de la CEE (Affaire 5-66) [Suit by firm E. Kampffmeyer v. the EEC Commission (case 5-66)]

Recours introduit le 22 février 1966 par M. Paul Scheinert contre la Commission de la CEE (Affaire 6-66) [Suit by M. Paul Scheinert v. the EEC Commission, filed 22 February 1966 (case 7-66)]

Recours de l'entreprise P. Kruse contre la Commission de la CEE (Affaire 7-66) [Suit by firm P. Kruse v. the EEC Commission (case 7-66)]

Recours introduit le 2 mars 1966 par la société anonyme Cimenteries C.B.R. et 12 autres sociétés contre la Commission de la CEE (Affaire 8-66) [Suit by S.A. Cimenteries CBR and 12 other companies v. the EEC. Commission, filed 2 March 1966 (case 8-66)]

Recours formé le 9 mars 1966 par la "naamloze vennootschap Cementfabriek IJmuiden" (CEMIJ) contre la Commission de la CEE (Affaire 9-66) [Suit by N.V. Cementfabriek IJmuiden (CEMIJ) v. the EEC Commission, filed 9 March 1966 (case 9-66)]

Recours formé le 9 mars par la "naamloze vennootschap Eerste Nederlandse Cement Industrie (ENCI)" contre la Commission de la CEE (Affaire 10-66) [Suit by Eerste Nederlandse Cement Industrie (ENCI) v. the EEC Commission, filed 9 March 1966 (case 10-66)]

No. 46, 17.3.66

No. 46, 17.3.66

No. 46, 17.3.66

No. 46, 17.3.66

No. 52, 23.3.66

No. 52, 23.3.66

No. 52, 23.3.66

No. 63. 2.4.66

No. 63, 2.4.66

Recours formé le 9 mars 1966 par la société en commandite Alsen'sche Portland-Cement-Fabriken la CEE (Affaire 11-66) [Suit by Alsen'sche Portland-Cement-Fabriken] KG. and 36 others v. the EEC Commission, filed 9 March (case 11-66)]

No. 65. 2.4.66

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. 11 of 23 March 1966 Supplement No. 12 of 30 March 1966 Supplement No. 13 of 6 April 1966 Supplement No. 14 of 13 April 1966

C. Recent publications of the European Communities (1)

8162

La libre circulation de la main-d'œuvre et les marchés du travail dans la CEE — 1966. Rapport établi en application des dispositions des articles 29 et 36 du règlement no 38/64 relatif à la libre circulation des travailleurs à l'intérieur de la CEE + Annexes statistiques. (Free movement of labour and the labour markets in the EEC, 1966. Report in implementation of Articles 29 and 36 of Regulation No. 38/64 on freedom of movement for workers within the Community). (f, d; in in preparation) Limited distribution

CECA-CEE-CEEA (Euratom) [ECSC-EEC-EAEC (Euratom)]
Tarif douanier des Communautés Européennes (Customs tariff of the European Communities) Eleventh set of replacements (f, d, i, n). Subscription (Basic work + replacements): £5.7s.1d.; \$15.00; Bfrs. 750

5002

Bulletin des acquisitions. Bibliothèque de la Commission de la CEE (List of recent additions. Library of the Commission of the EEC) Monthly. No. 3/66. Limited distribution

CEE Informations — Marchés agricoles — Echanges commerciaux (EEC Information — Agricultural Markets - Trade) Bi-monthly. Nos. 1 and 2, April 1966 (f/d/i/n). Limited distribution

CEE Informations - Marchés agricoles - Prix (EEC Information - Agricultural Markets -

Bi-monthly. Nos. 5 and 6/1966 (f/d/i/n). Limited distribution

4002

Notes and graphs on the economic situation in the Community Monthly. No. 3/66. 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.

D. Publications by the Joint Services of the three Communities

Joint Information Service

Publications by offices in capital cities

Bonn: Europäische Gemeinschaft No. 4, April 1966

The Hague: Europese Gemeenschap No. 81, April 1966

Paris: Communauté européenne No. 4, April 1966

Rome: Comunità Europea No. 4, April 1966

London: European Community No. 4, April 1966

Washington: European Community No. 91, April 1966

Other publications: Comunidad europea No. 4, April 1966

Statistical Office of the European Communities

General Statistical Bulletin - No. 4-1966

Statistique de l'énergie - No. 2-1966 (Energy-Statistics)

Sidérurgie - No. 2-1966 (Iron and Steel)