

COMMUNAUTÉ  
ÉCONOMIQUE EUROPÉENNE

EUROPÄISCHE  
WIRTSCHAFTSGEMEINSCHAFT

COMUNITÀ  
ECONOMICA EUROPEA

EUROPESE  
ECONOMISCHE GEMEENSCHAP

# BULLETIN

of the

EUROPEAN  
ECONOMIC  
COMMUNITY

BRUSSELS – JULY 1965

ISSUED MONTHLY

N° 7

EIGHTH YEAR



# **BULLETIN**

of the European Economic Community

EXECUTIVE SECRETARIAT OF THE COMMISSION  
OF THE EUROPEAN ECONOMIC COMMUNITY



## Contents

	Page
Introduction to the Eighth General Report on the Activities of the Community	5
Competition policy as part of economic policy in the common market	14
I. Intervention and self-restraint by the public authorities in the field of transport	16
II. Internal activities	
Establishment of a single market	18
Competition	18
Free movement of workers	21
Economic and Financial Policy	22
Common Agricultural Policy	23
Common Transport Policy	27
Social Policy	28
III. External activities	
GATT	31
Bilateral relations	32
Relations with international organizations	34
Common Commercial Policy	35
The Community and the developing countries	40
IV. The Community and the associated States	
Association of Greece with the Community	41
European Development Fund	41
V. Institutions and organs	
Community financing and institutional aspects	46
The Parliament	47
The Council	48
The Economical and Social Committee	50
Administrative affairs	50
VI. European Investment Bank	52
Miscellaneous	58

## ANNEX

Resolutions of the European Parliament	60
Publications of the European Economic Community	66

## SUPPLEMENT

Proposed Council directive on the alignment of postal rates for letters up to 20 grammes and postcards.

Proposal for a Council directive on the approximation of laws, regulations and administrative instructions concerning dangerous substances and preparations.

Proposal for a Council regulation on protection against dumping or the payment of bounties or subsidies by countries not members of the European Economic Community.

Draft Council regulation on the gradual introduction of common procedure for the administration of import quotas.

# Introduction to the Eighth General Report on the Activities of the Community

I. After the important decisions of December 1963 and April 1964 the Community progressed strongly during the period covered by the Eighth General Report. Even more than other years, 1964 was a period of rapid advance in the building of Europe. In fields where much ground had already been covered, further important successes were recorded: in others, where nothing significant had so far been achieved, a beginning was made.

Even before the end of the second stage of the transitional period, then, the Community institutions can consider that they have completed the major part of their task as regards abolition of intra-Community duties, the introduction of the common customs tariff and the establishment of common organizations for markets in the various agricultural products.

II. The crucial decision of 15 December 1964 on the common cereals price opened the way for the fixing of common prices for the other agricultural products. On 1 July 1967 cereals will move freely in the Community. This date has been fairly widely accepted for the free movement of all agricultural products. Consequently the Commission intends to make every effort to ensure that the Council will begin as soon as possible its discussion of the common prices provided for in the other agricultural regulations, particularly the common prices of beef and veal, dairy produce and rice.

As regards customs union for industrial products, the Commission had already proposed to the Council in "Initiative 1964" that it be completely established by 1967.

III. The date of 1 July 1967 simply means maintaining the pace of build-up of the customs union that has been set by earlier accelerations. If the proposal is accepted and applied, the whole transitional period will have been cut by two years and a half. So far no longer-term imbalance has distorted trade between the Member States, nor has there been any great difficulty jeopardizing the development of an important sector. In point of fact the Member States have all derived substantial benefit from the establishment of the customs union. The increase in trade since 1958 has been spectacular in all Community countries and in all sectors of the economy.

When urging that the customs union and the single market for agricultural products should be completed early, the Commission is aware of the inadequate progress and of the delays noted in certain fields. The right of establishment is a case in point, but here vigorous efforts have made it possible to redress the situation. In transport, although the first decisions of substance have been made, a major political effort will still be necessary

to arrive at a common system of rates. The situation of the common commercial policy discussed below is even more unsatisfactory.

The Commission considers that these delays, serious though they may be, should not slow down implementation of the Treaty in the customs field. The overall progress already accomplished is such that the early completion of the common market, both for industrial and for agricultural products, should further stimulate efforts to attain the Treaty objectives in the other fields. Here it must not be forgotten that economic progress in the Community must be matched by social advancement.

IV. The Commission therefore believes that it is already time to aim at more distant targets. The object is to create throughout the Community conditions similar to those of a domestic market, in which goods, services, capital and persons can move across frontiers without let or hindrance of any kind — there must not only be no customs barriers, but no fiscal or technical obstacles either. In its “Initiative 1964” the Commission has proposed this objective to the Community institutions, the Governments and public opinion. This is a long-term task to which the EEC Commission and, tomorrow, the single Executive will have to devote an important part of their labours.

V. Even more than the Community’s successes, it was the economic difficulties which most of the six countries experienced in 1963/64 which brought out the degree of economic interdependence already attained. It now became necessary to work out a Community economic policy.

In presenting its Seventh General Report, the Commission emphasized the importance of the recommendation on the restoration of economic balance in the Community adopted by the Council on 14 April 1964. Could the Community, by co-ordinated action and the concerted efforts of its Member States, master the threatening crisis? The Commission can see today that the short-term economic policy jointly agreed on has in the main been effectively applied and that the situation has been put right.

In that crisis, it was borne in upon the Member States that they can no longer in isolation maintain price stability and general economic balance. It is therefore not only at national level but on the Community plane that the action begun by the Governments and the institutions must be carried further in order to consolidate the initial results and to ensure that balance will be maintained in the future. The necessary decisions have been taken and the appropriate bodies have been set up to deal with matters of short-term economic policy and indeed with the elaboration of a Community economic policy proper.

VI. Short-term economic action alone is of course not enough. In face of ever keener international competition, an overall policy is necessary so that the changes called for by the common market can take place smoothly, that the structural problems revealed by the customs union can be better handled, and that the six countries — and even more each

of the regions of the Community — obtain full benefit from the new economic order which is coming into being. Such an overall policy cannot be fixed from day to day. The medium-term economic policy programme for the period 1966/70 which the Commission will submit to the Council this year provide the general framework for the principal measures to be taken in all fields of the economy.

The Community's resources must be developed to the maximum at the same time as optimum use is made of them in furthering economic and social objectives. The need for this is accentuated by the fact that, with considerable investment and consumption requirements to be satisfied, the Community's labour force will grow but little in the coming years. It is therefore vitally necessary to step up the productivity of its economy. To this end the Commission intends to stress the importance of an active competition policy. Furthermore, by eliminating all forms of restrictive practice, it will help give the European economy the flexibility it still lacks. Joint action in matters of employment, vocational training, regional policy and scientific and technical research will also help to achieve this initial objective.

In the coming five years the medium-term policy programme will also bring out the broad lines of a social policy at Community level. While the Community institutions press ahead with the implementation of the specific measures provided for in the Treaty or foreshadowed in the Community's Action Programme and intensify their efforts to harmonize and improve social legislation in the six countries, they will now have to raise their sights and establish an overall social policy.

Discussion of the first — 1966-1970 — programme, with which representatives of management and labour will be associated through the Economic and Social Committee and the political forces of the Community in the European Parliament, will therefore mark a new stage in the Community's development. It will show that there exists a genuine Economic Community in which ends and means are decided on by agreement.

VII. During the whole of the past year the institutions have been constantly concerned to ensure that the Community's internal build-up shall be in harmony with the development of its external relations. Here, too, reasons for satisfaction are not lacking. In particular the good progress made in the great trade negotiations opened in Geneva — the Kennedy round — should be mentioned.

By approving, on 15 November 1964, the list of industrial products which the Community wished to be exempted from the linear reduction of customs duties, the Council made a major contribution to the success of the negotiations. The Community list was the indispensable instrument for continuing the discussions. The fact that the list was kept small despite the multiple interests involved, and that consequently the Community is prepared to make a linear reduction of duties for the great majority of the products it imports, proved beyond doubt that it is determined to practise an outward-looking policy in its trade relations.

This decision should be seen in conjunction with the one taken by the Council on 14 May 1965, when it approved the initial plan for a world cereals agreement. The Community is thus in a position to play its full part in a world organization of the main agricultural markets.

VIII. The Community continued to be very active in its bilateral relationships. On 1 December 1964 the Association Agreement with Turkey came into force; the association with Greece is producing its first results; the signature of the trade agreement with Israel was an initial stage in tightening links between the Community and that country. After persevering efforts, agreements have recently been concluded with Lebanon. Exploratory talks have been opened with Spain.

The Commission attaches great importance to the opening, on 19 March 1965, of negotiations with Austria. These followed particularly detailed exploratory talks and much study in both Commission and Council. The Commission feels certain that these negotiations will lead to an agreement which is consonant with Austria's European vocation and takes account of the country's special situation.

IX. On 1 June 1964 the Yaoundé Convention came into force. This treaty, freely concluded and ratified by 17 African States and Madagascar, extended the Association established in 1957 by the signatories to the Rome Treaty. The lessons learned in implementing the first Convention, particularly as regards the management of the European Development Fund, will enable the Community to ensure rapid and smooth implementation of the new agreement.

The opening of negotiations with Nigeria and the countries of East Africa and the submission of the Commission's report on the request from the Maghreb countries to conclude agreements with EEC reflect the Community's active policy vis-à-vis the developing countries, which is not limited to the circle of the initial associates. The Commission has not failed to stress, particularly in the World Conference on Trade and Development, the importance of association as an effective method of development aid.

Furthermore, being the world's largest importer of products from the developing countries, the Community has already made its contribution towards a general policy in this sphere by marking, for the benefit of countries not associated with it, substantial reductions of duties on tropical products. In the same spirit, the Community is conducting talks with representatives of the Latin-American countries.

X. The Commission cannot, however, conceal its growing concern at the total lack of progress in commercial policy, where the first essential is to ensure that the Treaty is observed. A common commercial policy must be applied at latest by the end of the transitional period. The change-over to such a situation can only be gradual and this requires that uniformization measures should be taken forthwith and common machinery set up.

The coherence of the Community's action is also at stake. The common agricultural policy introduces a solidarity in financial matters which will mean that responsibility must be assumed for expenditure incurred in exporting, on the terms ruling in world markets, certain products of which the Community has a surplus. The Commission considers that the link emerging between Community financial responsibility and commercial obligations in the agricultural field cannot be left out of account. It fears that failure to act on commercial policy may in future jeopardize the Community's development in other fields.

XI. Important institutional developments have accompanied the Community's heightened economic activity. The Commission would first like to point to the increasing place which Community law is taking in the legal systems of the various Member States. Successive rulings handed down by the Court of Justice have confirmed that many provisions of the Treaty, some of which are very important, are directly applicable in the member countries. Furthermore, the framework constituted by those chapters of the Treaty concerning the common policies has now been filled out for several important sectors such as agriculture and restrictive practices. More and more detailed European regulations are being added to or substituted for municipal laws and regulations.

The courts in our countries have to take cognizance of these European regulations in the same way as of municipal laws. Judgments by national courts relating to Community law already published and commented on number well over a hundred. Community law and municipal law can occasionally conflict. In this connection attention is drawn to the highly important decision of 15 July 1964, in which the Court of Justice, as supreme interpreter of the Treaty of Rome, held that Community law overrules municipal law, even of more recent date.

XII. The application and, consequently, the interpretation of Community rules is a matter for the courts in the six countries, which will have more and more cases of this kind brought before them. There is little need to emphasize how important it is that jurisprudence throughout the Community should be uniform despite the diversity of the member countries' traditions and procedures.

It is the responsibility of the Court of Justice of the European Communities to ensure this uniformity. The Treaty in fact gives it the power to make preliminary rulings on the interpretation of the Treaty and on the validity and interpretation of the acts of Community institutions when such matters are referred to it by national courts. This possibility of reference to the Court of Justice, which becomes an obligation for national courts from whose decisions there is no appeal, has already been used on several occasions and should be used even more in the future. Close co-operation between the national courts and the Court of Justice of the Community, which has had its beginnings in the preliminary ruling procedure, is highly important, both in the interest of the parties directly concerned and of the harmonious development of the Community.

XIII. The discussions on the merger of the institutions led finally to the signing on 8 April 1965 of a treaty setting up a single Council and single Commission for the European Communities. A fair solution was found to the problems of siting institutions and services, these had long been a stumbling block in the negotiations.

The Commission has stated its position on several occasions, and particularly in the introduction to the previous annual report, on the principal constitutional questions involved in the merger and particularly on the composition of the single Commission and the powers of the European Parliament. Certain compromise solutions which do not correspond entirely to what the Commission would have liked to see had to be accepted in order to reach agreement. However, in view of the political importance of the merger of the institutions for the later development of the Communities, the Commission saw its way to approving the arrangements chosen by the Governments. It hopes that the various Parliaments will ratify the treaty as rapidly as possible so that the single Council and the single Commission may be ready to function at the beginning of 1966.

XIV. In its previous report, when the decision on the merger seemed to be close, the Commission had thought of laying down for the single Commission objectives and general lines of action to cover the remainder of the transitional period. The time-limits then envisaged were not kept, and the Commission found that it had to take responsibility for the major initiatives which it has supposed would be taken by the single Commission.

Two of these moves have already been mentioned here. The first was "Initiative 1964", which aims at the completion in the near future of the common markets in industrial and agricultural products, and the subsequent establishment in the Community of conditions similar to those found in a domestic market. Then comes the preparation of the first medium-term policy programme, which will provide the general framework for the Community's economic policy up to the end of the transitional period.

XV. On 31 March 1965 the Commission submitted to the Council a third set of important proposals, the immediate purpose of which was to lay down the rules for financing the common agricultural policy, but which would also serve the even more important purpose of reshaping the Community's financial structure by ensuring that it should have resources of its own and by organizing parliamentary control of their use.

Under the Commission's proposal, agricultural levies and customs duties proper should be treated as Community revenue once the common customs tariff was introduced — in principle on 1 July 1967. The change-over would be made gradually, so that after a transitional period of five years they would be paid in full to the Community.

The logic of a customs union where duties are levied only at the external frontiers irrespective of the final destination of the goods demands that

the relevant receipts be used to meet common expenditure. All earlier experience, whether with ordinary customs unions, federations or confederations, confirms this. Moreover, the Treaty explicitly envisages it.

The Commission's proposal therefore draws the normal conclusions from what the Community has already achieved.

XVI. The Commission has frequently expressed its desire to see the powers of the European Parliament increased, particularly in budgetary matters. At the close of its discussions in December 1965, the Council itself stressed the importance it attached to a widening of the budgetary powers of the Parliament and decided to turn its attention to this matter at an early date. The Commission therefore considers its proposals for amendments to budget procedure and the strengthening of the Parliament's powers as an essential component of the new financial system which it has submitted.

If the Commission proposals are acted upon, the influence of the Parliament in drawing up the Community budget will be considerably increased, but without upsetting the present institutional balance. On the other hand, once the Parliament is elected by universal suffrage, a more thorough revision will have to be undertaken, with a view particularly to transferring to the Parliament a right of decision in the matter of creating Community revenue.

XVII. Before closing this introduction to a report which will probably be the last before the Executives are merged and the newly-formed single Commission takes up its duties, the present Commission would pause for a moment to point to the vast area of ground already covered. In the first two stages of the transitional period due to end in a few months the principal commitments undertaken in the Treaty have been fulfilled. The results have often gone beyond what was laid down in the letter of the texts and beyond what the sponsors of the Treaty could have hoped for. The road is therefore open for a fresh advance by the Community.

While this progress has been going on, differences have arisen between the Member States in political matters not covered by the Treaty of Rome. Serious and disquieting though they may be, these disagreements have not, however, affected the life and development of the Community. At the same time as our Governments have been — and still are — expressing divergent views on these problems, they have always been able to agree on Community matters. The faster rate of progress towards customs union has been maintained, and unanimous decisions have been taken on the principal points affecting the elaboration of the common policies.

What is more, the Community has entered the third phase of its development even before the date laid down by the Treaty. The first phase is that in which customs union gradually comes into being, the second is that in which the common policies are worked out, the third that in which these policies begin to operate and in which the Community really comes to life. The outside world makes no mistake about this and regards the Community henceforth as a determining factor in world economy and world economic policy.

The task of building a united Europe is a long way from finished. Much still remains to be done to execute the programme outlined in the Treaty of Rome. Much also remains to be done if all the peoples of Europe are to be brought together into an economically and politically united continent. But the first eight years have already brought to our endeavour such success and dynamism that there can no longer be any doubt that we are on the right road. The Commission will spare no effort to see that we advance along it.

---

## THE DEATH OF PRESIDENT FINET

M. Paul Finet, a former President of the ECSC High Authority, died in Luxembourg on 18 May 1965. At the funeral service, held two days later, M. Jean Monnet, a former President, and M. Dino Del Bo, the current President of the ECSC paid a last tribute to the deceased. The EEC Commission was represented by M. Levi Sandri, Vice-President, M. Rey, M. Schaus, members of the Commission and M. Noël, Executive Secretary.

Throughout his career, M. Finet remained devoted to social objectives, from his early days as a militant trade unionist, later as a metalworker in Charleroi and finally as President of the High Authority, an office which he held from 1958 to 1959. From 1936 until 1952 he was Secretary-General of the Belgian General Federation of Labour and one of the founders and first Chairman of the International Confederation of Free Trade Unions.

President Hallstein sent a message of sympathy to Mme Finet in which he said: "The news of your husband's untimely death came as a great shock to me, and I should like to convey to you the deep sympathy of the Commission of the European Economic Community. My colleagues and I share your sad bereavement and offer a final tribute to our friend and colleague and great European whose name will forever remain linked with the cause of European unity and whose memory we shall always cherish".

President Hallstein also sent a message of sympathy to M. Dino Del Bo, President of the High Authority of the ECSC.

# Competition policy as part of economic policy in the common market

Summary of the address by M. Hans von der Groeben, Member of the EEC Commission, before the European Parliament in Strasbourg on 16 June 1965

The common market needs enterprises on a European scale if the benefits of mass production are to be fully available to its 180 million consumers and if common market firms are to strengthen their position in international competition. For European industrialists must be prepared for keener competition among themselves and with their competitors outside the Community.

This was stated by Hans von der Groeben, the member of the EEC Commission with special responsibility for competition matters, before the European Parliament in Strasbourg. M. von der Groeben, whose subject was "Competition policy as part of economic policy in the common market", gave a comprehensive survey of the development, present situation and future tasks of common competition policy. The essential aim of the Community, he said, was an economic order "that will promote prosperity and economic freedom to the utmost and thereby serve the interests of the consumer".

M. von der Groeben outlined a five-point programme that will help firms to adapt to the larger market and increased competition from non-member countries:

- 1) Further opening of Community markets;
- 2) Removal of tax barriers to the growth of enterprises;
- 3) Establishment of a European form of company to facilitate international mergers;
- 4) Establishment of a European patent;
- 5) Strengthening of medium-sized and smaller firms.

The competitiveness of Community firms on world markets has been decisively enhanced by the gradual opening of the internal markets of the Six. The Commission will pursue this policy of opening markets and removing frontier controls by 1970.

Tax provisions standing in the way of firms wishing to merge with or acquire an interest in firms in other countries must be adapted to the trend towards a unified market. The Commission has therefore put forward proposals that will prevent double taxation where mergers occur and will align tax regulations concerning the formation of companies. Further measures of tax harmonization are being prepared.

In order to provide firms with a suitable legal form for their wider sphere of activities in the common market, the Commission is advocating the creation of a European form of company. Agreements are also being prepared on the mutual recognition of companies by Member States, on mergers between companies from different Member States, and on the transfer of company head offices from one Member State to another.

The European patent proposed by the Commission will facilitate the exploitation of inventions and make the process cheaper, thus helping to make common market firms more competitive.

The Commission believes that the position of smaller and medium-sized firms, including craft undertakings, must be improved. It has therefore proposed the early adoption of the competitively neutral added-value tax. The Commission is also in favour of arrangements for joint research, specialization, rationalization and joint purchasing. And it is considering measures to facilitate access to capital markets and subsidies for adaptation if necessary.

M. von der Groeben then emphasized how important it was that competition should remain effective, that access to markets should be free, that changes in supply and demand should be reflected in prices, and that production and sales should not be artificially restricted and obstruct the freedom of choice of suppliers, buyers and consumers.

There are limits to the growth of enterprises by means of mergers. Article 86 of the Treaty prohibits the abuse of dominant positions. The Commission will have to examine each individual case to assess how far the acquisition of other enterprises by a firm in a dominant position constitutes such an abuse. But the more such a firm approaches monopoly by merging with another firm and thus endangers the freedom of action and choice of suppliers, buyers and consumers, the more probability there is that this merger will be an abuse.

The Commission is determined to apply the Treaty's competition rules to all restraint on competition that affects the common market, irrespective of whether it is practised by firms inside or outside the Community. M. von der Groeben declared that investment by non-Community firms in the common market was economically desirable as a rule. But it led to difficulties when it was based on artificial incentives such as tax privileges or the wish to dominate the market.

The introduction of the added-value tax and a decision to remove tax frontiers by 1 January 1970 were the major political tasks of this year. The Commission also intended to speed up the alignment of direct taxes, which are still higher for firms in some Community countries than in others.

In conclusion, M. von der Groeben expressed the hope that the European Parliament's debate on competition policy as part of the Community's economic policy in October would centre on the major problems involved in shaping the economic order of the common market. The purpose of European competition policy was to make a decisive contribution to the attainment of a fair and viable economic and social order in Europe.

# I. Intervention and self-restraint by the public authorities in the field of transport

Talk given by M. Schaus in Cologne on 26 March 1965

On 26 March M. Lambert Schaus, a member of the EEC Commission, addressed the Transport Institute of Cologne University on "Intervention and self-restraint by the public authorities in the field of transport".

The speaker dealt with his subject from the angle of European economic integration and defined his attitude to current problems of the Community's transport policy.

At the outset M. Schaus observed that in economic policy there had been a shift in the positions held by the champions of a centrally planned and directed economy and by the supporters of a free market economy. The question of the proper relation between freedom and duty in business matters and in society as a whole was, however, still one of the major problems of our time.

European integration and the complex links between government and business had brought economic argument down to earth. But integration must not replace national protectionism by something like a Community protectionism. A clearer distinction between the State as entrepreneur and the State as public authority was needed in many cases. The influence of pressure groups should not lead to democracy being subordinated to corporate bodies: "Democracy must be the legitimate source of public authority — in the State, and in the European Community too".

M. Schaus discussed the idea that the economic functions of the public authorities would inevitably increase in our time. The burdens involved must be decentralized, or the demands on the responsibility and judgment of politicians and civil servants might prove to be too great. Government intervention should be the last resort and not an easy way out. "We should regard with particular scepticism all those who during a boom are loud in defence of a market economy and who in time of crisis clamour for government action".

M. Schaus warned against a flood of legislation. He wondered whether a proliferation of laws was really likely to enhance respect for the law. The call for restraint in law-making applied as much to the organs of the Community as to others. Here however, it should not be overlooked that the norms of Community legislation were replacing and reducing a mass of Member States' regulations and that many Community instruments were only applicable to a transition period.

M. Schaus distinguished between three types of Community intervention. One group of measures was intended to eliminate restrictions instituted by the Member States (e.g. customs disarmament); another was to remove or reduce distinctions that obstructed the functioning of the common market or were inadmissible for the EEC on general political grounds (e.g. harmonization of legislation); and the third was for the protection of competition on the markets (e.g. cartel regulations).

The Treaty establishing the European Economic Community laid down the principle of fair competition. Transport too was covered by this aspect of European integration.

Intervention on transport markets must therefore take account both of the public interest in regular and safe transport facilities and of the need for competition.

Harmonization of existing provisions and conditions in the Member States should not therefore be confined to seeking the arithmetic mean but must be given a progressive slant that would enable fair competition to develop to the advantage of both the consumer and the producer of transport services.

The abolition of discrimination against foreigners and the alignment of conditions of access, particularly to road transport, should lead gradually to a Community law covering the issue of licences in the transport field. This would no longer recognize any distinction between national and international transport within the Community and would have to be free from obstacles that would prevent demand for transport services being adequately met.

The purpose of Community measures in the field of transport prices and conditions was to accord full recognition to the social obligations incumbent on enterprises and yet to ensure freedom of contact. This, the speaker pointed out, might even require interference with this freedom when the Community applied rules of competition to transport.

Referring to the work of the last Council session of Transport Ministers M. Schaus said he was optimistic about the prospects of a common price policy for transport. The Council decision on the harmonization of certain conditions of competition in road, rail and inland waterway transport provided the opportunity of clearing up the relationship between the States and the State railways. For transport too, however, there would have to be an active and long-term policy for structure. This should include balanced measures for the thorough rationalization of railways and the encouragement of some degree of concentration in road transport and inland waterways. Concentration of enterprises was not always a bad thing. It could often increase the competitiveness of the various undertakings. Structure policy for transport would "open up a sphere of constructive activity for the public authorities, particularly if these authorities would recognize that refraining from intervention may often be an active contribution to economic policy".

As regards the construction and extension of traffic arteries, people generally complained that there was too little rather than too much government intervention. In the Commission's view, the taxation of transport should be worked out so that its effect on competition would be neutral. On the other hand, the Commission's proposals for specific regulations on taxes and charges applicable to national and international transport were that they should be so designed that transport users are charged their share of infrastructure costs. Community action on infrastructure should lead to a Community network suited to regional development and in line with the general objectives of medium-term economic policy.

M. Schaus closed with the words: "The proper relationship between freedom and duty — between intervention and self-restraint — will always have to be thought out anew as part of the process of forming the political will of the State and the Community, and in the last analysis it must be implemented in the light of the best argument in each case. Only in this way can we achieve the happy medium in economic or any other policy, today it might require prudent self-restraint and tomorrow decisive action".

## II. Internal activities

### ESTABLISHMENT OF A SINGLE MARKET

#### Tariff quotas

1. On 30 April the Commission, acting under Article 25(2) of the Treaty, granted the Netherlands a tariff quota of 31.2 metric tons, at a duty of 2 %, for imports from non-member countries of tetraethylene pentamine (CCT Heading ex 29.22 B II) for processing on its territory. This decision is valid until 30 June (1).

#### Common definition of the origin of goods

2. The Economic and Social Committee approved on 25 May the Commission's proposal for a regulation laying down a common definition of the origin of goods (2).

The Committee considered that the criteria the Commission had applied in defining this concept were acceptable and that the basic principles behind the proposal met economic requirements in that they subserved the development of trade.

For this reason, it expressed the hope that the Commission's proposal, together with other regulations proposed as part of commercial policy, might be put into effect rapidly, though this would not relieve the Commission of the obligation to continue its efforts to find a multilateral solution.

Among other more specific comments, the Committee stressed that bodies issuing certificates of origin should have exact instructions based on precedents gradually created by the Origin of Goods Committee, so that the regulations could be applied uniformly in all countries. It also stressed the point that the definition of the origin of goods should not be made subject to the aims of trade policy and must remain objective — on the understanding, however, that the application of rules and criteria must not jeopardize the objectives or effects of Community commercial policy.

### COMPETITION

#### Approximation of legislation

##### Legislation on pharmaceuticals

3. On 27 April the Economic and Social Committee unanimously adopted a formal opinion approving the Commission's proposal for a second directive on the harmonization of laws and regulations governing branded pharmaceuticals. It recommended, however, that the proposal should also provide for authorized experts to be responsible for rendering opinions on the documents and information submitted in support of applications for licences for sale.

---

(1) See official gazette No. 85, 19 May 1965.

(2) See Supplement to Bulletin 3-65.

The European Parliament, in the opinion it rendered on 12 May, also approved the Commission's proposal, suggesting that the duties of the experts concerned should be defined more exactly.

The Working Party on pharmaceutical products met in Brussels on 13 and 14 May. It held a final discussion on a draft directive on the advertising of branded pharmaceuticals and on the notice accompanying each product.

There was a broad exchange of views on the problems raised by the reciprocal recognition, by the Member States, of licences for sale.

#### Technical obstacles to trade (various products)

4. The Working Party on technical obstacles to trade (various products) examined the following drafts during its tenth session:

a) A draft directive on the approximation of legislation on pressure appliances subject to inspection.

The experts were consulted on the basic principles behind this directive and, in particular, on the civil liability assumed by bodies authorized to carry out inspection in order to ensure that public health and safety regulations were observed.

b) Draft outline directive on measuring instruments;

c) Draft directive on clinical maximum thermometers;

d) Draft directive on protection of the power take-off of farm tractors;

e) Outline directive on dangerous substances and preparations and a supplementary directive on the classification, labelling, and packaging of dangerous substances.

The Commission is still engaged in drafting these texts.

#### Recognition and enforcement of judgments

5. The preliminary draft convention on legal jurisdiction, the recognition and enforcement of judgments in civil and commercial cases and the enforcement of public instruments, together with a report drawn up by M. Jenard, Director at the Belgian Foreign Ministry, was submitted to the Governments of the Member States and to interested parties in the Community business world. The opinions expressed in these quarters will facilitate preparation of a final draft.

### Taxation

#### Indirect taxation

6. *Countervailing charges on imports and drawbacks on exports.* The working party responsible for these matters met in Brussels on 3 May to continue its discussions on the changes made by Belgium in countervailing charges and drawbacks on exports. It considered whether or not these measures were compatible with Articles 95 to 97 of the Treaty. Before they can adopt a final position on the subject, appropriate depart-

ments in the Commission will need a certain amount of technical information to be supplied by the Belgian experts. Since the measures concerned had already been put into effect, the consultation provided for under Article 102 of the Treaty did not take place, so that this aspect of the question could not be dealt with at the above-mentioned meeting.

A certain amount of economic information was nevertheless collected in order to make it easier for the departments concerned to discuss these measures later in the light of Article 101 of the Treaty.

7. *Excise duty: meeting of Finance Ministers of the Six.* The Finance Ministers of the six Member States met in Cannes on 3 and 4 May. They approved the terms of reference given by the heads of national revenue departments, during their meeting on 9 February, to a working party attached to the Commission (Directorate for Fiscal Matters), which will be responsible for harmonizing excise duties. One of the working party's tasks will be to distinguish between:

- a) duties that can be harmonized;
- b) those for which harmonization does not seem absolutely necessary;
- c) those that can be abolished;
- d) those that can be incorporated in the common added-value tax system.

In this connection, the working party will have to pay special attention to the budget requirements of Member States and to the need to do away with tax frontiers at some time in the future.

Some of the ministers stressed the budgetary and social difficulties which might arise from the harmonization of excise duties. They urged the working party to bear in mind the requirements of economic policy.

The Finance Ministers also held a brief exchange of views on how tax monopolies would affect the harmonization of excise duties.

## Indirect taxes on capital contributions

8. The Economic and Social Committee approved on 25 May a proposal for a Council directive to harmonize indirect taxes on capital contributions and thus facilitate the free movement of capital within the Community <sup>(1)</sup>.

After recommending the Council to define rapidly the main lines of the Community's financial and tax policy, the Committee stated that it would like to see these taxes disappear completely, since they were hardly compatible with the demands of the modern economy and no longer fitted into a rational tax system.

It therefore expressed its satisfaction at the elimination of stamp duty and hoped that capital duty would be abolished soon; however, if this proved impossible, for budget reasons, capital duties should be harmonized at as low a level as possible, in order to obviate disparities between yield from shares and yield from debentures.

---

(1) See Supplement to Bulletin 2-65.

## Direct taxes

9. *Profits taxes.* The working party dealing with these matters met in Brussels on 20 May. It continued discussions on taxes levied on distributed profits and on the possibility of relieving double taxation on company and shareholder. The working party devoted special attention to the problem of parent companies and subsidiaries; at its next meeting, it will endeavour to reach conclusions with a view to drawing up definite proposals on the harmonization of direct taxes on company profits.

## FREE MOVEMENT OF WORKERS

### Freedom of establishment and freedom to supply services

#### Proposals for directives concerning food manufacturing industries and beverage industries

10. On 15 April 1965 the Commission submitted to the Council proposals for two directives on freedom of establishment and freedom to supply services in self-employed activities in the food manufacturing and beverage industries (ISIC Major Groups 20 and 21), and for transitional measures in this field <sup>(1)</sup>. Following the directive adopted by the Council on 7 July 1964 on freedom of establishment and freedom to supply services in respect of self-employed persons in manufacturing activities coming under ISIC Major Groups 23-40 (industrial and artisan activities) <sup>(2)</sup>, the two new directives are designed to eliminate surviving restrictions within EEC in another important sector of industrial activity.

The proposed directives apply to all activities connected with the food manufacturing and beverage industries, and also to the sale of food and beverages by the manufacturers themselves, whether wholesale or retail. Primary production of food and beverages is, however, not included, since the General Programmes envisage the liberalization of activities connected with agriculture, forestry, hunting and fishing at a later date. The manufacture of medicinal and pharmaceutical products is also excluded as these will be liberalized by a subsequent directive, in accordance with the Council directive of 26 January 1965 on the harmonization of laws and regulations governing branded pharmaceuticals <sup>(3)</sup>.

The transitional measures, which will apply pending co-ordination of rules on admission to and pursuit of the occupation in question and mutual recognition of diplomas, certificates and other qualifications, are essentially the same as those laid down in the above directive on industrial and artisan activities: where a Member State makes admission to or pursuit of any of the activities in question subject to the possession of general, commercial or professional knowledge or aptitudes, it shall accept as sufficient proof of such qualifications the actual exercise of the activity in question

---

<sup>(1)</sup> See Supplement to Bulletin 6-65.

<sup>(2)</sup> See official gazette No. 117, 23 July 1964.

<sup>(3)</sup> *Ibid.*, No. 22, 9 February 1965.

in another Member State provided that the person concerned has worked on his own account for a fairly long period.

## Opinions of the European Parliament

11. At its session of May 1965, the Parliament rendered two opinions on proposals for directives concerning the freedom of establishment and the freedom to supply services:

i) Opinion on the proposal for a Council directive on freedom of establishment and freedom to supply services in self-employed activities in electricity, gas, water and sanitary services (ISIC Division 5).

The Parliament welcomes the EEC Commission's proposal that the Council should adopt this directive, thereby effectively completing the Community measures already decided upon with regard to freedom of establishment and creating at the same time an instrument for the realization of the common energy policy within the European Economic Community. In general, the Parliament considers it essential for technical, economic and logical reasons that the directive should also apply to the transport of natural gas, as the EEC Commission has proposed.

ii) Opinion on the proposal for a Council directive introducing freedom of establishment and freedom to supply services in respect of self-employed persons engaged in dealings in real estate (ISIC Group 640) and business services (ISIC Group 839).

The Parliament endorses the proposed directive, subject to certain amendments, and hopes that the Member States of the Community will apply this directive as rapidly and as uniformly as possible.

## ECONOMIC AND FINANCIAL POLICY

### Medium-term Economic Policy Committee

12. The Medium-term Economic Policy Committee held its fifth meeting in Brussels on 21 May 1965 under the chairmanship of M. Masse. The Committee began a discussion of employment problems. It also heard a statement by M. Mansholt, Vice-President of the EEC Commission, on the effects of the common agricultural policy on the general economy of the Community. It also held a preliminary exchange of views on regional policy.

The next meeting of the Commission will be held on 25 June 1965.

### Group of experts on medium-term forecasts

13. The Group of experts on medium-term forecasts met for the sixth time on 5 May 1965. The chairman, M. Kervyn de Lettenhove, informed the Group of the first reactions of the Medium-term Economic Policy Committee to the Group's

interim report. The meeting then discussed projections based on alternative hypotheses and projections with variable relative prices.

The next meeting was fixed for 29-30 June 1965.

## Comparative study of Member States' budgets

14. The Working Party for the comparative study of the budgets of the Member States met in Brussels on 10-11 May 1965, when it held its first joint meeting with the Working Party on national accounts in order to work out a system of classifying public authorities' revenue and expenditure that can be used by the experts of both Working Parties.

The meeting was devoted to a study of problems of defining aspects of public consumption.

## COMMON AGRICULTURAL POLICY

### Common organization of agricultural markets

#### Cereals and rice

15. On 22 April 1965 the Commission adopted a regulation fixing from 1 July 1965 the standard amounts for certain classes of cereals, flour, groats and meal for the 1965/66 marketing year <sup>(1)</sup>. This is the amount by which the intra-Community levy is reduced.

By Regulation No. 61/65/CEE the Commission amended Article 1(3) of Regulation No. 164/64/CEE on conditions for the granting of refunds on exports to non-member countries of processed products based on cereals and rice <sup>(2)</sup>. The new wording is uniform in the four languages and unambiguous.

On 24 May 1965 the Commission adopted a regulation amending the coefficient of equivalence between the quality of Hard Amber Durum III wheat offered on the world market and the quality standard for which the threshold price is fixed <sup>(3)</sup>.

#### Milk and milk products <sup>(4)</sup>

16. On 19 May 1965 the Commission adopted a regulation adapting the text of Regulation No. 149/64/CEE concerning the calculation of the levies and refunds payable on certain milk products to the amendments made by Regulation No. 42/65/CEE <sup>(5)</sup>.

---

<sup>(1)</sup> Commission Regulation No. 60/65/CEE, official gazette No. 75, 3 May 1965.

<sup>(2)</sup> Commission Regulation No. 61/65/CEE, *ibid.*, No. 77, 6 May 1965.

<sup>(3)</sup> Commission Regulation No. 68/65/CEE, *ibid.*, No. 91, 25 May 1965.

<sup>(4)</sup> See also extracts from a resolution of the Parliament concerning a regulation relating to lactose and glucose.

<sup>(5)</sup> Commission Regulation No. 66/65/CEE, official gazette No. 87, 20 May 1965.

This regulation amends the provisions of Regulation No. 149/64/CEE which specify what corrections are to be made at the time of notification of the free-at-frontier prices of imports from non-member countries.

On 13 May 1965 the Council adopted a regulation amending Regulation No. 46 in respect of the threshold price for St. Paulin cheese in Germany for the 1965/66 milk year <sup>(1)</sup>.

By Regulation No. 67/65/CEE of 21 May 1965 the Commission amended the Annexes to Regulation No. 157/64/CEE with regard to the definition of Group No. 2 given in those Annexes for Belgium <sup>(2)</sup>. The maximum fat content by weight is changed from 24 % to 26 %, "under 3 months" is replaced by "fresh", and "+1.21" by "0".

On 25 May 1965 the Commission adopted a regulation speeding up the sale of surplus public stocks of butter in Belgium, Germany and the Netherlands <sup>(3)</sup>. The regulation authorizes the intervention agencies in the Member States to dispose by 30 September 1965 of certain quantities of butter which were imported under purchasing contracts concluded before 1 November 1964 and stocked publicly in accordance with the Community provisions on customs duties and levies.

These measures have been taken because most Member States are now producing more butter and because some Member States have run up heavy stocks.

#### Fruit and vegetables <sup>(4)</sup>

17. At its 168th session, on 13-14 May 1965, the Council adopted in the four official languages of the Community the regulation amending Article 11(2) of Regulation No. 23 (fruit and vegetables), the main points of which had been approved at its session of 22-23 February 1965 <sup>(5)</sup>.

With regard to the problem of items bound in GATT, the new Council regulation lays down that if the imposition of a countervailing charge as provided for in Regulation No. 23 clashes with the General Agreement, the Council, acting on a Commission proposal or recommendation, will decide what steps are to be taken under Article 111 of the Treaty. The Council is one of the authorities empowered to unbind duties.

The new regulation came into force on 21 May, the day following publication in the official gazette of the European Communities. Implementing arrangements will be made by 30 June 1965 at latest, according to the procedure prescribed in Article 13 (Management Committee) of Regulation No. 23.

On 26 May 1965 the Commission adopted a regulation amending Regulation No. 100 with regard to the length of the period for which a reference price for fruit and

---

<sup>(1)</sup> Council Regulation No. 64/65/CEE, *ibid.*, No. 86, 20 May 1965.

<sup>(2)</sup> Commission Regulation No. 67/65/CEE, *ibid.*, No. 89, 24 May 1965.

<sup>(3)</sup> Commission Regulation No. 69/65/CEE, *ibid.*, No. 93, 29 May 1965.

<sup>(4)</sup> See also in an annex extracts from resolutions concerning supplementary provisions for the organization of this market and of the potato market.

<sup>(5)</sup> Council Regulation No. 65/65/CEE, official gazette No. 86, 20 May 1965.

vegetables is fixed <sup>(1)</sup>. The new regulation lays down that for the 1965/66 marketing year the reference price may, exceptionally, be fixed for a period of less than one year.

On 26 May 1965 the Commission also adopted four regulations fixing reference prices for certain products applicable until 30 June 1965 :

- i) Regulation No. 71/65/CEE <sup>(2)</sup> fixing reference prices for plums (CCT heading 08.07 D);
- ii) Regulation No. 72/65/CEE <sup>(3)</sup> fixing reference prices for peaches (CCT heading 08.07 B);
- iii) Regulation No. 73/65/CEE <sup>(4)</sup> fixing reference prices for tomatoes grown in the open (CCT heading 07.01 M);
- iv) Regulation No. 74/65/CEE <sup>(5)</sup> fixing reference prices for cherries (CCT heading 08.07 C).

### **Conditions of competition in agriculture**

18. In May the Commission approved, subject to certain conditions, the aid granted by Italy to the National Co-operative Consortium for Agriculture, which is responsible for collecting and marketing home-produced eggs.

### **Vocational training in agriculture**

19. On 5 May 1965 the Commission adopted a programme for vocational training in agriculture, based on Articles 41 and 128 of the Treaty and on the General Principles for a common vocational training policy which were approved by the Council in 1963.

The aim is to implement a common training policy gradually, within the framework of the common agricultural policy, taking into account the present and future needs arising from the creation of the common agricultural market and the scientific and technical progress that has been made. The new policy would help, by improving efficiency, to increase agricultural productivity and thus to ensure a just standard of living for the farming community.

Both short- and long-term measures will be adopted to attain these objectives. In the short-term, appropriate training and retraining facilities will be developed in order to achieve optimum allocation of the available farm workers and to assist the transfer of workers from farming to other types of employment when that proves unavoidable. Longer-term measures will be the elaboration of common principles and joint action to adapt the machinery, syllabuses and methods for the training, education, and betterment of workers to the new needs arising from the development of agriculture and from scientific, technical and social progress. These measures and others designed to increase the number of teachers and instructors, to improve their quality and to

---

<sup>(1)</sup> Commission Regulation No. 70/65/CEE, *ibid.*, 93, 29 May 1965.

<sup>(2)</sup> Official gazette No. 93, 29 May 1965.

<sup>(3)</sup> *Ibid.*

<sup>(4)</sup> *Ibid.*

<sup>(5)</sup> *Ibid.*

provide more training facilities, will provide farm workers of the type needed in the future.

## Approximation of legislation

20. On 13 May 1965 the Commission adopted a directive on the procedure to be followed in formulating opinions regarding the official licensing of slaughterhouses and cutting rooms for intra-Community trade in fresh meat <sup>(1)</sup>.

The system laid down in the Council directive of 26 June 1964 on health requirements for intra-Community trade in fresh meat enables importing Member States, with the Commission's authorization, to impose a general ban on the entry of meat from a slaughterhouse or cutting room licensed by the exporting Member State, if the Community rules and standards have not been observed. The Commission may, at the request of the exporting Member State, withdraw such authorization when it is no longer justified. In both these cases the Commission's decision can only be taken after an inquiry into the matter by veterinary experts who are not nationals of any of the Member States party to the dispute.

The new directive includes provisions governing the appointment of qualified experts, ensuring their right to enter the premises in question and stay there as long as is necessary for them to complete their work there, and guaranteeing that their report will be implemented speedily and that they will be paid a fee commensurate with the importance of their task. A provision has also been included binding the experts not to use or divulge any confidential information that they may obtain in the course of their inquiry.

On 13 May 1965 the Commission also adopted a directive on the procedure to be followed in formulating opinions with regard to intra-Community trade in cattle, pigs and fresh meat <sup>(1)</sup>. The object of this directive is to fix the details of the procedure for obtaining an expert opinion in cases of dispute, as provided for in the Council directives of 26 June 1964 on health requirements for intra-Community trade in cattle and pigs and on health requirements for intra-Community trade in fresh meat.

If the importing Member State refuses to allow cattle and pigs or fresh meat to enter its territory or be transported within it, the consignor is entitled, under the two Council directives mentioned above, to call in a neutral veterinary expert to investigate the allegations.

The new Commission directive provides an arrangement whereby the consignor may avail himself of his right and do so in such a way as to cause as little disruption of trade as possible. The importing country is therefore required to refrain from hindering the expert's work without good cause, and to make available to the expert whatever facilities are necessary to enable him to make a full and proper investigation. The consignor and the expert must see that no time is wasted. The system adopted here is not really one of arbitration at Community level, but it does have the objective of ensuring that Community rules and standards are applied uniformly and objectively.

---

<sup>(1)</sup> See official gazette No. 93, 29 May 1965.

# COMMON TRANSPORT POLICY

## Inter-Executive Working Party on Transport

21. The Inter-Executive Working Party on Transport held a meeting in Brussels on May, attended by M. Albert Coppé, Vice-President of the ECSC High Authority, and M. Lambert Schaus, the member of the EEC Commission responsible for transport matters. The Working Party discussed the draft Royal Belgian Decree of 15 April 1965 on special agreements which might be concluded by the Belgian State Railways for the transport of coal and steel.

During this session, M. Schaus gave a progress report on the common transport policy in view of the forthcoming Council session on transport scheduled for 21 and 22 June.

## Passenger transport by road

22. On 24 May the Commission laid before the Council a proposed amendment, under Article 149 of the Treaty, to the proposal for a Council regulation concerning the introduction of common rules for international passenger transport by road, which it had submitted to the Council on 8 April 1964 <sup>(1)</sup>.

This amendment, which takes into account the opinions expressed by the European Parliament and the Economic and Social Committee, aims at liberalizing licence systems and linking them to a system of certificates for the international transport of workers and schoolchildren by road, under certain conditions.

## Organization of a survey on infrastructure costs for road, rail and inland-waterway transport

23. On 22 June 1964 the Council decided to undertake a survey on infrastructure costs for road, rail and inland-waterway transport <sup>(2)</sup> in order to establish total infrastructure costs, the proportion of these costs attributable to transport functions of infrastructure where infrastructure also serves other purposes, and the proportion of these costs attributable to the various types of transport.

During its session on 13 and 14 May, the Council adopted a further decision laying down implementing procedures for its decision of 22 June 1964 <sup>(3)</sup>. So that as much information as possible can be gathered to facilitate a decision at a later date on what financial arrangements should be made regarding the use of transport infrastructures, the authorities in the member countries are first of all to draw up a statement of expenditure on infrastructure in 1966, irrespective of how such expenditure is to be financed; secondly, they will carry out studies in specific cases in order to throw light on the problems raised by the introduction of a system of charges for infrastructure utilization. A pilot study will first be carried out by the Commission.

---

<sup>(1)</sup> See Supplement to Bulletin 6-64.

<sup>(2)</sup> See official gazette No. 102, 29 June 1964.

<sup>(3)</sup> See official gazette No. 88, 24 May 1965.

The Member States are to forward these studies to the Commission by 31 December 1967.

A committee of government experts has been instructed to assist the Commission in carrying out the work resulting from this new Council decision.

## **Air transport**

24. During its May session the European Parliament adopted a resolution on the problems involved in integrating civil aviation in the Community.

The Parliament considered that the EEC Commission should undertake without delay the economic and technical studies requested by the Parliament in January 1963, after it had heard M. Brunhes's report on the Action Programme for transport, so as to enable concrete proposals to be submitted to the Council on the organization of air transport along Community lines. It therefore asked the Commission to take the necessary steps to ensure that the Council was presented as soon as possible with a set of proposals on the procedure and the means whereby, on the basis of Article 84(2), problems relating to air transport might be solved, so that a true Community policy in keeping with the spirit of the Rome Treaty might be evolved for the transport sector as a whole.

## **SOCIAL POLICY**

### **Vocational training**

25. On 5 May the Commission adopted two action programmes, the first of which was concerned with common vocational training programme in general, and the second with training in agriculture <sup>(1)</sup>. Both programmes were prepared on the basis of the general principles of a common training policy adopted by the Council on 2 April 1963. They had already been endorsed by the Advisory Committee on Vocational Training, which laid down an order of priority for these programmes. Both documents were sent, for information purpose, to the Council, the European Parliament and the Economic and Social Committee.

In pursuance of these two action programmes, the Commission will take steps:

- a)* to align levels of training, particularly in the case of occupations in which migration is frequent within the Community;
- b)* to develop and harmonize the training of teachers and instructors and to facilitate their recruitment;
- c)* to ensure the general use of the best teaching methods and teaching aids;
- d)* to implement rapid training programmes and retraining schemes as part of medium-term economic policy and regional development policy;
- e)* to promote any measures that would encourage adults to attend evening classes.

---

(1) See also "Common Agricultural Policy", sec. 19, above.

## **European Social Fund: opinion rendered by the Economic and Social Committee**

26. At its session on 25 and 26 May, the Economic and Social Committee rendered an opinion on the proposals for Council regulations to increase the effectiveness of the European Social Fund (1).

Approving these proposals, the Committee stressed that the amendments to the rules in force (Regulation No. 9) and the extension of the Fund's scope were justified by the need to maintain a high level of employment and to overcome the shortage of skilled labour, thus helping the economic development of the Community. It considered that contributions from the Fund would assume their full significance and be truly effective only if they formed an integral part of a regional policy, and supplemented this policy. Furthermore, the Committee took the view that the Commission, whose task it was to define economic and social policy at Community level, should be in a position to take steps to make the Fund really effective and to avoid any waste of money.

The Committee approved the proposal that the scope of the Fund should be extended to cover not only the unemployed and those on short time but also workers whose skills were insufficiently utilized and those whose qualifications no longer met the requirements of the labour market.

### **Social security for migrant workers**

#### **Administrative Committee**

27. During its 64th session from 27 to 30 April the Administrative Committee for the social security of migrant workers began to examine the preliminary draft regulation revising Regulation No. 3 on social security for migrant workers. The Committee gave a first reading to its general provisions, the provisions concerning the relevant legislation and the special provisions on family allowances and unemployment; it also began to examine the provisions relating to sickness and maternity benefits.

During its 65th session, held in Brussels on 20 and 21 May, the Committee continued its discussions on those sections of the draft relating to sickness and maternity benefits, industrial accidents and occupational diseases.

#### **Audit Committee**

28. At its 23rd session on 18 May, the Audit Committee attached to the Administrative Committee on social security for migrant workers continued its discussions on the settlement of claims arising in 1959 and 1960 in respect of benefits provided by social security institutions in the various Member States on behalf of their counterparts in other Member States. Proposals were put forward to promote bilateral contacts for this purpose and to introduce simplified methods of proof regarding outstanding claims for these years.

---

(1) See Bulletin 3-65, Ch. II, sec. 48 and the Supplement to Bulletin 3-65.

Furthermore, it was considered essential to make an extensive survey this year of what facilities there are for insured persons spending their holidays in another Member State to receive medical treatment on exactly the same footing as persons insured in that country.

## **Industrial health and safety**

29. On 10 May the Commission adopted and sent to the Council two proposed directives on the approximation of laws and regulations — one concerning dangerous substances <sup>(1)</sup>, the other their classification, labelling and packaging.

The first is an outline directive — the first step towards the elimination of disparities between national rules concerning dangerous chemicals. It gives a list of these substances and preparations, which Member States must allow to be imported and offered for sale if they conform to Community rules. Two classes of substances or preparations are defined as dangerous. The first are explosive or inflammable, and the second toxic, noxious, corrosive or irritant. The directive also indicates how existing laws and regulations are to be aligned by further directives and contains provisions on co-operation between the Member States in this field. In particular, it provides for procedure by which the Commission will intervene to resolve any divergences between Member States as to the conformity of the dangerous substances or preparations to Community requirements. The directive further establishes a procedure for the revision of the provisions on these substances and preparations in the light of scientific and technical advances.

The second directive is the first of those which are to implement the provisions of the outline directive. It deals with dangerous substances and their classification, and also contains provisions on packaging and labelling.

These two directives serve two aims of the Rome Treaty: the protection of the life and health of the population, especially of those who handle dangerous substances in the course of their work, and the free movement of these substances within the European Community.

## **Implementation of Article 118**

30. The representatives of the ministers responsible for social affairs in the Community countries held a meeting on 17 May under the chairmanship of M. Levi Sandri, Vice-President of the EEC Commission. They discussed the progress made in social security and general labour problems, with particular reference to wages and working hours, thus continuing the exchange of views held at their meeting on 16 March.

A further meeting has been arranged for 16 July.

---

<sup>(1)</sup> See Supplement to this Bulletin.

### III. External activities

#### GATT

##### Trade negotiations

###### Meetings in Geneva

31. With regard to industrial products, the EEC delegation actively pursued bilateral discussions with almost all the non-member countries taking part in the negotiations with a view to a linear reduction of tariffs.

In the agricultural sector, the process of confronting domestic policies commenced on 10 May and is to be continued over a period of several weeks according to a timetable drawn up for separate groups of products. On 10, 11 and 12 May discussions were held on rice and cereal preparations, while beverages formed the subject of the discussions held on 14 May. The week from 17 to 21 May was devoted to dairy products and that from 24 to 28 May to meat. In accordance with the terms of reference adopted by the Trade Negotiations Committee on 18 March, the aim of these discussions was to list the various elements of support or protection, to identify those which influence production and trade in the products concerned and to explore the views of the participating countries regarding the type and content of the offers they would be prepared to make in September.

The Cereals Group met on 17 May to consider the proposals tabled by its seven members (Argentina, Australia, Canada, EEC, Japan, UK and USA) on the general arrangement to be negotiated on these products. Discussion on these proposals will begin on 10 June.

###### EEC Council

32. At its session on 13 and 14 May, the Council heard a progress report on the Geneva negotiations submitted by the Commission, which dealt particularly with industrial products.

The Council endorsed the outline of a general arrangement on cereals to be submitted by the Community at these negotiations on 17 May <sup>(1)</sup>.

These negotiations on cereals should aim at reorganizing the world market by restoring balance between overall supply and demand. The main features of the Community's proposal are:

- a) the binding of the margin of support, i.e. the freezing at its present level of the price support granted by each government to its cereal farmers;
- b) in the case of trade in cereals, the stabilization of world prices at an equitable and remunerative level;

---

<sup>(1)</sup> See sec. 31 above.

c) a collective effort, by all the contracting parties, concerning the treatment of surpluses; consideration should be given to the problem of increasing food aid to the developing countries.

## **BILATERAL RELATIONS**

### **Austria**

33. Negotiations with the Austrian Government were continued from 17 to 21 May in Brussels. The conversations were on the subject of trade in agricultural produce. At the first plenary meeting, the Austrian delegation was led by M. Schleinzer, Minister of Agriculture, and the Community delegation by M. Mansholt, Vice-President of the Commission. M. Schleinzer reiterated the point that Austria attached great importance to its agricultural policy being harmonized on a wide scale with that of the Community. Discussion centred on the problems arising from the preferential arrangements envisaged by the Community as an interim measure pending harmonization, and the same subject was dealt with more thoroughly by a working party.

Following these discussions at ministerial level, the Austrian delegation was headed by M. Lemberger, Head of the Austrian Mission to the Communities, and the Community delegation by M. Herbst, the Director-General for External Relations.

The next meeting will be on 21 June, when matters of trade in industrial products will be discussed once again, together with questions concerning agricultural produce.

### **Denmark**

34. At its session on 13 and 14 May, the Council held a brief exchange of views on trade relations between Denmark and the EEC. The Commission was instructed to carry out a study on the development of commercial relations between Denmark and the Community and to report back to the Council. This study was to be of a general nature, covering both agriculture and industrial products and analysing the causes of fluctuations in trade flows between Denmark and the Community.

On 2 and 3 June, under the arrangements for increasingly close relations between the Commission and the Danish Government, M. Haekkerup, the Danish Foreign Minister, paid his fourth visit to the Commission since 1963.

This visit provided an opportunity for an exchange of views on such subjects as the development of trade between the EEC and Denmark, relations between the Community and Denmark in the context of the Kennedy round, and developments within the Community and EFTA. The main aim of this meeting, however, was to discuss the problems arising for Denmark from the implementation of the common agricultural policy.

## Yugoslavia

35. A Yugoslav delegation led by M. Tomic, a director in the Federal Secretariat of Foreign Trade, and a delegation representing the EEC Commission, led by M. Ernst, a director in the Directorate-General for External Relations, continued, from 17 to 25 May, the technical talks on trade begun in January. The two delegations exchanged information on the rules governing imports into the EEC and Yugoslavia and discussed current prospects for the balanced development of trade.

The Yugoslav delegation pointed out that it was important for Yugoslavia to maintain its sales of farm produce at a level that would enable her to buy more in the EEC, and also to increase her industrial exports. The Commission delegation, for its part, expressed the hope that sales to Yugoslavia — particularly of industrial products — would expand steadily.

At the close of the talks, the two delegations noted that they had finished discussion of the technical aspects of trade problems and decided to report to their respective principals.

## Lebanon

36. The Agreement on trade and technical co-operation between the European Economic Community and its Member States, on the one hand, and Lebanon, on the other, initialled on 9 March <sup>(1)</sup>, was signed in Brussels on 21 May. M. Nagib Sadaka, head of the Lebanese Mission, signed on behalf of his Government, and — for the Community — the Permanent Representatives signed on behalf of the Member States and M. Jean-Marc Boegner, President of the Committee of Permanent Representatives, and M. Axel Herbst, Director-General in the EEC Commission, on behalf of the EEC Council.

Before signing the Agreement and appended documents, M. Boegner, M. Sadaka and M. Herbst made short speeches expressing their satisfaction at the conclusion of the Agreement.

It will be remembered that the Agreement makes provision for the reciprocal application of the most-favoured-nation clause in its widest form. It further stipulates that the Member States shall co-ordinate any action they take, or intend to take, in the field of technical co-operation with Lebanon.

At the institutional level, there is provision for a joint committee to ensure that the commercial clauses of the Agreement are implemented satisfactorily and to study the development of trade. This committee may suggest to the competent authorities ways and means whereby trade might be increased. A joint working party on technical co-operation will also be set up to check on the implementation of plans adopted in this field.

A protocol containing a list of exceptions to which the most-favoured-nation clause will not apply, a protocol on exports of oranges and a declaration of intent on credit insurance form an integral part of the Agreement.

---

(1) See Bulletin 5-65, Ch. III, secs. 54 and 55.

The contracting parties also signed a joint statement on the provisional implementation of certain clauses of the Agreement.

The Agreement will take effect on the first day of the month following the deposit of the last notification that the necessary internal procedures have been completed by the signatory states and the Community. The Agreement will run for three years and is renewable.

## **Morocco and Tunisia**

37. At its session of 13 and 14 May, the Council heard a progress report from the President of the Committee of Permanent Representatives on the preparation of terms of reference for negotiations with Morocco and Tunisia. The Council then confirmed the decisions it had reached at its previous session and agreed to debate the substance of the matter at its June session with a view to adopting terms of reference for the opening of the negotiations.

## **Nigeria**

38. At the same session the Council held an exchange of views on the stage reached in negotiations with Nigeria, on the basis of a report submitted by the Commission. The Council then instructed the Committee of Permanent Representatives to complete the Commission's terms of reference on points outstanding from the last phase of negotiations, so that it could give its views on the final terms of reference at its June session.

## **Missions of non-member countries to the Community (May 1965)**

39. On 25 May H.E. Mr James Alexander Milne Marjoribanks, CMG, presented his letters of credence to M. Walter Hallstein, President of the Commission, as new head of the United Kingdom Mission to the European Economic Community.

## **RELATIONS WITH INTERNATIONAL ORGANIZATIONS**

### **Council of Europe**

40. The Consultative Assembly of the Council of Europe held the first part of its seventeenth ordinary session in Strasbourg from 3 to 6 May.

M. Pflimlin (Christian Democrat, France) was re-elected President of the Assembly for the third time.

A feature of this session was the attendance of a large number of ministers and seven United States Congressmen.

With regard to European problems, the Consultative Assembly adopted a recommendation reaffirming its conviction that all the member countries should be integrated economically in a European common market as soon as possible, and stated that the member countries should do everything in their power to prevent differences in their commercial interests compromising the outcome of the Kennedy round.

To this end, the Assembly recommended that the Committee of Ministers should emphasize the importance of reducing obstacles to trade considerably in the Kennedy round, so as to minimize the effects of the economic division of Europe; of re-examining the notion of Atlantic partnership in economic matters, which appeared all the more necessary now that free Europe was divided into two economic blocs; of urging the member governments to take the necessary steps in OECD to attain a co-ordinated Atlantic policy within the framework of the UN Trade and Development Board.

### **UN Economic Commission for Europe (ECE)**

41. The EEC Commission was represented at the twentieth session of the Economic Commission for Europe, held in Geneva from 21 April to 8 May.

There was an exchange of views on what part the ECE should play in the activities of the UN Trade and Development Board, the new organ of the United Nations Conference on Trade and Development (UNCTAD).

Furthermore, all the delegations expressed their satisfaction with the results achieved by the *ad hoc* Group to study problems of East-West trade and decided to renew the mandate of the Group for a further period.

### **UN Economic Commission for Latin America (ECLA)**

42. The eleventh session of the Economic Commission for Latin America (ECLA) was held in Mexico City from 6 to 17 May. The EEC Commission took part as an observer.

Discussions centred on the economic integration and industrial development of Latin America. All the delegations stressed the need for new studies to determine the best means of achieving these aims and they requested the ECLA secretariat to continue its efforts along these lines.

### **COMMON COMMERCIAL POLICY**

43. During May, the Commission laid before the Council three proposals for regulations on the following subjects:

a) the establishment of a common liberalization list for imports from non-member countries;

- b) protection against non-EEC dumping practices, bounties or subsidies <sup>(1)</sup>;
- c) the gradual establishment of joint procedure for administering quotas for imports into the Community <sup>(1)</sup>.

Details of these proposals will be found below.

#### Proposal for a regulation on the establishment of a common liberalization list for imports from non-member countries

44. The Commission considered the time ripe to propose that a common liberalization list be drawn up since the import liberalization measures taken by Member States vis-à-vis non-member countries have made it possible to make steady progress, over the past few years, both towards the achievement of a large-scale liberalization of imports, as laid down in the GATT regulations, and towards the standardization of liberalization systems provided for in the EEC Treaty. Up to now, the Member States have been largely responsible for this development. However, by virtue of the tasks which the Treaty entrusts to the Commission in this field, the latter has also taken important measures in this respect.

Thus, on 12 February 1963, it addressed to all the Member States, except Germany, a recommendation that a start should be made on standardizing liberalization systems vis-à-vis ex-OECD countries and the dollar area. The Commission also submitted a proposal on the measures mentioned in this recommendation to the Council on 5 November 1963. The Member States did not feel prepared to give immediate effect to all the proposals put forward by the Commission. However, they did adopt in 1964 some of the measures proposed by the Commission.

The legal basis for the proposal recently submitted to the Council is to be found in Article 111, in conjunction with the Action Programme in matters of commercial policy approved by the Council on 25 September 1962. This programme lays down the aim of completely liberalizing imports from the GATT countries and lays down the procedure to be followed, during the transition period, to standardize liberalization lists at as high a level as possible. In particular, it stipulates that a common liberalization list should be drawn up as soon as it is decided that an adequate degree of standardization has been reached in the liberalization systems of the Member States.

With regard to the content of the lists, the proposal stipulates that the common liberalization lists shall include all the tariff headings liberalized in all the Member States vis-à-vis the GATT countries except Czechoslovakia. Decisions may be reached at a later date on the application of the common list to countries which are not members of the GATT and whose external trade regulations are based on the principles of the General Agreement. Special arrangements are being worked out in the case of state-trading countries.

As from the date when the common list comes into force, Member States will cease to introduce quantitative restrictions on products contained in the list vis-à-vis the GATT countries.

---

<sup>(1)</sup> See Supplement to this Bulletin.

The list may be amended only following a decision by the Council, reached on the Commission's proposal in accordance with the procedure laid down in Article 111(3) of the EEC Treaty. The Council will decide, in particular, whether to include other products as progress is made in standardizing the liberalization lists of Member States. Should a product be withdrawn from the common list, the Council will at the same time fix for the product concerned the quota to be opened by the Community to non-member countries.

The Commission is convinced that it would be an easy matter for the Member States to draw up a joint list having the agreed form, considering that it will merely constitute a stage towards the achievement of the objectives laid down in the Action Programme. Furthermore, the Commission is aware of the fact that this is a preliminary measure of as yet limited scope.

#### Proposal for a regulation providing protection against non-EEC dumping practices, bounties or subsidies

45. The Commission attaches particular importance to this proposal because current Community laws and regulations providing for protection from dumping, bounties or subsidies vary appreciably from country to country, and the Community as such does not yet dispose of the necessary legal bases for the application of effective protective measures. Moreover, the current negotiations in the Kennedy round necessitate a common attitude in this field. The world-wide tariff cuts urged by the Community are liable to increase the vulnerability of the European economy to abnormal practices, and the Commission feels that it would be appropriate for the Community to set an example by adopting anti-dumping legislation supported by GATT principles and thus prompt its trading partners, where necessary, to review their own arrangements in this field, which are to some extent out of date.

The substantive provisions of this regulation reflect exactly the content of Article VI of the GATT rules. They contain a definition of dumping, bounties and subsidies, provide for counter-measures and specify implementing procedures. In accordance with GATT principles these measures may normally only take the form of anti-dumping or countervailing duties. These duties must not exceed the level of the dumping margin, bounty or subsidy granted for the item in question. For practices in non-GATT countries, other measures are also permissible.

The procedure will normally be set in motion on request from those affected by the practices. These may be represented by business organizations or associations. If the request satisfies specified minimum conditions, information is exchanged between the Member States and the Commission and a technical inquiry is held immediately thereafter by the Commission at Community level in close association with the Member States.

If the information received by the Commission shows that protective measures against dumping practices, bounties or subsidies may be necessary, the Commission may at its discretion insert a notice in the official gazette of the European Communities informing foreign exporters and Community importers that an anti-dumping or countervailing duty may be imposed and inviting all concerned to transmit relevant information to the Commission.

At any time in the course of this procedure, consultations between representatives of the Member States and the Commission may take place at the request of a Member State or on the initiative of the Commission. The forum for these will be an Advisory Committee. This Committee will examine, in particular, whether the alleged practices do in fact exist and what action should be taken in view of the damage done and the need for Community protection.

Where the Commission, bearing in mind the views of the Advisory Committee, deems protective measures necessary in the interest of the Community, it must submit a proposal to the Council. The Council will then determine appropriate protective measures. In urgent cases for which the Commission finds that the dumping practices, bounties or subsidies concerned are liable to cause material injury to an industry of the Community and that the interests of the Community require immediate action, it may adopt emergency procedure and impose a provisional anti-dumping or counter-vailing duty. If this measure is requested by a Member State, the emergency procedure must be completed within not more than four business days following the date of receipt of the request. The provisional duty may not exceed the provisionally established dumping margin or the estimated level of the premiums or subsidies.

During the period of application of any protective measure, the Advisory Committee will verify its effects and check at regular intervals whether the conditions for its application are still fulfilled. When this has been done the measures may be withdrawn, varied or maintained in force at their former level.

Pending full implementation of the proposals outlined above, the Commission has proposed a special transitional procedure which to a great extent leaves the rules now operative in the Member States unaffected but makes provision for consultation procedure and the institution of effective Community protective measures.

A suitable date for the entry into force of the regulation would, in the Commission's view, be 1 July 1965, and in view of the forthcoming GATT negotiations the Commission hopes that this date can be adhered to.

#### Proposal for a regulation on the gradual establishment of common procedure for the administration of import quotas for goods entering the Community

46. The Commission put forward this proposal because, in spite of the considerable progress made in liberalizing trade, none of the Member States had as yet been able to abandon restrictions on imports entirely and there are wide differences in the measures taken by the various Member States in this sphere. This being so, there is a real possibility that diversions of trade may occur and that economic difficulties may arise within the Community.

In view of the fact that all the disparities existing between the import policies of the Member States are to be ironed out by the end of the transition period at latest, the Council adopted on 25 September 1962, following a proposal from the Commission, an Action Programme for the standardization of commercial policy. As far as import quotas are concerned, this Programme makes provision for the application, by the end of the transition period at latest, of common import regulations and the replacement of national quotas by Community quotas. The question of such a Community quota

system may arise seriously in the near future, as there is a possibility that the Community will have to make provision for quotas, either by negotiation or independently, on certain products imported from non-member countries.

The Commission thus decided that differences between the import systems used by the various Member States should be eliminated at this stage so as to obviate distortion of competition and diversion of trade and to make full use of quotas in cases where agreements had been concluded between the Community and non-member countries.

The regulations are applicable to Community quotas fixed either independently or by agreement.

It is not intended to set up a central Community service to administer the quotas. In accordance with the proposals put forward by the Commission, the quotas are to be apportioned among the Member States and the competent national authorities will issue import licences. If decisions on the administration of quotas become necessary, such decisions are to be reached by an *ad hoc* committee in close consultation with the Commission and the Member States.

Quotas are to be allocated by the Council, or if not actually by the Council by the Commission. A Community reserve will be created, which will represent at least 25 % of each quota. Depending on the demand for imports in the country concerned, the Commission may make further import facilities available to the Member States by drawing on this reserve so as to ensure that the Community's international commitments are fulfilled.

Provision has been made for the re-allocation of quotas already allocated, so as to ensure that all the applications made for import licences within the limits of a quota fixed by agreement are met even if the Community reserve is exhausted.

The Member States will be obliged to issue import licences up to a total equal to the quotas allocated to them. They will inform the Commission on a quarterly basis of the total covered by the licences, the number of licences actually issued, and the quantity of goods imported. Uniform time-limits have been laid down for the publication of import quotas, the submission of applications for licences, and the issue of licences, as well as for the term of import licences. In other respects the issue of licences will be governed by the regulations in force in each Member State.

The Commission made provision for exceptions in special cases to the general regulations laid down for the allocation of quotas and for the issue of licences, or for these general regulations to be supplemented. It therefore laid down special procedure to be followed in the case of these exceptions or additions. According to this procedure, the Commission and any Member State may submit relevant proposals to an *ad hoc* committee. The Commission will reach a decision on the basis of the opinion rendered by the committee. In cases where the measures decided upon by the Commission are incompatible with the opinion expressed by the committee, the Commission will transmit them to the Council, which will have the option of reaching a different decision within one month.

# THE COMMUNITY AND THE DEVELOPING COUNTRIES

## OECD

### Commercial policy

47. The OECD Trade Committee held a meeting on 19 and 20 May to draw initial conclusions from the session of the United Nations Trade and Development Board, which had just ended in New York. It was unanimous in underlining the usefulness of the work done by the OECD on these questions and the need to continue these efforts. The Committee therefore laid down a programme for the coming months; the OECD meetings will precede those of the main committees set up within the framework of the Board.

The Committee also discussed Turkey's import programme for 1965. Finally, it held a preliminary exchange of views, at the request of the Turkish delegation, on Turkish tobacco exports to the OECD countries. The Group of Experts on Restrictive Business Practices were kept informed of recent developments in the EEC Member States with regard to restraint of competition.

### Development policy

48. M. Hendus, Director-General, represented the Commission at the meeting of the Development Assistance Committee, on 20 May 1965, at which the aid programmes of the EEC countries as a whole were discussed.

During the same month, the development aid policies of Germany, France, Italy, Canada, Denmark, Norway and the United Kingdom were also considered by the Development Assistance Committee, which also continued its work on the general financial aspects.

# IV. The Community and the associated States

## ASSOCIATION OF GREECE WITH THE COMMUNITY

### 13th session of the Council of Association

49. The EEC-Greece Council of Association held its 13th session in Brussels on 14 May 1965.

During this session, the Council finalized its report to the EEC-Greece Parliamentary Committee of Association on progress made during the second year of association.

Detailed discussions were held on harmonizing agricultural policies on the basis of a report submitted by the Committee of Association. Substantial progress was made towards reconciling the conflicting views held on this subject.

The Council of Association also acceded to the Greek Government's request for technical assistance from the Community in planning an industrial development policy for certain areas in Greece. The Committee of Association was instructed to determine the form of such assistance.

## EUROPEAN DEVELOPMENT FUND

### Financing approved

#### First EDF

50. The competent organs of the Community decided to finance two new projects from the first EDF. The States and projects concerned are the following:

i) *Netherlands Antilles*: Widening of the fairway into the port of Willemstad in Curaçao. This project involves widening the St. Annabaai channel, which connects the inner harbour of Schottegat with the sea, by removing two rock spits.

This work will open the harbour of Schottegat to vessels of over 45 000 tons, which is of great importance for the island's petroleum industry and for the shipyards. Since the economy of Curaçao is almost entirely dependent on these two industries, the proposed measures may be considered to be of national interest.

The Fund's provisional commitment is 3 350 000 Na. fl. or approximately 1 777 000 u.a. (= dollars). The decision to finance this project was reached by the Commission on 14 April and endorsed by the Council on 26 May.

ii) *Senegal*: Building of two rural development centres, one at Notto to train female advisers in household economy, and the other at Kaffrine to train peasant craftsmen. Each of these two centres will comprise classrooms, dormitories and living quarters for 50 pupils and 4 instructors.

The centre at Notto will supply female advisers in household economy to the rural development centres to promote peasant farming. The centre at Kaffrine will endeavour to improve the work of village craftsmen by making technical training available to about 100 persons per year. The instructors will be supplied by the United Nations Special Fund (eight experts drawn from the Food and Agriculture Organization and from the International Labour Office).

The Fund's provisional commitment has been fixed at 80 million Frs. CFA or approximately 324 000 u.a. The decision to finance this project was reached by the Commission on 14 May 1965.

## Second EDF

51. Following approval given by the Fund Committee at its meeting on 27 April 1965, the EEC Commission decided, on 7 May 1965, to finance six particularly important projects, the Fund's total commitment being 40 695 000 units of account. The States and projects concerned are the following:

i) Planting of 32 000 hectares with selected oil palms in the Ivory Coast: 8 100 million Frs. CFA, or some 32 813 000 u.a. This is the first project under the five-year programme of aid to diversification in the Ivory Coast. It is also the largest scheme ever financed by the EDF: the aim is to lay out 32 000 hectares of palm plantations on an industrial scale; work on the project will last from 1965 to 1973.

This project, which will make a decisive contribution to the diversification of the Ivory Coast economy — up till now dependent mainly on coffee and cocoa — has been made possible by a combination of various favourable factors: climate and soil; the outstanding results of forty years' agricultural research; and prospects for the sale of palm-oil at home and on the world market.

The total agricultural and industrial complex to be set up, including the six palm-oil mills that will be financed subsequently, will have an average turnover of more than 30 million u.a.; the plantations will provide work for 8 000 families of agricultural workers or some 50 000 persons, and the oil-mills will offer employment for 1 250 people.

The net annual income of palm growers will be 630 u.a. per family, which is about double that of coffee growers.

From the angle of the general economy, the output of the plantations will represent 8 % of the increase in agricultural output reckoned at the period of full production in about 1978, while the turnover of the oil-mills will represent 10 % of the total increase for the food industry. The 70 000 tons of oil to be exported, after the home market has been supplied, will make up some 6 % of the increase in the Ivory Coast's industrial exports.

ii) Planting of 2 500 hectares of selected oil palms in the Congo (Brazzaville): 1 745 900 000 Frs. CFA, or some 3 022 000 u.a. The aim is to create three centres in the Congo basin for the cultivation of selected oil palms and for the industrial-scale production of palm and palm-kernel oil. The project is part of the five-year diversification programme in the Congo.

These 2 500 ha. of selected palms will help to develop agricultural production and make full use of the industrial plant already available; within a reasonable time the agricultural and industrial complex of oil-mills and plantations in the Congo basin will be running at a profit.

Although financed in part by an EDF non-repayable grant, the project also benefits under a large-scale scheme of agricultural credit. A considerable share of the expenditure on the village plantations will have to be repaid to the Congo National Development Bank (BNDC), which will manage the "Fund for the Modernization and Extension of Palm Cultivation", out of which similar schemes will be financed later.

iii) Electric power-plant at Garoua in Cameroon: 185 million Frs. CFA, or some 749 000 u.a. This is the first diversification project under the five-year programme of aid to diversification in Cameroon. The present power-station at Garoua will be rebuilt and its capacity raised from 800 to 3 200 kW.

The project is a form of aid to diversification because it is directly connected with the building of a textile mill at Garoua, near the cotton-growing areas of North Cameroon (14 000 tons of cotton fibre a year). The Garoua mill, which will be a French and German enterprise, will itself require a total investment of over 7 million u.a., in the form of capital and long and medium-term loans under bilateral and European aid.

It is interesting to observe, moreover, that this industrialization scheme is part of an intra-African agreement between Cameroon and Chad, which are both cotton producers. Under the agreement, the textile mills in Cameroon and Chad will co-ordinate their production programmes and will not compete with each other. Each State will also hold shares in the factory set up in the neighbouring country.

iv) Cattle markets and tracks in the Central African Republic: 455 million Frs. CFA, or some 1 843 000 u.a.

This project falls into two sections: the repair, improvement and extension of the system of main and secondary tracks in the livestock-raising area of the West; and secondly, the setting up in three rural centres of markets equipped for cattle sales and other trading, and the construction in Bouar of buildings to house the regional market and fair.

The livestock area is situated in the two prefectures of Ouham-Pende and Bouar-Badoua and is inhabited by 25 000 herdsmen, who raise 300 000 head of zebu and sell 20 000 each year. The present scheme is one of the measures planned by the Central African Government to improve cattle productivity by providing road and commercial infrastructure and by taking steps to improve health, promote and supervise trade, instruct herdsmen and give advice on better methods of raising herds and using pasture-land.

It is calculated that the EDF aid will increase the value of the output marketed and the cash income of breeders by over 25 %.

v) Irrigation scheme in the Madirovalo plain, Madagascar: 240 million Malagasy francs, or some 972 000 u.a. The aim is to irrigate 3 200 ha. of fertile alluvial land, increasing the output of rice and groundnuts and raising the average income of the 6 200 inhabitants of the plain by over 40 %.

It will be necessary to build small dams, canals and other works to carry and drain water (200 million Malagasy francs, or some 800 000 u.a. for irrigation works) and to provide a network of tracks between outlying areas and the routes by which crops will be transported (40 million Malagasy francs, or some 160 000 u.a.).

The project will permit the good use of land in a densely populated area and increased output of two commodities — rice and groundnuts — which have been given priority under the 1964-1968 Malagasy five-year programme.

vi) Survey for the Mikongo-Lastourville road, Gabon: 320 million Frs. CFA, or some 1 296 000 u.a. The project has two aims: first, to prepare for the building of a road into the heart of the "Région des Abeilles", a mountainous area entirely covered by equatorial forest and almost uninhabited, the considerable wealth of which has not yet been tapped. In order to transport the timber, which will be gathered by large European companies using heavy equipment, it is necessary to build a 244-km road from Ayem to Lastourville. The first 94-km stretch between Ayem and a point 17 km beyond Mikongo, is being built with a loan under German bilateral aid and a contribution from Gabon itself; the remainder to be surveyed by the EDF is therefore some 150 km in length.

The second objective is to connect the road systems of East and West Gabon by linking the Ogooué-Lolo and Haut-Ogooué areas with a main road leading to the Gabon coast. The Ayem-Lastourville road will achieve both these objectives.

The project financed by the EDF, which will cost a total of 320 million Frs. CFA, or some 1 296 000 u.a., includes a survey for the building of the road and deforestation and stump-lifting along a 30-metre wide strip, which is the preliminary phase of the building operations.

*Financing projects approved by the Commission on 31 May 1965*  
(Second EDF)

in u.a.

I. *Economic and social investment projects*

Burundi	160 000
Cameroon	9 095 000
Central African Republic	1 843 000
Congo (Brazzaville)	810 000
Congo (Leopoldville)	3 200 000
Madagascar	972 000
Mali	3 289 000
Mauritania	9 808 000
Niger	2 242 000
Somalia	6 419 000
Chad	4 457 000
Comoro Islands	223 000

Total: 42 518 000

## II. *Diversification projects*

Cameroon	749 000
Congo (Brazzaville)	3 022 000
Ivory Coast	32 813 000
Rwanda	1 888 000

Total: 38 472 000

## III. *Aids to production*

Cameroon	2 694 000
Central African Republic	2 560 000
Dahomey	1 027 000
Niger	939 000
Senegal	10 492 000
Chad	1 916 000

Total: 19 628 000

## IV. *Technical assistance for investment projects*

General allocation for surveys	8 000 000
General allocation for administration and supervision of work	4 000 000
Burundi	1 198 000
Congo (Leopoldville)	250 000
Gabon	2 107 000
Madagascar	490 000
Rwanda	1 011 000

Total: 17 056 000

## V. *General technical co-operation*

Scholarships	2 917 000
In-service training	217 000
Information programmes	225 000
General surveys on industrialization	400 000
Congo (Leopoldville)	1 440 000
Madagascar	66 000
Somalia	1 064 000

Total: 6 329 000

## VI. *Emergency aid*

Somalia	250 000
---------	---------

Total: 250 000

Grand total : 124 253 000

## V. Institutions and organs

### COMMUNITY FINANCING AND INSTITUTIONAL ASPECTS

#### Financing of the common agricultural policy

##### The Council

At its session on 13 and 14 May 1965, the Council held an initial exchange of views on the Commission's proposals for the financing of the common agricultural policy, independent revenue for the Community and wider powers for the European Parliament.

The Council instructed the Committee of Permanent Representatives to continue its work in preparation for the debate on the substance of the question at the session to be held on 14 and 15 June 1965.

##### Opinion rendered by Economic and Social Committee

The Economic and Social Committee rendered on 26 May 1965 its opinion on the Commission's proposals referred to above <sup>(1)</sup>.

As in its earlier opinions (Action Programme, cereal prices, Initiative 1964), the Committee approved the Commission's proposals.

It expressed agreement in principle with the financing system for the common agricultural policy both during the period 1965 to 1967 and when the single-market stage should be reached. It further considered that if the EAGGF was to cover the cost of the common agricultural policy, the entire Community would have to show a spirit of solidarity which, considering the regional differences and varying social conditions existing in the Member States, should make it possible to satisfy requirements on an equitable basis, and so ensure the balanced development which the general interest of the Community demands.

The Economic and Social Committee pointed out that it was essential for the EAGGF to have adequate funds at its disposal to make a decisive improvement to agricultural structures and regional infrastructure. Investments for such improvement will be all the more effective if they make it possible to overcome present shortcomings rapidly. However, it should also be possible to reduce the amount set aside for guidance if the need to improve structures becomes more pronounced.

It considered that if a Community budget were to be created, the Commission would require new powers, including the right to prepare the draft budget and to exercise effective supervision through the European Parliament.

---

<sup>(1)</sup> The European Parliament also expressed an opinion on these proposals at its session in May 1965. A report on this debate is given in Bulletin 6-65, Ch. I.

## THE EUROPEAN PARLIAMENT

A session of the European Parliament was held in Strasbourg from 10 to 14 May 1965, M. Duveusart presiding.

The Parliament took note of the appointment of M. Antoine Carrelli as Vice-President of the ECSC Commission in succession to M. Medi for the remainder of the latter's term of office. M. Duveusart also announced that M. Catroux (France EDU) had been appointed to the European Parliament in succession to M. Bourges.

After deciding to discuss the Eighth General Report on the Activities of the European Economic Community at its October session, the Parliament held an important debate which issued in a resolution on the Commission proposals regarding the financing of the common agricultural policy, independent revenue for the Community and wider powers for the European Parliament <sup>(1)</sup>.

The Parliament went on to discuss a number of matters referred to it either by the Council or the Commission; the speakers included M. Mansholt, Vice-President of the Commission, on a proposed regulation containing additional arrangements for the organization of the fruit and vegetables market, M. Colonna di Paliano, member of the Commission, on a number of proposals forming part of "Initiative 1964" (abolition of intra-Community customs duties, banning of quantitative restrictions, customs legislation) and M. Levi Sandri, Vice-President of the Commission, who dealt with a proposal concerning the system applicable to certain processed products originating in the AASM and explained what effects the merger of the Executives would have in the domain of industrial health and safety.

The Parliament adopted resolutions:

- i) On the Commission's proposals to the Council regarding the financing of the common agricultural policy, independent revenue for the Community and wider powers for the European Parliament <sup>(2)</sup>;
- ii) On a Council decision concerning the abolition of intra-Community customs duties, the application of the common customs tariff and the ban on quotas between Member States ("Initiative 1964") <sup>(3)</sup>;
- iii) On the draft Council decision concerning the harmonization of customs legislation ("Initiative 1964") <sup>(3)</sup>;
- iv) On the Commission's proposal to the Council for a Council decision on the abolition of frontier controls between the Member States ("Initiative 1964") <sup>(3)</sup>;
- v) On a Council resolution concerning accelerated arrangements for a number of farm products ("Initiative 1964") <sup>(3)</sup>;
- vi) On the Commission's proposal to the Council for a regulation containing additional arrangements for the organization of the fruit and vegetables market;

---

<sup>(1)</sup> See Bulletin 6-65, Ch. I and annex.

<sup>(2)</sup> The text of this resolution appears in the annex to Bulletin 6-65.

<sup>(3)</sup> Extracts from this resolution appear in the annex to the present Bulletin.

- vii) On the Commission's proposal to the Council for a regulation on glucose and lactose;
- viii) Concerning the potato market <sup>(1)</sup>;
- ix) On the second Council directive concerning the approximation of legislation, regulations and administrative provisions in respect of branded pharmaceuticals <sup>(1)</sup>;
- x) On the Commission's proposal to the Council for a directive on freedom of establishment and freedom to supply services in self-employed activities in the electricity, gas, water and sanitation sectors <sup>(1)</sup>;
- xi) On the proposal for a directive on freedom of establishment and freedom to supply services in self-employed activities in a) real estate and b) business services;
- xii) On the Commission's proposal to the Council for a regulation on the system applicable to certain processed products originating in the AASM and the OCT <sup>(1)</sup>;
- xiii) Concerning the Community's common trade policy towards state-trading countries <sup>(1)</sup>;
- xiv) For the creation of a joint EEC-Turkish Parliamentary Committee;
- xv) Concerning the integration of the Community's civil aviation industry <sup>(1)</sup>;
- xvi) On the Commission's proposal for a Council regulation amending Council Regulations Nos. 3 and 4 concerning social security for migrant workers (situation of auxiliary staff employed by the European Communities);
- xvii) Concerning the social aspects of the merger of the Executives of the Communities <sup>(1)</sup>;
- xviii) Concerning the effects of the merger of the Executives on problems of industrial health and safety within the framework of the European Communities <sup>(1)</sup>.

## THE COUNCIL

168th session (13 and 14 May 1965)

The 168th session of the Council was held on 13 and 14 May 1965 with M. Couve de Murville, French Minister of Foreign Affairs in the chair.

The following matters were discussed:

*Fruit and vegetables:* The Council adopted in the Community languages the regulation amending Article 11(2) of Regulation No. 23 (fruit and vegetables) the principles of which were approved at the Council session of 22-23 February 1965 (see also Ch. II, sec. 17).

*Agreement with Lebanon:* The Council formally approved the text of the Agreement on trade and technical co-operation concluded between the Community and the Member

---

<sup>(1)</sup> Extracts from this resolution appear in the annex to the present Bulletin.

States on the one hand and the Republic of the Lebanon on the other (see Ch. III, sec. 36).

*Denmark:* See Ch. III, section 34.

*Morocco and Tunisia.* See Ch. III, section 37.

*Nigeria:* See Ch. III, section 38.

*Renegotiation agreement in GATT:* The Council concluded with Australia an agreement for renegotiations under Article XXVIII (1 and 4).

*Multilateral trade negotiations in GATT:* See Ch. III, sections 31 and 32.

*Financing of the common agricultural policy:* The Council discussed for the first time the Commission's proposals concerning the financing of the common agricultural policy, independent revenue for the Community and wider powers for the European Parliament (see also Ch. V).

*Miscellaneous:* The following matters were referred by the Council to the European Parliament and the Economic and Social Committee:

i) Proposals for directives on freedom of establishment and freedom to supply services in self-employed activities in the following sectors:

a) Personal services.

i) Restaurants, bars and the like;

ii) Residential hotels and similar establishments, camping grounds;

b) Retail trade;

c) The food and beverage industries;

ii) Three proposals for directives for transitional measures in the above-mentioned sectors;

iii) A proposal for a Council directive on freedom of establishment and freedom to supply services in self-employed forestry activities and a proposal to amend the Council's general programme for the elimination of restrictions on freedom of establishment;

iv) Commission proposals for social measures to help redundant Italian workers in the sulphur industry;

v) A proposal for a second Council directive for the harmonization among Member States of turnover tax legislation, concerning the form and the methods of application of the common system of added-value taxation.

The Council also referred to the European Parliament the communication received from the Commission concerning Community action to combat distortions of competition on the international shipbuilding market.

## THE ECONOMIC AND SOCIAL COMMITTEE

The 46th session of the Economic and Social Committee was held in Brussels on 25 and 26 May 1965 with M. Giustiniani in the chair.

The Committee adopted formal opinions on the following matters:

1. The Commission's proposals to the Council regarding the financing of the common agricultural policy, independent revenue for the Community and wider powers for the European Parliament (see Ch. V).

This opinion was adopted unanimously with one abstention.

The Council had referred the economic and technical aspects of the Commission's proposals to the Committee at its session of 13 and 14 May 1965.

2. The proposal for a Council directive concerning indirect taxes on capital contributions (see Ch. II, sec. 8).

This opinion was adopted unanimously.

The Council had referred the proposal to the Committee on 3 February 1965.

3. The proposal for a Council regulation concerning a common definition of the notion "goods originating in..." (see Ch. II, sec. 2).

This opinion was adopted unanimously.

The Council had referred the proposal to the Committee on 3 March 1965.

4. Proposals for Council regulations to increase the effectiveness of the European Social Fund (see Ch. II, sec. 26).

This opinion was adopted unanimously.

The Council had referred the proposals to the Committee on 3 March 1965.

## ADMINISTRATIVE AFFAIRS

### Appointment of new Director-General for the Internal Market

The EEC Commission appointed M. Alain Prate, formerly Director for Economic Structure and Development in the Directorate-General for Economic and Financial Affairs, to the post of Director-General for the Internal Market on 5 May 1965. The latter post was vacated by M. Pierre Millet.

M. Prate, who is 37, graduated from the Ecole Nationale d'Administration in 1952 and entered French Government Service in the Inspection Générale des Finances the following year. From July 1956 he took part in the Rome Treaty negotiations and joined the Commission's staff as Secretary of the Monetary Committee in May 1958. M. Prate was appointed Director for Economic Structure and Development in the Directorate-General for Economic and Financial Affairs in November 1961.

## Staff movements

M. Riccardo Luzzato, Advisor in the Directorate-General for the Internal Market, has been appointed principal advisor on industrial and commercial problems in the same Directorate-General, with effect from 1 January 1965.

M. Sjouke Jonker, Head of Division in the Information Service of the European Communities, has been appointed Deputy Executive Assistant to M. Mansholt, Vice-President of the Commission, and will take up his duties on 1 May 1965.

M. Bernard M. Smulders, Director-General of Administration, whose resignation has been accepted by the Commission, will vacate his post on 1 August 1965. By virtue of Article 54 of the Statute of Service of officials, M. Smulders has been made honorary Director-General.

## VI. European Investment Bank

### Loans granted

#### Turkey

On 25 May 1965, the European Investment Bank concluded a loan agreement with the Republic of Turkey for the financing of a hydro-electric power project to be carried out in the Antalya region (Anatolia).

The contract was signed in Brussels by M. Oguz Gökmen, Ambassador, Permanent Delegate of Turkey to the European Communities, and by M. Paride Formentini, President of the European Investment Bank.

The project calls for the construction of a hydro-electric power station of 48 MW near Lake Kovada, about 100 km north of the town of Antalya in Anatolia. The station will primarily supply the Antalya and the lake districts, and secondarily provide peak energy for the northwestern compound network.

The project was planned by the Electric Engineering Administration (Elektrik Isleri Etüt Idaresi - EIE) and will be carried out by the Department for State Hydraulic Works (Devlet Su Isleri - DSI), both subordinated to the Turkish Ministry for Power and Natural Resources.

The total project cost is estimated at 10.6 million units of account, towards which the Bank contribute 5 millions through a 30-year loan, bearing interest at the rate of 3 % per annum.

This is the first project financed in Turkey by the European Investment Bank within the framework of its "Special Section, and in accordance with the mandate given to it by the Member States for the granting of the financial aid envisaged in the Association Agreement between the EEC and Turkey.

#### Ivory Coast

On 17 May 1965, the European Investment Bank concluded a loan agreement, in Brussels, with the Société Nationale de Conditionnement (Sonaco), for the financing of an industrial complex in Abidjan (Republic of the Ivory Coast).

The contract was signed by M. A. Assamoi, President of the Sonaco, and by M. Y. Le Portz, Vice-President of the European Investment Bank.

The loan is guaranteed by the State, and was signed by R. Saller, Minister of Finance, Economic Affairs and Planning of the Republic.

The project calls for the creation of a number of industrial installations in the Ivory Coast, which are tied to the conditioning of a large part of the banana production of the State.

The project will comprise 15 regional stations, centrally located in the main production areas, for the cutting, treating and packing of the fruits as well as a packaging plant and a refrigerated storehouse in the shipping port of Abidjan.

Production and handling should cover 5 million cases per year, representing 90 000 tons of exported bananas.

The project will be carried out, with the aid of the Government of the Ivory Coast, by the Sonaco, a firm especially created towards this end in Abidjan by organizations specialized in the production and trade of bananas.

The total cost of the project will reach 2.6 million units of account; of this, the Bank will finance 1.015 million units of account, with a duration of seven years, at the interest rate of 5 7/8 per cent per annum.

This operation constitutes the Bank's first intervention in an Associated African State. It is realised within the framework of the Yaoundé Convention, between the European Economic Community and 17 African States and Madagascar.

### **Annual Meeting of the Board of Governors**

The Board of Governors of the European Investment Bank held its Annual Meeting in Brussels on 24 May 1965, under the chairmanship of M. Rolf Dahlgrünn, Minister of Finance of the Federal Republic of Germany.

The members of the Management Committee, of the Board of Directors and of the Audit Committee were present at the meeting.

The Board of Governors approved the seventh Annual Report of the Bank, as well as the Balance Sheet and Profit and Loss Account for the financial year 1964, presented in the name of the Board of Directors by the President of the Bank, M. Paride Formentini.

The Board of Governors decided to renew the term of office of M. Adriaan M. de Jong as a member of the Audit Committee.

At the end of the meeting, M. Dahlgrün, terminating his one-year mandate of President of the Board of Governors, handed over the chairmanship for the financial year 1965 to the French Minister of Finance and Economic Affairs, M. Valéry Giscard d'Estaing.

### **Extract of the Annual Report for the financial year 1964, approved by the Board of Governors in its annual meeting on 24 May 1965.**

The economic evolution in the EEC, the financing of investments and the financial markets

In spite of considerable differences between countries, the economic expansion in the Community as a whole continued in 1964 and the gross national product rose by 5.5 % in real terms as against 3.9 % in 1963; it amounted to 270 000 million units

of account (= U.S. dollars). However, the price trend remained disquieting; the overall price level increased by 4 % on an average. A co-ordinated cyclical policy was therefore put into practice in order to overcome the inflationary pressures which had more or less strongly affected the member countries.

The growth rate of investments was of 7 %, after the slowing down in 1963 (4 %). Investments increased faster than gross national product mainly because of German investment which went up by 11 % as against 2.2 % in 1963, and in spite of a 9.2 % decrease in Italy due to Government policy. However, the share of private enterprises seems to be diminishing, whereas the share of public enterprises and residential building is going up.

In Greece, the expansion continued and the gross national product increased by 8 %. Industrial production expanded by 10 % and imports by 15 %, exports remaining at the 1963 level. In Turkey the aim of an annual 7 % increase in gross national product, which had been exceeded in 1963, the first Five-Year Development Plan year, was not attained in 1964.

Overall gross investment in the Community amounted to 63 000 million units of account: public investment 10 000 million and private investment 53 000 million. Private investment was mainly financed by depreciation (some 25 000 million), by security issues (7-8 000 million) and long and medium term credits (10-11 000 million), the rest of some 10 000 million being covered by self-financing and short term credits.

Total security issues in the Community amounted to some 10 000 million units of account (+ 13 % as against + 10 % in 1963). Share issues, which had slackened off in 1963, rose again to the 1962 level of 2 700 million, whereas bond issues increased only slightly: borrowing of the private sector 4 900 million and public loans 2 400 million. A fact of special interest was the expansion of the German bond market: residents' purchases (+ 35 %) largely offset the absence of foreign buyers which was due to the introduction of a 25 % withholding tax on security income. Yield rates increased on almost all Community markets.

Medium and long term credits granted to enterprises — and to private persons for residential construction — slightly increased, reaching a level of some 11 000 million units of account.

On the basis of available statistics (still very incomplete) the Report compares the relative importance of the various medium and long term funds which enterprises and private persons in the different member countries obtained on the capital markets. In the Community as a whole, funds made available totalled an annual average of some 16 000 million units of account between 1961 and 1963, the relative importance of the various types of financing differing widely from country to country.

From 1961 to 1963, all Community countries, except the Netherlands, were net capital importers. This seems to hold true also for 1964: the monetary reserves of the Community again increased by 1 500 million units of account, whereas the balance of current payments surplus only amounted to some hundred millions.

However, capital exports by direct or stock investments remain substantial, although the financial inter-penetration of member countries still seems to remain rather limited.

Foreign security issues in the Community acquired a certain importance during the last years. This trend continued in 1964: DM and \$ issues made great progress last year.

## Activities of the European Investment Bank

In addition to the normal loans made from its own resources, the European Investment Bank granted, in 1964, the first loans within the framework of its "Special Section". The Special Section was set up by the Board of Governors on 27 May 1963, to enable the Bank's intervention in associated States whenever the granting of loans at special conditions is justified.

In 1964, the Bank approved 16 normal loans for a total of 101.4 million units of account. Of these, 12 loans went to Italy for a total of 74.5 million, 1 to France for 13.1 million and 3 to Greece for a total of 13.8 million.

Besides, the Bank approved two special loans, totalling 5.4 million units of account, for the financing of two Turkish projects.

*Breakdown of loans by country at 31 December 1964*  
(Normal Loans and Special Loans)

Country	Number of Projects	EIB Loans (million u.a.)	Share of each country in % of Total
<i>I. Normal Loans</i>			
Member countries			
Belgium	1	4.8	1
Germany	3	32.4	7
France	11	71.0	15
Italy	59	310.7	67
Luxembourg	1	4.0	1
Total	75	422.9	91
Associated countries			
Greece	8	36.8	8
Total	83	459.7	99
<i>II. Special Loans</i>			
Turkey	2	5.4	1
Grand total	85	465.1	100

*Breakdown of loans by economic sector at 31 December 1964*

(Normal Loans and Special Loans)

Sector	Number of Projects	EIB Loans (million u.a.)	Share of each Sector in % of Total
Agricultural development	4	33.8	7
Transport	11	132.2	29
Power	11	79.6	17
Telecommunications	1	16.0	3
Industry, of which	58	203.5	44
Extractive industries	2	2.0	
Iron and Steel	3	48.9	
Building materials	7	13.5	
Glass and Pottery	4	6.4	
Paperpulp and Paper	4	17.5	
Machinery and Equipment	13	26.1	
Chemicals	11	74.0	
Textiles and Clothing	3	3.1	
Leather	1	0.3	
Foodstuffs	10	11.7	
Total	85	465.1	100

Altogether the Bank approved, in 1964, 18 loans totalling 106.8 million units of account against 104.6 million in the previous year.

From its inception in 1958 to the end of 1964, the Bank approved 85 loans totalling 465.1 million units of account, i.e. an average of approximately 5.5 million per loan.

The bank has, so far, participated in the financing of some 2 000 million units of account. The Bank's share in the financing of the projects averaged 23 %.

### Borrowings

In 1964 the Bank made the following borrowings in Germany, Luxembourg, the Netherlands and the United States:

## *Germany*

a) Bonds of DM 80 million, 5.5 %, 99 %, 10 years.

b) Nominative serial bonds of DM 50 million, 2 to 7 years, 5 % for bonds due during the first 4 years, 5.25 % for those due during the last 3 years.

## *Luxembourg*

Bank loan of Lfrs 50 million, 5 %, 10 years, amortization beginning at the end of the 4th year.

## *Netherlands*

Bonds of Fl. 30 million, 5,75 %, 97 %, 20 years, amortization beginning at the end of the 11th year.

## *USA*

Bonds of \$25 million, 5.5 %, 99.5 %, 20 years, amortization beginning at the end of the 6th year.

At 31 December 1964, the Bank's funded debt amounted to 153.7 million units of account.

## *Balance-Sheet and Profit and Loss Account*

The balance-sheet total as at 31 December 1964, amounts to 584.9 (1963: 466.5) million units of account.

On the Assets side, current loans total 394.5 (281.03) million units of account, of which 273.65 (200) million have been disbursed. Available funds total 186 (174.6) million.

Under the Liabilities, figures the paid-up capital of 250 million units of account (out of 1 000 million subscribed). The reserve and the provisions total 54.6 million, medium and long term borrowings 153.7 (88.4) million and the Bank's commitments for loans not yet disbursed 120.9 million.

Income for the financial year totalled 20.6 million units of account. After deduction of administrative and financial expenses, interest and charges on borrowings and others, totalling 9.8 million, and after provision for various items, totalling 5 million, the balance of 5.6 million has been appropriated to the statutory reserve. Thus, the statutory reserve rose from 21 to 26.6 million and the various provisions from 23 to 28 million.

## MISCELLANEOUS

### **President Walter Hallstein receives an honorary doctorate from the University of Bologna**

On 15 May, the University of Bologna conferred an honorary doctorate to Professor Walter Hallstein, President of the Commission, in recognition of his outstanding services to the cause of European unity.

### **M. von der Groeben, Vice-President of "Europa-Union"**

At its XVth Congress in Bad Godesberg on 9 May, the German "Europa-Union" elected as Vice-President M. von der Groeben, who has written a letter of acceptance to the President, M. von Oppenheim. This is the first time that a member of one of the Executives of the European Communities has been elected to the Executive Committee of German "Europa-Union".

### **Visits to the Commission**

#### **Visit by a representative of the Afghan Government**

On 19 May, M. W. Hallstein, President of the Commission, received Dr Abdul Hanf Haider, who had been sent by the Afghan Government to hold talks with the Commission on the development of trade between Afghanistan and the Community.

#### **Visit by the Commissioners of the Queen of the Netherlands**

The Queen's Commissioners, who, as Governors of the Provinces, are the highest regional authorities in the Netherlands, paid a two-day visit to the European Economic Community where they had talks with M. Mansholt, Vice-President of the Commission, and a number of senior officials on such matters as regional policy, the Social Fund, the Kennedy round and transport. His Excellency, M. Spierenburg, the Netherlands Permanent Representative to the Community, offered a reception at which the Commissioners were guests of honour.

### **The third Congress on regional economies**

The third Congress on regional economies took place in Rome from 3 to 5 May 1965 and was attended by M. Levi Sandri, Vice-President of the Commission, who spoke of the work done and the proposals submitted by the Commission in this field. An "International Council on Regional Economies" was set up with, as President, M. Max Gottschalk, President of the Regional Economy Centre at the Institute of Sociology of the University of Brussels.

## **Round-table conference on capital movements and international monetary stability**

A round-table conference sponsored by the Association for the Study of European Problems, opened in Brussels on 9 June 1965 under the honorary chairmanship of M. Duvieusart, President of the European Parliament. The chief topic discussed was a proposal by M. Raymond Bertrand, a director of OECD, concerning the scale of US business enterprise and investment in Europe. M. Guido Colonna di Paliano, a member of the Commission, outlined the latter's views on European company law.

## **Meeting of the Socialist Parties of the six Member States**

The liaison office of the socialist parties of the Community met in Brussels on 25 and 26 May. The meeting was attended by some 50 party delegates from the six Member States, together with M. Vondeling, Netherlands Minister of Finance, representatives of the socialist group in the European Parliament and M. Marjolin and M. Mansholt, Vice-Presidents of the Commission who were present as observers. The liaison office unanimously adopted five resolutions, the first on the need for further political integration, the second on the need to provide for the security of Europe within the framework of a closely knit Atlantic defence system (which implies the creation of democratic European institutions able to speak on behalf of the EEC), the third endorsing the Commission's proposals for financing the common agricultural policy, independent revenue for the Community and wider powers for the European Parliament, the fourth on the merger of the Executives and the fifth on relations between the EEC and EFTA.

## **Progress towards ratification of the draft treaty concerning the merger of the Executives**

On 4 June 1965, the Upper House of the Federal German Parliament (Bundesrat) approved the treaty merging the three Executives, and instituting a single Council and Commission.

The French Cabinet too approved on 18 May a Bill authorizing ratification of the treaty.

## **Appointment of a new German Permanent Representative to the Communities**

The German Government has appointed a new permanent representative to the Communities in succession to Dr Günther Harkort, who has held the position since 1961. He is Dr Hans Georg Sachs, who comes from the German Foreign Ministry, where he was head of the Trade and Development Policy Department.

RESOLUTIONS OF THE EUROPEAN PARLIAMENT

**Resolution conveying the opinion of the European Parliament  
on the proposal for a Council decision  
on the abolition of intra-Community customs duties,  
the application of the common customs tariff,  
and the prohibition of quantitative restrictions between Member States**

*The European Parliament,*

[...]

1. *Stresses* that the decision on the complete abolition of intra-Community customs duties, the application of the common customs tariff, and the prohibition of quantitative restrictions between the Member States is an appropriate and dynamic measure to further the interpenetration of markets;

2. *Notes*, in addition, that the decision, which is of fundamental importance since it will stimulate progress towards unification in other sectors and thus promote European

integration, may be even more effective if it were combined with the will to achieve economic union in the near future;

3. *Calls upon* the EEC Commission to prepare the necessary studies and plans, so that economic union may be created on a date that is not too long after 1 July 1967, the date on which customs union will come into being;

4. *Approves* the decision proposed to the EEC Council by the Executive, subject to the addition of another clause of the preamble and the amendment of Articles 3 and 4.

**Resolution conveying the opinion of the European Parliament  
on the draft Council decision  
on the harmonization of customs legislation**

*The European Parliament,*

[...]

2. *Notes* that the proposed decision will not have any concrete result unless the customs union, on which a favourable opinion has been expressed, becomes a reality, and that the customs union itself will, moreover, be of no practical value unless each Member State agrees to include in its legislation items that have been decided upon in common;

3. *Is of the opinion* that, if it is to be more than a mere declaration of good intentions, the draft decision should include items that are more specific and more binding on the Member States;

4. *Proposes* that under section 2 of the draft Council decision the words "to submit to it as soon as possible proposals for concrete measures based on specific provisions of the Treaty" should be replaced by "to submit to it as soon as possible proposals for directives based on Article 100 of the Treaty or other concrete measures based on other provisions of the Treaty";

5. *Considers* that the draft decision is in any case designed to inspire the Member States with the will to attain the targets set;

6. *Approves* the amended draft decision on the harmonization of customs legislation, subject to these reservations.

**Resolution conveying the opinion of the European Parliament  
on the proposal submitted to the Council  
by the Commission of the European Economic Community  
for a Council decision  
on the abolition of frontier controls between the Member States**

*The European Parliament,*

[...]

1. *Recalls* the need to abolish frontier controls between the Member States as quickly as possible, as also the inspection of hand-luggage, if the customs union between them is to become a reality;

2. *Hopes* that the preliminaries provided for by the draft decision will be accomplished without delay, so that the abolition of frontier controls may be attained;

3. *Again stresses* the need for the measures designed to bring about customs union to be co-ordinated with those necessary to attainment of economic union;

[...]

5. *Approves* the proposed decision concerning the abolition of frontier controls between the Member States submitted to the Council by the EEC Commission, and requests that reference be made in this decision to the opinion of the European Parliament.

**Resolution conveying the opinion of the European Parliament  
on a Council resolution on accelerated implementation  
of the Treaty in respect of certain agricultural products**

*The European Parliament,*

[...]

1. *Agrees* that for cereals, pigmeat, eggs, poultry, fruit and vegetables, rice, beef and veal, and milk products the customs duties and the fixed component of protection should be abolished in intra-Community trade by 1 July 1967 at the latest, and that the common customs tariff should be applied and a uniform fixed component of protection introduced in trade with non-member countries by the same date;

2. *Stresses* that it follows from these provisions that, as in the case of cereals, a common price level will have to be fixed by 1 July 1967 for all the other important agricultural products for which this has been envisaged;

3. *Points out* that from 1 July 1967 the Member States will no longer be able to take measures of market support at the national level, and is of the opinion that the EEC Commission will therefore have to consider in due course whether such measures will have to be adopted by the Community — and, if so, what form they should take;

4. *Urges* the EEC Commission to submit proposals to this effect as soon as possible;

5. *Welcomes* the fact that the measures affecting agricultural products will be applied at the same time as those that concern industrial products, so that the beginning of the final stage of the common agricultural market on 1 July 1967 will coincide with complete customs union for industrial products;

[...]

## Resolution on the potato market

*The European Parliament,*

[...]

2. *Notes* that no proposal has been made for a common organization of the market in potatoes, production of which has an important place in the farming activities

of the Community and is of vital interest to certain regions;

3. *Asks* the EEC Commission what action it intends to take in this respect;

[...]

## Resolution conveying the opinion of the European Parliament on the second directive of the Council on the harmonization of laws and regulations governing branded pharmaceuticals

*The European Parliament,*

[...]

1. *Takes note* that the first directive was signed by the Council on 26 January 1965;

2. *Notes* that the text adopted by the Council differs in several respects from that which had been submitted to it, and that it was therefore not possible for the consultation procedure to be followed satisfactorily;

3. *Reiterates* the hope it expressed with regard to the first directive that the EEC Executive will seek solutions that will not be likely to create impediments or dis-

tortions when they are adopted at the national level, and regrets that the draft second directive does not offer such solutions;

4. *Considers it essential* that common criteria for the recognition of experts' qualifications should be fixed as soon as possible;

5. *Urges* that the present Directive, which has been submitted to the European Parliament for consideration, should prescribe the mutual recognition of licences for the sale of branded pharmaceuticals;

[...]

## Resolution conveying the opinion of the European Parliament on the proposal submitted by the EEC Commission to the Council for a directive on freedom of establishment and freedom to supply services in self-employed activities in electricity, gas, water and sanitary services (Division 5 ISIC)

*The European Parliament,*

[...]

1. *Welcomes* the fact that the EEC Commission has proposed that the Council should adopt a directive on freedom of establishment and freedom to supply services in self-employed activities in electricity, gas, water and sanitary services, thus effectively supplementing the Community measures already decided upon with regard to freedom of establishment, and creating at the same time an instrument by which the common energy policy may be achieved within the European Economic Community;

2. *Considers it essential*, for technical, economic and logical reasons, that this directive should also apply to natural gas, as the EEC Commission has proposed;

3. *Hopes* that the EEC Commission will in the very near future examine the problem of co-ordinating the conditions governing pursuit of the activities covered by the directive, and that it will not postpone this examination indefinitely or until the common energy policy comes into force;

4. *Approves* the proposed directive, subject to amendment of Articles 2, 4 and 8.

[...]

**Resolution conveying the opinion of the European Parliament  
on the EEC Commission's proposal to the Council  
for a regulation concerning the system applicable  
to certain processed products originating  
in the Associated African States and Madagascar  
and in the Overseas Countries and Territories**

*The European Parliament,*

[...]

1. *Approves* on the whole, subject to the points raised below, the proposed regulation which will enable the Community to fulfil its commitments to the associated countries where processed products based on cereals and rice are concerned;

2. *Calls attention* to the special problem posed by imports into the EEC of manioc starch from the associated countries;

3. *Proposes* that it should remain possible for new measures to be adopted in respect of these imports, should serious disturbances occur in this sector;

4. *Requests* that Article 2 of the proposal for a regulation should be amended accordingly;

[...]

**Resolution on aspects of the Community's common commercial policy  
towards state-trading countries**

*The European Parliament,*

[...]

3. *Welcomes* the proposals so far submitted by the EEC Commission, and calls upon it not to confine its efforts to elaborating proposals on procedure but also to prepare proposals that will solve the basic problems;

4. *Calls upon* the Council of Ministers to assume its political responsibility and, by adopting the Commission's proposals, to help in its turn to give effect to the Action Programme for the second stage of the

transition period, which it has itself approved;

[...]

6. Is convinced that a more realistic attitude towards the Community on the part of state-trading countries and a greater appreciation of the economic problems of state-trading countries on the part of the Community would improve the chances of solving a number of problems that are still outstanding, which would be in the interest of both parties;

[...]

**Resolution on problems connected with the integration  
of civil aviation within the Community**

*The European Parliament,*

[...]

Having regard to Articles 2, 3(e) and particularly Article 84 of the Rome Treaty;

[...]

Endorsing the view expressed by the EEC Commission on several occasions that, "in the interests of the economy in

general and in order to ensure the sound development of sea and air transport, the Community institutions must include these two modes of transport in the measures designed to realize the objectives of the Treaty";

Believing it urgently necessary for practical steps to be taken at Community level to work out a procedure for considering the

organization of air transport on a Community basis and the means by which this could be done, in accordance with Article 84(2);

Considering that the harmonious development of European integration may be adversely affected by the continued lack of appropriate provisions to ensure that the Treaty is progressively applied to air transport;

1. *Is of the opinion* that the EEC Commission should undertake forthwith the economic and technical surveys which the Parliament called for in January 1963 following a report by M. Brunhes on the EEC's Action Programme for a common transport policy, so that concrete proposals concerning the organization of air transport

on a Community basis may then be worked out and submitted to the Council;

2. *Calls upon* the Commission, in addition, to take all other appropriate steps so that proposals can be submitted to the Council in the near future concerning the procedure and means to be adopted to solve the problems connected with air transport, in accordance with Article 84(2), so that a true Community policy in the spirit of the Treaty of Rome may be evolved for the whole of the transport sectors;

3. *Reiterates* its request to the EEC Council to include this subject on the agenda for forthcoming meeting, so that the appropriate provisions referred to in Article 84(2) may be adopted without delay; [...]

## Resolution on the social aspects of the merger of the Executives of the Communities

*The European Parliament,*

[...]

1. *Reminds* the six Governments, the Councils of Ministers of the Communities and the three Executives of the obligation arising from the Treaties with regard to social policy, which demands constant progress, an improvement in the standard of living, harmonization and levelling in an upward direction;

2. *Points out* that the problems of the uniformity, competence, powers and legal scope of the instruments employed are closely linked where social policy is concerned;

3. *Emphasizes* that any retreat in these matters, for which the union of the executive organs might be taken as an excuse, would be incompatible with the objectives of the three Treaties and would run counter to the will of the people and particularly to that of the democratic workers' organizations;

4. *Sincerely hopes* that when, as a result of the merger of the Executives, a change is made in the competence, powers or legal

scope of the instruments adopted, the equalization that takes place in these fields may be in an upward direction;

5. *Urgently calls upon* the Executives of the three Communities at present, and later the single Executive Commission, as also the Council of Ministers, to report to the Social Committee on the problems of social policy that will arise when the Communities are merged;

6. *Strongly insists* on the need for the Treaty on the merger to include provisions for a general Community social policy that will be both far-reaching and dynamic and be based on appropriate legal and financial instruments and on balanced distribution of powers between the institutions of the Community;

7. *Earnestly requests* that the European Parliament be consulted before the act merging the Communities is signed, and at a stage in the negotiations when it may be possible for the European Parliament to put forward constructive suggestions before the text of the Treaty assumes its final form.

**Resolution on the effects of the merger of the Executives  
on the problems of industrial health and safety hygiene  
and health protection within the framework of the European Communities**

*The European Parliament,*

[...]

1. *Recalls* that the merger of the European Executive organs is only a first step towards uniting the European Communities, and that it is for the future Executive to work out proposals for revising the Treaties with a view to the merger of the Communities;

2. *Stresses* that the three present Executives have different competences in the sphere of health protection and industrial health and safety, and that when the Executives are merged preliminary measures will have to be adopted in order to harmonize these competences;

3. *Points* to the need for the future European High Commission to be able to pursue a harmonious policy with regard to health protection and safety at the Community level, when the institutional structure of the European Communities is simplified;

4. To this end, *calls upon* the Councils :

a) To instruct the European Commission to organize Community aid when disasters of any kind occur;

b) To give the single Executive instruments that will enable it, by extending the means of action and the competences of the present permanent body, the Mines Safety Commission, to find an optimum solution to the problem of safety in all sectors of the mining industry and, for this purpose, to make use of the most up-to-date knowledge afforded by technical developments;

c) To entrust to the future Executive, on the basis of Article 100 and/or Article 101 of the EEC Treaty, the task of ensuring that national provisions governing industrial safety in those sectors of industry in the Community where accidents are most likely to occur;

d) To authorize the single Executive to take emergency measures at the European level in cases where and to the extent that they appear essential in the interests of the health and safety of the workers and peoples of the Community;

5. *Requests* that, in any event, when the Executives are merged, all the sectors that formerly fell within the competence of its Health Protection Committee should be combined into a single Directorate-General pursuing its activities in one place only, that they should be placed under the authority of a single member of the High Commission, and that this Directorate-General should see that the safety and health protection services have sufficient technical and medical staff to meet the needs for prevention and safety;

6. *Strongly disapproves* the occurrence of any retrograde step if, when the Executives and Communities are merged, the European Treaties are harmonized towards minimum common ground.

[...]

8. *Hopes* that the High Commission will take an active part in the future negotiations between the Governments of the Member States concerning the merger of the European Communities;

[...]

# PUBLICATIONS OF THE EUROPEAN ECONOMIC COMMUNITY

A. Items concerning the activities of the European Economic Community published in the official gazette of the European Communities from 14 May to 9 June 1965

## EUROPEAN PARLIAMENT

### Written questions and replies

- N° 1 (1965-1966) de M. Battaglia à la Commission de la C.E.E. Objet : Projet de loi italien n° 518 portant création d'organismes de développement agricole [No. 1 (1965-1966) by M. Battaglia to the EEC Commission : Italian Bill No. 518 on agricultural development agencies] No. 84 14. 5.65
- N° 149 (1964-1965) de M. Troclet à la Commission de la C.E.E. Objet : Sécurité sociale dans le cadre de l'accord d'association entre la C.E.E. et la Turquie [No. 149 (1964-1965) by M. Troclet to the EEC Commission : Social security under the Agreement of Association between the EEC and Turkey] No. 86 20. 5.65
- N° 154 (1964-1965) de M. Toubeau à la Commission de la C.E.E. Objet : Importation en Belgique de gaz naturel en provenance des Pays-Bas [No. 154 (1964-1965) by M. Toubeau to the EEC Commission : Belgian imports of natural gas from the Netherlands] No. 86 20. 5.65
- N° 157 (1964-1965) de M. Pleven à la Commission de la C.E.E. (texte complémentaire de la réponse). Objet : Importation de viande en provenance des pays tiers [No. 157 (1964-1965) by M. Pleven to the EEC Commission : (supplementary reply). Imports of meat from non-member countries] No. 86 20. 5.65
- N° 158 (1964-1965) de MM. Bergmann et Lenz à la Commission de la C.E.E. Objet : Application de la recommandation de la Commission relative à l'admission en exemption de droits de douane, à compter du 1<sup>er</sup> janvier 1965, des marchandises « communautaires » faisant l'objet de petits envois adressés à des particuliers ou contenues dans les bagages personnels des voyageurs [No. 158 (1964-1965) by M. Bergmann and M. Lenz to the EEC Commission : Implementation of the Commission's recommendation on exemption from customs duties from 1 January 1965 of goods of Community origin consigned to individuals or carried in travellers' luggage] No. 86 20. 5.65
- N° 5 (1965-1966) de M. Pedini à la Commission de la C.E.E. Objet : Régime communautaire des « investment trusts » [No. 5 (1965-1966) by M. Pedini to the EEC Commission : Community regulations on investment trusts] No. 86 20. 5.65
- N° 152 (1964-1965) de M. Vredeling à la Commission de la C.E.E. Objet : Importations dans la République française de chocolat et de confiseries et préparations comportant du cacao ou du chocolat [No. 152 (1964-1965) by M. Vredeling to the EEC Commission : French imports of chocolate and confectionery and preparations containing cocoa or chocolate] No. 95 1. 6.65
- N° 153 (1964-1965) de M. Vredeling à la Commission de la C.E.E. Objet : Ouverture et répartition de contingents tarifaires communautaires pour l'essence de térébenthine et les colophanes [No. 153 (1964-1965) by M. Vredeling to the EEC Commission : Community tariff quotas for turpentine and rosin] No. 95 1. 6.65

N° 7 (1965-1966) de M.M. Boscary-Monsservin, Braccesi, Charpentier, Loustau, Sabatini et Vals à la Commission de la C.E.E. Objet : Modification dans le tarif douanier applicable à certains produits en provenance de Tunisie [No. 7 (1965-1966) by M. Boscary-Monsservin, M. Braccesi, M. Charpentier, M. Loustau, M. Sabatini and M. Vals to the EEC Commission : Amendment of the customs tariff applicable to certain imports from Tunisia]

No. 95 1. 6.65

N° 12 (1965-1966) de M. De Gryse à la Commission de la C.E.E. Objet : Recettes et dépenses du Fonds européen d'orientation et de garantie agricole (FEOGA) [No. 12 (1965-1966) by M. De Gryse to the EEC Commission : European Agricultural Guidance and Guarantee Fund — receipts and expenditure]

No. 95 1. 6.65

### Information

Prorogation de la validité des listes de réserve de recrutement établies à la suite des concours généraux PE/2/LA — traducteurs adjoints d'expression allemande — et PE/3/LA — traducteurs adjoints d'expression française, italienne et néerlandaise — publiés au Journal officiel des Communautés européennes n° 41 du 9 mars 1964 [Maintenance of a reserve of German translators, as a result of open competitions PE/2/LA (German translators) and PE/3/LA (French, Italian and Dutch translators) advertised in official gazette No. 41, 9 March 1964]

No. 90 25. 5.65

## COUNCIL AND COMMISSION

### Regulations

Règlement n° 63/65/C.E.E. du Conseil, du 13 mai 1965, portant dérogation à l'article 17 du règlement n° 19 du Conseil et application de l'article 11 paragraphe 3 du règlement n° 16/64/C.E.E. en ce qui concerne la fixation à l'avance du prélèvement pour certains produits dans les secteurs des céréales et du riz (Council Regulation No. 63/65/CEE of 13 May 1965 waiving Article 17 of Council Regulation No. 19 and applying Article 11(3) of Regulation No. 16/64/CEE as regards advance fixing of the levy on certain products in the cereals and rice sectors)

No. 86 20. 5.65

Règlement n° 64/65/C.E.E. du Conseil, du 13 mai 1965, modifiant le règlement n° 46/65/C.E.E. du Conseil en ce qui concerne le prix de seuil applicable dans la république fédérale d'Allemagne pour la campagne laitière 1965/1966, au fromage « Butterkäse » (St-Paulin) (Council Regulation No. 64/65/CEE of 13 May 1965 amending Regulation No. 46/65/CEE as regards the threshold price in Germany of "Butterkäse" for the 1965/1966 milk year)

No. 86 20. 5.65

Règlement n° 65/65/C.E.E. du Conseil du 13 mai 1965 portant modification de l'article 11 paragraphe 2 du règlement n° 23 portant établissement graduel d'une organisation commune des marchés dans le secteur des fruits et légumes (Council Regulation No. 65/65/CEE of 13 May 1965 amending Article 11(2) of Regulation No. 23 on the common organization of the market in fruit and vegetables)

No. 86 20. 5.65

Règlement n° 66/65/C.E.E. de la Commission, du 19 mai 1965, adaptant le texte du règlement n° 149/64/C.E.E. relatif au calcul des prélèvements et restitutions applicables à certains produits laitiers aux modifications introduites par le règlement n° 42/65/C.E.E. (Commission Regulation No. 66/65/CEE of 19 May 1965 bringing Regulation No. 149/64/CEE on the levies and refunds applicable to certain dairy products into line with the amendments introduced by Regulation No. 42/65/CEE)	No. 87	20. 5.65
Règlement n° 67/65/C.E.E. de la Commission, du 21 mai 1965, portant modification des annexes du règlement n° 157/64/C.E.E. par suite d'une modification en Belgique de la cotation du produit du groupe n° 2 décrit à l'annexe I du règlement n° 157/64/C.E.E. (Commission Regulation No. 67/65/CEE of 21 May 1965 amending the annexes to Regulation No. 157/64/CEE to reflect the change in the Belgian quotation for the group 2 product described in Annex I of Regulation No. 157/64/CEE)	No. 89	24. 5.65
Règlement n° 68/65/C.E.E. de la Commission, du 24 mai 1965, modifiant un coefficient d'équivalence entre une qualité de blé dur offerte sur le marché mondial et le standard de qualité pour lequel est fixé le prix de seuil (Commission Regulation No. 68/65/CEE of 24 May 1965 adjusting the coefficient of equivalence between a given quality of durum offered on the world market and the standard of quality in respect of which the threshold price is fixed)	No. 91	25. 5.65
Règlement n° 69/65/C.E.E. de la Commission, du 25 mai 1965, concernant la vente accélérée des stocks publics excédentaires de beurre (Commission Regulation No. 69/65/CEE of 25 May 1965 concerning earlier sale of government butter surpluses)	No. 93	29. 5.65
Règlement n° 70/65/C.E.E. de la Commission, du 26 mai 1965, modifiant les dispositions du règlement n° 100 en ce qui concerne la durée de la période pour laquelle un prix de référence est fixé (Commission Regulation No. 70/65/CEE of 26 May 1965 amending the provisions of Regulation No. 100 as regards the period for which a reference price is fixed)	No. 93	29. 5.65
Règlement n° 71/65/C.E.E. de la Commission, du 26 mai 1965, portant fixation des prix de référence pour les prunes (Commission Regulation No. 71/65/CEE of 26 May 1965 laying down reference prices for plums)	No. 93	29. 5.65
Règlement n° 72/65/C.E.E. de la Commission, du 26 mai 1965, portant fixation des prix de référence pour les pêches (Commission Regulation No. 72/65/CEE of 26 May 1965 laying down reference prices for peaches)	No. 93	29. 5.65
Règlement n° 73/65/C.E.E. de la Commission, du 26 mai 1965, portant fixation des prix de référence pour les tomates de plein air (Commission Regulation No. 73/65/CEE of 26 May 1965 laying down reference prices for outdoor tomatoes)	No. 93	29. 5.65
Règlement n° 74/65/C.E.E. de la Commission, du 26 mai 1965, portant fixation des prix de référence pour les cerises (Commission Regulation No. 74/65/CEE of 26 May 1965 laying down reference prices for cherries)	No. 93	29. 5.65
Règlement n° 75/65/C.E.E. du Conseil, du 1 <sup>er</sup> juin 1965, portant remplacement de l'annexe II A du règlement n° 85/63/C.E.E. du Conseil relatif à la détermination des prix d'écluse et des montants		

supplémentaires, et fixant des dispositions transitoires, pour les découpes et les préparations et conserves à base de viande de porc (Council Regulation No. 75/65/CEE of 1 June 1965 replacing Annex II A of Regulation No. 85/63/CEE on sluice-gate prices and supplementary amounts of levies and laying down transitional measures for cuts, preparations and preserves of pigmeat)

No. 99 5. 6.65

## THE COUNCIL

### Information

Deuxième directive du Conseil, du 13 mai 1965, en vue de la mise en œuvre des dispositions des programmes généraux pour la suppression des restrictions à la liberté d'établissement et à la libre prestation des services en matière de cinématographique (Second Council directive of 13 May 1965 for implementation of the provisions of the General Programmes for the elimination of restrictions on freedom of establishment and freedom to supply services in the film industry)

No. 85 19. 5.65

Décision du Conseil, du 14 mai 1965, autorisant le royaume des Pays-Bas à suspendre, à l'égard des pays tiers, le droit de son tarif applicable aux pommes de terre, autres, non dénommées, de la position 07.01 A III b) [Council decision of 14 May 1965 authorizing the Netherlands to suspend duties on potatoes under heading 07.01 A III b (potatoes, other, not specified)]

No. 87 20. 5.65

Directive du Conseil, du 13 mai 1965, concernant l'uniformisation de certaines règles relatives aux autorisations pour les transports de marchandises par route entre les Etats membres (Council directive of 13 May 1965 for the standardization of certain rules governing the issue of road haulage licences)

No. 88 24. 5.65

Décision du Conseil, du 13 mai 1965, portant application de l'article 4 de la décision n° 64/389/C.E.E. du Conseil du 22 juin 1964 relative à l'organisation d'une enquête sur les coûts des infrastructures servant aux transports par chemin de fer, par route et par voie navigable (Council decision of 13 May 1965 implementing Article 4 of Council Decision No. 64/389/CEE of 22 June 1964 concerning a survey of infrastructure costs in rail, road and inland waterway transport)

No. 88 24. 5.65

Décision du Conseil, du 13 mai 1965, relative à l'harmonisation de certaines dispositions ayant une incidence sur la concurrence dans le domaine des transports par chemin de fer, par route et par voie navigable (Council decision of 13 May 1965 on the harmonization of certain provisions affecting competition in rail, road and inland waterway transport)

No. 92 28. 5.65

Budget de la Communauté pour l'exercice 1965 (Community budget for the 1965 financial year)

No. 92 28. 5.65

Consultation et avis du Comité économique et social au sujet d'une proposition de directive du Conseil concernant le rapprochement des dispositions législatives, réglementaires et administratives relatives à la construction et à l'utilisation des pistolets de scellement (Reference to the Economic and Social Committee of a proposal for a Council directive to harmonize laws, regulations and administrative instructions concerning the manufacture and use of cartridge-operated stud drivers)

No. 98 5. 6.65

## THE COMMISSION

### Directives and decisions

Décision de la Commission, du 30 avril 1965, portant octroi d'un contingent tarifaire au royaume des Pays-Bas pour le tétraéthylène-pentamine (Commission decision of 30 April 1965 granting the Netherlands a tariff quota for tetraethylene-pentamine.

No. 85 19. 5.65

Décision de la Commission, du 5 mai 1965, relative à un recours de la République française à l'article 115 alinéa 1 du traité pour exclure du traitement communautaire les « truites, fraîches, réfrigérées ou congelées », originaires du Japon et mises en libre pratique dans les autres Etats membres (Commission decision of 5 May 1965 concerning recourse by France to Article 115(1) of the Treaty to exclude from Community treatment "fresh, chilled or frozen trout" originating in Japan and in free circulation in the other Member States.

No. 89 24. 5.65

Directive de la Commission, du 13 mai 1965, concernant la procédure à suivre lors de l'élaboration des avis en matière d'agrément officiel d'abattoirs et d'ateliers de découpe dans les échanges intracommunautaires de viandes fraîches (Commission directive of 13 May 1965 on the procedure to be applied in seeking expert advice for official approval of slaughterhouses and carcass-cutting rooms engaged in intra-Community trade in fresh meat.

No. 93 29. 5.65

Directive de la Commission, du 13 mai 1965, concernant la procédure à suivre lors de l'élaboration des avis en matière d'échanges intracommunautaires d'animaux des espèces bovine et porcine et de viandes fraîches (Commission directive of 13 May 1965 on the procedure to be applied in seeking expert advice for intra-Community trade in cattle, pigs and fresh meat)

No. 93 29. 5.65

Décision de la Commission, du 5 mai 1965, relative à l'autorisation accordée à la République italienne d'adopter des mesures de sauvegarde pour certains produits du chapitre 50 du tarif douanier italien (soie et déchets de soie) [Commission decision of 5 May 1965 concerning authorization to Italy to take safeguard measures on certain products listed in Chapter 50 of the Italian customs tariff (silk and silk waste)]

No. 93 29. 5.65

Décision de la Commission, du 14 mai 1965, relative au recours de la République française à l'article 115 alinéa 1 du traité, pour exclure du traitement communautaire « les sacs et sachets d'emballage en tissus de jute autres que usagés », originaire de l'Inde et de la Pologne et mis en libre pratique dans les autres Etats membres (Commission decision of 14 May 1965 on recourse by France to Article 115(1) of the Treaty to exclude from Community treatment "sacks and bags for the packing of goods of woven fabrics of jute, other than used" originating in India and Poland and in free circulation in the other Member States)

No. 93 29. 5.65

Décision de la Commission, du 21 mai 1965, portant fixation des prix franco frontière pour les échanges avec les pays tiers dans le secteur du lait et les produits laitiers (Commission decision of 21 May 1965 laying down free-at-frontier prices for trade with non-member countries in milk and milk products)

No. 97 3. 6.65

Décision de la Commission, du 26 mai 1965, portant fixation des prix franco frontière pour les échanges intracommunautaires dans le secteur du lait et des produits laitiers (Commission decision of 26 May 1965 laying down free-at-frontier prices for intra-Community trade in milk and milk products)	No. 97	3. 6.65
Décision de la Commission, du 21 mai 1965, portant fixation des prix CAF des céréales, farines, gruaux et semoules (Commission decision of 21 May 1965 laying down cif prices for cereals, flours, groats and meals)	No. 97	3. 6.65
Décision de la Commission, du 21 mai 1965, portant fixation des primes s'ajoutant aux prélèvements dans les échanges intracommunautaires des céréales (Commission decision of 21 May 1965 fixing the premiums to be added to the levies on intra-Community trade in cereals)	No. 97	3. 6.65
Décision de la Commission, du 24 mai 1965, portant fixation des prix CAF des céréales, farines, gruaux et semoules (Commission decision of 24 May 1965 laying down cif prices for cereals, flours, groats and meals)	No. 100	8. 6.65
Décision de la Commission, du 26 mai 1965, dérogeant à la décision de la Commission du 26 mars 1965 portant fixation du montant supplémentaire qui peut être restitué à l'exportation de certains fromages vers les pays tiers en ce qui concerne les fromages ayant fait l'objet de mesures d'intervention (Commission decision of 26 May 1965 waiving its decision of 26 March on the supplementary amount refundable on exports of certain cheeses to non-member countries, in respect of those cheeses for which market support measures have been taken)	No. 101	9. 6.65

### European Development Fund

Avis d'appel d'offres n° 419 lancé par la république du Congo (Call for tender No. 419 issued by the Congo)	No. 87	20. 5.65
Avis d'appel d'offres n° 420 lancé par la république du Dahomey (Call for tender No. 420 issued by Dahomey)	No. 85	20. 5.65
Approbation de projets et programmes (Approval of projects and programmes)	No. 89	24. 5.65
Modificatif à l'appel d'offres n° 405 (Amendment to call for tender No. 405)	No. 89	24. 5.65
Avis d'appel d'offres n° 421 lancé par la république du Dahomey (Call for tender No. 421 issued by Dahomey)	No. 94	31. 5.65
Avis d'appel d'offres n° 422 lancé par la république islamique de Mauritanie (Call for tender No. 422 issued by Mauritania)	No. 94	31. 5.65
Situation de trésorerie du Fonds européen de développement arrêtée à la date du 31 décembre 1964 (Cash position of European Development Fund at 31 December 1964)	No. 100	8. 6.65
Compte rendu sur l'état d'avancement des opérations du Fonds européen de développement arrêté à la date du 31 décembre 1964 (Progress report on EDF operations at 31 December 1964)	No. 100	8. 6.65

## COURT OF JUSTICE OF THE EUROPEAN COMMUNITIES

### Judgments

Arrêt de la Cour (Deuxième Chambre) dans l'affaire 35-64 (M. Cesare Alfieri contre Parlement européen) [Judgment of the Court (second section) in case 35-64 (M. Cesare Alfieri v. European Parliament)]

No. 91 25. 5.65

### Communications

Recours introduit le 16 avril 1965 par M. Domenico Morina contre le Parlement européen (Affaire 21-65. [Suit by M. Domenico Morina v. the European Parliament (case 21-65.)]

No. 84 14. 5.65

### Notice of competitive examination

Avis de concours n° C.J./33 (un reviseur de langue française. [Notice of competitive examination No. CJ/33 (French revisor.)]

No. 89 24. 5.65

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

Supplement No. 18, 19 May 1965

Supplement No. 19, 26 May 1965

Supplement No. 20, 2 June 1965

Supplement No. 21, 9 June 1965

**C. Recent publications of the European Community (1)**

Non-periodical publications

Fonds Européen de Développement (FED)

Situation mensuelle des projets en exécution

[European Development Fund (EDF)

Monthly situation of schemes in progress at 30 April 1965] (f).

Limited distribution.

Huitième Rapport Général sur l'activité de la Communauté

(Eighth General Report on the Activities of the Community)

(1 April 1964 — 31 March 1965)

1965. 496 pp. (f,d,i,n) Provisional edition. Limited distribution.

Periodical publications

4002

Graphs and Notes on the Economic Situation in the Community. Monthly. No. 6/1965.

Three bilingual editions: e/f, d/n, f/i. Price per issue: 3s.6d.; \$0.50; Bfrs. 25

Annual subscription: £1.16s.0d.; \$5; Bfrs. 250.

5002

Bulletin des acquisitions. Bibliothèque de la Commission de la C.E.E.

(List of recent additions. EEC Commission Library). Monthly. No. 4/1965. Free distribution.

CEE Informations. Marchés agricoles. Echanges commerciaux.

(EEC information. Agricultural markets. Trade.

Bi-monthly. No. 1, June 1965 (f,d,i,n) Limited distribution.

CEE Informations. Marchés agricoles. Prix.

(EEC information. Agricultural markets. Price)

Bi-monthly. Nos. 8 and 9/1965. (f,d,i,n) limited distribution.

---

(1) The abbreviations after each title indicate the languages in which the documents have been published: t = 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. 6, June 1965

The Hague : Europese Gemeenschap No. 72, June 1965

Paris : Communauté européenne No. 6, June 1965

Rome : Comunità Europea No. 6, June 1965

London : European Community No. 6, June 1965

### Statistical Office of the European Communities

General Statistical Bulletin, No. 6/1965

Statistical Information, No. 1 & 1 bis/1965

Commerce extérieur : Statistique mensuelle, No. 6/1965  
(Foreign Trade : Monthly Statistics)

Commerce extérieur : Tableaux analytiques, Export I - IX 1963  
(Foreign Trade : Exports I - IX 1963)

Commerce extérieur des AOM, No. 10, 11, 12, 13, 14, 15, 16, 17  
(Foreign Trade of the Overseas Associated Areas, Nos. 10, 11, 12, 13, 14, 15, 16, 17)

Sidérurgie, No. 3/1965 (Iron and Steel)

Sidérurgie, Annuaire (Iron and Steel, Yearbook)

Statistiques de l'énergie, No. 3/1965 (Energy Statistics)