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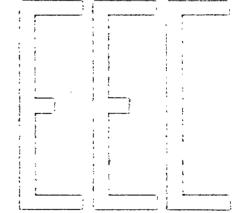
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Supplement

Proposal for a Council regulation on the system governing processed products based on cereals or rice

Proposal for a Council directive on procedure for introducing freedom of establishment and freedom to supply services in activities connected with the press

Address introducing the Seventh General Report on the activities of the Community

delivered by M. Walter Hallstein, President of the EEC Commission, before the European Parliament on 18 June 1964

The first half of the transition period of the Common Market runs out this year, and now, half-way through our endeavours to integrate Europe we can take stock of the situation. In doing so we cannot but note that the European Economic Community has been an overwhelming success. We have met with difficulties and setbacks but these cannot dim the lustre which radiates from the first six years of our Community. Certainly, our aspirations reach out beyond what has been achieved. This is natural and it is necessary. However, it is fitting that we allow ourselves a moment of grateful reflection. European unity look today if the Treaty of Rome had not stood the test, both as an economic canon and as the Community's constitutional charter? Institutions had failed? If the drive which animates them had been missing? Many factors — a conscious political will, devoted work, a little luck, and not least the work done by this august assembly - have combined to enable us to see European unity taking shape in the stern reality of our days.

That integration has become part and parcel of the economic and political life of Europe, that it has come to stay, is the first and most important summing up which emerges from a general survey of our work.

A few figures will serve to illustrate the Community's progress: between 1958 and 1963 the Community's real gross product went up 30%, as against 23% in the United States and 16% in the United Kingdom. During the same period industrial production rose about 40% (in the United States 33%, in the United Kingdom 23%). How closely trade between the Member States has become interwoven even before the completion of the customs union can be seen from the 13% increase in internal trade since 1958, with a growth rate of 17% last year alone.

The outside world has also profited by this rapid economic development of the Community. Between 1958 and 1963 imports from non-member countries rose by 53%, and amounted last year to \$ 24600 million (by way of comparison, United States imports were \$17000 million).

Exports have not grown at the same pace: they have risen by only 36%. As a result the Community, in 1963 for the first time, had a deficit on trade, which amounted to more than \$3 000 million. This deficit will probably increase further in 1964.

Does the consumer in the Community benefit from all this? This question is repeatedly asked. And if it can only be answered in the affirmative, the incorrigible doubters take refuge in the other question: is it then certain that the European Economic Community is really the cause of an unparalleled prosperity, of an economic growth, which is already coming up against the limits of what can be borne?

The Commission has instituted inquiries into these points and some of the initial results are to be found in our General Report. And the Commission does not fail to give thought to the question of special measures to ensure that benefits of our policy reach the consumer. Meanwhile, however great our assurance that the upsurge we have experienced would have been impossible without the Common Market, the exact scientific proof of the extent to which it is a cause is a matter of equally great difficulty.

For psychological factors play a decisive role in the chain of causes. Who can compute how many managerial decisions — and of what importance — are motivated by conscious appreciation of the greater chances of the Common Market and how many simply by inborn personal optimism or an enterprising temperament?

And, with regard to consumers, it is a basic and elementary truth of every-day life and of the economic system that every consumer is at the same time in receipt of income. Therefore it is not only prices but also the size of his income which determines his well-being. Now the wage or salary per person gainfully employed in the Community went up 56% between 1958 and 1963 while consumer prices rose by only 16%. The difference between these two figures reflects the benefit which the consumer, too, derived from economic development. How would it be possible otherwise that between 1960 and 1963 the number of private cars in the Community per thousand inhabitants rose from 78 to 102?

Admittedly all these gratifying experiences do not mean that things will go ahead automatically from now on. On the contrary, the nearer we come to the hard core the more apt is Max Weber's remark that "politics is a tough job of boring through thick planks". In the further construction of the Community it will be necessary — as in the past — to be vigilant.

A first source of danger for the further development of the Community lies in the fact that our Treaty has not laid down a hard and fast time-table in every sector. We cannot, however, afford any standstill in executing the Treaty and developing common policies even in those fields where there is no such time-table. It is more than ever true that if we stop we slip back. The most striking points on which we have this anxiety are the cereals price question and the common commercial policy.

A second source of danger is to be found in extreme economic developments in individual member countries. We must always be prepared for the danger that very grave economic difficulties in a Member State may give rise to a temptation to act on the moto of "every man for himself". Although in the past year certain Member States had to cope with greater economic difficulties than before, this reason for anxiety has on the whole not so far been borne out in fact. The Community spirit and loyalty to the Treaty have always proved stronger than misguided reflexes of self-preservation. The Commission will exercise the constant vigilance which the Treaty imposes on it. In so doing, along with the precept of strict implementation of the Treaty, it will allow full play to the precept of solidarity, which calls on us to find Community solutions even for the difficulties of individual Member States.

A third danger for the development of the Community is grave disturbances whose cause is beyond the Community's control. In the past year we have been spared such perils. We are confident that this will also be the case in the period ahead of us. We must, of course, realize clearly that such dangers

threatening the Community from outside need not always be in the blatant form of a dramatic crisis. They can also steal upon us silently, for instance in the form of a specious political union, an ill-conceived merger of the Executives or a systematic frustration of majority decisions.

If we wish to measure the progress made last year, the yardstick of those "medium-term forecasts" established by the Commission in its Action Programme for the development of the Community is available to us. Using this yardstick we note that in certain fields the Community has not come up to our expectations, but in others on the contrary it has fulfilled its programme.

The fields in which progress was slower are the following:

The concomitant measures for the customs union, concerning charges equivalent in effect to customs duties, the adjustment of government monopolies, the harmonization of customs legislation, customs administration, etc.;

The harmonization of company law;

The unification of the law relating to professions and trades;

Regional policy;

The right of establishment and freedom to supply services. However, in this field the concentrated action initiated by the Commission is beginning to bear fruit. Three directives have come into force, eight have been passed by the Council and proposals for a further seven have been tabled.

In the following fields the Commission, despite special efforts, has not been able to make as much progress as it would have liked:

Energy policy;

Transport policy, where we are still waiting for the Council to deal with the Commission's proposals of May last year;

Social policy;

Competition policy;

The common commercial policy, including a true Community policy towards developing countries.

The following may be mentioned as fields in which development has kept pace with the Action Programme:

The customs union;

The common agricultural policy, with the important exception of price policy;

The Community financing of agricultural policy;

Work on harmonizing turnover taxes, a particularly important project since it means an attack on "tax frontier", without the success of which no true Common Market with the characteristics of a domestic market would be set up but only an ill-defined preference area;

The establishment of a European "medium-term forecast";

The beginnings of a common economic and monetary policy;

In the field of external relations: the association with Africa, which I am particularly pleased to note has now come into force, the association with Turkey and the preparatory work for the Kennedy round.

The fact that integration has gone on smoothly in certain sectors while there has been some hesitation in others is not of course merely fortuitous. Among the reasons for it, three stand out:

The first reason is the Treaty itself. It is, of course, almost always untrue to say that in individual fields the special bases laid down in the Treaty are too narrow for its aims to be achieved. Proper interpretation shows us that the economic union set in motion by the Treaty covers the whole of economic policy. But these Treaty bases are however often somewhat vague. In this connection particular mention should be made of energy policy, regional policy and the adjustment of government monopolies, where the Commission — with recommendations as its only weapon — is to storm to usually very powerful and well-armed fortresses of government tobacco, oil, or alcohol monopolies. All these problems pose questions for us which must be kept in mind on the occasion of the merger of the Communities.

A second factor is the strength of the interest bound up with the progress of the Community.

This can be an individual interest. Such self-interest on the part of a Member State is in itself neither immoral nor un-European. The Community is all the stronger the more it serves individual members' interests as well.

Their energetic assertion is welcome to us if it favours the progress of the Com-When they are present, Community activity is strong, even if also often shot through with controversy. Where they are lacking, Community life is often also faint and undeveloped and progress meagre and arduous. Member State brings with it into the Community a number of individual interests which have to be defined precisely and which its membership of the Community serves. For instance what the common agricultural policy is to one, the common commercial policy is for others. Naturally, the front line of progress in the execution of the Treaty can sometimes run crooked when more energy is expended on one sector than on others. In order to avoid this, the method known as synchronization — the amalgamation of various Community decisions in a single comprehensive decision — was applied last year. to the special circumstances the results were not too bad. Naturally, the different Community decisions are also related and to this extent it is legitimate that the Member States should make use of these relationships within the Council procedures in a spirit of give and take. The danger with this method of préalables" is, of course, that its negative effect, its restraining effect, may For this reason the procedure adopted last year should remain predominate. an exception and in principle the Treaty should be carried out as it is, i.e., without mutual conditions. The overall balance desired finally rights itself when the Treaty is implemented as a whole.

It can naturally happen also that the self-interest of all Member States coincides with the Community interest. This is the ideal case. The most recent example, in an urgent and vital matter, is the struggle against inflation.

A third factor determining the pace of integration is the provision of personnel for the Commission. The right of establishment, the approximation of law on trades and professions, the further work to complete the customs union, and indeed the common trade policy, whould have advanced further if the Commission had had the necessary staff. There is no question here of an imaginary shortage or of bureaucratic "empire building", but of Commission demands which are based on the actual state of affairs and, indeed, on the Treaty and are already reduced to a minimum. The fact that it is not possible to provide the Commission with this necessary staff, and indeed not even possible to obtain the necessary factual discussion of the matter in the Council, leads to the conclusion that the present budget machinery does not work. We should therefore not falter in our demand for an improvement of budget procedure.

For the inadequate staffing of the Commission, I also blame the Statute of Service in its present form. Certain parts of this Statute, in particular the arrangements for recruitement, are unworkable and need overhauling. Unfortunately, the Commission's proposals for improvements have so far been bogged down in inter-Executive procedure.

Whether progress has been slower or more rapid, the Commission last year fulfilled the threefold task which the Treaty lays upon it as guardian of the Treaty, arbitrator between the interests of the Member States and of the Community and initiator of the Community's development.

As guardian of the Treaty the Commission has instituted proceedings in twenty-one cases against Member States which in its opinion had infringed Community law. It has brought three cases before the European Court of Justice. In one of these it was able to withdraw its plea because the Member Stade had meanwhile rectified the position; the others are still pending. For last year too I am able to draw the gratifying conclusion of earlier years, i.e., that the Member States, despite occasional irregularities, are carrying out the Treaty loyally and to the letter and that differences of opinion are fairly evenly spread over all the Member States.

The Commission's activity in its role as an arbitrator between the Member States is difficult to express in figures. Of the 113 regulations, directives and decisions which the Council of Ministers adopted in the year under review a great number would doubtless never have seen the light of day if the Commission had not striven constantly for a compromise. The arbitrator's role naturally does not mean agreeing at any price. Where the responsibility for the Community and practical requirements make this appear necessary, the Commission has continued to press for the acceptance of its proposals even when the Council of Ministers or a part thereof had arrived at other opinions. I am thinking of the debate on cereal prices of 2 June this year.

In its role as the prime mover in the Community the Commission has submitted to the Council 125 formal proposals and 53 other communications. The Commission itself has issued 77 regulations, 2 directives, 98 decisions and 17 recommendations.

I conclude these general remarks with a glance at the highly important legal aspect of our situation.

With the progressive establishment of the Common Market, Community law is assuming an ever greater and more conscious role. The increasing number of cases in which national courts have to apply Community rules and in which they find themselves obliged to seek an interlocutory judgment from the Court of Justice of the European Communities as to the validity and interpretation of Community law is an obvious illustration of this development. For the Commission, too, which was entrusted by the Rome Treaty with the task of watching over the observance of Community law, this again brings up the basic question of the proper relationship between Community law on the one hand and the national law of the Member States on the other.

The European Court of Justice, which has the last say in legal questions concerning the Community has called the latter a "new order of law". In fact it is to be defined as a system of legal principles complete in itself and exercising independent and final authority in its allotted sphere. I hardly need to point out that such an order of law is as little at home within the confines of traditional international law as in the national legal systems. This order, with its field of application extending beyond the individual State territories and the potential impact of the acts within its competence on citizens of the Member States, can neither be understood as an appendix to the national legal order or as a mere bundle of inter-State arrangements. All this has long since been thought and expressed, but ideas as to what this Community legal order means in detail have found less complete and uniform acceptance. I would like to sum up the Commission's opinion on this point as follows:

First: the legal acts of the Community organs can be defined, examined as to their validity and interpreted only in terms of Community law. Assimilating them to categories of State legal systems involves the danger of misunderstandings and erroneous conclusions. Thus we are obviously led astray if regulations of the Community organs are designated as derived rules of law applied by delegation from the real lawmaker.

Secondly, the Community's legal order is, on the other hand, dovetailed into the law of the Member States in a great variety of ways. Official bodies, administrative authorities and courts in the Member States are increasingly applying rules of Community law. This interplay of two legal systems is not without Federal associations of various types and degrees offer examples of precedent. Here the rule that each part can only lay down valid law in the sphere of competence allotted to it, or which it has retained — a rule which, as we know, also applies to our Community — avoids constant conflict between different If, however, an overlap of competence should exceptionally legal systems. exist and there should be a clash of valid rules apparently requiring equal respect, it necessarily follows from the character of the merger into a wider order that the law of the superior association takes precedence — but I repeat, only in its sphere of competence.

Thirdly, this precedence above all means two things: the rules of Community law come first irrespective of the level of the two orders at which the conflict occurs. And further, Community law not only invalidates previous national law but also debars subsequent national law. Both rules of conflict are part of that solidly entrenched body of law applied in comparable cases. Without them to acknowledge the supremacy of Community law would be no more than a courteous gesture, carrying no obligations. In reality the Member States could do with it what they liked.

Fourthly, and in support of the above, a unified solution valid for the whole Community must be provided for the order of precedence here mentioned. Any attempt to solve the order of precedence differently to accord with the idiosyn-

crasies of the Member States, their constitution and political structure, runs counter to the unifying character of European integration, and thus to the fundamental principles of our Community. The Commission thinks it particularly important to note this fact.

After these general comments, let me turn to some of the special aspects of the Community — to customs union, general economic policy, agricultural policy and commercial policy.

A further important step has been taken this year towards customs union, which is really the basis of economic integration; this was done thanks both to the provisions of the Treaty and to the political will of each of the Member States. The first of the three cuts in intra-Community customs duties required during the second stage brought duties among the Member States down by 60% from the basic duty, except for a number of agricultural tariffs, which were lowered by 45%. The reductions required by the Treaty over the next eighteen months will bring internal duties down to 20% of the starting figure. This raises the question (now exercising the Commission) whether the remaining 20% should not also be removed during this period in order to eliminate customs duties completely. If this were done, the common external tariff would have to be put into effect at the same date, which would mean carrying out the third alignment. This would keep up the pace of the alignments made to date. The customs union would then be completed by the beginning of the third stage of the transition period.

Such an operation would affect the Member States in different ways. For one the main thing would be that it would mean increased imports, for another changes in protection vis-à-vis non-member countries or repercussions on the balance of payments.

The common interest is evident. Not only would this be further proof of the Community's vitality: it would also put an end to uncertainties regarding the European economy. Our friends outside the Community would be sure of the form of the European customs union confronting them. Most of all, the establishment of the common external tariff would be of inestimable value in the Kennedy round. Our negotiating partners could then be certain that all tariff cuts agreed with the Community would indeed be fully applied as negotiated and not partially applied in accordance with some complicated system of alignments.

Lastly, the completion of the customs union would give a decisive stimulus to economic union. A situation would be created in which progress would have to be made in this field too. The political necessity would be obvious (I am thinking of the questions of agricultural policy still outstanding), and so would the economic need: the final integration of the Member States' economies would be a strong incentive not to put off other measures, particularly measures of common commercial policy, monetary policy or conjunctural policy.

During the period under review advances were made in other matters as well as the movement of goods. Freedom of movement for workers has been largely achieved already — a most significant fact in view of the considerable movements of labour within the Community. In addition to the free movement of capital within the Community, the need for a unified capital market among the six Member States is now making itself felt. The European economy is destined to take its place in a world scale of values, and this means that its financing

capabilities must be commensurate with this order of magnitude, particularly once the Kennedy round is over, when it will have to meet American competition. Our foreign trade figures show that our competitors are not idle.

We come now to economic policy. Our society tolerates neither complete uncertainty, nor excessive preferment of one to the detriment of another, nor direct State control in private economic activity. But all free modern States exercise indirect control of the economic process through monetary and conjunctural policy, which thus becomes a basic factor in their society. As a single economic body is rapidly taking the place of the six economies of the Member States, this control must also be effected at Community level. The EEC Treaty recognized this need.

The first elementary steps towards this goal were taken in the year under review. I will remind you of the Council's decisions, taken on the Commission's proposal, on monetary and economic co-operation among the Member States and on prior consultation on changes in exchange rates, the decision to set up a committee of Central Bank Governors and — most important — the decision on medium-term economic policy, which gives the Community an instrument that is new to some of the Member States to master the difficult economic problems of the day. The Commission, acting on a resolution of this House, also worked out recommendations at the beginning of April to re-establish the internal and external equilibrium of the Community; these were accepted by the Council not long afterwards. The main points of this programme are the restrictions of total demand (particularly government spending), a restrictive credit policy, an incomes policy to maintain a balance between productivity and rising incomes, and a liberal import policy. The Member States have already begun to carry out these recommendations.

However positive a first step this may be, recent months have again shown distincly the dangers of any lag in attaining economic union. In some Member States marked inflationary tendencies have appeared, while in others prices remained relatively stable. As protection between the Member States has been greatly reduced, these differences have given rise to extensive movements of goods, which entail great difficulties for countries with a deficit and for those with a surplus. If the degree of integration already attained is not to be sacrificed, these difficulties can only be resolved by taking a determined step forward, by introducing a common policy for the Community. This is generally recognized.

A hard job remains to be done. Admittedly, the Member States all have a fundamental interest in that common policy. But we do well to take precautions against the danger that the Member States may attempt as far as possible to circumvent or postpone a Community solution. We do not doubt that the right course will eventually be followed. Even now, the close links between the movements of internal tariffs and the external tariff, developments in balances of payments, foreign-exchange reserves, the creation of money and government fiscal policy are unmistakable. Changes needed in some spheres for which there are already Community arrangements — tariffs, for instance — may have most varied effects in the different Member States; these may be welcome in one State and most unwelcome in another. Community action in one of these fields demands Community action in the others and readiness to create the conditions for such action.

Agricultural policy, too, has claimed much attention during the twelve-month covered by the report. Thanks to brilliant co-ordination work by the Institutions — a Commission initiative followed by a decision of the Council of

Ministers — market organizations for three further basic farm products were approved in December and are to come into force in the autumn of this year. This brings by far the greater part of farm output under Community control.

There is no denying that these Community regulations are highly complicated. But the European unification process has no special claim to perfection, and it is unquestionably wiser to mobilize the ingenuity of the experts in the pursuit of a peaceful Community farm policy than in the pursuit of wars and bloodshed. Moreover, the market organizations will become a great deal simpler once the prices of the basic products, particularly of cereals, have been unified. At a single stroke a whole stack of regulations and hundreds of levies will be rendered superfluous.

As announced by the Commission in its Action Programme, work on Community policy for the farm products as yet unorganized continues.

As the Commission has often had occasion to stress, this major activity is, however, only part of the task to be accomplished. The second part of agricultural policy consists in the fixing of prices. With agreement on Community price a twofold objective is achieved: the internal market for agricultural produce provided for in the Treaty is brought into being, and a policy is defined the instruments of which are the agricultural market organizations.

Last November the Commission made a proposal for the most important of these prices — the cereals price — which offered a workable method of settling the whole issue quickly in one operation. The Parliament's support for our proposal has been a source of particular satisfaction. I need not recapitulate the details of the proposal here, save perhaps to say that it embodies the fairest compromise for all concerned: I refer in particular to the Community financing of any surpluses that may occur and to Community payments to farmers to offset fully any losses of income caused by rapid price unification.

The Commission, however, has been led to the conclusion that there is no general readiness in the Council of Ministers to align prices this year. All that has been agreed is to consider the decision once again before the end of the year, and this, in the opinion of the Commission, is the very least that must be done. If no common cereals price is agreed soon, we can expect progress with the common agricultural policy and in the Kennedy round to come to a halt.

This second consequence — the blocking of the GATT negotiations — is disputed in some quarters. It is insinuated that the Commission sees a causal relationship where none actually exists. A common cereals price, it is asserted, is not demanded by the Americans. My answer is this: it is true that our American partners in the negotiations say that a common cereals price would be helpful for the Kennedy round but is not a decisive factor. On the basis of this argument they defend their negotiating position as they are perfectly entitled to do. It is no secret that their aim in the Kennedy round is quantitative regulation of access to the market. Even as part of such an arrangement, the cereals price will of course be one among several important factors. What is, however, more important is that the quantitative solution is not acceptable to the Community: it would run counter to the basic principles of the Community agricultural policy long since agreed on by the Six at the cost of so much effort. Essential to these principles is the control of farming by means of prices and the dismantling of all other "dirigiste" methods previously

employed (government trading, quotas, compulsory mixing regulations, etc.). In line with this approach, the Council of the Community on 23 December 1963 unanimously adopted terms of reference for the Commission in the Kennedy negotiations based on this fundamental conception. Since we also feel that, in order to preclude discrimination by the importing countries against the exporting countries, all agricultural protection devices must be laid on the negotiating table, and not only import policies, the keystone of our proposals is the ascertainment and (first of all) the binding of the "support levels" which are the criteria for respective protection arrangements. For the Community, this means, in view of what I have said, the difference between world price and the Community price.

From this arises the central significance of the cereals price for the Kennedy round — and for the Kennedy round taken as a whole, since, at the request of the Americans, both industrial and agricultural trade is being negotiated. Without the fixing of the cereals price, the negotiations could therefore only succeed if the American side were to abandon its position on linking industrial and agricultural trade or the Community rejected the fundamental tenets — so laboriously hammered out — of its agricultural policy and replaced the negotiating instructions of 23 December by a new unanimous Council decision. We see no prospect of either alternative.

These factors have made it impossible for us to be satisfied with the Council decisions of 2 June.

Lastly, in the field of commercial policy, there has been no lack of successful developments.

The association with Greece has become effective.

The Association Agreement with Turkey was signed in September 1963 in Ankara and ratification procedure is now under way.

The first phase of preliminary conversations with Austria is now concluded. The Commission has reported to the Council, giving its own view on this questions.

The Community has agreed on regular contacts with the United Kingdom within the Council of Western European Union. These have taken place so far on three occasions, in London, The Hague and Brussels; the Commission participates in the discussion of economic questions.

Trade agreements were signed in October 1963 with Iran and in June 1964 with Israel.

With Lebanon, Tunisia, Algeria and Morocco exploratory talks have been held on relations with the Community. The Commission holds regular meetings with the accredited representatives of Latin-American countries. It is also studying the objectives of a treaty with Japan, and, at the Council's request, is drafting proposals concerning instruments of Community policy in this field.

The World Trade Conference has shown that, although there is a certain consensus among the Six on the broad lines of a solution to the problems of the developing countries, the Community is still not finding it easy to work as a single body in these matters. The Community will not be able to translate its positive and understanding attitude into action until it decides to adopt a common approach in this field also.

The Kennedy round was also formally opened a few weeks ago, after somewhat protracted preliminary talks. When introducing the last General Report, I had an opportunity to discuss before this House the significance of these negotiations and the spectacular change which they herald in the relations between Europe and the United States. To this I have nothing to add. During the year under review we have worked hard and steadily in the initial implementation of this concept by means of customs and commercial measures. On 23 December the Council of Ministers adopted the necessary decisions, and — in accordance with Treaty rules — the Commission has conducted the negotiations on behalf of the Community. Progress has been made on the disparity question; Community has been particularly watchful to see that harmful repercussions on European trade are as far as possible avoided. Work has begun on the list of exceptions to the proposed customs reductions — a crucial topic for the outcome Naturally, the success of the Commission's efforts to keep of the negotiations. the lists of exceptions short and reasonable will depend on whether satisfactory results are also obtained in the other fields of the negotiations — disparities and non-tariff measures.

Alongside this impressive list of countries, of negotiations and of Community treaties, less favourable progress must be recorded in the second great field of work concerned with commercial policy, namely putting the intruments and working principles of commercial policy on a Community basis.

The Community has now entered the second half of the transition period. Nevertheless, despite perfectly adequate foundations provided by the Treaty, the greater part of the work in this field is still to be done. The Commission makes no secret of its anxiety on this score, and we know that here European Parliament has always been at one with us. In the shape of a programme to promote a Community commercial policy approved in September 1962 by the Council, the Community does possess firm guide lines for its action. But the Commission's subsequent proposals did not elicit any Council decisions in the past year. Early in March, therefore, we again put to the Council our suggestions on how commercial policy could be progressively put on a Community basis, emphasizing the urgency of the question.

Here the practical difficulties which have brought progress to a halt are not insuperable. The material problems are considerable, but entirely amenable to solution. What has struck the Member States as a new and radical development is rather the emergence, in response to the Treaty, of a measure of common European foreign policy. In this field the Member States feel the irruption of integration into their national domains with particular force. Objections and reservations are therefore stubborn and numerous. However, in the sixth year of the Community's life, this hesitation over integration and interdependence, which in many other fields are already a reality, is an anachronism. Failure to establish the common commercial policy also runs counter to Community interests and will in the long run pose serious problems for the Member States which have particularly substantial interests in matters of commercial policy.

For my last topic I turn to the Community's constitutional problems and the more general problem of "political union", to use the expression that has now become a slogan. On this point discussion during the year under review has been unmistakably more lively. This is mainly due to the fact that, with the further progress of what is known as economic integration, the now general realization that we are concerned in fact with an eminently political phenomenon is abundantly clear from developments in a steadily growing number of

specific Community fields. And the deep interest taken by the Federal German Chancellor in this question has certainly done much to keep the topic to the fore.

It is common knowledge that "political union" involves two differing but inter-The first is the extension of the partial political related sets of problems. union — economic and social union — already attained within the European Communities to other fields: defence policy, foreign policy (the economic aspects of which are already unified in the European Economic Community) and To this extent the Institutions of the European Economic cultural policy. Community have, it is true, no direct formal right to a voice on these matters, but they do have a well-founded interest and also a share of responsibility. Precisely because we are incontestably a part, the first embodiment, of European unification — which must be regarded as an indivisible process — we must insist that the next steps follow systematically, that no cracks appear or distortions develop to impede progress on the rest of the edifice. Commission has therefore always said — and I have no reason today to withdraw any part of this - first, that it favours the extension of integration to the other fields as soon as this is at all possible, secondly that, as we extend integration in this way under no circumstances must the European heritage enshrined in our present Communities be impaired — we want to go forward and not back. Thirdly, experience has taught us that real success can only be expected with plans for expansion if these represent a genuine, independent embodiment of the Community's interests. Only in this way can the danger of compromises at the level of the lowest common denominator be obviated. Of secondary importance, on the other hand, is the question whether expansion to other fields should be undertaken by entrusting additional responsibilities to the existing Community Institutions or whether the procedure followed for the original Treaties of Rome should be adopted and new structures set up whose merger with the old Institutions would depend on subsequent developments. The choice between these two courses can be postponed to the time at which the problem is tackled, and it can then be made in the light of the current political situation.

As for the chances that plans for extension will be taken up again, only one thing is certain; all the rest is speculation. It is certain that there is no better way of improving the prospects for such a "relance" than by the success of the existing Communities. True, economic and social integration will not automatically prompt expansion; in politics nothing is automatic, everything is a question of will. However, such integration does engender an inner propensity to expansion. You cannot place trade policy — which is such an important part, such an important instrument, of foreign policy — on a Community basis without this having consequences for foreign policy as a whole. You cannot put together piece by piece an economic and social policy — the most important area of domestic policy — without creating lasting arguments in favour of more and more joint action. Examples to illustrate my point are legion. And the result is that a strong and constantly growing psychological causality is created.

We are, on the other hand, directly affected by the second point coming under the heading "political union". That is the improvement and strengthening of the constitutional machinery for European organization. In this field the past year has seen a new development, and the signs are that others will follow.

What has happened is that the Council of Ministers has held consultations on a merger of the Executives of the European Communities. This represents belated action on a welcome proposal made by the Netherlands Government as

long ago as 1961, on the repeated suggestions of the European Executives themselves — including the Commission of the European Economic Community — and the overwhelming approval of this House. Here, too, our suggestion has already been accepted that initially only the merging of the still separated Institutions should be considered — the Parliament and the Court of Justice are, of course, already common Institutions — and that the harmonization of the Treaties themselves, that is to say of the functions of the Institutions as they derive from the Treaties, should follow shortly after. It is expected that the experience which the single Executive will gain from the administration of the three different Treaties will be the most useful guide to the amalgamation of the Treaties, the "merger of the Communities".

Consultations over details have gone ahead fast: the concept is simple, the more so since the administrative consequence of the procedure adopted (the "merging of the Administrations") must remain within the sole competence of the single Executive itself. Essentially only three questions remain open: the seat of the Institutions and of the Administrations, the number of members of the single Executive (9, 14 or 15), and the consequences as regards an appropriate role for the European Parliament.

On the question of where the Community's headquarters should be, we cannot but stress that the efficiency of co-operation between Institutions and administrations must not be impaired.

As to the size of the new Executive, the Commission of the European Economic Community has come down emphatically in favour of a 9-member body, and it is grateful for the support of the House on this point, given in a resolution of 20 October 1961. Since for several reasons the question is still controversial, I will, if I may, briefly outline once again the reasons for our standpoint and appeal for understanding and support. In our opinion there can here be only one criterion and it alone must settle the issue: what formula affords the highest attainable efficiency and the most satisfactory working of the Institu-The essential function of the Commission, however, the function by whose fulfilment the working of the Community stands or falls, is that it must be the fullest and purest embodiment of the Community interest. has shown us that — within the limits set by human imperfection — this is possible with nine members, though you must not think it comes easily: it costs every one of us unremitting efforts. We are very much afraid that a 14-member body might prove more cumbersome; that the actual day-to-day application of the collegiate principle - responsibility of all in all matters - would be hampered - if not made virtually impracticable, but even more that the members might developed independent responsibilities in specific fields; that internal groupings, political or regional, might develop and that the whole might become more a senate than an executive, with technical compromises between groups, whereas the real need is for practical decisions consonant with the Community We are told to look to the example of the national governments. But a national government whose psychological integration is self-evident is precisely what we are not. It is simply too early to imitate the organizational principles of a national government. Lastly, we are confident that the burden of work awaiting the single executive can certainly be borne by nine members.

The status of the Parliament finally is a matter for discussion by the body most competent on the subject — the Parliament iself. I need only refer to the debates on the reports from your members, M. Deringer and M. Furler. Here the main question is what must be achieved when the Executives are merged and

what when the Communities are merged. The Commission has shown great consistency in its support of the aspirations of this House. This applies particularly to the demands made by the Chairman of your Budget and Administration Committee, M. Vals, on the question of most immediate importance, which is unquestionably bound up with the merging of the Executives — the strengthening of the Parliament's budgetary powers. We shall persist in our efforts to convince the Council of the soundness of the proposal put forward.

I shall sum up our thoughts on the relation between the Communities and the problems which are embraced by the notion of "political union" in a few sentences — in one main proposition and two subordinate propositions both derived from the first. The main proposition is this: there is no road to political union — or rather, if we may now be more precise — to European federation — which can circumvent the "economic" Communities; they are essential stages on the journey. This means in the first place that if the Economic Community fails, the political community will be a lost cause for our generation. It also means — and this is no less important — that as long as the European Community lives — lives as what it is: a dynamic force constantly renewing itself — so long will real prospects of European federation live.

That is the significance of the European Communities for the political future of Europe. On the other hand, it would be a disastrous inversion of political logic to deduce from the obvious interrelationship between economic and political integration that the achievement of political integration is a precondition for continued economic integration. That would really be like Baron Münchhausen, who claimed to have pulled himself out of the bog by his own forelock. The first achievement is the source of the second, not the second the precondition for the first.

I should like to close by thanking this House on behalf of the Commission for the confidence it has once again placed in us in the past year. This confidence will not make us presumptuous. We know that we owe it in great measure to the youthfulness of our Institution. I cannot resist the temptation to apply to ourselves the moral of a story told a week ago by the Rector of Strasbourg University at the Jubilee of my own University, the Johann Wolfgang-Goethe University in Frankfurt. Here it is

Descartes was asked by a friend to which University he should send his son, to X, Y or Z. He answered: "Send him to Z. It is the youngest of the three: it hasn't had time to go bad."

I. Activities of the Community

ASSOCIATION WITH GREECE

- 1. The EEC/Greece Association Committee held its fifteenth and sixteenth meetings in Brussels on 8 and 22 June. The main point of discussion was the harmonization of the agricultural policies of the EEC and Greece, on which the Community put forward proposals.
- 2. The Parliamentary Committee for the Association met in Brussels on 29 and 30 June, its current chairman, M. Athanassiades-Novas, presiding. Also present were M. Melas, the Greek Minister of Commerce, M. Tranos, the Greek Ambassador, M. Fayat, Deputy Belgian Foreign Minister, and M. Rey, member of the Commission.

The Committee discussed the first report on the activities of the Council of Association in the presence of the latter's representatives. Reports were presented by M. Spanorigas and M. Kapteyn. The debate soon turned to the Greek Government's request for the harmonization of its agricultural policy and that of the Community and Greek participation in the bodies set up under the common agricultural policy. The Greek members held that Greece should play a part in implementing the five regulations already adopted by the Council. M. Melas put forward the legal arguments on the matter, concluding that the Community's refusal could not be justified on "legal, economic, political or moral grounds".

The European members advanced various arguments contesting those of the Greek delegation while reccognizing the need to reply to the clearly expressed views of the Greek Government.

Nothing that the Association Agreement was functioning and that the modest achievements to date in no way excluded more substantial results in the future, M. Rey dealt with the problems under discussion between the Community and Greece, particularly the Financial Protocol, reduction of the duty on tobacco and the alignment of farm policies. M. Rey said that, in view of the written texts and the facts of the economic and political situation, a gradual solution, jointly worked out was the only means of satisfying Greek requirements without disturbing the machinery so laboriously set up by the Community.

The Greek and European members assembled again on 30 June after separate meetings and adopted a recommendation, the text of which is given in an annex to this Bulletin.

ASSOCIATION WITH TURKEY

3. On 9 June Ambassador Borschette, Permanent Representative of Luxembourg, deposited with the Secretariat of the Councils of the European Communities the instruments of ratification of the Agreement setting up an Association between the European Economic Community and Turkey signed in Ankara on 12 September 1963 (1).

Luxembourg is the third country — after France and Turkey — to desposit the instruments of ratification.

⁽¹⁾ See Bulletin 9/10-63 Chap. II.

MERGER OF THE EXECUTIVES

4. Meeting on 7 July, the Councils adopted the text of a draft treaty establishing a single Council and a single Commission for the Communities. This approval will have to be confirmed by an overall agreement on all the general problems still pending (number of members in the unified Commission, increased role of the European Parliament — particularly on budget matters — siting of the institutions and organs of the Communities).

The Councils will resume examination of these questions at a comming meeting.

EXTERNAL RELATIONS

Morocco

5. From 9 to 12 June the exploratory talks begun in Brussels on 30 and 31 January 1964 were resumed and concluded. The Moroccan delegation was led by M. El Ghorfi, Under-Secretary of State for Agriculture, and presided over by M. Guessous, Ambassador to the EEC; the Commission delegation was under M. Herbst, Director-General for External Relations. Discussion ranged over all the questions that would arise in relation with an agreement between Morocco and the EEC: legal basis; Morocco's economic and social development needs.

The results obtained were judged satisfactory by both delegations; the Commission will report on them to the EEC Council. It will then be for the Moroccan Government and the Council to decide on the opening of the negotiations.

Spain

6. At its session on 1, 2 and 3 June the Council agreed the terms of its reply to the Spanish Government's request for exploratory talks on links between the EEC and Spain. The President of the Council then informed the Spanish Minister of Foreign Affairs by letter that the Council had authorized the Commission to begin talks with the Spanish Government in order to examine the economic problems raised for Spain by the development of the European Economic Community and to seek appropriate solutions. The talks are to begin in the autumn.

Trade negotiations in GATT

7. At its meeting on 28 May the Trade Negotiations Committee established a programme of meetings to be held by its various sub-committees following the resolution adopted at ministerial level on 6 May (1).

The Sub-Committee on the Tariff Negotiating Plan accordingly met on 11 and 12 June, the Sub-Committee on Non-Tariff Barriers on 15 June, and the Sub-Committee on the Participation of the Less-Developed Countries on 22 June.

⁽¹⁾ See Bulletin 7-64, Annex I.

The Sub-Committee on the Tariff Negotiating Plan discussed a number of technical issues and made certain recommendations to the Trade Negotiations Committee. These relate chiefly to the arrangements for circulating the lists of exceptions, and the procedure for confrontation and justification.

The Sub-Committee then went into the question of the reference date, i.e. the date indicating the level of duties on which the 50% reduction is to be calculated. It was agreed that each participating country would notify the Sub-Committee by 1 August of the reference date it intends to apply; as a general rule, the proposed date should reflect the results of the 1960-61 Tariff Conference.

The Sub-Committee also drew up recommendations on how to deal with zero duties and initiated discussion on the staggering of the tariff cuts.

The Sub-Committee on Non-Tariff Barriers examined the list of measures designated at this stage as constituting serious obstacles to trade. The following groups were set up to study various obstacles in depth:

- i) Group on Customs Valuation Methods,
- ii) Group on Administrative and Technical Regulations,
- iii) Group on Government Procurement Policies,
- iv) Group on State Trading,
- vi) Group on Internal Taxes.
- v) Group on Quantitative Restrictions,

These Groups are to begin work in July.

The Sub-Committee also set up a Special Group on the Participation of Poland, which will hold its first meeting on 29 June.

The Community as such will be represented by the Commission in all these Groups.

The Sub-Committee on the Participation of the Less-Developed Countries worked out the procedure whereby these countries can specify the items that are of particular interest to their trade and that they wish the developed countries to take into account when preparing their exceptions lists.

UN Conference on Trade and Development

8. The United Nations Conference on Trade and Development, which opened in Geneva on 23 March, finished on 16 June, having adopted its Final Act and Report. The work of the Conference was carried on in plenary session and in five main committees, among which the items on the agenda were divided.

The Community took part in the Conference as an observer. Its viewpoint was set out by M. Brasseur, Belgian Minister of Foreign Trade, and M. Rey, a member of the Commission (1).

The work of the Conference was dominated by the following problems:

i) Access to markets and organization of commodity markets;

⁽¹⁾ See Bulletins 5-64, Chap. I and 6-64, Chap. II, sec. 12.

- ii) Access to markets and implementation of a programme of preferences for manufactures and semi-manufactures from developing countries;
- iii) Compensatory financing;
- iv) Creation of new institutional machinery.

Except during the last two weeks of the Conference, the West and the non-aligned countries merely stated their separate standpoints, rather than attempt joint discussion or concrete negotiation. As a result, most of the committees adopted "majority versus minority" recommendations, and there was serious risk of the Conference ending in failure.

However, contacts between groups during the two final weeks made real negotiation possible at the highest level, and the Conference closed with the adoption of a final act signed by all the countries participating. The solutions embodied in this act reflect the compromise eventually reached in the negotiations.

Agreement on commodities was based on a proposal introduced by the Member States of the Community. This stressed the need for a product-by-product approach providing solutions for individual commodities and employing in varying degree trade liberalization measures and medium or long-term structural arrangements.

On manufactures and semi-manufactures, the Conference adopted a recommendation in two parts — one dealing mainly with standstill measures and measures to remove barriers to trade, the other with preferences. This second part takes note of the fact that all the developing countries and a great majority of the advanced countries agreed with the principle of preferences, and recommends that the UN Secretary-General set up a committee to consider this matter with a view to working out the best method of implementing such preferences, without reciprocal concessions from the developing countries, and to further explore the differences of principle that have come to light.

On compensatory financing, the Conference recommended that the International Bank for Reconstruction and Development be invited to study immediately the feasibility of a scheme that would provide long-term financing from the International Development Association for countries experiencing consistent deterioration of export earnings. The Conference also recommended that the permanent body which the Conference suggests should be set up be invited to study and collate the ideas put forward by the developing. countries. These include a fund financed by the advanced countries and administered by the United Nations to offset the effect of shortfalls in export earnings and adverse movements in the terms of trade by transferts or loans on favourable terms.

On the institutional plane it was recommended that the Conference be reconvened, at intervals of not more than three years, as an organ of the UN General Assembly. Its principal functions would be to formulate principles and policies on international trade and related problems of economic development and to make proposals for putting them into effect.

A Trade and Development Board is to be set up, consisting of fifty-five members elected by the Conference, having full regard for both equitable geographical distribution and the desirability of continuing representation for the principal trading states. As to the functioning of this Board, it was recommended that the UN Secretary-General should appoint a Special Committee to prepare proposals to the General Assembly for procedures "to establish a process of conciliation to take place before voting and to provide an adequate basis for the adoption of recommendations with

regard to proposals of a specific nature for action substantially affecting the economic or financial interests of particular countries".

Finally, the Conference proposed that an adequate, permanent and full-time secretariat report to the Council of Europe.

Relations with international organizations

Council of Europe

9. The Consultative Assembly held its sixteenth session (second part) in Strasbourg on 11 June. M. Pflimlin presided. M. Kristensen, Secretary-General of OECD was also present.

The session was entirely taken up by the presentation of OECD's second annual report to the Council of Europe.

This session was followed by the eleventh joint meeting of the Consultative Assembly and the European Parliament on 12 and 13 June, with M. Duvieusart, President of the European Parliament, and M. Pflimlin, President of the Consultative Assembly, as joint chairmen.

The agenda included the report on the activities of the European Parliament and a debate on Europe's position in world trade. The work of this meeting is reported in Chapter II, under the activities of the European Parliament.

Western European Union (WEU)

10. The WEU Assembly held the first part of its tenth session in Rome from 22 to 24 June. M. Carlo Schmid (Germany) was re-elected President.

The following matters were on the agenda:

- a) European political union and WEU;
- b) Co-ordination of the economic policies of the member countries;
- c) WEU's role in reforming the mode of consultation laid down in the North Atlantic Treaty.

The speeches by various political figures including M. Aldo Moro, Italian Prime Minister, M. Saragat, his Minister of Foreign Affairs, and M. Rey, a member of the EEC Commission, were the chief feature of the session. M. Saragat stressed, as did many members of the Assembly, how fruitful the Commission's co-operation in the work of the WEU Council had been. M. Rey expressed his anxiety at the resurgence of nationalism in Europe and elsewhere and his conviction that we must vigorously combat this danger.

Organization for Economic Co-operation and Development (OECD)

11. In the Economic Policy Committee a representative of the EEC Commission outlined the recommendations to stabilize the economic situation made to the Member States by the EEC Council, underlining their importance for Italy in particular. He also gave the Committee a summary of the economic situation in the Community countries.

- 12. In the course of June the Economic and Development Review Committee examined the situation in Norway, Spain, the United Kingdom, Japan, Greece and Portugal. This was the first time that Japan a new member of the Organization had been examined, and the Japanese delegation, led by Mr. Keiichi Matsumura, the Minister of State in charge of planning, gave a detailed summary of the economic situation in his country. The Commission took part in these meetings.
- 13. The consultations offered by the United States delegation on the proposed changes to certain procedures in the Anti-Dumping Act took place in the Trade Committee on 4 and 5 June. The Commission took part in the meeting, during which the proposed modifications were discussed. There was also a preliminary exchange of views on the varying laws and practices in the other OECD member countries and on the possibility of studying within the Organization the best kind of international anti-dumping agreement. There will probably be a further meeting on this matter during the autumn.

The standing working party of the Trade Committee continued its studies on other non-tariff barriers to trade.

14. In the Development Assistance Committee the Commission took part in the most recent series of reviews of aid policy in the United Kingdom, Portugal, Italy and Canada. The Chairman's report on the past year will be discussed by the Committee at the beginning of July.

Associated countries' representatives with the Community

15. On 4 June the President of the Commission received His Excellency M. Koffi Aoussou as the new representative of the Ivory Coast with EEC.

No-member countries' missions to the Community

16. The competent institutions of the EEC have accepted the request of the Syrian Arab Government for diplomatic relations with EEC.

ECONOMIC AND FINANCIAL AFFAIRS

Quarterly Survey of the economic situation in the Community (April-June 1964)

17. The June 1964 Quarterly Survey of the economic situation in the Community has been published by the EEC Commission. This issue reviews the main economic developments in the Community and the member countries during the second quarter of the year, summarizes the outlook for the coming months and examines the problems of short-term economic policy involved.

The Commission points out that the further vigorous expansion in economic activity registered in the first quarter of 1964 shows every sign of having continued in the ensuing months.

Largely owing to the marked expansionary trend in the world as a whole, the pressure of external demand was even stronger than before. The rise in exports of goods to non-member countries became more rapid. In the first quarter the value

of these exports exceeded the level for the corresponding period of last year — which was admittedly somewhat low as a result of special factors such as the severe cold spell in January and February 1963 — by no less than 15%.

But internal demand within the Community also continued to grow briskly, partly owing to a faster increase in gross fixed asset formation. For one thing, the good weather gave a special stimulus to investment in building and construction. Furthermore, expenditure on capital goods was on the whole influenced by the increased propensity to invest recently observable in several countries, particularly the Federal Republic of Germany, the Netherlands and Belgium. Even in France it would appear that the previous weakness of the growth in private industrial capital investment may have come to an end. Only in Italy did capital investment remain slack.

The trend of private consumers' expenditure differed widely from country to country. With a somewhat quicker increase in the Federal Republic of Germany, a much higher level in the Netherlands and a decline in the pace of expansion in Italy and France, there was hardly any slowing down of the overall rate of growth.

The faster rise in industrial production which had already become perceptible in the fourth quarter of 1963 continued in the first quarter of 1964. According to the index of the Statistical Office of the European Communities, which is adjusted for seasonal and fortuitous variations, the increase on the previous quarter was 3%, compared with one of 2.5% from the third to the last quarter of 1963.

The expansion in the Federal Republic of Germany, Luxembourg and the Netherlands was particularly brisk, while in Italy the growth in activity became very slight or ceased altogether.

The labour market remained strained throughout the Community, except in Italy, although seasonal unemployment and short time were very low, owing to the relatively mild weather.

The rise in Community imports was as fast as ever, partly because of greatly increased purchases of raw materials and semi-finished goods. Imports of goods from non-member countries were 16% higher in terms of value than in the first quarter of 1963. As a result of high exports, however, the tendency of the Community's balance of visible trade to run increasingly into deficit appears to have come more or less to a halt. Even so, on the basis of customs returns (cif-fob), there was a deficit for the first quarter of 1964 of about \$1 000 million — which is \$170 million larger than that for the corresponding period of last year. The overall current balance of payments also showed a deficit, albeit considerably smaller. On capital account there was a slight surplus. The gold and foreign exchange reserves of the monetary authorities of the member countries declined in the first four months of the year by about \$400 million, but it would appear that at the same time the commercial banks of the Community as a whole improved their net foreign exchange position.

Generally speaking, the upward pressures on prices continued unabated in the first four months of the year. True, the indices of consumer prices in all the member countries except the Netherlands rose less sharply than in the first four months of 1963. This was mainly due, however, to a — partly seasonal — decline or stabilization of food prices; there was only a slight slackening in the upward movement of prices for finished industrial products and services in the Community as a whole, although the price rise slowed down somewhat in France and Italy.

The Commission believes that the prospects for the coming months up to the end of 1964 point, for the Community as a whole, to a continuation of about the present rate of economic expansion.

The rise in exports to non-member countries is likely to quicken even a little more, mainly owing to increased purchases by the developing countries. Internal demand should also increase appreciably, although at a somewhat slower pace. Demand for capital goods will rise faster in the Federal Republic of Germany and at a brisk pace in the Netherlands and Belgium, perhaps tending to slacken in the Netherlands towards the end of the year; in France it might revive to some extent; only in Italy is it likely to remain at a realy low level. Expenditure on consumption, too, will rise further, a slackening in the basic rate of expansion being likely in France, Italy and perhaps also the Netherlands, while a certain quickening of the tempo is to be expected in the Federal Republic of Germany.

Industrial production should continue to grow rapidly in all the member countries except Italy, although perhaps not quite so fast as in the first half of the year.

Despite an upturn in the imports of the Federal Republic of Germany, the expansion of imports from non-member countries might slow down somewhat during the rest of the year, while remaining quite substantial. The Community's balance of trade should not deteriorate any further.

Nevertheless, to judge by the trend up to the present and the outlook for the future, the Community's trade balance (cif-fob) for the year 1964 as a whole is likely to show a deficit in the region of \$3 000 to \$3 500 million. The Community's current payments will be very nearly in balance.

In other respects, too, there is little change in the outlook for 1964 as previously assessed and published in Quarterly Survey No. 1/1964. The growth in the real Community product is still estimated at 5%, while the index of industrial production is likely to rise by 7%.

The Commission feels that although the prospects for the Community's real economic growth are in themselves very satisfactory, the forecasts of the economic trends up to the end of 1964, and — as far as such forecasting is possible at this stage — on into 1965, point to a persistence of internal disequilibrium. Costs and prices continue to show an upward tendency; the changes in net balances which have occurred in intra-Community trade owing to the differing degrees of inflationary pressure in the various member countries remain symptomatic; and there is not likely to be any appreciable improvement in the Community's balance on goods and services account with non-member countries.

It is true that, partly owing to the stabilization drive subscribed to by most member countries, there have been some signs of improvement. There has been a certain slowing down of the price rise in France and Italy, a distinct slackening of the growth in production and imports in Italy, and no further deterioration of Italy's balance of trade. In the Netherlands, however, the underlying inflationary pressure still appears to be strong, and in the Federal Republic of Germany there are indications of an incipient overheating of the economy, which is now receiving an impetus from domestic demand. Furthermore, the tendencies towards improvement hitherto observable in France and Italy do not yet go far enough.

The fight against inflation must therefore continue. To this end the Council of the Community on 14 April 1964 issued a concrete recommendation for "measures to be taken to restore the internal and external economic equilibrium of the Community" (1). The economic policies of most of the member countries have in fact

⁽¹⁾ See Bulletin 6-64, Chap. II, sec. 17.

already turned along the lines indicated by the recommendation, and at the end of June the Member Governments informed the Commission of the measures they had taken to implement it. The Commission is to make an overall report on these measures to the Council.

Economic budgets

18. The Economic Budgets Group met in Brussels on 22 June to examine the Member States' preliminary economic budgets for 1965 before they go to the Short-term Economic Policy Committee.

The experts made a detailed study of the major assumptions underlying the forecasts of economic development for 1964 and 1965. They reviewed the technical problems and those linked with the short-term policy decisions already taken or to be taken in the near future.

All the documents studied — including commentaries on each country and an overall report drawn up by the Commission as well as the economic budgets themselves — were sent on to the Short-term Economic Policy Committee.

The Group also drew up a provisional time-table which should make it possible for complete budgets to be submitted before the end of the year.

Short-term Economic Policy Committee

19. The Committee held its eighteenth meeting on 24 and 25 June, with M. Pérouse in the chair. On the basis of the preliminary economic budgets for 1965 it studied developments in the Community countries and issued a formal opinion on them.

The Committee also held elections for its officers. M. M. Pérouse, Treasury Director in the French Finance Ministry, was re-elected Chairman, and Professor Guidotti, Counsellor at the Bank of Italy, and Professor J. Mertens de Wilmars, in charge of special missions at the Belgian National Bank, were re-elected Vice-Chairmen. The office of the third Vice-Chairman, vacant since the death of M. Wolf, was filled by M. J.B. Schölhorn, *Ministerialrat* in the German Federal Ministry of Economic Affairs.

Panel of economic experts

20. The Panel held its quarterly meeting on 5 June and discussed the economic situation and outlook in the Community. On the basis of this examination, and the draft report submitted to the Panel by the Commission, the forecasts on the trend of the economy until the end of 1964 and, as far as can be judged at the moment, into 1965 also, indicate that the Community's internal and external imbalance will persist. The Commission's draft report emphasizes the need for the Member Governments to keep up the fight against inflation and to comply strictly with the Council recommendation of 14 April on measures to be taken to re-establish internal and external equilibrium.

INTERNAL MARKET

Trading procedure for processed agricultural products not listed in Annex II to the Treaty

21. The Commission has sent the Council its second annual report on the implementation of the Council's decision of 4 April 1962 (¹), which provided for countervailing charges on certain goods processed from agricultural products. The report covers the period from 4 April 1963 to 4 April 1964.

In its first report, submitted on 14 October 1963 (2), the Commission had outlined the problems raised for the industries concerned by the fact that, as matters are regulated at present, the agricultural provisions of the Treaty apply only to farm products as such and not to goods processed from them but not listed in Annex II to the Treaty. The Commission had also pointed out that application of the Council's decision of 4 April 1962 provided only a partial and imperfect solution to these problems.

The main difficulties encountered concerned:

- a) The impossibility of exactly determining prices of farm products incorporated in goods exported because of the diversity of procedures followed by the Member States;
- b) The assessment, always a delicate and difficult matter, of any threat to the industry concerned;
- c) Restriction in some cases of the amount of the countervailing charge because the duties are bound in GATT and obviously cannot be exceed.

The Commission had stated in its first report that it would put concrete proposals to the Council to resolve these problems as part of an overall solution involving setting up a special trade system for the goods in question, whose price is determined to a considerable extent by the cost of the raw material.

Accordingly, the Commission sent two draft regulations to the Council along with its report — the first instituting the special trading procedure, the second comprising a list of the goods to which it will apply. The list is broadly the same as that drawn up by the Council for the application of its decision of 4 April 1962. The implementing regulations are to be made later.

The procedure envisaged is based on the following principles. In intra-Community trade the price of the farm products incorporated in the goods is aligned on the price quoted for these products on the home market of the importing Member State. This is done either by an equalization levy on imports or by a drawback on exports. The amount of the levy or drawback is fixed by the Commission for each Member State in the light of conversion rates or processing stages determined by the Council.

Processing is protected by a fixed ad valorem charge common to all the Member States.

In trade with non-member countries, each Member State levies on imports or refund on exports, for the quantity of farm products contained in the goods concerned, the difference between the prices obtaining on its home market and on the world market.

(*) See Bulletin 12-63, Chap. II.

⁽¹⁾ See official gazette of the European Communities, No. 30, 20 April 1962.

Protection for processing is also ensured by a fixed ad valorem duty common to all the Member States, on the basis of which the fixed intra-Community duty is in principle calculated with due regard to the tariff cuts required by the Treaty and by the speed-up decisions.

This alignment of the prices of farm products will necessitate:

- a) Breaking down into two components, one fixed and one variable, of the protection accorded to imports of the goods in question from non-member countries;
- Corresponding adjustment of internal tariff protection.

As indicated above, the fixed intra-Community component at the present stage of tariff dismantling would be 40% of the fixed component applying to non-member However, the draft regulation provides that, where a Member State charges a duty lower than 40% of the fixed component applicable vis-à-vis nonmember countries, the common fixed intra-Community component will be aligned on that duty. This is not surprising, since the protection for processing laid down in the decision of 4 April 1962 has been limited since 4 April 1964 to 3% of the free-at-frontier price of the goods in question.

The procedure described above satisfies the essential aim of putting the industries concerned on an equal footing as regards terms of supply of agricultural raw material. This makes it possible to place competition in these industries where it belongs in the processing field.

Countervailing charges on imports

22. On 30 June 1964 the Commission took a decision (1) changing the amount of the countervailing charges it authorized France, on 5 November 1963 (2), to impose on imports of chocolate products from the other Member States. This is intended to take account of the variations in world sugar prices. The charges had already been changed by the Commission on 2 April 1964 (3).

Tariff quotas

23. On 25 June the Commission decided, under Protocol XI to the List G Agreement, to increase from 160 to 250 metric tons the 1964 tariff quota granted to the Netherlands for ferro-chromium (Heading 73.02 E I of the Common Customs Tariff).

On 29 June the Commission decided, under Article 25 (2 and 3) of the Treaty, to grant the following tariff quotas to Italy for imports from non-member countries:

- a) 10 000 metric tons at 3% for dates for the manufacture of animal foods (Heading ex 08.01 A);
- b) 18 000 metric tons at 4% for the ethylbenzene for the manufacture of synthetic rubber (Heading ex 29.01 D II).

⁽¹) See official gazette of the European Communities, No. 116, 21 July 1964. (²) ibid., No. 171, 27 November 1963. (²) ibid., No. 66, 24 April 1964.

Temporary reduction of duties in the common customs tariff

24. By a decision taken on 3 June (¹) the Council reduced until 31 December 1964 the duties on the following products to the level indicated:

Dut	Product	Tariff heading
Ni	Titanium trichloride	ex 28.30 A VII
69	Vinyltoluene	ex 29.01 D VI
39	Pregnenolone	ex 29.13 D I
39	17 alpha hydroxypregnenolone	ex 29.13 D I
69	1, 14, 17 (20)-pregnatrine-11-beta, 21-diol-3-one	ex 29.13 D I
69	4, 17 (20) pregnadiene-11-beta, 21-diol-3-one	ex 29.13 D I
39	Dehydroepiandrosterone	ex 29.13 D I
3%	16-beta-methyl-16-alpha: 17-alpha-epoxy-5-pregnen-3betal-ol-20-one	ex 29.13 E
3%	16, 17-oxydopregnenolone acetate (epoxypregnenolone acetate)	ex 29.14 A II c 5
6%	16-alpha-methyl-1, 4, 9 (11)-pregnatriene-17-alpha, 21-diol-3, 20-dione-21 acetate	ex 29.14 A II c 5
- 6%	16-alpha-methyl-allopregnane 11-alpha, 17 a alpha, 21 triol-3,20 dione-11 paratoluene sulphonate-21 acetate	ex 29.14 A II c 5
3%	Oxime of 16, 17-dehydropregnenolone acetate	ex 29.29
6%	Thio-bis-di sec amylphenol	ex 29.31 B
6%	Gamma picoline	ex 29.35 O
Ni	Diosgenin	ex 29.35 O
Ni	1, 4 Diaza-bicyclo-2,2,2-octane (triethylene diamine)	ex 29.35 O
6%	2-Methylmercapto-4, 6-bis (isopropylamino) -1, 3, 5-triazine	ex 29.35 O
4%	Vitamin B6	ex 29.38 B I
6%	Digitalins	29.41 A
6%	Pure squill glucoside	ex 29.41 D
6%	Calcium salt of sennoside A and B	ex 29.41 D
6%	Ergot alkaloids, their salts, ethers, esters and other derivatives	ex 29.42 C VIII
Nil	Intrinsic factor	ex 30.01 B
: Nil (a)	Tall oil, other than crude, for the manufacture of synthetic rubber	ex 38.05 B
8%	Hydroxypropylmethylcellulose	ех 39.03 Е І Ь

⁽a) This reduction is subject to conditions to be determined by the competent authorities.

⁽¹⁾ See official gazette of the European Communities, No. 92, 10 June 1964.

Freedom to supply services

European Parliament

25. On a report prepared by M. Breyne for the Internal Market Committee, the European Parliament unanimously approved on 19 June the Commission's proposal to the Council for a directive concerning arrangements for freedom to supply services connected with agriculture and horticulture (1). However, it deplored the delay in drawing up the Commission's proposal.

The Committee on Agriculture had also been consulted and had issued a favourable opinion on 23 April after report by M. Dupont.

The European Parliament took this opportunity of asking the Commission to sum up what action had been taken to implement the General Programmes on freedom of establishment and freedom to supply services adopted by the Council in 1961.

M. Levi Sandri, on behalf of the Commission, stated that delay was happily rather an exception since ten directives had already been issued by the Council, the Commission had just put seven further proposals to the Council and ten more would be drawn up be the end of the year. He noted that various measures of reorganization had been taken to adapt the directorate concerned to its new tasks and regretted that the inadequate numbers of extra posts granted by the Council in the 1964 budget had precluded the directorate recruiting all the staff it needed to put the two General Programmes into effect in the time specified by the Council in 1961.

Economic and Social Committee

26. The Economic and Social Committee in its turn unanimously approved the proposal on freedom to supply services in agriculture and horticulture at its thirty-ninth session (23-25 June).

The Committee advocated complete liberalization in respect of the temporary admission of tools, instruments or orther material employed and also asked the Member States to give up the safeguard clause. The Commission considered that an endeavour should be made to ensure as soon as possible speedier liberalization of the supply of services in relation to the liberalization of right of establishment.

The Commission drew the Committee's attention to the fact that this was the seventeenth draft directive to implement the two General Programmes, "Right of Establishment" and "Services" adopted by the Council in 1961 and outlined the overall situation of Community work in this field.

COMPETITION

Approximation of legislation

Industrial property rights

27. The Working Party on trade marks met from 20 to 30 April and drew up a preliminary draft Convention to institute a European trade mark. This is to be a single, independent trade mark ensuring protection throughout the territories of the

⁽¹⁾ See Bulletin 4-64, Chap. III, sec. 20, and the text of the proposal in the supplement to the same Bulletin.

Contracting Parties by means of a single application. As in the case of the European patent, European legislation would co-exist with the individual legislation of the Member States. To ensure maximum security for holders, it would be impossible to challenge the European trade mark after a certain time.

The secretariat of the Working Party has submitted the draft convention to the Co-ordinating Committee with an explanatory report. There will be a meeting of the co-ordinating committee in the autumn to prepare the publication of the draft.

On the basis of a report drawn up by the State Secretaries of the member countries, the fundamental problems raised by the Patent Convention were studied by the Council on 16 June. After an initial exchange of views the Council instructed the Commission to prepare a report clarifying the following two points a) the consequences of the choice that must be made between the Community patent and the adjusted international patent and b) the possibility of resolving through association the problem of how to attach non-member countries to the Community patent.

Enforcement of judgments

28. The plenary group of government experts on this matter held their fifteenth meeting from 8 to 12 June under the Chairmanship of Professor Bülow, State Secretary in the German Ministry of Justice. Part of the preliminary draft convention on the competence of courts and on the recognition and enforcement of legal judgments, orders in civil and commercial cases and other legal instruments received its second reading.

The second reading will be concluded at the next meeting in December, when the report on the Convention will be submitted to the experts.

Company law

29. The government experts met in Brussels from 2 to 5 June. They adopted, at the second reading, all the substantive provisions of the Convention on the mutual recognition of companies and legal persons, with the exception of Article 2, which deals with companies whose effective head office is in the State in which recognition is being applied for. They also began discussion of the final provisions; this will be continued at the next meeting from 16 to 18 November.

Taxation

Tax on added value

Amended proposal for a Council directive

30. On 12 June the Commission submitted to the Council an amended proposal for a directive on the harmonization of Member States' legislation on turnover taxes (1). The initial proposal was sent to the Council on 5 November 1962. The amendments take into account recommendations made by the Parliament and the Economic and Social Committee and progress made in studies on the subject carried out with

⁽¹⁾ See supplement to Bulletin 7-64.

government tax experts. The most important amendments relate to the following points:

a) The common added-value tax system is to be introduced not in two phases but in a single operation, and the appropriate laws must be promulgated by the Member States before 1 January 1968 to enter into force at the end of the transitional period.

The Commission for its part will submit to the Council before the end of 1968 proposals showing how and when the final objective of the harmonization of turnover taxes is to be reached: the abolition of import charges and export refunds in trade among the Member States, while guaranteeing in the meantime the neutrality of such charge as regards the origin of goods and services.

- b) The time-limit for submitting a second directive on the structure and implementation details of the common added value system has been brought forward to 1 April 1965.
- c) Some of the major characteristics of the system have been clarified:
- i) The tax on added value will be in the nature of a general tax on consumption exactly proportionate to the price of goods and services;
- ii) It will be levied according to the system of "fractional payment";
- iii) The value added will be determined by means of "tax-on-tax deductions".

In order to stress that the scope of the added-value tax should be extended as widely as possible, the Commission worded Article 2 of the amended draft in such a way that taxation extends in principle up to the retail trading stage inclusively, though this does not prevent the Member States from making it operative if need be only up to the wholesale stage inclusively, nor from providing certain facilities for small businesses.

Opinion addressed to the Member States

31. The Commission also sent the Member States a formal opinion (1) informing them in broad outline of the structure of the common system and procedures for applying it so that they can decide on the draft directives laid before the Council with the full knowledge of the general principles involved.

Harmonization of direct taxes

32. Working Party No. IV, which deals with the basis of assessment for direct taxes — particularly those on the profits of enterprises — held its 6th and 7th meetings in Brussels on 22 April and 8 June.

After finalizing its report on the basis of asssesment for profit taxes, the Working Party adopted its new programme in conformity with the instructions given by the Standing Committee of Heads of Revenue Departments. The Working Party decided to study taxation of retained and distributed profits, the procedure for deductions at sources of tax on distributed profits, procedure on parent companies and subsidiaries and investment companies, procedure relating to directors, capitalization of reserves and mergers.

⁽¹⁾ See official gazette of the European Communities, No. 111, 13 July 1964.

33. Working Party No. V met on 9 and 10 June to continue its examination of the OECD draft convention on double taxation on income and property with a view to the conclusion of a multilateral convention among the Six.

To this end the Working Party adopted a first group of articles on persons and taxes to be covered by the convention, general definitions, the concepts of fiscal domicile and permanent establishment, without any important amendments having to be made.

In particular, as regards the application of the convention to any new taxes that may be introduced in the member countries, and as regards the settlement of conflicts between definitions in the convention and in national legislation, the possibility of including in the text the concept of a "Standing Committee of Heads of Revenue Departments" as a consultative and co-ordinating body was discussed. This proposal is now being studied.

The Working Party also began to investigate the problem of "triangular" relations in the matter of industrial or commercial income. This is a completely new problem that has never been examined in traditional bilateral conventions; it will therefore have to be studied in the context of multilateral relations in the light of fiscal domicile and of permanent establishment.

Changes in countervailing charges and drawbacks in the Netherlands and Belgium: Working Party No. II

34. At a meeting of Working Party No. II held in Brussels on 15 and 16 June in the framework of the prior consultation procedure laid down by the decision of the Representatives of the Member States' Governments on 21 June 1960, Belgium and the Netherlands made proposals, with supporting reasons, for changing or abolishing certain countervailing charges and drawbacks and introducing others. The compatibility of the proposals with the Treaty and with the above decision was discussed. The results of the examination were afterwards submitted to the Commission, which informed the Belgian and Dutch Governments of its decision on 1 July.

The same meeting concluded the technical examination of measures recently taken in the same field by the Federal German Government in respect of worsted yarn, oil products and boats.

Indirect taxation of insurance contracts

35. Working Party No. VII met for the fourth time on 22 June. It will be recalled that its instructions are to create the conditions necessary in the field of indirect taxation for the liberalization of insurance services.

The Working Party examined the draft directive comprising rules on territoriality which should make it possible to avoid double taxation in the field of indirect taxes affecting insurance contracts and to reduce considerably the risk of distortion of competition. The proposed rules will mean that the taxing country will be determined without reference to the place where the contract is signed or to the place where the insurer has his business. Consequently, tax considerations will no longer influence the insured party in the choice of his insurer.

SOCIAL AFFAIRS

European Social Fund

36. The Working Party set up within the Fund Committee to study the widening of the scope of the Fund's activities held its fourth and fifth meetings in Brussels on 29 May and 22 June.

Members examined a number of draft regulations aimed at increasing the effectiveness of the Fund's action: these were drawn up by the administration of the Fund in the light of the views expressed by the members of the Working Party at previous meetings. In addition, the Working Party was informed of the broad outline of the project for Community action in the readaptation of self-employed workers in agriculture drawn up by the Commission. This project, though based on Article 41 of the Treaty, is inspired to a great extent by Regulation No. 9 on the Fund.

On 22 June the Working Party on vocational retraining, set up within the Fund Committee, met in Brussels; it examined and adopted a number of draft opinions on applications made by Belgium and Italy for grants of assistance from the Fund for vocational retraining schemes.

Social security for migrant workers

General revision of Council regulations

37. The second and third meetings of the preparatory group set up by the Commission to undertake a general revision of the regulations on social security for migrant workers took place on 21 May and 17 June.

At the secong meeting this group, which is to list the problems arising and put forward suggestions for their solution in such a way as to simplify and improve present arrangements, heard preliminary reports from each of the experts on social security benefits and went on to discuss the proposals they contained.

Discussions were continued at the third meeting. The last meeting of the group will be held on 22 July to finalize the general report.

Administrative Committee

38. The EEC Administrative Committee for the social security of migrant workers held its 55th session in Liège on 27 and 28 May. The Committee discussed a draft regulation to abolish the six-year time-limit laid down in Council Regulation No. 3 concerning the right to medical care and family allowances for members of the worker's family who do not live in the same country as the worker.

It continued study of the problem of transferring family allowances to the country of residence of the beneficiaries.

The Committee also approved the 1964 working programme of its Auditing Committee proposed by the latter.

Following this session of the Administrative Committee, the second joint meeting between its members and representatives of both sides of industry was held on 29 May. This was the occasion of an exchange of views on the practical difficulties

of applying certain provisions of the Council regulations on social security for migrant workers, and a number of suggestions from the representatives of workers and management on this subject were noted.

Delegates of regional trade associations and health insurance organizations were also present at the meeting.

Auditing Committee

39. The Auditing Committee attached to the Administrative Committee held its 19th session on 8 and 9 June 1964.

It had an exploratory discussion on the problems of co-ordinating at international level procedures for paying out old-age pensions and allocating the relevant charges where the beneficiary's working life has been spent in several Member States. In particular, it studied, in what cases calculation of the amount of pension due under Regulations Nos 3 and 4 gives different results if it is done only in respect of the periods of eligibility completed under the legislation of each Member State.

Note was also taken of the récapitulatory calculations of the average cost of maternity insurance benefits in kind for 1962 in each Member State with a view to submitting them for approval to the Administrative Committee.

Occupational diseases

40. There was a meeting of independent experts on 18 June to continue the work begun when the recommendation on the European list of occupational diseases was sent to the Member States as part of the programme to implement Article 118 in respect of social security.

The purpose of this meeting was to consult these experts — doctors and professors specialized in industrial medicine — on the advantages and disadvantages of including in national lists of occupational diseases restrictive or compulsory conditions relating to the symptoms of the various diseases, periods of exposure to risk and periods within which each disease must appear after the end of exposure to risk for the worker to be entitled to compensation under the legislation on occupational diseases.

The unanimous opinion of the experts was that such conditions are useful in countries that do not have sufficient doctors competent in this field. On the other hand, they may create obstacles to compensation for cases that are undoubtedly due to occupational activity but are ouside the strict terms of the law.

The most up-to-date legislation has gradually abolished these conditions, leaving it to the specialist to state whether there is a cause and effect relation between the word and the illness.

The conditions of various kinds mentioned above are to be replaced by instructions to doctors which must serve as no more than a guide in order to keep the system as flexible as possible. The Commission's intention of drawing up a document supplying technical and medical information — on the model of the German Merkblätter — on occupational diseases on the European list was unanimously approved by those taking part.

Social security for self-employed

41. A meeting of independent experts responsible for the preparation of social security monographs was held on 20 May, with representatives of the ECSC High Authority taking part.

The main object of the meeting was to draw up a descriptive list of social security systems applying to various classes of self-employed persons. This is to serve as a basis for the revision of Regulations Nos. 3 and 4 on social security for migrant workers with a view to extending them to self-employed workers as part of the liberalization of establishment and the supply of services.

Vocational training

Advisory Committee on vocational training

42. This Committee, set up by Council decision of 2 April 1963 laying down the general principles for the implementation of a common policy on vocational training (1), held its first meeting on 29 June 1964 under the chairmanship of M. Levi Sandri, member of the Commission and President of the Social Affairs Group.

After recalling the events leading to the elaboration of the general principles and giving an outline of the Commission's activities in the vocational training field, M. Levi Sandri sketched the broad lines of the Action Programme on the common vocational training policy drawn up in pursuance of the Council decision of 2 April 1963 and Article 41 a) of the Treaty, as regards agriculture; this programme will be put to the Committee for an opinion at its next meeting.

M. Levi Sandri also pointed to the need to establish close co-operation between Governments, the legally competent bodies, employers' and workers' associations and the institutions of the Community; as regards the exchange of information and experience, this co-operation could be achieved without delay.

The subsequent discussion enabled the members of the Committee to explain what measures they thought should be implemented, and broad agreement was reached on the proposals for action made by M. Levi Sandri. Lastly, the Committee adopted rules of procedure.

Symposium on vocational training

43. The Commission has decided to organize a symposium on vocational training in Brussels from 16 to 20 November.

In view of the main objective, which is to discuss experiences in the six Member States and draw the conclusions needed to implement the common policy on vocational training, it was decided that a symposium of experts would be the most suitable framework.

The symposium will centre on two urgent problems:

⁽¹⁾ See official gazette of the European Communities, No. 63, 20 April 1963.

1) Training of teachers and instructors

A study will be made of measures to extend and improve the training of teaching staff, who are in very short supply in almost all Community countries.

Among other things, the possibility will be examined of standardizing the technical and pedagogical training of teachers and instructors, in accordance with No. 7 of the general principles for the implementation of a common policy on vocational training. (This principle relates to special measures to provide general and higher training for teachers and instructors, especially those who will be working in less favoured regions of the Community and in the developing countries)

2) The adaptation of vocational training to economic and technical developments and to social progress

The object here is to study ways of adapting training schemes, programmes and methods to the new requirements resulting from the establishment of the Common Market.

The problem will be tackled at the general level of training, whether in schools or within industry. Attention will be given to the aims pursued in the advancement of labour, the schemes and facilities provided and the methods used, and also to the further education which should follow vocational training proper.

The adaptation of training in agriculture and transport will also be examined in the light of the requirements resulting from the foreseeable structural trend in these sectors, and particulary from the common agricultural and transport policies.

Lastly, the adaptation of training will be studied on a regional basis. A survey will be made of the training needs entailed by the harmonious development of the regions of the EEC.

Symposium on industrial medicine

44. On 20 July 1962 the EEC Commission adopted a recommendation to the Member States on industrial medicine (¹). In this document, the Commission recommended that industrial medical services be set up not only in industrial enterprises but in all other activities, and it stated its belief that the best solution for small and medium-sized businesses in particular would be to set up joint services, covering either a single region or a single branch of industry. It considered it essential that doctors be given specialist training, particularly in the treatment of occupational diseases, in view of the increasingly complex technological and scientific advances.

To complete the exchange of information and experience on these problems the Commission organized a symposium on industrial medicine on 3, 4 and 5 June.

The following topics were discussed:

- a) University and post-university teaching of industrial medicine in the EEC countries:
- b) Organization of medical services within and between firms;
- c) Role of the factory doctor in preventive medicine;
- d) Training and role of the factory medical inspector.

⁽¹⁾ See official gazette of the European Communities, No. 80, 31 August, 1962.

The eighty or so participants included university professors, specialists and industrial doctors, representatives of Ministries concerned, representatives of the ECSC High Authority accompanied by a group of doctors specializing in these fields, representatives of the European Atomic Energy Community, the International Labour Office and of the European Secretariats of UNICE (Union of Industries of the European Community), COPA (Committee of Agricultural Organizations), ICFTU and IFCTU). Also present at the symposium was a delegation from the European Parliament (Health Protection Committee, Social Committee, and Research and Cultural Affairs Committee).

The meeting began with a speech by M. Levi Sandri, member of the Commission and President of the Social Affairs Group, who commented briefly on the topics for discussion and outlined the work done by the Commission on industrial health and medicine.

After detailed discussion of the four reports submitted during the symposium, conclusions were drawn — on the basis of which the Commission will be able to give effect to the recommendation on firms' medical services — relating chiefly to the teaching of industrial medicine, the organization of medical services between firms and the exchange and in-service training of medical inspectors among the member countries.

At the end of the symposium M. Levi Sandri pointed out that it had confirmed the usefulness of the consultations provided for in Article 118 of the Rome Treaty and stated that the Commission would examine the various subjects in the light of the results obtained in order to ascertain which of the methods at its disposal — opinions, recommendations, consultations — could be used.

International Labour Conference: Commission participation

45. M. Levi Sandri made an important speech at the 48th International Labour Conference in Geneva.

He dwelt on the social problems which will assume particular importance in the Community in the context of medium-term economic policy and stressed the need for an incomes policy that would respect the independence of the trade unions.

He recalled that the EEC Commission has for years been urging, as part of Community social policy, that a suitable incomes policy be worked out at national and Community levels through close contacts and agreements between Governments and employers' and workers' associations.

M. Levi Sandri concluded with a survey of the chief problems of the social situation in the EEC countries, outlining the Commission's activity regarding vocational training, the European Social Fund and the free movement of workers within the Community.

AGRICULTURE

Common agricultural policy and the Council

46. In order to deal with the volume of important work to be done in connection with the common agricultural policy, the Council met four times in June. It discussed the approximation of cereal prices, implementing measures to be adopted in the three further sectors of the common organization of the markets (beef, rice, dairy products), and the dates when the new arrangements, originally to have been introduced on 1 July 1964, would in fact become operative.

At its session of 1-3 June, the Council discussed in great detail how a single cereal price could be fixed on the basis of the Commission's memorandum of 12 May 1964 (¹). As a result, it decided to take a decision, by 15 December 1964 at latest, on implementing the common price for cereals and on the relevant compensatory measures, Community plans and common general lines to be followed when framing measures dealing with incomes and with Community financing of export refunds and of intervention on the markets. As for the upper and lower target price limits for the 1964/65 marketing year, the Council agreed to maintain the limits applied during the preceding year (²).

At the same time, the Member States undertook to fix the prices for the 1964/65 marketing year in such a way that the differences between them are no greater than in 1963/64. Finally, it was decided that threshold prices should be further harmonized.

At its sessions of 10 June and 24-26 June, the Council dealt with the implementing regulations for beef, rice and dairy produce, and with the postponement of the date on which the new common arrangements would become operative. As the Council was not able at the time to reach agreement on this point, it met again on 30 June and decided that the arrangements concerning trade and intervention contained in Regulations No. 16 (rice), No. 13 (milk and dairy products) and No. 14 (beef) should become operative on 31 July instead of 1 July 1964.

However, if the implementing regulations for the milk and dairy products regulation (pilot products, subsidies corresponding to compensatory amounts, reference prices) are adopted by 31 July 1964, the rice regulation will become operative from 1 September 1964 and the regulations on beef and on milk and dairy products from 1 November 1964.

If the implementing regulations concerning milk and dairy products are not adopted by 31 July, the rice regulation will become operative from 12 September 1964 and the regulations on beef and on milk and dairy products from 1 November 1964.

In the latter case, the Council will give priority to discussion of the implementing regulations for milk, without embarking for the moment on discussion of regulations for further sectors.

In order to prepare these Council sessions the Special Committee for Agriculture also had to hold a number of meetings.

Common agricultural policy and the European Parliament

47. At its session of 15-18 June, the European Parliament adopted a number of resolutions in which it expressed opinions on the common agricultural policy. One resolution concerns the proposal for a directive, submitted by the Commission to the Council, which would bring into line the regulations on cocoa and chocolate in the various Member States (3). The Parliament approved the principle of the proposal, but suggested a number of amendments to the preamble and some articles.

(3) See supplement to Bulletin 8-63.

⁽¹⁾ See Bulletin No. 7-64, Chap. III, sec. 51.
(2) Council Regulation No. 64/64/CEE of 10 June 1964 concerning certain measures to be applied in the field of cereal prices in the 1964/65 marketing year, published in the official gazette of the European Communities, No. 96, 16 June 1964.

Two other Parliamentary resolutions deal with proposals for directives concerning health requirements for trade in meat products (1) and fresh poultrymeat (1). Once again the Parliament approved the Commission's proposal and suggested a number of amendments.

The Parliament also adopted a resolution on the gradual establishment of a common organization of sugar markets (2), and two resolutions on proposals for Council directives on agricultural, horticultural and forestry seeds and seedlings and on the marketing of forestry reproductive material.

Lastly, in an opinion on a proposal for a Council regulation amending the date for implementing certain measures regarding the common agricultural policy, the Parliament unanimously approved the Commission's proposal to postpone the date laid down (1 July 1964) for the common organization of the markets for beef, rice and milk products to become operative.

Common agricultural policy and the Economic and Social Committee

48. At its 39th session, held in Brussels from 23 to 25 June, the Economic and Social Committee was given a report drawn up by its agricultural section on the proposal for a Council regulation for the gradual establishment of a common organization of sugar markets. The report was adopted and transmitted to the Commission and the Council.

The rapporteur, who presented the report, pointed out that no provision had been made for purchases of raw sugar by the intervention agencies, and that consequently the producers of raw sugar in the Community would not have the benefit of guaranteed prices although they had to guarantee a minimum price to beet-growers. It was also pointed out that the price of sugar should depend on the price of sugar-beet and not the contrary.

In his comments on Article 23 of the proposed regulation, which lays down that the single sugar market will come into being in the same year as the cereal market, the rapporteur stressed that if the sugar market was to be reorganized before the end of the transitional period, those concerned should enjoy compensatory measures analogous to those proposed for the cereals sector.

Common organization of the agricultural markets

Cereals

49. Discussions on the common organizations of the cereals markets centred on the fixing of a single Community price for each cereal in 1966/67, the relation between these prices and their zoning throughout the Community, and also progress on further implementing regulations on the common organization of the rice markets. It became apparent that there would have to be further implementing regulations under Regulation No. 19 (cereals).

(2) See Annex for extracts from this resolution.

⁽¹⁾ See supplement to Bulletin 2-64 and Bulletin 3-64, Chap. III, sec. 48.

The Council adopted a regulation on refunds on the production of starches (1). previous regulation was valid only until 30 June 1964. It therefore had to be extended and is now applicable until 30 September 1964.

After consulting the Cereal Management Committee, the Commission also issued a regulation fixing the standard amounts for cereals, flour, groats and meal for the 1964/65 marketing year (2). The regulation leaves the standard amount for cereals at the same level as in 1963/64 (1.1 u.a. per ton), while that for flour, groats and meal is increased (in accordance with Regulation No. 19) by 2/15 of the protective component from 5 to 7.5 u.a. per ton.

As part of the preparatory work for the implementation of the common organization of the rice markets, the Council adopted on 26 June 1964 Regulation No. 78/64 to supplement Regulations Nos. 50/64 and 51/64. The Commission has meanwhile established the principles to be applied in determining cif and free-at-frontier prices and in adjusting the amount of levies for rice and broken rice (3). The Commission will accordingly fix for rice and broken rice, as it has already done for other cereals, the cif and free-at-frontier prices on which the levies are based.

Lastly, the Commission took several decisions in June fixing the premiums to be added to levies in intra-Community trade (4). The decisions were necessary to adjust the premiums, which are to prevent disturbances on the markets of the importing States, to the relation between the various cereals at the beginning of the new cereal year (1964/65).

Pigmeat.

50. According to the present levy system, the annual review of the level of intra-Community levies, the quarterly review of levies in respect of non-member countries, and the adjustment and fixing of sluice-gate prices should have been effected on However, it was only at its session of 2 and 3 June 1964 that the 1 July 1964. Council adopted the measures on cereal prices which Member States are to apply in 1964/65, and consequently some Member States have not yet been able to inform the Commission of the prices, which are to provide the basis for a review of the levies on pigmeat, eggs and poultrymeat. Consequently, it has not yet been possible to make this review of the levels of intra-Community and external levies on these products.

For these reasons the Council, at its session of 24-26 June 1964, adopted a regulation derogating from certain provisions of Council Regulations Nos. 20, 21, 22 and 84/63/CEE (5). In this new regulation the Council fixes 1 August 1964 as the date for revising the amount of levies and decides that the present sluice-gate prices are not to be amended in July 1964.

By virtue of this Council Regulation, the Commission Regulation relating to the maintenance of the level of levies and sluice-gate prices fixed by the Commission in accordance with Council Regulations Nos. 20, 21 and 22 lays down that the date on which the Commission must fix the amount of levies and sluice-gate prices is postponed

⁽¹⁾ Council Regulation No. 75/64/CEE of 26 June 1964, published in the official gazette of the European Communities, No. 103, 30 June 1964.
(2) Commission Regulation No. 72/64/CEE of 18 June 1964, published in the official gazette of the European Communities, No. 102, 29 June 1964.
(3) Commission Regulation No. 73/64/CEE of 23 June 1964, published in the official gazette of the European Communities, No. 102, 29 June 1964.
(4) Commission decision No. 64/362/CEE of 2 June 1964, published in the official gazette of the European Communities, No. 95, 13 June 1964. Commission decision No. 64/387/CEE of 12 June 1964, published in the official gazette of the European Communities, No. 100, 25 June 1964.
(5) See official gazette of the European Communities No. 103, 30 June 1964.

⁽⁵⁾ See official gazette of the European Communities, No. 103, 30 June 1964.

from 1 July 1964 to 1 August 1964. The Management Committee for pigmeat, eggs and poultrymeat expressed an opinion on the draft of this regulation at a joint meeting on 26 June 1964.

Meeting on the same date, the Pigmeat Management Committee expressed an opinion on the draft for a Commission decision extending the validity of the decision of 28 August 1963 by which it had provisionally increased the supplementary amount that may be refunded on exports of Wiltshire bacon to non-member countries. is the fourth time that the decision has been extended. The main reason is the need to preserve the traditional trade flows towards the United Kingdom and other nonmember countries, in view of the surplus of pigs and pigmeat which is to be expected shortly in the Community.

Beef

- 51. In order to allow the common organization of the beef market to become operative, two further steps were taken by the Commission in June:
- i) A Commission decision of 3 June 1964 authorizing Belgium to increase the guide price for grown cattle (1);
- ii) A Commission Regulation, No. 63/64/CEE of 4 June 1964, concerning determination of the prices to be used in calculating the levy on beef and veal imported from non-member countries (2).

A number of other Council and Commission instruments are in preparation.

Eggs and poultry

The Council adopted the Commission's proposed regulation (3) determining Community feed-conversion rates for the production of 1 kg of farmyard poultry eggs for human consumption and of 1 kg of eggs for hatching. The rates, which now become applicable in all Member States, are 3.22 kg of feed-grain for the period from 1 August 1964 to 31 March 1965 and 3.13 kg from 1 April 1965 on eggs for human consumption and, for hatching, 3.22 kg from 1 July till 31 December 1964. Council also adopted a regulation altering the feed-conversion rate for the production of 1 kg of guinea-fowl and the sluice-gate price for slaughtered guinea-fowl (4); this was reduced from 5.69 to 4.813 kg. Likewise the rate applicable to the sluice-gate price from imports from non-member countries was reduced from 3.74 to 3.441 kg. Finally, the Council adopted a regulation (5) concerning levies on those products in the poultrymeat sector in respect of which duties have been bound under GATT. The regulation limits levies and ensures that both the levy on imports of these items from non-member countries and the preferential intra-Community levies are so fixed that they do not exceed the rate of duty bound at GATT.

Because of the sharp falls in prices on the egg product markets, the Commission issued two regulations, one to fix and the other to increase the amount to be added to the levy on imports of these products from non-member countries. Regulation No. 70/64/CEE of 24 June 1964 fixes a supplementary amount of 0.125 u.a. per kg for levies on whole

⁽¹⁾ See official gazette of the European Communities, No. 95, 13 June 1964. (2) ibid., No. 92, 10 June 1964.

⁽³⁾ Council Regulation No. 59/64/CEE of 3 June 1964, published in the official gazette of the European Communities, No. 92, 10 June 1964.

(4) Council Regulation No. 60/64/CEE of 3 June 1964, published in the official gazette of the European Communities, No. 92, 10 June 1964.

(5) Council Regulation No. 76/64/CEE of 26 June 1964, published in the official gazette of the European Communities, No. 103, 30 June 1964.

eggs, liquid or frozen (1) and Regulation No. 71/64/CEE of 24 June 1964 increases the supplementary amount for dried egg yolks from 0.125 u.a. per kg to 0.20 u.a. per kg (1).

Milk and dairy products

- 53. In preparing for implementation of the common organization of the market for milk and dairy products, the Council adopted on 3 June two regulations concerning the butter market;
- i) Council Regulation No. 61/64/CEE (2) of 3 June 1964 concerning the definition of "first-quality" within the meaning of Regulation No. 13/64/CEE;
- Council Regulation No. 62/64/CEE (2) of 3 June 1964 defining the principles of intervention on the butter market.

The first of these two regulations lays down that first-quality butter must contain a minimum of 82% of fat and a maximum of 16% of water. The second fixes the prices at which intervention is allowed, the quality standards for butter subject to intervention, and systems of aid for private storage.

Fruit and vegetables

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- 54. After noting the opinion of the Management Committee for fruit and vegetables, the Commission adopted six regulations fixing reference prices for various fruits for the 1964/65 marketing year;
- i) Commission Regulation No. 65/64/CEE of 16 June 1964 fixing reference prices for lemons (3);
- ii) Commission Regulation No. 66/64/CEE of 16 June 1964 fixing reference prices for tangerines, mandarines and clementines (3);
- Commission Regulation No. 67/64/CEE of 16 June 1964 fixing reference prices for dessert grapes grown in the open (3);
- iv) Commission Regulation No. 68/64/CEE of 16 June 1964 fixing reference prices for pears (3);
- v) Commission Regulation No. 69/64/CEE of 16 June 1964 fixing reference prices for apples (3);
- vi) Commission Regulation No. 74/64/CEE of 16 June 1964 fixing reference prices for sweet oranges (4);

Wine

55. A Council working party has begun examining the Commission's proposal concerning rules for quality wines produced in certains regions in view of a Council decision on the matter.

⁽¹⁾ See official gazette of the European Communities, No. 101, 26 June 1964.
(2) ibid., No. 92, 10 June 1964.
(3) See official gazette of the European Communities, No. 100, 25 June 1964.

⁽¹⁾ ibid., No. 102, 29 June 1964.

Furthermore, the government experts setting up a register of vineyards in accordance with Commission Regulation No. 26/64/CEE of 28 February 1964 have held their first meetings.

Financing of the common agricultural policy

56. On 8 and 9 June the Committee of the European Agricultural Guidance and Guarantee Fund held its first meeting. It discussed the technical and financial steps necessary for the working of the Fund. These included the arrangements under which the Guidance Section of the Fund should supply the aid referred to in Article 22 of Regulation No. 17/64/CEE and the role of the authorities and bodies responsible for passing on to the Commission all the documents required as evidence that the financial and other conditions laid down for each project have been complied with. Discussion also included the duties of the body designated by each Member State to serve as intermediary between the Commission and the beneficiary of aid granted for the improvement of agricultural structure.

Finally, the Committee examined the details which must appear in the application for payment addressed to the Guarantee Section.

Rules of competition in agriculture

57. The group of experts on the rules of competition in agriculture met on 23 June 1964 to examine the measures of aid practised in the various sectors; fishing, industrial seed and plants, and regional aids in the Italian regions of Trentino-Alto Adige and Val d'Aosta. The purpose was to complete and clarify the data collected in the inventories drawn up on the basis of data provided by the Member States.

On 5 June 1964 the Commission, acting in accordance with Article 93 (3) of the Treaty, issued an opinion on a measure notified by Italy concerning special arrangements for aid to improve the livestock in the Sicilian region; the aid takes the form of a subsidy given per head of cattle. The Commission considered that this aid is compatible with the Treaty of Rome since it is intented to repair exceptional damage caused by unusually bad weather conditions and is limited to a specified period of time.

The Commission agreed to pigeon-hole the case concerning the aid granted in France for the transport of certain fruit and vegetables being exported to other member countries, as the French authorities had satisfied the Commission that the system in quesion had been abolished.

TRANSPORT

The Council

58. On 22 June the Council met to examine transport matters; present at the session was M. Schaus, a member of the Commission and President of the Transport Group.

Before the items on the agenda were discussed the President of the Council, M. Bertrand, Belgian Minister of Communications, made a short statement on the urgent need for a common transport policy.

He pointed to the outstanding importance of transport in the progress of the economy. A highly developed and advanced system had made it possible to build up large economic groupings such as the Common Market; this situation did not, however, make it any less necessary to implement a Community transport policy as quickly as possible in view of the expansion of intra-Community trade and of the policy being followed in other spheres, such as agriculture and regional development, where progress is closely linked with the progress made in transport. In conclusion, the President expressed his hope that tangible results would soon be achieved thanks to the political goodwill that would be shown.

The Council then dealt with the points discussed below.

Organization of a survey on infrastructure costs in rails, road and inland waterway transport.

59. On the proposal of the Commission and after consultation with the Economic and Social Committee and the European Parliament, the Council decided that the Community should organize a survey on infrastructure costs in transport by rail, road and inland waterway (1).

The survey is to determine:

- a) Total infrastructure costs;
- b) Costs attributable to actual transport functions of infrastructure where infrastructure also serves other purposes;
- c) Costs attributable to the various categories of user.

By 30 June 1968 the Commission will submit to the Council a report on the findings of the survey and a study on the conditions in which infrastructure costs will be covered.

Weights and dimensions of commercial road vehicles

60. The Council made a preliminary examination, in the light of the opinions rendered by the Economy and Social Committee and the Parliament, of a proposed Council directive, submitted by the Commission, on the weights and dimensions of commercial road vehicles licensed to ply between Member States and on some supplementary conditions of a technical character applicable to these vehicles. Discussion centred on the main points raised by the proposal: maximum weight per single axle and maximum length and gross weight of vehicle trains.

The Council agreed to discuss the subject further at its next session on transport.

Application of rules of competition to transport by rail, road and inland waterway

61. The Council decided to refer a proposed regulation, submitted by the Commission on 8 June 1964, to the Economic and Social Committee and the European Parliament for an opinion in accordance with Article 75 (1) and Article 87 of the Treaty. The proposal applies rules of competition to transport by rail, road and inland waterway (2).

⁽¹⁾ See supplement to Bulletin 6-63. (2) See supplement to Bulletin 7-64.

The proposed regulation lays down that;

- a) With effect from 1 January 1967 any agreement, decision or concerted practice which restricts competition within the meaning of Article 85 (1) and any improper exploitation of a dominant position on the market, within the meaning of Article 86 of the Treaty, shall in the sphere of transport by rail, road and inland waterway be prohibited without a prior decision being necessary. On the same date the regulations made under Articles 85 and 86 shall come into force;
- b) In view of the special aspects of transport and of the measures which may be taken under the common transport policy, certain types of agreement which have a definite value for the rational co-operation of transport enterprises are to be exempted from the ban contained in Article 85 (1);
- c) As the common transport policy is brought into effect, it may prove necessary to consider other exemptions from the general rules on competition laid down in the Treaty or to formulate other regulations taking into account the particular structure of the transport market. For this reason the draft regulation lays down that the Commission is to submit to the Council by 1 January 1966 a report on the conditions of competition and, if necessary, further proposals for applying the rules of competition in this sector. An inquiry is to be put in hand for this purpose on the basis of the situation at 1 January 1965;
- d) Finally, the draft regulation contains procedural provisions and empowers the Commission to adopt certain implementing provisions.

Commission memorandum on the application of the EEC Treaty to Rhine shipping

62. After hearing a communication from the Commission on the memorandum submitted by the latter concerning the application of the EEC Treaty to Rhine shipping (2), and after discussing the matter briefly, the Council decided that it would bear the memorandum in mind when examining the Commission's proposals in the field of the common transport policy.

Pipelines

63. The Council has not taken a stand on the proposal, submitted by the Commission, to include pipelines in the decision of 21 March 1962 by which the Council instituted a procedure for prior examination and consultation in respect of certain laws and regulations envisaged by Member States in the field of transport. It did, however, adopt a resolution inviting the Commission to form, as part of its work on petroleum matters, a group of experts to study the question of pipelines from the two angles of energy and transport.

Movement of goods by rail across the Italian frontier

64. The Council took note of a communication from the Commission on the movement of goods by rail across the Italian frontier. The communication contains the findings of an investigation into the difficulties encountered in forwarding goods by rail from other Community countries to Italy, in particular at the stations of Modane,

⁽¹⁾ See Bulletin No. 7-64.

⁽²⁾ See Bulletin Ni. 6-64, Chap. I.

Domodossola, Chiasso and Forrezza; the investigation was undertaken by the Commission as part of the work entrusted to it by the Council in October 1963. After a detailed review of the facts, the report suggests short, medium and longer-term solutions. The difficulties seem to have been most serious in the first half of 1963, but the situation has become relatively normal since then, thanks mainly to steps taken at local level. The problems have not however been eliminated, and both the railways and the customs are involved.

European Parliament

- 65. At its June session the Parliament gave its opinion on:
- i) The EEC Commission's proposal to the Council for a regulation establishing a rate-bracket system for goods transport by rail, road and inland waterway (1);
- ii) The proposal for a regulation on the institution and operation of a Community quota for the transport of goods by road within the Community (1);
- iii) The proposal for a directive on the standardization of procedures for issuing licences for road haulage between Member States (1).

Regarding the proposed regulation establishing a rate-bracket system, the Parliament adopted a resolution in which it approved the Commission's proposal as a whole, with the proviso that the proposed system should not now be considered as constituting the Community's final system of prices. The Parliament also declared itself in favour of applying the regulation to Rhine shipping.

As for the Community quota, the Parliament envisaged a first experimental phase of four years in which an initial quota of 750 licences would be opened; during this period two 10% reductions in bilateral quotas would be made together with at least corresponding increases in the Community quota. By 31 December 1967 at latest, (the end of the first phase), the Commission should propose a final system in the light of experience gained.

The Parliament proposed that the quota be distributed on the basis of specified criteria.

Lastly, licences should be issued by the EEC Commission in collaboration with the national authorities.

Regarding standardization of procedures for issuing licences for road haulage between Member States, the Parliament proposed that information concerning licences issued and transport operations should also be communicated to the EEC Commissions.

Consultative Committee on Transport

66. The Consultative Committee on Transport held two plenary meetings in June.

At its meeting of 1 June it gave an oral consultation, at the request of the Commission, on problems arising from implementation of Article 79 (2) in order to eliminate all discrimination in the field of transport.

At its meeting of 23 and 24 June the Committee gave an opinion on how it would be possible to establish conditions in which an international convention could be concluded on goods transport by inland waterway. The questions of scope and responsibility

⁽¹⁾ See supplement to Bulletin 6-63.

will be the subject of a supplementary study by a small working party which will make its report in early July 1964.

The working parties responsible for preparing consultation on "certain problems arising from the implementation of the rate-bracket system" met on 16, 17, 17 and These working parties will meet again in July to draw up their reports 20 June. to the Committee.

Studies on the implementation of Articles 79 and 80 of the Treaty

- 67. At meetings in Brussels on 15-16 and 23-25 June 1964, the following points were studied with delegates of the Governments concerned:
- Tolls imposed on inland waterways in the Federal Republic of Germany;
- ii) Special rates in the French tariff for road haulage;
- iii) A number of special rates in the Federal rail tariff (DB) and road tariff (RKT) and, in relation to EEC products, in the new 8 B 14 competitive tariff in view of the possible construction of a Sarre-Rhine canal via the Palatinate.

On 30 June 1964 the Member States were consulted in accordance with Articles 79 and 80, concerning an application for a year's extension of the Commission's decision of 19 March 1964 authorizing the application of the new tariff No. 251 (A) in support of exports of fruit and vegetables from Southern Italy.

Cost of international road haulage operating on specific routes

68. On the basis of a consolidated report, drawn up by the Commission's staff, relating to principles and methods to be applied in studying this subject, the national delegations in the ad hoc Sub-Committee studying the effective burden on transport enterprises and the various forms of transport made a number of calculations of costs in road transport on specific routes. The aim of these calculations is to establish the incidence on costs of government measures in connection with taxation and social security.

The Commission's staff has almost finished examining and checking these calculations in co-operation with experts from the six countries.

At its next meeting, to be held in mid-September, the ad hoc Sub-Committee will be called on to make a first comparison of the results and decide on any amendments that may be necessary.

OVERSEAS DEVELOPMENT

Exchange of telegrams on entry into force of the Yaoundé Convention

69. On the entry into force, on 1 June 1964, the Association Convention between the European Economic Community and the associated African States and Madagascar (1), M. Walter Hallstein, President of the EEC Commission, sent the following telegram to the heads of State of the associated countries (2).

⁽¹⁾ See Bulletin 7-64, Chap. III, sec. 73.
(2) Burundi and Congo (Brazzaville), which had not yet deposited instruments of ratification, did so on 26 June 1964.

"Honour to inform you Yaoundé Convention took effect today first June at zero hour stop European Economic Commission sincerely welcomes this event opening new era of whole-hearted co-operation between Community and your country stop For its part Commission will continue to do utmost for success of Association stop Highest consideration — Walter Hallstein, President EEC Commission".

In their telegrams of reply the African heads of State warmly welcomed the entry into force of the Association Convention. Telegrams were received from H.E. Diori Hamani, President of the Republic of Niger and Head of Government, H.E. Grunitzky, President of the Republic of Togo and Head of Government, H.E.Moktar Ould Dadah, President of the Islamic Republic of Mauritania and Head of Government, H.E. Leopold Sedar Senghor, President of the Republic of Senegal, H.E. Modibo Keita, President of the Republic of Mali and Head of Government, H.E. Grégoire Kayibanda, President and Prime Minister of the Republic of Rwanda.

Entry into force of the EEC Council decision relating to the association of the overseas countries and territories with the Community

70. The Council decision relating to the association of the overseas countries and territories with the European Economic Community came into force on 1 June 1964.

By this decision the EEC Council extended the association between the overseas countries and territories and the Community for a period of five years.

The decision applies to Saint Pierre and Miquelon, the Comoro Archipelago, the French Somali Coast, New Caledonia and dependencies, the Wallis and Futuna Islands, French Polynesia, the Southern and Antarctic territories and Surinam; it will shortly also embrace the Netherlands Antilles.

Interim EEC-AASM Committee

71. The Interim Committee held its sixth and last meeting on 19 June 1964 in Brussels. With the entry into force on 1 June of the Yaoundé Convention the work of this Committee has come to an end.

During the meeting, which was presided over by Ambassador Mamadou Touré, Mauritanian representative to the European Economic Community, the Interim Committee settled the details of the draft agenda and made preparations for the first session of the Association Council, fixed for 8 July 1964 in Brussels, which will be mainly concerned with the adoption of decisions provided for in the Convention to ensure the successful operation of the association institutions.

The Committee also considered the problem of co-ordination between the representatives of the Member States and those of the AASM when the Yaoundé Convention is examined by GATT.

Association Committee

72. The meeting of the Interim Committee was followed on the same day by the first meeting of the Association Committee, set up under Article 45 of the Yaoundé Convention. The Association Committee confined itself to adopting its rules of procedure. These still have to be approved by the Association Council, which must also decide what powers it will delegate to the Association Committee.

It will be recalled that the Association Committee is composed of a representative from each Member State and a representative from the Commission on the one hand, and of a representative from each associated State on the other. The chair is taken by the State presiding over the Association Council.

Trade

73. The entry into force on 1 June 1964 of the Yaoundé Convention made it necessary for the Commission to intensify the examination of programmes of aid to production and diversification referred to in Article 28 of Protocol No. 5 annexed to the Convention. This examination began before the entry into force of the new Convention, in accordance with a Council resolution of 31 May 1964.

The Governments of the associated States have had their attention drawn to the need for programmes of aid to production and diversification to be forwarded as soon as possible to the Commission for examination. At the request of the Senegalese Government a technical aid mission visited that country to prepare the programme of aid to production.

The entry into force of the Convention makes it necessary to apply new rules to customs duties and quotas. With a view to greater efficiency a first Community mission to give assistance in this field visited Senegal, the Ivory Coast, Upper Volta and Niger in June.

The Commission was an observer at the plenary meeting of the International Cotton Advisory Committee, held at Frankfurt from 26 May to 10 June 1964.

Visit of an African leader to the Commission

74. A delegation from the Republic of Dahomey, led by M. Justin Ahomadegbe, Vice-President of the Republic and Head of Government, visited the Commission on 29 and 30 June 64.

The delegation which included M. Gabriel Lozes, Minister of Foreign Affairs, M. François Aplogan, Minister of Finance, Economic Affairs and Planning, and senior officials, was accompanied by Ambassador Emile Poisson, representative of the Republic of Dahomey to the Community, and was received by M. Henri Rochereau, a member of the Commission and President of the Overseas Development Group.

During the visit a working session was arranged to examine various points arising from association.

European Development Fund

- 75. In June 1964 the following financing agreements were signed:
- a) A financing agreement with the Kingdom of Burundi concerning a social project to cost 10 million Burundi francs, or about 200 000 units of account;
- b) A financing agreement with the Kingdom of Burundi concerning an economic project to cost 71 million Burundi francs, or about 1 420 000 units of account;
- c) A financing agreement with the Republic of Congo (Leopoldville) concerning an economic project to cost 12 million Congolese francs, or about 185 000 units of account;

EUROPEAN DEVELOPMENT FUND

Financing approved at 29 June 1964.

(in thousand units of account)

h		(in thousand units of account)
Country or territory	Number of projects	Amount
Congo (Leopoldville)	14	14 631
Rwanda	10	4 844
Burundi	13	4 753
Dulundi		
Total	37	24 228
Algeria (incl. Sahara)	9	20 427
Cameroon	26	44 497
Central African Republic	24	14 225
Comoro Islands	6	2 636
Congo (Brazzaville)	17	18 702
Ivory Coast	18	33 387
French Somaliland	2	1 367
Dahomey	18	18 658
Gabon	14	13 336
Guadeloupe	5	5 331
French Guiana	1	2 005
Upper Volta	12	26 434
Madagscar	40	53 528
Mali	25	33 009
Martinique	4	6 749
Mauritania	11	12 539
Niger	6	24 731
New Caledonia	5	1 560
Polynesia	1	2 474
Réunion	5	7 516
Saint-Pierre-et-Miquelon	1	3 545
Senegal	20	37 037
Chad	18	28 197
Togo	18	13 995
Group of States	3	7 891
Total		433 776
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Somalia	5	6 825
New Guinea	4	7 458
Surinam	4	11 194
	8	18 652
Grand total	359	483 481

- d) A financing agreement with the Republic of Senegal concerning a social project to cost 600 million Frs CFA, or about 2 431 000 units of account;
- e) A financing agreement with the Malagasy Republic concerning an economic project to cost 680 million Malagasy francs, or about 2755 000 units of account;
- f) A financing agreement with the French Republic (for the department of Martinique) concerning an economic project to cost 10 500 000 French francs, or about 2 127 00 units of account;
- g) A financing agreement with the French Republic (for the department of Guadeloupe) concerning a social project to cost 4 600 000 French francs or about 932 000 units of account;
- b) A financing agreement with the Islamic Republic of Mauritania concerning a social project to cost 50 million Frs CFA, or about 203 000 units of account.

ADMINISTRATIVE AFFAIRS

Budget matters

- 76. In order to facilitate budgetary procedure concerning requirements for the next financial year, the Commission informed the Council of its programme of activities for 1965 in connection with the Community machinery to be set up during the second stage.
- 77. On 19 May 1964 the Commission addressed to the Council a communication on the application of the subsidy of 1 500 000 units of account granted to FAO in 1963 to assist in the fight against foot-and-mouth disease brought in from Middle East countries and the action being taken to prevent it from spreading to livestock in the Community countries. In order to maintain the satisfactory results achieved by this step, however, it will be necessary to continue the fight against the disease, and for this purpose the Commission has submitted to the Council the preliminary draft of a supplementary budget for 1964 amounting to 525 000 units of account. At its session of 16-17 June 1964 the Council approved the principle and the amount of financial aid by which the Community would assist FAO to continue its action in this sphere.

Staff movements

- 78. M. Theodorus Hijzen, Director in the Directorate-General for External Relations, has been appointed special representative of the Commission for the trade negotiations in GATT, with the personal rank of Grade A 1, and at the same time continues to hold his position as director.
- M. Francesco Ventrella has been appointed head of the "Access to the Market" Division of the "Organization of the Transport Market" Directorate (Directorate-General for Transport).
- M. Jean Paelinck has been appointed head of the "Regional Development" Division of the "Economic Structure and Development" Directorate (Directorate-General for Economic and Financial Affairs).
- M. Umberto Stefani, a member of the Directorate-General for Overseas Development, has been appointed assistant to the Director-General for Economic and Financial Affairs.

II. Institutions and organs

A. THE EUROPEAN PARLIAMENT

Eleventh Joint Meeting of the European Parliament and the Consultative Assembly of the Council of Europe

The eleventh joint meeting of the European Parliament and the Consultative Assembly was held on 12-13 June 1964 in Strasbourg. M. Pflimlin and M. Duvieusart, Presidents of the two Assemblies, presided jointly.

On behalf of the European Parliament, M. Dehousse (Belgium, Socialist) presented a report on its activities. The report concentrated on a specific theme: commercial relations between the Community and the rest of the world. The subject was also dealt with in a report presented by M. Czernetz (Austria, Socialist), on behalf of the Consultative Assembly, in a address by President Hallstein on behalf of the Commission, and in the majority of speeches by members.

After deploring the unsolved difficulties in connection with the fixing of a common level of cereal prices, M. Dehousse stated that the Kennedy round would be a failure if the Community did not have a common agricultural policy when it met its negotiating partners. M. Dehousse gave a number of figures on trade and drew two conclusions: our era was clearly one of large regional groupings, an intermediate stage between the national level and "the stage in which it would be possible to tackle and settle international relations at world level". The second conclusion was that the problem of the developing countries could not be settled by any regional grouping in isolation.

M. Dehousse analysed relations between the Community and the various groups of countries in the world: in dealing with other industrial countries it was essential for the Commission to have full powers to represent the Community; furthermore the Community should adopt a common policy on membership and association; towards the countries of the Eastern Bloc the Member States should adopt a concerted attitude, and the Soviet Bloc would have to recognize the Community as such; lastly, M. Dehousse stressed that the Community was not guided by autarkic tendencies in its dealings with the developing countries, but that it could and should be considered as an effective instrument for raising the standard of living in these countries. He stated that the Six would share in all serious efforts to reform the structure of world trade by stabilizing the prices of primary products, drawing up of regional programmes, etc.

M. Czernetz then pointed out that Western Europe enjoys a leading position in world trade (42% of all exports and 44% of all imports, according to 1962 (figures). Furthermore, international trade was more important to the economic life of the Seven than of the Six, and a higher proportion of the trade of EFTA countries was with overseas countries. He stressed that a new international division of labour, under which developing countries would take up the production of simple manufactured articles, would be in the true economic interest of Europe.

Emphasizing the political aspects of the Kennedy round, M. Czernetz pointed to the possible effects that a breakdown in the negotiations might have on American policy in its relations with Europe. He saw in the growth of trade with the countries of the Eastern Bloc a possible means of reducing tension between East

and West, but recognized the Community's right to tie any possible concessions to its recognition by the Eastern countries. Lastly, M. Czernetz made points parallel to those of M. Dehousse regarding aid to developing countries and their trade.

M. Hallstein, President of the EEC Commission, spoke on the Community's position in world trade. The text of his speech is given in an annex to the present bulletin.

The ensuing debate centred on three subjects: the Kennedy round, trade with the countries of the Eastern Bloc and aid to the developing countries.

On the first point, all the speakers were unanimous in hoping that the negotiations would be successful, and some hoped that in connection with the Kennedy round closer commercial relations could be established between the two regional groups, EEC and EFTA. M. Del Bo, President of the ECSC High Authority, stated that his institution was convinced that the Kennedy round offered a valuable opportunity for restoring the balance of the world market. The High Authority hoped that solutions would be found not only for the problem of customs duties but also for other obstacles hampering trade in steel. The speaker stressed that since the Community was established imports of steel and iron products had increased very considerably.

A certain number of speakers (Mme Probst, Germany, Christian Democrat — M. Federspiel, Denmark, Liberal) regretted that it had not yet been possible to fix a common cereal price, an omission which could undermine the negotiations in Geneva. Stress was also placed by M. Duft (Switzerland, Liberal) on the danger to the negotiations represented by the problem of tariff disparities. He stated that Switzerland would insist in Geneva on such disparities being reduced to a strict minimum.

Various speakers desired to see trade with the countries of the Eastern Bloc develop, as this would be a practical application of the notion of peaceful coexistence (M. Radoux, Belgium, Socialist). Other speakers (Mr Emery, United Kingdom, Conservative — M. Lannung, Denmark, Social Liberal) were certain that the opposition to East-West trade which had been experienced in the past would progressively disappear and that this trade could already be intensified.

On the third point, a number of speakers emphasized the importance of the Geneva conference and hoped that the developing countries would benefit from the growth of trade in products which they supplied.

- M. Rey, a member of the Commission, dealt with various problems connected with association and external trade.
- M. Medi, Vice-President of the EAEC Commission, stressed the importance of the agreements signed with the United States on 27 May 1964 which, he said, constituted a first step towards partnership.

Other matters were also discussed, including institutional questions, the merger of the Communities, the extension of the Parliament's powers with special reference to ratification of association agreements, tariff problems and appointment of the unified executive. Various speakers from the two Assemblies expressed the hope that it would be possible to strengthen the powers of the European Parliament.

On behalf of the socialist groups of the two Assemblies, M. Housiaux (Belgium, Socialist) made a statement regarding the Community's relations with Spain, expressing the uneasiness of the socialist groups in view of the excessive zeal with which some people were trying to link Europe and Spain more and more closely. Without

excluding normal relations with Spain, the socialists would like to be certain that it was not intended to make that country either an associate or a member of the Community.

In reply, M. Rey stated that the Commission had already said that it would take care, in carrying out its duties, to propose to the Council only those solutions for which there was reasonable hope of obtaining unanimous agreement.

In conclusion, M. Duvieusart stated that the meeting had made a useful contribution to the awareness and solidarity of Europe, and he invited members to share the optimism he himself felt.

Session of the European Parliament of 15-19 June 1964

The Parliament met in plenary session on 15 June 1964.

It was informed of the entry into force of the Convention of Association with the associated African States and Madagascar on 1 June 1964; it expressed its great satisfaction and stressed the important part played by the Parliament in establishing this association.

The Parliament heard an important address by M. Hallstein, introducing the Seventh General Report on the Activities of the Community (1). The debate on the Report did not follow this address, but has been fixed for the October session.

The Parliament then heard an oral question put to the Commission by M. Dehousse (Belgium, Socialist) on behalf of the socialist group in the Parliament. The question was twofold: "What is the scope of the mandate received by the Commission from the Council of Ministers and what line does the Commission intend to follow in conversations with representatives of the Spanish Government?" Commenting on these points, the speaker expressed the uneasiness of his group and called for confirmation that there was no question of an association between Franco Spain and the Community being discussed in the proposed conversations.

Replying on behalf of the Commission, M. Rey referred to his remarks in answer to M. Housiaux before the joint meeting of the European Parliament and the Consultative Assembly of the Council of Europe (2). Pointing out in particular that is was difficult to answer the second part of M. Dehousse's question, since it was not normal for a negotiator to disclose the content of talks in progress, M. Rey once more stressed the Commission's determination to seek only solutions which could be unanimously and fully accepted by the six Member States.

The Parliament decided, following a report made by M. Weinkamm on behalf of the Legal Committee, to waive the parliamentary immunity of M. Fohrmann and M. Krier, Luxembourg members of the European Parliament. This request for immunity to be waived had been referred to the Parliament by the Minister for Foreign Affairs of the Grand Duchy of Luxembourg on 16 September 1963, following an action for libel by a trade association of grocers because of an article published in the press. The Parliament based its decision purely on juridical grounds (Article 9 of the Protocol on Privileges and Immunities and Article 50 of its rules of procedure). While deciding, by a slender majority, to waive immunity, mainly to establish exactly the nature and scope of the European parliamentary mandate by comparison with national mandates, the Parliament assured the members concerned of its full esteem in this case, which was unanimously considered as a "minor affair".

(2) See p. 54 above.

⁽¹⁾ The address appears on p. 5 above.

During the session, the Parliament debated and adopted the following resolutions concerning EEC activities:

- i) Resolution expressing the European Parliament's opinion on a proposal for a Council regulation establishing a rate bracket system for goods transport by road, rail and inland waterway (1);
- ii) Resolution expressing the European Parliament's opinion on proposals for:
- a) a Council regulation on the institution and operation of a Community quota for the transport of goods by road within the Community (1);
- b) a Council directive on the standardization of procedures for issuing licences for road haulage between Member States (1);
- Resolution expressing the European Parliament's opinion on the proposal for a Council directive relating to the approximation of the regulations of Member States concerning cocoa and chocolate (2);
- Resolution expressing the European Parliament's opinion on the proposal for a Council directive concerning arrangements for freedom to supply services connected with agriculture and horticulture (3);
- v) Resolution expressing the European Parliament's opinion on the proposal for a Council regulation amending the date for implementing certain measures relating to the common agricultural policy (4);
- vi) Resolution expressing the European Parliament's opinion on the proposal for a Council directive concerning health requirements for trade in meat products (4);
- vii) Resolution expressing the European Parliament's opinion on the proposal for a Council directive on health requirements for trade in fresh poultrymeat (4);
- viii) Resolution expressing the European Parliament's opinion on the proposals for a number of Council directives concerning the marketing of seeds and seedlings;
- ix) Resolution expressing the European Parliament's opinion on the proposal for a Council directive on the marketing of forestry reproductive material;
- x) Resolution on the gradual establishment of a common organization of sugar markets (5);
- xi) Resolution on the final decisions of the preparatory meeting, held in Messina on 21-22 February 1964, for the parliamentary conference of the Association (5);
- xii) Resolution on the budget estimates of the European Parliament for 1965.

Lastly, the Parliament adopted a declaration, presented on behalf of the Economic and Financial Committee by Mme. Elsner (Germany, Socialist), in which stress is placed on the need to harmonize the economic policies of the Member States.

⁽¹⁾ See Chap. I, sec. 65. (2) See Chap. I, sec. 47. (3) See Chap. I, sec. 25. (4) See Chap. I, sec. 47.

⁽⁵⁾ See extracts in Annex.

B. THE COUNCIL

134th session

The 134th session of the Council was held on 1 and 2 June 1964, with M. Henri Fayat, Minister of State at the Belgian Ministry of Foreign Affairs, in the chair. The following matters were dealt with:

AASM: The Council expressed its satisfaction at the coming into effect of the Association Convention of Yaoundé, and fixed 8 July 1964 for the first meeting of the Council of Association.

Tariffs: On the basis of Article 28 of the Treaty, the Council decided to suspend the CCT duties on certain chemical products until 31 December 1964, and the CCT duty on raw guanine (sub-heading 38-19 Q) until 31 December 1965 (1).

Kennedy round: The Council heard a statement by the Commission on the current discussions on products to which disparity treatment was applicable. The Council requested the Commission to continue its talks, as this pragmatic method was capable of leading to satisfactory results.

United Nations Conference on Trade and Development: The Commission informed the Council of the progress made by the Conference.

Spain: The Council approved the proposed reply to the request made by the Spanish Government in its letters of 9 February 1962 and 14 February 1964 (2).

Nigeria: The Council authorized the Commission to open negotiations with Nigeria on the establishment of association with that country. It approved the terms of the mandate to be given to the Commission.

Relations with non-member countries: The Council held a preliminary discussion of the Italian Government's memorandum on the Community's relations with non-member countries.

Common agricultural policy — cereal prices: The Council unanimously decided to postpone until 15 December 1964 the decisions on a common level of cereal prices with effect from the 1966/67 marketing year; on compensatory measures, Community plans and steps in connection with incomes; and on Community financing of export refunds and other forms of intervention (3).

European Development Fund: The Council approved the text in the four Community languages of the financial regulation governing the European Development Fund. However, various points remain to be settled with regard to the right of persons and companies of non-member countries to submit tenders and be awarded contracts for supplies or work financed by the Fund.

Audit Board: The EEC and EAEC Commissions decided to reappoint the present Chairman and Members of the Audit Board for a period of five years:

Chairman

M. Giovanni Freddi, Director at the Italian Audit Office, Rome

⁽¹⁾ See official gazette of the European Communities, No. 92, 10 June 1964.

⁽²⁾ See Chap. I, sec. 6. (8) See Chap. I, sec. 46.

Members

- M. Charles Henri Bauchard, Controller-General of the French Army, Paris
- M. Albert Duhr, Councellor at the Ministry of Foreign Affairs, Luxembourg
- M. D. Simons, Professor of Administrative Law at the Institute of Political Studies, Rotterdam, Netherlands
- M. Eduard Sina, Director in the Audit Office of the Federal Republic of Germany
- M. Urbain J. Vaes, Professor at the University of Louvain, Belgium; Auditor to the ECSC.

Economic and Social Committee: The Councils heard an account by M. Roche, retiring Chairman of the Economic and Social Committee, of the work done by the Committee during the two years of his chairmanship. The President of the Councils paid tribute to the way in which M. Roche had performed his task, and welcomed the new Chairman, M. Giustiniani.

135th session

The Council held its 135th session on 10 June 1964 with M. Héger, Belgian Minister of Agriculture, in the chair. The session was devoted to agriculture.

The Council adopted the regulation on certain measures in connection with cereal prices for the marketing year 1964/65 (1).

The Council notified its agreement in principle on the proposed regulations regarding:

- a) The fixing of levies on poultrymeat products in respect of which the customs duties have been bound in GATT;
- b) Refunds on the production of starches;
- c) Amendment of the annex to Council Regulation No. 19 concerning cereals.

136th session

The 136th session of the Council was held on 16 June 1964, with M. Héger, Belgian Minister of Agriculture, in the chair. The following questions were dealt with:

European patent law: The Council discussed the questions of principle raised by the preliminary draft of a European convention on patent law. It requested the Commission to go further into certain matters and to report.

United Nations Conference on Trade and Development: The Council heard the Commission's preliminary account of the results achieved by the Conference.

Multilateral negotiations in GATT: The Council decided to re-negotiate certain items in GATT with New Zealand, so as to compensate a modified concession on the part of New Zealand by equivalent concessions.

The Council took note of the first conclusions reached by the Foreign Trade Committee, and requested the Committee to continue its work.

⁽¹⁾ See official gazette of the European Communities, No. 96, 16 June 1964.

Audit Board: The Council decided to submit to the European Parliament and the Court of Justice the draft regulation on application of the Statute of Service to the staff of the Audit Board.

Economic and Social Committee: The Council approved the estimate of the Committee's expenses for the financial year 1965.

EEC supplementary budget: The Council authorized the Commission to recruit the personnel provided for in a supplementary budget in order to strengthen the Directorate-General for Agriculture.

The Council agreed to the Community's spending 525 000 u.a., as proposed by the Commission, in support of the FAO campaign against foot-and-mouth disease.

137th session

The 137th session of the Council was held on 22 June 1964, with M. Bertrand, Belgian Minister of Communications, in the chair.

The work of this session, which was concerned with transport is described in Chapter I, sections 58-64.

138th session

The 138th session of the Council was held on 24, 25, 26 and 30 June 1964, with M. Héger, Belgian Minister of Agriculture, in the chair. The session was devoted to agriculture.

The Council adopted:

- a) Two directives, one dealing with sanitary questions affecting intra-Community trade in fresh meat, the other on sanitary controls on intra-Community trade in beef cattle and pigs;
- b) Three regulations,

extending the validity of and adjusting the provisions for refunds on the production of starches (1).

fixing levies on poultrymeat products in respect of which the customs duties have been bound in GATT (1),

amending the annex to Council Regulation No. 19 concerning cereals (2).

The Council signified its agreement in principle to the regulations

- i) Extending the validity of Council Regulations Nos. 156/62 and 10/63 (manioc flour and other flours) until 31 December 1964;
- ii) Derogating from certain provisions of Regulations Nos. 20 (pigmeat), 21 (eggs), 22 (poultry) and 74/63 (pigmeat preparations and preserves);

⁽¹⁾ See official gazette of the European Communities, No. 103, 30 June 1964.

- iii) Amending Council Regulations Nos. 59/64 (eggs in shell) and 60/64 (guinea fowls) so as to postpone by one month the changes to be made in connection with the new target prices for cereals in the Member States;
- iv) Supplementing Regulations Nos. 50/64 (scale of surcharges on rice levies) and 51/64 (advance fixing of levy) in connection with cases of force majeure.

The Council decided to authorize the Republic of Italy to make an additional levy on imports of wheat other than durum from 1 July 1964 to 30 June 1965.

The Council decided to postpone the entry into effect of the system of trade and intervention contained in Regulations Nos. 16 (rice), 13 (milk and dairy products) and 14 (beef and veal) from 1 to 31 July 1964 (1).

C. THE COURT OF JUSTICE

Cases pending

Case 20/64 (2)

Albatros v. "Sopeco": suit filed on 4 June 1964.

Application to the Court of Justice for interlocutory ruling on the interpretation of Articles 30, 31, 32, 33, 35 and 37 of the Treaty.

Case 24/64 (2)

Mme. Dingemans v. Management of the Sociale Verzekeringsbank: suit filed on 12 June 1964.

Application to the Court of Justice for interlocutory ruling on the interpretation of Council Regulation No. 3 concerning social security for migrant workers.

Rulings

Case 101/63 (8)

M. A. Wagner-Jung v. M. J. Fohrmann and M. A. Krier.

Application by the Luxembourg Tribunal d'Arrondissement to the Court of Justice for interlocutory ruling on the interpretation of Articles 8 and 9 of the Protocol on Privileges and Immunities.

The Court rendered its decision on 12 May 1964 to the effect that:

"The words 'During the session of the Assembly' as used in Article 9 of each of the three Protocols on Privileges and Immunities must be interpreted as follows:

Subject to the opening and closing dates of the annual session, which are determined by Article 22 of the ECSC Treaty, the European Parliament must be considered in session, even if it is not actually sitting, until the close of the annual or extraordinary sessions."

⁽¹⁾ See Chap. I, sec. 46.

⁽²⁾ See official gazette of the European Communities, No. 110, 10 July 1964. (3) ibid., No., 83, 29 May 1964.

Case 92/63 (1)

Mme. M. Th. Nonnenmacher, widow of H.E. Moebs, v. Management of the Sociale Verzekeringsbank.

Interpretation of Article 12 of Council Regulation No. 3 of 25 September 1958 concerning social security for migrant workers.

The Court rendered its decision on 9 June 1964 to the effect that:

- "1. Article 12 of EEC Council Regulation No. 3 concerning social security for migrant workers (official gazette of the European Communities, 16 December 1958, p. 561 et seq.) does not prevent Member States other than that on the territory of which employed persons and persons treated as such work from applying to such persons their legislation on social security.
- 2. This is the position unless a Member State other than that in which the person works obliges him to pay contributions to a social security institution from which he would not be entitled to supplementary benefit for the same risk and over the same period."

Cases 79 and 82/63 (1)

M. J. Reynier v. EEC Commission.

M. P. Erba v. EEC Commission.

Appeal against classification of the plaintiffs.

The Court rendered its decision on 9 June 1964 to the effect that:

- "1. The decision of 21 May 1963 by which the Commission refused to reclassify the plaintiffs Reynier (Case 79/63) and Erba (Case 82/63) is annulled;
- 2. The cases are referred back to the Commission."

Cases 94/63 and 96/63 (1)

M. Bernusset v. EEC Commission.

Annulment of decisions on appointments to A/4 posts published in notices of vacancies Nos. 515 and 546.

The Court rendered its decision on 9 June 1964 to the effect that:

- "1. The decision of 8 July 1963 by which the EEC Commission appointed M. Volpi to the post of assistant in the Directorate-General of Administration, announced as vacant in notice of vacancy No. 546, is annulled;
- 2. The decision of 3 July 1963 by which the EEC Commission appointed M. Rogalla to the post of principal administrator in the Directorate-General of Administration, announced as vacant in notice of vacancy No. 515, is annulled."

⁽¹⁾ See official gazette of the European Communities, No. 120, 28 July 1964.

D. THE ECONOMIC AND SOCIAL COMMITTEE

The Economic and Social Committee held its 39th session on 23, 24 and 25 June in Brussels, with M. Giustiniani in the chair.

The Committee expressed an opinion on the proposal for a Council directive concerning arrangements for freedom to supply services connected with agriculture and horticulture (1).

The opinion was adopted by 63 votes with 2 abstentions.

The Council had referred this proposal to the Committee on 25 March 1964.

The Committee adopted a report concerning the proposal for a Council regulation on the gradual establishment of a common organization of sugar markets; the report had been drawn up at the request of the Commission by the Committee's Agricultural Section.

The Committee heard a statement by M. Mansholt, Vice-President of the Commission, on the agricultural aspects of the GATT negotiations and another by M. Rey, a member of the Commission, on various problems arising from the same negotiations. These statements were followed by discussions.

E. THE MONETARY COMMITTEE

The Monetary Committee held its 60th session on 26 June 1964, with M. van Lennep in the chair. It discussed international monetary problems and surveyed monetary and financial developments in the member countries.

MISCELLANEOUS

Visits to the Commission

On 16 June the President of the Commission, M. Walter Hallstein, received the Federal Chancellor of the Republic of Austria, M. Josef Klaus, for talks at the seat of the EEC Commission, in the presence of M. Jean Rey, a member of the Commission. The Federal Chancellor was accompanied by M. Bruno Kreisky, the Austrian Foreign Minister, M. Carl Heinz Bobleter, State Secretary at the Austrian Ministry of Foreign Affairs, and Ambassador Ernst Lemberger, who is the head of the Austrian Mission to the European Communities.

The Austrian Federal Chancellor was on an official visit to Brussels at the invitation of the Belgian Government.

⁽¹⁾ See Chap. I, sec. 26.

ANNEX I

The position of the European Economic Community in world trade

Address by the President of the Commission of the European Economic Community
Professor Walter HALLSTEIN

to the joint meeting of the Consultative Assembly of the Council of Europe and of the European Parliament

(Strasbourg, 12 June 1964)

The position of the European Economic Community in world trade has three aspects: it is reflected in the figures for our imports and exports, it depends on the instruments of policy available to the Community and it rests on the Community's fundamental trade policy decisions. The first of these points concerns trade and the other two trade policy.

On the first point I will confine myself to adding a few data to the impressive figures given by M. Dehousse. These data will serve to support two arguments.

The first argument is directed to our friends outside the Community. It is that the Community has discharged its responsibility for liberal world trade more fully than any other trading power.

This is self-evident. The EEC is the world's largest importer. Its share in world imports in 1963 was one-fifth (even more than 30% if internal trade is included) and it is increasing further. By way of comparison, United States imports in 1963 were about 70%, and those of the United Kingdom 56%, of EEC imports.

Not only in the field of industrial products have the Common Market's imports increased considerably — by 124% — since 1958. The Community, as the world's largest importer, also increased its imports of farm products by a further \$2 000 million since 1958, and by \$500 million during last year alone.

These figures are the result of our liberal trade policy. On several occasions we have reduced the common external tariff — which was in any case already low — the total cut being 20%.

The other argument is concerned with us ourselves. Out of self-preservation, it is imperative for the Community to maintain its competitive capacity.

This follows from the degree to which it is involved in external trade. The share of the gross Community product represented by exports to outside countries is more than twice as high as in the United States and almost four times as high as in the Soviet Union. This is attributable to industrial exports: not less than 24% of world exports of industrial finished products (38% counting internal EEC trade) come from the Community.

It would be short-sighted merely to note these figures with complacency. As customs barriers are reduced, competition between the industrial nations will become keener. The developing countries are seeking salvation in more rapid industrialization even when they lack adequate internal markets. This must be an incentive to raise the output of our export industries.

Another point follows from the trade figures — and this already brings me to my second argument: the Community needs instruments consonant with its trading power in order to be capable of action in the field of trade policy. Its strength makes responsible action an obligation for it. To what extent is it already in a position to take such action?

The success of the Community, which is evident from the economic data, has made such a great impression in the world and awakened such widespread hopes that already, before its full development, the Community's strength is measured by a yardstick more properly applicable to the complete edifice. This is illustrated by the American offer of Atlantic partnership and a further token may be seen in the demands from the developing countries for greater help and more rapid solutions to the great problems of world trade, which Europe can only master on a community basis.

But the Community does not yet possess the machinery for a common external economic policy which it needs if it is to come up to these great expectations. We are in the middle of the transition period.

According to the Treaty of Rome the Member States are to co-ordinate their trade relationships with non-member States in such a way that the prerequisites for a Community trade policy shall exist by the end of the transition period. By that time the principles of national trade policy must be merged progressively into unified Community solutions. The instruments of trade policy can no longer be used on a national basis if the Common Market is to function as an internal market.

To mention only a few examples, this means in concrete terms that the Community engages in trade negotiations with non-member countries more and more as a unit, for with a uniform customs tariff it is only possible to negotiate as a unit. Member States' bilateral agreements must gradually be converted into Community agreements. There must be a common liberalization list, unified export systems, a common administration of quotas and an effective policy to protect Community trade against abnormal imports from non-member countries.

The greater part of this road still lies ahead of us. It is in customs policy that most progress has been made. The alignment of national customs duties on the common external tariff, the last gap in which had just been closed, is now two-thirds complete. The GATT negotiations are already being carried on by the Community as such.

There have also been advances in the sphere of agricultural trade policy. The Community today exercises competence in respect of many important products althought it is true that the substantial decision on a common cereals price has not yet been made.

The first beginnings of unification are becoming apparent in the matter of trade agreements. The trade agreement with Iran was followed a short time ago by one with Israel and other negotiations are pending.

In other fields we have not got further than simple co-ordination. The Council has taken decisions laying upon the Member States the obligation, first to consult each other before concluding bilateral agreements; secondly, to insert a clause making it possible to adapt the content of such agreements to the future trade policy of the Community; and thirdly, to limit their duration so that by 1970 at the latest they can be replaced by Community agreements.

Thus the limits within which the Community can already speak with one voice, act itself and assume responsibility, are narrow. The process of intra-Community harmonization is going on perhaps slower than was expected. But progress is being made. Our friends outside should not lose patience. Only a Community which appears as a homogeneous body can be a reliable and valuable partner for them.

The connection between successful co-ordination and efficiency in action is also obvious in the current Geneva trade negotiations. Here I will make no forecasts, but only point to one contradiction which cannot be overlooked.

In the Kennedy round the Community appears as a unit. A dialogue between continents is developing and constructive results are beginning to emerge.

The World Trade Conference on the other hand presents a picture of inadequate coordination and lack of substantial agreement between the industrial nations of the free world. There is too much striving for independent positions, and this means that, in face of the 75 less developed States which have attained a dangerous solidarity in making their demands, neither on matters of procedure nor on those of substance, neither on an affirmative or negative decision, can the desirable degree of agreement be reached.

It is therefore in our own as in our partners' interest that the Community countries combine into a unit capable of action.

The decisive point is naturally with what aims the Community applies its machinery. This brings me now to the third and most important point, the Community's actual trade policy. I will take four groups of questions. They concern trade with European neighbours, trade with the Atlantic partners, East-West trade and trade with the developing countries. This leaves out such important questions of external economic policy as world monetary problems, association with Greece and Turkey, the negotiations with Austria, all questions which are closely linked with those of world trade.

I wish to describe the Community's position in this world-wide system of co-ordinates through which relations between advanced countries on the one hand, and between industrial and developing countries on the other, are determined.

First, the Community's trade policy vis-a-vis the economically advanced countries of the northern hemisphere. The Community believes that the freest possible multilateral trade on the basis of strict most-favoured-nation treatment is the best system which can be found for States at this level of development.

These are not idle words.

Thanks to this policy, not only has the economic integration of the Six done no harm to trade with European neighbours; it has encouraged it:

Our total imports from EFTA have gone up between 1958 and 1963 by 71% (by 18% in 1963) and from Great Britain alone by 105%. They increased much more strongly than our exports to EFTA, and even more than the exports of the EFTA countries to each other. During the same period internal imports within EFTA rose by 55% (by way of comparison, internal imports in the EEC went up 131%). It can therefore be claimed that the EFTA countries, and Great Britain in particular, have profited more from the economic upsurge produced in the Community by integration than from customs disarmament in EFTA.

In our opinion these figures belie the prophecy of an economic splitting of Europe. They bear witness to our resolve to prevent Europeans from drifting apart.

This gratifyingly high volume of trade must be maintained, and not the least guarantee that it will be is the Kennedy round, which, as is known, we wish to turn to the advantage of European trade also. The interest of Europe as a whole in the GATT negotiations can be seen from the following consideration:

At the present time EFTA has reduced internal customs duties by 60%. We too have cut them by 60%. To this extent our exports to EFTA and EFTA's to us receive differential treatment compared with internal EFTA or internal EEC trade. Nevertheless, as I have already shown, the progress of the Common Market has had an exceptionally favourable influence on trade between EEC and EFTA.

Success in the Kennedy round will give us an assurance that these relations will continue. The outcome of customs reductions following the Kennedy round will be that — leaving aside the special case of disparities — the degree of differentiation when the process of internal customs dismantling is complete will not be greater than it is today.

The Community's liberal approach also determines its relationships with its Atlantic trading partners. Underlying this are both political and economic considerations.

Politically the dominant note in these relationships continues to be given by the American proposal to collaborate with a united Europe on the basis of full equality as partners in all the tasks involved in the building-up and defence of a community of free nations. President Johnson has associated himself with the offer, which was

first made by President Kennedy in a historic speech in Philadelphia. By applying a liberal trade policy the Community is serving the economic aims of this plan, which found expression in the Trade Expansion Act.

From the economic angle, the Community wishes to bring about a better division of labour, higher productivity and more speedy expansion through free and flourishing world trade, particularly in industrial products. The competition which is to be expected when trade barriers have been dismantled will help to maintain economic stability and, in particular, to ward off the danger of inflation. For this reason too the Community will do everything to make the Kennedy round a success.

The problem of European competitive capacity I have mentioned becomes particularly topical by its bearing on the Kennedy round, for two reasons. First, the Community must bring itself to accept a stricter discipline if it wishes to ensure internal economic stability and expansion without danger to external balance. Secondly, it must ensure by its internal economic policy that firms can develop production units able to hold their own in Atlantic competition.

Numerous problems which have been the subject of lively public discussion in recent months arise in connection with East-West trade.

The question of what practical trading arrangements could be applied is not yet settled. In view of the differing economic systems and the unresolved political issues between East and West, we cannot purely and simply follow the principles on which the free world conducts its trade.

The Community must first further elaborate its trade policy vis-à-vis the East and create for itself the necessary machinery. Like the policy of the individual Member States, the future Community policy will also have to hold the balance between a liberal import policy, enabling the East bloc countries to obtain the foreign exchange necessary for their purchases from the West, and a system of controls to prevent disturbances in the Common Market motivated by economic or political aims.

The policy of the Member States in this matter has proved its worth. In the last five years the Community's trade with the East has increased by 87%, i.e. about twice as much as EEC trade in the world average. It reflects the complementary relationship of the economic structures. However, the development has been less favourable of late. This is due to the changing situation in agricultural trade and is only partly a result of the EEC. The real causes are the

revolutionary changes in farming techniques, which bring about great increases in productivity and are now making their effects felt in Europe also.

It is quite natural that these structural changes should not only modify EEC trade in farm products with the free world — we need only think of the "chicken war" episode — but also affect trade with the East.

However, in view of the advantageous geographical situation and other economic factors we have good reason to suppose that trade in goods with the East will develop satisfactorily. If the East succeeds in industrializing more intensively, trade in both directions may in the long run gain new momentum as industrial products take a larger share. In the end the volume of Eastern trade will depend only on the capacity of the Eastern economies to complete and to deliver the goods. At present the East bloc countries are still largely unable to supply, in exchange for Community products, goods which our economy requires.

Today East and West are equally targets for the demands of the less developed countries of the southern hemisphere. This brings me to the other large area of our trade policy, which is essentially development policy.

Our task is clear. It is to make the peoples of Asia, Africa and Latin America partners in mutual progress such as already exists in the Atlantic economic other hand the road and the method are in dispute.

In principle we consider free trade on the basis of strict most-favoured-nation treatment as the best system of world trade. However, we cannot escape the conclusion that at present free trade alone cannot be the answer to the task of development. With some exceptions, the developing countries are not yet in a position to hold their own in free competition and capture unaided an adequate share in markets.

The desired international division of labour through competition presupposes a certain measure of equality in the terms of competition, so that equality of opportunity is ensured. We can see no reason why this principle, which has long been recognized in national economic law, should not be valid on the international plane.

It cannot be denied that there is considerable imbalance in the relationship of the industrialized with the developing countries, and — often even more pronounced — of the more advanced with the less-favoured developing countries. In order to establish

the system of a market economy in trade with the developing countries also — I am here thinking of trade in industrial goods — selective and degressive aid measures, limited in time and determined in the light of the development aim, must be taken by the industrial countries. They must take account of the degree of development of the individual country and the competitive capacity of its products. An individualizing development policy is necessary. This is our policy.

Against it we find pitted and vaunted as a model the concept of a cosmopolitan, undifferentiated, humanitarian development policy. We consider this concept unrealistic and economically unreasonable, for the following reasons:

It is Utopian to suppose that the Community can give effective help by pouring from its horn of plenty at random and attempting to scatter largesse over the whole world, when even the United States have had to concentrate their help on a few selected countries out of fear — as we read in the Clay report — "of attempting too much for too many too soon". Our possibilities of giving aid are limited.

We can only help, and only wish to help, others to help themselves. The developing countries bear the primary responsibility for their own economic advance. It is their business to provide a minimum of those internal prerequisites without which external help crumbles to dust. Their capacity to turn to advantage the aid received is a precondition for all support. Here too we are in agreement with the practice of the American Government as they themselves explained it at the World Trade Conference.

A world-wide, open and undifferentiated system inevitably favours the "situations acquises" of individual developing countries which are more advanced and already industrialized to a certain extent, in particular a few countries in Asia and Latin America. Against this, it is especially disadvantageous to many African countries, although these have the greatest leeway to make up. Europe cannot accept this prospect. The economic, geographical and historical links between Europe and Africa confer on the Community an irreplaceable role in the development of the African continent from which it cannot and will not withdraw.

This rejection of a flat and shapeless world-wide development policy does not at all mean that the Community's tasks in this field have been defined on a regional basis once and for all. On the contrary: in the living stream of international life the objectives in the Near and Far East, in Latin America

and in Africa constantly require fresh definition. If this is regionalism, then it is a fact and not a doctrine. The Community's development policy cannot be imprisoned in cut-and-dried formula such as the "open or closed system" alternative.

In this connection the Community will steadily widen its area of responsibility. In his speech on "North and South relationships" the American Under-Secretary of State, George Ball, rightly said that a direct relation probably exists between the will of the European nations to accept a world-wide responsibility and the progress they make towards their own political and economic unity. It is true — and I quote again from his speech — that we may not disregard our historical responsibility. "We cannot resign from history".

ANNEX II

EUROPEAN PARLIAMENT

Parliamentary Committee of the EEC-Greece Association

Recommendation concerning the 1st Annual Report of the Council of Association, adopted unanimously on 30 June 1964

The Parliamentary Committee of the EEC-Greece Association,

Meeting in Brussels on 29 and 30 June 1964,

- 1. Welcomes the presentation of the 1st Annual Report of the Council of Association;
- 2. Expresses its satisfaction with the functioning of the institutional machinery and with the implementation of the Agreement's provisions for the inauguration of a Customs Union:
- 3. Notes that some economic progress has been achieved during the first twelve months of the Association, but that there is as yet no sign of structural improvement;
- 4. Expresses the view that there are no factors making for an automatic development of the Greek economy but that steps must be taken within the framework of the Association to prepare the way for this development, particular regard being had to the economic, social and political objectives of the Association, both short- and long-term measures being envisaged at the same time;
- 5. Stresses that, as regards short-term measures, the expansion of Greek agricultural

exports, especially to Community markets, must be the first consideration;

- 6. Considers that, as regards long-term measures, the steps taken should promote the industrial development of Greece and, first of all, its processing industries, but that the modernization of agriculture should nevertheless not be neglected;
- 7. Takes note of the results achieved in the field of financial assistance and hopes that funds to further Greek development will be made available more speedily;
- 8. Calls upon the Council of Association to work out a technical assistance programme and a policy for regional development in Greece,
- 9. Considers that the provisions of Article 3 of the Association Agreement regarding the gradual harmonization of agriculture do not rule out an acceleration of this process, and that the Council of Association should in due course be able to envisage measures offering Greece advantages commensurate with the heavier obligations which that country has declared its readiness to undertake.
- 10. Transmits this recommendation to the European Parliament and to the Greek Parliament in accordance with Article 6 of its rules of procedure.

Resolution on the gradual establishment of a common organization of sugar markets

The European Parliament,

Having taken note of the proposal of the EEC Commission concerning the progressive establishment of a common organization of sugar markets;

- I. With regard to the method of price fixing
- i) Stresses that it would be preferable, for several reasons, to fix a target price directly for sugar-beet:
- ii) Recognizes, however, that under a regulation setting up a levy system it seems justifiable, for reasons of commercial practice, to fix the target price for sugar ex-factory;
- iii) Could only approve this method of price fixing, however, if it included an assurance that, at the request of sugar-beet growers or associations thereof, sugar producers will accept an obligation to conclude contracts with them. For this purpose the Commission of the EEC is requested to draw up a specimen contract guaranteeing the right of sugar-beet growers to a fair share of the profits made by sugar producers when a price higher than the intervention price is obtained;

II. With regard to price levels

i) Feels the need to be informed, before expressing a final opinion, of the EEC Commission's price policy for sugar, which must ensure a fair return for sugar-beet growers within the framework of the common agricultural policy;

- ii) Requests the Commission of the EEC to submit as soon as possible a proposal for an implementing regulation on the fixing of upper and lower price limits. In fixing these limits regard must be had to the profitability of sugar-beet growing.
- iii) Considers that the threshold price must be so fixed that sugar imported from nonmember countries will not enjoy a more favourable position than home-produced sugar in any region of the Community, especially since the proposed regulation abolishes all quantitative restrictions at present applied by the Member States;

III. With regard to the state of the sugar market

- i) Approves the proposal to provide either for import levies and export refunds or for export levies and import subsidies according to the state of the sugar market;
- ii) Proposes that a Community stock be built up for the final stage of the common market;
- iii) Urges the EEC Commission to complete the system of market organization adopted for sugar by fixing production objectives;

IV. With regard to taxation

Requests the EEC Commission to submit proposals based on Articles 99 and 100 of the Treaty with a view o harmonizing fiscal provisions concerning the end product.

Instructs its President to transmit this resolution to the Council and the Commission of the EEC.

Resolution concerning the final decisions of the preparatory meeting of the Parliamentary Conference of the Association held at Messina on 21 and 22 February 1964

The European Parliament,

Having regard to its resolution of 16 September 1963 concerning the Convention of Association between the European Economic Community and the associated African States and Madagascar associated with that Community, and the annexed documents;

Having regard to the final decisions of the preparatory meeting of the Parliamentary Conference of the Association held at Messina; Having regard to the report of its competent Committee:

Welcomes the decisions of the Messina meeting;

Endorses these decisions;

Suggests that the Conference of the Association should be requested to instruct the Association Committee to draw up rules of procedure:

Instructs its President to inform the Parliaments of the associated African States and Madagascar of the present report of the European Parliament and the relevant resolution.

PUBLICATIONS OF THE EUROPEAN ECONOMIC COMMUNITY

A. Items concerning the activities of the European Economic Community published in the official gazette of the European Communities between 9 June and 6 July 1964

EUROPEAN PARLIAMENT

Written questions and replies

No. 17 de M. Vredeling à la Commission de la CEE. Objet: Application des articles 5 et 6 de la décision concernant la coordination des politiques de structure agricole (No. 17 by M. Vredeling to the EEC Commission: Application of Articles 5 and 6 of the decision on the co-ordination of policies concerning the structure of agriculture)	No.	94	12.6.64
No. 20 de MM. van der Goes van Naters et Nederhorst à la Commission de la CEE. Objet: Usage irrégulier de certificats de la CEE (No. 20 by M. van der Goes van Naters and M. Nederhorst to the EEC Commission: Improper use of EEC certificates)	No.	94	12.6.64
No. 18 de M. Vredeling à la Commission de la CEE. Objet: a) Comités de gestion pour les produits agricoles, b) Aides françaises pour les légumes et les fruits (No. 18 by M. Vredeling to the EEC Commission: a) Management Committees for agricultural produce, b) French aids to fruit and vegetables)	No.	99	24.6.64
No. 21 de M. Vredeling à la Commission de la CEE. Objet: Application du règlement du Conseil relatif aux produits laitiers au secteur du lait de consommation (No. 21 by M. Vredeling to the EEC Commission: Application of Council dairy products regulation to milk for liquid consumption)	No.	9 9	24.6.64
No. 22 de M. Vredeling à la Commission de la CEE. Objet: Système de subvention aux éleveurs de basse-cour en république fédérale d'Allemagne (No. 22 by M. Vredeling to the EEC Commission: Subsidies for Federal German poultry farmers)	No.	99	24.6.64
No. 24 de M. Troclet à la Commission de la CEE. Objet: Application de l'article 119 du Traité CEE (No. 24 by M. Troclet to the EEC Commission: Application of Article 119 of the EEC Treaty)	No.	99	24.6.64
No. 19 de M. Troclet au Conseil de la CEE. Objet: Proposition de la Commission de la CEE au Conseil concernant une directive relative au rapprochement des dispositions législatives, réglementaires et administratives relatives aux produits pharmaceutiques (No. 19 by M. Troclet to the EEC Council: The EEC Commission's proposed Council on the approximation of laws and regulations on pharmaceutical products)	No.	101	26.6.64
No. 23 de M. Lenz à la Commission de la CEE. Objet: Approvisionment des distilleries allemandes en vins à distiller (No. 23 by M. Lenz to the EEC Commission: Supply of wines to German distilleries)	No.	106	4.7.64
No.25 de M. Vredeling à la Commission de la CEE. Objet: Régionalisation des prix des céréales (No. 25 by M. Vredeling to the EEC Commission: Cereals price differentiation by region)	No.	106	4.7.64
No. 35 de M. Carboni à la Commission de la CEE. Objet: Aqueduc de Pointe-à-Pitre, Gosier, Saint-François (Guadeloupe) (No. 35 by M. Carboni to the EEC Commission: Aqueduct for Pointe-à-Pitre, Gosier, Saint-François (Guadeloupe)	No.	106	4.7.64

Notices of open competitive examinations

Avis de concours général no. PE/6/C (secrétaires sténodactylographes de langue néerlandaise) (Notice of open competitive examination PE/6/C (Dutch-language secretaries with shorthand and typing)	No.	91	9.6.64
Avis de concours général no. PE/7/C (dactylographes de langue néerlandaise) (Notice of open competitive examination PE/7/C (Dutchlanguage typists)	No.	91	9.6.64
Avis de concours général no. PE/2/A (administrateur principal) (Notice of open competitive examination PE/2/A (principal administrative officer)	No.	99	24.6.64

COUNCIL AND COMMISSION

Regulations

Règlement no. 59/64/CEE du Conseil, du 3 juin 1964, relatif à la détermination de la quantité de céréales fourragères nécessaire pour la production d'un kilogramme d'œufs en coquille de volaille de basse-cour destinés à la consommation et pour la production d'un kilogramme d'œufs à couver de volaille de basse-cour (Council Regulation No. 59/64/CEE of 3 June 1964 determining the quantity of feed-grain deemed necessary for the production of 1 kilogramme of farmyard poultry eggs in shell for human consumption and for the production of 1 kilogramme of farmyard poultry eggs for hatching)

Règlement no. 60/64/CEE du Conseil, du 3 juin 1964, portant modification de la quantité de céréales fourragères fixée pour la production d'un kilogramme de pintade abattue et modification du prix d'écluse pour les pintades abattues (Council Regulation No. 60/64/CEE of 3 June 1964 altering the quantity of feed-grain deemed necessary for the production of 1 kilogramme of slaughtered guinea-fowl and altering the sluice-gate price for slaughtered guinea-fowl)

Règlement no. 61/64/CEE du Conseil, du 3 juin 1964, relatif à la définition du beurre de première qualité au sens du règlement no. 13/64/CEE (Council Regulation No. 61/64/CEE of 3 June 1964 defining "first quality butter" within the meaning of Regulation No. 13/64/CEE)

Règlement no. 62/64/CEE du Conseil, du 3 juin 1964, portant définition des principes concernant les interventions sur le marché du beurre (Council Regulation No. 62/64/CEE of 3 June 1964 fixing principles governing intervention on the butter market)

Règlement no. 63/64/CEE de la Commission, du 4 juin 1964, relatif à la détermination des prix servant au calcul du prélèvement envers les pays tiers dans le secteur de la viande bovine (Commission Regulation No. 63/64/CEE of 4 June 1964 concerning determination of the prices to be used in calculating the levy on beef and veal imported from non-member countries)

Règlement no. 64/64/CEE du Conseil, du 10 juin 1964, concernant certaines mesures à appliquer dans le domaine des prix des céréales pour la campagne 1964/1965 (Council Regulation No. 64/64/CEE of 10 June 1964 concerning certain measures to be applied in respect of cereal prices for the 1964/65 season)

Règlement no. 65/64/CEE de la Commission, du 16 juin 1964, fixant les prix de référence pour les citrons (Commission Regulation No. 65/64/CEE of 16 June 1964 fixing reference prices for lemons)

No. 92 10.6.64

No. 96 16.6.64

No. 100 25.664

Règlement no. 66/64/CEE de la Commission, du 16 juin 1964, fixant les prix de référence pour les mandarines et clémentines (Commission Regulation No. 66/64/CEE of 16 June 1964 fixing reference prices for tangerines, mandarines and clementines)	No. 100 25.6.64
Règlement no. 67/64/CEE de la Commission, du 16 juin 1964, fixant les prix de référence pour les raisins de table de plein air (Commission Regulation No. 67/64/CEE of 16 June 1964 fixing reference prices for dessert grapes grown in the open)	No. 100 25.6.64
Règlement no. 68/64/CEE de la Commission, du 16 juin 1964, fixant les prix de référence pour les poires (Commission Regulation No. 68/64/CEE of 16 June 1964 fixing reference prices for pears)	No. 100 25.6.64
Règlement no. 69/64/CEE de la Commission, du 16 juin 1964, fixant les prix de référence pour les pommes (Commission Regulation No. 69/64/CEE of 16 June 1964 fixing reference prices for apples)	No. 100 25.6.64
Règlement no. 70/64/CEE de la Commission, du 24 juin 1964, fixant un montant supplémentaire pour les œufs entiers, liquides ou congelés (Commission Regulation No. 70/64/CEE of 24 June 1964 introducing a supplementary amount chargeable on whole eggs, liquid or frozen)	No. 101 26.6.64
Règlement no. 71/64/CEE de la Commission, du 24 juin 1964, fixant un montant supplémentaire pour les jaunes d'œufs séchés (Commission Regulation No. 71/64/CEE of 24 June 1964 introducing a supplemen- tary amount chargeable on dried egg yolks)	No. 101 26.6.64
Règlement no. 72/64/CEE de la Commission, du 18 juin 1964, portant fixation des montants forfaitaires pour certaines catégories de céréales, farines, gruaux et semoules pour la campagne de commercialisation 1964/1965 (Commission Regulation No. 72/64/CEE of 18 June 1964 fixing standard amounts for certain categories of cereals, flours, cereal groats and cereal meal for the 1964/65 marketing season)	No. 102 29.6.64
Règlement no. 73/64/CEE de la Commission, du 23 juin 1964, relatif aux prix CAF, aux prix franco-frontière et aux modifications des prélèvements pour le riz et les brisures (Commission Regulation No. 73/64/CEE of 23 June 1964 concerning cif and free-at-frontier prices and adjustments to the levies for rice and broken rice)	No. 102 29.6.64
Règlement no. 74/64/CEE de la Commission, du 26 juin 1964, portant fixation des prix de référence pour les oranges douces (Commission Regulation No. 74/64/CEE of 26 June 1964 fixing reference prices for sweet oranges)	No. 102 29.6.64
Règlement no. 75/64/CEE du Conseil, du 26 juin 1964, portant prorogation et adaptation de certaines dispositions relatives à la restitution à la production pour les amidons et fécules (Council Regulation No. 75/64/CEE of 26 June 1964 extending and adapting certain provisions concerning refunds to starch producers)	No. 103 30.6.64
Règlement no. 76/64/CEE du Conseil, du 26 juin 1964, relatif à la fixation du montant des prélèvements pour les produits du secteur de la viande de volaille dont les droits de douane ont fait l'objet d'une consolidation dans le cadre du GATT (Council Regulation No. 76/64/CEE of 26 June 1964 concerning levies on those products in the poultrymeat sector in respect of which duties have been bound under GATT)	No. 103 30.6.64
Règlement no. 77/64/CEE du Conseil, du 26 juin 1964, prorogeant les régimes prévus par les règlements no. 156 et no. 10/63/CEE (Council Regulation No. 77/64/CEE of 26 June 1964 extending the arrangements established by Regulations No. 156 and No. 10/63/CEE)	No. 103 30.6.64
Règlement no. 78/64/CEE du Conseil, du 26 juin 1964, complétant les règlements no. 50/64/CEE et no. 51/64/CEE (Council Regulation No. 78/64/CEE of 26 June 1964 amplifying Regulations No. 50/64/CEE	No. 103 30.6.64
and No. 51/64/CEE)	140, 107 30,0.04

Règlement no. 79/64/CEE du Conseil, du 26 juin 1964, portant dérogation à certaines dispositions des règlements nos. 20, 21, 22 et 84/63/CEE du Conseil et modifiant les règlements no. 59/64/CEE et no. 60/64/CEE du Conseil (Council Regulation No. 79/64/CEE of 26 June 1964 derogating from certain provisions of Council Regulations No. 20, No. 21, No. 22 and No. 84/63/CEE and amending Council Regulations No. 59/64/CEE and No. 60/64/CEE)	No.	103	30.6.64
Règlement no. 80/64/CEE de la Commission, du 29 juin 1964, prorogeant la validité du règlement no. 5/64/CEE de la Commission (Commission Regulation No. 80/64/CEE of 29 June 1964 extending the validity of Commission Regulation No. 5/64/CEE)	No.	103	30.6.64
Règlement no. 81/64/CEE de la Commission, du 29 juin 1964, portant maintien des prélèvements et des prix d'écluse fixés par la Commission en application des règlements nos. 20, 21 et 22 du Conseil (Commission Regulation No. 81/64/CEE of 29 June 1964 maintaining the levies and the sluice-gate prices fixed by the Commission pursuant to Council Regulations No. 20, No. 21 and No. 22)	No.	104	1.7.64
Règlement no. 82/64/CEE du Conseil, du 30 juin 1964, modifiant la date de mise en application de certains actes relatifs à la politique agricole commune (Council Regulation No. 82/64/CEE of 30 June 1964 altering the date of entry into force of certain acts relating to the common agricultural policy)	No.	105	1.7.64
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Convention d'association entre la Communauté économique européenne et les Etats africains et malgache associés à cette Communauté (Convention of Association between the European Economic Community and the associated African States and Madagascar)	No.	93	11.6.64
Accord relatif aux produits relevant de la Communauté européenne du charbon et de l'acier (Agreement on products which are the concern of the European Coal and Steel Community)	No.	93	11.6.64
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Décision du Conseil du 25 février 1964, relative à l'association des pays et territoires d'outre-mer à la Communauté économique européenne (Council decision of 25 February 1964 concerning the association of the overseas countries and territories with the European Economic Community)	No.	93	11.6.64
Décision du Conseil, du 25 février 1964, concernant l'application aux départements français d'outre-mer de certaines dispositions du Traité relatives au droit d'établissement et aux paiements (Council decision of 25 February 1964 applying certain clauses of the Treaty concerning payments and the right of establishment to the French overseas depart-		0.5	
ments)	No.	93	11.6.64

Décision du Conseil, du 25 février 1964, portant modification et suspension partielle de certains droits du tarif douanier commun (Council decision of 25 February 1964 altering and partially suspending certain CCT duties)	No.	93	11.6.64
Décision du 25 février 1964 des représentants des gouvernements des Etats membres de la Communauté économique européenne, réunis au sein du Conseil, relative aux droits perçus à l'importation de certains produits tropicaux (Decision of 25 February 1964 of the representatives of the member Governments of the European Economic Community meeting in the Council on the import duties on certain tropical products)	No.	93	11.6.64
Protocole relatif aux importations de café vert dans les pays du Benelux (Protocol relating to imports of unroasted coffee into the Benelux countries)	No.	93	11.6.64
Accord interne relatif aux mesures à prendre et aux procédures à suivre pour l'application de la convention d'association entre la Communauté économique eutopéenne et les Etats africains et malgache associés à cette Communauté (Internal agreement on the measures to be adopted and on procedures for the application of the Convention of Association between the European Economic Community and the associated African States and Madagascar)	No.	93	11.6.64
Accord interne relatif au financement et à la gestion des aides de la Communauté (Internal agreement concerning the financing and administration of Community aids)	No.	93	11.6.64
Règlement financier du Fonds européen de développement institué par l'accord interne relatif au financement et à la gestion des aides de la Communauté (Financing regulation of the European Development Fund established under the internal agreement concerning the financing and administration of Community aids)	No.	93	11.6.64
Décision du Conseil, du 8 mai 1964, portant conclusion d'un accord commercial entre la Communauté économique européenne et l'Etat d'Israël (Council decision of 8 May 1964 concluding a trade agreement between the European Economic Community and the State of Israel)	No.	95	13.6.64
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Décision du Conseil, du 8 mai 1964, relative à certaines mesures de politique commerciale pour l'application de l'accord commercial entre la Communauté économique européenne et l'Etat d'Israël (Council decision of 8 May 1964 introducing certain measures for the application of the trade agreement between the European Economic Community and the State of Israel)	No.	95	13.6.64
Décision des représentants des gouvernements des Etats membres de la Communauté économique européenne, réunis au sein du Conseil, portant alignement accéléré vers les droits du tarif douanier commun applicables à certains produits (Decision of the representatives of the member Governments of the European Economic Community meeting in the Council speeding up the alignment on the CCT of the duties on certain items)	No.	95	13.6.64
Résolution du 10 juin 1964 des représentants des gouvernements des Etats membres de la Communauté économique européenne, réunis au sein du Conseil, relative à l'harmonisation des prix de seuil des céréales (Resolution of 10 June 1964 of the representatives of the member Governments of the European Economic Community meeting in the			
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Décision du Conseil, du 26 juin 1964, autorisant la République italienne à percevoir un montant additionnel à l'importation de certaines variétés de blé tendre (Council decision of 26 June 1964 authorizing the Italian Government to charge an additional amount on imports of certain varieties of wheat other than durum)	No. 103	30.6.64
Résolution du Conseil, du 30 juin 1964, prise à l'occasion de l'adoption du règlement no. 82/64/CEE du Conseil (Council resolution of 30 June 1964 adopted with Council Regulation No. 82/64/CEE)	No. 105	1.7.64
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Décision de la Commission, du 20 mai 1964, portant octroi à la République fédérale d'Allemagne d'un contingent tarifaire pour les hareengs et esprots frais, réfrigérés ou congelés (Commission decision of 20 May 1964 granting the Federal Republic of Germany a tariff quota for herrings and sprats, fresh, chilled or frozen)	No. 92	10.6.64
Décision de la Commission, du 20 mai 1964, portant octroi à la République fédérale d'Allemagne d'un contingent tarifaire pour les chanterelles (Commission decision of 20 May 1964 granting the Federal Republic of Germany a tariff quota for chanterelles)	No. 92	10.6.64
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Décision de la Commission, du 12 juin 1964, portant fixation des primes s'ajoutant aux prélèvements dans les échanges intracommunautaires de céréales (Commission decision of 12 June 1964 fixing the premiums to be added to the levies on intra-Community trade in cereals)	No. 100	25.6.64
Décision de la Commission, du 15 juin 1964, relative au recours de la République française à l'article 115 alinéa 1 du Traité, pour exclure du traitement communautaire certains produits originaires de pays tiers et mis en libre pratique dans les autres Etats membres (Commission decision of 15 June 1964 concerning the recourse by the French Republic		

to the first paragraph of Article 115 of the Treaty in order to exclude from Community treatment certain products from non-member countries in free circulation in the other Member States) Décision de la Commission, du 15 juin 1964, portant prorogation de la validité de sa décision adoptée en date du 5 mars 1962 à la suite de recours de la République italienne à l'article 115 alinéa 1 du Traité	No. 107	6.7.64
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Représentation d'Etat d'outre-mer associés (république de Côte d'Ivoire) (Representative of an associated overseas State (Republic of Ivory Coast)	No. 96	16.6.64
European Development Fund		
Appel à la concurrence no. 367 de la république du Niger relatif à la présélection des entreprises admises à participer à l'appel d'offres restreint qui sera lancé ultérieurement pour les travaux d'amélioration des axes routiers Niamey-Zinder et Takieta-Nigeria (Call for candidature No. 367 by the Republic of Niger in connection with the pre-selection of firms to participate in the limited call for tender to be issued later for improvement works on the Niamey-Zinder and Takieta-Nigeria		
roads)	No. 91	9.6.64
Résultats d'appel d'offres (nos. 204, 257, 259, 271, 296, 302, 306, 307, 310 et 317 [Result of calls for tender (Nos. 204, 257, 259, 271, 296, 302, 306, 307, 310 and 317)]	No. 96	16.6.64
Avis d'appel d'offres no. 374 lancé par la république centrafricaine (Notice of call for tender No. 374 issued by the Central African Republic)	No. 96	16.6.64
Avis d'appel d'offres no. 375 lancé par la République centrafricaine (Notice of call for tender No. 375 issued by the Central African Republic)	No. 96	16.6.64
Avis d'appel d'offres no. 376 lancé par la république du Congo (Brazzaville) [Notice of call for tender No. 376 issued by the Republic of Congo (Brazzaville)]	No. 100	25.6.64
Signature de deux conventions de financement (Sénégal, Congo-Léopold- ville) [Signature of two financing agreements (Senegal, Congo-Leopold- ville)]	No. 103	30.6.64
Avis d'appel d'offres no. 377 lancé par le royaume de Burundi (Notice of call for tender No. 377 issued by the Kingdom of Burundi)	No. 103	30.6.64
Avis d'appel d'offres no. 378 lancé par la république fédérale du Cameroun (Notice of call for tender No. 378 issued by the Federal Republic of Cameroon)	No. 103	30.6.64
Signature d'une convention de financement (république malgache) (Signature of a financing agreement (Malagasy Republic)	No. 104	1.7.64
Modification à l'appel d'offres no. 354 (Amendment to call for tender No. 354)	No. 104	1.7.64

EEC Administrative Committee for the Social Security of Migrant Workers

Décision no. 53, du 24 mars 1964, concernant l'établissement des inventaires prévus aux articles 74 garagraphe 3 et 75 paragraphe 3 du règlement no. 4 (Decision No. 53 of 24 March 1964 concerning the establishment of the lists provided for in Article 74(3) and 75(3) of Regulation No. 4)

No. 107 6.7.64

Cartels and dominant positions

Décision de la Commission, du 1er juin 1964, relative à la demande d'attestation négative présentée conformément à l'article 2 du règlement no. 17 (IV-A/12.868) [Commission decision of 1 June 1964 concerning an application for negative clearance (IV-A/12.868) submitted in conformity with Regulation No. 17(2)]

No. 92 10.6.64

General

Avis du Comité économique et social du 29 avril 1964 concernant le "Programme d'action de la Communauté en matière de politique sociale dans l'agriculture" (Opinion of the Economic and Social Committee of 29 April 1964 on the "Community's Action Programme on social policy in agriculture")

No. 91 9.6.64

Bourses pour des stages d'assistants sociaux auprès de services sociaux s'occupant des travailleurs qui se déplacent dans la Communauté (Bursaries for welfare workers to train in welfare offices serving the nationals of one Community country working in another Community country)

No. 104 1.7.64

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

Supplement No. 23 of 17 June 1964
Supplement No. 24 of 24 June 1964
Supplement No. 25 of 1 July 1964
Supplement No. 26 of 8 July 1964
Supplement No. 27 of 15 July 1964

C. Recent publications of the European Community (1)

Non-periodical publications

8111

Symposium on social housing policy — Requirements
Speeches by Professor Lionello Levi Sandri, President of the Social Affairs Group of the
European Economic Community
1963. 22 pp. (f, d, i, n) Free

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

8114

Symposium on industrial medicine — Programme 1964. 12 pp. (f, d, i, n) Free

8113*

Manpower problems in the Community in 1964 1964. 112 pp. (f, d, i, n) 8s. 6d: \$1.20; Bfrs. 60

8112

Regulation and directives on the free movement of workers within the Community 1964. 96 pp. (f, d, i, n) Free

Periodical publications

4002

Graphs and Notes on the Economic Situation in the Community. Monthly No. 6/1964. Three bilingual editions: f/i, d/n, e/f. Price per issue 3s.6d.; \$0.50; Bfrs. 25. Annual subscription: £1.16.0; \$5; Bfrs. 250

2001*

The Economic situation in the Community. Quarterly Survey.
No. 2/1964, (f, d, i, n, e) Price per issue: 15s.; \$2; Bfrs. 100. Annual subscription: £2.10.0; \$7; Bfrs. 350

8068*

The Community Business Survey. Three issues per year. Three bilingual editions: e/f, f/i, d/n. Price per issue: 5s. 0d.; \$0.70; Bfrs. 35. Annual subscription: 14s.6d.; \$2 Bfrs. 100

5002

Bulletin des acquisitions.
(List of recent additions.
Monthly. No. 5/1964.

Bibliothèque de la Commission de la CEE
(EEC Commission library)
Free.

D. Publications by the joint services of the three Communities

Joint Information Service

Publications by offices in capital cities

Bonn: Europäische Gemeinschaft No. 7, July 1964

The Hague: Europese Gemeenschap No. 62, July-August 1964 Paris: Communauté européenne Nos. 7-8, July-August 1964

Rome: Communità Europea No. 7, July 1964 London: European Community No. 7, July 1964

Washington: European Community No. 72, June 1964

Statistical Office of the European Communities

Commerce extérieur: Statistique mensuelle (Foreign Trade: Monthly Statistics) No. 7-1964

Commerce extérieur: Commerce des associés d'outre-mer (Foreign Trade: Trade of the Overseas Associated Areas) Jan.-June, 2nd part

Statistiques industrielles (Industrial Statistics) no. 3-1964

Statistiques agricoles (Agricultural Statistics) no. 2-1964

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