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FOR IMMEDIATE RELEASE

EEC ADOPTS FIRST MEDIUM-TERM ECONOMIC PROGRAM

WASHINGTON, D. C., February 9 -- The European Economic Community's Council of Ministers took a step toward true economic union yesterday in adopting the EEC's first medium-term economic program.

The program lays down a blueprint for common action among the EEC's six members for Common Market economic growth and development in the next four years. It analyzes general conditions of economic growth to be expected in the period to 1970, defines guidelines for various policy measures, and provides for closer coordination of national policies.

Price Stability Held Central for Steady Growth

The document treats employment policy, vocational training, public finances and regional development policies among the Six in great detail. The first medium-term policy emphasizes the importance of price stability to steady long-term growth and cautions against excessive expansion of private consumption and public spending.

The new program indicates continuous and adequate production as essential for balanced growth, involving action aimed at expanding factors of production as well as increasing productivity and improving efficient allocation of these factors.

(MORE)

Policy is Result of Growing Interdependence

The decision stems from an agreement reached in 1964 when it first became apparent that the six economies had meshed to an extent that inflation in one member country could easily spread to another. Likewise, the efforts of one country to control inflation, unless reinforced by appropriate policies in the other five, would be futile.

An economic policy committee of national experts and EEC Commission representatives was then formed to draw up a medium-term plan for the Community. After more than a year's work a draft plan was completed in April 1966. The Commission re-drafted it to take account of regional development problems; it was essentially this version that was accepted by the Council yesterday.

Further Studies Planned

The Council has entrusted to the originators of the study on which the present policy is based, the Economic Policy Committee, the task of reviewing annual progress under the program. Already the Committee has proposed to extend its investigations into problems of technology, industrial adaptation, taxation and capital movements within the Six.

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