Treaty Series

Treaties and international agreements
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VOLUME 298

Recueil des Traités

Traités et accords internationaux
enregistrés
ou classés et inscrits au répertoire
au Secrétariat de l'Organisation des Nations Unies

Volumes 294 to 298 contain the texts of the Final Act and related instruments, established by the Intergovernmental Conference on the Common Market and EURATOM and registered under Nos. 4300 to 4302. The first four volumes reproduce the official texts of these instruments in French, German, Italian and Dutch, each volume being devoted to one official text, i.e.:

Volume 294 — French Volume 295 — German Volume 296 — Italian Volume 297 — Dutch

Volume 298 contains the English translation made by the "Interim Committee for the Common Market and EURATOM" and transmitted by the Italian Government.

Les volumes 294 à 298 renferment le texte de l'Acte final et des instruments connexes qui ont été établis par la Conférence intergouvernementale pour le marché commun et l'EURATOM et enregistrés sous les numéros 4300 à 4302. Dans les quatre premiers volumes, le texte officiel de ces instruments se trouve reproduit en français, en allemand, en italien et en néerlandais, chaque volume étant consacré à nn texte officiel comme il est indiqué ci-dessous:

Volume 294 — français Volume 295 — allemand Volume 296 — italieu Volume 297 — néerlandais

Le volume 298 contient la traduction anglaise qui a été faite par la Commission intérimaire pour le marché commun et l'EURATOM et communiquée par le Gouvernement italien.

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NOTE BY THE SECRETARIAT

Under Article 102 of the Charter of the United Nations every treaty and every international agreement entered into by any Member of the United Nations after the coming into force of the Charter shall, as soon as possible, be registered with the Secretariat and published by it. Furthermore, no party to a treaty or international agreement subject to registration, which has not been registered, may invoke that treaty or agreement before any organ of the United Nations. The General Assembly by resolution 97 (I) established regulations to give effect to Article 102 of the Charter (see text of the regulations, Vol. 76, p. XVIII).

The terms "treaty" and "international agreement" have not been defined either in the Charter or in the regulations, and the Secretariat follows the principle that it acts in accordance with the position of the Member State submitting an instrument for registration that so far as that party is concerned the instrument is a treaty or an international agreement within the meaning of Article 102. Registration of an instrument submitted by a Member State, therefore, does not imply a judgement by the Secretariat on the nature of the instrument, the status of a party, or any similar question. It is the understanding of the Secretariat that its action does not confer on the instrument the status of a treaty or an international agreement if it does not already have that status and does not confer on a party a status which it would not otherwise have.

Treaties and international agreements

registered

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Nos. 4300 to 4302

No. 4300

BELGIUM, FEDERAL REPUBLIC OF GERMANY, FRANCE, ITALY, LUXEMBOURG and NETHERLANDS

- Final Act of the Intergovernmental Conference on the Common Market and EURATOM (with annexed declarations). Done at Rome, on 25 March 1957
- Treaty establishing the European Economic Community (with annexes and Protocols). Done at Rome, on 25 March 1957
 - Protocols annexed to the said Treaty. Done at Brussels, on 17 April 1957
 - Implementing Convention relating to the association with the Community of the overseas countries and territories (with annexes and Protocols). Done at Rome, on 25 March 1957

Official texts: French, German, Italian and Dutch.

Registered by Italy on 24 April 1958.

No. 4300. FINAL ACT OF THE INTERGOVERNMENTAL CONFERENCE ON THE COMMON MARKET AND EURATOM

THE INTERGOVERNMENTAL CONFERENCE ON THE COMMON MARKET AND EURATOM, set up on 29 May 1956 in Venice by the Ministers of Foreign Affairs of the Kingdom of Belgium, of the Federal Republic of Germany, of the French Republic, of the Italian Republic, of the Grand Duchy of Luxembourg, and of the Kingdom of the Netherlands, having continued its work in Brussels and having, on the conclusion of its deliberations, met in Rome on 25 March1957, has established the following texts:

Ι

- The Treaty establishing the European Economic Community and the Annexes thereto;
- 2. the Protocol on the Statute of the European Investment Bank;
- 3. the Protocol relating to German internal trade and connected problems;
- 4. the Protocol relating to certain provisions of concern to France;
- 5. the Protocol concerning Italy;
- 6. the Protocol concerning the Grand Duchy of Luxembourg;
- 7. the Protocol relating to goods originating in and coming from certain countries and enjoying special treatment on importation into one of the Member States;
- 8. the Protocol relating to the treatment to be applied to products within the competence of the European Coal and Steel Community in respect of Algeria and the overseas departments of the French Republic;
- 9. the Protocol concerning mineral oils and certain of their derivatives;
- 10. the Protocol relating to the application of the Treaty establishing the European Economic Community to the non-European parts of the Kingdom of the Netherlands;
- 11. the Implementing Convention relating to the association of the overseas countries and territories with the Community, and the Annexes thereto;
- 12. the Protocol concerning the tariff quota for imports of bananas; and
- 13. the Protocol concerning the tariff quota for imports of unroasted coffee.

Π

1. The TREATY establishing the European Atomic Energy Community, and the Annexes thereto; and

2. the Protocol relating to the application of the Treaty establishing the European Atomic Energy Community to the non-European parts of the Kingdom of the Netherlands.

III

The Convention relating to certain institutions common to the European Communities.

At the time of signing the above texts, the Conference adopted the Declarations set out below and annexed to this Act :

- 1. A Common Declaration relating to co-operation with States members of international organisations;
- 2. a Common Declaration relating to Berlin;
- 3. a Declaration of Intention with a view to the association of the independent countries of the franc area with the European Economic Community;
- 4. a Declaration of Intention with a view to the association of the Kingdom of Libya with the European Economic Community;
- 5. a Declaration of Intention relating to Somaliland, at present under the trusteeship of the Italian Republic; and
- 6. a Declaration of Intention with a view to the association of Surinam and the Netherlands Antilles with the European Economic Community.

The Conference further took note of the Declarations set out below and annexed to this Act:

- 1. A Declaration by the Government of the Federal Republic of Germany concerning the definition of German nationals;
- 2. a Declaration by the Government of the Federal Republic of Germany concerning the application of the Treaties to Berlin; and
- 3. a Declaration by the Government of the French Republic concerning applications for patents covering information classified for reasons of defence.

Finally, the Conference decided to prepare at a later date:

- 1. The Protocol on the Statute of the Court of Justice of the European Economic Community;
- 2. the Protocol on the privileges and immunities of the European Economic Community;
- 3. the Protocol on the Statute of the Court of Justice of the European Atomic Energy Community; and
- 4. the Protocol on the privileges and immunities of the European Atomic Energy Community.

Protocol 1 and Protocol 2 shall constitute Annexes to the Treaty establishing the European Economic Community; Protocol 3 and Protocol 4 shall constitute Annexes to the Treaty establishing the European Atomic Energy Community.

IN FAITH WHEREOF, the undersigned Plenipotentiaries have placed their signatures at the end of the present Final Act.

Done at Rome, on the twenty-fifth day of March in the year one thousand nine hundred and fifty-seven.

P. H. SPAAK

J. Ch. SNOY ET D'OPPUERS

ADENAUER

HALLSTEIN

PINEAU

M. FAURE

Antonio Segni

Gaetano Martino

BECH

Lambert Schaus

I. Luns

I. LINTHORST HOMAN

COMMON DECLARATION RELATING TO CO-OPERATION WITH STATES MEMBERS OF INTERNATIONAL ORGANISATIONS

THE GOVERNMENTS OF THE KINGDOM OF BELGIUM, THE FEDERAL REPUBLIC OF GERMANY, THE FRENCH REPUBLIC, THE ITALIAN REPUBLIC, THE GRAND DUCHY OF LUXEMBOURG AND THE KINGDOM OF THE NETHERLANDS.

At the time of signing the Treaties establishing between themselves the European Economic Community and the European Atomic Energy Community,

Conscious of the responsibilities which they assume for the future of Europe by uniting their markets, by approximating their economies and by defining in this sphere the principles and particulars of a common policy,

RECOGNISING that the establishment between themselves of a customs union and of a close collaboration in the peaceful development of nuclear energy, these being effective instruments of economic and social progress, shall contribute not only to their own prosperity but also to that of other countries,

Anxious to associate such countries with the prospects of expansion offered by the establishment of these Communities,

HEREBY DECLARE THEIR willingness to conclude, upon the entry into force of these Treaties, with other countries, in particular within the framework of the international organisations in which they participate, agreements permitting the achievement of these objectives of common interest and ensuring the harmonious development of international exchanges in general.

COMMON DECLARATION RELATING TO BERLIN

THE GOVERNMENTS OF THE KINGDOM OF BELGIUM, THE FEDERAL REPUBLIC OF GERMANY, THE FRENCH REPUBLIC, THE ITALIAN REPUBLIC, THE GRAND DUCHY OF LUXEMBOURG AND THE KINGDOM OF THE NETHERLANDS,

HAVING REGARD to the particular situation of Berlin and the necessity for giving it the support of the free world,

Anxious to confirm the solidarity which links them to the population of Berlin,

UNDERTAKE TO USE THEIR GOOD OFFICES within the Community in order that all necessary measures may be taken to ease the economic and social situation of Berlin, to promote its development and to ensure its economic stability.

DECLARATION OF INTENTION WITH A VIEW TO THE ASSOCIATION OF THE INDEPENDENT COUNTRIES OF THE FRANC AREA WITH THE EUROPEAN ECONOMIC COMMUNITY

THE GOVERNMENTS OF THE KINGDOM OF BELGIUM, THE FEDERAL REPUBLIC OF GERMANY, THE FRENCH REPUBLIC, THE ITALIAN REPUBLIC, THE GRAND DUCHY OF LUXEMBOURG AND THE KINGDOM OF THE NETHERLANDS.

Taking into consideration the economic, financial and monetary agreements and conventions concluded between France and the other independent countries of the franc area.

Anxious to maintain and intensify the traditional currents of trade between the Member States of the European Economic Community and these independent countries and to contribute to the economic and social development of the latter,

Declare their readiness, upon the entry into force of the Treaty, to propose to those countries the opening of negotiations with a view to concluding conventions for economic association with the Community.

DECLARATION OF INTENTION WITH A VIEW TO THE ASSOCIATION OF THE KINGDOM OF LIBYA WITH THE EUROPEAN ECONOMIC COMMUNITY

THE GOVERNMENTS OF THE KINGDOM OF BELGIUM, THE FEDERAL REPUBLIC OF GERMANY, THE FRENCH REPUBLIC, THE ITALIAN REPUBLIC, THE GRAND DUCHY OF LUXEMBOURG AND THE KINGDOM OF THE NETHERLANDS,

Taking into consideration the economic links existing between Italy and the Kingdom of Libya,

Anxious to maintain and intensify the traditional currents of trade between the Member States of the Community and the Kingdom of Libya and to contribute to the economic and social development of the latter,

DECLARE THEIR READINESS, upon the entry into force of the Treaty, to propose to the Kingdom of Libya the opening of negotiations with a view to concluding conventions for economic association with the Community.

DECLARATION OF INTENTION RELATING TO SOMALILAND AT PRESENT UNDER THE TRUSTEESHIP OF THE ITALIAN REPUBLIC

THE GOVERNMENTS OF THE KINGDOM OF BELGIUM, THE FEDERAL REPUBLIC OF GERMANY, THE FRENCH REPUBLIC, THE ITALIAN REPUBLIC, THE GRAND DUCHY OF LUXEMBOURG AND THE KINGDOM OF THE NETHERLANDS,

Anxious, at the time of signing the Treaty establishing between themselves the European Economic Community, to define the scope of the provisions of Article 131 and Article 227 of the said Treaty, in view of the fact that under Article 24 of the Trusteeship Agreement for the Territory of Somaliland the Italian administration of that Territory will end on 2 December 1960,

HAVE AGREED to reserve to the authorities, which will after that date be responsible for the external relations of Somaliland, the right to confirm the association of that Territory with the Community, and declare their readiness to propose, if need be, to these authorities the opening of negotiations with a view to concluding conventions for economic association with the Community.

DECLARATION OF INTENTION WITH A VIEW TO THE ASSOCIATION OF SURINAM AND THE NETHERLANDS ANTILLES WITH THE EUROPEAN ECONOMIC COMMUNITY

THE GOVERNMENTS OF THE KINGDOM OF BELGIUM, THE FEDERAL REPUBLIC OF GERMANY, THE FRENCH REPUBLIC, THE ITALIAN REPUBLIC, THE GRAND DUCHY OF LUXEMBOURG AND THE KINGDOM OF THE NETHERLANDS,

TAKING INTO CONSIDERATION the close links which unite the parts of the Kingdom of the Netherlands,

Anxious to maintain and intensify the traditional currents of trade between the Member States of the European Economic Community, on the one hand, and Surinam and the Netherlands Antilles, on the other hand, and to contribute to the economic and social development of those countries,

DECLARE THEIR READINESS, upon the entry into force of the Treaty and at the request of the Kingdom of the Netherlands, to open negotiations with a view to concluding conventions for the economic association of Surinam and the Netherlands Antilles with the Community.

DECLARATION BY THE GOVERNMENT OF THE FEDERAL REPUBLIC OF GERMANY CONCERNING THE DEFINITION OF GERMAN NATIONALS

On the occasion of the signing of the Treaty establishing the European Economic Community and the Treaty establishing the European Atomic Energy Community, the Government of the Federal Republic of Germany makes the following declaration:

"As concerns the Federal Republic of Germany, the term, 'national' shall mean all Germans as defined in the Basic Law for the Federal Republic of Germany."

¹ United Nations, Treaty Series, Vol. 118, p. 256.

DECLARATION BY THE GOVERNMENT OF THE FEDERAL REPUBLIC OF GERMANY CONCERNING THE APPLICATION OF THE TREATIES TO BERLIN

The Government of the Federal Republic of Germany reserves the right to declare, when depositing its instruments of ratification, that the Treaty establishing the European Economic Community and the Treaty establishing the European Atomic Energy Community shall also apply to Land Berlin.

DECLARATION BY THE GOVERNMENT OF THE FRENCH REPUBLIC CON-CERNING APPLICATIONS FOR PATENTS COVERING INFORMATION CLASSIFIED FOR REASONS OF DEFENCE

THE GOVERNMENT OF THE FRENCH REPUBLIC.

HAVING REGARD to the provisions of Article 17 and of Article 25, paragraph 2, of the Treaty establishing the European Atomic Energy Community,

Declares its willingness to take the administrative measures and to propose to the French Parliament the legislative measures necessary to provide that, upon the entry into force of this Treaty, applications for patents covering secret information shall, in accordance with the normal procedure, be followed by the issue of patents with a temporary prohibition of publication.

TREATY¹ ESTABLISHING THE EUROPEAN ECONOMIC COMMUNITY

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¹ The Treaty, the Implementing Convention and the annexed Protocols came into on 1 January 1958, in accordance with the terms of article 247 of the Treaty, the instrumer ratification of the Signatory States having been deposited with the Government of the It Republic on the dates indicated below: Italy	nts of alian
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*DECLARATION

[GERMAN TEXT]

"Die Regierung der Bundesrepublik Deutschland erklärt, dass die Verträge zur Gründung der Europäischen Wirtschaftsgemeinschaft und zur Gründung der Europäischen Atomgemeinschaft nebst ihren Anhängen und den ihnen beigefügten Protokollen sowie das Abkommen über gemeinsame Organe für die europäischen Gemeinschaften auch für das Land Berlin gelten.

Diese Erklärung lässt die Rechte und Verantwortlichkeiten Frankreichs, des Vereinigten Königreichs und der Vereinigten Staaten in Bezug auf Berlin unberührt".

[Translation]

"The Government of the Federal Republic of Germany states that the Treaty establishing the European Economic Community and the Treaty establishing the European Atomic Energy Community, with their annexes and protocols, as well as the Convention relating to certain institutions common to the European Communities, apply also to the Land Berlin.

"This statement does not affect the rights and responsibilities of France, the United Kingdom and the United States with respect to Berlin."

² The original Treaty deposited in Rome does not include the Index, which is added for convenience of reference.

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TREATY

HIS MAJESTY THE KING OF THE BELGIANS, THE PRESIDENT OF THE FEDERAL REPUBLIC OF GERMANY, THE PRESIDENT OF THE FRENCH REPUBLIC, THE PRESIDENT OF THE ITALIAN REPUBLIC, HER ROYAL HIGHNESS THE GRAND DUCHESS OF LUXEMBOURG, HER MAJESTY THE QUEEN OF THE NETHERLANDS,

DETERMINED to establish the foundations of an ever closer union among the European peoples,

DECIDED to ensure the economic and social progress of their countries by common action in eliminating the barriers which divide Europe,

DIRECTING their efforts to the essential purpose of constantly improving the living and working conditions of their peoples,

RECOGNISING that the removal of existing obstacles calls for concerted action in order to guarantee a steady expansion, a balanced trade and fair competition,

Anxious to strengthen the unity of their economies and to ensure their harmonious development by reducing the differences existing between the various regions and by mitigating the backwardness of the less favoured,

DESIROUS of contributing by means of a common commercial policy to the progressive abolition of restrictions on international trade,

INTENDING to confirm the solidarity which binds Europe and overseas countries, and desiring, to ensure the development of their prosperity, in accordance with the principles of the Charter of the United Nations,

RESOLVED to strengthen the safeguards of peace and liberty by establishing this combination of resources, and calling upon the other peoples of Europe who share their ideal to join in their efforts,

HAVE DECIDED to create a European Economic Community and to this end have designated as their plenipotentiaries:

HIS MAJESTY THE KING OF THE BELGIANS :

Mr. Paul-Henri Spaak, Minister of Foreign Affairs,

Baron J. Ch. SNOY AND D'OPPUERS, Secretary-General of the Ministry of Economic Affairs, Head of the Belgian delegation to the Intergovernmental Conference:

THE PRESIDENT OF THE FEDERAL REPUBLIC OF GERMANY:

Dr. Konrad Adenauer, Federal Chancellor,

Professor Dr. Walter Hallstein, State Secretary of the Federal Foreign Office;

THE PRESIDENT OF THE FRENCH REPUBLIC:

Mr. Christian PINEAU, Minister of Foreign Affairs.

Mr. Maurice FAURE, Under-Secretary of State for Foreign Affairs:

THE PRESIDENT OF THE ITALIAN REPUBLIC:

Mr. Antonio Segni, President of the Council of Ministers,

Professor Gaetano Martino, Ministers of Foreign Affairs;
HER ROYAL HIGHNESS THE GRAND DUCHESS OF LUXEMBOURG:

M. Joseph Bech, Prime Minister, Minister of Foreign Affairs,

Mr. Lambert Schaus, Ambassador, Head of the Luxembourg delegation to the Intergovernmental Conference;

HER MAJESTY THE QUEEN OF THE NETHERLANDS:

Mr. Joseph Luns, Minister of Foreign Affairs,

Mr. J. LINTHORST HOMAN, Head of the Netherlands delegation to the Intergovernmental Conference;

Who, having exchanged their full powers, found in good and due form, have agreed, as follows:

PART ONE

PRINCIPLES

Article 1

By the present Treaty, the HIGH CONTRACTING PARTIES establish among themselves a European Economic Community.

Article 2

It shall be the aim of the Community, by establishing a Common Market and progressively approximating the economic policies of Member States, to promote throughout the Community a harmonious development of economic activities, a continuous and balanced expansion, an increased stability, an accelerated raising of the standard of living and closer relations between its Member States.

Article 3

For the purposes set out in the preceding Article, the activities of the Community shall include, under the conditions and with the timing provided for in this Treaty:

- (a) the elimination, as between Member States, of customs duties and of quantitative restrictions in regard to the importation and exportation of goods, as well as of all other measures with equivalent effect;
- (b) the establishment of a common customs tariff and a common commercial policy towards third countries;
- (c) the abolition, as between Member States, of the obstacles to the free movement of persons, services and capital;
 - (d) the inauguration of a common agricultural policy;
 - (e) the inauguration of a common transport policy;
- (f) the establishment of a system ensuring that competition shall not be distorted in the Common Market;
- (g) the application of procedures which shall make it possible to co-ordinate the economic policies of Member States and to remedy disequilibria in their balances of payments;
- (h) the approximation of their respective municipal law to the extent necessary for the functioning of the Common Market;
- (i) the creation of a European Social Fund in order to improve the possibilities of employment for workers and to contribute to the raising of their standard of living;
- (j) the establishment of a European Investment Bank intended to facilitate the economic expansion of the Community through the creation of new resources; and
- (k) the association of overseas countries and territories with the Community with a view to increasing trade and to pursuing jointly their effort towards economic and social development.

- 1. The achievement of the tasks entrusted to the Community shall be ensured by:
 - -an Assembly,
 - -a COUNCIL.
 - -a Commission, and
 - —a Court of Justice.

Each of these institutions shall act within the limits of the powers conferred upon it by this Treaty.

2. The Council and the Commission shall be assisted by an Economic and Social Committee acting in a consultative capacity.

Member States shall take all general or particular measures which are appropriate for ensuring the carrying out of the obligations arising out of this Treaty or resulting from the acts of the institutions of the Community. They shall facilitate the achievement of the Community's aims.

They shall abstain from any measures likely to jeopardise the attainment of the objectives of this Treaty.

Article 6

- 1. Member States, acting in close collaboration with the institutions of the Community, shall co-ordinate their respective economic policies to the extent that is necessary to attain the objectives of this Treaty.
- 2. The institutions of the Community shall take care not to prejudice the internal and external financial stability of Member States.

Article 7

Within the field of application of this Treaty and without prejudice to the special provisions mentioned therein, any discrimination on the grounds of nationality shall hereby be prohibited.

The Council may, acting by means of a qualified majority vote on a proposal of the Commission and after the Assembly has been consulted, lay down rules in regard to the prohibition of any such discrimination.

Article 8

1. The Common Market shall be progressively established in the course of a transitional period of twelve years.

The transitional period shall be divided into three stages of four years each; the length of each stage may be modified in accordance with the provisions set out below.

- 2. To each stage there shall be allotted a group of actions which shall be undertaken and pursued concurrently.
- 3. Transition from the first to the second stage shall be conditional upon a confirmatory statement to the effect that the essence of the objectives specifically laid down in this Treaty for the first stage has been in fact achieved and that, subject to the exceptions and procedures provided for in this Treaty, the obligations have been observed.

This statement shall be made at the end of the fourth year by the Council acting by means of a unanimous vote on a report of the Commission. The invocation by a Member State of the non-fulfilment of its own obligations shall not,

however, be an obstacle to a unanimous vote. Failing a unanimous vote, the first stage shall automatically be extended for a period of one year.

At the end of the fifth year, the Council shall make such confirmatory statement under the same conditions. Failing a unanimous vote, the first stage shall automatically be extended for a further period of one year.

At the end of the sixth year, the Council shall make such a statement acting by means of a qualified majority vote on a report of the Commission.

4. Within a period of one month as from the date of this last vote, each Member State voting in a minority or, if the required majority vote has not been obtained, any Member State, shall be entitled to require the Council to appoint an Arbitration Board whose decision shall bind all Member States and the institutions of the Community. The Arbitration Board shall be composed of three members appointed by the Council acting by means of a unanimous vote on a proposal of the Commission.

If the Council has not within a period of one month from the date of such requirement, appointed the members of the Arbitration Board, they shall be appointed by the Court of Justice within a further period of one month.

The Arbitration Board shall appoint its Chairman.

The Board shall give its award within a period of six months from the date of the vote by the Council referred to in paragraph 3, last sub-paragraph.

- 5. The second and third stages may not be extended or curtailed except pursuant to a decision of the Council acting by means of a unanimous vote on a proposal of the Commission.
- 6. The provisions of the preceding paragraphs shall not have the effect of extending the transitional period beyond a total duration of fifteen years after the date of the entry into force of this Treaty.
- 7. Subject to the exceptions or deviations provided for in this Treaty, the expiry of the transitional period shall constitute the final date for the entry into force of all the rules laid down and for the completion of all the measures required for the establishment of the Common Market.

PART TWO

BASES OF THE COMMUNITY

TITLE I

FREE MOVEMENT OF GOODS

Article 9

1. The Community shall be based upon a customs union covering the exchange of all goods and comprising both the prohibition, as between Member States, of

customs duties on importation and exportation and all charges with equivalent effect and the adoption of a common customs tariff in their relations with third countries.

2. The provisions of Chapter 1, Section 1 and of Chapter 2 of this Title shall apply to products originating in Member States and also to products coming from third countries and having been entered for consumption in Member States.

Article 10

- 1. Products having been entered for consumption in a Member State shall be deemed to be products coming from a third country in cases where, in respect of such products, the necessary import formalities have been complied with and the appropriate customs duties or charges with equivalent effect have been levied in such Member State and where such products have not benefited by any total or partial drawback on such duties or charges.
- 2. The Commission shall, before the end of the first year after the date of the entry into force of this Treaty, lay down the methods of administrative co-operation to be adopted for the application of Article 9, paragraph 2, taking due account of the need for reducing as far as possible the formalities imposed on trade.

Before the end of the first year after the date of the entry into force of this Treaty, the Commission shall lay down the provisions applicable, as regards trade between Member States, to goods originating in another Member State in whose manufacture products have been used on which the appropriate customs duties or charges with equivalent effect in the exporting Member State have not been levied or which have benefited by a total or partial drawback on such duties or charges.

When laying down such provisions, the Commission shall take due account of the rules for the elimination of customs duties within the Community and for the progressive application of the common customs tariff.

Article 11

The Member States shall take all appropriate measures to enable Governments to carry out, within the time-limits laid down, the obligations with regard to customs duties which are incumbent on them pursuant to this Treaty.

Chapter 1

THE CUSTOMS UNION

Section 1

THE ELIMINATION OF CUSTOMS DUTIES AS BETWEEN MEMBER STATES

Article 12

Member States shall refrain from introducing, as between themselves, any new customs duties on importation or exportation or charges with equivalent effect and from increasing such duties or charges as they apply in their commercial relations with each other.

Article 13

- 1. Customs duties on importation in force between Member States shall be progressively abolished by them in the course of the transitional period under the conditions laid down in Articles 14 and 15.
- 2. Charges in force between Member States having an effect equivalent to customs duties on importation shall be progressively abolished by them in the course of the transitional period. The Commission shall, by means of directives, fix the timing of such abolition. It shall be guided by the rules mentioned in Article 14, paragraphs 2 and 3, and by the directives issued by the Council in application of the said paragraph 2.

Article 14

- 1. In respect of each product, the basic duty which shall be subject to the successive reductions shall be the duty applied on 1 January 1957.
- 2. The timing of the reductions shall be as follows:
- (a) in the course of the first stage, the first reduction shall be made one year after the date of the entry into force of this Treaty; the second reduction shall be made eighteen months later; the third, at the end of the fourth year after the date of the entry into force of this Treaty;
- (b) in the course of the second stage, a reduction shall be made eighteen months after the beginning of that stage; a second reduction, eighteen months after the preceding one; a third reduction shall be made one year later; and
- (c) the reductions which still remain to be made shall be carried out in the course of the third stage; the Council, acting by means of a qualified majority vote on a proposal of the Commission, shall fix their timing by means of directives.
- 3. At the time of the first reduction, Member States shall, in respect of each product, bring into force as between themselves a duty equal to the basic duty less 10 per cent.

At the time of each subsequent reduction, each Member State shall reduce the total of the duties in such a way as to reduce by 10 per cent its total customs receipts as defined in paragraph 4, it being understood that the reduction in the case of each product shall be equal to at least 5 per cent of the basic duty.

In respect of products, however, on which a duty of more than 30 per cent would still remain, each reduction shall be equal to not less than 10 per cent of the basic duty.

4. The total customs receipts of each Member State, referred to in paragraph 3, shall be calculated by multiplying by the basic duties the value of its imports coming from other Member States during the year 1958.

- 5. Any special problems raised by the application of the preceding paragraphs shall be settled by directives issued by the Council acting by means of a qualified majority vote on a proposal of the Commission.
- 6. Member States shall report to the Commission as to the manner in which the preceding rules for the reduction of duties are applied. They shall endeavour to ensure that the reduction applied to the duties on each product shall amount:
 - -at the end of the first stage to at least 25 per cent of the basic duty; and
 - —at the end of the second stage to at least 50 per cent of the basic duty.

If the Commission finds that there is a danger that the objectives laid down in Article 13 and the percentages fixed in this paragraph may not be achieved, it shall make any appropriate recommendations to the Member States.

7. The provisions of this Article may be amended by the Council acting by means of a unanimous vote on a proposal of the Commission and after the Assembly has been consulted.

Article 15

- 1. Independently of the provisions of Article 14, any Member State may, in the course of the transitional period, suspend in whole or in part the collection of the duties applied by it to products imported from other Member States. It shall inform the other Member States and the Commission thereof.
- 2. Member States hereby declare their willingness to reduce their customs duties in regard to other Member States more rapidly than provided for in Article 14 if their general economic situation and the situation of the sector concerned so permit.

The Commission shall make recommendations for this purpose to the Member States concerned.

Article 16

Member States shall abolish as between themselves, not later than at the end of the first stage, the customs duties on exportation and charges with equivalent effect.

Article 17

1. The provisions of Articles 9 to 15, paragraph 1, shall also apply to customs duties of a fiscal nature. Such duties shall not, however, be taken into consideration for the purpose of calculating either total customs receipts or the reduction in total duties referred to in Article 14, paragraphs 3 and 4.

Such duties shall, at each reduction, be lowered by not less than 10 per cent of the basic duty. Member States may reduce their duties more rapidly than is provided for in Article 14.

- 2. Member States shall, before the end of the first year after the entry into force of this Treaty, inform the Commission of their customs duties of a fiscal nature.
- 3. Member States shall retain the right to substitute for these duties an internal tax in accordance with the provisions of Article 95.
- 4. Where the Commission finds that in any Member State the substitution of such duty meets with serious difficulties, it shall authorise such State to retain the said duty provided that the State concerned shall abolish it not later than six years after the date of the entry into force of his Treaty. Such authorisation shall be requested before the end of the first year after the date of the entry into force of this Treaty.

Section 2

ESTABLISHMENT OF THE COMMON CUSTOMS TARIFF

Article 18

Member States hereby declare their willingness to contribute to the development of international commerce and the reduction of barriers to trade by entering into reciprocal and mutually advantageous arrangements directed to the reduction of customs duties below the general level which they could claim as a result of the establishment of a customs union between themselves.

Article 19

- 1. Under the conditions and within the limits laid down below, the duties under the common customs tariff shall be at the level of the arithmetical average of the duties applied in the four customs territories covered by the Community.
- 2. The duties taken into account for calculating this average shall be those applied by Member States on 1 January 1957.

In the case of the Italian tariff, however, the duty applied shall be understood as being that levied before the temporary 10 per cent reduction. Furthermore, in the case of tariff headings in regard to which this tariff contains a conventional duty, this duty shall be substituted for the duty applied as defined above, provided that it does not exceed the latter by more than 10 per cent. If the conventional duty exceeds the applied duty as defined above by more than 10 per cent, the latter duty, increased by 10 per cent, shall be taken into account for calculating the arithmetical average.

With regard to the tariff headings contained in List A, the duties shown in that List shall, for the purpose of calculating the arithmetical average, be substituted for the duties applied.

- 3. The duties under the common customs tariff shall not exceed:
- (a) 3 per cent in the case of products coming under the tariff headings mentioned in List B;

- (b) 10 per cent in the case of products coming under the tariff headings mentioned in List C:
- (c) 15 per cent in the case of products coming under the tariff headings mentioned in List D; and
- (d) 25 per cent in the case of products coming under the tariff headings mentioned in List E; where, in respect of such products, the tariff of the Benelux countries contains a duty of not more than 3 per cent, such duty shall, for the purpose of calculating the arithmetical average, be raised to 12 per cent.
- 4. The duties applicable to products mentioned in List F shall be those laid down therein.
- 5. The Lists of tariff headings referred to in this Article and in Article 20 shall be set out in Annex I to this Treaty.

The duties applicable to the products in List G shall be fixed by means of negotiation between the Member States. Each Member State may add further products to this List up to the limit of 2 per cent of the total value of its imports coming from third countries in the course of the year 1956.

The Commission shall take all appropriate steps in order that such negotiations shall be undertaken before the end of the second year after the date of the entry into force of this Treaty and concluded before the end of the first stage.

If, in the case of certain products, no agreement can be reached within these time-limits, the Council, acting up to the end of the second stage by means of a unanimous vote and subsequently by means of a qualified majority vote on a proposal of the Commission, shall fix the duties under the common customs tariff.

Article 21

- 1. Any technical difficulties which may arise in the application of Articles 19 and 20 shall be settled, within a period of two years after the date of the entry into force of this Treaty, by directives issued by the Council acting by means of a qualified majority vote on a proposal of the Commission.
- 2. Before the end of the first stage and, in any case, not later than at the date of the fixing of such duties, the Council, acting by means of a qualified majority vote on a proposal of the Commission, shall decide as to the adjustments required with a view to ensuring the internal harmony of the common customs tariff following the application of the rules laid down in Articles 19 and 20, particular account being taken of the degree of processing undergone by the various goods to which the common tariff applies.

The Commission shall, within a period of two years after the date of the entry into force of this Treaty, determine the extent to which the customs duties of a fiscal nature mentioned in Article 17, paragraph 2, shall be taken into account for calculating the arithmetical average referred to in Article 19, paragraph 1. The Commission shall take due account of the protective aspect of such duties.

Within a period of not more than six months after the Commission has so determined, any Member State may request that the procedure provided for in Article 20 shall be applied to the product concerned; the limit prescribed in that Article shall not constitute a valid objection.

Article 23

- 1. For the purpose of the progressive introduction of the common customs tariff, Member States shall amend their tariffs applicable to third countries in the following manner:
- (a) in the case of tariff headings on which the duties in fact applied on 1 January 1957 do not differ by more than 15 per cent in either direction from the duties under the common customs tariff, the latter duties shall be applied at the end of the fourth year after the date of the entry into force of this Treaty;
- (b) in the case of the other tariff headings, each Member State shall, as from the same date, apply a duty which reduces by 30 per cent the difference between the duty in fact applied on 1 January 1957 and that under the common customs tariff;
- (c) at the end of the second stage this difference shall again be reduced by 30 per cent; and
- (d) in the case of tariff headings for which the duties under the common customs tariff are not yet known at the end of the first stage, each Member State shall, within a period of six months after the Council has acted in accordance with the provisions of Article 20, apply such duties as shall result from the application of the rules contained in this paragraph.
- 2. Any Member State, which has been granted the authorisation provided for in Article 17, paragraph 4, shall, for as long as that authorisation is valid, be exempted from applying the preceding provisions to the tariff headings covered by the authorisation. At the expiry of such authorisation, the Member State concerned shall apply such duty as would result from the application of the rules contained in the preceding paragraph.
- 3. The common customs tariff shall be applied in its entirety not later than at the date of the expiry of the transitional period.

With a view to aligning their duties with the common customs tariff, Member States shall be free to modify these duties more rapidly than is provided for in Article 23.

Article 25

1. If the Commission finds that the production in the Member States of certain products contained in Lists B, C and D is not sufficient to supply the demands of one of them and that such supply traditionally depends to a considerable extent upon imports coming from third countries, the Council, acting by means of a qualified majority vote on a proposal of the Commission, shall grant to the Member State concerned tariff quotas at a reduced rate of duty or duty free.

Such quotas may not exceed the limits beyond which the transfer of activities to the detriment of other Member States is to be feared.

2. In respect of the products in List E and those in List G for which the duties shall have been fixed in accordance with the procedure provided for in Article 20, third paragraph, the Commission shall, at the request of any Member State concerned, grant to such State tariff quotas at a reduced rate of duty or duty free, where a change in sources of supply or a shortage of supplies within the Community is of such a nature as to entail harmful consequences for the processing industries of the Member State concerned.

Such quotas may not exceed the limits beyond which the transfer of activities to the detriment of other Member States is to be feared.

- 3. In respect of the products listed in Annex II to this Treaty, the Commission may authorise any Member State to suspend, in whole or in part, the collection of the duties applicable or may grant to such Member State tariff quotas at a reduced rate of duty or duty free, provided that no serious disturbance in the market of the products concerned may result therefrom.
- 4. The Commission shall periodically examine any tariff quotas granted in application of this Article.

Article 26

The Commission may authorise any Member State encountering special difficulties to postpone the lowering or the raising, in accordance with the provisions of Article 23, of the duties on certain headings of its tariff.

Such authorisation may only be granted for a limited period and for tariff headings which together represent for such State not more than 5 per cent of the value of its total imports coming from third countries in the course of the latest year for which statistical data are available.

Before the end of the first stage, Member States shall, in so far as may be necessary, take steps to approximate their legislative and administrative provisions in regard to customs matters. The Commission shall for this purpose make all appropriate recommendations to Member States.

Article 28

Any autonomous modification or suspension of duties of the common customs tariff shall be decided upon by the Council acting by means of a unanimous vote. After the expiry of the transitional period, the Council, acting by means of a qualified majority vote on a proposal of the Commission, may, however, decide upon modifications or suspensions not exceeding 20 per cent of the rate of any duty and effective for a maximum period of six months. Such modifications or suspensions may only be extended, under the same conditions, for a second period of six months.

Article 29

In carrying out the tasks entrusted to it under this Section, the Commission shall be guided by:

- (a) the need for promoting commercial exchanges between the Member States and third countries;
- (b) the development of competitive conditions within the Community to the extent to which such development will result in the increase of the competitive capacity of the enterprises;
- (c) the Community's requirements of supply in raw materials and semi-finished goods, while at the same time taking care not to distort competitive conditions between Member States with regard to finished goods; and
- (d) the need for avoiding serious disturbances in the economic life of Member States and for ensuring a rational development of production and an expansion of consumption within the Community.

Chapter 2

THE ELIMINATION OF QUANTITATIVE RESTRICTIONS AS BETWEEN MEMBER STATES

Article 30

Quantitative restrictions on importation and all measures with equivalent effect shall, without prejudice to the following provisions, hereby be prohibited between Member States.

Member States shall refrain from introducing as between themselves any new quantitative restrictions or measures with equivalent effect.

This obligation shall, however, only apply to the level of liberalisation attained in application of the decisions of the Council of the Organisation for European Economic Co-operation of 14 January 1955. Member States shall communicate to the Commission, not later than six months after the date of the entry into force of this Treaty, the lists of the products liberalised by them in application of these decisions. The lists thus communicated shall be consolidated between Member States.

Article 32

Member States shall, in their mutual trade, refrain from making more restrictive the quotas or measures with equivalent effect in existence at the date of the entry into force of this Treaty.

Such quotas shall be abolished not later than at the date of the expiry of the transitional period. In the course of this period, they shall be progressively abolished under the conditions specified below.

Article 33

1. Each of the Member States shall, at the end of one year after the entry into force of this Treaty, convert any bilateral quotas granted to other Member States into global quotas open, without discrimination, to all other Member States.

On the same date, Member States shall enlarge the whole of the global quotas so established in such a way as to attain an increase of not less than 20 per cent in their total value as compared with the preceding year. Each global quota for each product shall, however, be increased by not less than 10 per cent.

The quotas shall be increased annually in accordance with the same rules and in the same proportions in relation to the preceding year.

The fourth increase shall take place at the end of the fourth year after the date of the entry into force of this Treaty; the fifth increase shall take place at the end of a period of one year after the beginning of the second stage.

2. Where, in the case of a product which has not been liberalised, the global quota does not amount to 3 per cent of the national output of the State concerned, a quota equal to not less than 3 per cent of such output shall be established not later than one year after the date of the entry into force of this Treaty. At the end of the second year, this quota shall be raised to 4 per cent and at the end of the third year to 5 per cent. Thereafter, the Member State concerned shall increase the quota by not less than 15 per cent annually.

In the case where there is no such national output, the Commission shall fix an appropriate quota by means of a decision.

- 3. At the end of the tenth year, each quota shall be equal to not less than 20 per cent of the national output.
- 4. Where the Commission, acting by means of a decision, finds that in the course of two successive years the imports of any product have been below the level of the quota granted, this global quota may not be taken into consideration for the purpose of calculating the total value of the global quotas. In such case, the Member State shall abolish the quota for the product concerned.
- 5. In the case of quotas representing more than 20 per cent of the national output of the product concerned, the Council, acting by means of a qualified majority vote on a proposal of the Commission, may reduce the minimum percentage of 10 per cent laid down in paragraph 1. This modification shall not, however, affect the obligation annually to increase the total value of global quotas by 20 per cent.
- 6. Member States which have gone beyond their obligations concerning the level of liberalisation attained in implementation of the decisions of the Council of the Organisation for European Economic Co-operation of 14 January 1955 shall, when calculating the annual total increase of 20 per cent provided for in paragraph 1, be entitled to take into account the amount of imports liberalised by autonomous measures. Such calculation shall be submitted to the Commission for its prior approval.
- 7. Directives issued by the Commission shall lay down the procedure and the timing according to which Member States shall abolish as between themselves any measures which exist at the date of the entry into force of this Treaty and which have an effect equivalent to quotas.
- 8. If the Commission finds that the application of the provisions of this Article and, in particular, of the provisions concerning percentages does not make it possible to ensure the progressive nature of the abolition of quotas provided for in Article 32, second paragraph, the Council, acting during the first stage by means of a unanimous vote and subsequently by means of a qualified majority vote on a proposal of the Commission, may amend the procedure referred to in this Article and may, in particular, raise the percentages fixed.

- 1. Quantitative restrictions on exportation and any measures with equivalent effect shall hereby be prohibited as between Member States.
- 2. Member States shall abolish, not later than at the end of the first stage, all quantitative restrictions on exportation and any measures with equivalent effect in existence at the date of the entry into force of this Treaty.

Member States hereby declare their willingness to abolish, in relation to other Member States, their quantitative restrictions on importation and exportation more rapidly than is provided for in the preceding Articles, if their general economic situation and the situation of the sector concerned so permit.

The Commission shall make recommendations for this purpose to the States concerned.

Article 36

The provisions of Articles 30 to 34 inclusive shall not be an obstacle to prohibitions or restrictions in respect of importation, exportation or transit which are justified on grounds of public morality, public order, public safety, the protection of human or animal life or health, the preservation of plant life, the protection of national treasures of artistic, historical or archeological value or the protection of industrial and commercial property. Such prohibitions or restrictions shall not, however, constitute either a means of arbitrary discrimination or a disguised restriction on trade between Member States.

Article 37

1. Member States shall progressively adjust any State monopolies of a commercial character in such a manner as will ensure the exclusion, at the date of the expiry of the transitional period, of all discrimination between the nationals of Members States in regard to conditions of supply or marketing of goods.

The provisions of this Article shall apply to any body by means of which a Member State shall de jure or de facto either directly or indirectly control, direct or appreciably influence importation or exportation between Member States. These provisions shall apply also to monopolies assigned by the State.

- 2. Member States shall abstain from any new measure which is contrary to the principles laid down in paragraph 1 or which may limit the scope of the Articles relating to the abolition, as between Member States, of customs duties and quantitative restrictions.
- 3. The timing of the measures referred to in paragraph 1 shall be adapted to the abolition, as provided for in Articles 30 to 34 inclusive, of the quantitative restrictions on the same products.

In cases where a product is subject to a State monopoly of a commercial character in one Member State or certain Member States only, the Commission may authorise the other Member States to apply, for as long as the adjustment referred to in paragraph 1 has not been carried out, measures of safeguard of which it shall determine the conditions and particulars.

- 4. In the case of a monopoly of a commercial character which is accompanied by regulations designed to facilitate the marketing or the valorisation of agricultural products, it should be ensured that in the application of the rules of this Article equivalent guarantees are provided in respect of the employment and standard of living of the producers concerned, due account taken of the timing in respect of possible adjustments and of necessary specialisations.
- 5. The obligations incumbent on Member States shall be binding only to such extent as they are compatible with existing international agreements.
- 6. The Commission shall, as soon as the first stage has begun, make recommendations as to the particulars and the timing according to which the adjustments referred to in this Article shall be carried out.

TITLE II

AGRICULTURE

Article 38

- 1. The Common Market shall extend to agriculture and trade in agricultural products. Agricultural products shall mean the products of the soil, of stock-breeding and of fisheries as well as products after the first processing stage which are directly connected with such products.
- 2. Save where there are provisions to the contrary in Articles 39 to 46 inclusive, the rules laid down for the establishment of the Common Market shall apply to agricultural products.
- 3. Products subject to the provisions of Articles 39 to 46 inclusive are listed in Annex II to this Treaty. Within a period of two years after the date of the entry into force of this Treaty the Council, acting by means of a qualified majority vote on a proposal of the Commission, shall decide as to the products to be added to that list.
- 4. The functioning and development of the Common Market in respect of agricultural products shall be accompanied by the establishment of a common agricultural policy among the Member States.

Article 39

- 1. The common agricultural policy shall have as its objectives:
- (a) to increase agricultural productivity by developing technical progress and by ensuring the rational development of agricultural production and the optimum utilisation of the factors of production, particularly labour;

- (b) to ensure thereby a fair standard of living for the agricultural population, particularly by the increasing of the individual earnings of persons engaged in agriculture;
 - (c) to stabilise markets;
 - (d) to guarantee regular supplies; and
 - (e) to ensure reasonable prices in supplies to consumers.
- 2. In working out the common agricultural policy and the special methods which it may involve, due account shall be taken of:
- (a) the particular character of agricultural activities, arising from the social structure of agriculture and from structural and natural disparities between the various agricultural regions;
 - (b) the need to make the appropriate adjustments gradually; and
- (c) the fact that in Member States agriculture constitutes a sector which is closely linked with the economy as a whole.

- 1. Member States shall gradually develop the common agricultural policy during the transitional period and shall establish it not later than at the end of that period.
- 2. With a view to achieving the objectives set out in Article 39, a common organisation of agricultural markets shall be effected.

This organisation shall take one of the following forms according to the products concerned :

- (a) common rules concerning competition;
- (b) compulsory co-ordination of the various national market organisations; or
- (c) a European market organisation.
- 3. The common organisation in one of the forms mentioned in paragraph 2 may comprise all measures necessary to achieve the objectives set out in Article 39, in particular, price controls, subsidies as to the production and marketing of various products, arrangements for stock-piling and carry-forward, and common machinery for stabilising importation or exportation.

The organisation shall confine itself to pursuing the objectives set out in Article 39 and shall exclude any discrimination between producers or consumers within the Community.

A common price policy, if any, shall be based on common criteria and on uniform methods of calculation.

4. In order to enable the common organisation referred to in paragraph 2 to achieve its objectives, one or more agricultural orientation and guarantee funds may be established.

In order to permit the achievement of the objectives set out in Article 39, provision may be made within the framework of the common agricultural policy for, inter alia:

- a) an effective co-ordination of efforts undertaken in the spheres of occupational training, research and the popularisation of rural economy, which may involve projects or institutions financed jointly; and
 - b) common action for the development of the consumption of certain products.

Article 42

The provisions of the Chapter relating to the rules of competition shall apply to the production of and trade in agricultural products only to the extent determined by the Council within the framework of the provisions and in accordance with the procedure laid down in Article 43, paragraphs 2 and 3, due account being taken of the objectives mentioned in Article 39.

The Council may, in particular, authorise the granting of aids:

- a) for the protection of enterprises handicapped by structural or natural conditions; and
 - b) within the framework of economic development programmes.

Article 43

- 1. In order to formulate the guiding lines of a common agricultural policy, the Commission shall, upon the date of the entry into force of this Treaty, convene a conference of Member States, with a view to comparing their agricultural policies by drawing up, in particular, a statement of their resources and needs.
- 2. The Commission, taking due account of the work of the conference provided for in paragraph 1, shall, after consulting the Economic and Social Committee and within a period of two years after the date of the entry into force of this Treaty, submit proposals concerning the working out and putting into effect of the common agricultural policy, including the substitution of national organisations by one of the forms of common organisation provided for in Article 40, paragraph 2, as well as concerning the putting into effect of the measures specially mentioned under this Title.

These proposals shall take due account of the interdependence of the agricultural questions raides under this Title.

The Council, acting during the first two stages by means of a unanimous vote and subsequently by means of a qualified majority vote on a proposal of the Commission and after the Assembly has been consulted, shall issue regulations or directives or take decisions, without prejudice to any recommendations which it may make.

- 3. The common organisation provided for in Article 40, paragraph 2, may, under the conditions provided for in the preceding paragraph, be substituted for national market organisations by the Council acting by means of a qualified majority vote:
- a) if the common organisation offers to Member States which are opposed to this measure and which possess a national organisation of their own for the production concerned, equivalent guarantees regarding the employment and standard of living of the producers concerned, due account being taken of the time-factor in respect of possible adjustments and of necessary specialisations; and
- b) if such organisation ensures for exchanges within the Community conditions similar to those existing in a domestic market.
- 4. If a common organisation is created for certain raw materials at a time when no common organisation yet exists for the corresponding processed products, the raw materials concerned which are used for processed products destined for export to third countries may be imported from outside the Community.

- 1. In the course of the transitional period and to the extent that the progressive abolition of customs duties and quantitative restrictions between Member States may result in prices likely to jeopardise the achievement of the objectives set out in Article 39, each Member State shall be permitted to apply to certain products, in a non-discriminatory manner and in substitution for quotas, to such an extent as shall not impede the expansion of the volume of trade provided for in Article 45, paragraph 2, a system of minimum prices below which imports may be:
 - -temporarily suspended or reduced; or
- -made conditional on their price being above the minimum price fixed for the product concerned.

In the second case, the minimum prices shall not include customs duties.

- 2. The minimum prices shall not be such as to lead to a reduction of exchanges existing between Member States at the date of the entry into force of this Treaty and shall not be an obstacle to a progressive expansion of such exchanges. The minimum prices shall not be applied in such a manner as to be an obstacle to the development of a natural preference between the Member States.
- 3. Upon the entry into force of this Treaty, the Council, acting on a proposal of the Commission, shall determine objective criteria for the establishment of minimum price systems and for the fixing of such prices.

The criteria shall, in particular, take account of average national costs of production in the Member State applying the minimum price, of the situation of the various enterprises in relation to such costs and of the need for promoting both the progressive improvement of agricultural operations and the adjustments and specialisations necessary within the Common Market.

The Commission shall also propose a procedure for revision of these criteria in order to take into account and accelerate technical progress and in order progressively to approximate prices within the Common Market.

These criteria and the procedure for revision shall be determined by means of a unanimous vote of the Council in the course of the first three years after the date of the entry into force of this Treaty.

4. Until the Council's decision takes effect, Member States may fix minimum prices on condition that they previously communicate them to the Commission and to the other Member States in order to enable them to submit their comments.

As soon as the Council has taken its decision, Member States shall fix minimum prices on the basis of the criteria established under the conditions mentioned above.

The Council, acting by means of a qualified majority vote on a proposal of the Commission, may correct the decisions taken if they do not conform to the criteria so determined.

- 5. From the beginning of the third stage and in cases where it has not yet been possible in respect of certain products to establish the above objective criteria, the Council, acting by means of a qualified majority vote on a proposal of the Commission, may modify the minimum prices applied to these products.
- 6. At the expiry of the transitional period, a table of minimum prices still in force shall be drawn up. The Council, acting on a proposal of the Commission by means of a majority of nine votes in accordance with the weighting provided for in Article 148, paragraph 2, first subparagraph, shall determine the system to be applied within the frame-work of the common agricultural policy.

Article 45

- 1. Until the substitution of the national organisation by one of the forms of common organisation provided for in Article 40, paragraph 2, the development of exchanges in respect of products for which there exist in certain Member States:
- -provisions designed to guarantee to national producers a sale of their production, and
 - -a need of imports,

shall be pursued by the conclusion of long-term agreements or contracts between exporting and importing Member States.

Such agreements or contracts shall be directed towards the progressive abolition of any discrimination in the application of these provisions to the various producers within the Community.

The conclusion of such agreements or contracts shall take place in the course of the first stage; due account shall be taken of the principle of reciprocity.

2. With regard to quantities, such agreements or contracts shall take as their basis the average volume of exchanges between Member States in the products

concerned during the three years preceding the date of the entry into force of this Treaty and shall provide for an increase in that volume within the limit of existing requirements, due account being taken of traditional trade currents.

With regard to prices, such agreements or contracts shall enable producers to dispose of the agreed quantities at prices progressively approximating to those paid to national producers in the home market of the purchasing country.

This approximating of prices shall proceed as steadily as possible and shall be completed not later than at the end of the transitional period.

Prices shall be negotiated between the parties concerned within the framework of directives drawn up by the Commission for the implementation of the preceding two sub-paragraphs.

In the event of the first stage being extended, such agreements or contracts shall continue to be carried out under the conditions applicable at the end of the fourth year after the date of the entry into force of this Treaty, while the obligations to increase quantities and to approximate prices shall be suspended until entry on the second stage.

Member States shall avail themselves of any possibilities offered to them as a result of their legislative provisions, particularly as regards import policy, with a view to ensuring the conclusion and carrying out of these agreements or contracts.

3. To the extent that Member States require raw materials for the production of goods destined for export outside the Community in competition with producers in third countries, such agreements or contracts shall not be an obstacle to imports, for this purpose, of raw materials coming from third countries. This provision shall not apply if the Council decides by means of a unanimous vote to grant the payments necessary to compensate, in respect of imports effected for this purpose on the basis of such agreements or contracts, for the excess price paid in comparison with the delivery prices of the same supplies obtained on the world market.

Article 46

Where in a Member State a product is the object of a national market organisation or of any internal regulation with equivalent effect, either of which affects the competitive position of a similar production in another Member State, a countervailing charge on entry shall be applied by Member States on this product when it comes from the Member State where such organisation or regulation exists, unless that State levies a countervailing charge on exit.

The Commission shall fix the amount of these charges, to the extent necessary to re-establish the balance; it may also authorise recourse to other measures of which it shall determine the conditions and particulars.

Article 47

With regard to the functions of the Economic and Social Committee in the application of this Title, its agriculture section shall be at the disposal of the

Commission with a view to preparing the conclusions of the Committee in accordance with the provisions of Articles 197 and 198.

TITLE III

THE FREE MOVEMENT OF PERSONS, SERVICES AND CAPITAL

Chapter 1

Workers

Article 48

- 1. The free movement of workers shall be ensured within the Community not later than at the date of the expiry of the transitional period.
- 2. This shall involve the abolition of any discrimination based on nationality between workers of the Member States as regards employment, remuneration and other working conditions.
- 3. It shall include the right, subject to limitations justified by reasons of public order, public safety and public health:
 - (a) to accept offers of employment actually made;
- (b) to move about freely for this purpose within the territory of Member States;
- (c) to stay in any Member State in order to carry on an employment in conformity with the legislative and administrative provisions governing the employment of the workers of that State; and
- (d) to live, on conditions which shall be the subject of implementing regulations to be laid down by the Commission, in the territory of a Member State after having been employed there.
- 4. The provisions of this Article shall not apply to employment in the public administration.

Article 49

Upon the entry into force of this Treaty, the Council, acting on a proposal of the Commission and after the Economic and Social Committee has been consulted, shall, by means of directives or regulations, lay down the measures necessary to effect progressively the free movement of workers, as defined in the preceding Article, in particular:

- (a) by ensuring close collaboration between national labour administrations;
- (b) by progressively abolishing according to a plan any such administrative procedures and practices and also any such time-limits in respect of eligibility for

available employment as are applied as a result either of municipal law or of agreements previously concluded between Member States and the maintenance of which would be an obstacle to the freeing of the movement of workers;

- (c) by progressively abolishing according to a plan all such time-limits and other restrictions provided for either under municipal law or under agreements previously concluded between Member States as impose on workers of other Member States conditions for the free choice of employment different from those imposed on workers of the State concerned; and
- (d) by setting up appropriate machinery for connecting offers of employment and requests for employment, with a view to equilibrating them in such a way as to avoid serious threats to the standard of living and employment in the various regions and industries.

Article 50

Member States shall, under a common programme, encourage the exchange of young workers.

Article 51

The Council, acting by means of a unanimous vote on a proposal of the Commission, shall, in the field of social security, adopt the measures necessary to effect the free movement of workers, in particular, by introducing a system which permits an assurance to be given to migrant workers and their beneficiaries:

- (a) that, for the purposes of qualifying for and retaining the right to benefits and of the calculation of these benefits, all periods taken into consideration by the respective municipal law of the countries concerned, shall be added together; and
- (b) that these benefits will be paid to persons resident in the territories of Member States.

Chapter 2

THE RIGHT OF ESTABLISHMENT

Article 52

Within the framework of the provisions set out below, restrictions on the freedom of establishment of nationals of a Member State in the territory of another Member State shall be progressively abolished in the course of the transitional period. Such progressive abolition shall also extend to restrictions on the setting up of agencies, branches or subsidiaries by nationals of any Member State established in the territory of any Member State.

Freedom of establishment shall include the right to engage in and carry on non-wage-earning activities, and also to set up and manage enterprises and, in particular, companies within the meaning of Article 58, second paragraph, under the conditions laid down by the law of the country of establishment for its own nationals, subject to the provisions of the Chapter relating to capital.

Article 53

Member States shall not, subject to the provisions of this Treaty, introduce any new restrictions on the establishment in their territories of nationals of other Member States.

Article 54

1. Before the expiry of the first stage, the Council, acting by means of a unanimous vote on a proposal of the Commission and after the Economic and Social Committee and the Assembly have been consulted, shall lay down a general programme for the abolition of restrictions existing within the Community on freedom of establishment. The Commission shall submit such proposal to the Council in the course of the first two years of the first stage.

The programme shall, in respect of each category of activities, fix the general conditions for achieving freedom of establishment and, in particular, the stages by which it shall be attained.

- 2. In order to implement the general programme or, if no such programme exists, to complete one stage towards the achievement of freedom of establishment for a specific activity, the Council, on a proposal of the Commission and after the Economic and Social Committee and the Assembly have been consulted, shall, until the end of the first stage by means of a unanimous vote and subsequently by means of a qualified majority vote, act by issuing directives.
- 3. The Council and the Commission shall exercise the functions entrusted to them by the above provisions, in particular:
- (a) by according, as a general rule, priority treatment to activities in regard to which freedom of establishment constitutes a specially valuable contribution to the development of production and trade;
- (b) by ensuring close collaboration between the competent national authorities with a view to ascertaining the special situation within the Community of the various activities concerned;
- (c) by abolishing any such administrative procedures and pratice whether resulting from municipal law or from agreements previously concluded between Member States as would, if maintained, be an obstacle to freedom of establishment;
- (d) by ensuring that wage-earning workers of one Member State employed in the territory of another Member State may remain in that territory for the purpose of undertaking a non-wage-earning activity there, provided that they satisfy the conditions which they would be required to satisfy if they came to that State at the time when they wish to engage in such activity;

- (e) by enabling a national of one Member State to acquire and exploit real property situated in the territory of another Member State, to the extent that no infringement of the principles laid down in Article 39, paragraph 2 in thereby caused:
- (f) by applying the progressive abolition of restrictions on freedom of establishment, in each branch of activity under consideration, both in respect of the conditions for setting up agencies, branches or subsidiaries in the territory of a Member State and in respect of the conditions governing the entry of personnel of the main establishment into the managerial or supervisory organs of such agencies, branches and subsidiaries;
- (g) by co-ordinating, to the extent that is necessary and with a view to making them equivalent, the guarantees demanded in Member States from companies within the meaning of Article 58, second paragraph, for the purpose of protecting the interests both of the members of such companies and of third parties; and
- (h) by satisfying themselves that conditions of establishment shall not be impaired by any aids granted by Member States.

Activities which in any State include, even incidentally, the exercise of public authority shall, in so far as that State is concerned, be excluded from the application of the provisions of this Chapter.

The Council, acting by means of a qualified majority vote on a proposal of the Commission, may exclude certain activities from the application of the provisions of this Chapter.

Article 56

- 1. The provisions of this Chapter and the measures taken in pursuance thereof shall not prejudice the applicability of legislative and administrative provisions which lay down special treatment for foreign nationals and which are justified by reasons of public order, public safety and public health.
- 2. Before the expiry of the transitional period, the Council, acting by means of a unanimous vote on a proposal of the Commission and after the Assembly has been consulted, shall issue directives for the co-ordination of the above-mentioned legislative and administrative provisions. After the end of the second stage, however, the Council, acting by means of a qualified majority vote on a proposal of the Commission, shall issue directives for co-ordinating such provisions as, in each Member State, fall within the administrative field.

Article 57

1. In order to facilitate the engagement in and exercise of non-wage-earning activities, the Council, on a proposal of the Commission and after the Assembly

has been consulted, shall, in the course of the first stage by means of a unanimous vote and subsequently by means of a qualified majority vote, act by issuing directives regarding mutual recognition of diplomas, certificates and other qualifications.

- 2. For the same purpose, the Council, acting on a proposal of the Commission and after the Assembly has been consulted, shall, before the expiry of the transitional period, issue directives regarding the co-ordination of legislative and administrative provisions of Member States concerning the engagement in and exercise of non-wage-earning activities. A unanimous vote shall be required on matters which, in at least one Member State, are subject to legislative provisions, and on measures concerning the protection of savings, in particular the allotment of credit and the banking profession, and concerning the conditions governing the exercise in the various Member States of the medical, para-medical and pharmaceutical professions. In all other cases, the Council shall act in the course of the first stage by means of a unanimous vote and subsequently by means of a qualified majority vote.
- 3. In the case of the medical, para-medical and pharmaceutical professions, the progressive removal of restrictions shall be subject to the co-ordination of conditions for their exercise in the various Member States.

Article 58

Companies constituted in accordance with the law of a Member State and having their registered office, central management or main establishment within the Community shall, for the purpose of applying the provisions of this Chapter, be assimilated to natural persons being nationals of Member States.

The term "companies" shall mean companies under civil or commercial law including co-operative companies and other legal persons under public or private law, with the exception of non-profit-making companies.

Chapter 3

SERVICES

Article 59

Within the framework of the provisions set out below, restrictions on the free supply of services within the Community shall be progressively abolished in the course of the transitional period in respect of nationals of Member States who are established in a State of the Community other than that of the person to whom the services are supplied.

The Council, acting by means of a unanimous vote on a proposal of the Commission, may extend the benefit of the provisions of this Chapter to cover services

supplied by nationals of any third country who are established within the Community.

Article 60

Services within the meaning of this Treaty shall be deemed to be services normally supplied for remuneration, to the extent that they are not governed by the provisions relating to the free movement of goods, capital and persons.

Services shall include in particular:

- (a) activities of an industrial character;
- (b) activities of a commercial character;
- (c) artisan activities; and
- (d) activities of the liberal professions.

Without prejudice to the provisions of the Chapter relating to the right of establishment, a person supplying a service may, in order to carry out that service, temporarily exercise his activity in the State where the service is supplied, under the same conditions as are imposed by that State on its own nationals.

Article 61

- 1. The free movement of services in respect of transport shall be governed by the provisions of the Title relating to transport.
- 2. The liberalisation of banking and insurance services connected with movements of capital shall be effected in harmony with the progressive liberalisation of the movement of capital.

Article 62

Except where otherwise provided for in this Treaty, Member States shall not introduce any new restrictions on the freedom which has been in fact achieved, in regard to the supply of services, at the date of the entry into force of this Treaty.

Article 63

1. Before the end of the first stage, the Council, acting by means of a unanimous vote on a proposal of the Commission and after the Economic and Social Committee and the Assembly have been consulted, shall lay down a general programme for the abolition of restrictions existing within the Community on the free supply of services. The Commission shall submit such proposal to the Council in the course of the first two years of the first stage.

The programme shall, for each category of services, fix the general conditions and the stages of such liberalisation.

- 2. In order to implement the general programme or, if no such programme exists, to complete one stage in the liberalisation of a specific service, the Council, on a proposal of the Commission and after the Economic and Social Committee and the Assembly have been consulted, shall, before the end of the first stage by means of a unanimous vote and subsequently by means of a qualified majority vote, act by issuing directives.
- 3. The proposals and decisions referred to in paragraphs 1 and 2 shall, as a general rule, accord priority to services which directly affect production costs or the liberalisation of which contributes to facilitating the exchange of goods.

Member States hereby declare their willingness to undertake the liberalisation of services beyond the extent required by the directives issued in application of Article 63, paragraph 2, if their general economic situation and the situation of the sector concerned so permit.

The Commission shall make recommendations to this effect to the Member States concerned.

Article 65

As long as the abolition of restrictions on the free supply of services has not been effected, each Member State shall apply such restrictions without distinction on grounds of nationality or residence to all persons within the meaning of Article 59, first paragraph, who supply services.

Article 66

The provisions of Articles 55 to 58 inclusive shall apply to the matters governed by this Chapter.

Chapter 4

CAPITAL

Article 67

- 1. Member States shall, in the course of the transitional period and to the extent necessary for the proper functioning of the Common Market, progressively abolish as between themselves restrictions on the movement of capital belonging to persons resident in Member States and also any discriminatory treatment based on the nationality or place of residence of the parties or on the place in which such capital is invested.
- 2. Current payments connected with movements of capital between Member States shall be freed from all restrictions not later than at the end of the first stage.

- 1. Member States shall, in respect of the matters referred to in this Chapter, grant in the most liberal manner possible such exchange authorisations as are still necessary after the date of the entry into force of this Treaty.
- 2. Where a Member State applies its domestic provisions in respect of the capital market and credit system to the movements of capital freed in accordance with the provisions of this Chapter, it shall do so in a non-discriminatory manner.
- 3. Loans intended for the direct or indirect financing of a Member State or of its territorial sub-divisions may not be issued or placed in other Member States save when the States concerned have reached agreement in this respect. This provision shall not be an obstacle to the implementation of Article 22 of the Protocol on the Statute of the European Investment Bank.

Article 69

The Council, acting on a proposal of the Commission which for this purpose shall consult the Monetary Committee provided for in Article 105, shall, in the course of the first two stages by means of a unanimous vote and subsequently by means of a qualified majority vote, issue the directives necessary for the progressive implementation of the provisions of Article 67.

Article 70

- 1. The Commission shall propose to the Council measures in regard to the progressive co-ordination of the exchange policies of Member States in respect of the movement of capital between those States and third countries. The Council, acting by means of a unanimous vote, shall issue directives in this connection. It shall endeavour to achieve the highest possible degree of liberalisation.
- 2. Where the action taken in application of the preceding paragraph does not permit the abolition of discrepancies between the exchange rules of Member States and where such discrepancies should lead persons resident in one of the Member States to make use of the transfer facilities within the Community, as provided for under Article 67, in order to evade the rules of one of the Member States in regard to third countries, that State may, after consulting the other Member States and the Commission, take appropriate measures to overcome these difficulties.

If the Council finds that such measures restrict the free movement of capital within the Community beyond what is required for the purposes of the preceding sub-paragraph, it may, acting by means of a qualified majority vote on a proposal of the Commission, decide that the State concerned shall modify or abolish these measures.

Member States shall endeavour to avoid introducing within the Community any new exchange restrictions which affect the movement of capital and current payments connected with such movement, and making existing rules more restrictive.

They hereby declare their willingness to go beyond the degree of liberalisation of capital provided for in the preceding Articles to the extent that their economic situation, and in particular the situation of their balance of payments, permits.

The Commission may, after consulting the Monetary Committee, make recommendations to Member States on this subject.

Article 72

Member States shall keep the Commission informed of any movements of capital to and from third countries as are known to them. The Commission may address to Member States any opinion which it deems appropriate on this subject.

Article 73

1. In the event of movements of capital leading to disturbances in the functioning of the capital market in any Member State, the Commission shall, after consulting the Monetary Committee, authorise such State to take, in regard to such movements of capital, protective measures of which the Commission shall determine the conditions and particulars.

The Council, acting by means of a qualified majority vote, may revoke this authorisation and may modify such conditions and particulars.

2. The Member State which is in difficulty may, however, on the ground of their secret or urgent character, itself take the above-mentioned measures if they should become necessary. The Commission and the other Member States shall be informed of such measures not later than at the date of their entry into force. In this case, the Commission may, after consulting the Monetary Committee, decide that the State concerned shall modify or abolish such measures.

TITLE IV

TRANSPORT

Article 74

The objectives of this Treaty shall, with regard to the subject covered by this Title, be pursued by the Member States within the framework of a common transport policy.

- 1. With a view to implementing Article 74 and taking due account of the special aspects of transport, the Council, acting on a proposal of the Commission and after the Economic and Social Committee and the Assembly have been consulted, shall, until the end of the second stage by means of a unanimous vote and subsequently by means of a qualified majority vote, lay down:
- (a) common rules applicable to international transport effected from or to the territory of a Member State or crossing the territory of one or more Member States;
- (b) conditions for the admission of non-resident carriers to national transport services within a Member State; and
 - (c) any other appropriate provisions.
- 2. The provisions referred to under (a) and (b) of the preceding paragraph shall be laid down in the course of the transitional period.
- 3. Notwithstanding the procedure provided for in paragraph 1, provisions which relate to the principles governing transport and the application of which might seriously affect the standard of living and the level of employment in certain regions and also the utilisation of transport equipment, shall, due account being taken of the need for adaptation to economic developments resulting from the establishment of the Common Market, be laid down by the Council acting by means of a unanimous vote.

Article 76

Until the provisions referred to in Article 75, paragraph 1, are enacted and unless the Council gives its unanimous consent, no Member State shall apply the various provisions governing this subject at the date of the entry into force of this Treaty in such a way as to make them less favourable, in their direct or indirect effect, for carriers of other Member States by comparison with its own national carriers.

Article 77

Aids which meet the needs of transport co-ordination or which constitute reimbursement for certain obligations inherent in the concept of a public utility shall be deemed to be compatible with this Treaty.

Article 78

Any measure in the sphere of transport rates and conditions, adopted within the framework of this Treaty, shall take due account of the economic situation of carriers.

- 1. Any discrimination which consists in the application by a carrier, in respect of the same goods conveyed in the same circumstances, of transport rates and conditions which differ on the ground of the country of origin or destination of the goods carried, shall be abolished in the traffic within the Community not later than at the end of the second stage.
- 2. Paragraph 1 shall not exclude the adoption of other measures by the Council in application of Article 75, paragraph 1.
- 3. The Council, acting by means of a qualified majority vote on a proposal of the Commission and after the Economic and Social Committee has been consulted, shall, within a period of two years after the date of the entry into force of this Treaty, lay down rules for the implementation of the provisions of paragraph 1.

The Council may, in particular, enact the provisions necessary to enable the institutions of the Community to ensure that the rule stated in paragraph 1 is observed and that all the advantages accruing from it are enjoyed by users.

4. The Commission shall, on its own initiative or at the request of a Member State, examine the cases of discrimination referred to in paragraph 1 and shall, after consulting any Member State interested, take the necessary decisions within the framework of the rules laid down in accordance with the provisions of paragraph 3.

Article 80

- 1. The application imposed by a Member State, in respect of transport effected within the Community, of rates and conditions involving any element of support or protection in the interest of one or more particular enterprises or industries shall be prohibited as from the beginning of the second stage, unless authorised by the Commission.
- 2. The Commission shall, on its own initiative or at the request of a Member State, examine the rates and conditions referred to in paragraph 1, taking particular account, on the one hand, of the requirements of a suitable regional economic policy, of the needs of under-developed regions and the problems of regions seriously affected by political circumstances and, on the other hand, of the effects of such rates and conditions on competition between the different forms of transport.

After consulting any interested Member State, the Commission shall take the necessary decisions.

3. The prohibition referred to in paragraph 1 shall not apply to competitive tariffs.

Article 81

Charges or dues collected by a carrier, in addition to the transport rates, for the crossing of frontiers, shall not exceed a reasonable level, due account being taken of real costs actually incurred by such crossing. Member States shall endeavour to reduce these costs progressively.

The Commission may make recommendations to Member States with a view to the application of this Article.

Article 82

The provisions of this Chapter shall not be an obstacle to the measures taken in the Federal Republic of Germany, to the extent that such measures may be necessary to compensate for the economic disadvantages caused by the division of Germany to the economy of certain regions of the Federal Republic which are affected by that division.

Article 83

A Committee with consultative status, composed of experts appointed by the Governments of Member States, shall be established and attached to the Commission. The latter shall, whenever it deems it desirable, consult this Committee on transport questions, without prejudice to the competence of the transport section of the Economic and Social Committee.

Article 84

- 1. The provisions of this Title shall apply to transport by rail, road and inland waterway.
- 2. The Council, acting by means of a unanimous vote, may decide whether, to what extent and by what procedure appropriate provisions might be adopted for sea and air transport.

PART THREE

POLICY OF THE COMMUNITY

TITLE I

COMMON RULES

Chapter 1

Rules governing competition

Section 1

RULES APPLYING TO ENTERPRISES

Article 85

1. The following shall be deemed to be incompatible with the Common Market and shall hereby be prohibited: any agreements between enterprises, any decisions by associations of enterprises and any concerted practices which are likely to

affect trade between the Member States and which have as their object or result the prevention, restriction or distortion of competition within the Common Market, in particular those consisting in:

- (a) the direct or indirect fixing of purchase or selling prices or of any other trading conditions;
- (b) the limitation or control of production, markets, technical development or investment;
 - (c) market-sharing or the sharing of sources of supply;
- (d) the application to parties to transactions of unequal terms in respect of equivalent supplies, thereby placing them at a competitive disadvantage; or
- (e) the subjecting of the conclusion of a contract to the acceptance by a party of additional supplies which, either by their nature or according to commercial usage, have no connection with the subject of such contract.
- 2. Any agreements or decisions prohibited pursuant to this Article shall be null and void.
- 3. Nevertheless, the provisions of paragraph 1 may be declared inapplicable in the case of:
 - -any agreements or classes of agreements between enterprises,
 - -any decisions or classes of decisions by associations of enterprises, and
- —any concerted practices or classes of concerted practices which contribute to the improvement of the production or distribution of goods or to the promotion of technical or economic progress while reserving to users an equitable share in the profit resulting therefrom, and which:
- (a) neither impose on the enterprises concerned any restrictions not indispensable to the attainment of the above objectives;
- (b) nor enable such enterprises to eliminate competition in respect of a substantial proportion of the goods concerned.

Article 86

To the extent to which trade between any Member States may be affected thereby, action by one or more enterprises to take improper advantage of a dominant position within the Common Market or within a substantial part of it shall be deemed to be incompatible with the Common Market and shall hereby be prohibited.

Such improper practices may, in particular, consist in:

- (a) the direct or indirect imposition of any inequitable purchase or selling prices or of any other inequitable trading conditions;
- (b) the limitation of production, markets or technical development to the prejudice of consumers;

- (c) the application to parties to transactions of unequal terms in respect of equivalent supplies, thereby placing them at a competitive disadvantage; or
- (d) the subjecting of the conclusion of a contract to the acceptance, by a party, of additional supplies which, either by their nature or according to commercial usage, have no connection with the subject of such contract.

1. Within a period of three years after the date of the entry into force of this Treaty, the Council, acting by means of a unanimous vote on a proposal of the Commission and after the Assembly has been consulted, shall lay down any appropriate regulations or directives with a view to the application of the principles set out in Articles 85 and 86.

If such provisions have not been adopted within the above-mentioned timelimit, they shall be laid down by the Council acting by means of a qualified majority vote on a proposal of the Commission and after the Assembly has been consulted.

- 2. The provisions referred to in paragraph 1 shall be designed, in particular:
- (a) to ensure observance, by the institution of fines or penalties, of the prohibitions referred to in Article 85, paragraph 1, and in Article 86;
- (b) to determine the particulars of the application of Article 85, paragraph 3, taking due account of the need, on the one hand, of ensuring effective supervision and, on the other hand, of simplifying administrative control to the greatest possible extent;
- (c) to specify, where necessary, the scope of application in the various economic sectors of the provisions contained in Articles 85 and 86;
- (d) to define the respective responsibilities of the Commission and of the Court of Justice in the application of the provisions referred to in this paragraph; and
- (e) to define the relations between, on the one hand, municipal law and, on the other hand, the provisions contained in this Section or adopted in application of this Article.

Article 88

Until the date of the entry into force of the provisions adopted in application of Article 87, the authorities of Member States shall, in accordance with their respective municipal law and with the provisions of Article 85, particularly paragraph 3, and of Article 86, rule upon the admissibility of any understanding and upon any improper advantage taken of a dominant position in the Common Market.

Article 89

1. Without prejudice to the provisions of Article 88, the Commission shall, upon taking up its duties, ensure the application of the principles laid down in Articles 85 and 86. It shall, at the request of a Member State or *ex officio*, investigate, in

conjunction with the competent authorities of the Member States which shall lend it their assistance, any alleged infringement of the above-mentioned principles. If it finds that such infringement has taken place, it shall propose appropriate means for bringing it to an end.

2. If such infringement continues, the Commission shall, by means of a reasoned decision, confirm the existence of such infringement of the principles. The Commission may publish its decision and may authorise Member States to take the necessary measures, of which it shall determine the conditions and particulars, to remedy the situation.

Article 90

- 1. Member States shall, in respect of public enterprises and enterprises to which they grant special or exclusive rights, neither enact nor maintain in force any measure contrary to the rules contained in this Treaty, in particular, to those rules provided for in Article 7 and in Articles 85 to 94 inclusive.
- 2. Any enterprise charged with the management of services of general economic interest or having the character of a fiscal monopoly shall be subject to the rules contained in this Treaty, in particular to those governing competition, to the extent that the application of such rules does not obstruct the *de jure* or *de facto* fulfilment of the specific tasks entrusted to such enterprise. The development of trade may not be affected to such a degree as would be contrary to the interests of the Community.
- 3. The Commission shall ensure the application of the provisions of this Article and shall, where necessary, issue appropriate directives or decisions to Member States.

Section 2

DUMPING PRACTICES

Article 91

1. If, in the course of the transitional period, the Commission, at the request of a Member State or of any other interested party, finds that dumping practices exist within the Common Market, it shall issue recommendations to the originator or originators of such practices with a view to bringing them to an end.

Where such dumping practices continue, the Commission shall authorise the Member State injured to take protective measures of which the Commission shall determine the conditions and particulars.

2. Upon the entry into force of this Treaty, any products originating or having been entered for consumption in one Member State which have been exported to another Member State shall be admitted free of all customs duties, quantitative

restrictions or measures with equivalent effect when re-imported into the territory of the first State. The Commission shall lay down appropriate rules for the application of this paragraph.

Section 3

AIDS GRANTED BY STATES

Article 92

- 1. Except where otherwise provided for in this Treaty, any aid, granted by a Member State or granted by means of State resources, in any manner whatsoever, which distorts or threatens to distort competition by favouring certain enterprises or certain productions shall, to the extent to which it adversely affects trade between Member States, be deemed to be incompatible with the Common Market.
- 2. The following shall be deemed to be compatible with the Common Market:
- (a) aids of a social character granted to individual consumers, provided that such aids are granted without any discrimination based on the origin of the products concerned:
- (b) aids intended to remedy damage caused by natural calamities or other extraordinary events; or
- (c) aids granted to the economy of certain regions of the Federal Republic of Germany affected by the division of Germany, to the extent that such aids are necessary in order to compensate for the economic disadvantages caused by such division.
- 3. The following may be deemed to be compatible with the Common Market:
- (a) aids intended to promote the economic development of regions where the standard of living is abnormally low or where there exists serious underemployment;
- (b) aids intended to promote the execution of important projects of common European interest or to remedy a serious disturbance of the economy of a Member State:
- (c) aids intended to facilitate the development of certain activities or of certain economic regions, provided that such aids do not change trading conditions to such a degree as would be contrary to the common interest. Any aids to shipbuilding existing on 1 January 1957 shall, to the extent that such aids merely offset the absence of customs protection, be progressively reduced under the same conditions as apply to the abolition of customs duties, subject to the provisions of this Treaty relating to the common commercial policy in regard to third countries; and
- (d) such other categories of aids as may be specified by decision of the Council acting by means of a qualified majority vote on a proposal of the Commission.

- 1. The Commission shall, together with Member States, constantly examine all systems of aids existing in those States. It shall propose to the latter any appropriate measures required by the progressive development or the functioning of the Common Market.
- 2. If, after having given to the parties concerned to submit their comments, the Commission finds that any aid granted by a State or by means of State resources is not compatible with the Common Market within the meaning of Article 92, or that such aid is applied in an improper manner, it shall decide that the State concerned shall abolish or modify such aid within the time-limit prescribed by the Commission.

If the State concerned does not comply with this decision within the prescribed time-limit, the Commission or any other interested State may, notwithstanding the provisions of Articles 169 and 170, refer the matter to the Court of Justice directly.

At the request of any Member State, the Council, acting by means of a unanimous vote, may, if such a decision is justified by exceptional circumstances, decide that any aid instituted or to be instituted by that State shall be deemed to be compatible with the Common Market, notwithstanding the provisions of Article 92 or the regulations provided for in Article 94. If the Commission has, in respect of the aid concerned, already initiated the procedure provided for in the first sub-paragraph of this paragraph, the request made to the Council by the State concerned shall cause such procedure to be suspended until the Council has made its attitude known.

If, however, the Council has not made its attitude known within a period of three months from such request, the Commission shall act.

3. The Commission shall be informed, in due time to enable it to submit its comments, of any plans to institute or to modify aids. If it considers that any such plan is not compatible with the Common Market within the meaning of Article 92, it shall without delay initiate the procedure provided for in the preceding paragraph. The Member State concerned may not put its proposed measures into effect until such procedure shall have resulted in a final decision.

Article 94

The Council, acting by means of a qualified majority vote on a proposal of the Commission, may make any appropriate regulations with a view to the application of Articles 92 and 93 and may, in particular, fix the conditions of the application of Article 93, paragraph 3, and the categories of aids which are exempted from this procedure.

Chapter 2

FISCAL PROVISIONS

Article 95

A Member State shall not impose, directly or indirectly, on the products of other Member States any internal charges of any kind in excess of those applied directly or indirectly to like domestic products.

Furthermore, a Member State shall not impose on the products of other Member States any internal charges of such a nature as to afford indirect protection to other productions.

Member States shall, not later than at the beginning of the second stage, abolish or amend any provisions existing at the date of the entry into force of this Treaty which are contrary to the above rules.

Article 96

Products exported to the territory of any Member State may not benefit from any drawback of internal charges in excess of those charges imposed directly or indirectly on them.

Article 97

Any Member States which levy a turnover tax calculated by a cumulative multi-stage system may, in the case of internal charges imposed by them on imported products or of drawbacks granted by them on exported products, establish average rates for specific products or groups of products, provided that such States do not infringe the principles laid down in Articles 95 and 96.

Where the average rates established by a Member State do not conform with the above-mentioned principles, the Commission shall issue to the State concerned appropriate directives or decisions.

Article 98

With regard to charges other than turnover taxes, excise duties and other forms of indirect taxation, exemptions and drawbacks in respect of exports to other Member States may not be effected and compensatory charges in respect of imports coming from Member States may not be imposed, save to the extent that the measures contemplated have been previously approved for a limited period by the Council acting by means of a qualified majority vote on a proposal of the Commission.

Article 99

The Commission shall consider in what way the law of the various Member States concerning turnover taxes, excise duties and other forms of indirect taxation,

including compensatory measures applying to exchanges between Member States, can be harmonised in the interest of the Common Market.

The Commission shall submit proposals to the Council which shall act by means of a unanimous vote, without prejudice to the provisions of Articles 100 and 101.

Chapter 3

APPROXIMATION OF LAWS

Article 100

The Council, acting by means of a unanimous vote on a proposal of the Commission, shall issue directives for the approximation of such legislative and administrative provisions of the Member States as have a direct incidence on the establishment or functioning of the Common Market.

The Assembly and the Economic and Social Committee shall be consulted concerning any directives whose implementation in one or more of the Member States would involve amendment of legislative provisions.

Article 101

Where the Commission finds that a disparity existing between the legislative or administrative provisions of the Member States distorts the conditions of competition in the Common Market and thereby causes a state of affairs which must be eliminated, it shall enter into consultation with the interested Member States.

If such consultation does not result in an agreement which eliminates the particular distortion, the Council, acting during the first stage by means of a unanimous vote and subsequently by means of a qualified majority vote on a proposal of the Commission, shall issue the directives necessary for this purpose. The Commission and the Council may take any other appropriate measures as provided for in this Treaty.

Article 102

- 1. Where there is reason for fear that the enactment or amendment of a legislative or administrative provision will cause a distortion within the meaning of the preceding Article, the Member State desiring to proceed therewith shall consult the Commission. After consulting the Member States, the Commission shall recommend to the States concerned such measures as may be appropriate to avoid the particular distortion.
- 2. If the State desiring to enact or amend its own provisions does not comply with the recommendation made to it by the Commission, other Member States may not be requested, in application of Article 101 to amend their own provisions

in order to eliminate such distortion. If the Member State which has ignored the Commission's recommendation causes a distortion to its own detriment only, the provisions of Article 101 shall not apply.

TITLE II

ECONOMIC POLICY

Chapter 1

POLICY RELATING TO ECONOMIC TRENDS

Article 103

- 1. Member States shall consider their policy relating to economic trends as a matter of common interest. They shall consult with each other and with the Commission on measures to be taken in response to current circumstances.
- 2. Without prejudice to any other procedures provided for in this Treaty, the Council may, by means of a unanimous vote on a proposal of the Commission, decide on measures appropriate to the situation.
- 3. The Council, acting by means of a qualified majority vote on a proposal of the Commission, shall, where necessary, issue any requisite directives concerning the particulars of application of the measures decided upon under the terms of paragraph 2.
- 4. The procedures provided for in this Article shall apply also in the event of difficulties arising in connection with the supply of certain products.

Chapter 2

BALANCE OF PAYMENTS

Article 104

Each Member State shall pursue the economic policy necessary to ensure the equilibrium of its overall balance of payments and to maintain confidence in its currency, while ensuring a high level of employment and the stability of the level of prices.

Article 105

1. In order to facilitate the attainment of the objectives stated in Article 104, Member States shall co-ordinate their economic policies. They shall for this purpose institute a collaboration between the competent services of their administrative departments and between their central banks.

The Commission shall submit to the Council recommendations for the bringing into effect of such collaboration.

- 2. In order to promote the co-ordination of the policies of Member States in monetary matters to the full extent necessary for the functioning of the Common Market, a Monetary Committee with consultative status shall hereby be established with the following tasks:
 - —to keep under review the monetary and financial situation of Member States and of the Community and also the general payments system of Member States and to report regularly thereon to the Council and to the Commission; and
 - —to formulate opinions, at the request of the Council or of the Commission or on its own initiative, for submission to the said institutions.

The Member States and the Commission shall each appoint two members of the Monetary Committee.

Article 106

1. Each Member State undertakes to authorise, in the currency of the Member State in which the creditor or the beneficiary resides, any payments connected with the exchange of goods, services or capital, and also any transfers of capital and wages, to the extent that the movement of goods, services, capital and persons is freed as between Member States in application of this Treaty.

Member States hereby declare their willingness to free payments beyond the extent provided for in the preceding sub-paragraph, in so far as their economic situation in general and the situation of their balance of payments in particular so permit.

- 2. To the extent that exchanges of goods and services and movements of capital are limited only by restrictions on payments connected therewith, the provisions of the Chapters relating to the abolition of quantitative restrictions, to the freeing of services and to the free movement of capital shall, for the purposes of the progressive abolition of such restrictions, apply by analogy.
- 3. Member States undertake not to introduce as between themselves any new restrictions on transfers connected with the invisible transactions listed in Annex III to this Treaty.

The progressive abolition of existing restrictions shall be effected in accordance with the provisions of Articles 63 to 65 inclusive, in so far as such abolition is not governed by the provisions contained in paragraphs 1 and 2 or by the Chapter relating to the free movement of capital.

4. Member States shall, where necessary, seek agreement concerning the measures to be taken in order to enable the payments and transfers mentioned in this Article to be effected. These measures shall not adversely affect the attainment of the objectives laid down in this Chapter.

- 1. Each Member State shall treat its policy with regard to exchange rates as a matter of common interest.
- 2. If a Member State alters its exchange rate in a manner which is incompatible with the objectives laid down in Article 104 and which seriously distorts the conditions of competition, the Commission may, after consulting the Monetary Committee, authorise other Member States to take for a strictly limited period the necessary measures, of which it shall determine the conditions and particulars, in order to deal with the consequences of such alteration.

Article 108

1. Where a Member State is in difficulties or seriously threatened with difficulties as regards its balance of payments as a result either of overall disequilibrium of the balance of payments or of the kinds of currency at its disposal and where such difficulties are likely, in particular, to prejudice the functioning of the Common Market or the progressive establishment of the common commercial policy, the Commission shall without delay examine the situation of such State and the action which, in making use of all the means at its disposal, that State has taken or may take in conformity with the provisions of Article 104. The Commission shall indicate the measures which it recommends to the State concerned to adopt.

If the action taken by a Member State and the measures suggested by the Commission do not prove sufficient to overcome the difficulties encountered or threatening, the Commission shall, after consulting the Monetary Committee, recommend to the Council the granting of mutual assistance and the appropriate methods therefor.

The Commission shall keep the Council regularly informed of the situation and of its development.

- 2. The Council, acting by means of a qualified majority vote, shall grant mutual assistance; it shall issue directives or decisions laying down the conditions and particulars thereof. Mutual assistance may take the form, in particular, of:
- (a) concerted action in regard to any other international organisations to which Member States may have recourse;
- (b) any measures necessary to avoid diversions of commercial traffic where the State in difficulties maintains or re-establishes quantitative restrictions with regard to third countries; or
- (c) the granting of limited credits by other Member States, subject to the agreement of the latter.

Furthermore, during the transitional period, mutual assistance may also take the form of special reductions in customs duties or enlargements of quotas, for the purpose of facilitating the increase of imports from the State in difficulties, subject to the agreement of the States by which such measures would have to be taken.

3. If the mutual assistance recommended by the Commission is not granted by the Council or if the mutual assistance granted and the measures taken are insufficient, the Commission shall authorise the State in difficulties to take measures of safeguard of which the Commission shall determine the conditions and particulars.

Such authorisation may be revoked and such conditions and particulars may be amended by the Council acting by means of a qualified majority vote.

Article 109

- 1. Where a sudden crisis in the balance of payments occurs and if a decision, within the meaning of Article 108, paragraph 2, is not immediately taken, the Member State concerned may provisionally take the necessary measures of safeguard. Such measures shall cause the least possible disturbance in the functioning of the Common Market and shall not exceed the minimum strictly necessary to remedy the sudden difficulties which have arisen.
- 2. The Commission and the other Member States shall be informed of such measures of safeguard not later than at the time of their entry into force. The Commission may recommend to the Council mutual assistance under the terms of Article 108.
- 3. On the basis of an opinion of the Commission and after consulting the Monetary Committee, the Council, acting by means of a qualified majority vote, may decide that the State concerned shall amend, suspend or abolish the measures of safeguard referred to above.

Chapter 3

COMMERCIAL POLICY

Article 110

By establishing a customs union between themselves the Member States intend to contribute, in conformity with the common interest, to the harmonious development of world trade, the progressive abolition of restrictions on international exchanges and the lowering of customs barriers.

The common commercial policy shall take into account the favourable incidence which the abolition of customs duties as between Member States may have on the increase of the competitive strength of the enterprises in those States.

Article 111

In the course of the transitional period and without prejudice to Articles 115 and 116, the following provisions shall apply:

1. Member States shall co-ordinate their commercial relations with third countries in such a way as to bring about, not later than at the expiry of the transitional period, the conditions necessary to the implementation of a common policy in the matter of external trade.

The Commission shall submit to the Council proposals regarding the procedure to be applied, in the course of the transitional period, for the establishment of common action and regarding the achievement of a uniform commercial policy.

2. The Commission shall submit to the Council recommendations with a view to tariff negotiations with third countries concerning the common customs tariff.

The Council shall authorise the Commission to open such negotiations.

The Commission shall conduct these negotiations in consultation with a special Committee appointed by the Council to assist the Commission in this task and within the framework of such directives as the Council may issue to it.

- 3. The Council shall, when exercising the powers conferred upon it under this Article, act during the first two stages by means of a unanimous vote and subsequently by means of a qualified majority vote.
- 4. Member States shall, in consultation with the Commission, take all necessary measures with the object, in particular, of adjusting their tariff agreements in force with third countries in order that the entry into force of the common customs tariff may not be delayed.
- 5. Member States shall aim at securing uniformity between themselves at as high a level as possible of their lists of liberalisation in regard to third countries or groups of third countries. For this purpose the Commission shall make any appropriate recommendations to Member States.

If Member States abolish or reduce quantitative restrictions in regard to third countries, they shall inform the Commission beforehand and shall accord identical treatment to the other Member States.

Article 112

1. Without prejudice to obligations undertaken by Member States within the framework of other international organisations, their measures to aid exports to third countries shall be progressively harmonised before the end of the transitional period to the extent necessary to ensure that competition between enterprises within the Community shall not be distorted.

On a proposal of the Commission, the Council, acting until the end of the second stage by means of a unanimous vote and subsequently by means of a qualified majority vote, shall issue the directives necessary for this purpose.

2. The preceding provisions shall not apply to such drawbacks on customs duties or charges with equivalent effect nor to such refunds of indirect charges including turnover taxes, excise duties and other indirect taxes as are accorded in connection

with exports of goods from a Member State to a third country, to the extent that such drawbacks or refunds do not exceed the charges which have been imposed, directly or indirectly, on the products exported.

Article 113

- 1. After the expiry of the transitional period, the common commercial policy shall be based on uniform principles, particularly in regard to tariff amendments, the conclusion of tariff or trade agreements, the alignment of measures of liberalisation, export policy and protective commercial measures including measures to be taken in cases of dumping or subsidies.
- 2. The Commission shall submit proposals to the Council for the putting into effect of this common commercial policy.
- 3. Where agreements with third countries require to be negotiated, the Commission shall make recommendations to the Council, which will authorise the Commission to open the necessary negotiations.

The Commission shall conduct these negotiations in consultation with a special Committee appointed by the Council to assist the Commission in this task and within the framework of such directives as the Council may issue to it.

4. The Council shall, when exercising the powers conferred upon it by this Article, act by means of a qualified majority vote.

Article 114

The agreements referred to in Article 111, paragraph 2, and in Article 113 shall be concluded on behalf of the Community by the Council acting during the first two stages by means of a unanimous vote and subsequently by means of a qualified majority vote.

Article 115

In order to ensure that the execution of measures of commercial policy taken in conformity with this Treaty by any Member State shall not be prevented by diversions of commercial traffic, or where disparities between such measures lead to economic difficulties in one or more of the Member States, the Commission shall recommend the methods whereby the other Member States shall provide the necessary co-operation. Failing this, the Commission shall authorise the Member States to take the necessary protective measures of which it shall determine the conditions and particulars.

In cases of emergency and during the transitional period, Member States may themselves take such necessary measures and shall notify them to the other Member States and also to the Commission which may decide that the State concerned shall amend or revoke such measures.

In choosing such measures, priority shall be given to those which cause the least disturbance to the functioning of the Common Market and which take due account of the necessity for expediting, as far as possible, the introduction of the common customs tariff.

Article 116

As from the end of the transitional period, Member States shall in respect of all matters of particular interest in regard to the Common Market, within the framework of any international organisations of an economic character, only proceed by way of common action. The Commission shall for this purpose submit to the Council, which shall act by means of a qualified majority vote, proposals concerning the scope and implementation of such common action.

During the transitional period, Member States shall consult with each other with a view to concerting their action and, as far as possible, adopting a uniform attitude.

TITLE III

SOCIAL POLICY

Chapter 1

SOCIAL PROVISIONS

Article 117

Member States hereby agree upon the necessity to promote improvement of the living and working conditions of labour so as to permit the equalisation of such conditions in an upward direction.

They consider that such a development will result not only from the functioning of the Common Market which will favour the harmonisation of social systems, but also from the procedures provided for under this Treaty and from the approximation of legislative and administrative provisions.

Article 118

Without prejudice to the other provisions of this Treaty and in conformity with its general objectives, it shall be the aim of the Commission to promote close collaboration between Member States in the social field, particularly in matters relating to:

- -employment,
- -labour legislation and working conditions,
- —occupational and continuation training,

- -social security,
- --protection against occupational accidents and diseases,
- -industrial hygiene,
- —the law as to trade unions, and collective bargaining between employers and workers.

For this purpose, the Commission shall act in close contact with Member States by means of studies, the issuing of opinions, and the organising of consultations both on problems arising at the national level and on those of concern to international organisations.

Before issuing the opinions provided for under this Article, the Commission shall consult the Economic and Social Committee.

Article 119

Each Member State shall in the course of the first stage ensure and subsequently maintain the application of the principle of equal remuneration for equal work as between men and women workers.

For the purposes of this Article, remuneration shall mean the ordinary basic or minimum wage or salary and any additional emoluments whatsoever payable directly or indirectly, whether in cash or in kind, by the employer to the worker and arising out of the workers' employment.

Equal remuneration without discrimination based on sex means:

- (a) that remuneration for the same work at piece-rates shall be calculated on the basis of the same unit of measurement; and
 - (b) that remuneration for work at time-rates shall be the same for the same job.

Article 120

Member States shall endeavour to maintain the existing equivalence of paid holiday schemes.

Article 121

The Council, acting by means of a unanimous vote after consulting the Economic and Social Committee, may assign to the Commission functions relating to the implementation of common measures, particularly in regard to the social security of the migrant workers referred to in Articles 48 to 51 inclusive.

Article 122

The Commission shall, in its annual report to the Assembly, include a special chapter on the development of the social situation within the Community.

The Assembly may invite the Commission to draw up reports on special problems concerning the social situation.

Chapter 2

THE EUROPEAN SOCIAL FUND

Article 123

In order to improve opportunities of employment of workers in the Common Market and thus contribute to raising the standard of living, a European Social Fund shall hereby be established in accordance with the provisions set out below; it shall have the task of promoting within the Community employment facilities and the geographical and occupational mobility of workers.

Article 124

The administration of the Fund shall be incumbent on the Commission.

The Commission shall be assisted in this task by a Committee presided over by a member of the Commission and composed of representatives of Governments, trade unions and employers' associations.

Article 125

- 1. At the request of a Member State, the Fund shall, within the framework of the rules provided for in Article 127, cover 50 per cent of expenses incurred after the entry into force of this Treaty by that State or by a body under public law for the purpose of:
 - (a) ensuring productive re-employment of workers by means of :
 - -occupational re-training,
 - -resettlement allowances; and
- (b) granting aids for the benefit of workers whose employment is temporarily reduced or wholly or partly suspended as a result of the conversion of their enterprise to other productions, in order that they may maintain the same wage-level pending their full re-employment.
- 2. The assistance granted by the Fund towards the cost of occupational retraining shall be conditional upon the impossibility of employing the unemployed workers otherwise than in a new occupation and upon their having been, in productive employment, for a period of at least six months in the occupation for which they have been re-trained.

The assistance granted in respect of resettlement allowances shall be conditional upon the unemployed workers having been obliged to change their residence within the Community and upon their having been in productive employment for a period of at least six monts in their new place of residence.

The assistance given for the benefit of workers in cases where an enterprise is converted shall be subject to the following conditions:

- (a) that the workers concerned have again been fully employed in that enterprise for a period of at least six months;
- (b) that the Government concerned has previously submitted a plan, drawn up by such enterprise, for its conversion and for the financing thereof; and
 - (c) that the Commission has given its prior approval to such conversion plan.

At the expiry of the transitional period, the Council, on the basis of an opinion of the Commission and after the Economic and Social Committee and the Assembly have been consulted, may:

- (a) acting by means of a qualified majority vote, rule that all or part of the assistance referred to in Article 125 shall no longer be granted; or
- (b) acting by means of a unanimous vote, determine the new tasks which may be entrusted to the Fund within the framework of its mandate as defined in Article 123.

Article 127

On a proposal of the Commission and after the Economic and Social Committee and the Assembly have been consulted, the Council, acting by means of a qualified majority vote, shall lay down the provisions necessary for the implementation of Articles 124 to 126 inclusive; in particular, it shall fix details concerning the conditions under which the assistance of the Fund shall be granted in accordance with the terms of Articles 125 and also concerning the categories of enterprises whose workers shall benefit from the aids provided for in Article 125, paragraph 1 (b).

Article 128

The Council shall, on a proposal of the Commission and after the Economic and Social Committee has been consulted, establish general principles for the implementation of a common policy of occupational training capable of contributing to the harmonious development both of national economies and of the Common Market.

TITLE IV

THE EUROPEAN INVESTMENT BANK

Article 129

A European Investment Bank having legal personality shall hereby be established.

The members of the European Investment Bank shall be the Member States.

The Statute of the European Investment Bank shall form the subject of a Protocol annexed to this Treaty.

The task of the European Investment Bank shall be to contribute, by calling on the capital markets and its own resources, to the balanced and smooth development of the Common Market in the interest of the Community. For this purpose, the Bank shall by granting loans and guarantees on a non-profit-making basis facilitate the financing of the following projects in all sectors of the economy:

- (a) projects for developing less developed regions,
- (b) projects for modernising or converting enterprises or for creating new activities which are called for by the progressive establishment of the Common Market where such projects by their size or nature cannot be entirely financed by the various means available in each of the Member States; and
- (c) projects of common interest to several Member States which by their size or nature cannot be entirely financed by the various means available in each of the Member States.

PART FOUR

THE ASSOCIATION OF OVERSEAS COUNTRIES AND TERRITORIES

Article 131

The Member States hereby agree to bring into association with the Community the non-European countries and territories which have special relations with Belgium, France, Italy and the Netherlands. These countries and territories, hereinafter referred to as "the countries and territories", are listed in Annex IV to this Treaty.

The purpose of this association shall be to promote the economic and social development of the countries and territories and to establish close economic relations between them and the Community as a whole.

In conformity with the principles stated in the Preamble to this Treaty, this association shall in the first place permit the furthering of the interests and prosperity of the inhabitants of these countries and territories in such a manner as to lead them to the economic, social and cultural development which they expect.

Article 132

Such association shall have the following objects:

- 1. Member States shall, in their commercial exchanges with the countries and territories, apply the same rules which they apply among themselves pursuant to this Treaty.
- 2. Each country or territory shall apply to its commercial exchanges with Member States and with the other countries and territories the same rules which it applies in respect of the European State with which it has special relations.

- 3. Member States shall contribute to the investments required by the progressive development of these countries and territories.
- 4. As regards investments financed by the Community, participation in tenders and supplies shall be open, on equal terms, to all natural and legal persons being nationals of Member States or of the countries and territories.
- 5. In relations between Member States and the countries and territories, the right of establishment of nationals and companies shall be regulated in accordance with the provisions, and by application of the procedures, referred to in the Chapter relating to the right of establishment and on a non-discriminatory basis, subject to the special provisions made pursuant to Article 136.

- 1. Imports originating in the countries or territories shall, on their entry into Member States, benefit by the total abolition of customs duties which shall take place progressively between Member States in conformity with the provisions of this Treaty.
- 2. Customs duties imposed on imports from Member States and from countries or territories shall, on the entry of such imports into any of the other countries or territories, be progressively abolished in conformity with the provisions of Articles 12, 13, 14, 15 and 17.
- 3. The countries and territories may, however, levy customs duties which correspond to the needs of their development and to the requirements of their industrialisation or which, being of a fiscal nature, have the object of contributing to their budgets.

The duties referred to in the preceding sub-paragraph shall be progressively reduced to the level of those imposed on imports of products coming from the Member State with which each country or territory has special relations. The percentages and the timing of the reductions provided for under this Treaty shall apply to the difference between the duty imposed, on entry into the importing country or territory, on a product coming from the Member State which has special relations with the country or territory concerned and the duty imposed on the same product coming from the Community.

- 4. Paragraph 2 shall not apply to countries and territories which, by reason of the special international obligations by which they are bound, already apply a non-discriminatory customs tariff at the date of the entry into force of this Treaty.
- 5. The establishment or amendment of customs duties imposed on goods imported into the countries and territories shall not, either *de jure* or de *facto*, give rise to any direct or indirect discrimination between imports coming from the various Member States.

If the level of the duties applicable to goods coming from a third country on entry into a country or territory is likely, having regard to the application of the provisions of Article 133, paragraph 1, to cause diversions of commercial traffic to the detriment of any Member State, the latter may request the Commission to propose to the other Member States the measures necessary to remedy the situation.

Article 135

Subject to the provisions relating to public health, public safety and public order, the freedom of movement in Member States of workers from the countries and territories, and in the countries and territories of workers from Member States shall be governed by subsequent conventions which shall require unanimous agreement of Member States.

Article 136

For a first period of five years as from the date of the entry into force of this Treaty, an Implementing Convention annexed to this Treaty shall determine the particulars and procedure concerning the association of the countries and territories with the Community.

Before the expiry of the Convention provided for in the preceding sub-paragraph, the Council, acting by means of a unanimous vote, shall, proceeding from the results achieved and on the basis of the principles set out in this Treaty, determine the provisions to be made for a further period.

PART FIVE

INSTITUTIONS OF THE COMMUNITY

TITLE I

PROVISIONS GOVERNING INSTITUTIONS

Chapter 1

IMSTITUTIONS

Section 1
THE ASSEMBLY

Article 137

The Assembly, which shall be composed of representatives of the peoples of the States united within the Community, shall exercise the powers of deliberation and of control which are conferred upon it by this Treaty.

- 1. The Assembly shall be composed of delegates whom the Parliaments shall be called upon to appoint from among their members in accordance with the procedure laid down by each Member State.
- 2. The number of these delegates shall be fixed as follows:

Belgium	14
Germany	36
France	36
Italy	36
Luxembourg	6
Netherlands	14

3. The Assembly shall draw up proposals for elections by direct universal suffrage in accordance with a uniform procedure in all Member States.

The Council, acting by means of a unanimous vote, shall determine the provisions which it shall recommend to Member States for adoption in accordance with their respective constitutional rules.

Article 139

The Assembly shall hold an annual session. It shall meet as of right on the third Tuesday in October.

The Assembly may meet in extraordinary session at the request of a majority of its members or at the request of the Council or of the Commission.

Article 140

The Assembly shall appoint its President and its officers from among its members.

Members of the Commission may attend all meetings and shall at their request, be heard on behalf of the Commission.

The Commission shall reply orally or in writing to questions put to it by the Assembly or its members.

The Council shall be heard by the Assembly under the conditions which the Council shall lay down in its rules of procedure.

Article 141

Except where otherwise provided for in this Treaty, the Assembly shall act by means of an absolute majority of the votes cast.

The quorum shall be laid down in the rules of procedure.

The Assembly shall adopt its rules of procedure by a vote of the majority of its members.

The records of the Assembly shall be published in accordance with the provisions of its rules of procedure.

Article 143

The Assembly shall discuss in public meeting the annual general report submitted to it by the Commission.

Article 144

If a motion of censure concerning the activities of the Commission is introduced in the Assembly, a vote may be taken thereon only after a period of not less than three days following its introduction, and such vote shall be by open ballot.

If the motion of censure is adopted by a two-thirds majority of the votes cast, representing a majority of the members of the Assembly, the members of the Commission shall resign their office in a body. They shall continue to carry out current business until their replacement in accordance with the provisions of Article 158 has taken place.

Section 2

THE COUNCIL

Article 145

With a view to ensuring the achievement of the objectives laid down in this Treaty, and under the conditions provided for therein, the Council shall:

- —ensure the co-ordination of the general economic policies of the Member States, and
- -dispose of a power of decision.

Article 146

The Council shall be composed of representatives of the Member States. Each Government shall delegate to it one of its members.

The office of President shall be exercised for a term of six months by each member of the Council in rotation according to the alphabetical order of the Member States.

Article 147

Meetings of the Council shall be called by the President acting on his own initiative or at the request of a member or of the Commission.

- 1. Except where otherwise provided for in this Treaty, the conclusions of the Council shall be reached by a majority vote of its members.
- 2. Where conclusions of the Council require a qualified majority, the votes of its members shall be weighted as follows:

Belgium			2
Germany .			4
France			
Italy			4
Luxembourg			1
Netherlands			2

Majorities shall be required for the adoption of any conclusions as follows:

- —twelve votes in cases where this Treaty requires a previous proposal of the Commission, or
- —twelve votes including a favourable vote by at least four members in all other cases.
- 3. Abstentions by members either present or represented shall not prevent the adoption of Council conclusions requiring unanimity.

Article 149

When, pursuant to this Treaty, the Council acts on a proposal of the Commission, it shall, where the amendment of such proposal is involved, act only by means of a unanimous vote.

As long as the Council has not so acted, the Commission may amend its original proposal, particularly in cases where the Assembly has been consulted on the proposal concerned.

Article 150

In case of a vote, any member of the Council may act as proxy for not more than one other member.

Article 151

The Council shall adopt its rules of procedure.

These rules of procedure may provide for the establishment of a committee composed of representatives of Member States. The Council shall determine the task and competence of that committee.

Article 152

The Council may request the Commission to undertake any studies which the Council considers desirable for the achievement of the common objectives, and to submit to it any appropriate proposals.

The Council shall, after obtaining the opinion of the Commission, lay down the status of the Committees provided for in this Treaty.

Article 154

The Council, acting by means of a qualified majority vote, shall fix the salaries, allowances and pensions of the President and members of the Commission, and of the President, judges, advocates-general and registrar of the Court of Justice. The Council shall also fix, by means of the same majority, any allowances to be granted in lieu of remuneration.

Section 3

THE COMMISSION

Article 155

With a view to ensuring the functioning and development of the Common Market, the Commission shall:

- —ensure the application of the provisions of this Treaty and of the provisions enacted by the institutions of the Community in pursuance thereof;
- —formulate recommendations or opinions in matters which are the subject of this Treaty, where the latter expressly so provides or where the Commission considers it necessary:
- —under the conditions laid down in this Treaty dispose of a power of decision of its own and participate in the preparation of acts of the Council and of the Assembly; and
- —exercise the competence conferred on it by the Council for the implementation of the rules laid down by the latter.

Article 156

The Commission shall annually, not later than one month before the opening of the Assembly session, publish a general report on the activities of the Community.

Article 157

1. The Commission shall be composed of nine members chosen for their general competence and of indisputable independence.

The number of members of the Commission may be amended by a unanimous vote of the Council.

Only nationals of Member States may be members of the Commission.

The Commission may not include more than two members having the nationality of the same State.

2. The members of the Commission shall perform their duties in the general interest of the Community with complete independence.

In the performance of their duties, they shall not seek or accept instructions from any Government or other body. They shall refrain from any action incompatible with the character of their duties. Each Member State undertakes to respect this character and not to seek to influence the members of the Commission in the performance of their duties.

The members of the Commission may not, during their term of office, engage in any other paid or unpaid professional activity. When entering upon their duties, they shall give a solemn undertaking that, both during and after their term of office, they will respect the obligations resulting therefrom and in particular the duty of exercising honesty and discretion as regards the acceptance, after their term of office, of certain functions or advantages. Should these obligations not be respected, the Court of Justice, on the application of the Council or of the Commission, may according to circumstances rule that the member concerned either be removed from office in accordance with the provisions of Article 160 or forfeit his right to a pension or other advantages in lieu thereof.

Article 158

The Members of the Commission shall be appointed by the Governments of Member States acting in common agreement.

Their term of office shall be for a period of four years. It shall be renewable.

Article 159

Apart from retirements in regular rotation and the case of death, the duties of a member of the Commission shall be terminated in individual cases by voluntary resignation or by removal from office.

Vacancies thus caused shall be filled for the remainder of the term of office. The Council, acting by means of a unanimous vote, may decide that such vacancies need not be filled.

Except in the case of removal from office referred to in Article 160, a member of the Commission shall remain in office until provision has been made for his replacement.

Article 160

If any member of the Commission no longer fulfils the conditions required for the performance of his duties or if he commits a serious offence, the Court of Justice, acting on a petition of the Council or of the Commission, may declare him removed from office. In such case the Council, acting by means of a unanimous vote, may provisionally suspend the member from his duties and make provision for his replacement pending the ruling of the Court of Justice.

The Court of Justice may, on a petition of the Council or of the Commission, provisionally suspend such member from his duties.

Article 161

The President and the two Vice-Presidents of the Commission shall be appointed from among its members for a term of two years in accordance with the same procedure as that laid down for the appointment of members of the Commission. Their term of office shall be renewable.

Except in the case of an entire renewal of the Commission, such appointments shall be made after the Commission has been consulted.

In the event of resignation or death, the President and the Vice-Presidents shall be replaced for the remainder of their terms of office in accordance with the procedure laid down in the first paragraph of this Article.

Article 162

The Council and the Commission shall consult each other and shall settle by mutual agreement the particulars of their collaboration.

The Commission shall adopt its rules of procedure with a view to ensuring its own functioning and that of its services in accordance with the provisions of this Treaty. It shall be responsible for the publication of its rules of procedure.

Article 163

The conclusions of the Commission shall be reached by a majority of the number of members provided for in Article 157.

A meeting of the Commission shall only be valid if the number of members laid down in its rules of procedure are present.

Section 4

THE COURT OF JUSTICE

Article 164

The Court of Justice shall ensure observance of law and justice in the interpretation and application of this Treaty.

Article 165

The Court of Justice shall be composed of seven judges.

The Court of Justice shall sit in plenary session. It may, however, set up

chambers, each composed of three or five judges, in order either to conduct certain enquiries or to judge certain categories of cases in accordance with provisions to be laid down in rules for this purpose.

The Court of Justice shall, however, always sit in plenary session in order to hear cases submitted to it by a Member State or by one of the institutions of the Community or to deal with preliminary questions submitted to it pursuant to Article 177.

Should the Court of Justice so request, the Council may, by means of a unanimous vote, increase the number of judges and make the requisite amendments to the second and third paragraphs of this Article and to Article 167, second paragraph.

Article 166

The Court of Justice shall be assisted by two advocates-general.

The duty of the advocate-general shall be to present publicly, with complete impartiality and independence, reasoned conclusions on cases submitted to the Court of Justice, with a view to assisting the latter in the performance of its duties as laid down in Article 164.

Should the Court of Justice so request, the Council may, by means of a unanimous vote, increase the number of advocates-general and make the requisite amendments to Article 167, third paragraph.

Article 167

The judges and the advocates-general shall be chosen from among persons of indisputable independence who fulfil the conditions required for the holding of the highest judicial office in their respective countries or who are jurists of a recognised competence; they shall be appointed for a term of six years by the Governments of Member States acting in common agreement.

A partial renewal of the Court of Justice shall take place every three years. It shall affect three and four judges alternately. The three judges whose terms of office are to expire at the end of the first period of three years shall be chosen by lot.

A partial renewal of the advocates-general shall take place every three years. The advocate-general whose term of office is to expire at the end of the first period of three years shall be chosen by lot.

The retiring judges and advocates-general shall be eligible for reappointment.

The judges shall appoint from among their members the President of the Court of Justice for a term of three years. Such term shall be renewable.

Article 168

The Court of Justice shall appoint its registrar and determine his status.

If the Commission considers that a Member State has failed to fulfil any of its obligations under this Treaty, it shall give a reasoned opinion on the matter after requiring such State to submit its comments.

If such State does not comply with the terms of such opinion within the period laid down by the Commission, the latter may refer the matter to the Court of Justice.

Article 170

Any Member State which considers that another Member State has failed to fulfil any of its obligations under this Treaty may refer the matter to the Court of Justice.

Before a Member State institutes, against another Member State, proceedings relating to an alleged infringement of the obligations under this Treaty, it shall refer the matter to the Commission.

The Commission shall give a reasoned opinion after the States concerned have been required to submit their comments in written and oral pleadings.

If the Commission, within a period of three months after the date of reference of the matter to it, has not given an opinion, reference to the Court of Justice shall not hereby be prevented.

Article 171

If the Court of Justice finds that a Member State has failed to fulfil any of its obligations under this Treaty, such State shall take the measures required for the implementation of the judgment of the Court.

Article 172

The regulations laid down by the Council pursuant to the provisions of this Treaty may confer on the Court of Justice full jurisdiction in respect of penalties provided for in such regulations.

Article 173

The Court of Justice shall review the lawfulness of acts other than recommendations or opinions of the Council and the Commission. For this purpose, it shall be competent to give judgment on appeals by a Member State, the Council or the Commission on grounds of incompetence, of errors of substantial form, of infringement of this Treaty or of any legal provision relating to its application, or of abuse of power.

Any natural or legal person may, under the same conditions, appeal against a decision addressed to him or against a decision which, although in the form of

a regulation or a decision addressed to another person, is of direct and specific concern to him.

The appeals provided for in this Article shall be lodged within a period of two months dating, as the case may be, either from the publication of the act concerned or from its notification to the appellant or, failing that, from the day on which the latter had knowledge of that act.

Article 174

If the appeal is well founded, the Court of Justice shall declare the act concerned to be null and void.

In the case of regulations, however, the Court of Justice shall, if it considers it necessary, indicate those effects of the regulation annulled which shall be deemed to remain in force.

Article 175

In the event of the Council or the Commission in violation of this Treaty failing to act, the Member States and the other institutions of the Community may refer the matter to the Court of Justice with a view to establishing such violation.

Such appeal shall only be admissible if the institution concerned has previously been invited to act. If, at the expiry of a period of two months after such invitation that institution has not stated its attitude, the appeal may be lodged within a further period of two months.

Any natural or legal person may submit to the Court of Justice, under the conditions laid down in the preceding paragraphs, a complaint to the effect that one of the institutions of the Community has failed to address to him an act other than a recommendation or an opinion.

Article 176

An institution originating an act subsequently declared null and void or an institution whose failure to act has been declared contrary to the provisions of this Treaty shall take the measures required for the implementation of the judgment of the Court of Justice.

This obligation shall not affect any obligation arising from the application of Article 215, second paragraph.

Article 177

The Court of Justice shall be competent to make a preliminary decision concerning:

- (a) the interpretation of this Treaty;
- (b) the validity and interpretation of acts of the institutions of the Community; and

(c) the interpretation of the statutes of any bodies set up by an act of the Council, where such statutes so provide.

Where any such question is raised before a court or tribunal of one of the Member States, such court or tribunal may, if it considers that its judgment depends on a preliminary decision on this question, request the Court of Justice to give a ruling thereon.

Where any such question is raised in a case pending before a domestic court or tribunal from whose decisions no appeal lies under municipal law, such court or tribunal shall refer the matter to the Court of Justice.

Article 178

The Court of Justice shall be competent to hear cases relating to compensation for damage as provided for in Article 215, second paragraph.

Article 179

The Court of Justice shall be competent to decide in any case between the Community and its employees, within the limits and under the conditions laid down by the relevant statute of service or conditions of employment.

Article 180

The Court of Justice shall be competent, within the limits laid down below, to hear cases concerning:

- (a) the fulfilment by Member States of the obligations arising under the Statute of the European Investment Bank. The Board of Directors of the Bank shall, in this respect, dispose of the powers conferred upon the Commission by Article 169;
- (b) the conclusions of the Board of Governors of the Bank. Any Member State, the Commission or the Board of Directors of the Bank may lodge an appeal in this matter under the conditions laid down in Article 173; and
- (c) the conclusions of the Board of Directors of the Bank. Appeals against such conclusions may be lodged, under the conditions laid down in Article 173, provided that they may only be lodged by a Member State or by the Commission, and only on the grounds of an infringement of formal procedures laid down in Article 21, paragraph 2 and paragraphs 5 to 7 inclusive of the Statute of the Bank.

Article 181

The Court of Justice shall be competent to make a decision pursuant to any arbitration clause contained in a contract concluded, under public or private law, by or on behalf of the Community.

The Court of Justice shall be competent to decide in any dispute between Member States in connection with the object of this Treaty, where such dispute is submitted to it under the terms of a compromise.

Article 183

Subject to the powers conferred on the Court of Justice by this Treaty, cases to which the Community is a party shall not for that reason alone be excluded from the competence of domestic courts or tribunals.

Article 184

Where a regulation of the Council or of the Commission is the subject of a dispute in legal proceedings, any of the parties concerned may, notwithstanding the expiry of the period laid down in Article 173, 'third paragraph invoke the grounds set out in Article 173, first paragraph in order to allege before the Court of Justice that the regulation concerned is inapplicable.

Article 185

Appeals submitted to the Court of Justice shall not have any staying effect. The Court of Justice may, however, if it considers that circumstances so require, order the suspension of the execution of the act appealed against.

Article 186

The Court of Justice may, in any cases referred to it, make any necessary interim order.

Article 187

The judgments of the Court of Justice shall be enforceable under the conditions laid down in Article 192.

Article 188

The Statute of the Court of Justice shall be laid down in a separate Protocol. The Court of Justice shall adopt its rules of procedure. They shall be submitted to the Council for unanimous approval.

Chapter 2

Provisions common to several Institutions

Article 189

For the achievement of their aims and under the conditions provided for in this Treaty, the Council and the Commission shall adopt regulations and directives, make decisions and formulate recommendations or opinions. Regulations shall have a general application. They shall be binding in every respect and directly applicable in each Member State.

Directives shall bind any Member State to which they are addressed, as to the result to be achieved, while leaving to domestic agencies a competence as to form and means.

Decisions shall be binding in every respect for the addressees named therein. Recommendations and opinions shall have no binding force.

Article 190

The regulations, directives and decisions of the Council and of the Commission shall be supported by reasons and shall refer to any proposals or opinions which are to be obtained pursuant to this Treaty.

Article 191

The regulations shall be published in the Official Journal of the Community. They shall enter into force on the date fixed in them or, failing this, on the twentieth day following their publication.

Directives and decisions shall be notified to their addressees and shall take effect upon such notification.

Article 192

Decisions of the Council or of the Commission which contain a pecuniary obligation on persons other than States shall be enforceable.

Forced execution shall be governed by the rules of civil procedure in force in the State in whose territory it takes place. The writ of execution shall be served, without other formality than the verification of the authenticity of the written act, by the domestic authority which the Government of each Member State shall designate for this purpose and of which it shall give notice to the Commission and to the Court of Justice.

After completion of these formalities at the request of the party concerned, the latter may, in accordance with municipal law, proceed with such forced execution by applying directly to the authority which is competent.

Forced execution may only be suspended pursuant to a decision of the Court of Justice. Supervision as to the regularity of the measures of execution shall, however, be within the competence of the domestic courts or tribunals.

Chapter 3

THE ECONOMIC AND SOCIAL COMMITTEE

Article 193

There shall hereby be established an Economic and Social Committee with consultative status.

The Committee shall be composed of representatives of the various categories of economic and social life, in particular, representatives of producers, agriculturists, transport operators, workers, merchants, artisans, the liberal professions and of the general interest.

Article 194

The number of members of the Committee shall be fixed as follows:

Belgium			12
Germany			24
France			24
Italy			24
Luxembourg			5
Netherlands .			12

The members of the Committee shall be appointed for a term of four years by the Council acting by means of a unanimous vote. This term shall be renewable.

The members of the Committee shall be appointed in their personal capacity and shall not be bound by any mandatory instructions.

Article 195

1. With a view to the appointment of the members of the Committee, each Member State shall send to the Council a list containing twice as many candidates as there are seats allotted to its nationals.

The Committee shall be composed in such a manner as to secure adequate representation of the different categories of economic and social life.

2. The Council shall consult the Commission. It may obtain the opinion of European organisations representing the various economic and social sectors concerned in the activities of the Community.

Article 196

The Committee shall appoint from among its members its chairman and officers for a term of two years.

It shall adopt its rules of procedure and shall submit them for approval to the Council which shall act by means of a unanimous vote.

The Committee shall be convened by its chairman at the request of the Council or of the Commission.

Article 197

The Committee shall include specialised sections for the main fields covered by this Treaty.

It shall contain, in particular, an agricultural section and a transport section, which are the subject of special provisions included in the Titles relating to agriculture and transport.

These specialised sections shall operate within the framework of the general competence of the Committee. They may not be consulted independently of the Committee.

Sub-committees may also be established within the Committee in order to prepare, in specific matters or fields, draft opinions to be submitted to the Committee for consideration.

The rules of procedure shall determine the particulars of the composition of, and the rules of competence concerning, the specialised sections and sub-committees.

Article 198

The Committee shall be consulted by the Council or by the Commission in the cases provided for in this Treaty. The Committee may be consulted by these institutions in all cases in which they deem it appropriate.

The Council or the Commission shall, if it considers it necessary, lay down for the submission by the Committee of its opinion a time-limit which may not be less than ten days after the communication has been addressed to the chairman for this purpose. If, on the expiry of such time-limit, an opinion has not been submitted, the Council or the Commission may proceed without it.

The opinion of the Committee and that of the specialised section, together with a record of the deliberations, shall be transmitted to the Council and to the Commission.

TITLE II

FINANCIAL PROVISIONS

Article 199

Estimates shall be drawn up for each financial year for all revenues and expenditures of the Community, including those relating to the European Social Fund, and shall be shown in the budget.

The budget shall be in balance as to revenues and expenditures.

Article 200

1. The revenues of the budget shall comprise, apart from any other revenues, the financial contributions of Member States fixed according to the following scale:

Belgium	•		7.9
Germany			28
France			28
Italy			28
Luxembourg			0.2
Netherlands .			7.9

2. The financial contributions of Member States, however, which are intended to meet the expenses of the European Social Fund, shall be fixed according to the following scale:

Belgium			8.8
Germany			32
France			32
Italy			2 0
Luxembourg			0.2
Netherlands .			7

3. The scales may be amended by the Council acting by means of a unanimous vote.

Article 201

The Commission shall study the conditions under which the financial contributions of Member States provided for in Article 200 may be replaced by other resources of the Community itself, in particular, by revenue accruing from the common customs tariff when the latter has been definitely introduced.

For this purpose, the Commission shall submit proposals to the Council.

The Council, acting by means of a unanimous vote and after consulting the Assembly on such proposals, may lay down the provisions whose adoption it shall recommend to the Member States in accordance with their respective constitutional rules.

Article 202

The expenditure entered in the budget shall be authorised for the duration of one financial year, unless any provisions to the contrary are contained in the regulations adopted pursuant to Article 209.

Subject to the conditions to be laid down pursuant to Article 209, any such appropriations other than those relating to staff costs as are unexpended at the end of the financial year may be carried over, but not beyond the end of the following financial year.

Appropriations shall be set out under different headings according to the type or purpose of such expenditure and subdivided, as far as necessary, in accordance with the regulations adopted pursuant to Article 209.

The expenses of the Assembly, the Council, the Commission and the Court of Justice shall be set out in separate parts of the budget, without prejudice to the setting up of a special system for certain common expenses.

Article 203

- 1. The financial year shall run from 1 January to 31 December inclusive.
- 2. Each of the institutions of the Community shall draw up provisional estimates of its expenses. The Commission shall combine these estimates in a preliminary draft budget. It shall attach its opinion which may contain divergent estimates.

The preliminary draft budget shall be laid before the Council by the Commission not later than 30 September of the year preceding that of its implementation.

The Council shall, whenever it intends to depart from the preliminary draft, consult the Commission and, where appropriate, the other institutions concerned.

3. The Council, acting by means of a qualified majority vote, shall establish the draft budget and shall then transmit it to the Assembly.

The draft budget shall be laid before the Assembly not later than 31 October of the year preceding that of its implementation.

The Assembly shall be entitled to propose to the Council amendments to the draft budget.

4. If, within a period of one month after receiving the draft budget, the Assembly has either stated its approval or has not transmitted an opinion to the Council, the draft budget shall be considered as finally adopted.

If, within this period, the Assembly has proposed any amendments, the draft budget so amended shall be transmitted to the Council. The Council shall then discuss it with the Commission and, where appropriate, with the other institutions concerned and shall finally adopt the budget by means of a qualified majority vote.

5. For the adoption of the section of the budget relating to the European Social Fund the votes of the members of the Council shall be weighted as follows:

Belgium			8
Germany			32
France			32
ltaly			2 0
Luxembourg			1
Netherlands .			7

A majority of at least 67 votes shall be required for the adoption af any conclusions.

Article 204

If, at the beginning of the financial year, the budget has not yet been voted, expenditures may be effected on a monthly basis per heading or other division of

the budget, according to the provisions of the regulations adopted pursuant to Article 209, up to one-twelfth of the budget appropriations for the preceding financial year, provided that the amount so made available to the Commission shall not exceed one-twelfth of the total appropriations shown in the draft budget in course of preparation.

The Council, acting by means of a qualified majority vote, may, subject to observance of the other provisions laid down in the first paragraph, authorise expenditure in excess of one-twelfth of the appropriations.

Member States shall pay every month, on a provisional basis and in accordance with the scales adopted for the previous financial year, the amounts necessary to ensure implementation of this Article.

Article 205

The Commission shall, in accordance with the provisions of the regulations adopted pursuant to Article 209, implement the budget on its own responsibility and within the limits of the appropriations made.

Such regulations shall lay down the particular procedure according to which each institution shall participate in the expenditure of its own funds.

Within the budget, the Commission may, subject to the limits and conditions laid down in the regulations adopted pursuant to Article 209, transfer funds as between the various headings or subheadings.

Article 206

The accounts of all the revenues and expenditures of the budget shall be examined by a committee of control composed of auditors of indisputable independence of whom one shall be the chairman. The Council, acting by means of a unanimous vote, shall fix the number of auditors. The auditors and the chairman of the committee of control shall be appointed by the Council, acting by means of a unanimous vote, for a period of five years. Their remuneration shall be determined by the Council acting by means of a qualified majority vote.

The auditing of the accounts, which shall be based on vouchers and shall take place, if necessary, on the spot, shall be designed to ascertain that all revenues and expenditures are lawful and proper and that the financial management is sound. After the winding up of each budget, the committee of control shall draw up a report the adoption of which shall require a majority vote of its members.

The Commission shall annually submit to the Council and to the Assembly the accounts of the preceding financial year in respect of the budget, together with the report of the committee of control. The Commission shall also communicate to them a balance sheet showing the assets and liabilities of the Community.

The Council, acting by means of a qualified majority vote, shall give the Commission a discharge in respect of the implementation of the budget. The Council shall communicate such decision to the Assembly.

The budget shall be drawn up in the unit of account fixed in accordance with the provisions of the financial regulations adopted pursuant to Article 209.

The financial contributions provided for in Article 200, paragraph 1, shall be made available to the Community by Member States in their respective domestic currencies.

The available balances of these contributions shall be deposited with the Treasuries of Member States or with bodies designated by them. The funds, while on deposit, shall retain their par value in relation to the unit of account mentioned in the first paragraph, such par value being that in force at the date of deposit.

These balances may be placed under conditions to be settled in agreements concluded between the Commission and the Member State concerned.

The regulations adopted pursuant to Article 209 shall determine the technical conditions for carrying out the financial operations relating to the European Social Fund.

Article 208

The Commission may, provided it notifies the competent authorities of the Member States concerned, transfer its holdings in the currency of any one Member State into the currency of another Member State, in so far as this may be necessary in order to enable such funds to be used for the purposes for which they are intended in accordance with this Treaty. The Commission shall, as far as possible, refrain from making such transfers if it possesses liquid or realisable assets in the currencies which it needs.

The Commission shall communicate with each Member State through the channel of the authority designated by the State concerned. For the carrying out of financial operations, the Commission shall have recourse to the services of the bank of issue of the Member State concerned or of any other financial institution approved by that State.

Article 209

The Council, acting by means of a unanimous vote on a proposal of the Commission, shall:

- (a) lay down the financial regulations specifying, in particular, the procedure to be adopted for establishing and implementing the budget, and for rendering and auditing accounts;
- (b) determine the methods and procedure whereby the contributions by Member States shall be made available to the Commission; and
- (c) establish rules concerning the responsibility of pay-commissioners and accountants and arrange for the relevant supervision.

PART SIX

GENERAL AND FINAL PROVISIONS

Article 210

The Community shall have legal personality.

Article 211

The Community shall in each of the Member States possess the most extensive legal capacity accorded to legal persons under their respective municipal law; it may, in particular, acquire or transfer movable and immovable property and may sue and be sued in its own name. For this purpose, the Community shall be represented by the Commission.

Article 212

The Council, acting by means of a unanimous vote, shall, in collaboration with the Commission and after consulting the other institutions concerned, lay down the statute of service for officials and the conditions of employment for other employees of the Community.

After the expiry of the fourth year following the entry into force of this Treaty, this statute and these conditions may be amended by the Council acting by means of a qualified majority vote on a proposal of the Commission and after the other institutions concerned have been consulted.

Article 213

For the performance of the tasks entrusted to it, the Commission may collect any information and verify any matters within the limits and under the conditions laid down by the Council in accordance with the provisions of this Treaty.

Article 214

The members of the Community's institutions, the members of committees as well as officials and other employees of the Community shall be required, even after the termination of their functions, not to disclose information which by its nature is a professional secret and, in particular, information relating to enterprises and concerning their commercial relations or the components of their production costs.

Article 215

The contractual liability of the Community shall be governed by the law applying to the contract concerned.

As regards non-contractual liability, the Community shall, in accordance with the general principles common to the laws of Member States, make reparation for any damage caused by its institutions or by its employees in the performance of their duties.

The personal liability of employees towards the Community shall be determined in the provisions establishing the statute of service or the conditions of employment applicable to them.

Article 216

The seat of the Community's institutions shall be fixed by the Governments of the Member States acting in common agreement.

Article 217

The rules concerning the languages of the institutions of the Community shall, without prejudice to the provisions laid down in the rules of the Court of Justice, be determined by the Council acting by means of a unanimous vote.

Article 218

The Community shall, under conditions defined in a separate Protocol, enjoy in the territories of the Member States the privileges and immunities necessary for the achievement of its aims.

Article 219

Member States undertake not to submit a dispute concerning the interpretation or application of this Treaty to any method of settlement other than those provided for in this Treaty.

Article 220

Member States shall, in so far as necessary, engage in negotiations with each other with a view to ensuring for the benefit of their nationals:

- —the protection of persons as well as the enjoyment and protection of rights under the conditions granted by each State to its own nationals;
 - —the elimination of double taxation within the Community;
- —the mutual recognition of companies within the meaning of Article 58, second paragraph, the maintenance of their legal personality in cases where the registered office is transferred from one country to another, and the possibility for companies subject to the municiapl law of different Member States to form mergers; and
- —the simplification of the formalities governing the reciprocal recognition and execution of judicial decisions and of arbitral awards.

Article 221

Within a period of three years after the date of the entry into force of this Treaty, Member States shall treat nationals of other Member States in the same

manner, as regards financial participation by such nationals in the capital of companies within the meaning of Article 58, as they treat their own nationals, without prejudice to the application of the other provisions of this Treaty.

Article 222

This. Treaty shall in no way prejudice the system existing in Member States in respect of property.

Article 223

- 1. The provisions of this Treaty shall not detract from the following rules:
- (a) No Member State shall be obliged to supply information the disclosure of which it considers contrary to the essential interests of its security;
- (b) Any Member State may take the measures which it considers necessary for the protection of the essential interests of its security, and which are connected with the production of or trade in arms, ammunition and war material; such measures shall not, however, prejudice conditions of competition in the Common Market in respect of products not intended for specifically military purposes.
- 2. In the course of the first year after the date of the entry into force of this Treaty, the Council, acting by means of a unanimous vote, shall determine the list of products to which the provisions of paragraph 1 (b) shall apply.
- 3. The Council, acting by means of a unanimous vote on a proposal of the Commission, may amend the said list.

Article 224

Member States shall consult one another for the purpose of enacting in common the necessary provisions to prevent the functioning of the Common Market from being affected by measures which a Member State may be called upon to take in case of serious internal disturbances affecting public order, in case of war or of serious international tension constituting a threat of war or in order to carry out undertakings into which it has entered for the purpose of maintaining peace and international security.

Article 225

If measures taken in the cases mentioned in Articles 223 and 224 have the effect of distorting conditions of competition in the Common Market, the Commission shall, together with the State concerned, examine the conditions under which these measures may be adapted to the rules established by this Treaty.

Notwithstanding the procedure provided for in Articles 169 and 170, the Commission or any Member State may make direct reference to the Court of Justice if it considers that another Member State is making an improper use of the powers provided for under Articles 223 and 224. The Court of Justice shall sit *in camera*.

- 1. In the course of the transitional period, where there are serious difficulties which are likely to persist in any sector of economic activity or difficulties which may seriously impair the economic situation in any region, a Member State may ask for authorisation to take measures of safeguard in order to restore the situation and adapt the sector concerned to the Common Market economy.
- 2. At the request of the State concerned, the Commission shall by an expedited procedure immediately determine the measures of safeguard which it considers necessary, specifying the conditions and particulars of application.
- 3. The measures authorised under paragraph 2 may include derogations from the provisions of this Treaty, to the extent and for the periods strictly necessary for the achievement of the objects referred to in paragraph 1. Priority shall be given in the choice of such measures to those which will least disturb the functioning of the Common Market.

Article 227

- 1. This Treaty shall apply to the Kingdom of Belgium, the Federal Republic of Germany, the French Republic, the Italian Republic, the Grand Duchy of Luxembourg and the Kingdom of the Netherlands.
- 2. With regard to Algeria and the French overseas departments, the general and special provisions of this Treaty relating to:
 - —the free movement of goods,
 - -agriculture, with the exception of Article 40, paragraph 4,
 - —the liberalisation of services.
 - -the rules of competition,
 - -the measures of safeguard provided for in Articles 108, 109 and 226, and
 - —the institutions,

shall apply as from the date of the entry into force of this Treaty.

The conditions for the application of the other provisions of this Treaty shall be determined, not later than two years after the date of its entry into force, by decisions of the Council acting by means of a unanimous vote on a proposal of the Commission.

The institutions of the Community shall, within the framework of the procedures provided for in this Treaty and, in particular, of Article 226, ensure the possibility of the economic and social development of the regions concerned.

- 3. The overseas countries and territories listed in Annex IV to this Treaty shall be the subject of the special system of association described in Part IV of this Treaty.
- 4. The provisions of this Treaty shall apply to European territories for whose external relations a Member State is responsible.

1. Where this Treaty provides for the conclusion of agreements between the Community and one or more States or an international organisation, such agreements shall be negotiated by the Commission. Subject to the powers conferred upon the Commission in this field, such agreements shall be concluded by the Council after the Assembly has been consulted in the cases provided for by this Treaty.

The Council, the Commission or a Member State may, as a preliminary, obtain the opinion of the Court of Justice as to the compatibility of the contemplated agreements with the provisions of this Treaty. An agreement which is the subject of a negative opinion of the Court of Justice may only enter into force under the conditions laid down, according to the case concerned, in Article 236.

2. Agreements concluded under the conditions laid down above shall be binding on the institutions of the Community and on Member States.

Article 229

The Commission shall be responsible for ensuring all suitable contacts with the organs of the United Nations, of their Specialised Agencies and of the General Agreement on Tariffs and Trade.

The Commission shall also ensure appropriate contacts with all international organisations.

Article 230

The Community shall establish all suitable co-operation with the Council of Europe.

Article 231

The Community shall establish with the Organisation for European Economic Co-operation close collaboration, the particulars of which shall be determined by common agreement.

Article 232

- 1. The provisions of this Treaty shall not affect those of the Treaty establishing the European Coal and Steel Community, in particular in regard to the rights and obligations of Member States, the powers of the institutions of the said Community and the rules laid down by the said Treaty for the functioning of the common market for coal and steel.
- 2. The provisions of this Treaty shall not detract from the provisions of the Treaty establishing the European Atomic Energy Community.

¹ United Nations, Treaty Series, Vol. 261, p. 140.

The provisions of this Treaty shall not be an obstacle to the existence or completion of regional unions between Belgium and Luxembourg, and between Belgium, Luxembourg and the Netherlands, in so far as the objectives of these regional unions are not achieved by application of this Treaty.

Article 234

The rights and obligations resulting from conventions concluded prior to the entry into force of this Treaty between one or more Member States, on the one hand, and one or more third countries, on the other hand, shall not be affected by the provisions of this Treaty.

In so far as such conventions are not compatible with this Treaty, the Member State or States concerned shall take all appropriate steps to eliminate any incompatibility found to exist. Member States shall, if necessary, assist each other in order to achieve this purpose and shall, where appropriate, adopt a common attitude.

Member States shall, in the application of the conventions referred to in the first paragraph, take due account of the fact that the advantages granted under this Treaty by each Member State form an integral part of the establishment of the Community and are therefore inseparably linked with the creation of common institutions, the conferring of competences upon such institutions and the granting of the same advantages by all other Member States.

Article 235

If any action by the Community appears necessary to achieve, in the functioning of the Common Market, one of the aims of the Community in cases where this Treaty has not provided for the requisite powers of action, the Council, acting by means of a unanimous vote on a proposal of the Commission and after the Assembly has been consulted, shall enact the appropriate provisions.

Article 236

The Government of any Member State or the Commission may submit to the Council proposals for the revision of this Treaty.

If the Council, after consulting the Assembly and, where appropriate, the Commission, expresses an opinion in favour of the calling of a conference of representatives of the Governments of Member States, such conference be convened by the President of the Council for the purpose of determining in common agreement the amendments to be made to this Treaty.

Such amendments shall enter into force after being ratified by all Member States in accordance with their respective constitutional rules.

Any European may apply to become a member of the Community. It shall address its application to the Council which, after obtaining the opinion of the Commission, shall act by means of a unanimous vote.

The conditions of admission and the amendments to this Treaty necessitated thereby shall be the subject of an agreement between the Member States and the applicant State. Such agreement shall be submitted to all the contracting States for ratification in accordance with their respective constitutional rules.

Article 238

The Community may conclude with a third country, a union of States or an international organisation agreements creating an association embodying reciprocal rights and obligations, joint actions and special procedures.

Such agreements shall be concluded by the Council acting by means of a unanimous vote and after consulting the Assembly.

Where such agreements involve amendments to this Treaty, such amendments shall be subject to prior adoption in accordance with the procedure laid down in Article 236.

Article 239

The Protocols which are to be annexed to this Treaty by common agreement between the Member States shall form an integral part thereof.

Article 240

This Treaty shall be concluded for an unlimited period.

THE SETTING UP OF THE INSTITUTIONS

Article 241

The Council shall meet within a period of one month after the date of the entry into force of this Treaty.

Article 242

The Council shall take all appropriate measures to constitute the Economic and Social Committee within a period of three months after the first meeting of the Council.

Article 243

The Assembly shall meet within a period of two months after the first meeting of the Council and on being convened by the President of the latter in order to elect its officers and draw up its rules of procedure. Pending the election of its officers, the Assembly shall be presided over by its oldest member.

The Court of Justice shall enter upon its duties as soon as its members have been appointed. The first appointment of the President shall be made for a period of three years under the same conditions as the appointment of its members.

The Court of Justice shall adopt its rules of procedure within a period of three months after entering upon its duties.

Reference may not be made to the Court of Justice until after the date of publication of these rules of procedure. Periods laid down for the submission of cases shall only begin to run as from that date.

The President of the Court of Justice shall, upon his appointment, exercise the powers conferred upon him by this Treaty.

Article 245

The Commission shall enter upon its duties and assume the responsibilities conferred upon it by this Treaty as soon as its members have been appointed.

The Commission shall, on entering upon its duties, undertake the studies and establish the contacts which are necessary for making a general survey of the economic situation of the Community.

Article 246

- 1. The period of the first financial year shall extend from the date of the entry into force of this Treaty to the following 31 December. If, however, this Treaty enters into force during the second half of the year, such period shall continue until 31 December of the following year.
- 2. Until the budget for the first financial year is adopted, Member States shall make to the Community non-interest-bearing advances which shall be deducted from the financial contributions relating to the implementation of the said budget.
- 3. Until the statute of service for officials and the conditions of employment applicable to other employees of the Community, as provided for in Article 212, are established, each institution shall recruit the staff it needs and shall, for this purpose, conclude contracts of limited duration.

Each institution shall examine with the Council any questions concerning the number, remuneration and distribution of posts.

FINAL PROVISIONS

Article 247

This Treaty shall be ratified by the High Contracting Parties in accordance with their respective constitutional rules. The instruments of ratification shall be deposited with the Government of the Italian Republic.

This Treaty shall enter into force on the first day of the month following the deposit of the instrument of ratification by the last signatory State to comply with this formality. If, however, such deposit is made less than fifteen days before the beginning of the following month, this Treaty shall not enter into force until the first day of the second month following the date of such deposit.

Article 248

The present Treaty, drawn up in a single original in the German, French, Italian and Netherlands languages, all four texts being equally authentic, shall be deposited in the archives of the Government of the Italian Republic which shall transmit a certified copy to each of the Governments of the other signatory States.

IN FAITH WHEREOF, the undersigned Plenipotentiaries have placed their signatures at the end of the present Treaty.

Done at Rome, on the twenty-fith day of March in the year one thousand nine hundred and fifty-seven.

P. H. SPAAK

ADENAUER

PINEAU

Antonio Segni

BECH

J. Luns

J. Ch. SNOY ET D'OPPUERS

HALLSTEIN

M. FAURE

Gaetano Martino

Lambert Schaus

J. LINTHORST HOMAN

ANNEXES

Ι

LISTS

ANNEX I

LISTS A TO G

referred to in Articles I9 and 20 of this Treaty

List A

List of tariff headings in respect of which the duties listed in column 3 below are to be taken into account for the purpose of calculating the arithmetical average

<u> </u>	- 2 -	— 3 — Duty (in %)
No. in the Brussels Nomenclature	Description of products	to be taken into account for France
ex 15.10	Acid oils from refining	18
15.11	Glycerol and Glycerol lyes:	10
	—crude ,	6
	—purified	10
19.04	Tapioca and sago; tapioca and sago substitutes obtained from	_
	potato or other starches	45
ex 28.28	Vanadic pentoxide	15
ex 28.37	Neutral sodium sulphite	20
ex 28.52	Cerous chloride; cerous sulphate	20
ex 29.01	Aromatic hydricarbons: Xylenes:	
	-isomer mixtures	20
	-orthoxylene, metaxylene, paraxylene	25
	Styrolene (styrene) monomerIsopropylbenzene (cumene)	20 25
00.00	· · · · · ·	
ex 29.02	Dichloromethane Monomer Vinylidene chloride	20 25
ex 29.03	Toluene parasulphonyl chloride	15
ex 29.15	·	30
	Dimethyl terephthalate	••
ex 29.22	Ethylenediamine and its salts	20
ex 29.23	Cyclic amino-aldehydes, cyclic amino-ketones and amino-quinones, their halogenated, sulphonated, nitrated, or nitrosated derivative	es,
	their salts and esters	25
ex 29.25	Homoveratryl amine	25
29.28	Diazo-, azo- and azoxy-compounds	25

-1-	2	- 3 -
No. in the Brussels		Duty (in %) to be taken into account
Nomenclature	Description of products	for France
ex 29.31	Disulphide of bichlorated benzyl	25
ex 29.44	Antibiotics, other than penicillin, streptomycin, chloramphenicol and their salts, and auromycin	15
ex 30.02	Anti-aphthous vaccines, strains of micro-organisms for their manufacture; anti- sera and vaccines against swine-fever	15
ex 30.03	Sarkomycin	18
ex 31.02	Mineral or chemical fertilisers, nitrogenous, composite	20
ex 31.03	Mineral or chemical fertilisers, phosphatic: single: superphosphates:	
	—of bone	10
	other mixed	12 7
ex 31.04	Mineral or chemical fertilisers, potassic, mixed	7
ex 31.05	Other fertilisers, including both composite and complex fertilisers:	•
	—phosphor nitrates and ammonium-potassium phosphates —other fertilisers, excluding dissolved organic fertilisers	10 7
	Fertilisers in tablets, lozenges and similar prepared forms or in packings of a gross weight not exceeding ten kilogrammes	15
ex 32.07	Natural magnetite finely crushed of the types employed for use as pigments and intended exclusively for washing coal	25
ex 37.02	Film in rolls, sensitised, unexposed, perforated: —for monochrome pictures, positives, imported in packages containing three units non-utilisable separately and intended to constitute the basis of a polychrome film	20
90 00	—for polychrome pictures exceeding 100 metres in length	20
ex 39.02 ex 39.03	Polyvinylidene chloride; butyral in sheets	30 20
ex 39.03	Cellulose esters, excluding nitrates and acetates Plastics based on cellulose esters (other than nitrates and acetates) Plastic materials on the basis of ethers or other chemical deriva-	15
on 20 06	tives of cellulose	30 20
ex 39.06 ex 48.01	Alginic acid, its salts and esters, dry	20
ex 46.01	Paper and paperboard, machine-made: Kraft paper and kraft paperboard Other, continuously made, consisting of two or more layers,	25
	with kraft paper inside	25
48.04	Composite paper or paperboard (made by sticking flat layers to- gether with an adhesive), not surface-coated or impregnated, whether or not internally reinforced, in rolls or sheets	25
ex 48.05	Paper and paperboard, corrugated	25
OR 20.00	Kraft paper and kraft paperboard, creped or crinkled	25 25
ex 48.07	Kraft paper and kraft paperboard, adhesive	25
ex 51.01	Yarn of man-made (artificial) fibres (continuous), single, not twisted or twisted at less than 400 turns	20
ex 55.05	Multiple cotton yarn, other than fancy yarn, unbleached, of a length not less than 337.500 metres per kilogramme, measured	
	in the single yarn	20

	-2-	-3-
No. in the Brussels		Duty (in %) to be taken into account
Nomenclature	Description of products	for France
ex 57.07	Yarn of coconut	18
ex 58.01	Carpets, carpeting and rugs, knotted, of silk, silk-waste other than	
	noil, man-made textile fibres, yarn falling within heading No 52.01, metal-thread yarn, of wool or of fine animal hair	80
ex 59.04	Multiple coconut yarn	18
ex 71.04	Dust and powder of diamonds	10
ex 84.10	Bodies of pumps made of stainless steel or of light metals or their alloys, for use in aviation piston engines	15
ex 84.11	Bodies of pumps or compressors made of other than stainless steel or of light metals or their alloys, for use in aviation piston	
	engines	15
ex 84.37	Machines for making plain or figured tulle, and lace	10
	Machines for making embroidery, other than thread drawing and binding machines (machines for making open-work embroidery)	10
ex 84.38	Auxiliary machinery for use with machines for making plain or figured tulle, and lace:	
	—Machines for lifting the slides	10
	—Jacquards	18
	Auxiliary machinery for use with machines for making embroidery: —Automatic machinery	18
	 Card punching machines, card repeating machines, control machines, spoolwinders 	10
	Parts and accessories for machinery for making plain or figured tulle, and lace, and for their auxiliary apparatus and machinery: —Slides, bobbins, combs, slide bars and ribs of combs for flat machines, battens (their plates and blades), complete bobbins and parts of battens and bobbins for circular machines	10
	Accessories and parts for machinery for making embroidery and for their auxiliary apparatus and machinery	10
0.4 = 0	-Shuttles, shuttle-boxes including their plates; clips	10
ex 84.59	Coil winders for winding conductor-wires and insulating or protect- ing bands for the manufacture of electric coils	23
	Starters, direct drive or inertia, for aircraft	25
ex 84.63	Cranks for aviation piston engines	10
ex 85.08	Starter motors for aircraft Ignition magnetos, including magneto-dynamos, for aircraft	20 25
88.01	Balloons and airships	25
ex 88.03	Parts for balloons and airships	25
88.04	Parachutes and parts thereof and accessories thereto	12
88.05	Catapults and similar aircraft launching gear; parts thereof	15
	Ground flying trainers and parts thereof	20
ex 90.14	Instruments for air navigation	18
ex 92.10	Mechanisms and keyboards (containing not less than 85 notes) for pianos	30

List B

List of tariff headings in respect of which duties under the common customs tariff may not exceed 3 %

-1-	- 2
No. in the Brussels Nomenclature	Description of products
Chapter 5	
05.01 05.02 05.03 05.05 05.06	
ex 05.07	Feathers, skins and other parts of birds with their feathers or down, unworked, (other than unworked feathers or down for bedding)
05.09 to	
05.12 ex 05.13	Natural sponges, unworked
CHAPTER 13	
13.01 13.02	
CHAPTER 14	
14.01 to	
14.05	
CHAPTER 25	
25.02	
ex 25.04 25.05 25.06	Natural graphite, not put up for retail sale
ex 25.07	Clay (other than kaolin), but not including expanded clays falling within heading No. 68.07, and alusite and kyanite, whether or not calcined, mullite, chamotte and dinas earths
ex 25.08	Chalk, not put up for retail sale
ex 25.09 25.10 25.11	Earth colours, not calcined or mixed together; natural micaceous iron oxides
ex 25.12	Infusorial earths, siliceous fossil meals and similar siliceous earths (for example, kieselguhr, tripolite or diatomite) of an apparent density of 1 or less, whether or not calcined, not put up for retail sale
ex 25.13	Pumice stone, emery, natural corundum and other natural abrasives, not put np for retail sale
25.14	
ex 25.17	Flint; crushed or broken stone, macadam and tarred macadam, pebbles and gravel, of a kind commonly used for road metalling, for railway or other ballast or for concrete aggregates; shingle

-1-	<u> </u>
No. in the Brussels Nomenclature	Description of products
ex 25.18	Dolomite, not further worked than roughly split, roughly squared or squared by sawing
25.20 25.21 25.24 25.25 25.26	
ex 25.27	Natural steatite, including natural steatite not further worked than roughly split, roughly squared or squared by sawing; talc other than in packings of a net weight not exceeding one kilogramme
25.28 25.29	
25.31 25.32	
CHAPTER 26	
ex 26.01	Metallic ores and concentrates other than lead ore, zinc ore and products covered by the European Coal and Steel Community; roasted iron pyrites
26.02	
ex 26.03	Ash and residues (other than from the manufacture of iron or steel), containing metals or metallic compounds other than those containing zinc
26.04	
CHAPTER 27	
27.03	
ex 27.04 27.05 27.05 bis 27.06	Coke and semi-coke of coal for the manufacture of electrodes and coke of peat
ex 27.13 27.15 27.17	Ozokerite, lignite wax and peat wax, crude
Chapter 31	
31.01	
ex 31.02	Natural sodium nitrate
CHAPTER 40	
40.01	
40.03 40.04	
CHAPTER 41	
41.09	
Chapter 43	
43.01	
CHAPTER 44	
44.01	

<u> </u>	- 2 -
No. in the Brussels Nomenclature	Description of products
CHAPTER 47	
47.02	
CHAPTER 50	
50.01	
CHAPTER 53	
53.01 53.02 53.03 53.05	
CHAPTER 55	
ex 55.02 55.04	Cotton linters, other than raw
CHAPTER 57 57.04	
CHAPTER 63	
63.02	
CHAPTER 70	
ex 70.01	Waste glass (cullet)
CHAPTER 71	
ex 71.01	Pearls unworked
ex 71.02 71.04 71.11	Precious and semi-precious stones, unworked
CHAPTER 77	
ex 77.04	Beryllium, unwrought

List C

. List of tariff headings in respect of which duties under the common customs tariff may not exceed 10%

-1-	— 2 —
No. in the Brussels Nomenclature	Description of products
CHAPTER 5	
ex 05.07	Feathers, skins and other parts of birds, with their feathers or down, other than unworked
05.14	
CHAPTER 13	
ex 13.03	Vegetable saps and extracts; agar-agar and other natural mucilages and thickeners extracted from vegetable materials (excluding pectin)

— 1 —	— 2 —
No. in the Brussels Nomenclature	Description of products
CHAPTER 15	
ex 15.04	Fats and oils, of fish and marine mammals, whether or not refined (excluding whale oil)
15.05 15.06	whate on)
15.09	
15.11 15.14	
CHAPTER 25	
ex 25.09	Earth colours, calcined or mixed together
ex 25.15	Marble, travertine, ecaussine and other calcareous monumental and building stone of an apparent density of 2.5 or more and alabaster, not further worked than squared by sawing, of a thickness not exceeding 25 centimetres
ex 25.16	Granite, porphyry, basalt, sandstone and other monumental aud building stone, not further worked than squared by sawing, of a thickness not exceeding 25 centimetres
ex 25.17	Granules, chippings and powder of stones falling within the heading No. 25.15 or 25.16
ex 25.18 25.22 25.23	Dolomite, agglomerated or calcined (including tarred dolomite)
CHAPTER 27	•
ex 27.07	Oils and other products of the distillation of high temperature coal tar and other oils and products as defined in Note 2 to this Chapter, excluding phenols, cresols and xylenols
27.08	•
ex 27.13	Ozokerite, lignite wax and peat wax, other than natural
ex 27.14	Petroleum bitumen and other petroleum and shale oil residues, excluding petroleum coke
CHAPTER 30	
ex 30.01	Organo-therapeutic glands or other organs dried, whether or not powdered
Chapter 32	
ex 32.01	Tanning extracts of vegetable origin, other than extracts of wattle (mimosa) and quebracho
32.02 32.03 32.04	
Chapter 33	
ex 33.01	Essential oils (terpeneless or not); concretes and absolutes, excluding essential oils of citrus fruit; resinoids
33.02 33.03 33.04	5.15 5.5 5.5 40 A 4.7 , A 50 A

<u> </u>	-2-
No. in the Brussels Nomenclature	Description of products
CHAPTER 38 38.01 38.02 38.04 38.05 38.06 ex 38.07 38.08 38.10 CHAPTER 40 40.05	Spirits of turpentine; sulphate turpentine, crude; crude dipentene
ex 40.07 40.15 CHAPTER 41 41.02 ex 41.03 ex 41.04 41.05 41.06 41.07 41.10	Textile thread covered or impregnated with vulcanised rubber Sheep and lamb skin leather, worked after tanning Goat and kid skin leather, worked after tanning
CHAPTER 43 43.02 CHAPTER 44 44.06 to 44.13 44.16 44.17 44.18	
CHAPTER 48 ex 48.01 CHAPTER 50 50.06 50.08 CHAPTER 52 52.01 CHAPTER 53 53.06 to 53.09 CHAPTER 54	Newsprint in rolls
54.03	

<u>-1-</u>	- 2 -
No. in the Brussels Nomenclature	Description of products
CHAPTER 55	
55.05	
Chapter 57	·
ex 57.05	Yarn of true hemp, not put up for retail sale
ex 57.06	Yarn of jute, not put up for retail sale
ex 57.07	Yarn of other vegetable textile fibres, not put up for retail sale
ex 57.08	Paper yarn, not put up for retail sale
Chapter 68	
68.01 68.03 68.08	
ex 68.10	Building materials of plastering material
ex 68.11	Building materials of cement (including slag cement), of concrete or of artificial stone (including materials of granulated marble, agglomerated with cement), reinforced or not
ex 68.12	Building materials of asbestos-cement, of cellulose fibre-cement or the like
ех 68.13	Fabricated asbestos; mixtures with a basis of asbestos and mixtures with a basis of asbestos and magnesium carbonate
Chapter 69	
69.01 69.02	
69.04	
69.05	
Chapter 70	
ex 70.01 70.02	Glass in the mass (excluding optical glass)
70.02	
70.04	
70.05	
70.06 70.16	
CHAPTER 71	
ex 71.05	Silver and silver alloys, unwrought
ex 71.06	Rolled silver, unworked
ex 71.07	Gold and gold alloys, unwrought
ex 71.08	Rolled gold on base metal or silver, unworked
ex 71.09	Platinum and other metals of the platinum group, unwrought
ex 71.10	Rolled platinum or other platinum group metals, on base metal or precious
	metal, unworked

-1-	_ 2 _
No. in	— " —
the Brussels Nomenclature	Description of products
Chapter 73	
73.04 73.05	
ex 73.07	Blooms, billets, slabs and sheet bars (including tin-plate bars), of iron or steel, (other than products covered by the European Coal and Steel Community); pieces roughly shaped by forging, of iron or steel
ex 73.10	Bars and rods (including wire rod), of iron or steel, hot-rolled, forged, extruded, cold-formed or cold-finished (including precision-made); hollow mining drill steel (other than products covered by the European Coal and Steel Community)
ex 73.11	Angles, shapes and sections, of iron or steel, hot-rolled, forged, extruded, cold-formed or cold-finished, sheet piling of iron or steel, whether or not drilled, punched or made from assembled elements (other than products covered by the European Coal and Steel Community)
ex 73.12	Hoop and strip, of iron or steel, hot-rolled or cold-rolled (other than products covered by the European Coal and Steel Community)
ex 73.13	Sheets and plates, of iron or steel, hot-rolled or cold-rolled; (other than products covered by the European Coal and Steel Community)
73.14	<u> </u>
ex 73.15	Alloy steel and high carbon steel in the forms mentioned in headings No 73.06 to 73.14 (other than products covered by the European Coal and Steel Community)
Chapter 74	
74.03 74.04	
ex 74.05	Copper foil (whether or not embossed, cut to shape, perforated, coated or printed), other than backed with reinforcing material
ex 74.06	Copper powder (other than finely divided powder)
Chapter 75	
75.02 75.03	
ex 75.05	Electro-plating anodes, of nickel, unwrought
Chapter 76	
76.02 76.03	
ex 76.04	Aluminium foil (whether or not embossed, cut to shape, perforated, coated or printed), other than that backed with reinforcing material
ex 76.05	Aluminium powder (other than finely divided powder)
Chapter 77	
ex 77.02	Wrought bars, rods, angles, shapes and sections of magnesium; magnesium wire; wrought plates, sheets and strips of magnesium foil; raspings and shavings of uniform size; magnesium powder (other than finely divided powder)

-1-	 2
No. in the Brussels Nomenclature	Description of products
ex 77.04	Wrought bars, rods, angles, shapes and sections of beryllium; wrought plates, sheets and strip of beryllium; beryllium foil
CHAPTER 78	
78.02 78.03	
ex 78.04	Lead foil (whether or not embossed, cut to shape, perforated, coated or printed), other than that backed with reinforcing material
CHAPTER 79	
79.02 79.03	
C 90	
CHAPTER 80	
80.02 80.03	
ex 80.04	Tin foil (whether or not embossed, cut to shape, perforated, coated or printed) other than that backed with reinforcing material
CHAPTER 81	
ex 81.01	Wrought bars, rods, angles, shapes and sections of tungsten (wolfram); wrought plates, sheets and strip of tungsten (wolfram); tungsten (wolfram) foil; wire and filament of tungsten (wolfram)
ex 81.02	Wrought bars, rods, angles, shapes and sections of molybdenum; wrought plates, sheets and strip of molybdenum; molybdenum foil; wire and filament of molybdenum
ex 81.03	Wrought bars, rods, angles, shapes and sections of tantalum; wrought plates, sheets and strip of tantalum; tantalum foil; wire and filament of tantalum
ex 81.04	Wrought bars, rods, angles, shapes and sections of other base metals; wrought plates, sheets and strip of other base metals; foil, wire and filament of other base metals
CHAPTER 93	
ex 93.06	Sawn gun stock blocks
CHAPTER 95	
ex 95.01	Carving material: shaped, i. e. plates, sheets rods, tubes and the like, not polished or otherwise worked
to	-
ex 95.07	
CHAPTER 98	
ex 98.11	Roughly shaped blocks of wood or root for smoking pipes

List D

List of tariff headings in respect of which duties under the common customs tariff may not exceed 15 %

<u> </u>	<u> </u>
No. in the Brussels Nomenclature	Description of products
Chapter 28	Inorganic chemicals; organic and inorganic compounds of precious metals, or rare earth metals, of radio-active elements and of isotopes
ex 28.01	Halogens (other than crude iodine and bromine)
ex 28.04	Hydrogen, rare gases and other metalloids and non-metals (excluding selenium and phosphorus)
28.05	
to	
28.10	
ex 28.11	Arsenic trioxide; acid of arsenic
28.13	
to	•
28.22	
28.24	
28.26	
to	
28.31	
ex 28.32	Chlorates (excluding sodium chlorate and potassium chlorate) and perchlorates
ex 28.34	Oxyiodides and periodates
28.35	
to	
28.45	
28.47	
to 28.58	
20.30	

LIST E

List of tariff headings in respect of which duties under the common customs tariff may not exceed 25 %

<u> </u>	-9-
No. in the Brussels Nomenclature	Description of products
Chapter 29	Organic chemicals
ex 29.01 29.02 29.03	Hydrocarbons (excluding naphtalene)
ex 29.04	Acyclic alcohols and their halogenated, sulphonated, nitrated or nitrosated derivatives (excluding butyl and isobntyl alcohols)
29.05	

<u> </u>	- 2 -
No. in the Brussels Nomenclature	Description of products
ex 29.06 29.07 to 29.45	Phenols (excluding phenol, cresols and xylenols) and phenol-alcohols
CHAPTER 32	
32.05 32.06	
Chapter 39	
39.01 to 39.06	

List F

List of tariff headings in respect of which duties under the common customs tariff have been fixed by mutual agreement

_ 1 _	— 2 —	3
No. in the Brussels Nomenclature	Description of products	Common customs tariff (ad valorem rate in %)
ex 01.01	Live horses for slaughtering	11
ex 01.02	Live animals of the bovine species (other than pedigree animals for breeding purposes) ¹	16
ex 01.03	Live swine (other than pedigree animals for breeding purposes) 1	16
ex 02.01	Meat and edible offals, fresh, chilled or frozen: -horse -bovine¹ -swine¹	16 20 20
02.02	Dead poultry (i. e. fowls, ducks, geese, turkeys and guinea fowls) and edible offals thereof (except liver) fresh, chilled or frozen	18
ex 02.06	Horsemeat, salted or dried	16
ex 03.01	Freshwater fish, fresh (live or dead), chilled or frozen: —trout and other fish of the salmon family —other	16 10
ex 03.03	Crustaceans and molluscs, whether in shell or not, fresh (live or dead), chilled, frozen, salted, in brine or dried; crustaceans, in shell, simply boiled in water:	
	—crayfish and lobsters —crabs and shrimps —oysters	25 18 18
04.03	Butter	24

¹ Includes only domestic-type animals.

— 1 — No. in the Brussels	- 2 -	Common customs tariff (ad valorem
Nomenclature	Description of products	rate in %)
ex 04.05	Birds' eggs in shell, fresh or preserved:	
	—from 16/2 to 31/8	12
04.06	—from 1/9 to 15/2 Natural honey	15 30
ex 05.07	Feathers for bedding and down, unworked	0
05.08	Bones and horn-cores, unworked, defatted, simply prepared but not	v
	cut to shape, treated with acid or degelatinised; powder and	0
	waste of these products	0
ex 06.03	Cut flowers and flower buds of a kind suitable for bouquets or for ornamental purposes, fresh:	
	—from 1/6 to 31/10	24
	—from $1/11$ to $31/5$	20
ex 07.01	Vegetables, fresh or chilled:	12
	—onions, shallots, garlic —new potatoes:	12
	—from 1/1 to 15/5	15 21
	—from 16/5 to 30/6 —other ¹	21
07.04	Dried, dehydrated or evaporated vegetables, whole, cut, sliced,	
	broken or in powder, but not further prepared: —onions	20
	—other	16
ex 07.05	Dried leguminous vegetables, shelled, whether or not skinned or split:	
	—peas and beans	10
ex 08.01	Bananas, fresh	20
08.02	Citrus fruit, fresh or dried:	
		15
	outside this period	20
	—tangerines (mandarines) and clementines —lemons	20 8
	—grapefruit	12
00.04	—other	16
ex 08.04	Grapes, fresh: —from 1/11 to 14/7	18
	—from 15/7 to 31/10	22
08.06 08.07	Apples, pears and quince, fresh ¹ Stone-fruit, fresh:	
08.07	-apricots	25
	—other 1	
ex 08.12	Prunes, dried	18
ex 09.01	Raw coffee	16

¹ The rate is in principle fixed at the level of the arithmetical average. This might be adjusted by fixing seasonal rates based on the agricultural policy of the Community.

<u> </u>	- 2 -	_ 3 _
No. in the Brussels Nomenclature	Description of products	Common customs tariff (ad valorem rate in %)
10.01		
to 10.07	Cereais 1	
ex 11.01	Wheat flour 1	
12.01	Oil seeds and oleaginous fruit, whole or broken	0
ex 12.03	Seeds of a kind used for sowing (other than beetseed)	10
12.06	Hop cones and lupulin	12
15.15	Beeswax and other insect waxes, whether or not coloured:	
	natural	0
	other	10
15.16	Vegetable waxes, whether or not coloured	0
	natural other	0 8
1001		G
ex 16.04	Prepared or preserved fish: —of the salmon family	20
10.05	•	_,
ex 16.05	Crustaceans, prepared or preserved	20
17.01	Beet sugar and cane sugar, solid	80
18.01	Cocoa beans, whole or broken, raw or roasted	9
18.02	Cocoa shells, husks, skins and waste	9
19.02	Preparations of flour, starch or malt extract, of a kind used as infant	
	food or for dietetic or culinary purposes, containing less than fifty per cent by weight of cocoa	25
22.02	• • •	
ex 20.02	Sauerkraut	20
21.07	Food preparations not elsewhere specified or included	25
22.04	Grape must, in fermentation or with fermentation arrested otherwise than by the addition of alcohol	40
23.01	Flours and meals, unfit for human consumption:	
	-of meat and offals : greaves	4
	-of fish, crustaceans or molluscs	5
24.01	Unmanufactured tobacco; tobacco refuse	30
ex 25.07	Kaolin, Sillimanite	0
ex 25.15	Marble, not further worked than roughly split or roughly squared,	
	including marble squared by sawing, of a thickness exceeding	0
	25 cm.	0

^{1 (}a) The duties on cereals and wheat flour under the common customs tariff shall be equal to the arithmetical average of the duties in force.

⁽b) Until a decision as to the duties to be applied has been taken, under the measures provided for in Article 40, paragraph 2, Member States may, by derogation from the provisions of Article 23, suspend the collection of duties on these products.

⁽c) Should the production or processing of cereals or wheat flour in any Member State be seriously threatened or interfered with by such suspension of duties in another Member State, the Member States concerned shall enter into negotiations with each other. Should such negotiations produce no result, the Commission may authorise the State suffering damage to take appropriate measures, the particulars of application of such measures being determined by the Commission, to the extent to which the difference in the cost price is not compensated for by an organisation of the international cereals market in the Member State responsible for such suspension of duties.

<u> </u>	-2-	_ 3 _
,	- 2 -	Common
No. in the Brussels Nomenclature	Description of products	customs tariff (ad valorem rate in %)
e x 25.16	Granite, porphyry, basalt, sandstone and other monumental and building stone, not further worked than roughly split or roughly squared, including such stone squared by sawing, of a thickness exceeding 25 cm.	
25.19	Natural magnesinm carbonate (magnesite), whether or not calcined, other than magnesium oxide	0
ex 25.27	Talc put up in packings of a net weight not exceeding one kilogramme	8
ex 27.07	Phenols, cresols and xylenols, crude	3
27.09	Petroleum and shale oils, crude	0
ex 27.14	Petroleum coke	0
28.03	Carbon, including carbon black, anthracene black, acetylene black and lamp black	5
ex 28.04	Phosphorus Selenium	15 0
28.23	Iron oxides and hydroxides, including earth colours containing seventy per cent or more by weight of combined iron evaluated as Fe ₂ O ₃	10
28.25	Titanium oxides	15
ex 28.32	Sodium and potassium chlorates	10
ex 29.01	Aromatic hydrocarbons : —naphthalene	8
ex 29.04	Tertiary butyl alcohol	8
ex 32.07	Titanium white	15
ex 33.01	Essential oils of citrus fruit (terpeneless or not), concretes and absolutes	12
34.04	Artificial waxes (including water-soluble waxes); prepared waxes, not emulsified or containing solvents	12
ex 40.07	Vulcanised rubber thread and cord, whether or not textile covered	15
41.01	Raw hides and skins (fresh, salted, dried, pickled or limed), whether or not split, including sheepskins in the wool	0
ex 41.03	Sheep and lamb skin leather not further dressed after tanning: —of Indian crossbreds —other	0 6
ex 41.04	Goat and kid skin leather, not further dressed after tanning: —of Indian goats —other	0 7
41.08	Patent leather and metallised leather	12
44.14	Veneer sheets and sheets for plywood (sawn, sliced or peeled), of a thickness not exceeding five millimetres, whether or not rein- forced with paper or fabric	10
44.15	Plywood, blockboard, laminboard, battenboard and veneered panels, whether or not containing any material other than wood; inlaid wood and wood marquetry	15
53.04	Waste of sheep's or lambs wool or of other animal hair (fine or coarse), pulled or garnetted (including pulled or garnetted rags)	0

-1-	-2-	- 3 -
No. in the Brussels Nomenclature	Description of products	Common customs tariff (ad valorem rate in %)
54.01	Flax, raw or processed but not spun; flax tow and waste (including pulled or garnetted rags)	0
54.02	Ramie, raw or processed but not spun; ramie noils and waste (including pulled or garnetted rags)	0
55.01	Cotton, not carded or combed	0
ex 55.02	Cotton linters, raw	0
55.03	Cotton waste (including pulled or garnetted rags), not carded or combed	0
57.01	True hemp (Cannabis sativa), raw or processed but not spun; tow and waste of true hemp (including pulled or garnetted rags or ropes)	0
57.02	Manila hemp (abaca) (Musa textilis), raw or processed but not spun; tow and waste of manila hemp (including pulled or garnetted rags or ropes)	0
57.03	Jute, raw or processed but not spun; tow and waste of jute (including pulled or garnetted rags or ropes)	0
74.01	Copper matte; unwrought copper (refined or not); copper waste and scrap	0
74.02	Master alloys	0
75.01	Nickel mattes, nickel speiss and other intermediate products of nickel metallurgy; unwrought nickel (excluding electro-plating anodes); nickel waste and scrap	
80.01	Unwrought tin; tin waste and scrap	0
ex 85.08	Sparking plugs	18

List G

List of tariff headings in respect of which duties under the common customs tariff are to be negotiated between Member States

<u> </u>	- 2 -
No. in the Brussels Nomenclature	Description of products
ex 03.01	Sea fish, fresh (live or dead), chilled or frozen
03.02	Fish, salted, in brine, dried or smoked
04.04	Cheese and curd
11.02	Cereal groats and cereal meal; other worked cereal grains (for example, rolled, flaked, polished, pearled or kibbled, but not further prepared), except husked, glazed, polished or broken rice; germ of cereals, whole, rolled, flaked or ground
11.07	Malt, roasted or not
ex 15.01	Lard and other rendered pig fat

-1-	— 2 —
No. in	
the Brussels Nomenclature	Description of products
15.02	Unrendered fats of bovine cattle, sheep or goats; tallow (including "premier jus"), produced from those fats
15.03	Lard stearin, oleostearin and tallow stearin; lard oil, oleo-oil and tallow oil, not emulsified or mixed or prepared in any way
ex 15.04	Whale oil, whether or not refined
15.07	Fixed vegetable oils, fluid or solid, crude, refined or purified
15.12	Animal or vegetable fats and oils, hydrogenated, whether or not refined, but not further prepared
18.03	Cocoa paste (in bulk or in block), whether or not defatted
18.04	Cocoa butter (fat or oil)
18.05	Cocoa powder, unsweetened
18.06	Chocolate and other food preparations containing cocoa
19.07	Bread, ships' biscuits and other ordinary bakers' wares, not containing sugar, honey, eggs, fats, cheese or fruit
19.08	Pastry, biscuits, cakes and other fine bakers' wares, whether or not containing cocoa in any proportiou
21.02	Extracts, essences or concentrates of coffee, tea or maté; preparations with a basis of those extracts, essences or concentrates
22.05	Wine of fresh grapes; grape must with fermentation arrested by the addition of alcohol
22.08	Ethyl alcohol or neutral spirits, undenatured, of a strength of eighty degrees or higher; denatured spirits (including ethyl alcohol and neutral spirits) of any strength
22.09	Spirits (other than those of heading No. 22.06); liqueurs and other spirituous beverages; compound alcoholic preparations (known as "concentrated extracts") for the manufacture of beverages
25.01	Commou salt (including rock salt, sea salt and table salt); pure sodium chloride; salt liquors; sea water
25.03	Sulphur of all kinds, other than sublimed sulphur, precipitated sulphur and colloidal sulphur
25.30	Crude natural borates and concentrates thereof (calcined or not), but not including borates separated from natural brine; crude natural boric acid containing not more than eighty-five per cent of H ₃ .BO ₃ . calculated on the dry weight
ex 26.01	Lead ores and zinc ores
ex 26.03	Ash and residues, containing zinc
27.10	Petroleum and shale oils, other than crude; preparations not elsewhere specified or included, containing not less than seventy per cent by weight of pretroleum or shale oils, these oils being the basic constituents of the preparations
27.11	Petroleum gases and other gaseous hydrocarbons
27 .12	Petroleum jelly
ex 27.13	Paraffin wax, micro-crystalline wax, slack wax and other mineral wax, whether or not coloured
ex 28.01	Crude iodine and bromine
28.02	Sulphur, sublimed or precipitated; colloidal sulphur
ex 28.11	Arsenic pentoxide
	-

	
-1-	- 2 -
No. in the Brussels Nomenclature	Description of products
28.12	Boric oxide and boric acid
28.33	Bromides, oxybromides, bromates and perbromates, and hypobromites
ex 28.34	Iodides and iodates
28.46	Borates and perborates
ex 29.04	Butyl and isobutyl alcohols (other than tertiary butyl alcohol)
ex 29.06	Phenol, cresols and xylenols
ex 32.01	Extracts of quebracho and extracts of wattle (mimosa)
40.02	Synthetic rubbers, including synthetic latex, whether or not stabilised; factice derived from oils
44.03	Wood in the rough, whether or not stripped of its bark or merely roughed down
44.04	Wood, roughly squared or half-squared, but not further manufactured
44.05	Wood, sawn lengthwise, sliced or peeled, but not further prepared, of a thickness exceeding five millimetres
45.01	Natural cork, unworked, crushed, granulated or ground; waste cork
45.02	Natural cork in blocks, plates, sheets or strips (including cubes or square slabs, cut to size for corks or stoppers)
47.01	Pulp derived by mechanical or chemical means from any fibrous vegetable material
50.02	Raw silk (not thrown)
50.03	Silk waste (including cocoons unsuitable for reeling, silk noils and pulled or garnetted rags)
50.04	Silk yarn, other than yarn of noil or other waste silk, not put up for retail sale
50.05	Yarn spun from silk waste other than noil, not put up for retail sale
ex 62.03	Sacks and bags, of a kind used for the packing of goods, of woven fabrics of jute, used
ex 70.19	Glass beads, imitation pearls; imitation precious and semi-precious stones and imitation synthetic stones and similar fancy or decorative glass smallwares and articles of glass ware made therefrom
ex 73.02	Ferro-alloys (other than carburated ferro-manganese)
76.01	Unwrought aluminium; aluminium waste and scrap ¹
77.01	Unwrought magnesium; magnesium waste (excluding shavings of uniform size) and scrap 1
78.01	Unwrought lead (including argentiferous lead); lead waste and scrap ¹
79.01	Zinc spelter; unwrought zinc; zinc waste and scrap1
ex 81.01	Tungsten (wolfram) unwrought, in powder 1
ex 81.02	Molybdenum, unwrought ¹
ex 81.03	Tantalum, unwrought 1
ex 81.04	Other metals, unwrought ¹
ex 84.06	Engines for motor vehicles, flying machines and ships, boats and other vessels, and parts of such engines

The duties levied on semi-finished products must be reconsidered in the light of the duty fixed for the unwrought metal, in accordance with the procedure laid down in Article 21, paragraph 2 of this Treaty.

-1-	- 2 -	
No. in the Brussels Nomenclature	Description of products	
ex 84.08	Pulse jets, and parts and accessories thereof	
84.45	Machine tools for working metal or metallic carbides, not being machines falling within heading No. 84.49 or 84.50	
84.48	Accessories and parts suitable for use solely or principally with the machines falling within headings Nos. 84.45 to 84.47, including work and tool holders, self-opening dieheads, dividing heads and other appliances for machine tools; tool holders for the mechanical hand tools of heading No. 82.04, 84.49 or 85.05	
ex 84.63	Transmission goods for engines of motor vehicles	
87.06	Parts and accessories of the motor vehicles falling within heading No. 87.01, 87.02 or 87.03	
88.02	Flying machines, gliders and kites; rotochutes	
ex 88.03	Parts of flying machines, gliders and kites	

ANNEX II

LIST referred to in Article 38 of this Treaty

- 1 -	— 3 —
No. in the Brussels Nomenclature	Description of products
CHAPTER 1	Live animals
CHAPTER 2	Meat and edible meat offals
CHAPTER 3	Fish, crustaceans and molluscs
CHAPTER 4	Dairy produce; birds'eggs; natural honey
CHAPTER 5	
05.04	Guts, bladders and stomachs of animals (other than fish), whole and pieces thereof
05.15	Animal products not elsewhere specified or included; dead animals of Chapter 1 or Chapter 3, unfit for human consumption
CHAPTER 6	Live trees and other plants; bulbs, roots and the like; cut flowers and ornamental foliage
CHAPTER 7	Edible vegetables and certain roots and tubers
CHAPTER 8	Edible fruit and nuts; peel of melons or citrus fruit
CHAPTER 9	Coffee, tea and spices, excluding maté (heading No. 09.03)
Chapter 10	Cereals

<u> </u>	- 2 -	
No. in the Brussels Nomenclature	Description of products	
Chapter 11	Products of the milling industry; malt and starches; glutin; inulin	
CHAPTER 12	Oil seeds and oleaginous fruit; miscellaneous grains, seeds and fruit; industrial and medical plants; straw and fodder	
CHAPTER 13		
ex 13.03	Pectin	
Chapter 15		
15.01	Lard and other rendered pig fat ; rendered poultry fat	
15.02	Unrendered fats of bovine cattle, sheep or goats; tallow (including "premative") produced from those fats	
15.03	Lard stearin, oleostearin and tallow stearin; lard oil, oleo-oil and tallow oil not emulsified or mixed or prepared in any way	
15.04	Fats and oils, of fish and marine mammals, whether or not refined	
15.07	Fixed vegetable oils, fluid or solid, crude, refined or purified	
15.12	Animal or vegetable fats and oils, hydrogenated, whether or not refined, but not further prepared	
15.13	Margarine, imitation lard and other prepared edible fats	
15.17	Residues resulting from the treatment of fatty substances or animal or vegetable waxes	
Chapter 16	Preparations of meat, of fish, of crustaceans or molluscs	
CHAPTER 17		
17.01	Beet sugar and cane sugar, solid	
17.02	Other sugars; sugar syrups; artificial honey (whether or not mixed with natural honey); caramel	
17.03	Molasses, whether or not decolourised	
CHAPTER 18		
18.01	Cocoa beans, whole or broken, raw or roasted	
18.02	Cocoa shells, husks, skins and waste	
Chapter 20	Preparations of vegetables, fruit or other parts of plants	
CHAPTER 22		
22.04	Grape must, in fermentation or with fermentation arrested otherwise than by the addition of alcohol	
22.05	Wine of fresh grapes; grape must with fermentation arrested by the addition of alcohol	
22.07	Other fermented beverages (for example, cider, perry and mead)	
Chapter 23	Residues and waste from the food industries; prepared animal todder	
CHAPTER 24		
24.01	Unmannfactured tobacco; tobacco refuse	

-1-	_ 2 _
No. in the Brussels Nomenclature	Description of products
CHAPTER 45	
45.01	Natural cork, uuworked, crushed, granulated or ground; waste cork
Chapter 54	
54.01	Flax, raw or processed but not spun; flax tow and waste (including pulled or garnetted rags)
CHAPTER 57	
57.01	True hemp (Cannabis sativa), raw or processed but not spun; tow and waste of true hemp (including pulled or garnetted rags or ropes)

ANNEX III

LIST OF INVISIBLE TRANSACTIONS

referred to in Article 106 of this Treaty

- -Maritime freights, including chartering, harbour expenses, disbursements for fishing vessels, etc.
- -Inland waterway freights, including chartering.
- -Road transport: passengers and freights, including chartering.
- -Air transport : passengers and freights, including chartering.

Payment by passengers of international air tickets and excess luggage charges; payment of international air freight charges and chartered flights.

Receipts from the sale of international air tickets, excess luggage charges, international air freight charges, and chartered flights.

- -For all means of maritime transport: harbour services (bunkering and provisioning, maintenance, repairs, expenses for crews, etc.).
 - For all means of inland waterway transport: harbour services (bunkering and provisioning, maintenance and minor repairs of equipment, expenses for crews, etc.).
 - For all means of commercial road transport: fuel, oil, minor repairs, garaging, expenses for drivers and crews, etc.
 - For all means of air transport: operating costs and general overheads, including repairs to aircraft and to air transport equipment.
- -Warehousing and storage charges, customs clearance.
- --Customs duties and fees.
- -Transit charges.
- -Repair and assembly charges.
 - Processing, finishing, processing of work under contract, and other services of the same nature.
- -Repair of ships.
 - Repair of means of transport other than ships and aircraft.

- —Technical assistance (assistance relating to the production and distribution of goods and services at all stages, given over a period limited according to the specific purpose of such assistance, and including e.g. advice or visits by experts, preparation of plans and blueprints, supervision of manufacture, market research, training of personnel).
- -Commission and brokerage.
 - Profits arising out of transit operations or sales of trans-shipment.
 - Banking commissions and charges.
 - Representation expenses.
- -Advertising by all media.
- -Business travel.
- —Participation by subsidiary companies and branches in overhead expenses of parent companies situated abroad and vice-versa.
- —Contracting (construction and maintenance of buildings, roads, bridges, ports, etc. carried out by specialised firms and, generally, at fixed prices after open tender).
- —Differences, margins and deposits due in respect of operations on commodity terminal markets in conformity with normal bona fide commercial practice.
- -Tourism.
- -Travel for private reasons (education).
- -Travel for private reasons (health).
- -Travel for private reasons (family).
- —Subscriptions to newspapers, periodicals, books, musical publications.
- -Newspapers, periodicals, books, musical publications and records.
- —Printed films, commercial, documentary, educational, etc. (rentals, dues, subscriptions, reproduction and synchronisation fees, etc.).
- -Membership fees.
- -Current maintenance and repair of private property abroad.
- —Government expenditure (official representation abroad, contributions to international organisations).
- -Taxes, court expenses, registration fees for patents and trade marks.
- -Claims for damages.
- -Refunds in the case of cancellation of contracts and refunds of uncalled-for payments.
- —Fines.
- —Periodical settlements in connection with public transport and postal, telegraphic and telephone services.
- -Exchange authorisations granted to own or foreign nationals emigrating.
- -Exchange authorisations granted to foreign nationals returning to their country of origin.
- —Salaries and wages (of frontier or seasonal workers and of other non-residents, without prejudice to the right of a country to regulate terms of employment of foreign nationals).

- —Emigrants' remittances (without prejudice to the right of a country to regulate immigration).
- -Fees.
- -Dividends and shares in profits.
- -Inferest on debentures, mortgages, etc.
- -Rent.
- —Contractual amortisation (with the exception of transfers in connection with amortisation having the character either of anticipated repayments or of the discharge of accumulated arrears).
- -Profits from business activity.
- -Author's royalties.
 - Patents, designs, trade marks and inventions (the assignment and licensing of patent rights, designs, trade marks and inventions, whether or not legally protected, and transfers arising out of such assignment or licensing).
- -Consular receipts.
- -Pensions and other income of a similar nature.
- —Maintenance payments resulting from a legal obligation or from a decision of a Court and financial assistance in cases of hardship.
- —Transfers by instalments of assets deposited in one Member country by persons residing in another Member country whose personal income in that country is not sufficient to cover their living expenses.
- —Transactions and transfers in connection with direct insurance.
- -Transactions and transfers in connection with reinsurance and retrocession.
- -Opening and reimbursement of commercial or industrial credits.
- -Transfer of minor amounts abroad.
- —Charges for documentation of all kinds incurred on their own account by authorised dealers in foreign exchange.
- -Sports prizes and racing earnings.
- -Inheritances.
- ---Dowries.

ANNEX IV

OVERSEAS COUNTRIES AND TERRITORIES

to which the provisions of Part Four of this Treaty apply

French West Africa including: Senegal, the Sudan, Guinea, the Ivory Coast, Dahomey, Mauretania, the Niger and the Upper Volta;

French Equatorial Africa including: the Middle Congo, Ubangi-Shari, Chad and Gaboon;

St. Pierre and Miquelon, the Comoro Archipelago, Madagascar and dependencies, the French Somali Coast, New Caledonia and dependencies, the French Settlements in Oceania, the Southern and Antarctic Territories;

The Autonomous Republic of Togoland;

The French Trusteeship Territory in the Cameroons;

The Belgian Congo and Ruanda-Urundi;

The Italian Trusteeship Territory in Somaliland; and

Netherlands New Guinea.

II

PROTOCOLS

PROTOCOL ON THE STATUTE OF THE EUROPEAN INVESTMENT BANK

THE HIGH CONTRACTING PARTIES,

Desirous of laying down the Statute of the European Investment Bank provided for in Article 129 of this Treaty,

HAVE AGREED on the following provisions which shall be annexed to this Treaty:

Article 1

The European Investment Bank established by Article 129 of this Treaty, hereinafter referred to as "the Bank", shall be constituted and carry out its functions and activities in conformity with the provisions of this Treaty and of this Statute.

The seat of the Bank shall be fixed by the Governments of the Member States acting in common agreement.

Article 2

The purposes of the Bank shall be those laid down in Article 130 of this Treaty.

Article 3

In accordance with Article 129 of this Treaty, the following shall be members of the Bank:

- -the Kingdom of Belgium;
- —the Federal Republic of Germany;
- -the French Republic;
- -the Italian Republic;
- -the Grand Duchy of Luxembourg; and
- —the Kingdom of the Netherlands.

Article 4

1. The Bank shall be provided with a capital of one thousand million units of account subscribed by the Member States in the following amounts:

Germany . . . 300 million
France . . . 300 million
Italy 240 million
Belgium . . . 86.5 million
Netherlands . . 71.5 million
Luxembourg . . 2 million

The value of one unit of account shall be 0.88867088 grammes of fine gold.

The Member States shall be responsible only up to the amount of their share

- of the capital subscribed and not paid up.

 2. The admission of a new member shall entail an increase in the subscribed
- 3. The Board of Governors, acting by means of a unanimous vote, may decide to increase the subscribed capital.

capital corresponding to the additional capital brought in by the new member.

4. The share of the subscribed capital may not be ceded or given as collateral security and shall not be attachable.

Article 5

1. The Member States shall pay up 25 per cent of the subscribed capital, by five equal payments to be made not later than two months, nine months, sixteen months, twenty-three months and thirty months, respectively, after the date of the entry into force of this Treaty.

Each payment shall be made as to one-quarter in gold or a freely convertible currency and as to three-quarters in national currency.

2. The Board of Directors may require that the remaining 75 per cent of the subscribed capital be paid up, to the extent that such payment becomes necessary in order to meet the obligations of the Bank towards those who have provided its funds.

Each Member State shall pay an amount proportionate to its share of the subscribed capital in the currencies needed by the Bank in order to meet such obligations.

Article 6

1. The Board of Governors, acting by means of a qualified majority vote on a proposal of the Board of Directors, may decide that Member States shall grant to the Bank special interest-bearing loans if and in so far as the Bank shall need such loans in order to finance specific projects, provided that the Board of Directors shows that the Bank is unable to obtain the necessary resources in the capital markets on conditions which are suitable, having regard to the nature and object of the projects to be financed.

- 2. Special loans may not be demanded until the beginning of the fourth year after the date of the entry into force of this Treaty. They shall not exceed 400 million units of account *in toto*, or 100 million units of account *per annum*.
- 3. The duration of special loans shall be fixed in accordance with the duration of the loans or guarantees which the Bank proposed to grant by means of such special loans; it shall not exceed a period of twenty years. The Board of Governors, acting by means of a qualified majority vote on a proposal of the Board of Directors, may decide upon anticipated repayment of such special loans.
- 4. Special loans shall bear interest at the rate of 4 per cent *per annum*, unless the Board of Governors, taking due account of the trend and level of rates of interest in the capital markets, decides to fix a different rate.
- 5. Special loans shall be granted by the Member States prorata to their subscription to the capital; they shall be paid in national currency within a period of six months after having been called.
- 6. In the event of the liquidation of the Bank, the special loans by Member States shall be repaid only after settlement of the other debts of the Bank.

- 1. Where the par value of the currency of a Member State in relation to the unit of account as defined in Article 4 is reduced, the amount of that State's share of the capital paid up by it in its national currency shall be adjusted, proportionately to the change occurring in the par value, by a complementary payment made to the credit of the Bank by the State concerned. The amount subject to adjustment may not, however, exceed the total amount of loans granted by the Bank in the currency concerned and the Bank's holdings in that currency. The complementary payment shall be made within a period of two months or, to the extent that it corresponds to such loans, on the dates on which such loans fall due.
- 2. Where the par value of the currency of a Member State in relation to the unit of account as defined in Article 4 is increased, the amount of that State's share of the capital paid up by it in its national currency shall be adjusted, proportionately to the change occurring in the par value, by a repayment made to the credit of that State by the Bank. The amount subject to such adjustment may not, however, exceed the total amount of loans granted by the Bank in the currency concerned and the Bank's holdings in that currency. The repayment shall be made within a period of two months or, to the extent that it corresponds to loans, on the dates on which such loans fall due.
- 3. The par value of the currency of a Member State in relation to the unit of account as defined in Article 4 shall be the relation between the weight of fine gold contained in the unit of account and the weight of fine gold corresponding to the par value of such currency as declared to the International Monetary Fund.

Failing this, the par value shall be taken from the rate of exchange in relation to a currency either quoted in or convertible into gold, as applied by the Member State for current payments.

4. The Board of Governors may decide that the rules laid down in paragraphs 1 and 2 shall not be applied in the event of a uniformly proportionate adjustment being made in the par value of all the currencies of the countries members of the International Monetary Fund or of the members of the Bank.

Article 8

The Bank shall be administered and managed by a Board of Governors, a Board of Directors and a Management Committee.

Article 9

- 1. The Board of Governors shall be composed of Ministers appointed by the Member States.
- 2. The Board of Governors shall lay down general directives concerning the credit policy of the Bank, particularly with regard to those objectives which will call for consideration during the progressive realisation of the Common Market.

The Board of Governors shall ensure the implementation of these directives.

- 3. In addition, the Board of Governors shall:
- (a) decide, in accordance with Article 4, paragraph 3, on any increase of the subscribed capital;
 - (b) exercise the powers provided for in Article 6 with regard to special loans;
- (c) exercise the powers provided for in Articles 11 and 13 with regard to the appointment and removal from office of members of the Board of Directors and the Management Committee;
 - (d) authorise the derogation provided for in Article 18, paragraph 1;
 - (e) approve the annual report drawn up by the Board of Directors;
 - (f) approve the annual balance sheet and the profit and loss account;
- (g) exercise the powers and competence provided for in Articles 7, 14, 17, 26 and 27; and
 - (h) approve the rules of procedure of the Bank.
- 4. The Board of Governors, acting by means of a unanimous vote, is empowered to take, within the framework of this Treaty and this Statute, any decisions in regard to suspension of the Bank's activities and its possible liquidation.

Article 10

Except where otherwise provided for in this Statute, the decisions of the Board of Governors shall be taken by means of a majority vote of its members.

Voting by the Board of Governors shall be governed by the provisions of Article 148 of this Treaty.

Article 11

1. The Board of Directors shall have exclusive powers of decision in respect of the granting of loans and guarantees and of the raising of loans; it shall fix the rates of interest for loans granted and the guarantee commissions; it shall supervise and ensure the sound administration of the Bank; it shall ensure that the Bank is managed in conformity with the provisions of this Treaty and Statute and with the general directives laid down by the Board of Governors.

The Board of Directors shall submit a report as at the end of the financial year to the Board of Governors and shall publish it after approval.

2. The Board of Directors shall be composed of twelve directors and twelve alternates.

The directors shall be appointed by the Board of Governors for a term of five years, on nomination by the Member States and the Commission respectively, as follows:

- 3 directors nominated by the Federal Republic of Germany;
- 3 directors nominated by the French Republic;
- 3 directors nominated by the Italian Republic;
- 2 directors nominated by the Benelux countries acting in common agreement; and
- 1 director nominated by the Commission.

Their term of office shall be renewable.

Each director shall be assisted by an alternate appointed under the same conditions and according to the same procedure as the directors.

The alternates may take part in the meetings of the Board of Directors, they shall not have a right to vote unless replacing a director when the latter is unable to carry out his duties.

The Chairman or, in his absence, one of the Vice-Chairmen of the Management Committee shall preside over meetings of the Board of Directors, but shall not vote.

The members of the Board of Directors shall be chosen from among persons of indisputable independence and competence; they shall be responsible only to the Bank.

3. A director may be removed from office by the Board of Governors, acting by means of a qualified majority vote, only in the case where he no longer fulfils the conditions necessary for the exercise of his functions.

The non-approval of the annual report shall entail the resignation of the Board of Directors.

- 4. In the event of any vacancy arising as a result of death or of individual or collective resignation or of removal from office, such vacancy shall be filled according to the rules laid down in paragraph 2. Save in cases of entire renewal, members shall be replaced for the remainder of their term of office.
- 5. The Board of Governors shall fix the remuneration of members of the Board of Directors. The Board of Governors, acting by means of a unanimous vote, shall determine what matters are incompatible with regard to the functions of a director or an alternate.

- 1. Each director shall have one vote on the Board of Directors.
- 2. Unless otherwise provided for in this Statute, the Board of Directors shall take its decisions by simple majority of the members of the Board entitled to vote. A qualified majority shall mean a majority of at least eight votes. The rules of procedure of the Bank shall fix the quorum necessary for the deliberations of the Board of Directors.

Article 13

- 1. The Management Committee shall be composed of a Chairman and two Vice-Chairmen appointed for a term of six years by the Board of Governors on a proposal of the Board of Directors. Their term of office shall be renewable.
- 2. On a proposal of the Board of Directors, acting by means of a qualified majority vote, the Board of Governors, acting in its turn by means of a qualified majority vote, may remove members of the Management Committee from office.
- 3. The Management Committee shall be responsible for the management of the current affairs of the Bank, under the authority of the Chairman and under the supervision of the Board of Directors.

It shall prepare the decisions of the Board of Directors with regard, in particular, to the raising of loans and the granting of loans and guarantees; it shall be responsible for the implementation of such decisions.

- 4. The Management Committee, acting by means of a majority vote, shall formulate its opinions concerning projects for the granting of loans and guarantees and for the raising of loans.
- 5. The Board of Governors shall fix the remuneration of the members of the Management Committee and shall determine what matters are incompatible with their functions.
- 6. The Chairman, or, if he is unable to carry out this duties, one of the Vice-Chairmen shall represent the Bank in legal or non-legal matters.
- 7. The officials and other employees of the Bank shall be under the authority of the Chairman. They shall be engaged and dismissed by him. In the choice of

staff, due account shall be taken not only of personal ability and professional qualifications but also of an equitable representation of the nationals of Member States.

8. The Management Committee and the staff of the Bank shall be responsible only to the Bank and shall be completely independent in the exercise of their functions.

Article 14

- 1. A Committee composed of three members, appointed on grounds of their competence by the Board of Governors, shall annually verify that the operations of the Bank are properly conducted and the books properly kept.
- 2. The Committee shall confirm that the balance sheet and profit and loss account are in conformity with the accounts and vouchers and faithfully reflect the situation of the Bank in regard to assets and liabilities.

Article 15

The Bank shall communicate with each Member State through the channel of the authority designated by the State concerned. In the conduct of financial operations, the Bank shall have recourse to the bank of issue of the Member State concerned or to other financial institutions approved by the latter.

Article 16

- 1. The Bank shall co-operate with all international organisations whose fields of activity are similar to its own.
- 2. The Bank shall seek all suitable contacts with a view to co-operating with the banking and financial institutions of the countries to which it extends its operations.

Article 17

The Board of Governors shall, at the request of a Member State or of the Commission or *ex officio*, interpret or supplement, under the same conditions as those under which they were adopted, the directives laid down by the Board under the terms of Article 9 of this Statute.

Article 18

1. The Bank shall, within the framework of the task defined in Article 130 of this Treaty, grant loans to its members or to public or private enterprises for investment projects to be carried out within the European territories of Member States, to the extent that means from other sources are not available on reasonable terms.

The Bank may, however, by way of an exception, authorised unanimously by the Board of Governors on a proposal of the Board of Directors, grant loans for investment projects to be carried out, in whole or in part, outside the European territories of Member States.

- 2. The granting of loans shall, as far as possible, be made subject to the employment of other means of financing.
- 3. The Bank shall, when it has approved a loan to an enterprise or body other than a Member State, make the granting of such loan subject either to a guarantee from the Member State, within whose territory the project is to be carried out, or to other adequate guarantees.
- 4. The Bank may guarantee loans raised by public or private enterprises or other bodies for the purpose of carrying out the operations provided for in Article 130 of this Treaty.
- 5. The total of outstanding loans and guarantees granted by the Bank shall not exceed 250 per cent of the amount of the subscribed capital.
- 6. The Bank shall protect itself against exchange risks by including in contracts for loans or guarantees such clauses as it considers appropriate.

- 1. The rates of interest on loans to be granted by the Bank and the guarantee commissions shall be adapted to conditions prevailing in the capital market and shall be calculated in such a manner that the receipts resulting therefrom shall enable the Bank to meet its obligations, to cover its expenses and to constitute a reserve fund as provided for in Article 24.
- 2. The Bank shall not grant any reduction in rates of interest. Where a reduction in the rate of interest appears desirable, having regard to the particular nature of the project to be financed, the Member State concerned or a third party may grant a rebate on the interest to the extent that the grant of such rebate is compatible with the rules laid down in Article 92 of this Treaty.

Article 20

In its operations relating to loans and guarantees, the Bank shall observe the following principles:

1. It shall ensure that its funds are employed in the most rational manner in the interest of the Community.

It may grant loans or provide guarantees for raising loans only:

- (a) where the service of interest and amortisation is guaranteed, in the case of projects carried out by enterprises in the sector of production by earnings, or in the case of other projects by an obligation of the State in which the project is carried out or by any other means; and
- (b) where the execution of the project contributes to the increase of economic productivity in general and promotes the development of the Common Market.

- 2. It shall not acquire any interest in enterprises or undertake any responsibility in the management thereof unless the protection of its rights so requires in order to assure recovery of the debt concerned.
- 3. It may dispose of its claims in the capital market and may, for this purpose, require its debtors to issue bonds or other securities.
- 4. Neither the Bank nor the Member States shall impose any conditions according to which the sums lent by the Bank shall be expended within the territory of any specific Member State.
- 5. It may subject the granting of such loans to the inviting of international tenders.
- 6. It shall not finance, either in whole or in part, any project which is opposed by the Member State within whose territory it is to be carried out.

- 1. Applications for loans or guarantees may be addressed to the Bank either through the intermediary of the Commission or through the intermediary of the Member State in whose territory the project is to be carried out. An enterprise may also apply directly to the Bank for a loan or guarantee.
- 2. Applications made through the intermediary of the Commission shall be submitted for an opinion to the Member State in whose territory the project is to be carried out. Applications made through the intermediary of the State shall be submitted for an opinion to the Commission. Applications made direct by an enterprise shall be submitted to the Member State concerned and to the Commission.

The Member States concerned and the Commission shall give their opinions within a period of not more than two months. Failing a reply within this time-limit, the Bank may assume that the project concerned does not give rise to any objections.

- 3. The Board of Directors shall rule as to applications for loans or guarantees which are submitted to it by the Management Committee.
- 4. The Management Committee shall examine whether applications for loans or guarantees submitted to it are in conformity with the provisions of this Statute, in particular, of Article 20. If the Management Committee rules in favour of granting the loan or guarantee, it shall submit the draft contract to the Board of Directors; the Committee may make its favourable opinion subject to such conditions as it thinks essential. If the Committee rules against the granting of the loan or guarantee, it shall submit to the Board of Directors the relevant documents together with its opinion.
- 5. Where the Management Committee gives an unfavourable opinion, the Board of Directors may only grant such loan or guarantee by means of a unanimous vote.

- 6. Where the Commission gives an unfavourable opinion, the Board of Directors may only grant such loan or guarantee by means of a unanimous vote, the director appointed on nomination by the Commission abstaining from voting on this occasion.
- 7. Where both the Management Committee and the Commission give an unfavourable opinion, the Board of Directors may not grant such loan or guarantee.

- 1. The Bank shall borrow in the international capital markets the funds necessary to the accomplishment of its tasks.
- 2. The Bank may borrow in the capital market of a Member State within the framework of the legal provisions applying to internal issues or, failing such provisions in a Member State, after the Member State concerned and the Bank have consulted together and reached an agreement concerning the loan contemplated by the latter.

The assent of the competent agencies in the Member State may only be refused if serious disturbances in the capital market of that State are to be feared.

Article 23

- 1. The Bank may employ any available funds which it does not immediately need in order to meet its obligations, under the following conditions:
 - (a) it may make investments in the money markets;
- (b) it may, subject to the provisions of Article 20, paragraph 2, buy and sell securities issued by itself or by its debtors; or
 - (c) it may effect any other financial operation relating to its objective.
- 2. Without prejudice to the provisions of Article 25, the Bank shall not, in managing its investments, engage in any currency arbitrage which is not directly necessitated by the realisation of its loans or by the fulfilment of the obligations which it has contracted by reason of loans floated or guarantees granted by it.
- 3. The Bank shall, in the sphere referred to in this Article, act in agreement with the competent authorities of the Member States or with their respective bank of issue.

Article 24

- 1. A reserve fund, amounting to 10 per cent of the capital subscribed, shall be built up progressively. If the position of the Bank's obligations justifies it, the Board of Directors may decide upon the constitution of additional reserves. For as long as this reserve fund has not been completely built up, it shall be fed by:
- (a) receipts from interest on loans granted by the Bank out of the amounts to be paid up by Member States under Article 5; and

- (b) receipts from interest on loans granted by the Bank out of the funds derived from repayment to it of the loans referred to in subparagraph (a),
- to the extent that these receipts from interest are not required to meet the obligations of the Bank or to cover its expenses.
- 2. The amounts in the reserve fund shall be invested so as to be at any time available to meet the purpose of that fund.

- 1. The Bank shall at all times be authorised to transfer its holdings in the currency of one of the Member States into the currency of another Member State in order to carry out financial operations in conformity with its task as defined in Article 130 of this Treaty and due account being taken of the provisions of Article 23 of this Statute. The Bank shall, as far as possible, avoid making such transfers if it possesses holdings available directly or on call in the currency needed by it.
- 2. The Bank may not convert its holdings in the currency of one of the Member States into the currency of a third country without the agreement of the Member State concerned.
- 3. The Bank may freely dispose both of that part of its capital which is paid up in gold or convertible currencies and of foreign currencies borrowed in markets outside the Community.
- 4. The Member States undertake to make available to the Bank's debtors the foreign currency necessary for the repayment of capital and interest on loans granted or guaranteed by the Bank for projects to be carried out in their territories.

Article 26

If a Member State fails to fulfil the obligations of membership resulting from this Statute and, in particular, that of paying up its share of the subscribed capital or its special loans or of ensuring the service of its borrowings to it, the granting of loans or guarantees to that Member State or to its nationals may be suspended by a decision of the Board of Governors acting by means of a qualified majority vote

Such decision shall not release either the State itself or its nationals from their obligations towards the Bank.

Article 27

- 1. If the Board of Governors decides to suspend the activities of the Bank, all these activities shall immediately cease, with the exception of operations necessary to ensure the due utilisation, protection and conservation of its assets and the settlement of its obligations.
- 2. In the event of liquidation, the Board of Governors shall appoint the liquidators and give them instructions for carrying out the liquidation.

1. The Bank shall, in each of the Member States, possess the most extensive legal capacity accorded to legal persons under their respective municipal law; it may, in particular, acquire and transfer movable and immovable property and may sue and be sued in its own name.

The privileges and immunities to be granted to the Bank shall be laid down in the Protocol provided for in Article 218 of this Treaty.

2. The property of the Bank shall be exempt from requisitioning or expropriation in any form whatsoever.

Article 29

Any litigation between the Bank, on the one hand, and its creditors or debtors or any third parties, on the other hand, shall, subject to the competence conferred upon the Court of Justice, be decided upon by the competent domestic courts or tribunals.

The Bank shall elect domicile in each of the Member States. It may, however, in any contract, elect a special domicile or provide for an arbitration procedure.

The property and assets of the Bank shall not, except by judicial decision, be subject to seizure or to forced execution.

Done at Rome, on the twenty-fifth day of March in the year one thousand nine hundred and fitfy-seven.

P. H. Spaak	J. Ch. Snoy et d'Oppuers
Adenauer	HALLSTEIN
Pineau	M. Faure
Antonio Segni	Gaetano Martino
Весн	Lambert Schaus
J. Luns	J. Linthorst Homan

PROTOCOL RELATING TO GERMAN INTERNAL TRADE AND CONNECTED PROBLEMS

THE HIGH CONTRACTING PARTIES,

Considering the conditions at present existing by reason of the division of Germany,

Have agreed upon the following provisions which shall be annexed to this Treaty:

1. Since exchanges between the German territories subject to the Basic Law for the Federal Republic of Germany and the German territories in which the Basic Law does not apply are part of German internal trade, the application of this Treaty requires no amendment of the existing system of such trade within Germany.

- 2. Each Member State shall inform the other Member States and the Commission of any agreements affecting exchanges with the German territories in which the Basic Law for the Federal Republic of Germany does not apply, as well as of the provisions for their implementation. Each Member State shall ensure that such implementation shall not conflict with the principles of the Common Market and shall, in particular, take appropriate measures to avoid any prejudice which might be caused to the economies of the other Member States.
- 3. Each Member State may take suitable measures to prevent any difficulties which might arise for it from trade between another Member State and the German territories in which the Basic Law for the Federal Republic of Germany does not apply.

Done at Rome, on the twenty-fifth day of March in the year one thousand nine hundred and fifty-seven.

P. H. Spaak	J. Ch. Snoy et d'Oppuers
Adenauer	HALLSTEIN
PINEAU	M. FAURE
Antonio Segni	Gaetano Martino
Весн	Lambert Schaus
J. Luns	J. Linthorst Homan

PROTOCOL RELATING TO CERTAIN PROVISIONS OF CONCERN TO FRANCE

THE HIGH CONTRACTING PARTIES,

Desirous of settling, in conformity with the general objects of this Treaty, certain specific problems at present existing,

HAVE AGREED upon the following provisions which shall be annexed to this Treaty:

I.—CHARGES AND AIDS

1. The Commission and the Council shall annually examine the system of aid granted to exports and of special charges on imports in force on the franc area.

The French Government shall, on the occasion of such examination, make known any measures which it proposes to take for the purpose of reducing and rationalising the levels of such aids and charges.

It shall also inform the Council and the Commission of any new charges which it intends to impose as a result of any new measures of liberalisation and any adjustments of such aids and charges which it intends to make within the limits of the maximum tax level in force on 1 January 1957. These different measures may be discussed in such institutions.

- 2. The Council, acting by means of a qualified majority vote on a proposal of the Commission, may, if it considers that the lack of uniformity is prejudicial to certain branches of industry in the other Member States, request the French Government to take certain measures to make such charges and aids uniform in each of the three categories: raw materials, semi-finished products and finished products. In the event of the French Government not taking such measures, the Council, acting again by means of a qualified majority vote, shall authorise the other Member States to take measures of safeguard of which it shall determine the conditions and particulars.
- 3. In the event of the balance of current payments of the franc area having remained in equilibrium for a period of more than one year and of its monetary reserves having reached a level considered as satisfactory, with regard, in particular, to the volume of its external trade, the Council, acting by means of a qualified majority vote on a proposal of the Commission, may decide that the French Government shall abolish the system of charges and aids.

In the event of the Commission and the French Government not agreeing as to whether the level of the monetary reserves of the franc area may be considered as satisfactory, they shall refer the matter for an opinion to a personality or body chosen as arbitrator by agreement between themselves. In the event of disagreement, the arbitrator shall be appointed by the President of the Court of Justice.

The abolition thus decided upon shall be carried out in such a way as to avoid any danger of disturbance to the equilibrium of the balance of payments and may, in particular, be carried out progressively. Once the abolition has taken place, the provisions of this Treaty shall apply in their entirety.

The term "balance of current payments" shall have the meaning given to it by international organisations and by the International Monetary Fund, that is to say, the trade balance and invisible transactions having the character of income or of the supply of services.

II.—PAYMENT OF OVERTIME

- 1. The Member States consider that the establishment of the Common Market will result, by the end of the first stage, in a situation where the basic level for overtime payment and the average overtime rates in industry will correspond to those existing in France according to the average figures for the year 1956.
- 2. Should this situation not come about by the end of the first stage, the Commission shall authorise France to take, in respect of branches of industry affected by

inequalities in payments for overtime, measures of safeguard of which the Commission shall determine the conditions and particulars, unless the average increase in the level of wages in the same branches of industry in other Member States, as compared with the average for the year 1956, shall, during that stage, exceed the increase occurring in France by a percentage fixed by the Commission with the approval of the Council acting by means of a qualified majority vote.

Done at Rome, on the twenty-fifth day of March in the year one thousand nine hundred and fifty-seven.

P. H. Spaak

Adenauer

Pineau

Antonio Segni

J. Ch. Snoy et d'Oppuers

Hallstein

M. Faure

Gaetano Martino

Bech Lambert Schaus

J. Luns J. Linthorst Homan

PROTOCOL CONCERNING ITALY

THE HIGH CONTRACTING PARTIES,

DESIROUS of settling certain specific problems of concern to Italy,

HAVE AGREED upon the following provisions which shall be annexed to this Treaty:

THE MEMBER STATES OF THE COMMUNITY

TAKE NOTE of the fact that the Italian Government is occupied in the implementation of a ten-year programme of economic expansion aimed at correcting the disequilibria in the structure of the Italian economy, in particular, by the equipment of the less developed areas in the South of Italy and the Islands, and by the creation of new opportunities of employment with a view to eliminating unemployment;

RECALL that this programme of the Italian Government has been taken into consideration and approved in respect of its principles and objectives by organisations for international co-operation of which the Member States are members;

RECOGNISE that it is in their common interest that the objects of the Italian programme should be achieved;

AGREE, in order to facilitate the accomplishment of this task by the Italian Government, to recommend to the institutions of the Community the putting into effect of all the means and procedures provided for by this Treaty and, in particular,

the adequate utilisation of the resources of the European Investment Bank and of the European Social Fund;

ARE OF OPINION that the institutions of the Community, in the application of this Treaty, shall take account of the burden to be borne by the Italian economy during the coming years and of the desirability of avoiding dangerous tensions, in particular in the balance of payments or the level of employment, such as might jeopardise the application of this Treaty in Italy; and

RECOGNISE in particular that in the case of the application of Articles 108 and 109 it will be necessary to ensure that any measures required of the Italian Government shall safeguard the fulfilment of its programme for economic expansion and for the raising of the living standard of the population.

Done at Rome, on the twenty-fifth day of March in the year one thousand nine hundred and fifty-seven.

P. H. SPAAK
ADENAUER
PINEAU
Antonio SEGNI
BECH
J. LUNS

J. Ch. SNOY ET D'OPPUERS

HALLSTEIN

M. FAURE

Gaetano Martino

Lambert Schaus

J. Linthorst Homan

PROTOCOL CONCERNING THE GRAND DUCHY OF LUXEMBOURG

THE HIGH CONTRACTING PARTIES,

Desirous of settling certain specific problems of concern to the Grand Duchy of Luxembourg,

Have Agreed upon the following provisions, which shall be annexed to this Treaty:

Article 1

1. By reason of the particular situation of its agriculture, the Grand Duchy of Luxembourg shall be authorised to maintain quantitative restrictions on the importation of the products mentioned in the list annexed to the Decision of the Contracting Parties to the General Agreement on Tariffs and Trade, dated 3 December 1955, concerning the agriculture of Luxembourg.

Belgium, Luxembourg and the Netherlands shall apply the system laid down in Article 6, third paragraph, of the Convention on the Economic Union of Belgium and Luxembourg of 25 July 1921.¹

¹ League of Nations, Treaty Series, Vol. IX, p. 223; Vol. CXXXIV, p. 394, and Vol. CLX, p. 327.

2. The Grand Duchy of Luxembourg shall take any measures of a structural, technical or economic character that will make possible the progressive integration of its agriculture in the Common Market. The Commission may make recommendations to the Grand Duchy concerning the measures to be taken.

At the end of the transitional period, the Council, acting by means of a qualified majority vote on a proposal of the Commission, shall decide to what extent the derogations accorded to the Grand Duchy of Luxembourg shall be maintained, amended or abolished.

A right to appeal against such decision shall be available to any Member State concerned before an Arbitration Board appointed in accordance with the provisions of Article 8, paragraph 4, of this Treaty.

Article 2

When laying down regulations as provided for in Article 48, paragraph 3, of this Treaty, in respect of the free movement of workers, the Commission shall take due account, in so far as the Grand Duchy of Luxembourg is concerned, of the particular demographic situation of that country.

Done at Rome, on the twenty-fifth day of March in the year one thousand nine hundred and fifty-seven.

P. H. SPAAK

J. Ch. SNOY ET D'OPPUERS

ADENAUER

HALLSTEIN

PINEAU

M. FAURE

Antonio Segni

Gaetano Martino

Весн

Lambert Schaus

J. Luns

J. LINTHORST HOMAN

PROTOCOL RELATING TO GOODS ORIGINATING IN AND COMING FROM CERTAIN COUNTRIES AND ENJOYING SPECIAL TREATMENT ON IMPORTATION INTO ONE OF THE MEMBER STATES

THE HIGH CONTRACTING PARTIES.

Desirous of clarifying the application of this Treaty in respect of certain goods originating in and coming from certain countries and enjoying special treatment on importation into one of the Member States,

HAVE AGREED upon the following provisions which shall be annexed to this Treaty:

- 1. The application of the Treaty establishing the European Economic Community shall not require any amendment in the customs treatment applicable at the date of the entry into force of this Treaty to the importation:
- (a) into the Benelux countries, of goods originating in and coming from Surinam or the Netherlands Antilles;
- (b) into France, of goods originating in and coming from Morocco, Tunisia, the Republic of Viet-Nam, Cambodia or Laos. The above provisions shall apply also to the French Settlements of the Condominium of the New Hebrides; and
- (c) into Italy, of goods originating in and coming from Libya or Somaliland at present under Italian Trusteeship.
- 2. Goods imported into a Member State and benefiting by the treatment referred to above may not be considered as having been entered for consumption in that State within the meaning of Article 10 of this Treaty, when re-exported to another Member State.
- 3. Before the end of the first year following the date of the entry into force of this Treaty, Member States shall communicate to the Commission and to the other Member States any provisions regarding the particular import treatments provided for in this Protocol, together with a list of the goods benefiting thereby.

They shall also inform the Commission and the other Member States of any amendments subsequently made to such lists or treatments.

4. The Commission shall ensure that the application of the above provisions shall not be prejudicial to other Member States; it may, for this purpose, make any appropriate provisions as regards relations between Member States.

Done at Rome, on the twenty-fifth day of March in the year one thousand nine hundred and fifty-seven.

P. H. Spaak Adenauer Pineau Antonio Segni Bech

J. Ch. Snoy et d'Oppuers

Hallstein
M. Faure
Gaetano Martino
Lambert Schaus
I. Linthorst Homan

J. Luns

PROTOCOL RELATING TO THE TREATMENT TO BE APPLIED TO PRODUCTS WITHIN THE COMPETENCE OF THE EUROPEAN COAL AND STEEL COMMUNITY IN RESPECT OF ALGERIA AND THE OVERSEAS DEPARTMENTS OF THE FRENCH REPUBLIC

THE HIGH CONTRACTING PARTIES.

Conscious of the fact that provisions of this Treaty relating to Algeria and the overseas departments of the French Republic raise the problem of the treat-

ment to be applied, in respect of Algeria and those departments, to products covered by the Treaty establishing the European Coal and Steel Community,

Desirous of seeking an appropriate solution in harmony with the principles of the two Treaties,

UNDERTAKE to settle this problem in a spirit of mutual collaboration within the shortest possible time and not later that at the time of the first revision of the Treaty establishing the European Coal and Steel Community.

Done at Rome, on the twenty-fifth day of March in the year one thousand nine hundred and fifty-seven.

P. H. Spaak

Adenauer

Pineau

M. Faure

Antonio Segni

Bech

J. Luns

J. Ch. Snoy et d'Oppuers

Hallstein

Gaetano Martino

Lambert Schaus

J. Linthorst Homan

PROTOCOL CONCERNING MINERAL OILS AND CERTAIN OF THEIR DERIVATIVES

THE HIGH CONTRACTING PARTIES,

HAVE AGREED upon the following provisions, which shall be annexed to this Treaty:

1. Each Member State may, for a period of six years after the date of the entry into force of this Treaty, maintain in regard to other Member States and third countries the customs duties and charges with equivalent effect applied to products under headings Nos. 27.09, 27.10, 27.11, 27.12 and ex 27.13 (paraffin, waxes of petroleum and shale oils and paraffin residues) of the Brussels Nomenclature on 1 January 1957, or at the date of the entry into force of this Treaty, if then lower. The duty to be maintained on crude oils may not, however, be such as to result in an increase of more than 5 per cent in the difference existing on 1 January 1957 between the duties applicable to the crude oils and those applicable to the derivatives referred to above. Where no such difference exists, any difference subsequently established may not exceed 5 per cent of the duty applied to products listed under heading No. 27.09 on 1 January 1957. If, before the expiry of the said period of six years, a reduction is made in the customs duties or charges with equivalent effect in respect of products listed under heading No. 27.09, any customs duties and charges with equivalent effect imposed on the other products referred to above shall be subjected to a corresponding reduction.

At the end of this period, the duties maintained under the conditions provided for in the preceding sub-paragraph shall be completely abolished in regard to other Member States. At the same date, the common customs tariff shall be applicable in regard to third countries.

2. Any aids to the production of mineral oils under heading No. 27.09 of the Brussels Nomenclature shall, to the extent that such aids appear necessary in order to bring the price of the crude oils down to that of the world market c.i.f. European port of a Member State, be subject to the application of Article 92, paragraph 3 (c) of this Treaty. The Commission shall, in the course of the first stages, make use of the powers provided under Article 93 only to the extent necessary to prevent an improper application of such aids.

Done at Rome, on the twenty-fifth day of March in the year one thousand nine hundred and fifty-seven.

P. H. SPAAK

J. Ch. SNOY ET D'OPPUERS

ADENAUER

HALLSTEIN

PINEAU

M. FAURE

Antonio Segni

Gaetano Martino

Весн

Lambert Schaus

J. Luns

J. LINTHORST HOMAN

PROTOCOL RELATING TO THE APPLICATION OF THE TREATY ESTAB-LISHING THE EUROPEAN ECONOMIC COMMUNITY TO THE NON-EUROPEAN PARTS OF THE KINGDOM OF THE NETHERLANDS

THE HIGH CONTRACTING PARTIES,

Anxious, at the time of signing the Treaty establishing between themselves the European Economic Community, to define the scope of the provisions of Article 227 of this Treaty in respect of the Kingdom of the Netherlands,

HAVE AGREED upon the following provisions which shall be annexed to this Treaty:

The Government of the Kingdom of the Netherlands, by reason of the constitutional structure of the Kingdom resulting from the Statute of 29 December 1954, shall, notwithstanding the provisions of Article 227, be entitled to ratify this Treaty only on behalf of the Kingdom in Europe and Netherlands New Guinea.

DONE at Rome, on the twenty-fifth day of March in the year one thousand nine hundred and fifty-seven.

P. H. Spaak
Adenauer
Pineau
Antonio Segni
Bech
J. Luns
J. Ch. Snoy et d'Oppuers
Hallstein
M. Faure
Gaetano Martino
Lambert Schaus
J. Linthorst Homan

PROTOCOL ON THE PRIVILEGES AND IMMUNITIES OF THE EUROPEAN ECONOMIC COMMUNITY

THE HIGH CONTRACTING PARTIES TO THE TREATY ESTABLISHING THE EUROPEAN ECONOMIC COMMUNITY,

Considering that in accordance with the terms of Article 218 of this Treaty the Community will enjoy in the territories of the Member States the privileges and immunities necessary for the achievement of its aims, under the conditions defined in a separate Protocol,

Considering that in accordance with the terms of Article 28 of the Protocol on the Statute of the European Investment Bank, the Bank will enjoy the privileges and immunities laid down in the Protocol referred to in the preceding paragraph,

HAVE DESIGNATED as Plenipotentiaries for the drawing up of this Protocol:

HIS MAJESTY THE KING OF THE BELGIANS:

Baron J. Ch. SNOY ET D'OPPUERS, Secretary-General of the Ministry of Economic Affairs, Head of the Belgian delegation to the Intergovernmental Conference;

THE PRESIDENT OF THE FEDERAL REPUBLIC OF GERMANY:

Professor Dr. Carl Friedrich Орнüls, Ambassador of the Federal Republic of Germany, Head of the German delegation to the Intergovernmental Conference;

THE PRESIDENT OF THE FRENCH REPUBLIC:

Mr. Robert Marjolin, Professor of Faculties of Law, Deputy Head of the French delegation to the Intergovernmental Conference;

THE PRESIDENT OF THE ITALIAN REPUBLIC:

Mr. V. Badini Confalonieri, Under-Secretary of State in the Ministry of Foreign Affairs, Head of the Italian delegation to the Intergovernmental Conference;

Her Royal Highness the Grand Duchess of Luxembourg:

Mr. Lambert Schaus, Ambassador of the Grand Duchy of Luxembourg, Head of the Luxembourg delegation to the Intergovernmental Conference;

HER MAJESTY THE OUEEN OF THE NETHERLANDS:

Mr. J. Linthorst Homan, Head of the Netherlands delegation to the Intergovernmental Conference;

Who, having exchanged their full powers, found in good and due form,

HAVE AGREED upon the following provisions annexed to the Treaty establishing the European Economic Community:

Chapter 1

PROPERTY, FUNDS, ASSETS AND TRANSACTIONS OF THE COMMUNITY

Article 1

The premises and buildings of the Community shall be inviolable. They shall be exempt from search, requisition, confiscation or expropriation. The property and assets of the Community may not be the subject of any administrative or legal measure of constraint without the authorisation of the Court of Justice.

Article 2

The archives of the Community shall be inviolable.

Article 3

The Community, its assets, income and other property shall be exempt from all direct taxes.

The Governments of Member States shall, wherever possible, enact the necessary provisions to remit or refund the amount of indirect taxes or sales taxes included in the price of movable or immovable property where the Community makes, for its official use, major purchases whose price includes taxes of these types. The application of these provisions shall not, however have the effect of distorting conditions of competition within the Community.

No exemption shall be granted in respect of taxes or other charges which are no more than charges for public utility services.

Article 4

The Community shall be exempt from all customs duties, and prohibitions and restrictions on imports and exports in respect of articles intended for its official use; articles so imported shall not be disposed of with or without considera-

tion in the territory of the country into which they have been imported, except under conditions approved by the government of such country.

The Community shall also be exempt from any customs duties and any prohibitions and restrictions on imports and exports in respect of its publications.

Chapter 2

COMMUNICATIONS AND TRAVEL DOCUMENTS

Article 5

For their official communications and the transfer of all their documents the institutions of the Community shall enjoy in the territory of each Member State the treatment granted by that State to diplomatic missions.

Official correspondence and other official communications of the institutions of the Community shall not be subject to censorship.

Article 6

Passes in a form to be laid down by the Council and which shall be recognised as valid travel documents by the authorities of the Member States may be issued to the members and employees of the institutions of the Community by the presidents of these institutions. Such passes shall be issued to officials and other employees under conditions laid down by the rules provided for in Article 212 of the Treaty.

The Commission may conclude agreements for these passes to be recognised in the territory of third countries as valid travel documents.

Chapter 3

MEMBERS OF THE ASSEMBLY

Article 7

No restrictions of an administrative or other nature shall be imposed on the free movement of members of the Assembly proceeding to or coming from the place of meeting of the Assembly.

Members of the Assembly shall, in respect of customs and exchange control, be accorded:

- (a) by their own government, the same facilities as those accorded to senior officials proceeding abroad on temporary official duty; and
- (b) by the governments of other Member States, the same facilities as those accorded to representatives of foreign governments on temporary official duty.

Members of the Assembly may not be interrogated, detained or prosecuted in respect of words spoken or votes cast by them in the exercise of their functions.

Article 9

During the sessions of the Assembly, its members shall enjoy:

- (a) in their national territory, the immunities accorded in their country to members of Parliament; and
- (b) in the territory of all other Member States, exemption from any measure of detention and from any legal prosecution.

This immunity shall also apply when they are proceeding to and from the place of meeting of the Assembly.

Such immunity shall not, however, apply when members are found committing, attempting to commit or just having committed an offence, and shall not prevent the Assembly from exercising its right to waive the immunity of any of its members.

Chapter 4

Representatives of Member States taking part in the work of the institutions of the Community

Article 10

Representatives of Member States taking part in the work of the institutions of the Community, as well as their advisers and technical experts shall, during the exercise of their functions and during their travel to and from the place of meeting, be accorded the customary privileges, immunities and facilities.

This Article shall also apply to members of the consultative organs of the Community.

Chapter 5

OFFICIALS AND OTHER EMPLOYEES OF THE COMMUNITY

Article 11

In the territory of each Member State and whatsoever their nationality, the officials and other employees of the Community as mentioned in Article 212 of this Treaty:

(a) shall, subject to the provisions of Articles 179 and 215 of this Treaty, be immune from legal process for acts performed by them in their official capacity, including their words spoken or written; they shall continue to benefit from such immunity after their functions have ceased;

- (b) shall, together with their spouses and the members of their families dependent on them, not be subject to provisions limiting immigration or to formalities for the registration of foreign persons;
- (c) shall, in respect of currency or exchange regulations, be accorded the same facilities as are accorded by custom to the officials of international organisations;
- (d) shall have the right to import, free of duty, from the country of their last residence or from the country of which they are nationals their furniture and effects at the time of first taking up their post in the country concerned and the right to re-export, free of duty, such furniture and effects, on the termination of their functions in that country, subject in either case to the conditions deemed necessary by the government of the country in which this right is exercised; and
- (e) shall have the right to import free of duty their motor-car for their personal use, purchased either in the country of their last residence or in the country of which they are nationals on the terms ruling in the home market, and to re-export it free of duty, subject in either case to the conditions deemed necessary by the government of the country concerned.

Subject to the conditions and in accordance with the procedure laid down by the Council acting on proposals submitted by the Commission within a period of one year after the date of the entry into force of this Treaty, the officials and other employees of the Community shall be liable, for the benefit of the latter, to a tax on the salaries, wages and emoluments paid to them by it.

They shall be exempt from national taxes on salaries, wages or emoluments paid by the Community.

Article 13

In respect of income tax, of capital tax, of death duties and the application of conventions on the avoidance of double taxation concluded between Member States of the Community, the officials and other employees of the Community who, solely by reason of the exercise of their functions in the service of the Community, establish their residence in the territory of a Member State other than the country where they have their residence for tax purposes at the time of their entry into the service of the Community, shall be considered both in the country of their actual residence and in the country of residence for tax purposes as having maintained their residence in the latter country provided that it is a member of the Community. This provision shall also apply to a spouse, to the extent that the latter is not exercising his or her own professional activities, and to children dependent on and in the care of the persons referred to in this Article.

Movable property belonging to persons referred to in the preceding paragraph and situated in the territory of the country of actual residence shall be exempted from death duties in that country; it shall, for the assessment of such duty, be considered as being in the country of residence for tax purposes, subject to the rights of third countries and to the possible application of provisions of international conventions on double taxation.

Any residence acquired solely by reason of the exercise of functions in the service of other international organisations shall not be taken into consideration in applying the provisions of this Article.

Article 14

The Council, acting by means of a unanimous vote on a proposal which the Commission shall submit within a period of one year after the date of the entry into force of this Treaty, shall lay down rules governing the social security benefits to be applied to the officials and other employees of the Community.

Article 15

The Council, acting on a proposal of the Commission and after the other institutions concerned have been consulted, shall determine the categories of officials and other employees of the Community to whom the provisions of Articles 11, 12, second paragraph, and 13 shall apply in whole or in part.

The names, descriptions and addresses of the officials and other employees included in such categories shall be communicated periodically to the Governments of Member States.

Chapter 6

PRIVILEGES AND IMMUNITIES OF MISSIONS TO THE COMMUNITY

Article 16

The Member State in whose territory the Community has its seat shall grant the customary diplomatic immunities to the missions of third countries accredited to the Community.

Chapter 7

GENERAL PROVISIONS

Article 17

Privileges, immunities and facilities are granted to the officials and other employees of the Community solely in the interest of the Community.

Each institution of the Community shall waive the immunity granted to an official or other employee in any case where that institution considers that the waiver of such immunity is not contrary to the interests of the Community.

The institutions of the Community shall, for the purposes of applying this Protocol, act in concert with the appropriate authorities of the Member States concerned.

Article 19

Articles 11 to 14 inclusive and Article 17 shall apply to members of the Commission.

Article 20

Articles 11 to 14 inclusive and Article 17 shall, subject to the provisions of Article 3 of the Protocol on the Statute of the Court of Justice concerning the immunity from legal process of judges and advocates-general, apply to the judges, the advocates-general, the registrar and the assistant rapporteurs of the Court of Justice.

Article 21

This Protocol shall, subject to the provisions of the Protocol on the Statute of the European Investment Bank, also apply to the latter, to the members of its organs, to its staff and to the representatives of Member States who participate in its activities.

The European Investment Bank shall also be exempted from any fiscal or parafiscal charge in respect of its foundation or of increases in its capital and from the various formalities which might be connected therewith in the State where the Bank has its seat. Similarly its dissolution and its liquidation shall not give rise to the levying of any charge. Finally the activity of the Bank and of its organs carried out under the terms of its Statute shall not be the subject of any turn-over tax.

IN FAITH WHEREOF, the undersigned Plenipotentiaries have placed their signatures at the end of the present Protocol.

Done at Brussels, on the seventeenth day of April in the year one thousand nime hundred and fifty-seven.

J. Ch. Snoy et d'Oppuers

C. F. OPHÜLS

R. MARJOLIN

V. Badini

L. Schaus

J. LINTHORST HOMAN

PROTOCOL ON THE STATUTE OF THE COURT OF JUSTICE OF THE EUROPEAN ECONOMIC COMMUNITY

THE HIGH CONTRACTING PARTIES TO THE TREATY ESTABLISHING THE EUROPEAN ECONOMIC COMMUNITY,

DESIROUS of fixing the Statute of the Court laid down in Article 188 of this Treaty,

HAVE DESIGNATED as their Plenipotentiaries for this purpose:

HIS MAJESTY THE KING OF THE BELGIANS:

Baron J. Ch. SNOY ET D'OPPUERS, Secretary-General of the Ministry of Economic Affairs, Head of the Belgian delegation to the Intergovernmental Conference;

THE PRESIDENT OF THE FEDERAL REPUBLIC OF GERMANY:

Professor Dr. Carl Friedrich Ophüls, Ambassador of the Federal Republic of Germany, Head of the German delegation to the Intergovernmental Conference:

THE PRESIDENT OF THE FRENCH REPUBLIC:

Mr. Robert Marjolin, Professor of Faculties of Law, Deputy Head of the French delegation to the Intergovernmental Conference;

THE PRESIDENT OF THE ITALIAN REPUBLIC:

Mr. V. Badini Confalonieri, Under-Secretary of State in the Ministry of Foreign Affairs, Head of the Italian delegation to the Intergovernmental Conference:

HER ROYAL HIGHNESS THE GRAND DUCHESS OF LUXEMBOURG:

Mr. Lambert Schaus, Ambassador of the Grand Duchy of Luxembourg, Head of the Luxembourg delegation to the Intergovernmental Conference;

HER MAJESTY THE QUEEN OF THE NETHERLANDS:

Mr. J. LINTHORST HOMAN, Head of the Netherlands delegation to the Intergovernmental Conference;

Who, having exchanged their full powers, found in good and due form,

HAVE AGREED upon the following provisions annexed to the Treaty establishing the European Economic Community.

Article 1

The Court established by Article 4 of this Treaty shall be constituted and shall perform its duties in accordance with the provisions of this Treaty and of this Statute.

TITLE ONE

STATUS OF THE JUDGES AND THE ADVOCATES-GENERAL

Article 2

Before entering upon his duties each judge shall in open court take an oath to perform his duties impartially and conscientiously and to preserve the secrecy of the Court's deliberations.

Article 3

The judges shall be immune from legal process. They shall continue to benefit from such immunity after their functions have ceased for all acts performed by them in their official capacity, including their words spoken or written.

The Court, in plenary session, may suspend this immunity.

Only an agency competent to judge the members of the highest national judiciary in each Member State shall have jurisdiction in criminal proceedings against judges whose immunity has been suspended.

Article 4

The judges may not hold any political or administrative office.

They may not engage in any paid or unpaid professional activities, except by special exemption granted by the Council.

When entering upon their duties, they shall give a solemn undertaking that, both during and after their term of office, they will respect the obligations resulting therefrom, in particular the duty of exercising honesty and discretion as regards the acceptance, after their term of office, of certain functions or advantages.

In case of doubt a decision shall be made by the Court.

Article 5

Apart from retirements in regular rotation and the case of death the duties of a judge shall be terminated in individual cases by resignation.

Where a judge resigns, his letter of resignation shall be addressed to the President of the Court for transmission to the President of the Council. This notification shall constitute vacation of office.

Except for instances in which Article 6 applies, a judge shall continue to hold office until his successor enters upon his duties.

Article 6

The judges may be deprived of office or of their right to a pension or alternative advantages only if, in the unanimous opinion of the judges and advocates-general

of the Court, they no longer fulfil the required conditions or meet the obligations resulting from their office. The judge concerned shall not take part in these deliberations.

The registrar of the Court shall communicate the Court's decision to the President of the Assembly and to the President of the Commission and shall notify it to the President of the Council.

In the case of decision removing a judge from his office, such notification shall constitute vacation of office.

Article 7

A judge appointed to replace a member whose term of office has not expired shall be appointed for the remainder of that member's term of office.

Article 8

The provisions of Articles 2 to 7 inclusive shall apply to the advocates-general.

TITLE TWO

ORGANISATION

Article 9

The registrar shall take an oath before the Court to perform his duties impartially and conscientiously and to preserve the secrecy of the Court's deliberations.

Article 10

The Court shall arrange for the registrar to be replaced if he is unable to carry out his duties.

Article 11

The Court shall have officials and other employees to ensure its functioning. They shall be responsible to the registrar under the authority of the President.

Article 12

The Council, acting by means of a unanimous vote on a proposal of the Court, may provide for the appointment of assistant rapporteurs and lay down their statute of service. The assistant rapporteurs may be required under conditions to be fixed by the rules of procedure to participate in the examination of cases pending before the Court and to collaborate with the reporting judge.

The assistant rapporteurs shall be chosen from among persons who are of indisputable independence and who possess the necessary legal qualifications;

they shall be appointed by the Council. They shall take an oath before the Court to perform their duties impartially and conscientiously and to preserve the secrecy of the Court's deliberations.

Article 13

The judges, advocates-general and the registrar shall reside at the seat of the Court.

Article 14

The Court shall sit permanently. The length of judicial recesses shall be fixed by the Court with due regard for its judicial obligations.

Article 15

The Court may sit validly only with an uneven number of members. The deliberations of the Court meeting in plenary session shall be valid if five members are present. The deliberations of the chambers are valid only if they are conducted by three judges; in the event of one of the judges of a chamber being unable to carry out his duties, a judge of another chamber may be asked to sit in accordance with conditions which shall be laid down by the rules of procedure.

Article 16

The judges and advocates-general may not participate in the settlement of any case in which they have previously participated as a representative, counsel or advocate of one of the parties, or on which they have been called upon to decide as a member of a tribunal, of a commission of inquiry or in any other capacity.

If, for some special reason, any judge or advocate-general considers that he should not take part in the judgment or examination of a particular case, he shall so inform the President. If the President considers that any judge or advocate-general should not, for some special reason, sit or submit conclusions in a particular case, he shall give notice thereof to the person concerned.

The Court shall decide in case of any difficulties arising from the application of this Article.

A party may not invoke either the nationality of a judge or the absence from the bench or from one chamber of a judge of his own nationality, in order to ask for a change in the composition of the Court or of one of its chambers.

TITLE THREE

PROCEDURE

Article 17

The States and the institutions of the Community shall be represented before the Court by a representative appointed for each case; the representative may be assisted by counsel or by an advocate who is a member of the Bar of one of the Member States.

Other parties shall be represented by an advocate member of the Bar of one of the Member States.

The representatives, counsel and advocates appearing before the Court shall have the rights and guarantees necessary for the independent performance of their duties, under conditions to be laid down by the rules of procedure.

The Court shall have, with respect to the counsel and advocates who appear before it, the powers normally accorded to courts and tribunals, under conditions to be laid down by the same rules.

Professors being nationals of the Member States whose municipal law accords to them the right to plead shall have the same rights before the Court as are accorded by this Article to advocates.

Article 18

The procedure before the Court entails two stages : one written and the other oral.

The written procedure shall include communication to the parties as well as to the institutions of the Community whose decisions are in dispute, of the petitions, memoranda, defence and observations and answers, if any, as well as of all documentary evidence and supporting papers or of certified copies thereof.

Such communications shall be made by the registrar in the sequence and within the time-limits fixed by the rules of procedure.

The oral procedure shall include the reading of the report presented by a reporting judge, the hearing by the Court of representatives, counsel and advocates and of the conclusions of the advocate-general as well as the hearing, if necessary, of witnesses and experts.

Article 19

Matters shall be referred to the Court by a petition addressed to the registrar. The petition shall contain the name and the domicile of the petitioner and the capacity of the signatory, the name of the party against whom the petition is lodged, the subject-matter of the dispute, the arguments and a short summary of the grounds on which the petition is based.

The petition shall be accompanied, where appropriate, by the act whose annulment is sought or, in the case mentioned in Article 175 of this Treaty, by documentary evidence of the date of issue of the invitation referred to in that Article. If these documents are not annexed to the petition, the registrar shall ask the party concerned to produce them within a reasonable period; in that case the rights of the party shall not lapse even if such documents are produced after the expiry of the time-limit set for the appeal.

In cases provided for under Article 177 of this Treaty, the decision of the domestic court or tribunal which suspends its proceedings and makes a reference to the Court shall be notified to the Court by the domestic court or tribunal concerned. Such decision shall then be notified by the registrar to the parties in the case, to the Member States and to the Commission, and also to the Council if the act whose validity or interpretation is in dispute originates from the Council.

The parties, the Member States, the Commission and, where appropriate, the Council are entitled to submit to the Court, within a period of two months after the latter notification, memoranda or written comments.

Article 21

The Court may request the parties to produce all documents and to supply all information which the Court considers desirable. In case of refusal, the Court shall take judicial notice thereof.

The Court may also request Member States and institutions not being parties to the case to supply all information which the Court considers necessary for the proceedings.

Article 22

The Court may at any time charge any person, body, office, commission or organ of its own choice with the duty of making an expert study.

Article 23

Witnesses may be heard under the conditions which shall be determined by the rules of procedure.

Article 24

The Court shall have, with respect to defaulting witnesses, the powers generally accorded to courts and tribunals and may impose pecuniary sanctions under conditions to be laid down by the rules of procedure.

Article 25

Witnesses and experts may be heard under oath in the form laid down by the rules of procedure or in the manner fixed by the municipal law of the witness or expert.

Article 26

The Court may order that a witness or expert be heard by the judicial authority of his domicile.

This order shall be sent for execution to the competent judicial authority under conditions laid down by the rules of procedure. The documents resulting from the execution of this rogatory commission shall be sent to the Court under the same conditions.

The Court shall be responsible for the expenses incurred, subject to the right to charge these expenses, where appropriate, to the parties concerned.

Article 27

Each Member State shall regard any violation of an oath by witnesses and experts as if the same offence had been committed before a domestic court or tribunal dealing with a case in civil law. When the Court reports such a violation the Member State concerned shall prosecute the offender before the competent domestic court or tribunal.

Article 28

Hearings shall be public unless the Court, ex officio or at the request of the parties, shall, for substancial reasons, decide otherwise.

Article 29

During the hearings the Court may examine the experts, the witnesses and the parties themselves. The latter may only plead through their representative.

Article 30

Minutes shall be kept of each hearing, signed by the President and the registrar.

Article 31

The list of cases shall be fixed by the President.

Article 32

The Court's deliberations shall be and shall remain secret.

Article 33

Judgments shall be supported by reasons. They shall state the names of the judges who have deliberated.

Article 34

Judgments shall be signed by the President and the registrar. They shall be read in open court.

Costs shall be determined by the Court.

Article 36

The President of the Court may, in accordance with a summary procedure which derogates, as far as necessary, from certain provisions of this Statute and under conditions which shall be laid down in the rules of procedure, rule either upon submissions for the granting of suspension of execution, as provided for in Article 185 of this Treaty, or for the application of interim orders pursuant to Article 186, or for the suspension of forced execution in accordance with Article 192, last paragraph.

In the event of the President being prevented from carrying out his duties, he shall be replaced by another judge under conditions laid down by the rules of procedure.

The ruling of the President or of his alternate shall be provisional and shall in no way prejudge the decision of the Court on the substance.

Article 37

The Member States and the institutions of the Community may intervene in cases before the Court.

The same right is given to any other person establishing an interest in the result of any case referred to the Court except in cases between Member States, between institutions of the Community or between Member States and institutions of the Community.

The submission of third parties intervening in a case shall be limited to the support of the arguments of either party.

Article 38

Where the defendant, after having been duly notified, fails to file written conclusions, a judgment may be made on his case in default. This judgment may be appealed against within a period of one month after the date of notification. Such appeal shall not stay the execution of the judgment by default unless the Court decides otherwise.

Article 39

The Member States, the institutions of the Community and any other natural or legal persons may, in cases and under conditions to be determined by the rules of procedure, institute third party proceedings to contest judgments which have been given without their having been heard, where such judgments are prejudicial to their rights.

In case of difficulty as to the meaning or scope of a judgment, it shall be to the Court to interpret such judgment upon the request of any party or any institution of the Community establishing an interest therein.

Article 41

The Court may be asked to review a judgment only on grounds of the discovery of a fact capable of exerting a decisive influence and which was unknown to the Court and to the party requesting such review prior to the pronouncement of such judgment.

The procedure for review shall commence by a judgment of the Court explicitly finding that a new fact exists, recognising therein the characteristics giving rise to review and holding the request for review to be admissible for that reason.

No request for review may be introduced after the expiry of a period of ten years after the date of the judgment.

Article 42

Periods of grace on grounds of distance shall be determined by the rules of procedure.

There shall be no lapse of rights through the expiry of time-limits if the party concerned proves the existence of an Act of God or force majeure.

Article 43

Proceedings against the Community in matters arising from non-contractual responsibility shall be statute-barred after a period of five years from the occurrence of the circumstance giving rise thereto. This limitation is superseded by a petition to the Court or by a previous request which the injured party may direct to the relevant institution of the Community. In this last case, the petition must be filed within the period of two months provided for in Article 173; the provisions of Article 175, paragraph 2, shall apply, where appropriate.

Article 44

The rules of procedure of the Court provided for under Article 188 of this Treaty shall contain, apart from the provisions contemplated by this Statute, any other provisions necessary for its application and, where necessary, for its completion.

Article 45

The Council, acting by means of a unanimous vote, may make such further amendments to the provisions of this Statute as may be required by reason of measures taken by the Council under the terms of Article 165, last paragraph of this Treaty.

Immediately after the taking of the oath, the President of the Council shall proceed to choose by lot the judges and the advocates-general whose term of office is to expire at the end of the first period of three years in accordance with Article 167, second and third paragraphs, of this Treaty.

IN FAITH WHEREOF, the undersigned Plenipotentiaries have placed their signatures at the end of the present Protocol.

Done at Brussels, on the seventeenth day of April in the year one thousand nine hundred and fifty-seven.

J. Ch. SNOY ET D'OPPUERS

C. F. OPHÜLS

Robert Marjolin

Vittorio Badini

Lambert Schaus

J. LINTHORST HOMAN

III

CONVENTION

IMPLEMENTING CONVENTION RELATING TO THE ASSOCIATION WITH THE COMMUNITY OF THE OVERSEAS COUNTRIES AND TERRITORIES

THE HIGH CONTRACTING PARTIES,

DESIROUS of establishing the Implementing Convention provided for in Article 136 of this Treaty,

HAVE AGREED upon the following provisions which shall be annexed to this Treaty;

Article 1

The Member States shall, under the conditions determined below and by means of efforts complementary to those made by the responsible authorities of the countries and territories listed in Annex IV to this Treaty, participate in any measure suitable for the promotion of the social and economic development of those countries and territories.

For this purpose, a Development Fund for the overseas countries and territories shall hereby be set up, into which the Member States shall, during a period of five years, pay the annual contributions provided for in Annex A to this Convention.

The Fund shall be administered by the Commission.

Article 2

The responsible authorities of the countries and territories shall, in agreement with the local authorities or with the representatives of the populations of the countries and territories concerned, submit to the Commission any social or economic projects for which financing by the Community is requested.

Article 3

The Commission shall annually draw up general programmes in which the funds available in accordance with Annex B to this Convention shall be allocated to the different categories of projects.

Such general programmes shall contain projects for financing:

(a) certain social institutions, in particular, hospitals, teaching or technical research establishments and institutions for vocational training and for the promotion of professional activities among the populations; and

(b) economic investments of general interest directly connected with the implementation of a programme including productive and specific development projects.

Article 4

At the beginning of each financial year, the Council, acting by means of a qualified majority vote after consulting the Commission, shall determine the amounts to be devoted to the financing of:

- (a) the social institutions referred to in Article 3 (a); and
- (b) the economic investments of general interest referred to in Article 3 (b).

The Council shall, in taking its decision, aim at a distribution of the amounts available on a rational geographical basis.

Article 5

- 1. The Commission shall determine the distribution of the amounts available in accordance with Article 4 (a) between the various requests received for the financing of social institutions.
- 2. The Commission shall draw up proposals for financing those economic investment projects which it approves in accordance with Article 4 (b).

It shall communicate these proposals to the Council.

If, within a period of one month, no Member State requests that such proposals be considered by the Council, they shall be regarded as approved.

If such proposals are considered by the Council, the latter shall act by means of a qualified majority vote within a period of two months.

- 3. Any amounts not allocated during any one year shall be carried forward to the following years.
- 4. The amounts allocated shall be made available to the authorities responsible for carrying out the work concerned. The Commission shall ensure that such amounts are utilised in accordance with the purposes decided upon and expended to the best economic advantage.

Article 6

The Council, acting by means of a qualified majority vote on a proposal of the Commission, shall, within a period of six months after the entry into force of this Treaty, lay down the particulars as to calls for and transfers of financial contributions, budgeting and the administration of the resources of the Development Fund.

The qualified majority referred to in Articles 4, 5 and 6 shall be 67 votes. The Member States shall have the following number of votes:

Belgium . . . 11 votes
Germany . . 33 votes
France . . . 33 votes
Italy 11 votes
Luxembourg . 1 vote
Netherlands . 11 votes

Article 8

The right of establishment shall, in each of the countries or territories, be extended progressively to nationals and companies of Member States other than that State having special relations with the country or territory concerned. Particulars of such extension shall be determined, in the course of the first year of application of this Convention, by the Council, acting by means of a qualified majority vote on a proposal of the Commission, in such a manner that any discrimination progressively disappears in the course of the transitional period.

Article 9

The customs system to be applied to commercial exchanges between Member States and the countries and territories shall be that provided for in Articles 133 and 134 of this Treaty.

Article 10

Member States shall, during the period of validity of this Convention, apply to their commercial exchanges with the countries and territories such provisions of the Chapter of this Treaty relating to the elimination of quantitative restrictions between Member States as they apply in their mutual relations during the same period.

Article 11

1. In each of the countries or territories where import quotas exist, and at the end of the first year after the entry into force of this Convention, the quotas open to States other than that State with which such country or territory has special relations shall be converted into global quotas open without discrimination to the other Member States. As from the same date, these quotas shall be increased annually by the application of the provisions of Article 32 and of Article 33, paragraphs 1, 2, 4, 5, 6 and 7 of this Treaty.

- 2. Where the global quota for a non-liberalised product represents less than 7 per cent of the total imports into a country or territory, a quota equal to 7 per cent of such imports shall be established not later than at the end of the first year after the entry into force of this Convention, and shall be increased annually in accordance with the provisions referred to in paragraph 1.
- 3. Where, in respect of certain products, no quota has been granted for imports into a country or territory, the Commission shall, by means of a decision, determine the particulars by which quotas to be offered to other Member States shall be opened and increased.

To the extent that import quotas established by Member States cover both imports coming from a State having special relations with a country or territory and imports coming from that country or territory, the proportion of imports coming from countries and territories shall be the subject of a global quota based on import statistics. Such quota shall be fixed in the course of the first year of application of this Convention and shall be increased in accordance with the rules referred to in Article 2.

Article 13

The provisions of Article 10 shall not be an obstacle to prohibitions or restrictions in respect of imports, exports or transit which are justified on grounds of public morality, public order, public safety, the protection of human or animal life or health, the preservation of plant life, the protection of national treasures of artistic, historical or archaeological value or the protection of industrial or commercial property. Such prohibitions or restrictions shall not, however, constitute either a means of arbitrary discrimination or a disguised restriction on trade.

Article 14

After the date of expiry of this Convention and until provision has been made for association for a further period, quotas as to imports into the countries and territories, on the one hand, and into the Member States, on the other hand, in respect of products originating in the countries and territories, shall remain at the level fixed for the fifth year. The system in respect of the right of establishment in force at the end of the fifth year shall also be maintained.

Article 15

1. Imports, coming from third countries, of unroasted coffee into Italy and the Benelux countries, on the one hand, and of bananas into the Federal Republic of Germany, on the other hand, shall benefit from tariff quotas under the conditions laid down in the Protocols annexed to this Convention.

2. If the Convention expires before the conclusion of a new agreement, Member States shall, pending such new agreement, have the benefit, in respect of the entry of bananas, cocoa-beans and unroasted coffee, of tariff quotas which shall be at the rates of duty applying at the beginning of the second stage and which are equal to the volume of imports coming from third countries in the course of the last year for which statistics are available.

Such quotas shall, where appropriate, be increased in proportion to the increase of consumption within the importing countries.

3. Member States benefiting by tariff quotas at the rates of duty applied at the date of the entry into force of this Treaty, in accordance with the Protocols relating to imports of unroasted coffee and bananas coming from third countries, shall be entitled to obtain for these products, in place of the system provided for in the preceding paragraph, the maintenance of tariff quotas at the level reached on the date of expiry of this Convention.

Such quotas shall, where appropriate, be increased under the conditions mentioned in paragraph 2.

4. The Commission shall at the request of the States concerned determine the volume of the tariff quotas referred to in the preceding paragraphs.

Article 16

The provisions contained in Articles 1 to 8 inclusive of this Convention shall apply to Algeria and the French overseas departments.

Article 17

Without prejudice to the application of the provisions of Articles 14 and 15, this Convention shall be concluded for a period of five years.

Done at Rome, on the twenty-fifth day of March in the year one thousand nine hundred and fifty-seven.

P. H. Spaak

J. Ch. Snoy et d'Oppuers

Adenauer

Hallstein

M. Faure

Antonio Segni Gaetano Martino

BECH Lambert Schaus

J. Luns J. Linthorst Homan

ANNEX A REFERRED TO IN ARTICLE 1 OF THIS
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Percentages	1st year 10 %	2nd year 12.5%	3rd year 16.5 %	4th year 22.5 %	5th year 38.5 %	Total 100 %
Countries	In millions of E.P.U. units of account					
Belgium	7	8.75	11.55	15.75	26.95	70
Germany	20	25	33	45	77	200
France	20	25	33	45	77	200
Italy	4	5	6.60	9	15.40	40
Luxembourg	0.125	0.15625	0.20625	0.28125	0.48125	1.25
Netherlands	7	8.75	11.55	15.75	26.95	70

ANNEX B REFERRED TO IN ARTICLE 3 OF THIS CONVENTION

Percentages Overseas	1st year	2nd year 12.5 %	3rd year 16.5 %	4th year 22.5 %	5th year 38.5 %	100 %		
Countries and Territories of:	In millions of E.P.U. units of account							
Belgium	3	3.75	4.95	6.75	11.55	30		
France	51.125	63.906	84.356	115.031	196.832	511.25		
Italy	0.5	0.625	0.825	1.125	1.925	5		
Netherlands	3.5	4.375	5.775	7.875	13.475	35		

PROTOCOL CONCERNING THE TARIFF QUOTA FOR IMPORTS OF BANANAS

(Ex 08.01 of the Brussels Nomenclature)

THE HIGH CONTRACTING PARTIES,

HAVE AGREED upon the following provisions which shall be annexed to this Convention:

1. Upon the first approximation of external duties as provided for in Article 23, paragraph 1 (b) of this Treaty and until the end of the second stage, the Federal Republic of Germany shall benefit by an annual duty-free import quota equal

to 90 per cent of the quantities imported in 1956, less the quantities coming from the countries and territories referred to in Article 131 of this Treaty.

- 2. Upon the expiry of the second stage and until the expiry of the third stage, that quota shall be 80 per cent of the quantity defined above.
- 3. The annual quotas fixed in the preceding paragraphs shall be increased by 50 per cent of the difference between the total quantities imported during each preceding year and those quantities which were imported in 1956.

In the event of the total of imports having diminished by comparison with the year 1956, the annual quotas laid down above shall not exceed 90 per cent of the imports of each preceding year during the period referred to in paragraph 1 or 80 per cent of the imports of each preceding year during the period mentioned in paragraph 2.

4. Upon the full application of the common customs tariff, the quota shall be 75 per cent of the imports in the year 1956. This quota shall be increased under the conditions laid down in paragraph 3, first sub-paragraph.

In the event of imports diminishing by comparison with the year 1956, the annual quota provided for above shall not exceed 75 per cent of the imports of each preceding year.

The Council, acting by means of a qualified majority vote on a proposal of the Commission, shall decide as to the abolition or the amendment of this quota.

- 5. The quantity of imports in the year 1956, after deducting imports from the countries and territories referred to in Article 131 of this Treaty, which, in relation to the preceding provisions, shall serve as the basis for calculating quotas, shall be 290,000 tons.
- 6. In the event of the countries and territories being unable to supply the whole of the quantities demanded by the Federal Republic of Germany, the Member States concerned hereby declare their readiness to agree to a corresponding increase in the German tariff quota.

Done at Rome, on the twenty-fifth day of March in the year one thousand nine hundred and fifty-seven.

P. H. Spaak

Adenauer

Pineau

Antonio Segni

Bech

J. Ch. Snoy et d'Oppuers

Hallstein

M. Faure

Gaetano Martino

Lambert Schaus

J. Luns

J. Linthorst Homan

At the time of signing this Protocol, the Plenipotentiary of the Federal Republic of Germany made, on behalf of his Government, the following declaration of which the other Plenipotentiaries took note:

The Federal Republic of Germany hereby declares its readiness to support any measures that may be taken by German private interests with a view to encouraging within the Federal Republic sales of bananas coming from the associated overseas countries and territories.

For this purpose, negotiations shall be initiated as early as possible between business circles in the various countries interested in the supply and sale of bananas.

PROTOCOL CONCERNING THE TARIFF QUOTA FOR IMPORTS OF UNROASTED COFFEE

(Ex 09.01 of the Brussels Nomenclature)

THE HIGH CONTRACTING PARTIES,

HAVE AGREED upon the following provisions which shall be annexed to this Convention:

A .-- IN REGARD TO ITALY

During the first period of association of the overseas countries and territories with the Community and after the first amendment of customs duties carried out in conformity with Article 23 of this Treaty, imports of unroasted coffee coming from third countries into the territory of Italy shall be subject to the customs duties applying on the date of the entry into force of this Treaty, up to the amount of an annual quota equal to the total imports into Italy of unroasted coffee from third countries in the course of the year 1956.

As from the sixth year after the date of the entry into force of this Treaty and until the end of the second stage, the initial quota provided for in the preceding sub-paragraph shall be reduced by 20 per cent.

Upon the beginning of the third stage and throughout its duration, the quota shall be fixed at 50 per cent of the initial quota.

During a period of four years as from the end of the transitional period, imports of unroasted coffee into Italy may continue to benefit, up to an amount not exceeding 20 per cent of the initial quota, by the customs duties applicable in that country on the date of the entry into force of this Treaty.

The Commission shall examine whether the percentage and the period provided for in the preceding sub-paragraph are justified.

The provisions of this Treaty shall apply to any quantities imported outside the quotas provided for above.

B. - IN REGARD TO THE BENELUX COUNTRIES

Upon the beginning of the second stage and throughout its duration, imports of unroasted coffee coming from third countries into the territories of the Benelux countries may continue to be effected free of customs duty, up to a tonnage equal to 85 per cent of the total quantity of unroasted coffee imported during the last year for which statistics are available.

Upon the beginning of the third stage and throughout its duration, the duty-free imports referred to in the preceding sub-paragraph shall be reduced to 50 per cent of the total tonnage of unroasted coffee imported during the last year for which statistics are available.

The provisions of this Treaty shall apply to any quantities imported outside the quotas provided for above.

Done at Rome, on the twenty-fifth day of March in the year one thousand nine hundred and fifty-seven.

P. H. SPAAK

J. Ch. SNOY ET D'OPPUERS

ADENAUER

HALLSTEIN

PINEAU

M. FAURE

Antonio Segni

Gaetano Martino

Весн

Lambert Schaus

I. Luns

J. LINTHORST HOMAN

No. 4301

BELGIUM, FEDERAL REPUBLIC OF GERMANY, FRANCE, ITALY, LUXEMBOURG and NETHERLANDS

Treaty (with annexes and Protocol) establishing the European Atomic Energy Community (EURATOM). Done at Rome, on 25 March 1957

Protocols annexed to the said Treaty. Done at Brussels, on 17 April 1957

Official texts: French, German, Italian and Dutch.

Registered by Italy on 24 April 1958.

No. 4301. TREATY 1 ESTABLISHING THE EUROPEAN ATOMIC ENERGY COMMUNITY (EURATOM)

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² The original Treaty deposited in Rome does not include the Index, which is added for convenience of reference.

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TREATY

HIS MAJESTY THE KING OF THE BELGIANS, THE PRESIDENT OF THE FEDERAL REPUBLIC OF GERMANY, THE PRESIDENT OF THE FRENCH REPUBLIC, THE PRESIDENT OF THE ITALIAN REPUBLIC, HER ROYAL HIGHNESS THE GRAND DUCHESS OF LUXEMBOURG, HER MAJESTY THE QUEEN OF THE NETHERLANDS,

Realising that nuclear energy constitutes the essential resource for ensuring the expansion and invigoration of production and for effecting progress in peaceful achievement.

Convinced that only a common effort undertaken without delay can lead to achievements commensurate with the creative capacities of their countries,

RESOLVED to create the conditions required for the development of a powerful nuclear industry which will provide extensive supplies of energy, lead to the modernisation of technical processes and in addition have many other applications contributing to the well-being of their peoples,

Anxious to establish conditions of safety which will eliminate danger to the life and health of the people,

Desirous of associating other countries with them in their work and of co-operating with international organisations concerned with the peaceful development of atomic energy,

HAVE DECIDED to establish a European Atomic Energy Community (EURATOM) and to this end have designated as their plenipotentiaries:

HIS MAJESTY THE KING OT THE BELGIANS:

Mr. Paul-Henri Spaak, Minister of Foreign Affairs,

Baron J. Ch. SNOY ET D'OPPUERS, Secretary-General of the Ministry of Economic Affairs, Head of the Belgian delegation to the Intergovernmental Conference;

THE PRESIDENT OF THE FEDERAL REPUBLIC OF GERMANY:

Dr. Konrad ADENAUER, Federal Chancellor,

Professor Dr. Walter Hallstein, State Secretary of the Federal Foreign Office:

THE PRESIDENT OF THE FRENCH REPUBLIC:

Mr. Christian Pineau, Minister of Foreign Affairs.

Mr. Maurice Faure, Under-Secretary of State in the Ministry of Foreign Affairs:

THE PRESIDENT OF THE ITALIAN REPUBLIC:

Mr. Antonio Segni, President of the Council of Ministers, Professor Gaetano Martino, Minister of Foreign Affairs;

HER ROYAL HIGHNESS THE GRAND DUCHESS OF LUXEMBOURG:

Mr. Joseph Bech, Prime Minister, Minister of Foreign Affairs,

Mr. Lambert Schaus, Ambassador, Head of the Luxembourg delegation to the Intergovernmental Conference;

HER MAJESTY THE QUEEN OF THE NETHERLANDS:

Mr. Joseph Luns, Minister of Foreign Affairs,

Mr. J. Linthorst Homan, Head of the Netherlands delegation to the Intergovernmental Conference;

Wнo, having exchanged their full powers, found in good and due form, have agreed as follows:

TITLE ONE

AIMS OF THE COMMUNITY

Article 1

By the present Treaty, the High Contracting Parties establish among themselves a European Atomic Energy Community (EURATOM).

It shall be the aim of the Community to contribute to the raising of the standard of living in Member States and to the development of commercial exchanges with other countries by the creation of conditions necessary for the speedy establishment and growth of nuclear industries.

Article 2

For the attainment of its aims the Community shall, in accordance with the provisions set out in this Treaty:

- (a) develop research and ensure the dissemination of technical knowledge
- (b) establish, and ensure the application of, uniform safety standards to protect the health of workers and of the general public,
- (c) facilitate investment and ensure, particularly by encouraging business enterprise, the construction of the basic facilities required for the development of nuclear energy within the Community,
- (d) ensure a regular and equitable supply of ores and nuclear fuels to all users in the Community,
- (e) guarantee, by appropriate measures of control, that nuclear materials are not diverted for purposes other than those for which they are intended,
- (f) exercise the property rights conferred upon it in respect of special fissionable materials,
- (g) ensure extensive markets and access to the best technical means by the creation of a common market for specialised materials and equipment, by the

free movement of capital for nuclear investment, and by freedom of employment for specialists within the Community,

(h) establish with other countries and with international organisations any contacts likely to promote progress in the peaceful uses of nuclear energy.

Article 3

- 1. The achievement of the tasks entrusted to the Community shall be ensured by:
 - -an Assembly,
 - -a COUNCIL.
 - -a Commission.
 - -a Court of Justice.

Each of these institutions shall act within the limits of the powers conferred upon it by this Treaty.

2. The Council and the Commission shall be assisted by an Economic and Social Committee acting in a consultative capacity.

TITLE TWO

PROVISIONS DESIGNED TO ENCOURAGE PROGRESS IN THE FIELD OF NUCLEAR ENERGY

Chapter I

DEVELOPMENT OF RESEARCH

Article 4

- 1. The Commission shall be responsible for promoting and facilitating nuclear research in Member States and for supplementing it by carrying out the Community's own research and instructional programme.
- 2. The Commission shall, for the above purposes, act within the field defined by the list set out in Annex I to this Treaty.

This list may be amended by the Council acting by means of a qualified majority vote on a proposal of the Commission. The latter shall consult the Scientific and Technical Committee set up under Article 134.

Article 5

In order to promote the co-ordination of research undertaken in Member States and to be able to supplement such research, the Commission shall invite Member States, persons or enterprises, either by means of a special request addressed to a specific person or enterprise and communicated to the appropriate Member

State having jurisdiction over such person or enterprise or by means of a general request made public, to communicate to it their programmes relating to the research mentioned in the request.

The Commission may, after giving the interested parties every opportunity to submit their comments, formulate a reasoned opinion on each of the programmes communicated to it. The Commission shall, at the request of the State, person or enterprise communicating a programme, be bound to formulate such an opinion.

By means of such opinions the Commission will discourage unnecessary duplication and will direct research towards sectors insufficiently studied. The Commission may not publish any programmes without the consent of the States, persons or enterprises communicating them.

The Commission shall periodically publish a list showing the sectors of nuclear research which it considers insufficiently studied.

The Commission may, for the purposes of mutual consultation and exchange of information, convene the representatives of public and private research centres and also any experts engaged upon research in the same or allied fields.

Article 6

In order to encourage the implementation of the research programmes communicated to it, the Commission may:

- (a) furnish financial assistance, excluding subsidies, in respect of research contracts:
- (b) supply, for the purpose of carrying out these programmes, any source materials or special fissionable materials at its disposal, either against payment or free of charge;
- (c) place facilities, equipment or expert assistance at the disposal of Member States, persons or enterprises, either against payment or free of charge; and
- (d) initiate joint financing by the Member States, persons or enterprises concerned.

Article 7

The Community's research and instructional programmes shall be laid down by the Council acting by means of a unanimous vote on a proposal of the Commission which shall consult the Scientific and Technical Committee.

These programmes shall be drawn up for a period not exceeding five years.

The funds necessary for the implementation of these programmes shall be included each year in the research and investment budget of the Community.

The Commission shall ensure the implementation of the programmes and shall each year submit to the Council a report thereon.

The Commission shall keep the Economic and Social Committee informed of the broad outlines of the Community's research and instructional programmes.

1. The Commission shall, after consulting the Scientific and Technical Committee, set up a Joint Nuclear Research Centre.

The Centre shall ensure the implementation of the research programmes and of any other tasks entrusted to it by the Commission.

The Centre shall also ensure the establishment of uniform nuclear terminology and of a standard system of measurements.

It shall organise a central bureau of nuclear measurements.

2. The work of the Centre may, for geographical or operational reasons, be carried on in separate establishments.

Article 9

1. After requesting the opinion of the Economic and Social Committee, the Commission may, within the framework of the Joint Nuclear Research Centre, set up schools for training specialists, particularly in prospecting for ores, producing nuclear materials of a high degree of purity, processing irradiated fuels, in atomic engineering, health protection and the production and use of radioactive isotopes.

The Commission shall settle the particulars of instruction.

2. An institution at university level shall be set up; the particulars of its operation shall be settled by the Council acting by means of a qualified majority vote on a proposal of the Commission.

Article 10

The Commission may, by means of contracts, entrust Member States, persons or enterprises or also third countries or international organisations or nationals of third countries with the implementation of certain parts of the Community's research programme.

Article 11

The Commission shall publish the research programmes referred to in Articles 7, 8 and 10, as well as periodical reports on the progress of their implementation.

Chapter II

DISSEMINATION OF INFORMATION

Section I

INFORMATION AT THE DISPOSAL OF THE COMMUNITY

Article 12

Member States, persons or enterprises shall, by means of a demand addressed to the Commission, be entitled to benefit by non-exclusive licences of patents, provisionally protected claims, utility models or patent applications, which are the property of the Community, in so far as they are in a position effectively to exploit the inventions to which they relate.

The Commission shall, on the same conditions, grant sub-licences of patents, provisionally protected claims, utility models or patent applications, where the Community holds contractual licences conferring this right.

The Commission shall grant these licences or sub-licences on conditions to be settled by agreement with the licensee and shall make available all information necessary for exploiting them. These conditions shall cover, in particular, the question of suitable compensation and, where appropriate, the right of the licensee to grant sub-licences to third parties and the obligation to treat the information imparted as trade secrets.

If agreement on the conditions provided for in the third paragraph cannot be reached, the licensee may, with a view to the settlement of suitable conditions, refer the matter to the Court of Justice.

Article 13

The Commission shall communicate to Member States, persons or enterprises any information acquired by the Community which is not covered by the provisions of Article 12, irrespective of whether such information results from the implementation of the Community's research programme or is communicated to the Commission with the right to make free use of it.

The Commission may, however, make the communication of this information conditional on its being treated as confidential and not transmitted to third parties.

The Commission may communicate information acquired subject to restrictions upon its use and dissemination—such as "classified" information—if it ensures observance of these restrictions.

Section II

OTHER INFORMATION

a) Dissemination by amicable arrangement

Article 14

The Commission shall, by friendly means, endeavour to obtain or to cause to be obtained, the communication of information useful to the Community in the pursuit of its objects and the granting of licences to exploit patents, provisionally protected claims, utility models or patent applications relating to such information.

Article 15

The Commission shall arrange a procedure by which Member States, persons or enterprises may use it as an intermediary to exchange provisional or final results

of their research in so far as these are not results acquired by the Community under research contracts granted by the Commission.

The procedure shall guarantee the confidential nature of the exchange. The results communicated may, however, be transmitted by the Commission to the Joint Nuclear Research Centre for purposes of documentation, provided that such transmission shall not confer any right of use to which the originator of the communication has not consented.

b) Ex officio communication to the Commission

Article 16

1. As soon as an application for a patent or a utility model relating to a specifically nuclear subject is filed with a Member State, the latter shall ask the applicant to consent to the contents of the application being immediately communicated to the Commission.

If the applicant so consents, this communication shall be made within a period of three months after the date of the filing of the application. If the applicant does not so consent, the Member State shall, within the same period, notify the Commission of the existence of the application.

The Commission may require the Member State to communicate to it the contents of an application of whose existence it has been notified.

The Commission shall make this demand within a period of two months after the date of the notification. Any extension of this period shall cause the period mentioned in the sixth sub-paragraph to be similarly extended.

The Member State shall, on receiving the Commission's demand again ask the applicant to consent to the communication of the contents of his application. If the applicant so consents, the communication shall be made forthwith.

If the applicant does not so consent, the Member State shall nevertheless make the communication to the Commission after a period of eighteen months from the date of the filing of the application.

2. Member States shall notify the Commission, within a period of eighteen months from the date of its filing, of the existence of any unpublished application for a patent or utility model which appears prima facie to them to deal with a subject that, without being of a specifically nuclear nature, is directly connected with and essential to the development of nuclear energy within the Community.

The contents of the application shall, at the demand of the Commission, be communicated to it within a period of two months.

3. Member States shall, in order that publication may take place as soon as possible, reduce to a minimum the time taken by the procedure in respect of applications for patents or utility models relating to the subjects referred to in paragraphs 1 and 2 and concerning which the Commission has made a demand.

- 4. The Commission shall consider the above-mentioned communications as confidential. They must not serve any other purpose than that of documentation. The Commission may, however, make use of the inventions communicated to it either with the consent of the applicant or in accordance with Articles 17 to 23 inclusive.
- 5. The provisions of this Article shall not apply if an agreement concluded with a third country or with an international organisation precludes communication.
 - c) Licences granted by means of arbitration or ex officio

- 1. Failing an amicable arrangement, non-exclusive licences may be granted, either by means of arbitration or ex officio, in accordance with the provisions laid down in Articles 18 to 23 inclusive:
- (a) to the Community or to Joint Enterprises entitled to them under the terms of Article 48, in respect of patents, provisionally protected claims or utility models relating to inventions directly connected with nuclear research, in so far as the granting of such licences is necessary to the pursuit of their own research or indispensable for the operating of their facilities.

Such licences shall, at the request of the Commission, include the right to authorise third parties to use the invention in so far as they are carrying out work or orders for the Community or for Joint Enterprises; or

- (b) to persons or enterprises having made an application to the Commission therefor, in respect of patents, provisionally protected claims or utility models relating to inventions directly connected with and essential to the development of nuclear energy within the Community, provided that all the following conditions are fulfilled, namely:
 - (i) that a period of at least four years has elapsed since the filing of the application for a patent, save in the case of an invention relating to a specifically nuclear subject;
 - (ii) that the needs arising from the development of nuclear energy in the territories of a Member State where an invention is protected, as the Commission understands that development, are not met in respect of that invention;
 - (iii) that the owner, having been asked to satisfy these needs either personally or through his licensees, has not done so; and
 - (iv) that the persons or enterprises applying for licences are in a position effectively to meet these needs by exploiting the licences.

Except at the prior demand of the Commission, Member States may not, in order to meet the aforesaid needs, take any coercive measure provided for under their municipal law, where the effect of such measure would be to limit the protection accorded to the invention.

- 2. A non-exclusive licence may not be granted under the conditions laid down in the preceding paragraph if the owner establishes a legitimate reason, in particular the fact that he has not had an adequate period of time at his disposal.
- 3. The granting of a licence under the terms of paragraph 1 confers the right to full compensation, the amount of which shall be agreed between the holder of the patent, provisionally protected claim or utility model and the licensee.
- 4. The provisions of this Article shall not affect the provisions of the Paris Convention for the protection of industrial property.¹

An Arbitration Committee shall hereby be established for the purposes stated in this Section; its members shall be appointed and its rules of procedure laid down by the Council acting on a proposal of the Court of Justice.

Decisions of the Arbitration Committee may, within a period of one month after their notification, be the subject of appeals brought by the parties before the Court of Justice to stay execution. The Court may decide only upon the regularities of form of the decision and upon the interpretation given by the Arbitration Committee to the provisions of this Treaty.

The final decisions of the Arbitration Committee shall have the force of res judicata as between the parties. They shall be enforceable under the provisions laid down in Article 164.

Article 19

Where, failing an amicable arrangement, the Commission proposes to have a licence granted in a case provided for under Article 17, it shall notify the holder of the patent, provisionally protected claim or utility model or the applicant for the patent accordingly, giving in its notification the name of the applicant for, and the scope of the said licence.

Article 20

The owner may, within a period of one month after the receipt of the notification mentioned in Article 19, propose to the Commission and, where necessary, to the third party applying for the licence that a compromise be concluded for the purpose of referring the matter to the Arbitration Committee.

If the Commission or the said third party refuses to conclude a compromise, the Commission may not require the Member State or its competent agencies to grant the licence or to cause it to be granted.

British and Foreign State Papers, Vol. 74, p. 44; Vol. 92, p. 807, and Vol. 104, p. 116; League of Nations, Treaty Series, Vol. LXXIV, p. 289; Vol. LXXX, p. 464; Vol. LXXVIII, p. 366; Vol. XCII, p. 403; Vol. C, p. 246; Vol. CIV, p. 512; Vol. CVII, p. 506; Vol. CXVII, p. 185; Vol. CXXX, p. 448; Vol. CXXXIV. p. 405; Vol. CXXXVIII, p. 443; Vol. CXLVII, p. 335; Vol. CLVI, p. 205; Vol. CLXIV, p. 378; Vol. CXCII, p. 17, and Vol. CCV, p. 218; and United Nations, Treaty Series, Vol. 1, p. 269; Vol. 32, p. 406, and Vol. 267.

If, when the matter comes before it under the compromise, the Arbitration Committee rules that the Commission's demand is in conformity with the provisions of Article 17, it shall give a reasoned decision ordering the granting of the licence to the applicant and determining the conditions to be observed and the compensation to be made, in so far as the parties have not reached agreement thereon.

Article 21

If the owner does not propose to refer the matter to the Arbitration Committee, the Commission may require the Member State concerned or its competent agencies to grant the licence or to cause it to be granted.

If, after hearing the owner, the Member State or its competent agencies consider that the conditions laid down in Article 17 have not been fulfilled, they shall notify the Commission of their refusal to grant the licence or to cause it to be granted.

If they refuse to grant the licence or to cause it to be granted or if, within a period of four months after the date of the demand, they fail to make any statement concerning the granting of the licence, the Commission may, within a period of two months, refer the matter to the Court of Justice.

The owner shall be heard in the proceedings before the Court of Justice.

If the judgment of the Court establishes that the conditions laid down Article 17 have been fulfilled, the Member State concerned or its competent agencies shall take the measures required for the execution of that judgment.

Article 22

1. If the owner of the patent, provisionally protected claim or utility model and the licensee fail to agree on the amount of compensation due, the interested parties may conclude a compromise for the purpose or referring the matter to the Arbitration Committee.

They thereby waive all right of appeal except as provided for under Article 18.

2. If the licensee refuses to conclude such compromise, the licence granted to him shall be deemed to be null and void.

If the owner refuses to conclude such compromise, the compensation provided for in this Article shall be determined by the competent national agencies.

Article 23

The decisions of the Arbitration Committee or of the competent national agencies shall be subject to revision in respect of the conditions of the licence after the expiry of a period of one year and in so far as new facts justify such revision.

Revision shall be incumbent upon the agency which gave the decision.

Section III

PROVISIONS CONCERNING SECURITY

Article 24

Information which is acquired by the Community through the implementation of its research programme and the disclosure of which might be harmful to the defence interests of one or more Member States shall be treated as classified information in accordance with the following conditions:

- 1. Security regulations adopted by the Council on a proposal of the Commission shall, in accordance with the provisions of this Article, determine the various security gradings applicable, and the security measures to be enforced, in respect of each grade.
- 2. The Commission shall provisionally apply the grading required by the security regulations to any information the disclosure of which it considers might be harmful to the defence interests of one or more Member States.

It shall immediately communicate such information to Member States which shall provisionally ensure its security in accordance with the same conditions.

Member States shall, within a period of three months, inform the Commission whether they wish to maintain the grading provisionally applied, to substitute another grading or to declassify the information.

At the end of this period, the strictest of those gradings so required shall be applied. The Commission shall notify Member States thereof.

At the request of the Commission or of a Member State, the Council, acting by means of a unanimous vote, may at any time apply a different grading or declassify the information. The Council shall, before ruling on such request by a Member State, obtain the opinion of the Commission.

- 3. The provisions of Articles 12 and 13 shall not apply to classified information. Subject, however, to the observance of the security measures applicable,
- (a) the information referred to in Articles 12 and 13 may be communicated by the Commission
 - (i) to a Joint Enterprise; or
 - (ii) to a person or enterprise other than a Joint Enterprise through the intermediary of the Member State in whose territories the said person or enterprise is operating;
- (b) the information referred to in Article 13 may be communicated by a Member State to a person or enterprise, other than a Joint Enterprise, operating in the territories of that State, provided that the Commission is notified of such communication; and

(c) moreover, each Member State has the right to require the Commission to grant a licence in accordance with Article 12 for the needs of such Member States or for the needs of a person or enterprise operating in its territories.

Article 25

1. A Member State communicating the existence or the contents of an application for a patent or utility model relating to a subject referred to in Article 16, paragraph 1 or 2, shall, where appropriate, state the need for defence reasons of applying to that application the security grading indicated by such State and shall mention the probable duration of such grading.

The Commission shall transmit to other Member States all communications received in implementation of the preceding subparagraph. The Commission and the Member States shall observe the measures necessitated under the security regulations by the grading which the originating State has required.

2. The Commission may also transmit these communications to Joint Enterprises or, through the intermediary of a Member State, to a person or enterprise other than a Joint Enterprise, operating in the territories of that State.

Inventions which are the subject of the applications referred to in paragraph 1 may be only used with the consent of the applicant or in accordance with the provisions of Articles 17 to 23 inclusive.

The communications and, where appropriate, the uses referred to in this paragraph shall be governed by the measures necessitated under the security regulations by the grading which the originating State has required.

Such communications and uses shall in all cases be subject to the consent of the originating State. The latter may not refuse its consent except for defence reasons.

3. At the request of the Commission or of a Member State the Council, acting by means of a unanimous vote, may at any time apply a different security grading or declassify the invention. The Council shall, before ruling on a request from a Member State, obtain the opinion of the Commission.

Article 26

1. Where information forming the subject of a patent, patent application, provisionally protected claim, utility model or application for a utility model is classified in accordance with the provisions of Articles 24 and 25, the States requiring a certain grading may not refuse to allow corresponding applications to be filed in the other Member States.

Each Member State shall take the necessary measures to ensure the maintenance of security for all such titles, applications and claims, in accordance with the procedure laid down by its domestic legislative provisions.

2. No applications may be filed outside Member States in respect of information classified in accordance with Article 24 save by the unanimous consent of Member States. If these States do not declare their attitude, their consent shall be presumed after the expiry of a period of six months from the date of the communication of the information by the Commission to Member States.

Article 27

Compensation for damage suffered by an applicant as a result of the imposition of the security classification for defence reasons shall be subject to the provisions of the municipal law of Member States and shall be the responsibility of the State which has requested such classification or procured an upgrading or an extension of such classification or prevented the filing of an application outside the Community.

In the event of two or more Member States having procured an upgrading or an extension of classification or having prevented the filing of an application outside the Community, such States shall be jointly and severally liable for making reparation for the resultant damage.

The Community shall not be entitled to claim any compensation under the terms of this Article.

Section IV

SPECIAL PROVISIONS

Article 28

If any applications for patents or utility models not yet published or any patents or utility models classified for defence reasons are improperly used or come to the knowledge of an unauthorised third party as a result of their communication to the Commission, the Community shall make reparation for any damage suffered by the persons concerned.

In the event of such persons having the right to take action against third parties, the Community shall, without prejudice to its own claims against the author of the damage, be substituted for such persons to the extent that it has borne the cost of making reparation for the damage suffered. The right of the Community itself to take action, in accordance with general provisions in force, against the author of the damage shall not be affected.

Article 29

Any agreement or contract for the purpose of exchanging scientific or industrial information on nuclear matters between a Member State, person or enterprise and any third country, international organisation or national of a third country shall, if it requires on either part the signature of a State exercising its sovereignty, be concluded by the Commission.

Nevertheless, the Commission may, on such conditions as it deems proper, authorise a Member State, a person or enterprise to conclude such agreements, subject to the application of the provisions of Articles 103 and 104.

Chapter III

HEALTH PROTECTION

Article 30

Basic standards for the protection of the health of workers and of the general public from the dangers arising from ionising radiation shall be established within the Community.

The term "basic standards" shall mean:

- (a) the maximum doses compatible with adequate safety;
- (b) the maximum permissible degree of exposure and contamination; and
- (c) the fundamental principles governing the medical supervision of workers.

Article 31

The Commission shall work out the basic standards after obtaining the opinion of a group of authorities appointed by the Scientific and Technical Committee from among the scientific experts, especially public health experts, of the Member States. The Commission shall request the opinion of the Economic and Social Committee on the basic standards thus worked out.

After consulting the Assembly, the Council, acting by means of a qualified majority vote on a proposal of the Commission which shall transmit to it the opinions received from the Committees, shall determine the basic standards.

Article 32

At the request of the Commission or of a Member State, the basic standards may be revised or supplemented according to the procedure laid down in Article 31.

The Commission shall be bound to examine any such request made by a Member State.

Article 33

Each Member State shall enact the legislative and administrative provisions required to ensure compliance with the basic standards so determined and shall take the necessary measures with regard to instruction, education and professional training.

The Commission shall make recommendations in order to ensure the harmonisation of the provisions applicable in Member States in this respect.

For this purpose, Member States shall communicate to the Commission all such provisions applicable at the time of the entry into force of this Treaty and any subsequent draft provisions of the same nature.

Any recommendations by the Commission in respect of such draft provisions shall be made within a period of three months after the date of such communication.

Article 34

Any Member State in whose territories experiments of a particularly dangerous nature are to take place shall take additional health precautions, concerning which it shall first obtain the opinion of the Commission.

The consenting opinion of the Commission shall be required when such experiments are likely to affect the territories of other Member States.

Article 35

Each Member State shall set up the facilities necessary for the permanent control of the level of radioactivity in the atmosphere, water and soil and for controlling compliance with the basic standards.

The Commission shall have right of access to such control facilities; it may examine their operation and efficiency.

Article 36

The competent authorities shall, in order that the Commission may be kept informed of the level of radioactivity likely to affect the population, report regularly to the Commission on the control provided for in Article 35.

Article 37

Each Member State shall submit to the Commission such general data concerning any plan for the disposal of any kind of radioactive waste as will enable the Commission to determine whether the implementation of such plan is likely to involve radioactive contamination of the water, soil or airspace of another Member State.

The Commission, after consulting the group of experts referred to in Article 31, shall give its opinion thereon within a period of six months.

Article 38

The Commission shall make recommendations to Member States regarding the level of radioactivity in the atmosphere, water or soil.

The Commission shall, in case of urgency, issue a directive requiring the Member State concerned to take, within a period fixed by the Commission, all measures necessary to prevent the basic standards from being exceeded and to ensure observance of any applicable provisions.

If such State does not comply with the Commission's directive within the prescribed period, the Commission or any Member State concerned may, not-withstanding the provisions of Articles 141 and 142, refer the matter to the Court of Justice immediately.

Article 39

The Commission shall establish within the Joint Nuclear Research Centre, as soon as the latter has been set up, a Section for documentation on, and the study of, health protection.

It shall be the particular task of this Section to collect the documentation and information required under Articles 33, 37 and 38, and to assist the Commission in carrying out the duties imposed upon it by the provisions of this Chapter.

Chapter IV

INVESTMENT

Article 40

In order to stimulate the initiative of persons and enterprises and to facilitate the co-ordinated development of investment by them in the nuclear field, the Commission shall periodically publish programmes indicating, in particular, the production targets for nuclear energy and the various types of investment required for their attainment.

The Commission shall request the opinion of the Economic and Social Committee on such programmes prior to their publication.

Article 41

Persons and enterprises connected with the branches of industry specified in Annex II to this Treaty shall communicate to the Commission any investment projects relating to such new facilities, replacements or conversions as correspond in respect of type or scope to the criteria laid down by the Council acting on a proposal of the Commission.

The list of branches of industry referred to above may be amended by the Council acting by means of a qualified majority vote on a proposal of the Commission which shall previously request the opinion of the Economic and Social Committee.

Article 42

The projects referred to in Article 41 shall be communicated to the Commission and, for purposes of information, to the Member State concerned not later than three months before the conclusion of the first contracts with suppliers or, if the

work is to be carried out by the enterprise itself, three months before such work is to begin.

The Council, acting on a proposal of the Commission, may vary this time-limit.

Article 43

The Commission shall discuss with the persons or enterprises all aspects of any investment projects related to the aims of this Treaty.

The Commission shall communicate its views thereon to the Member State concerned.

Article 44

With the agreement of the Member States, persons or enterprises concerned, the Commission may publish any investment projects communicated to it.

Chapter V

JOINT ENTERPRISES

Article 45

Undertakings of outstanding importance to the development of the nuclear industry in the Community may be constituted as Joint Enterprises within the meaning of this Treaty and in accordance with the provisions of the following Articles.

Article 46

1. Any project for the establishment of a Joint Enterprise, whether originating from the Commission, a Member State or any other source, shall be the subject of an enquiry by the Commission.

For this purpose, the Commission shall consult Member States and any public or private bodies which it considers likely to provide useful information.

2. The Commission shall transmit to the Council any project for the establishment of a Joint Enterprise, together with its reasoned opinion thereon.

If the Commission gives a favourable opinion regarding the need for such Joint Enterprise, it shall submit proposals to the Council on the following points:

- (a) location of plant;
- (b) statutes;
- (c) volume and rate of financing;
- (d) possible participation by the Community in the financing of the Joint Enterprise;

- (e) possible participation by a third country, an international organisation or a national of a third country in the financing or management of the Joint Enterprise; and
- (f) the granting of all or any of the advantages specified in Annex III to this Treaty.

The Commission shall attach a detailed report on the project as a whole.

Article 47

The Council may, on a reference to it by the Commission, ask the latter to supply such additional information or to carry out such additional enquiries as the Council may deem necessary.

If the Council, acting by means of a qualified majority vote, considers that a project transmitted by the Commission with an unfavourable opinion should nevertheless be carried out, the Commission shall submit to the Council the proposals and detailed report referred to in Article 46.

In the case of a favourable opinion by the Commission or in the case referred to in the preceding paragraph, the Council shall act by means of a qualified majority vote on each of the Commission's proposals.

The Council shall, however, act by means of a unanimous vote with regard to:

- (a) participation by the Community in the financing of the Joint Enterprise; and
- (b) participation by a third country, an international organisation or a national of a third country in the financing or management of the Joint Enterprise.

Article 48

The Council, acting by means of a unanimous vote on a proposal of the Commission, may declare applicable to each Joint Enterprise all or any of the advantages specified in Annex III to this Treaty; Member States shall ensure the application of such advantages to the extent that each State is concerned.

The Council may, in accordance with the same procedure, determine the conditions by which the granting of such advantages shall be governed.

Article 49

The constitution of a Joint Enterprise shall result from a decision of the Council.

Each Joint Enterprise shall have legal personality.

Each Joint Enterprise shall, in each of the Member States, enjoy the most extensive legal capacity accorded to legal persons under their respective municipal law; it may, in particular, acquire and transfer movable and immovable property and may sue or be sued in its own name.

Unless otherwise provided for in this Treaty or in its Statutes, each Joint Enterprise shall be subject to the rules applying to industrial or commercial undertakings; the statutes may make subsidiary reference to the municipal law of Member States.

Subject to the powers conferred on the Court of Justice by this Treaty, litigation concerning Joint Enterprises shall be dealt with by the competent domestic courts or tribunals.

Article 50

The statutes of Joint Enterprises shall, where appropriate, be amended in accordance with the particular provisions set out for that purpose in the said statutes.

Such amendments shall not, however, enter into force until they have received the approval of the Council acting on a proposal of the Commission and in accordance with the same provisions as are set out in Article 47.

Article 51

The Commission shall, prior to the setting up of the bodies charged with the operation of the Joint Enterprises, ensure the carrying out of all decisions of the Council concerning the constitution of such enterprises.

Chapter VI

SUPPLIES

Article 52

- 1. The supply of ores, source materials and special fissionable materials shall, in accordance with the provisions of this Chapter, be ensured on the principle of equal access to resources and by the pursuit of a common supply policy.
- 2. For this purpose and in accordance with the provisions set out in this Chapter:
- (a) all practices designed to ensure a privileged position for certain users shall hereby be prohibited; and
- (b) an Agency shall be constituted, having a right of option on all ores, source materials and special fissionable materials produced in the territories of Member States and having the exclusive right of concluding contracts relating to supplies of ores, source materials and special fissionable materials coming from inside or from outside the Community.

The Agency shall not make any discrimination between users based on the use they intend to make of the supplies requested unless such use is unlawful or is found to be contrary to conditions laid down by suppliers outside the Community in respect of the particular delivery concerned.

Section I

THE AGENCY

Article 53

The Agency shall be placed under the control of the Commission which shall issue directives to it, exercise a right of veto over its decisions and appoints its Director-General and Deputy Director-General.

Any act of the Agency, whether implicit or explicit, in the exercise of its right of option or its exclusive right to conclude supply contracts, may be referred by the parties concerned to the Commission which shall, within a period of one month, take a decision thereon.

Article 54

The Agency shall have legal personality and financial autonomy.

The Council, acting by means of a qualified majority vote on a proposal of the Commission, shall lay down the Statute of the Agency.

This Statute may be revised in accordance with the same procedure.

The Statute shall determine the Agency's capital and the terms of subscription. The majority of the shares shall in any case belong to the Community and to the Member States. The allotment of the shares shall be determined by the Member States acting in common agreement.

The Statute shall determine the particulars of the commercial management of the Agency. The Statute may provide for the payment of a tax on transactions designed to cover the operating expenses of the Agency.

Article 55

The Member States shall communicate or cause to be communicated to the Agency all information necessary to the exercise of its right of option and of its exclusive right to conclude supply contracts.

Article 56

The Member States shall guarantee the free exercise, in their territories, of the functions of the Agency.

The Member States may constitute one or more bodies competent to represent producers and users in the non-European territories under their jurisdiction in respect of the dealings of such producers and users with the Agency.

Section II

ORES, SOURCE MATERIALS AND SPECIAL FISSIONABLE MATERIALS COMING FROM WITHIN THE COMMUNITY

Article 57

- 1. The Agency's right of option shall cover:
- (a) the acquisition of user and consumer rights in respect of materials owned by the Community pursuant to the provisions of Chapter VIII; and
 - (b) the acquisition of rights of ownership in all other cases.
- 2. The Agency shall exercise its right of option by the conclusion of contracts with producers of ores, source materials and special fissionable materials.

Subject to the provisions of Articles 58, 62 and 63, every producer shall, prior to their use, transfer or stockpiling, offer to the Agency any ores, source materials or special fissionable materials which he may produce in the territories of Member States.

Article 58

When a producer carries out several stages of production from the extraction of the ore up to and including the production of the metal, he shall offer his product to the Agency at any stage of production chosen by him.

The same provision shall apply to two or more enterprises having ties with each other, provided that such ties have been duly notified to the Commission and discussed with it in accordance with the procedure laid down in Articles 43 and 44.

Article 59

If the Agency does not exercise its right of option as to the whole or part of the output of a producer, the latter:

- (a) may have the ores, source materials or special fissionable materials transformed, either by his own means or under sub-contract, provided that he offers to the Agency the product of such transformation, and
- (b) shall be authorised by decision of the Commission to dispose of his available production outside the Community, provided that he offers it on terms no more favourable than those of his previous offer to the Agency. The export of special fissionable materials may, however, in accordance with the provisions of Article 62, be carried out only by the Agency.

The Commission may not grant the authorisation referred to above if the persons to whom delivery is to be made do not offer all possible guarantees that the general interests of the Community will be respected or if the terms and conditions of the contracts concerned are contrary to the aims of this Treaty.

Potential users shall periodically inform the Agency of their requirements in the matter of supplies, specifying the quantities, physical and chemical properties, place of origin, proposed use, delivery dates and price terms which are to be included in the terms and conditions of the supply contract which they wish to conclude.

Similarly, producers shall inform the Agency of offers which they are in a position to make, together with full particulars, including the duration of contracts, necessary to enable them to draw up their production programmes. The duration of such contracts shall not, except with the agreement of the Commission, exceed a period of ten years,

The Agency shall inform all potential users of the offers and of the volume of the demands received by it and shall invite them to place their orders by a given date.

The Agency shall, after receiving all such orders, make known the conditions on which it can fulfil them.

If the Agency is unable completely to fulfil all the orders received, it shall, subject to the provisions of Articles 68 and 69, allocate in respect of each offer the available supplies prorata to the orders.

Agency regulations, to be submitted to the Commission for approval, shall determine the manner in which offers and demands are to be compared.

Article 61

The Agency shall fulfil each order received unless there are legal or material obstacles to its execution.

The Agency may, subject to compliance with the provisions of Article 52, require users to make suitable advance payments on the conclusion of a contract, either as security or in order to facilitate such of its own long-term obligations to producers as are necessary to the execution of the order.

Article 62

- 1. The Agency shall exercise its right of option as to special fissionable materials produced in the territories of Member States in order:
- (a) to meet the demands of users within the Community in accordance with the provisions laid down in Article 60;
 - (b) itself to stock such materials; or
- (c) to export such materials subject to the authorisation of the Commission which shall comply with the provisions of Article 59, paragraph (b), second subparagraph.
- 2. Nevertheless, while continuing to be subject to the provisions of Chapter VII, these materials and their fertile residues shall be left in the possession of the producer, in order that the latter may:

- (a) stock them with the authorisation of the Agency;
- (b) use them within the limits of his own requirements; or
- (c) make them available, within the limits of their requirements, to enterprises within the Community which have direct ties with him, for the purpose of carrying out a programme duly communicated to the Commission; provided that such ties do not, in intention or in fact, restrict production, technical development or investment or improperly create inequalities between users within the Community.
- 3. The provisions of Article 89, paragraph 1, (a), shall apply to any special fissionable materials in respect of which the Agency has not exercised its right of option and which are produced in the territories of Member States.

Any ores, source materials or special fissionable materials produced by Joint Enterprises shall be allotted to users in accordance with the statutory or conventional rules governing such Enterprises.

Section III

ORES, SOURCE MATERIALS AND SPECIAL FISSIONABLE MATERIALS COMING FROM OUTSIDE THE COMMUNITY

Article 64

The Agency, acting, as the case may be, within the framework of any agreements entered into between the Community and a third country or an international organisation, shall, subject to the exceptions provided for in this Treaty, have the exclusive right to conclude agreements or conventions having as their principal object the supply of ores, source materials or special fissionable materials coming from outside the Community.

Article 65

The provisions of Article 60 shall apply to demands from users and to contracts entered into between users and the Agency concerning the supply of ores, source materials or special fissionable materials coming from outside the Community.

The Agency may, however, decide as to the geographical origin of the supplies provided that in doing so it ensures for the user conditions at least as favourable as those specified in his order.

Article 66

Where the Commission finds, at a request from the users concerned, that the Agency is unable, within a reasonable period, to fulfil either in whole or in part an order for supplies or is able to fulfil it only at an excessive price, users shall have the right to conclude direct contracts for supplies coming from outside the Com-

munity, provided that such contracts correspond substantially to their requirements as specified in their order.

Such right shall be granted for a period of one year and shall be renewable where the situation originally justifying the grant of such right continues to exist.

Users availing themselves of the right provided for in this Article shall communicate to the Commission any proposed direct contracts. The Commission may, within a period of one month, oppose the conclusion of such contracts if they are contrary to the aims of this Treaty.

Section IV

PRICES

Article 67

Subject to the exceptions provided for in this Treaty, prices shall result from the comparison of offer and demand, in accordance with the provisions laid down in Article 60; Member States may not, by means of domestic provisions, contravene these provisions.

Article 68

All price manipulations designed to ensure a privileged position for certain users, which are contrary to the principle of equal access resulting from the provisions of this Chapter, shall be forbidden.

If the Agency finds that any such practices exist, it shall report them to the Commission.

If the Commission considers that the Agency's findings are well founded, it may, in the case of disputed offers, restore the prices to a level compatible with the principle of equal access.

Article 69

The Council may fix prices acting by means of a unanimous vote on a proposal of the Commission.

Where the Agency, in applying the provisions of Article 60, determines the conditions on which orders may be fulfilled, it may propose price adjustments to any users who have placed orders with it.

Section V

PROVISIONS CONCERNING SUPPLY POLICIES

Article 70

The Commission may, within the limits set out in the budget of the Community, contribute financially, on conditions laid down by itself, to any prospecting activities in the territories of Member States.

The Commission may make recommendations to Member States with a view to the development of prospecting for and the exploitation of mineral deposits.

Member States shall submit annually to the Commission a report on the development of prospecting and production, on probable reserves and on mining investment effected or proposed in their territories. Such reports shall be submitted to the Council together with the opinion of the Commission, which shall in particular concern the action taken by Member States on the recommendations made to them in accordance with the preceding paragraph.

Where, on such reference to it by the Commission, the Council by means of a qualified majority vote finds that, in spite of extraction possibilities appearing economically justifiable on a long-term basis, the measures taken for prospecting and the increase in the exploitation of mineral deposits continue to be substantially inadequate, the Member State concerned shall, for as long as it has not corrected this state of affairs, be deemed to have relinquished, both for itself and for its nationals, the right of equal access to other such resources within the Community.

Article 71

The Commission shall make any appropriate recommendations to Member States in regard to fiscal or mining provisions.

Article 72

The Agency may, from the quantities available inside or outside the Community, build up the commercial stocks necessary to facilitate the Community's supplies or current deliveries.

The Commission may decide to build up emergency stocks. The terms of financing such stockpiling shall require the approval of the Council acting by means of a qualified majority vote on a proposal of the Commission.

Section VI SPECIAL PROVISIONS

Article 73

Where an agreement or a convention between a Member State, a person or enterprise, of the one part, and a third country, an international organisation or a national of a third country, of the other part, also contains any provisions relating to the delivery of products coming within the competence of the Agency, the prior consent of the Commission shall be required for the conclusion or renewal of such agreement or convention, to the extent that the delivery of such products is concerned.

The Commission may exempt from the application of the provisions of this Chapter the transfer, importation or exportation of such small quantities of ores, source materials or special fissionable materials as are commonly used for purposes of research.

Any transfer, importation or exportation effected pursuant to this provision shall be notified to the Agency.

Article 75

The provisions of this Chapter shall not apply to undertakings in respect of the processing, transformation of shaping of ores, source materials or special fissionable materials entered into between:

- (a) several persons or enterprises, in cases where the materials after being processed, transformed or shaped are subsequently to be returned to the person or enterprise of origin;
- (b) a person or enterprise and an international organisation or a national of a third country, in cases where the materials, after being processed, transformed or shaped outside the Community, are subsequently to be returned to the person or enterprise of origin; or
- (c) a person or enterprise and an international organisation or a national of a third country, in cases where the materials, after being processed, transformed or shaped within the Community, are subsequently to be either returned to the organisation or national of origin or sent to any other consignee, also outside the Community, designated by such organisation or national.

The persons or enterprises concerned shall, however, notify the Agency of the existence of any such undertakings and also, upon signature of the contract, of the amounts of materials involved. The Commission may oppose the undertakings referred to in sub-paragraph (b) if it considers that the transformation or shaping involved cannot be carried out efficiently, safely and without loss of material to the detriment of the Community.

All materials covered by such undertakings shall, as long as they are within the territories of Members States, be subject to the measures of control provided for in Chapter VII. The provisions of Chapter VIII shall not apply to any special fissionable materials covered by undertakings referred to in sub-paragraph (c).

Article 76

The Council, acting by means of a unanimous vote on a proposal of the Commission and after the Assembly has been consulted, may, at the suggestion of a Member State or of the Commission, amend the provisions of this Chapter, particularly in the event of unforeseen circumstances creating a general shortage. The Commission shall examine any such request made by a Member State.

The Council may, at the end of a period of seven years after the date of the entry into force of this Treaty, confirm these provisions in toto. Failing such confirmation, new provisions dealing with the subject-matter of this Chapter shall be laid down in accordance with the procedure set out in the preceding paragraph.

Chapter VII

SAFETY CONTROL

Article 77

Within the framework of this Chapter, the Commission shall satisfy itself that in the territories of Member States:

- (a) ores, source materials and special fissionable materials are not diverted from their intended uses as stated by the users; and
- (b) the provisions concerning supplies and any special undertaking concerning measures of control entered into by the Community in an agreement concluded with a third country or an international organisation are observed.

Article 78

Anyone setting up or exploiting facilities for the production, separation or use of source materials or special fissionable materials, or for the processing of irradiated nuclear fuels, shall make a declaration to the Commission setting out the basic technical characteristics of such facilities to the extent that such information is necessary to the achievement of the purposes stated in Article 77.

The processes to be used for the chemical processing of irradiated material shall be subject to the approval of the Commission to the extent that is necessary for the achievement of the purposes stated in Article 77.

Article 79

The Commission shall require the maintenance and production of operating records in order to permit accountability for ores, source materials and special fissionable materials used or produced. The same shall apply to the transport of source materials and special fissionable materials.

Persons subject to such control shall notify the authorities of the Member State concerned of any communications which they make to the Commission pursuant to Article 78 and to the first paragraph of this Article.

The nature and scope of the obligations referred to in the first paragraph of this Article shall be defined in regulations drawn up by the Commission and approved by the Council.

The Commission may require that any excess of any special fissionable materials recovered or produced as a by-product, not being actually in use or ready for use, be deposited with the Agency or in storage premises which are or can be controlled by the Commission.

The special fissionable materials so deposited shall, at the request of the parties concerned, be returned to them without delay.

Article 81

The Commission may send inspectors into the territories of Member States. It shall, prior to the first visit of an inspector to the territories of any State, enter into consultations, which shall cover all future visits of this inspector, with the Member State concerned.

On presentation of their credentials, inspectors shall at all times have access to all places and data and to any person who by reason of his occupation deals with materials, equipment or facilities subject to the control provided for in this Chapter, to the extent necessary to control ores, source materials and special fissionable materials, and to satisfy themselves concerning the observance of Article 77. Inspectors appointed by the Commission shall be accompanied by representatives of the authorities of the State concerned, if that State so requests, provided that the inspectors shall not thereby be delayed or otherwise impeded in the exercise of their functions.

In case of opposition to the carrying out of an inspection, the Commission shall apply to the President of the Court of Justice for a warrant to enforce the carrying out of the inspection. The President of the Court of Justice shall give a decision within a period of three days.

If there is danger in delay, the Commission may itself issue a written order, in the form of a decision, to the effect that the inspection be carried out. Such order shall be submitted without delay to the President of the Court of Justice for subsequent approval.

After service of the warrant or decision, the national authorities of the State concerned shall ensure access by the inspectors to the places named in the warrant or decision.

Article 82

Inspectors shall be recruited by the Commission.

They shall have the responsibility of obtaining and verifying the accounting mentioned in Article 79. They shall report any infringement to the Commission.

The Commission may issue a directive requiring the Member State concerned to take, within a period to be determined by the Commission, all necessary measures to terminate any infringement so found and it shall inform the Council thereof.

If the Member State does not comply with the Commission's directive within the time specified, the Commission or any interested Member State may, notwithstanding Articles 141 and 142, refer the matter to the Court of Justice immediately.

Article 83

1. In the event of any infringement of the obligations imposed on persons or enterprises under the provisions of this Chapter, penalties may be imposed on them by the Commission.

These penalties, in order of gravity, shall be as follows:

- (a) a warning;
- (b) the withdrawal of special advantages, such as financial or technical assistance;
- (c) the placing of the enterprise, for a maximum period of four months, under the administration of a person or board appointed jointly by the Commission and the State having jurisdiction over such enterprise; or
- (d) the complete or partial withdrawal of source materials or special fissionable materials.
- 2. Decisions of the Commission which require delivery in implementation of the preceding paragraph shall be enforceable. They may be enforced in the territories of Member States in accordance with the provisions laid down in Article 164.

Notwithstanding the provisions of Article 157, appeals brought before the Court of Justice against decisions of the Commission which impose any of the penalties provided for in the preceding paragraph shall have a staying effect. The Court of Justice may, however, at the request of the Commission or of any interested Member State, order that the decision be enforced immediately.

The protection of injured interests shall be guaranteed by an appropriate legal procedure.

- 3. The Commission may make any recommandations to Member States concerning legislative provisions designed to ensure the observance in their territories of the obligations resulting from the provisions of this Chapter.
- 4. Member States shall ensure the enforcement of penalties and, where applicable, the making of reparation by those responsible for any infringement.

Article 84

No discrimination shall, in the exercise of control, be made on the ground of the purpose for which ores, source materials and special fissionable materials are intended.

The field of action, the manner of control and the powers of the bodies responsible for control shall be limited to the requirements necessary for the achievement of the purposes stated in this Chapter.

Control may not extend to materials intended for the purposes of defence which are in course of being specially prepared for such purposes or which, after being so prepared, are, in accordance with an operational plan, installed or stocked in a military establishment.

Article 85

Where new circumstances so require, the manner of applying the control provided for in this Chapter may, at the request of a Member State or of the Commission, be amended by the Council acting by means of a unanimous vote on a proposal of the Commission and after the Assembly has been consulted. The Commission shall examine any such request by a Member State.

Chapter. VIII

PROPERTY RIGHTS

Article 86

Special fissionable materials shall be the property of the Community.

The Community's right of ownership shall extend to all special fissionable materials produced or imported by a Member State, a person or enterprise and subject to the safety control provided for in Chapter VII.

Article 87

Member States, persons or enterprises shall have the widest rights of the use and consumption of special fissionable materials properly in their possession, subject to their obligations resulting from the provisions of this Treaty, particularly in regard to safety control, the right of option conferred on the Agency and health protection.

Article 88

The Agency shall keep on behalf of the Community a special account, called "Financial Account of Special Fissionable Materials".

Article 89

- 1. In the Financial Account of special Fissionable Materials:
- (a) the value of special fissionable materials left or put at the disposal of a beneficiary Member State, person or enterprise shall be credited to the Community and debited to such Member State, person or enterprises; and
- (b) the value of special fissionable materials produced or imported by a contributory Member State, person or enterprise and becoming the property of the Com-

munity shall be debited to the Community and credited to such State, person or enterprise. A similar entry shall be made when a Member State, person or enterprise returns in kind to the Community special fissionable materials previously left or put at the disposal of such State, person or enterprise.

- 2. Fluctuations of value in such special fissionable materials shall be treated in the accounts in such a manner as not to cause any loss or any gain to the Community. Any losses or gains shall be borne by the holders.
- 3. Balances resulting from the above transactions shall, at the request of the creditor, be payable immediately.
- 4. For the purposes of this Chapter, the Agency shall be regarded as an enterprise in respect of transactions effected on its own account.

Article 90

Where new circumstances so require, the provisions of this Chapter relating to the Community's right of ownership may, at the request of a Member State or of the Commission, be modified by the Council acting by means of a unanimous vote on a proposal of the Commission and after the Assembly has been consulted. The Commission shall examine any such request made by a Member State.

Article 91

The ownership rules applicable to all such objects, materials and assets as are not subject to any property right of the Community pursuant to the terms of this Chapter shall be determined by the municipal law of each Member State.

Chapter IX

THE NUCLEAR COMMON MARKET

Article 92

The provisions of this Chapter shall apply to the goods and products mentioned in the lists set out in Annex IV to this Treaty.

These lists may, at the request of the Commission or of a Member State, be modified by the Council acting on a proposal of the Commission.

Article 93

Member States shall, at the end of one year after the date of the entry into force of this Treaty, abolish as between themselves all import and export customs duties or charges with equivalent effect and all quantitative restrictions on imports or exports, in respect of:

- (a) products mentioned in lists A¹ and A²; and
- (b) products mentioned in list B, to the extent that they are subject to a common customs tariff and are covered by a certificate issued by the Commission to the effect that they are intended for nuclear purposes.

Non-European territories under the jurisdiction of a Member State may, however, continue to levy such import and export duties or charges with equivalent effect as are of a purely fiscal nature. The levels or the methods of application of such duties and charges shall not effect any discrimination as between such State and any other Member States.

Article 94

Member States shall establish a common customs tariff as follows:

- (a) the level of the common customs tariff applicable to products mentioned in list A^1 shall be laid down as that of the lowest tariff applied on 1 January 1957 in any Member State;
- (b) the Commission shall take all expedient measures for the opening of negotiations within a period of three months after the date of the entry into force of this Treaty between Member States with regard to the products mentioned in list A². Where, in the case of certain such products, it is not found possible to reach agreement before the end of the first year following the entry into force of this Treaty, the Council, acting by means of a qualified majority vote on a proposal of the Commission, shall lay down the duties of the common customs tariff to be applied; and
- (c) the common customs tariff on products mentioned in lists A¹ and A² shall be applied as from the end of the first year after the date of the entry into force of this Treaty.

Article 95

The Council, acting by means of a unanimous vote on a proposal of the Commission, may decide upon an earlier application of the duties of a common customs tariff to products mentioned in list B, in cases where such earlier application would be of a nature to contribute to the development within the Community of nuclear energy.

Article 96

Member States shall abolish all restrictions based on nationality, which have been placed upon access by nationals of any of the Member States to specialised employment in the nuclear field, subject to such limitations as may be imposed by the basic requirements of public order, public safety and public health.

After the Assembly has been consulted, the Council, acting by means of a qualified majority vote on a proposal of the Commission which shall previously obtain the opinion of the Economic and Social Committee, may issue directives as to the particulars of application of this Article.

No restriction based on nationality may be applied to natural or legal persons, whether public or private, coming within the jurisdiction of a Member State and desiring to participate in the construction within the Community of nuclear facilities of a scientific or an industrial character.

Article 98

Member States shall take all necessary measures to facilitate the conclusion of insurance contracts covering atomic risks.

Within a period of two years after the date of the entry into force of this Treaty and after the Assembly has been consulted, the Council, acting by means of a qualified majority vote on a proposal of the Commission which shall previously obtain the opinion of the Economic and Social Committee, shall issue directives as to the particulars of application of this Article.

Article 99

The Commission may make recommendations with a view to facilitating movements of capital intended to finance the types of production mentioned in the list set out in Annex II to this Treaty.

Article 100

Each Member State undertakes to authorise, in the currency of the Member State in which the creditor or the beneficiary resides, payments relating to the exchange of goods, services or capital, and also transfers of capital and of wages, to the extent to which the movement of goods, services, capital and persons is liberalised as between Member States in application of this Treaty.

Chapter X

EXTERNAL RELATIONS

Article 101

The Community may, within the limits of its competence, enter into obligations by means of the conclusion of agreements or conventions with a third country, an international organisation or a national of a third country.

Such agreements or conventions shall be negotiated by the Commission in accordance with directives issued by the Council and shall be concluded by the Commission with the approval of the Council acting by means of a qualified majority vote.

Agreements or conventions the implementation of which does not require action by the Council and can be effected within the limits of the appropriate

budget shall, however, be negotiated and concluded by the Commission, provided that it keeps the Council informed thereof.

Article 102

Any agreement or convention, which is concluded with a third country, an international organisation or a national of a third country and to which, in addition to the Community, one or more Member States are parties, shall enter into force only after all the Member States concerned have notified the Commission that such agreement or convention has become applicable in accordance with the provisions of their respective municipal law.

Article 103

A Member State shall communicate to the Commission any draft agreement or convention with a third country, an international organisation or a national of a third country to the extent that such agreement or convention concerns the field of application of this Treaty.

If a draft agreement or convention contains clauses impeding the application of this Treaty, the Commission shall, within a period of one month after the date of receipt of such communication, make its comments to the State concerned.

Such State may not conclude the proposed agreement or convention until it has removed the objections of the Commission or complied with the ruling of the Court of Justice, which has acted in expedited proceedings at that State's petition, as to the compatibility of the proposed clauses with the provisions of this Treaty. The State concerned may submit its petition to the Court of Justice at any time after receiving the comments of the Commission.

Article 104

No person or enterprise concluding or renewing, after the date of the entry into force of this Treaty, an agreement or convention with a third country, an international organisation or a national of a third country, may invoke such agreement or convention to evade any of the obligations imposed by this Treaty.

Each Member State shall take all such measures as it considers necessary in order to communicate to the Commission, if so required by it, all information regarding any agreement or convention concluded by any person or enterprise with a third country, an international organisation or a national of a third country, where such agreement or convention has been concluded after the date of the entry into force of this Treaty and falls within the field of its application. The Commission may require such information only for the purpose of ascertaining that such agreement or convention does not contain clauses impeding the application of this Treaty.

On a petition by the Commission, the Court of Justice shall rule as to the compatibility of such agreement or convention with the provisions of this Treaty.

Article 105

The provisions of this Treaty may not be invoked as an obstacle to the implementation of any agreement or convention concluded before the date of the entry into force of this Treaty by a Member State, a person or enterprise with a third country, an international organisation or a national of a third country, where such agreement or convention has been communicated to the Commission not later than thirty days after the date of the entry into force of this Treaty.

An agreement or convention concluded during the period between the signature and the date of the entry into force of this Treaty by a person or enterprise with a third country, an international organisation or a national of a third country may not be invoked as an obstacle to this Treaty if, in the opinion of the Court of Justice ruling on a petition by the Commission, one of the essential motives of either of the parties in concluding such agreement or convention was to evade the provisions of this Treaty.

Article 106

Member States which, before the date of the entry into force of this Treaty, have concluded agreements with third countries for co-operation in the field of nuclear energy shall, jointly with the Commission, enter into the necessary negotiations with such third countries in order, as far as possible, to cause the rights and obligations arising out of such agreements to be assumed by the Community.

Any new agreement resulting from such negotiations shall require the consent of the Member State or States signatories to the said agreements as well as the approval of the Council acting by means of a qualified majority vote.

TITLE THREE

PROVISIONS RELATING TO INSTITUTIONS

Chapter I

THE INSTITUTIONS OF THE COMMUNITY

Section I THE ASSEMBLY

Article 107

The Assembly, which shall be composed of representatives of the peoples of the States united within the Community, shall exercice the powers of deliberation and of control which are conferred upon it by this Treaty.

- 1. The Assembly shall be composed of delegates whom the Parliaments shall be called upon to appoint from among their members in accordance with the procedure laid down by each Member State.
- 2. The number of these delegates shall be fixed as follows:

Belgium				14
Germany		•		36
France				36
Italy				36
Luxembourg				6
Netherlands .			_	14

3. The Assembly shall draw up proposals for elections by direct universal suffrage in accordance with a uniform procedure in all Member States.

The Council, acting by means of a unanimous vote, shall determine the provisions which it shall recommend to Member States for adoption in accordance with their respective constitutional rules.

Article 109

The Assembly shall hold an annual session. It shall meet as of right on the third Tuesday in October.

The Assembly may meet in extraordinary session at the request of a majority of its members or at the request of the Council or of the Commission.

Article 110

The Assembly shall appoint its President and its officers from among its members.

Members of the Commission may attend all meetings and shall, at their request, be heard on behalf of the Commission.

The Commission shall reply orally or in writing to questions put to it by the Assembly or its members.

The Council shall be heard by the Assembly under the conditions which the Council shall lay down in its rules of procedure.

Article 111

Except where otherwise provided for in this Treaty, the Assembly shall act by means of an absolute majority of the votes cast.

The quorum shall be laid down in the rules of procedure.

The Assembly shall adopt its rules of procedure by a vote of the majority of its members.

The records of the Assembly shall be published in accordance with the provisions of its rules of procedure.

Article 113

The Assembly shall discuss in public meeting the annual general report submitted to it by the Commission.

Article 114

If a motion of censure concerning the activities of the Commission is introduced in the Assembly, a vote may be taken thereon only after a period of not less than three days following its introduction, and such vote shall be by open ballot.

If the motion of censure is adopted by a two-thirds majority of the votes cast, representing a majority of the members of the Assembly, the members of the Commission shall resign their office in a body. They shall continue to carry out current business until their replacement in accordance with the provisions of Article 127 has taken place.

Section II

THE COUNCIL

Article 115

The Council shall exercise its functions and powers of decision under the conditions laid down in this Treaty.

It shall take all measures within its competence in order to co-ordinate the actions of Member States and of the Community.

Article 116

The Council shall be composed of representatives of the Member States. Each Government shall delegate to it one of its members.

The office of President shall be exercised for a term of six months by each member of the Council in rotation according to the alphabetical order of the Member States.

Article 117

Meetings of the Council shall be called by the President acting on his own initiative or at the request of a member or of the Commission.

- 1. Except where otherwise provided in this Treaty, the conclusions of the Council shall be reached by a majority vote of its members.
- 2. Where conclusions of the Council require a qualified majority, the votes of its members shall be weighted as follows:

Belgium			2
Germany			4
France			4
Italy			4
Luxembourg			1
Netherlands .			2

Majorities shall be required for the adoption of any conclusions as follows:

- —twelve votes in cases where this Treaty requires a previous proposal of the Commission; or
- —twelve votes including a favourable vote by at least four members in all other cases.
- 3. Abstentions by members either present or represented shall not prevent the adoption of Council conclusions requiring unanimity.

Article 119

When, pursuant to this Treaty, the Council acts on a proposal of the Commission, it shall, where the amendment of such proposal is involved, act only by means of a unanimous vote.

As long as the Council has not so acted, the Commission may amend its original proposal, particularly in cases where the Assembly has been consulted on the proposal concerned.

Article 120

In case of a vote, any member of the Council may act as proxy for not more than one other member.

Article 121

The Council shall adopt its rules of procedure.

These rules of procedure may provide for the establishment of a committee composed of representatives of Member States. The Council shall determine the task and competence of that committee.

The Council may request the Commission to undertake any studies which the Council considers desirable for the achievement of the common objectives, and to submit to it any appropriate proposals.

Article 123

The Council, acting by means of a qualified majority vote, shall fix the salaries, allowances and pensions of the President and members of the Commission, and of the President, judges, advocates-general and registrar of the Court of Justice. The Council shall also fix, by means of the same majority, any allowances to be granted in lieu of remuneration.

Section III

THE COMMISSION

Article 124

With a view to ensuring the development of nuclear energy within the Community, the Commission shall:

- —ensure the application of the provisions of this Treaty and of the provisions enacted by the institutions of the Community in pursuance thereof;
- —formulate recommendations or opinions in matters defined by this Treaty where the latter expressly so provides or where the Commission considers it necessary;
- —under the conditions laid down in this Treaty dispose of a power of decision of its own and participate in the preparation of acts of the Council and of the Assembly; and
- —exercise the competence conferred on it by the Council for the implementation of the rules laid down by the latter.

Article 125

The Commission shall annually, not later than one month before the opening of the Assembly session, publish a general report on the activities of the Community.

Article 126

1. The Commission shall be composed of five members of different nationalities chosen for their general competence in regard to the special purposes of this Treaty, and of indisputable independence.

The number of members of the Commission may be amended by a unanimous vote of the Council.

Only nationals of Member States may be members of the Commission.

2. The members of the Commission shall perform their duties in the general interest of the Community with complete independence.

In the performance of their duties, they shall not seek or accept instructions from any Government or other body. They shall refrain from any action incompatible with the character of their duties. Each Member State undertakes to respect this character and not to seek to influence the members of the Commission in the performance of their duties.

The members of the Commission may not, during their term of office, engage in any other paid or unpaid professional activity. When entering upon their duties, they shall give a solemn undertaking that, both during and after their term of office, they will respect the obligations resulting therefrom and in particular the duty of exercising honesty and discretion as regards the acceptance, after their term of office, of certain functions or advantages. Should these obligations not be respected, the Court of Justice, on the application of the Council or of the Commission, may, according to circumstances, rule that the member concerned either be removed from office in accordance with the provisions of Article 129 or forfeit his right to a pension or other advantages in lieu thereof.

Article 127.

The members of the Commission shall be appointed by the Governments of Member States acting in common agreement.

Their term of office shall be for a period of four years. It shall be renewable.

Article 128

Apart from retirements in regular rotation and the case of death, the duties of a member of the Commission shall be terminated in individual cases by voluntary resignation or by removal from office.

Vacancies thus caused shall be filled for the remainder of the term of office. The Council, acting by means of a unanimous vote, may decide that such vacancies need not be filled.

Except in the case of removal from office referred to in Article 129, a member of the Commission shall remain in office until provision has been made for his replacement.

Article 129

If any member of the Commission no longer fulfils the conditions required for the performance of his duties or if he commits a serious offence, the Court of Justice, acting on a petition of the Council or of the Commission, may declare him removed from office.

In such case the Council, acting by means of a unanimous vote, may provisionally suspend the member from his duties and make provision for his replacement pending the ruling of the Court of Justice.

The Court of Justice may, on a petition of the Council or of the Commission, provisionally suspend such mem ber from his duties.

Article 130

The President and the Vice-President of the Commission shall be appointed from among its members for a term of two years in accordance with the same procedure as that laid down for the appointment of members of the Commission. Their term of office shall be renewable.

Except in the case of an entire renewal of the Commission, such appointments shall be made after the Commission has been consulted.

In the event of resignation or death, the President and Vice-President shall bereplaced for the remainder of their term of office in accordance with the procedure laid down in the first paragraph of this Article.

Article 131

The Council and the Commission shall consult each other and shall settle by mutual agreement the particulars of their collaboration.

The Commission shall adopt its rules of procedure with a view to ensuring its own functioning and that of its services in accordance with the provisions of this Treaty. It shall be responsible for the publication of its rules of procedure.

Article 132

The conclusions of the Commission shall be reached by a majority of the number of members provided for in Article 126.

A meeting of the Commission shall only be valid if the number of members laid down in its rules of procedure are present.

Article 133

The Council, acting by means of a unanimous vote, may agree that a qualified representative charged with the ensuring of permanent liaison be accredited to the Commission by the Government of any Member State.

Article 134

1. There shall hereby be established, attached to the Commission, a Scientific and Technical Committee with consultative status.

The said Committee shall be consulted in all cases provided for in this Treaty. It may be consulted in all cases where the Commission considers it desirable.

2. The Committee shall be composed of twenty members appointed by the Council after the Commission has been consulted.

Members of the Committee shall be appointed in their personal capacity for a term of five years. This term shall be renewable. They may not be bound by any mandatory instructions.

The Scientific and Technical Committee shall appoint annually its Chairman and officers from among its members.

Article 135

The Commission may hold any consultations and set up any study committees necessary to the accomplishment of its task.

Section IV

THE COURT OF JUSTICE

Article 136

The Court of Justice shall ensure observance of law and justice in the interpretation and application of this Treaty.

Article 137

The Court of Justice shall be composed of seven judges.

The Court of Justice shall sit in plenary session. It may, however, set up chambers, each composed of three or five judges, in order either to conduct certain enquiries or to judge certain categories of cases in accordance with provisions to be laid down in rules for this purpose.

The Court of Justice shall, however, always sit in plenary session in order to hear cases submitted to it by a Member State or by one of the institutions of the Community or to deal with preliminary questions submitted to it pursuant to Article 150.

Should the Court of Justice so request, the Council may, by means of a unanimous vote, increase the number of judges and make the requisite amendments to the second and third paragraphs of this Article and to Article 139, second paragraph.

Article 138

The Court of Justice shall be assisted by two advocates-general.

The duty of the advocate-general shall be to present publicly, with complete impartiality and independence, reasoned conclusions on cases submitted to the Court of Justice, with a view to assisting the latter in the performance of its duties as laid down in Article 136.

Should the Court of Justice so request, the Council may, by means of a unanimous vote, increase the number of advocates-general and make the requisite amendments to Article 139, third paragraph.

The judges and the advocates-general shall be chosen from among persons of indisputable independence who fulfil the conditions required for the holding of the highest judicial office in their respective countries or who are jurists of a recognised competence; they shall be appointed for a term of six years by the Governments of Member States acting in common agreement.

A partial renewal of the Court of Justice shall take place every three years. It shall affect three and four judges alternately. The three judges whose terms of office are to expire at the end of the first period of three years shall be chosen by lot.

A partial renewal of the advocates-general shall take place every three years. The advocate-general whose term of office is to expire at the end of the first period of three years shall be chosen by lot.

The retiring judges and advocates-general shall be eligible for reappointment.

The judges shall appoint from among their members the President of the Court of Justice for a term of three years. Such term shall be renewable.

Article 140

The Court of Justice shall appoint its registrar and determine his status.

Article 141

If the Commission considers that a Member State has failed to fulfil any of its obligations under this Treaty, it shall give a reasoned opinion on the matter after requiring such State to submit its comments.

If such State does not comply with the terms of such opinion within the period laid down by the Commission, the latter may refer the matter to the Court of Justice.

Article 142

Any Member State which considers that another Member State has failed to fulfil any of its obligations under this Treaty may refer the matter to the Court of Justice.

Before a Member State institutes, against another Member State, proceedings relating to an alleged infringement of the obligations under this Treaty, it shall refer the matter to the Commission.

The Commission shall give a reasoned opinion after the States concerned have been required to submit their comments in written and oral pleadings.

If the Commission, within a period of three months after the date of reference of the matter to it, has not given an opinion, reference to the Court of Justice shall not thereby be prevented.

If the Court of Justice finds that a Member State has failed to fulfil any of its obligations under this Treaty, such State shall take the measures required for the implementation of the judgment of the Court.

Article 144

The Court of Justice shall have full jurisdiction in respect of:

- (a) matters referred to it under Article 12, with a view to the determination of suitable conditions for the granting by the Commission of licences or sub-licences; and
- (b) appeals brought by persons or enterprises against any penalties imposed on them by the Commission under Article 83.

Article 145

If the Commission considers that a person or enterprise has committed an infringement of this Treaty to which the provisions of Article 83 are not applicable, it shall invite the Member State having jurisdiction over such person or enterprise to impose penalties in accordance with its municipal law in respect of such infringement.

If the Member State concerned does not comply with this invitation within the period laid down by the Commission, the latter may refer the matter to the Court of Justice with a view to establishing that such infringement has been committed by the person or enterprise concerned.

Article 146

The Court of Justice shall review the lawfulness of acts other than recommendations or opinions of the Council and the Commission. For this purpose, it shall be competent to give judgment on appeals by a Member State, the Council or the Commission on grounds of incompetence, of errors of substantial form, of infringement of this Treaty or of any legal provision relating to its application, or of abuse of powers.

Any natural or legal person may, under the same conditions, appeal against a decision addressed to him or against a decision which, although in the form of a regulation or a decision addressed to another person, is of direct and specific concern to him.

The appeals provided for in this Article shall be lodged within a period of two months dating, as the case may be, either from the publication of the act concerned, or from its notification to the appellant or, failing that, from the day on which the latter had knowledge of that act.

If the appeal is well founded, the Court of Justice shall declare the act concerned to be null and void.

In the case of regulations, however, the Court of Justice shall, if it considers it necessary, indicate those effects of the regulation annulled which shall be deemed to remain in force.

Article 148

In the event of the Council or the Commission in violation of this Treaty failing to act, the Member States and the other institutions of the Community may refer the matter to the Court of Justice with a view to establishing such violation.

Such appeal shall only be admissible if the institution concerned has previously been invited to act. If, at the expiry of a period of two months after such invitation, that institution has not stated its attitude, the appeal may be lodged within a further period of two months.

Any natural or legal person may submit to the Court of Justice, under the conditions laid down in the preceding paragraphs, a complaint to the effect that one of the institutions of the Community has failed to address to him an act other than a recommendation or an opinion.

Article 149

An institution originating an act subsequently declared null and void or an institution whose failure to act has been declared contrary to the provisions of this Treaty shall take the measures required for the implementation of the judgment of the Court of Justice.

This obligation shall not affect any obligation arising from the application of the second paragraph of Article 188.

Article 150

The Court of Justice shall be competent to make a preliminary decision concerning :

- (a) the interpretation of this Treaty;
- (b) the validity and interpretation of acts of the institutions of the Community; and
- (c) the interpretation of the statutes of any bodies set up by an act of the Council, save where such statutes otherwise provide.

Where any such question is raised before a court or tribunal of one of the Member States, such court or tribunal may, if it considers that its judgment depends on a preliminary decision on this question, request the Court of Justice to give a ruling thereon.

Where any such question is raised in a case pending before a domestic court or tribunal from whose decisions no appeal lies under municipal law, such court or tribunal shall refer the matter to the Court of Justice.

Article 151

The Court of Justice shall be competent to hear cases relating to compensation for damage as provided for in Article 188, second paragraph.

Article 152

The Court of Justice shall be competent to decide in any case between the Community and its employees, within the limits and under the conditions laid down by the relevant statute of service or conditions of employment.

Article 153

The Court of Justice shall be competent to make a decision pursuant to any arbitration clause contained in a contract concluded, under public or private law, by or on behalf of the Community.

Article 154

The Court of Justice shall be competent to decide in any dispute between Member States in connection with the object of this Treaty, where such dispute is submitted to it under the terms of a compromise.

Article 155

Subject to the powers conferred on the Court of Justice by this Treaty, cases to which the Community is a party shall not for that reason alone be excluded from the competence of domestic courts or tribunals.

Article 156

Where a regulation of the Council or of the Commission is the subject of a dispute in legal proceedings, any of the parties concerned may, notwithstanding the expiry of the period laid down in Article 146, third paragraph, invoke the grounds set out in Article 146, first paragraph, in order to allege before the Court of Justice that the regulation concerned is mapplicable.

Article 157

Except where otherwise provided for in this Treaty, appeals submitted to the Court of Justice shall not have any staying effect. The Court of Justice may, however, if it considers that circumstances so require, order the suspension of the execution of the act appealed against.

The Court of Justice may, in any cases referred to it, make any necessary interim order.

Article 159

The judgments of the Court of Justice shall be enforceable under the conditions laid down in Article 164.

Article 160

The Statute of the Court of Justice shall be laid down in a separate Protocol. The Court of Justice shall adopt its rules of procedure. They shall be submitted to the Council for unanimous approval.

Chapter II

Provisions common to several institutions

Article 161

For the achievement of their aims and under the conditions provided for in this Treaty, the Council and the Commission shall adopt regulations and directives, make decisions and formulate recommendations or opinions.

Regulations shall have a general application. They shall be binding in every respect and directly applicable in each Member State.

Directives shall bind any Member State to which they are addressed, as to the result to be achieved, while leaving to domestic agencies a competence as to form and means.

Decisions shall be binding in every respect for the addressees named therein. Recommendations and opinions shall have no binding force.

Article 162

The regulations, directives and decisions of the Council and of the Commission shall be supported by reasons and shall refer to any proposals or opinions which are to be obtained pursuant to this Treaty.

Article 163

The regulations shall be published in the Official Journal of the Community. They shall enter into force on the date fixed in them or, failing this, on the twentieth day following their publication.

Directives and decisions shall be notified to their addressees and shall take effect upon such notification.

Forced execution shall be governed by the rules of civil procedure in force in the State in whose territory it takes place. The writ of execution shall be served, without other formality than the verification of the authenticity of the written act, by the domestic authority which the government of each Member State shall designate for this purpose and of which it shall give notice to the Commission, to the Court of Justice and to the Arbitration Committee established under Article 18.

After completion of these formalities at the request of the party concerned, the latter may, in accordance with the municipal law, proceed with such forced execution by applying directly to the authority which is competent.

Forced execution may only be suspended pursuant to a decision of the Court of Justice. Supervision as to the regularity of the measures of execution shall, however, be within the competence of the domestic courts or tribunals.

Chapter III

THE ECONOMIC AND SOCIAL COMMITTEE

Article 165

There shall hereby be established an Economic and Social Committee with consultative status.

The Committee shall be composed of representatives of the various categories of economic and social life.

Article 166

The number of members of the Committee shall be fixed as follows:

Belgium			12
Germany			24
France			24
Italy			24
Luxembourg			5
Netherlands .			12

The members of the Committee shall be appointed for a term of four years by the Council acting by means of a unanimous vote on a proposal of the Commission. This term shall be renewable.

The members of the Committee shall be appointed in their personal capacity and shall not be bound by any mandatory instructions.

1. With a view to the appointment of the members of the Committee, each Member State shall send to the Council a list containing twice as many candidates as there are seats allotted to its nationals.

The Committee shall be composed in such a manner as to secure adequate representation of the different categories of economic and social life.

2. The Council shall consult the Commission. It may obtain the opinion of European organisations representing the various economic and social sectors concerned in the activities of the Community.

Article 168

The Committee shall appoint from among its members its chairman and officers for a term of two years.

It shall adopt its rules of procedure and shall submit them for approval to the Council which shall act by means of a unanimous vote.

The Committee shall be convened by its chairman at the request of the Council or of the Commission.

Article 169

The Committee may be divided into specialised sections.

These specialised sections shall operate within the framework of the general competence of the Committee. They may not be consulted independently of the Committee.

Sub-committees may also be established within the Committee in order to prepare, in specific matters or fields, draft opinions to be submitted to the Committee for consideration.

The rules of procedure shall determine the particulars of the composition of, and the rules of competence concerning, the specialised sections and sub-committees.

Article 170

The Committee shall be consulted by the Council or by the Commission in the cases provided for in this Treaty. The Committee may be consulted by these institutions in all cases in which they deem it appropriate.

The Council or the Commission shall, if it considers it necessary, lay down for the submission by the Committee of its opinion a time-limit which may not be less than ten days after the communication has been addressed to the chairman for this purpose. If, on the expiry of such time-limit, an opinion has not been submitted, the Council or the Commission may proceed without it.

The opinion of the Committee and that of the specialised section, together with a record of the deliberations, shall be transmitted to the Council and to the Commission.

TITLE FOUR

FINANCIAL PROVISIONS

Article 171

1. Estimates shall be drawn up for each financial year for all revenues and expenditures of the Community other than those of the Agency and Joint Enterprises and shall appear either in the operational budget or in the research and investment budget.

Each budget shall be in balance as to revenues and expenditures.

2. Estimates of the revenues and expenditures of the Agency, which shall operate in accordance with customary business usage, shall appear in a separate statement.

The conditions governing the estimates, implementation and verification of these revenues and expenditures shall be determined, having due regard to the Statute of the Agency, in the financial regulations adopted pursuant to Article 183.

3. The estimates of revenues and expenditures, together with the trading accounts and balance-sheets of Joint Enterprises for each financial year, shall be communicated to the Commission, the Council and the Assembly, in accordance with the provisions laid down in the statutes of those Enterprises.

Article 172

1. The revenues of the operational budget, apart from other current revenues, shall comprise the financial contributions of Member States fixed according to the following scale:

Belgium	7.9
Germany	28
France	28
Italy	28
Luxembourg	0.2
Netherlands	7.9

2. The revenues of the research and investment budget, apart from any other resources, shall comprise the financial contributions of Member States fixed according to the following scale:

Belgium			9.9
Germany .			3 0
France			3 0
Italy			23
Luxembourg			0.2
Netherlands			6.9

- 3. The scales may be amended by the Council acting by means of a unanimous vote.
- 4. Loans for the financing of research or investment shall be contracted on terms to be laid down by the Council acting as provided for in Article 177, paragraph 5.

The Community may raise loans on the capital market of a Member State in accordance with the legal provisions applying to internal issues or, where such provisions do not exist in a Member State, after agreement has been reached between such Member State and the Commission in regard to the proposed loan.

The consent of the competent agencies in the Member State may not be refused unless serious disturbances in its capital market are to be feared.

Article 173

The financial contributions of Member States provided for in Article 172 may be replaced, wholly or partly, by levies collected in Member States by the Community.

For this purpose, the Commission shall submit to the Council proposals concerning the assessment, method of fixing the rate and particulars of collection of such levies.

The Council, acting by means of a unanimous vote and after consulting the Assembly on such proposals, may lay down provisions whose adoption it shall recommend to the Member States in accordance with their respective constitutional rules.

Article 174

- 1. The expenditure appearing in the operational budget shall comprise, in particular:
 - (a) administrative expenses; and
 - (b) expenses relating to safety control and health protection.
- 2. The expenditure appearing in the research and investment budget shall comprise, in particular :
- (a) expenses relating to the implementation of the Community's research programme;
- (b) any participation in the capital of the Agency and in its investment expenses;
 - (c) expenses relating to the equipment of instructional establishments; and
 - (d) any participation in Joint Enterprises and in certain joint operations.

Article 175

The expenditure entered in the operational budget shall be authorised for the duration of one financial year, unless any provisions to the contrary are contained in the regulations adopted pursuant to Article 183. Subject to the conditions to be laid down pursuant to Article 183, any such appropriations other than those relating to staff costs as are unexpended at the end of the financial year may be carried over, but not beyond the end of the following financial year.

Appropriation for operational expenditure shall be set out under different headings according to the type or purpose of such expenditure and subdivided, as far as necessary, in accordance with the regulations adopted pursuant to Article 183.

The expenses of the Assembly, the Council, the Commission and the Court of Justice shall be set out in separate parts of the budget, without prejudice to the setting up of a special system for certain common expenses.

Article 176

- 1. Appropriations for research and investment, subject to the limits resulting from programmes or decisions on expenditure which, pursuant to this Treaty, require the unanimous vote of the Council, shall comprise:
- (a) budgetary commitments covering a tranche which constitutes an individual item and a coherent whole; and
- (b) payment authorisations representing the maximum sum payable each year for covering commitments contracted under paragraph (a).
- 2. The calendar of due dates of commitments and authorisations shall be annexed to the corresponding draft budget proposed by the Commission.
- 3. Appropriations for research and investment shall be set out under different headings according to type or purpose of the expenditure and subdivided, as far as necessary, in accordance with the regulations adopted pursuant to Article 183.
- 4. Unused payment authorisations shall be carried over to the following financial year by a decision of the Commission, unless the Council decides otherwise.

Article 177

- 1. The financial year shall run from 1 January to 31 December inclusive.
- 2. Each of the institutions of the Community shall draw up provisional estimates of its administrative expenses. The Commission shall combine these estimates in a preliminary draft operational budget. It shall attach its opinion which may contain divergent estimates. It shall also prepare the preliminary draft of the research and investment budget.

The preliminary draft budgets shall be laid before the Council by the Commission not later than 30 September of the year preceding that of their implementation.

The Council shall, whenever it intends to depart from the preliminary drafts, consult the Commission and, where appropriate, the other institutions concerned.

3. The Council, acting by means of a qualified majority vote, shall establish the draft budgets and shall then transmit them to the Assembly.

The draft budgets shall be laid before the Assembly not later than 31 October of the year preceding that of their implementation.

The Assembly shall be entitled to propose to the Council amendments to the draft budgets.

- 4. If, within a period of one month after receiving the draft budgets, the Assembly has either stated its approval or has not transmitted an opinion to the Council, the draft budgets shall be considered as finally adopted.
- If, within this period, the Assembly has proposed any amendments, the draft budgets so amended shall be transmitted to the Council. The Council shall then discuss them with the Commission and, where appropriate, with the other institutions concerned and shall finally adopt the budgets by means of a qualified majority vote, subject to the limits resulting from programmes or decisions on expenditure which, pursuant to this Treaty, require the unanimous vote of the Council.
- 5. For the adoption of the research and investment budget the votes of the members of the Council shall be weighted as follows:

Belgium					9
Germany					3 0
France .					3 0
Italy					23
Luxembou	rg	5			1
Netherland	ls				7

A majority of at least 67 votes shall be required for the adoption of any conclusions.

Article 178

If, at the beginning of the financial year, the operational budget has not yet been voted, expenditures may be effected on a monthly basis per heading or other division of the budget, according to the provisions of the regulations adopted pursuant to Article 183, up to one-twelfth of the budget appropriations for the preceding financial year, provided that the amount so made available to the Commission shall not exceed one-twelfth of the total appropriations shown in the draft budget in course of preparation.

If, at the beginning of a financial year, the research and investment budget has not yet been voted, expenditures may be effected on a monthly basis per heading or other division of the budget, according to the provisions of the regulations adopted pursuant to Article 183, up to one-twelfth of the appropriations corresponding to the annual estimates entered in the calendar of due dates of payments for budgetary commitments previously approved.

The Council, acting by means of a qualified majority vote, may, subject to observance of the other provisions laid down in the first and second paragraphs, authorise expenditure in excess of one-twelfth, subject to the limits resulting from programmes or decisions on expenditure which, pursuant to this Treaty, require the unanimous of the Council.

Member States shall pay every month, on a provisional basis and in accordance with the scales adopted for the previous financial year, the amounts necessary to ensure implementation of this Article.

Article 179

The Commission shall, in accordance with the provisions of the regulations adopted pursuant to Article 183, implement the budgets on its own responsibility and within the limits of the appropriations made.

Such regulations shall lay down the particular procedure according to which each institution shall participate in the expenditure of its own funds.

Within each budget, the Commission may, subject to the limits and conditions laid down in the regulations adopted pursuant to Article 183, transfer funds as between the various headings or sub-headings.

Article 180

The accounts of all the revenues and expenditures of each budget shall be examined by a committee of control composed of auditors of indisputable independence of whom one shall be the chairman. The Council, acting by means of a unanimous vote, shall fix the number of auditors. The auditors and the chairman of the committee of control shall be appointed by the Council, acting by means of a unanimous vote, for a period of five years. Their remuneration shall be determined by the Council acting by means of a qualified majority vote.

The auditing of the accounts, which shall be based on vouchers and shall take place, if necessary, on the spot, shall be designed to ascertain that all revenues and expenditures are lawful and proper and that the financial management is sound. After the winding up of each budget, the committee of control shall draw up a report the adoption of which shall require a majority vote of its members.

The Commission shall annually submit to the Council and to the Assembly the accounts of the preceding financial year in respect of each separate budget, together with the report of the committee of control. The Commission shall also communicate to them a balance sheet showing the assets and liabilities of the Community.

The Council, acting by means of a qualified majority vote, shall give the Commission a discharge in respect of the implementation of each separate budget. The Council shall communicate such decision to the Assembly.

Article 181

The budgets and statement provided for in Article 171, paragraphs 1 and 2, shall be drawn up in the unit of account fixed in accordance with the provisions of the financial regulations adopted pursuant to Article 183.

The financial contributions provided for in Article 172 shall be made available to the Community by Member States in their respective domestic currencies.

The available balances of these contributions shall be deposited with the Treasuries of Member States or with bodies designated by them. The funds, while on deposit, shall retain their par value in relation to the unit of account mentioned in the first paragraph, such par value being that in force at the date of deposit.

These balances may be placed under conditions to be settled in agreements concluded between the Commission and the Member State concerned.

Article 182

- 1. The Commission may, provided it notifies the competent authorities of the Member States concerned, transfer its holdings in the currency of any one Member State into the currency of another Member State, in so far as this may be necessary in order to enable such funds to be used for the purposes for which they are intended in accordance with this Treaty. The Commission shall, as far as possible, refrain from making such transfers if it possesses liquid or realisable assets in the currencies which it needs.
- 2. The Commission shall communicate with each Member State through the channel of the authority designated by the State concerned. For the carrying out of financial operations, the Commission shall have recourse to the services of the bank of issue of the Member State concerned or of any other financial institution approved by that State.
- 3. As regards expenditure to be effected by the Community in currencies of third countries, the Commission shall submit to the Council, before the budgets are finally adopted, a programme showing the intended revenues and expenditures in the different currencies.

This programme shall be subject to the approval by the Council acting by means of a qualified majority vote. It may be amended in the course of the financial year in accordance with the same procedure.

4. Funds in currencies of third countries, when required in order to meet items of expenditure appearing in the programme mentioned in paragraph 3, shall be

assigned to the Commission by Member States according to the scales provided for in Article 172. The same scales shall be applied for the assignment to Member States of currencies of third countries collected by the Commission.

- 5. The Commission may dispose freely of funds in the currencies of third countries obtained by loans raised in those countries.
- 6. The exchange arrangements set out in the preceding paragraphs may be made wholly or partly applicable to the Agency and to Joint Enterprises and may be adapted to their operational needs by the Council acting by means of a unanimous vote on a proposal of the Commission.

Article 183

The Council, acting by means of a unanimous vote on a proposal of the Commission, shall:

- (a) lay down the financial regulations specifying, in particular, the procedure to be adopted for establishing and implementing the budgets, including that of the Agency, and for rendering and auditing accounts;
- (b) determine the methods and procedure whereby the contributions by Member States shall be made available to the Commission; and
- (c) establish rules concerning the responsibility of pay-commissioners and accountants and arrange for the relevant supervision.

TITLE FIVE

GENERAL PROVISIONS

Article 184

The Community shall have legal personality.

Article 185

The Community shall in each of the Member States possess the most extensive legal capacity accorded to legal persons under their respective municipal law; it may, in particular, acquire or transfer movable and immovable property and may sue and be sued in its own name. For this purpose, the Community shall be represented by the Commission.

Article 186

The Council, acting by means of a unanimous vote, shall, in collaboration with the Commission and after consulting the other institutions concerned, lay down the statute of service for officials and the conditions of employment for other employees of the Community.

After the expiry of the fourth year following the entry into force of this Treaty, this statute and these conditions may be amended by the Council acting by means of a qualified majority vote on a proposal of the Commission and after the other institutions concerned have been consulted.

Article 187

For the performance of the tasks entrusted to it, the Commission may collect any information and verify any matters within the limits and under the conditions laid down by the Council in accordance with the provisions of this Treaty.

Article 188

The contractual liability of the Community shall be governed by the law applying to the contract concerned.

As regards non-contractual liability, the Community shall in accordance with the general principles common to the laws of Member States make reparation for any damage caused by its institutions or by its employees in the performance of their duties.

The personal liability of employees towards the Community shall be determined in the provisions establishing the statute of service or the conditions of employment applicable to them.

Article 189

The seat of the Community's institutions shall be fixed by the governments of the Member States acting in common agreement.

Article 190

The rules concerning the languages of the institutions of the Community shall, without prejudice to the provisions laid down in the rules of the Court of Justice, be determined by the Council acting by means of a unanimous vote.

Article 191

The Community shall, under conditions defined in a separate Protocol, enjoy in the territories of the Member States the privileges and immunities necessary for the achievement of its aims.

Article 192

Member States shall take all general or particular measures which are appropriate for ensuring the carrying out of the obligations arising out of this Treaty or resulting from acts of the institutions of the Community. They shall facilitate the achievement of the aims of the Community.

They shall abstain from any measures likely to jeopardise the achievement of the aims of this Treaty.

Article 193

Member States undertake not to submit a dispute concerning the interpretation or application of this Treaty to any method of settlement other than those provided for in this Treaty.

Article 194

1. The Members of the institutions of the Community, members of committees, officials and other employees of the Community and any other persons whose functions or whose public or private relations with the institutions or facilities of the Community or with Joint Enterprises make it necessary for them to obtain or receive communication of any facts, information, knowledge, documents or objects which are classified pursuant to provisions enacted by a Member State or an institution of the Community, shall, even after the termination of such functions or relations, maintain their security in respect of any unauthorised person or of the general public.

Each Member State shall regard any breach of this obligation as a violation of its claissified matters which is subject, as regards both substance and jurisdiction, to the provisions of its municipal law concerning the endangering of the security of the State or concerning the disclosure of professional secrets. It shall, at the demand of any Member State concerned or of the Commission, proceed against any person who has committed such a breach within its jurisdiction.

2. Each Member State shall communicate to the Commission all provisions regulating in its territories the classification and security of information, knowledge, documents or objects relating to the field of application of this Treaty.

The Commission shall ensure that these provisions are communicated to the other Member States.

Each Member State shall take all appropriate steps to facilitate the gradual introduction of as uniform and as comprehensive a security protection as possible. The Commission may, after consulting the Member States concerned, make any recommendations for this purpose.

- 3. The institutions of the Community and their facilities as well as the Joint Enterprises shall apply the provisions regarding security protection which are in force in the territory in which each of them is situated.
- 4. Where any authorisation to obtain communication of facts, information, documents or objects relating to the field of application of this Treaty and protected by means of classification has been granted either by an institution of the Community or by a Member State to a person engaged in activities within the

field of application of this Treaty, such authorisation shall be recognised by every other institution and every other Member State.

5. The provisions of this Article shall not be an obstacle to the application of special provisions resulting from agreements concluded between a Member State and a third country or an international organisation.

Article 195

The institutions of the Community, as well as the Agency and Joint Enterprises shall, in applying this Treaty, comply with any conditions, in regard to access to ores, source materials and special fissionable materials, imposed by domestic provisions enacted for reasons of public order or public health.

Article 196

For the purposes of this Treaty and except where otherwise provided for therein:

- (a) the term "person" shall mean any natural person wholly or partly engaged in the territories of Member States in activities which come within the field defined in the appropriate Chapter of this Treaty;
- (b) the term "enterprise" shall mean any enterprise or institution wholly or partly engaged in activities under the same conditions, whatever may be its public or private legal status.

Article 197

For the purposes of this Treaty:

- 1. the term "special fissionable materials" shall mean plutonium 239, uranium 233; uranium enriched in the isotopes 235 or 233; any material containing one or more of the foregoing; and such other fissionable materials as shall be defined by the Council acting by means of a qualified majority vote on a proposal of the Commission; but the term "special fissionable materials" shall not include source materials:
- 2. the term "uranium enriched in the isotopes 235 or 233" shall mean uranium containing the isotopes 235 or 233 or both in an amount such that the abundance ratio of the sum of these isotopes to the isotope 238 is greater than the ratio of the isotope 235 to the isotope 238 occurring in nature;
- 3. the term "source material" shall mean uranium containing the mixture of isotopes occurring in nature; uranium depleted in the isotope 235; thorium; any of the foregoing in the form of metal, alloy, chemical compound, or concentrate; any other material containing one or more of the foregoing in such concentration as shall be defined by the Council acting by means of a qualified majority vote on a proposal of the Commission;

4. the term "ores" shall mean any ore containing, in such average concentration as shall be defined by the Council acting by means of a qualified majority vote on a proposal of the Commission, substances from which the source materials as defined above can be obtained by appropriate chemical and physical processing.

Article 198

Except where otherwise provided for the provisions of this Treaty shall apply to the European territories of Member States and to non-European territories subject to their jurisdiction.

These provisions shall apply also to European territories for the conduct of whose foreign relations a Member State is responsible.

Article 199

The Commission shall be responsible for ensuring all suitable contacts with the organs of the United Nations, of their Specialised Agencies and of the General Agreement on Tariffs and Trade.

The Commission shall also ensure appropriate contacts with all international organisations.

Article 200

The Community shall establish all suitable co-operation with the Council of Europe.

Article 201

The Community shall establish with the Organisation for European Economic Co-operation close collaboration, the particulars of which shall be determined by common agreement.

Article 202

The provisions of this Treaty shall not be an obstacle to the existence or completion of regional unions between Belgium and Luxembourg, and between Belgium, Luxembourg and the Netherlands, in so far as the objectives of these regional unions are not achieved by application of this Treaty.

Article 203

If any action by the Community appears necessary to achieve one of the aims of the Community in cases where this Treaty has not provided for the requisite powers of action, the Council, acting by means of a unanimous vote on a proposal of the Commission and after the Assembly has been consulted, shall enact the appropriate provisions.

The government of any Member State or the Commission may submit to the Council proposals for the revision of this Treaty.

If the Council, after consulting the Assembly and, where appropriate, the Commission, expresses an opinion in favour of the calling of a conference of representatives of the governments of Member States, such conference shall be convened by the President of the Council for the purpose of determining in common agreement the amendments to be made to this Treaty.

Such amendments shall enter into force after being ratified by all Member States in accordance with their respective constitutional rules.

Article 205

Any European State may apply to become a member of the Community. It shall address its application to the Council which, after obtaining the opinion of the Commission shall act by means of a unanimous vote.

The conditions of admission and the amendments to this Treaty necessitated thereby shall be the subject of an agreement between the Member States and the applicant State. Such agreement shall be submitted to all the contracting States for ratification in accordance with their respective constitutional rules.

Article 206

The Community may conclude with a third country, a union of States or an international organisation agreements creating an association embodying reciprocal rights and obligations, joint actions and special procedures.

Such agreements shall be concluded by the Council acting by means of a unanimous vote and after consulting the Assembly.

Where such agreements involve amendments to this Treaty, such amendments shall be subject to prior adoption in accordance with the procedure laid down in Article 204.

Article 207

The Protocols which are to be annexed to this Treaty by common agreement between the Member States shall form an integral part thereof.

Article 208

This Treaty shall be concluded for an unlimited period.

TITLE SIX

PROVISIONS RELATING TO THE INITIAL PERIOD

Section I

THE SETTING UP OF THE INSTITUTIONS OF THE COMMUNITY

Article 209

The Council shall meet within a period of one month after the date of the entry into force of this Treaty.

Article 210

The Council shall take all appropriate measures to constitute the Economic and Social Committee within a period of three months from the Council's first meeting.

Article 211

The Assembly shall meet within a period of two months after the first meeting of the Council and on being convened by the President of the latter in order to elect its officers and draw up its rules of procedure. Pending the election of its officers, the Assembly shall be presided over by its oldest member.

Article 212

The Court of Justice shall enter upon its duties as soon as its members have been appointed. The first appointment of the President shall be made for a period of three years under the same conditions as the appointment of its members.

The Court of Justice shall adopt its rules of procedure within a period of three months after entering upon its duties.

Reference may not be made to the Court of Justice until after the date of publication of these rules of procedure. Periods laid down for the submission of cases shall only begin to run as from that date.

The President of the Court of Justice shall, upon his appointment, exercise the powers conferred upon him by this Treaty.

Article 213

The Commission shall enter upon its duties and assume the responsibilities conferred upon it by this Treaty as soon as its members have been appointed.

The Commission shall, on entering upon its duties, undertake the studies and establish the contacts with Member States, enterprises, workers and users which

are necessary for making a general survey of the position of nuclear industries within the Community. The Commission shall, within a period of six months, address a report on this subject to the Assembly.

Article 214

- 1. The period of the first financial year shall extend from the date of the entry into force of this Treaty to the following 31 December. If, however, this Treaty enters into force during the second half of the year, such period shall continue until 31 December of the following year.
- 2. Until the budgets for the first financial year have been adopted, Member States shall make to the Community non-interest-bearing advances which shall be deducted from the financial contributions relating to the implementation of the said budgets.
- 3. Until the statute of service for officials and the conditions of employment applicable to other employees of the Community, as provided for in Article 186, are established, each institution shall recruit the staff it needs and shall, for this purpose, conclude contracts of limited duration.

Each institution shall examine with the Council any questions concerning the number, remuneration and distribution of posts.

Section II

PRELIMINARY PROVISIONS FOR IMPLEMENTING THIS TREATY

Article 215

- 1. An initial research and instructional programme which is set out in Annex V to this Treaty and which may not exceed 215 million E.P.U. units of account, unless the Council acting by means of a unanimous vote otherwise decides, shall be carried out within a period of five years after the date of the entry into force of this Treaty.
- 2. The breakdown of the expenditure required for the implementation of this programme is set out by way of indication under principal headings in Annex V.

The Council, acting by means of a qualified majority vote on a proposal of the Commission, may amend this programme.

Article 216

The Commission's proposals concerning the particulars of operation of the institution at university level referred to in Article 9 shall be submitted to the Council within a period of one year after the date of the entry into force of this Treaty.

The security regulations provided for in Article 24 relating to the classification applicable to the dissemination of information shall be laid down by the Council within a period of six months after the date of the entry into force of this Treaty.

Article 218

The basic standards shall be fixed in accordance with the provisions of Article 31 within a period of one year after the date of the entry into force of this Treaty.

Article 219

The legislative and administrative provisions for protecting the health of workers and of the general public in the territories of Member States from the dangers resulting from ionising radiation shall, in accordance with the provisions of Article 33, be communicated by these States to the Commission within a period of three months after the date of the entry into force of this Treaty.

Article 220

The Commission's proposals relating to the Statute of the Agency, referred to in Article 54, shall be submitted to the Council within a period of three months after the date of the entry into force of this Treaty.

Section III

TRANSITIONAL PROVISIONS

Article 221

The provisions of Articles 14 to 23 inclusive and of Articles 25 to 28 inclusive shall apply to patents, provisionally protected claims and utility models, and also to applications for patents and utility models filed before the entry into force of this Treaty, under the following conditions:

- 1. In regard to the period of time mentioned in Article 17, paragraph 2, due account shall be taken, in favour of the owner, of the new situation arising after the date of the entry into force of this Treaty.
- 2. With regard to the communication of a non-classified invention, if either or both of the periods of three months and eighteen months provided for in Article 16 have expired at the date of the entry into force of this Treaty, a further period of six months shall begin to run as from that date.

If either or both of these periods are unexpired at that date, they shall be extended for a period of six months as from the date of their normal expiry.

3. The same provisions shall apply to the communication of a classified invention in accordance with the provisions of Article 16 and Article 25, paragraph 1, except that in such cases the new period or the extension of a current period shall be deemed to begin on the date of the entry into force of the security regulations referred to in Article 24.

Article 222

During the period between the date of the entry into force of this Treaty and the date, fixed by the Commission, when the Agency assumes its functions, the conclusion or renewing agreements and conventions for the supply of ores, source materials or special fissionable materials shall be subject to the prior approval of the Commission.

The Commission shall refuse to approve the conclusion or renewal of agreements and conventions which it considers of a nature to prejudice the application of this Treaty. It may, in particular, make its approval conditional upon the inclusion in these agreements and conventions of clauses, enabling the Agency to participate in their implementation.

Article 223

Notwithstanding the provisions of Article 60, and in order to take account of work and studies already in progress, supplies for reactors installed in the territories of a Member State which may become critical before the expiry of a period of seven years as from the date of the entry into force of this Treaty, shall be granted priority for a maximum period of ten years as from that date, in regard both to ores and source materials coming from the territories of that State and in regard to source materials or special fissionable materials forming the subject of a bilateral agreement concluded before the entry into force of this Treaty and communicated to the Commission in accordance with the provisions of Article 105.

The same priority shall be granted during such period of ten years in regard to supplies for any isotope separation factory, whether or not a Joint Enterprise, which begins to operate in the territories of a Member State before the expiry of a period of seven years after the date of the entry into force of this Treaty.

The Agency shall conclude the relevant contracts after the Commission has ascertained that the conditions for the application of the priority right have been fulfilled.

FINAL PROVISIONS

Article 224

This Treaty shall be ratified by the High Contracting Parties in accordance with their respective constitutional rules. The instruments of ratification shall be deposited with the Government of the Italian Republic.

This Treaty shall enter into force on the first day of the month following the deposit of the instrument of ratification by the last signatory State to comply with this formality. If, however, such deposit is made less than fifteen days before the beginning of the following month, this Treaty shall not enter into force until the first day of the second month following the date of such deposit.

Article 225

The present Treaty, drawn up in a single original in the German, French, Italian and Netherlands languages, all four texts being equally authentic, shall be deposited in the archives of the Government of the Italian Republic which shall transmit a certified copy to each of the Governments of the other signatory States.

IN FAITH WHEREOF, the undersigned Plenipotentiaries have placed their signatures at the end of the present Treaty.

Done at Rome, on the twenty-fifth day of March in the year one thousand nine hundred and fifty-seven.

P. H. SPAAK

J. Ch. SNOY ET D'OPPUERS

ADENAUER

HALLSTEIN

PINEAU

M. FAURE

Antonio Segni

Gaetano Martino

Весн

Lambert Schaus

I. Luns

J. LINTHORST HOMAN

ANNEXES

ANNEX I

FIELD OF NUCLEAR ENERGY RESEARCH

referred to in Article 4 of this Treaty

I.—PRIMARY MATERIALS

- 1. Methods of prospecting and mining, peculiar to mines of basic materials (uranium, thorium, and other products of special importance for nuclear energy).
- 2. Methods of concentrating these materials and converting them into compounds of technical purity.
- 3. Methods of transforming these compounds of technical purity into compounds and metals of nuclear quality.
- 4. Methods of transforming and machining these compounds and metals—and also plutonium, uranium 235 or 233, whether pure or associated with these compounds or metals—by the chemical, ceramic or metallurgical industries, into fuel elements.
- 5. Methods of protecting these fuel elements from corrosion or erosion by external agents.
- 6. Methods of processing, refining, machining and preserving other special materials in the field of nuclear energy, in particular:
 - (a) moderators, such as heavy water, graphite, beryllium and beryllium oxide;
 - (b) structural materials, such as zirconium (free of hafnium), niobium, lanthanum, titanium, beryllium and their oxides, carbides and other compounds, capable of being used in the nuclear energy field and;
 - (c) coolants, such as helium, organic thermofluids, sodium, sodium-potassium alloys, bismuth, lead-bismuth alloys.
- 7. Methods of isotope separation:
 - (a) of uranium;
 - (b) of materials in ponderable quantities with appliance to the production of nuclear energy, such as lithium 6 and 7, nitrogen 15, boron 10; and
 - (c) of isotopes used in small quantities for research.

II.—Physics applied to nuclear energy

- 1. Applied theoretical physics:
 - (a) low-energy nuclear reactions, in particular neutron-induced reactions;
 - (b) fission;
 - (c) interaction of ionising radiation and photons with matter;
 - (d) theory of solid state; and

- (e) study of fusion relating in particular to the behaviour of an ionised plasma under the action of electro-magnetic forces and to the termodynamics of extremely high temperatures.
- 2. Applied experimental physics:
 - (a) the same subjects as those mentioned under 1; and
 - (b) study of the properties of transuranic elements of importance to nuclear energy.
- 3. Reactor calculations:
 - (a) theoretical macroscopic neutronics;
 - (b) experimental neutronics determinations: exponential and critical experiments;
 - (c) thermodynamic calculations and calculations on the resistance of materials;
 - (d) corresponding experimental determinations;
 - (e) kinetics of reactors, problems of reactor control and relevant experiments; and
 - (f) calculations relating to protection from radiation and relevant experiments.

III.-PHYSICAL CHEMISTRY OF REACTORS

- 1. Study of the physical and chemical structural changes and of the modifications of the technical properties of various materials in reactors under the effect of:
 - (a) heat;
 - (b) the nature of the agents in contact; or
 - (c) mechanical causes.
- 2. Study of damage and other phenomena produced by irradiation
 - (a) in fuel elements:
 - (b) in structural elements and coolants; and
 - (c) in moderators.
- 3. Analytical chemistry and analytical physical chemistry applied to the constituent parts of reactors.
- 4. Physical chemistry of homogeneous reactors: radiochemistry, corrosion.

IV.—Processing of radioactive materials

- 1. Methods of extraction of plutonium and uranium 233 from irradiated fuel, eventual recovery of uranium or thorium.
- 2. Chemistry and metallurgy of plutonium.
- 3. Methods of extraction and chemistry of other transuranic elements.
- 4. Methods of extraction and chemistry of useful radio-isotopes:
 - (a) fission products;
 - (b) obtained by irradiation.
- 5. Waste concentration and waste disposal.

V.—APPLICATION OF RADIO-ISOTOPES

Application of radio-isotopes as active elements or as tracers in :

- (a) industrial and scientific fields;
- (b) therapeutic and biological fields; and
- (c) agriculture.

VI.-RADIATION HAZARDS FOR LIVING BEINGS

- 1. Study of the detection and measurement of radiation hasards.
- 2. Study of adequate prevention and protection and of corresponding safety standards.
- 3. Study of therapeutical treatment against the effects of radiation.

VII.-EQUIPMENT

Studies with a view to the construction and improvement of special equipment intended not only for reactors but also for the whole of the research and industrial facilities necessary to the objects of research mentioned above. As examples may be mentioned:

- 1. The following mechanical equipment:
 - (a) pumps for special fluids;
 - (b) heat exchangers:
 - (c) devices for research in nuclear physics (e.g. neutron velocity selectors); and
 - (d) remote handling equipment.
- 2. The following electrical equipment:
 - (a) devices for the detection and measurement of radiation for use more particularly in:
 - -prospecting for minerals;
 - -scientific and technical research;
 - -reactor control; and
 - -health protection;
 - (b) equipment for reactor control;
 - (c) low-energy particle accelerators (up to 10 MeV).

VIII.—Economic aspects of energy production

- 1. The comparative, theoretical and experimental study of the various types of reactors.
- 2. The technical and economic study of fuel cycles.

ANNEX II

BRANCHES OF INDUSTRY

referred to in Article 41 of this Treaty

- 1. Mining of uranium and thorium ores.
- 2. Concentration of uranium and thorium ores.
- 3. Chemical processing and refining of uranium and thorium concentrates.
- 4. Preparation of nuclear fuel elements in any form.
- 5. Manufacture of nuclear fuel elements.
- 6. Manufacture of uranium hexafluoride.
- 7. Production of enriched uranium.
- 8. Processing of irradiated fuels for the purpose of separating all or part of the contained elements.
- 9. Production of moderators.
- 10. Production of hafnium-free zirconium or of compounds thereof.
- 11. Nuclear reactors of any type and for any purposes.
- 12. Facilities for the industrial processing of radioactive waste, established in connection with one or more facilities defined in this list.
- 13. Semi-industrial facilities intended as a preliminary to the construction of plants falling under the branches 3 to 10 inclusive.

ANNEX III

ADVANTAGES WHICH MAY BE GRANTED TO JOINT ENTERPRISES under Article 48 of this Treaty

- 1. (a) Recognition that the character of public interest within the meaning of municipal law applies to such acquisition of immovable property as is necessary for the installation of Joint Enterprises; and
 - (b) application, in accordance with municipal law, of the expropriation procedure on grounds of public interest with a view to carrying out such acquisition failing an amicable arrangement.
- . 2. Grant of licences either by means of arbitration or ex officio under Articles 17 to 23 inclusive.
 - 3. Exemption from all duties and charges in connection with the constituting of Joint Enterprises and with the bringing in of assets.

- 4. Exemption from duties or charges on transfers in connection with the acquisition of immovable property and whith registration.
- 5. Exemption from all direct taxation to whith Joint Enterprises and their goods, assets and income would otherwise be liable.
- 6. Exemption from all customs duties or charges with equivalent effect and from any import or export prohibitions or restrictions, whether of an economic or fiscal character, in connection with:
 - (a) scientific and technical material, excluding building material and office equipment; and
 - (b) any substance that has been or is to be subjected to processing by the Joint Enterprise.
- 7. Exchange facilities as provided for in Article 182, paragraph 6.
- 8. Exemption from entry and residence restrictions in respect of nationals of Member States employed in the service of a Joint Enterprise and of their spouses and dependent members of their families.

ANNEX IV

LISTS OF GOODS AND PRODUCTS COMING WITHIN THE PROVISIONS OF CHAPTER IX CONCERNING THE NUCLEAR COMMON MARKET

LIST A1

Uranium ores with a content of natural uranium exceeding 5 per cent by weight.

Pitchblende with a content of natural uranium exceeding 5 per cent by weight.

Uranium oxide.

Inorganic compounds of natural uranium other than uranium oxide and uranium hexafluoride.

Organic compounds of natural uranium.

Natural uranium unwrought or wrought.

Alloys containing plutonium.

Organic or inorganic compounds of uranium enriched in organic or inorganic compounds of uranium 235.

Organic or inorganic compounds of uranium 233.

Thorium enriched in uranium 233.

Organic or inorganic compounds of plutonium.

Uranium enriched in plutonium.

Uranium enriched in uranium 235.

Alloys containing uranium enriched in uranium 235 or uranium 233.

Plutonium.

Uranium 233.

Uranium hexafluoride.

Monazite.

Thorium ores with a thorium content exceeding 20 per cent by weight.

Urano-thorianite containing more than 20 per cent of thorium.

Thorium unwrought or wrought.

Thorium oxide.

Inorganic compounds of thorium other than thorium oxide.

Organic compounds of thorium.

LIST A2

Deuterium and its compounds (including heavy water) in which the ratio of deuterium atoms to hydrogen atoms exceeds 1:5000 by number.

Heavy paraffin in which the ratio of deuterium atoms to hydrogen atoms exceeds 1:5000 by number.

Mixtures and solutions in which the ratio of deuterium atoms to hydrogen atoms exceeds 1:5000 by number.

Nuclear reactors.

Equipment for the isotope separation of uranium by gaseous diffusion or other techniques.

Equipment for the production of deuterium, its compounds (including heavy water), derivatives, mixtures or solutions containing deuterium in which the ratio of deuterium atoms to hydrogen atoms exceeds 1:5000 by number:

- -equipment based on the electrolysis of water,
- -equipment based on the distillation of water, liquid hydrogen, etc.,
- ---equipment based on isotope exchange between hydrogen sulfide and water, in relation to change of temperature, and
- -equipment operating by other techniques.

Equipment specially designed for the chemical processing of radio-active materials:

- -equipment for the separation of irradiated fuel;
- -by chemical processes (solvents, precipitation, ion exchange, etc.);
- -by physical processes (fractional distillation, etc.);
- -equipment for waste processing; and
- -equipment for fuel recycling.

Vehicles specially designed for the transport of highly radioactive products:

- -wagons and trucks for railways of all gauges,
- -motor-driven lorries.
- -motor-driven trucks,
- -trailers and semi-trailers and other non-motorised vehicles.

Lead shielded containers for transport or storage of radioactive materials.

Artificial radioactive isotopes and their inorganic or organic compounds.

Remote controlled mechanical manipulators specially devised for handling highly radioactive substances:

—mechanical manipulating devices, fixed or mobile, but not for "free-hand" handling.

List B

Parts and spare parts for nuclear reactors.

Lithium ores and concentrates.

Metals of nuclear quality, unwrought:

- -beryllium (glucinium),
- -bismuth.
- -niobium (columbium),
- -zirconium (hafnium free),
- -lithium,
- -aluminium.
- -calcium, and
- -magnesium.

Boron trifluoride.

Anhydrous hydrofluoric acid.

Chlorine trifluoride.

Bromine trifluoride.

Lithium hydroxide.

Lithium fluoride.

Lithium chloride.

Lithium hydride.

Lithium carbonate.

Beryllium oxide (beryllia) of nuclear quality.

Refractory bricks of beryllia of nuclear quality.

Other refractory products of beryllia of nuclear quality.

Artificial graphite in the form of blocks or rods having a boron content of one part per million or less and a total thermal neutrons absorption microscopic cross-section of 5 millibarns or less.

Stable isotopes, artificially separated.

Electromagnetic ion separators including mass spectrographs and mass spectrometers Pile simulators (analogical computers of a special type).

Remote handling equipment:

-for hand use (can be handled "free-hand" like a tool).

Pumps for molten metals.

High vacuum pumps.

Heat exchangers designed specially for nuclear power stations.

Radiation detection instruments (and corresponding spare parts) of the following types, specially designed or capable of being adapted for detection or measurement of nuclear radiation such as alpha and beta particles, gamma radiation, neutrons and protons:

- -Geiger counter tubes and proportional counter tubes;
- —detection or measurement instruments incorporating Geiger-Müller tubes or proportional counter tubes;
- -ionisation chambers;
- -instruments incorporating ionisation chambers;
- —radiation, detection or measurement instruments for mineral prospecting, reactor control, or air, water and soil monitoring;
- —neutron detector tubes using boron, boron trifluoride, hydrogen or fissionable elements;
- —detection or measurement instruments incorporating neutron detector tubes, using boron, boron trifluoride, hydrogen or fissionable elements;
- -scintillation crystals, mounted or metal-sheathed (solid scintillators);
- —detection or measurement instruments incorporating liquid, solid or gaseous scintillators;
- —amplifiers designed specially for use in nuclear measurements, including linear amplifiers, pre-amplifiers, distributed chain amplifiers and pulse height analysers;
- -coincidence devices for use with radiation detectors;
- —electroscopes and electrometers, including dosimeters (but excluding instructional types, simple metal leaf electroscopes, dosimeters specially designed for use with medical X-ray equipment and electrostatic measurements instruments);
- -instruments capable of measuring currents of less than one micro-microampere;
- —photomultiplier tubes having a photocathode sensitivity of 10 or more microamperes per lumen, and an average amplification factor greater than 10⁵ and any electrical multiplier anit activated by positive ions; and
- -scaling units and electronic rate meters suitable for use in radiation detection.
- Cyclotrons, electrostatic generators of the "van de Graaf" or "Cockroft & Walton" types, linear accelerators and other electrostatic machines capable of imparting energies in excess of 1 million electron-volts to nuclear particles.

Magnets specially designed for the foregoing apparatus (cyclotrons, etc.).

Acceleration tubes and focusing tubes of the kind used in mass spectrometers and mass spectrographs.

Intense electronic sources of positive ions suitable for use in cyclotrons, mass spectrometers and the like.

Shielding glass:

- -cast or rolled glass (including flashed or wired glass) in rectangles, surface ground or polished;
- —cast or rolled glass (whether or not surface ground or polished cut to shape other than rectangular shape, or bent, or otherwise worked (edge worked, engraved, etc.));
- -safety glass, consisting of toughened or laminated glass, shaped or not.

Diving suits, for protection from radiation or radioactive contamination, made of :

- -artificial plastic materials,
- -rubber.
- -coated or impregnated fabric:
 - -for men,
 - -for women.

Diphenyl ($C_6H_5C_6H_5$).

Triphenyl.

ANNEX V

INITIAL RESEARCH AND INSTRUCTIONAL PROGRAMME

referred to in Article 215 of this Treaty

I. - PROGRAMME OF THE JOINT CENTRE

1. Laboratories, equipment and infrastructure

The Joint Centre shall include:

- (a) general chemical, physical, electronic and metallurgical laboratories;
- (b) special laboratories for the following:
 - nuclear fusion,
 - isotope separation of elements other than uranium 235 (this laboratory shall be equipped with an electromagnetic separator with high resolving power),
 - prototypes of prospection devices,
 - mineralogy,
 - radiobiology; and
- (c) a bureau of standards, specialised in nuclear measurements, for isotope dosages and absolute measurements of neutron radiation and absorption, and provided with its own experimental reactor.

2. Documentation, information and instruction

The Joint Centre shall ensure a large-scale exchange of information, particularly in the following fields:

- primary materials: methods of prospecting, mining, concentration, transformation, machining, etc.;
- physics applied to nuclear energy;
- physical-chemistry of reactors;
- processing of radioactive materials;
- applications of radio-isotopes.

The Centre shall organise regular courses of specialised instruction, particularly for the training of prospectors and the application of radio-isotopes. The Section for documentation on, and study of, health protection referred to in Article 39 shall collect the necessary documentation and other information.

3. Reactor prototypes

A group of experts shall be set up as soon as the Treaty enters into force. After comparing the national programmes, it shall submit to the Commission, with the least possible delay, appropriate recommendations regarding a selection to be made in this field and the ways and means of carrying them out.

The construction is contemplated of three or four low-power prototypes as well as participation in three high-power reactors, by means, for example, of supplying fuel and moderators.

4. High-flux Reactors

The Centre shall, within as short a time as possible, have at its disposal a reactor with a high flux of fast neutrons, in order to test materials under irradiation.

Preparatory study shall be undertaken to this end as soon as this Treaty enters into force.

The high-flux reactor shall be provided with large facilities for experiments and suitable operational laboratories.

II. - RESEARCH TO BE CARRIED OUT UNDER CONTRACT OUTSIDE THE CENTRE

A large part of the research work shall, in accordance with the provisions of Article 10, be carried out under contract outside the Joint Centre. Such research Contracts may take the following forms:

- 1. Research work complementary to that carried out in the Joint Centre shall be undertaken with regard to nuclear fusion, isotope separation of elements other than uranium 235, chemistry, physics, electronics, metallurgy and radiobiology.
- 2. Pending the putting into operation of the proposed materials testing reactor, the Centre may rent experimental premises in national high-flux reactors.
- 3. The Centre may apply to the specialised research facilities of the Joint Enterprises to be established in accordance with Chapter V and arrange with them by contract to carry out certain research of a general scientific nature.

SCHEDULE OF MAIN HEADINGS OF THE EXPENDITURE REQUIRED TO CARRY OUT THE RESEARCH AND INSTRUCTIONAL PROGRAMME

(in millions of E.P.U. units of account)

	Equipment	Operation 1	Equipment and/or operation	Total	
I. JOINT CENTRE					
1. Laboratories, equipment and infrastructure:					
(a) General chemical, physical, electronic and metallurgical laboratories	ו 12				
(b) Special laboratories: nuclear fusion isotope separation (excl. U 235)	3.5 2	1st year 1.3 2nd year 4.3 3rd year 6.5 4th year 7.4			
prospecting and mine-	1	$ \begin{array}{c cccc} 4 th year & 7.4 \\ 5 th year & 8.5 \\ \hline 28 \end{array} $. [
(c) Central bureau for nuclear measurements	3	28			
(d) other equipment for the Centre and its					
branches	8				
(e) infrastructure	8.5				
	38		1	66	
2. Documentation, information and instruction	1	1st year 0.6 2nd year 1.6 3rd year 1.6 4th year 1.6 5th year 1.6			
3. Reactor prototypes:		7		8	
Group of experts to choose prototypes	ļ	lst year 0.7	59.3 ²	60	
4. High-flux reactor:					
Reactor	15 6 3	4th year 5.2 5th year 5.2			
2. cp. domono or oquipment .	24	$\frac{3.2}{10.4}$		34.	

	Equipment	Operation 1	Equipment and/or operation	Total
II. RESEARCH TO BE CARRIED OUT UNDER CONTRACT OUTSIDE THE CENTRE				
1. Complementary to work in the Centre:	,			
(a) chemistry, physics, electronics, metallurgy			25	
(b) nuclear fusion			7.5	
(c) isotope separation (excl. U 235)			1	
(d) radiobiology			3.1	
2. Renting of premises in national high-flux reactors			6	
3. Research carried out in Joint Enterprises			4	
y 5 2 p . 1000 1 1 1 1			46.6	46.6
TOTAL				215.0

<sup>Estimate based on a staff of about 1.000 persons.
Part of this sum may be allocated to work done under contract outside the Centre.</sup>

PROTOCOLS

PROTOCOL RELATING TO THE APPLICATION OF THE TREATY ESTABLISHING THE EUROPEAN ATOMIC ENERGY COMMUNITY TO THE NON-EUROPEAN PARTS OF THE KINGDOM OF THE NETHERLANDS

THE HIGH CONTRACTING PARTIES,

Anxious, at the time of signing the Treaty establishing between themselves the European Atomic Energy Community, to define the scope of the provisions of Article 198 of that Treaty in respect of the Kingdom of the Netherlands,

HAVE AGREED upon the following provisions, which shall be annexed to that Treaty:

The Government of the Kingdom of the Netherlands, by reason of the constitutional structure of the Kingdom resulting from the Statute of 29 December 1954, shall be entitled, notwithstanding the provisions of Article 198, to ratify this Treaty either on behalf of the Kingdom of the Netherlands as a whole or on behalf of the Kingdom in Europe and Netherlands New Guinea. In the event of ratification having been restricted to the Kingdom in Europe and Netherlands New Guinea, the Government of the Kingdom of the Netherlands may at any time, by notification to the Government of the Italian Republic as depositary of the instruments of ratification, declare that this Treaty shall apply also either to Surinam or to the Netherlands Antilles, or to Surinam and the Netherlands Antilles.

Done at Rome, on the twenty-fifth day of March in the year one thousand nine hundred and fifty-seven.

P. H. SPAAK

J. Ch. SNOY ET D'OPPUERS

ADENAUER

HALLSTEIN

PINEAU

M. FAURE

Antonio Segni

Gaetano Martino

Весн

Lambert Schaus

I. Luns

J. LINTHORST HOMAN

PROTOCOL ON THE PRIVILEGES AND IMMUNITIES OF THE EUROPEAN ATOMIC ENERGY COMMUNITY

THE HIGH CONTRACTING PARTIES TO THE TREATY ESTABLISHING THE EURO-PEAN ATOMIC ENERGY COMMUNITY,

Considering that in accordance with the terms of Article 191 of this Treaty the Community will enjoy in the territories of the Member States the privileges and immunities necessary for the achievement of its aims, under the conditions defined in a separate Protocol,

HAVE DESIGNATED as Plenipotentiaries for the drawing up of this Protocol

His Majesty The King of the Belgians:

Baron J. Ch. SNOY ET D'OPPUERS, Secretary-General of the Ministry of Economic Affairs, Head of the Belgian delegation to the Intergovernmental Conference;

THE PRESIDENT OF THE FEDERAL REPUBLIC OF GERMANY:

Professor Dr. Carl Friedrich OPHÜLS, Ambassador of the Federal Republic of Germany, Head of the German delegation to the Intergovernmental Conference:

THE PRESIDENT OF THE FRENCH REPUBLIC:

M. Robert Marjolin, Professor of Faculties of Law, Deputy Head of the French delegation to the Intergovernmental Conference;

THE PRESIDENT OF THE ITALIAN REPUBLIC:

Mr. V. Badini Confalonieri, Under-Secretary of State in the Ministry of Foreign Affairs, Head of the Italian delegation to the Intergovernmental Conference;

HER ROYAL HIGHNESS THE GRAND DUCHESS OF LUXEMBOURG:

Mr. Lambert Schaus, Ambassador of the Grand Duchy of Luxembourg, Head of the Luxembourg delegation to the Intergovernmental Conference;

HER MAJESTY THE QUEEN OF THE NETHERLANDS:

Mr. J. Linthorst Homan, Head of the Netherlands delegation to the Intergovernmental Conference;

Who, having exchanged their full powers, found in good and due form;

HAVE AGREED upon the following provisions annexed to the Treaty establishing the European Atomic Energy Community:

Chapter 1

PROPERTY, FUNDS, ASSETS AND TRANSACTIONS OF THE COMMUNITY

Article 1

The premises and buildings of the Community shall be inviolable. They shall be exempt from search, requisition, confiscation or expropriation. The property and assets of the Community may not be the subject of any administrative or legal measure of constraint without the authorisation of the Court of Justice.

Article 2

The archives of the Community shall be inviolable.

Article 3

The Community, its assets, income and other property shall be exempt from all direct taxes.

The governments of Member States shall, wherever possible, enact the necessary provisions to remit or refund the amount of indirect taxes or sales taxes included in the price of movable or immovable property where the Community makes, for its official use, major purchases whose price includes taxes of these types. The application of these provisions shall not, however, have the effect of distorting conditions of competition within the Community.

No exemption shall be granted in respect of taxes or other charges which are no more than charges for public utility services.

Article 4

The Community shall be exempt from all customs duties, and prohibitions and restrictions on imports and exports in respect of articles intended for its official use; articles so imported shall not be disposed of with or without consideration in the territory of the country into which they have been imported, except under conditions approved by the government of such country.

The Community shall also be exempt from any customs duties and any prohibitions and restrictions on imports and exports in respect of its publications.

Chapter 2

COMMUNICATIONS AND TRAVEL DOCUMENTS

Article 5

For their official communications and the transfer of all their documents the institutions of the Community shall enjoy in the territory of each Member State the treatment granted by that State to diplomatic missions.

Official correspondence and other official communications of the institutions of the Community shall not be subject to censorship.

Article 6

Passes in a form to be laid down by the Council and which shall be recognised as valid travel documents by the authorities of the Member States may be issued to the members and employees of the institutions of the Community by the presidents of these institutions. Such passes shall be issued to officials and other employees under conditions laid down by the rules provided for in Article 186 of this Treaty.

The Commission may conclude agreements for these passes to be recognised in the territory of third countries as valid travel documents.

Chapter 3

MEMBERS OF THE ASSEMBLY

Article 7

No restrictions of an administrative or other nature shall be imposed on the free movement of members of the Assembly proceeding to or coming from the place of meeting of the Assembly.

Members of the Assembly shall, in respect of customs and exchange control, be granted:

- (a) by their own government, the same facilities as those accorded to senior officials proceeding abroad on temporary official duty; and
- (b) by the governments of other Member States, the same facilities as those accorded to representatives of foreign governments on temporary official duty.

Article 8

Members of the Assembly may not be interrogated, detained or prosecuted in respect of words spoken or votes cast by them in the exercise of their functions.

Article 9

During the sessions of the Assembly, its members shall enjoy:

- (a) in their national territory the immunities accorded in their country to members of Parliament; and
- (b) in the territory of all other Member States, exemption from any measure of detention and from any legal prosecution.

This immunity shall also apply when they are proceeding to and from the place of meeting of the Assembly.

Such immunity shall not, however, apply when members are found committing, attempting to commit or just having committed an offence, and shall not prevent the Assembly from exercising its right to waive the immunity of any of its members.

Chapter 4

REPRESENTATIVES OF MEMBER STATES TAKING PART IN THE WORK OF THE INSTITUTIONS OF THE COMMUNITY

Article 10

Representatives of Member States taking part in the work of the institutions of the Community, as well as their advisers and technical experts shall, during the exercise of their functions and during their travel to and from the place of meeting, be accorded the customary privileges, immunities and facilities.

This Article shall also apply to members of the consultative organs of the Community.

Chapter 5

OFFICIALS AND OTHER EMPLOYEES OF THE COMMUNITY

Article 11

In the territory of each Member State and whatsoever their nationality, the officials and other employees of the Community as mentioned in Article 186 of this Treaty:

- (a) shall, subject to the provisions of Articles 152 and 188 of this Treaty, be immune from legal process for acts performed by them in their official capacity, including their words spoken or written; they shall continue to benefit from such immunity after their functions have ceased;
- (b) shall, together with their spouses and the members of their families dependent on them not be subject to provisions limiting immigration or to formalities for the registration of foreign persons;
- (c) shall, in respect of currency or exchange regulations, be accorded the same facilities as are accorded by custom to the officials of international organisations;
- (d) shall have the right to import, free of duty, from the country of their last residence or from the country of which they are nationals their furniture and effects at the time of first taking up their post in the country concerned and the right to re-export, free of duty, such furniture and effects, on the termination of their functions in that country, subject in either case to the conditions deemed necessary by the government of the country in which this right is exercised; and

(e) shall have the right to import, free of duty, their motor-car for their personal use, purchased either in the country of their last residence or in the country of which they are nationals on the terms ruling in the home market, and to re-export it free of duty, subject in either case to the conditions deemed necessary by the government of the country concerned.

Article 12

Subject to the conditions and in accordance with the procedure laid down by the Council acting on proposals submitted by the Commission within a period of one year after the date of the entry into force of this Treaty, the officials and other employees of the Community shall be liable, for the benefit of the latter, to a tax on the salaries, wages and emoluments paid to them by it.

They shall be exempt from national taxes on salaries, wages or emoluments paid by the Community.

Article 13

In respect of income tax, of capital tax, of death duties and the application of conventions on the avoidance of double taxation concluded between Member States of the Community, the officials and other employees of the Community who, solely by reason of the exercise of their functions in the service of the Community, establish their residence in the territory of a Member State other than the country where they have their residence for tax purposes at the time of their entry into the service of the Community, shall be considered both in the country of their actual residence and in the country of residence for tax purposes as having maintained their residence in the latter country provided that it is a member of the Community. This provision shall also apply to a spouse, to the extent that the latter is not exercising his or her own professional activities, and to children dependent on and in the care of the persons referred to in this Article.

Movable property belonging to persons referred to in the preceding paragraph and situated in the territory of the country of actual residence shall be exempted from death duties in that country; it shall, for the assessment of such duty, be considered as being in the country of residence for tax purposes, subject to the rights of third countries and to the possible application of provisions of international conventions on double taxation.

Any residence acquired solely by reason of the exercise of functions in the service of other international organisations shall not be taken into consideration in applying the provisions of this Article.

Article 14

The Council, acting by means of a unanimous vote on a proposal which the Commission shall submit within a period of one year after the date of the entry into force of this Treaty, shall lay down rules governing the social security benefits to be applied to the officials and other employees of the Community.

The Council, acting on a proposal of the Commission and after the other institutions concerned have been consulted, shall determine the categories of officials and other employees of the Community to whom the provisions of Articles 11, 12, second paragraph, and 13 shall apply in whole or in part.

The names, descriptions and addresses of the officials and other employees included in such categories shall be communicated periodically to the governments of Member States.

Chapter 6

PRIVILEGES AND IMMUNITIES OF MISSIONS TO THE COMMUNITY

Article 16

The Member State in whose territory the Community has its seat shall grant the customary diplomatic immunities to the missions of third countries accredited to the Community.

Chapter 7

GENERAL PROVISIONS

Article 17

Privileges, immunities and facilities are granted to the officials and other employees of the Community solely in the interest of the Community.

Each institution of the Community shall waive the immunity granted to an official or other employee in any case where that institution considers that the waiver of such immunity is not contrary to the interests of the Community.

Article 18

The institutions of the Community shall, for the purposes of applying this Protocol, act in concert with the appropriate authorities of the Member States concerned.

Article 19

Articles 11 to 14 inclusive and Article 17 shall apply to members of the Commission.

Article 20

Articles 11 to 14 inclusive and Article 17 shall, subject to the provisions of Article 3 of the Protocol on the Statute of the Court of Justice concerning the

immunity from legal process of judges and advocates-general, apply to the judges, the advocates-general, the registrar and the assistant rapporteurs of the Court of Justice.

In faith whereof, the undersigned Plenipotentiaries have placed their signatures at the end of the present Protocol.

Done at Brussels, on the seventeenth day of April in the year one thousand nine hundred and fifty-seven.

J. Ch. SNOY ET D'OPPUERS

C. F. OPHÜLS

R. MARJOLIN

V. BADINI

L. Schaus

I. LINTHORST HOMAN

PROTOCOL ON THE STATUTE OF THE COURT OF JUSTICE OF THE EUROPEAN ATOMIC ENERGY COMMUNITY

THE HIGH CONTRACTING PARTIES TO THE TREATY ESTABLISHING THE EURO-PEAN ATOMIC ENERGY COMMUNITY,

DESIROUS of fixing the Statute of the Court laid down in Article 160 of this Treaty,

HAVE DESIGNATED as their Plenipotentiaries for this purpose:

HIS MAJESTY THE KING OF THE BELGIANS:

Baron J. Ch. SNOY ET D'OPPUERS, Secretary-General of the Ministry of Economic Affairs, Head of the Belgian delegation to the Intergovernmental Conference:

THE PRESIDENT OF THE FEDERAL REPUBLIC OF GERMANY:

Professor Dr. Carl Friedrich Ophüls, Ambassador of the Federal Republic of Germany, Head of the German delegation to the Intergovernmental Conference;

THE PRESIDENT OF THE FRENCH REPUBLIC:

Mr. Robert Marjolin, Professor of Faculties of Law, Deputy Head of the French delegation to the Intergovernmental Conference;

THE PRESIDENT OF THE ITALIAN REPUBLIC:

Mr. V. Badini Confalonieri, Under-Secretary of State in the Ministry of Foreign Affairs, Head of the Italian delegation to the Intergovernmental Conference;

HER ROYAL HIGHNESS THE GRAND DUCHESS OF LUXEMBOURG:

Mr. Lambert Schaus, Ambassador of the Grand Duchy of Luxembourg, Head of the Luxembourg delegation to the Intergovernmental Conference;

HER MAJESTY THE QUEEN OF THE NETHERLANDS:

Mr. J. LINTHORST HOMAN, Head of the Netherlands delegation to the Intergovernmental Conference;

Who, having exchanged their full powers, found in good and due form,

HAVE AGREED upon the following provisions annexed to the Treaty establishing the European Atomic Energy Community.

Article 1

The Court established by Article 3 of this Treaty shall be constituted and shall perform its duties in accordance with the provisions of this Treaty and of this Statute.

TITLE ONE

STATUS OF THE JUDGES AND THE ADVOCATES-GENERAL

Article 2

Before entering upon his duties each judge shall in open court take an oath to perform his duties impartially and conscientiously and to preserve the secrecy of the Court's deliberations.

Article 3

The judges shall be immune from legal process. They shall continue to benefit from such immunity after their functions have ceased for all acts performed by them in their official capacity, including their words spoken or written.

The Court, in plenary session, may suspend this immunity.

Only an agency competent to judge the members of the highest national judiciary in each Member State shall have jurisdiction in criminal proceedings against judges whose immunity has been suspended.

The judges may not hold any political or administrative office.

They may not engage in any paid or unpaid professional activities except by special exemption granted by the Council.

When entering upon their duties, they shall give a solemn undertaking that, both during and after their term of office, they will respect the obligations resulting therefrom, in particular the duty of exercising honesty and discretion as regards the acceptance, after their term of office, of certain functions or advantages.

In case of doubt a decision shall be made by the Court.

Article 5

Apart from retirements in regular rotation and the case of death the duties of a judge shall be terminated in individual cases by resignation.

Where a judge resigns, his letter of resignation shall be addressed to the President of the Court for transmission to the President of the Council. This notification shall constitute vacation of office.

Except for instances in which Article 6 applies, a judge shall continue to hold office until his successor enters upon his duties.

Article 6

The judges may be deprived of office or of their right to a pension or alternative advantages only if, in the unanimous opinion of the judges and advocates-general of the Court, they no longer fulfil the required conditions or meet the obligations resulting from their office. The judge concerned shall not take part in these deliberations.

The registrar of the Court shall communicate the Court's decision to the President of the Assembly and to the President of the Commission and shall notify it to the President of the Council.

In the case of a decision removing a judge from his office, such notification shall constitute vacation of office.

Article 7

A judge appointed to replace a member whose term of office has not expired shall be appointed for the remainder of that member's term of office.

Article 8

The provisions of Articles 2 to 7 inclusive shall apply to the advocates-general.

TITLE TWO

ORGANISATION

Article 9

The registrar shall take an oath before the Court to perform his duties impartially and conscientiously and to preserve the secrecy of the Court's deliberations.

Article 10

The Court shall arrange for the registrar to be replaced if he is unable to carry out his duties.

Article 11

The Court shall have officials and other employees to ensure its functioning. They shall be responsible to the registrar under the authority of the President.

Article 12

The Council, acting by means of a unanimous vote on a proposal of the Court, may provide for the appointment of assistant rapporteurs and lay down their statute of service. The assistant rapporteurs may be required under conditions to be fixed by the rules of procedure to participate in the examination of cases pending before the Court and to collaborate with the reporting judge.

The assistant rapporteurs shall be chosen from among persons who are of indisputable independance and who possess the necessary legal qualifications; they shall be appointed by the Council. They shall take an oath before the Court to perform their duties impartially and conscientiously and to preserve the secrecy of the Court's deliberations.

Article 13

The judges, advocates-general and the registrar shall reside at the seat of the Court.

Article 14

The Court shall sit permanently. The length of judicial recesses shall be fixed by the Court with due regard for its judicial obligations.

Article 15

The Court may sit validly only with an uneven number of members. The deliberations of the Court meeting in plenary session shall be valid if five members are present. The deliberations of the chambers are valid only if they are conducted

by three judges; in the event of one of the judges of a chamber being unable to carry out his duties, a judge of another chamber may be asked to sit in accordance with conditions which shall be laid down by the rules of procedure.

Article 16

The judges and advocates-general may not participate in the settlement of any case in which they have previously participated as a representative, counsel or advocate of one of the parties, or on which they have been called upon to decide as a member of a tribunal, of a commission of inquiry or in any other capacity.

If, for some special reason, any judge or advocate-general considers that he should not take part in the judgment or examination of a particular case, he shall so inform the President. If the President considers that any judge or advocate-general should not, for some special reason, sit or submit conclusions in a particular case, he shall give notice thereof to the person concerned.

The Court shall decide in case of any difficulties arising from the application of this Article.

A party may not invoke either the nationality of a judge or the absence from the bench or from one chamber of a judge of his own nationality, in order to ask for a change in the composition of the Court or of one of its chambers.

TITLE THREE

PROCEDURE

Article 17

The States and the institutions of the Community shall be represented before the Court by a representative appointed for each case; the representative may be assisted by counsel or by an advocate who is a member of the Bar of one of the Member States.

Other parties shall be represented by an advocate member of the Bar of one of the Member States.

The representatives, counsel and advocates appearing before the Court shall have the rights and guarantees necessary for the independent performance of their duties, under conditions to be laid down by the rules of procedure.

The Court shall have, with respect to the counsel and advocates who appear before it, the powers normally accorded to courts and tribunals, under conditions to be laid down by the same rules.

Professors being nationals of the Member States whose municipal law accords to them the right to plead shall have the same rights before the Court as are accorded by this Article to advocates.

The procedure before the Court entails two stages: one written and the other oral.

The written procedure shall include communication to the parties as well as to the institutions of the Community whose decisions are in dispute, of the petitions, memoranda, defence and observations and answers, if any, as well as of all documentary evidence and supporting papers or of certified copies thereof.

Such communications shall be made by the registrar in the sequence and within the time-limits fixed by the rules of procedure.

The oral procedure shall include the reading of the report presented by a reporting judge, the hearing by the Court of representatives, counsel and advocates and of the conclusions of the advocate-general as well as the hearing, if necessary, of witnesses and experts.

Article 19

Matters shall be referred to the Court by a petition addressed to the registrar. The petition shall contain the name and the domicile of the petitioner and the capacity of the signatory, the name of the party against whom the petition is lodged, the subject-matter of the dispute, the arguments and a short summary of the grounds on which the petition is based.

The petition shall be accompanied, where appropriate, by the act whose annulment is sought or, in the case mentioned in Article 148 of this Treaty, by documentary evidence of the date of issue of the invitation referred to in that article. If these documents are not annexed to the petition, the registrar shall ask the party concerned to produce them within a reasonable period; in that case the rights of the party shall not lapse even if such documents are produced after the expiry of the time-limit set for the appeal.

Article 20

In cases provided for under Article 18 of this Treaty reference shall be made to the Court by an appeal addressed to the registrar. Such appeal shall contain the name and domicile of the appellant and the capacity of the signatory, shall specify the decision against which the appeal is made, shall name the opposing parties, and give the subject-matter of the dispute, the arguments and a short summary of the grounds on which the appeal is based.

The appeal shall be accompanied by a certified copy of the decision of the Arbitration Committee against which the appeal is made.

If the Court rejects the appeal, the decision of the Arbitration Committee shall become final.

If the Court annuls the decision of the Arbitration Committee, the proceedings may, where appropriate, be re-openend at the request of one of the parties before

the Arbitration Committee. The latter shall act in accordance with the points of law laid down by the Court.

Article 21

In cases provided for under Article 150 of this Treaty, the decision of the domestic court or tribunal which suspends its proceedings and makes a reference to the Court shall be notified to the Court by the domestic court or tribunal concerned. Such decision shall then be notified by the registrar to the parties in the case, to the Member States and to the Commission, and also to the Council if the act whose validity or interpretation is in dispute originates from the Council.

The parties, the Member States, the Commission and, where appropriate, the Council are entitled to submit to the Court, within a period of two months after the latter notification, memoranda or written comments.

Article 22

The Court may request the parties to produce all documents and to supply all information which the Court considers desirable. In case of refusal, the Court shall take judicial notice thereof.

The Court may also request Member States and institutions not being parties to the case to supply all information which the Court considers necessary for the proceedings.

Article 23

The Court may at any time charge any person, body, office, commission or organ of its own choice with the duty of making an expert study.

Article 24

Witnesses may be heard under the conditions which shall be determined by the rules of procedure.

Article 25

The Court shall have, with respect to defaulting witnesses, the powers generally accorded to courts and tribunals and may impose pecuniary sanctions under conditions to be laid down by the rules of procedure.

Article 26

Witnesses and experts may be heard under oath in the form laid down by the rules of procedure or in the manner fixed by the municipal law of the witness or expert.

The Court may order that a witness or expert be heard by the judicial authority of his domicile.

This order shall be sent for execution to the competent judicial authority under conditions laid down by the rules of procedure. The documents resulting from the execution of this rogatory commission shall be sent to the Court under the same conditions.

The Court shall be responsible for the expenses incurred, subject to the right to charge these expenses, where appropriate to the parties concerned.

Article 28

Each Member State shall regard any violation of an oath by witnesses and experts as if the same offence had been committed before a domestic court or tribunal dealing with a case in civil law. When the Court reports such a violation the Member State concerned shall prosecute the offender before the competent domestic court or tribunal.

Article 29

Hearings shall be public unless the Court, ex officio or at the request of the parties, shall, for substantial reasons, decide otherwise.

Article 30

During the hearings the Court may examine the experts, the witnesses and the parties themselves. The latter may only plead through their representative.

Article 31

Minutes shall be kept of each hearing, signed by the President and the registrar.

Article 32

The list of cases shall be fixed by the President.

Article 33

The Court's deliberations shall be and shall remain secret.

Article 34

Judgments shall be supported by reasons. They shall state the names of the judges who have deliberated.

Judgments shall be signed by the President and the registrar. They shall be read in open Court.

Article 36

Cost shall be determined by the Court.

Article 37

The President of the Court may, in accordance with a summary procedure which derogates, as far as necessary, from certain provisions of this Statute and under conditions which shall be laid down in the rules of procedure, rule either upon submissions for the granting of suspension of execution, as provided for in Article 157 of this Treaty, or for the application of interim orders pursuant to Article 158, or for the suspension of forced execution in accordance with Article 164, last paragraph.

In the event of the President being prevented from carrying out his duties, he shall be replaced by another judge under conditions laid down by the rules of procedure.

The ruling of the President or of his alternate shall be provisional and shall in no way prejudice the decision of the Court on the substance.

Article 38

The Member States and the institutions of the Community may intervene in cases before the Court.

The same right is given to any other person establishing an interest in the result of any case referred to the Court, except in cases between Member States, between institutions of the Community or between Member States and institutions of the Community.

The submission of third parties intervening in a case shall be limited to the support of the arguments of either party.

Article 39

Where the defendant, after having been duly notified, fails to file written conclusions, a judgment may be made on his case in default. This judgment may be appealed against within a period of one month after the date of notification, Such appeal shall not stay the execution of the judgment by default unless the Court decides otherwise.

The Member States, the institutions of the Community and any other natural or legal persons may, in cases and under conditions to be determined by the rules of procedure, institute third party proceedings to contest judgments which have been given without their having been heard, where such judgments are prejudicial to their rights.

Article 41

In case of difficulty as to the meaning or scope of a judgment, it shall be to the Court to interpret such judgment upon the request of any party or any institution of the Community establishing an interest therein.

Article 42

The Court may be asked to review a judgment only on grounds of the discovery of a fact capable of exerting a decisive influence and which was unknown to the Court and to the party requesting such review prior to the pronouncement of such a judgment.

The procedure for review shall commence by a judgment of the Court explicitly finding that a new fact exists, recognising therein the characteristics giving rise to review and holding the request for review to be admissible for that reason.

No request for review may be introduced after the expiry of a period of ten years after the date of the judgment.

Article 43

Periods of grace on grounds of distance shall be determined by the rules of procedure.

There shall be no lapse of rights though the expiry of time-limits if the party concerned proves the existence of an Act of God or force majeure.

Article 44

Proceedings against the Community in matters arising from non-contractual responsibility shall be statute-barred after a period of five years from the occurrence of the circumstance giving rise thereto. This limitation is superseded by a petition to the Court or by a previous request which the injured party may direct to the relevant institution of the Community. In this last case, the petition must be filed within the period of two months provided for in Article 146; the provisions of Article 148, paragraph 2, shall apply where appropriate.

Article 45

The rules of procedure of the Court provided for under Article 160 of this Treaty shall contain, apart from the provisions contemplated by this Statute,

any other provisions necessary for its application and, where necessary, for its completion.

Article 46

The Council, acting by means of a unanimous vote, may make such further amendments to the provisions of this Statute as may be required by reason of measures taken by the Council under the terms of Article 137, last paragraph, of this Treaty.

Article 47

Immediately after the taking of the oath, the President of the Council shall proceed to choose by lot the judges and the advocates-general whose term of office is to expire at the end of the first period of three years in accordance with Article 139, second and third paragraphs, of this Treaty.

IN FAITH WHEREOF, the undersigned Plenipotentiaries have placed their signatures at the end of the present Protocol.

Done at Brussels, on the seventeenth day of April in the year one thousand nine hundred and fifty-seven.

J. Ch. SNOY ET D'OPPUERS

C. F. OPHÜLS

Robert Marjolin

Vittorio Badini

Lambert Schaus

J. LINTHORST HOMAN

No. 4302

BELGIUM, FEDERAL REPUBLIC OF GERMANY, FRANCE, ITALY, LUXEMBOURG and NETHERLANDS

Convention relating to certain institutions common to the European Communities. Done at Rome, on 25 March 1957.

Official texts: French, German, Italian and Dutch.

Registered by Italy on 24 April 1958.



13 December 1957

RELATING No. 4302. CONVENTION¹ TO CERTAIN INSTITUTIONS COMMON TO THE EUROPEAN COM-**MUNITIES**

HIS MAJESTY THE KING OF THE BELGIANS, THE PRESIDENT OF THE FEDERAL REPUBLIC OF GERMANY, THE PRESIDENT OF THE FRENCH REPUBLIC, THE PRESIDENT OF THE ITALIAN REPUBLIC, HER ROYAL HIGHNESS THE GRAND DUCHESS OF LUXEMBOURG, HER MAJESTY THE QUEEN OF THE NETHERLANDS,

Anxious to avoid a multiplicity of institutions responsible for the achievement of similar aims within the European Communities which they have constituted,

HAVE DECIDED to create for these Communities certain single institutions and have for this purpose appointed as their Plenipotentiaries:

HIS MAJESTY THE KING OF THE BELGIANS:

Mr. Paul-Henri Spaak, Minister of Foreign Affairs,

Baron J. Ch. Snoy et d'Oppuers, Secretary-General of the Ministry of Economic Affairs, Head of the Belgian delegation to the Intergovernmental Conference:

THE PRESIDENT OF THE FEDERAL REPUBLIC OF GERMANY:

Dr. Konrad ADENAUER. Federal Chancellor.

Professor Dr. Walter Hallstein, State Secretary of the Federal Foreign Office:

THE PRESIDENT OF THE FRENCH REPUBLIC:

Mr. Christian Pineau, Minister of Foreign Affairs,

Mr. Maurice FAURE, Under-Secretary of State for Foreign Affairs;

THE PRESIDENT OF THE ITALIAN REPUBLIC:

Mr. Antonio Segni, President of the Council of Ministers,

Professor Gaetano Martino, Minister of Foreign Affairs;

¹ Came into force on 1 January 1958, the date of the entry into force of the Treaty establishing the European Economic Community and the Treaty establishing the European Atomic Energy Community, in accordance with article 7 of the Convention. The instruments of ratification of the Convention by the Contracting Parties were deposited with the Government of the Italian Republic on the dates indicated below: 23 November 1957 Italy Belgium 13 December 1957 25 November 1957 Luxembourg Netherlands France 13 December 1957

Federal Republic of Germany with declaration; (for the text see p. 11

of this volume) . . . 9 December 1957

HER ROYAL HIGHNESS THE GRAND DUCHESS OF LUXEMBOURG:

Mr. Joseph Bech, Prime Minister, Minister of Foreign Affairs,

Mr. Lambert Schaus, Ambassador, Head of the Luxembourg delegation to the Intergovernmental Conference;

HER MAJESTY THE QUEEN OF THE NETHERLANDS:

Mr. Joseph Luns, Minister of Foreign Affairs,

Mr. J. LINTHORST HOMAN, Head of the Netherlands delegation to the Intergovernmental Conference;

Who, having exchanged their full powers, found in good and due form,

HAVE AGREED as follows:

SECTION I

THE ASSEMBLY

Article 1

The powers and competence conferred upon the Assembly by, on the one hand, the Treaty establishing the European Economic Community and by, on the other hand, the Treaty establishing the European Atomic Energy Community shall be exercised, under the conditions respectively laid down in those Treaties, by a single Assembly composed and appointed as provided for both in Article 138 of the Treaty establishing the European Economic Community and in Article 108 of the Treaty establishing the European Atomic Energy Community.

Article 2

- 1. The single Assembly referred to in the preceding Article shall, on entering upon its duties, replace the Common Assembly provided for in Article 21 of the Treaty establishing the European Coal and Steel Community. It shall exercise the powers and competence conferred upon the Common Assembly by that Treaty in conformity with the provisions thereof.
- 2. For this purpose, Article 21 of the Treaty establishing the European Coal and Steel Community shall, as at the date when the single Assembly mentioned in the preceding Article enters upon its duties, be annulled and replaced by the following provisions:

"Article 21

"1. The Assembly shall be composed of delegates whom the Parliaments shall be called upon to appoint from among their members in accordance with the procedure laid down by each Member State.

¹ United Nations, Treaty Series, Vol. 261, p. 140.

"2. The number of these delegates shall be fixed as follows:

"3. The Assembly shall draw up proposals for elections by direct universal suffrage in accordance with a uniform procedure in all Member States.

"The Council, acting by means of a unanimous vote, shall determine the provisions which it shall recommend to Member States for adoption in accordance with their respective constitutional rules."

SECTION II

THE COURT OF JUSTICE

Article 3

The competence conferred upon the Court of Justice by, on the one hand, the Treaty establishing the European Economic Community and by, on the other hand, the Treaty establishing the European Atomic Energy Community shall be exercised, under the conditions respectively laid down in those Treaties, by a single Conrt of Justice composed and appointed as provided for both in Articles 165 to 167 inclusive of the Treaty establishing the European Economic Community and in Articles 137 to 139 inclusive of the Treaty establishing the European Atomic Energy Community.

Article 4

1. The single Court of Justice mentioned in the preceding Article shall, on entering upon its duties, replace the Court provided for in Article 32 of the Treaty establishing the European Coal and Steel Community. It shall exercise the competence conferred upon that Court by the said Treaty in conformity with the provisions thereof.

The President of the single Court of Justice referred to in the preceding Article shall exercise the powers conferred by the Treaty establishing the European Coal and Steel Community on the President of the Court as provided for in that Treaty.

- 2. For this purpose, as at the date when the single Court of Justice referred to in the preceding Article enters upon its duties,
- (a) Article 32 of the Treaty establishing the European Coal and Steel Community shall be annulled and replaced by the following provisions:

"The Court shall be composed of seven judges.

"The Court shall sit in plenary session. It may, however, set up chambers, each composed of three or five judges, in order either to conduct certain enquiries or to judge certain categories of cases in accordance with provisions to be laid down in rules for this purpose.

"The Court shall, however, always sit in plenary session in order to hear cases submitted to it by a Member State or by one of the institutions of the Community or to deal with preliminary questions submitted to it pursuant to Article 41.

"Should the Court so request, the Council may, by means of a unanimous vote, increase the number of judges and make the requisite amendments to the second and third paragraphs of this Article and to Article 32 (b), second paragraph."

"Article 32 (a)

"The Court shall be assisted by two advocates-general.

"The duty of the advocate-general shall be to present publicly, with complete impartiality and independence, reasoned conclusions on cases submitted to the Court, with a view to assisting the latter in the performance of its duties as laid down in Article 31.

"Should the Court so request, the Council may, by means of a unanimous vote, increase the number of advocates-general and make the requisite amendments to Article 32 (b), third paragraph."

"Article 32 (b)

"The judges and the advocates-general shall be chosen from among persons of indisputable independence who fulfil the conditions required for the holding of the highest judicial office in their respective countries or who are jurists of a recognised competence; they shall be appointed for a term of six years by the Governments of Member States acting in common agreement.

"A partial renewal of the Court shall take place every three years. It shall affect three and four judges alternately. The three judges whose terms of office are to expire at the end of the first period of three years shall be chosen by lot.

"A partial renewal of the advocates-general shall take place every three years. The advocate-general whose term of office is to expire at the end of the first period of three years shall be chosen by lot.

"The retiring judges and advocates-general shall be eligible for reappointment.

"The judges shall appoint from among their members the President of the Court for a term of three years. Such term shall be renewable."

"Article 32 (c)

"The Court shall appoint its registrar and determine his status."

(b) The provisions of the Protocol on the Statute of the Court of Justice annexed to the Treaty establishing the European Coal and Steel Community shall be abrogated in so far as they are contrary to Articles 32 to 32 (c) inclusive of that Treaty.

SECTION III

THE ECONOMIC AND SOCIAL COMMITTEE

Article 5

- 1. The functions conferred upon the Economic and Social Committee by, on the one hand, the Treaty establishing the European Economic Community, and by, on the other hand, the Treaty establishing the European Atomic Energy Community, shall be exercised, under the conditions respectively laid down in those Treaties, by a single Economic and Social Committee composed and appointed as provided for both in Article 194 of the Treaty establishing the European Economic Community and in Article 166 of the Treaty establishing the European Atomic Energy Community.
- 2. The single Economic and Social Committee referred to in the preceding paragraph shall include a specialised section and may include sub-committees competent in fields or for questions covered by the Treaty establishing the European Atomic Energy Community.
- 3. The provisions of Articles 193 and 197 of the Treaty establishing the European Economic Community shall apply to the single Economic and Social Committee mentioned in paragraph 1.

SECTION IV

THE FINANCING OF THESE INSTITUTIONS

Article 6

The operational expenses of the single Assembly, the single Court of Justice and the single Economic and Social Committee shall be divided equally between the Communities concerned.

The particulars of application of this Article shall be determined by agreement between the competent authorities of each Community.

FINAL PROVISIONS

Article 7

This Convention shall be ratified by the High Contracting Parties in conformity with either respective constitutional rules. The instruments of ratification shall be deposited with the Government of the Italian Republic.

This Convention shall enter into force on the date on which the Treaty establishing the European Economic Community and the Treaty establishing the European Atomic Energy Community come into force.

Article 8

The present Convention, drawn up in a single original, in the German, French, Italian and Netherlands languages, all four texts being equally authentic, shall be deposited in the archives of the Government of the Italian Republic which shall transmit a certified copy to each of the Governments of the other signatory States.

IN FAITH WHEREOF, the undersigned Plenipotentiaries have placed their signatures at the end of the present Convention.

Done at Rome, on the twenty-fith day of March in the year one thousand nine hundred and fifty-seven.

P. H. Spaak	J. Ch. SNOY ET D'OPPUERS
Adenauer	Hallstein
PINEAU	M. FAURE
Antonio SEGNI	Gaetano Martino
Весн	Lambert Schaus

J. Luns J. Linthorst Homan