

COUNCIL OF THE EUROPEAN COMMUNITIES

PRESS RELEASES

PRESIDENCY: THE NETHERLANDS

JANUARY-JUNE 1981

Meetings and press releases January- March 1981

| Meeting number | Subject | Date |
|-----------------------|------------------------|------------------------------|
| 684 th | No record of a meeting | |
| 685 th | Foreign Affairs | 20 January 1981 |
| 686 th | Fisheries | 27 January 1981 |
| 687 th | Fisheries | 11 February 1981 |
| 688 th | General Affairs | 2 February 1981 |
| 689 th | Foreign Affairs | 17 February 1981 |
| 690 th | Agriculture | 23-24 February 1981 |
| 691 st | No record of a meeting | |
| 692 nd | Energy | 3 March 1981 |
| 693 rd | Iron and Steel | 3 March 1981 |
| 694 th | Fisheries | 10-11 March 1981 |
| 695 th | Agriculture | 16 March 1981 |
| 696 th | Economics/Finance | 16 March 1981 |
| 697 th | Foreign Affairs | 16-17 March 1981 |
| 698 th | Transport | 26 March 1981 |
| 699 th | Iron and Steel | 26-27 March 1981 |
| 700 th | Fisheries | 27 March 1981 |
| 701 st | Agriculture | 30-31 March – 1-2 April 1981 |

There is no record for a 684th meeting of the Council

COUNCIL OF THE EUROPEAN COMMUNITIES

685th meeting of the Council

- Foreign Affairs -

Brussels, 20 January 1981

President: Mr. Van der Klaauw
Netherlands Minister of Foreign Affairs

The official press release was unavailable. A summary of the meeting has been reproduced from the Bulletin of the European Communities, No. 1-1981

Table 1 — Council meetings in January

| Number, place and date of meeting | Subject | President | Commission | Main items of business |
|-----------------------------------|-----------------|---|--|--|
| 685th Brussels 20.1.1981 | Foreign affairs | Mr Van der Klaauw, Netherlands Minister of Foreign Affairs | Mr Thorn, President Mr Haferkamp, Mr Tugendhat, Mr Cheysson and Mr O'Kennedy, Members | <ul style="list-style-type: none"> • <i>Special measures for Italy.</i> Formal adoption of decision on exceptional Community aid for reconstruction of devastated areas.¹ • <i>Yugoslavia.</i> Establishment of unilateral arrangements for import into Community of Ten of baby beef from Yugoslavia until 31 March.² |

Bull. EC 1-1981

41

Table 1 (continued)

| Number, place and date of meeting | Subject | President | Commission | Main items of business |
|-----------------------------------|---------|-----------|------------|--|
| | | | | <ul style="list-style-type: none"> • <i>Aid to non-associated developing countries.</i> Examination of unresolved questions concerning framework regulation for financial and technical aid. • <i>ACP States and OCT.</i> Establishment of temporary arrangements³ for trade between Greece and ACP States and arrangements for trade between Greece and OCT. • <i>Social policy.</i> Random survey of workforce to be carried out in spring 1981. • <i>Food aid.</i> Agreement on plan for implementing national actions under 1980 cereal aid programme.⁴ • <i>Fishery products.</i> Guide and intervention prices for period from 2 February to 31 December fixed.⁵ |

Exceptional aid to Italy

2.3.35. On 20 January the Council adopted a decision on exceptional Community aid for the reconstruction of the areas devastated by the earthquake in Italy in November 1980.⁶ The Luxembourg European Council on 1 and 2 December had decided to grant this exceptional Community aid in addition to the emergency aid already given.⁷

Italy will be given loans of up to 1 000 million ECU to finance investment for the reconstruction of means of production and of economic and social infrastructures. The Commission, acting on behalf of the Community, is empowered to borrow the necessary funds on the capital markets under the New Community Instrument, though some loans will be made by the EIB out of its own resources. The NCI and EIB loans will both be eligible for an interest subsidy of 3% per annum to be borne by the Community budget for a maximum of twelve years. It will be for the Commission to decide every year on the interest subsidies on the basis of plans submitted by the Italian authorities.

³ Point 2.3.3.

⁴ OJ L 131, 20.5.1976.

⁵ OJ L 284, 29.10.1980; Bull. EC 10-1980, point 2.3.46.

⁶ OJ L 32, 4.2.1981.

⁷ OJ L 37, 10.2.1980.

⁸ Bull. EC 12-1980, point 1.1.5.

Markets and structures

Common organization of the market

2.1.50. On 20 January the Council fixed the guide prices and intervention prices for fishery products for the period 2 February to 31 December 1981.¹ Prices of certain species such as mackerel and anchovies were kept at the same level as last year, while those for other species such as cod, saithe, haddock and hake were increased, in some cases by as much as 14%.

A number of implementing regulations were adopted by the Commission, adjusting the technical provisions on the intervention system and imports.² On the basis of the new technical provisions, the Commission fixed the withdrawal prices and reference prices applicable from 2 February. The marketing standards for certain fresh and frozen products were adjusted.

¹ OJ L 37, 10.2.1981.

² OJ L 30, 2.2.1981.

Yugoslavia

2.2.28. On 20 January the Council adopted a regulation establishing autonomous arrangements for products originating in Yugoslavia, pending the conclusion of a protocol to adapt the EEC-Yugoslavia Agreement in the light of Greek accession.

The arrangements will remain in force until 31 March; they provide, among other things,

for total Yugoslav exports of 8 700 t of baby beef to the ten-member Community.

The Council agreed to decide in February on the content of the directives to be given to the Commission for negotiation of the protocol of adaptation.

Greek accession protocols

2.2.31. On 20 January the Council adopted a regulation laying down the provisional arrangements for trade by Greece with the ACP States and a decision laying down the arrangements for trade by Greece with the OCT.

Food aid, emergency aid and exceptional aid

Food aid

2.2.12. On 20 January the Council agreed the plan for implementing national measures under the 1980 cereals aid programme.⁵ The breakdown per Member State is as follows: Belgium - 34 250 t; Denmark - 12 300 t; Germany - 150 800 t; France - 147 800 t; Ireland - 3 100 t; Italy - 82 000 t; Luxembourg - the equivalent of LFR 15 million; Netherlands - 38 830 t; United Kingdom - 100 600 t.

COUNCIL OF THE EUROPEAN COMMUNITIES

686th meeting of the Council

- Fisheries -

Brussels, 27 January 1981

President: Mr. Braks
Netherlands Minister of Agriculture and Fisheries

The official press release was unavailable. A summary of the meeting has been reproduced from the Bulletin of the European Communities, No. 1-1981

Table 1 (continued)

| Number, place and date of meeting | Subject | President | Commission | Main items of business |
|-----------------------------------|-----------|---|---|---|
| 686th Brussels 27.1.1981 | Fisheries | Mr Braks, Netherlands Minister of Agriculture and Fisheries | Mr Thorn, President Mr Haferkamp and Mr Contogeorgis, Members | Continuation of work on introduction of common fisheries policy. ⁶ |

Fisheries

Resources

Internal aspects

2.1.44. The Council met on 27 January and continued its work on fisheries policy as a whole.

After paying tribute to Mr Gundelach, the Council heard a statement by Mr Thorn emphasizing the political significance of a measure of agreement on fisheries in the Community's current situation: fisheries was a test of the Community's credibility. Each of the delegations stated its political willingness to reach agreement. Negotiations on the package will continue in the Council on 9 and 10 February. Mr Contogeorgis confirmed that the proposals for the 1981 quotas would be sent to the Council before then.

2.1.45. On 27 January the Council confined itself to extending until 28 February the regulation providing for certain technical measures for the conservation of fishery resources.²

Pending the decisions to be taken by the Council on 9 and 10 February, Member States undertook to maintain their fishing activity at the present level. This undertaking

Fisheries

is a standstill rather than an extension of the internal interim regime which applied until the end of 1980.

¹ OJ L 20, 23.1.1981.

² OJ L 27, 31.1.1981.

COUNCIL OF THE EUROPEAN COMMUNITIES

687th meeting of the Council

- Fisheries -

Brussels, 11 February 1981

President: Mr. Braks
Netherlands Minister of Agriculture

The official press release was unavailable. A summary of the meeting has been reproduced from the Bulletin of the European Communities, No. 2-1981

Table 4 — Council meetings in February

| Number, place and date of meeting | Subject | President | Commission | Main items of business |
|---|-----------|--|--------------------------------|---|
| 687th Brussels 9, 10 and 11.2.1981 | Fisheries | Mr Braks, Netherlands Minister of Agriculture | Mr Conto- georgis Member | <ul style="list-style-type: none"> • <i>Internal matters.</i> No agreement on key issues of access to coastal waters, TACs and 1981 quotas.¹ Technical conservation measures extended for one month.² • <i>External matters.</i> Long-term agreement with Canada and 1981 agreement with Faeroes not approved³. • <i>Malta.</i> Commission authorized to negotiate protocol extending first stage of association agreement until June 1984.⁴ |

Fisheries

Resources

Internal aspects

2.1.62. Although discussions continued for three days, the Council meeting on fisheries ended on 12 February without reaching agreement on a common fisheries policy, mainly because it proved impossible to settle the politically highly sensitive issue of conditions of access to fishing areas.

A number of alternatives were considered on the subject of access, aimed principally at finding a compromise between the positions of the United Kingdom and France. These included a prolongation of the present arrangements set out in Articles 100 and 101 of the Act of Accession, the question of regulating historical rights in United Kingdom coastal waters, and the fishing effort in specified protected zones outside the 12-mile limit. In spite of the efforts of the Commission and the Presidency, the divergency of positions remained, in particular with regard to the United Kingdom's request for fishing areas around the Orkneys and the Shetlands and in the Irish Sea from which vessels larger than 80 ft would be excluded.

Even if the Council had been able to resolve the access question, there remained another important matter which was also not settled, namely total allowable catches (TACs) for 1981 and the allocation of these TACs in the form of quotas among the Member States.

2.1.63. The Regulation laying down technical measures for the conservation of fishery resources, due to expire on 28 February, was renewed until 31 March.¹

Several decisions were made on particular stocks. The Federal Republic of Germany undertook to limit its cod fishing east of Greenland, and the TAC for prawns west of Greenland was raised to 30 000 tonnes.

2.1.66. The Council was unable to give its approval to the long-term agreement initiated by the heads of the Community and Canadian delegations on 29 November 1980³ in view of links established by certain Member States between it and internal aspects of the common fisheries policy.

2.1.67. Delegations representing the Community and the Faeroe Islands agreed on 6 February to recommend to their respective authorities arrangements concerning reciprocal fishing for 1981. But, as with the Canadian agreement, the Council was unable to approve these arrangements.

Malta

2.2.33. On 9 February the Council authorized the Commission to negotiate a supplementary protocol to the EEC-Malta Association Agreement with a view to extending until 30 June 1984 the provisions governing the first stage of the Association.⁴

COUNCIL OF THE EUROPEAN COMMUNITIES

688th meeting of the Council

- General Affairs -

Brussels, 2 February 1981

President: Mr. van der Stee
Netherlands Minister of Finance

The official press release was unavailable. A summary of the meeting has been reproduced from the Bulletin of the European Communities, No. 2-1981

Table 4 — Council meetings in February

| Number, place and date of meeting | Subject | President | Commission | Main items of business |
|-----------------------------------|-----------------------|--|---|---|
| 688th Brussels 16.2.1981 | Economics and finance | Mr van der Stee, Netherlands Minister of Finance | Mr Ortoli and Mr Tugendhat, Vice-Presidents | <ul style="list-style-type: none"> • <i>Community loans.</i> Agreement on technical matters; ceiling for loans fixed at 6 000 million ECU.⁵ • <i>Economic situation in the Community.</i> Preparation for March quarterly review.⁶ • <i>Agricultural prices.</i> Exchange of views on economic and financial aspects of 1981/82 price proposals.⁷ |

Economic situation

2.1.3. At its 16 February meeting the Council discussed recent developments in the economic situation in the Community and asked the Commission to take account of the views expressed in preparing the first quarterly examination, provided for in the Decision on convergence, which the Council will be holding on 16 March.

3. Community loans to provide balance-of-payments support

Adjusting the mechanism

1.3.1. On 16 February the Council reached agreement on the outstanding points regarding adjustment of the Community loan mechanism set up in 1975 to support the balances of payments of Community Member States.¹ The agreement² is an outcome of the

general review of the problems involved in recycling oil producers' surpluses which the Community has been carrying out since mid-1980.

¹ OJ L 46, 20.2.1975.

² Which was the subject of a Regulation adopted by the Council on 16 March: OJ L 73, 19.3.1981.

Community loans and oil problems

1.3.2. The sharp and repeated increases in oil prices have given rise to major balance-of-payments disequilibria, and this situation involves risks for the stability of the international economic and financial system; the European Council meeting in Luxembourg in April 1980¹ and in Venice in June 1980² therefore stressed the need to step up international and Community action on recycling.

On 3 November 1980, following the policy debate on these problems by the Council (Economic and Financial Affairs) on 20 October, and on the basis of a report by the Monetary Committee, the Commission presented a proposal for a Regulation adjusting the Community loan mechanism designed to support the balances of payments of Community Member States.³ Parliament delivered its opinion on the proposal on 19 December.⁴

1.3.3. The adjustments proposed by the Commission do not affect the general design of the mechanism: they are confined to the way in which it operates. The principle is still that the Community will use its credit standing to borrow funds on the markets or direct from non-Community countries and financial institutions and to on-lend the funds raised to any Member State in balance-of-payments difficulties caused by the increase in prices of petroleum products. The purpose of the adjustments is to allow the mechanism to provide early, rapid and flexible support.

The new arrangements

1.3.4. In future, any Member State seeking a loan will first have to draw up its own adjustment programme, which it must submit to the Council in support of its loan application and which it must undertake to comply with. After examining the programme and the situation of the Member State, the Council will lay down the economic policy conditions attaching to the loan. The conditions must be such as to restore an acceptable balance-of-payments situation and must be adapted to the gravity of the situation in the Member State and to the way in which it develops.

It is the Council's responsibility to decide whether the loan is to be granted, what

economic policy conditions are to be attached and how it is to be disbursed. Since the Commission is empowered to contract the relevant loans, additional Council action authorizing the Commission to negotiate the loans and determining their financial terms will no longer be required.

1.3.5. The new arrangements also provide for greater flexibility in the choice of borrowing and lending techniques: loans granted may carry an early repayment option; the five-year minimum average duration of borrowing operations has been abolished; the loans granted may be disbursed in several instalments; the specific mechanism for possible refinancing by the Member States has not been renewed, the guarantee system thus being aligned on that of the Community's other financial instruments.

1.3.6. The final two outstanding points settled by the Council concerned the ceiling for borrowings and the voting rules.

As regards the first point, the outstanding amount of the borrowings authorized under the mechanism has been set at 6 000 million ECU in principal. Although it is somewhat below the figure of 7 000 million ECU proposed by the Commission, this amount represents a significant increase in the funds that can be raised. In the initial Regulation dating from 1975, borrowing operations were limited to the equivalent of USD 3 000 million, this amount covering principal and interest payments. Once the 6 000 million ECU ceiling has been reached, new borrowings will be possible as and when repayments are made.

As regards the voting rules, implementing decisions—on whether to grant the loans and on the relevant economic policy conditions—will be taken by the Council acting unanimously and not by a qualified majority as proposed by the Commission.

¹ Bull. EC 4-1980, point 1.1.6.

² Bull. EC 6-1980, point 1.1.4.

³ OJ C 308, 26.11.1980; Bull. EC 10-1980, point 1.2.8.

⁴ OJ C 346, 31.12.1980; Bull. EC 12-1980, point 2.3.12.

2. Agricultural price proposals for 1981/82

1.2.1. Price increases ranging from 4 to 12% are recommended in the proposals on agricultural prices for 1981/82 which the Commission sent to the Council on 20 February.¹ The proposals are accompanied by a set of new measures designed to ensure greater control over expenditure and to restore market unity by a substantial reduction in the monetary compensatory amounts.

The Council began its examination of the measures on 23 February;¹ it should reach a decision once it has received Parliament's opinion and has agreed to set the prices at a meeting scheduled for 30 and 31 March.

¹ Point 2.1.42.

Bull. EC.2-1981

7

Farm price proposals

1.2.2. The Commission's proposals are summarized below.

Price increase needed

The increase in support prices and aid to producers, which is needed to halt the decline in farmers' incomes, varies from 4 to 12%, depending on the product. The Commission also had to take account of the market situation and budgetary constraints.

Producers' financial responsibility

The price increases proposed by the Commission are linked to the wider application of the new principle of co-responsibility, whereby producers bear part of the financial cost entailed by increases in production, since it is impossible in such circumstances to maintain a system of open-ended guarantees. Measures placing some financial responsibility on producers are proposed for the cereals, oilseeds, olive oil, milk, beef and veal, processed fruit and vegetables and tobacco sectors (the proposals relating to sugar¹ already embody this approach). As the Commission stated in its 'Reflections on the common agricultural policy',² this is the only way to reconcile the budgetary constraints with the need to achieve market equilibrium and maintain the level of agricultural incomes.

Significant reduction in positive monetary compensatory amounts

The positive monetary compensatory amounts should be reduced by five points in the Federal Republic of Germany and the United Kingdom, where they amount to 8.8% and 18.2% respectively. For the Benelux countries, the Commission proposes that the existing positive MCAs, currently 1.7%, should be abolished. This alignment of the green rates with the real rates of exchange should not only enable new progress to be made towards restoring market unity but should also make a useful contribution towards restraining the excessive increase in certain types of production and, consequently, in budgetary expenditure.

No increase in budgetary appropriations for 1981

No increase in budgetary appropriations for expenditure on market support in 1981 will be necessary since any extra expenditure will be financed by the economies that the Commission has managed to make in its running of the system and by the upward movement of the world markets for several products. As regards the budget outlook for 1982, the rate of increase in expenditure by the EAGGF Guarantee Section ought to remain below the rate of increase in the Communities' own resources, provided that the Council adopts the proposed measures whereby producers would be partly responsible for financing the disposal of increased production in certain sectors. In this connection, the Commission stresses that it would have to review the general level of price increases if the wider application of the co-responsibility principle were not accepted.

Limited impact on consumer prices

The impact of the proposed price increases on the level of consumer prices for foodstuffs has been calculated to be about 2.5%, which is well below the expected rate of inflation for 1981 of 9.8%.

Price proposals: modulated increases³

1.2.3. The price proposals for 1981/82 are presented at a time of economic crisis, the effects of which are being increasingly felt by agriculture. As a result of the sharp rise in the prices of farm inputs (12% up in 1980), together with the Community policy of moderate increases in common prices, agricultural incomes per person employed dropped by 8.9% in real terms in 1980, compared with a 1.8% drop in 1979, in spite of a substantial increase in production.

By virtue of the very moderate price policy followed over the last two years, agriculture has already made a significant contribution

¹ OJ C 271, 18.10.1980; Bull. EC 9-1980, point 2.1.49.

² Bull. EC 12-1980, points 1.5.2 and 1.5.3; Supplement 6/80 — Bull. EC.

³ Point 2.1.42; Table 3.

to the fight against inflation. If the Community wishes to avoid the risk of serious social and economic problems in the agricultural sector and to enable agriculture to continue making its contribution to the general economy, it will have to allow for an appreciable increase in agricultural prices. However, the market situation for certain products and the budgetary constraints require that the increases should be modulated so as to maintain a proper market balance and to prevent any uncontrolled increase in expenditure in the Community budget.

For cereals (other than rice), where production has been expanding rapidly for the last five years, the Commission proposes a modulated increase in prices so as to bring down the cost of exports and encourage internal consumption, particularly in animal feed, where cereals have to compete with imported substitute products. While accepting a 9% rise in the target prices for feed grains (barley and maize) and an 8% rise for common wheat, the Commission proposes that the single common intervention price for feed grains should rise by only 6%, so as to encourage sales to the internal and external markets. While accepting a 6% increase in the reference price for common wheat of average bread-making quality in order to maintain the relationship with feed wheat, the Commission proposes that the reference price for the minimum quality, intervention stocks of which are on the increase, should be raised by only 4%. These proposals are accompanied by new standards for determining the quality of wheat, so that an end can be brought to the present situation where substantial quantities of low-quality wheat qualify for the same aid as wheat of high bread-making quality.

The situation of the beef and veal and milk markets, which alone account for 53% of all expenditure on market support, requires that the price increase for these products should be as small as possible. At the same time, more than two-thirds of the farms in the Community (in many cases the smallest and poorest farms) keep beef or dairy cattle. The Commission proposes a phased increase in prices: 6% at the beginning of the marketing

year, rising to 8% for milk from 16 September and to 9% for beef and veal at the beginning of December. This two-stage increase should make it possible to prevent a sudden impact on consumer prices or the budget. In the milk sector, now that stocks of dairy products have been considerably reduced, the Commission intends to follow a restrictive policy on consumer subsidies but without jeopardizing internal outlets. In the beef and veal sector, the premium for maintaining suckler cows would be increased by 8%, while the calving premium granted in Italy would be phased out over the next three marketing years.

For some products, where the situation on the market warrants it, the Commission proposes a price increase of approximately 10%. This is the case, for example, with oilseeds (the highest increase being 12% for sunflower oil), rice, pigmeat (9%) and fresh fruit and vegetables (for which the increase ranges between 8% and 10%). Where production is already subject to certain controls, the Commission also proposes price increases of 10% for wine (except for certain types of white wine) and 8.6% for sugar (including increased reimbursement of storage costs). For olive oil the Commission proposes a 10% increase in the producer target price, while restricting the rise in the intervention price to 6% in order to discourage offers of substantial quantities for intervention. The production aid would be increased by 7.5%, pending certain improvements in the present control arrangements. In the case of sheepmeat, for which prices were fixed only recently (October 1980), the Commission proposes a 6% increase.

Co-responsibility: the precondition for the price increases

1.2.4. In its 'Reflections on the common agricultural policy'¹ the Commission concluded that the real advantages of such a policy, both in guaranteeing farm prices and in ensuring supplies to consumers, should be safeguarded by more general application of

¹ Bull. EC 12-1980, points 1.5.2 and 1.5.3; Supplement 6/80 — Bull. EC.

the principle that producers should bear at least part of the financial responsibility for the disposal of production in excess of an agreed quantity. Support prices for basic quantities could thus be increased to take account of increased production costs and the need to raise agricultural incomes without encouraging the production of further surpluses or worsening the present budgetary situation.

1.2.5. As far as milk is concerned, the principle of the producer's financial responsibility has been accepted and applied by the Council since 1977 in the form of a co-responsibility levy, which now amounts to 2% of the target price; for 1981/82 the Commission proposes that this levy should be applied at the same rate and subject to the same exemptions — that is, the hill-farming and other less-favoured areas. The Council had also adopted the principle that an additional levy would be charged if the quantity of milk produced in 1980 was greater than that produced in 1979 by 1.5% or more;¹ the levy was to be fixed so as to cover the costs incurred by the Community in disposing of the extra quantities of milk. Since milk supplies were 2.6% up in 1980, the Commission proposes that the additional levy be applied at the rate of 8.8 ECU per 100 kg of milk treated or processed by dairies in 1981/82 in excess of the average quantities treated or processed in 1979/80 and 1980/81, as an effective deterrent to any further increase in milk production. The levy would be collected at the dairies. Exemptions would be granted only in hill-farming areas, the south of Italy and Greece, and for milk used to increase manufacture of certain fresh products. Moreover, to discourage the expansion of production by large-scale farms, the basic levy would be trebled in the case of milk from holdings supplying more than 15 000 kg per hectare under fodder crops.

1.2.6. The co-responsibility principle has already been adopted in the sugar sector. The Commission proposals² for the new organization of the sugar market provide for a maximum additional levy of 37.5% on the B quota to finance the cost of disposal, if necessary.

The Commission is now proposing that this principle should be extended to other sectors — cereals in particular. Given the relatively high price levels and rising productivity in this sector, there is reason to expect a further increase in production. Producer co-responsibility would take the form of a 1% drop in the intervention price (the reference price in the case of bread-making wheat) for every 1% by which production exceeded certain basic quantities, provided that the total drop in the intervention price did not exceed 5%. Since the market normally reacts to variations in the support prices, the cost of export refunds would diminish in line with the cost of intervention buying. The Commission proposes that the basic quantities should be based on average production over the last three years.

1.2.7. In the beef and veal sector, the Commission finds that the rigid and non-selective system of intervention buying has encouraged the consumption of pigmeat and poultrymeat, which are subject to a very light form of market organization. The result has been the accumulation of intervention stocks of beef and veal, now amounting to some 300 000 tonnes, despite record exports. The Commission considers that producer co-responsibility should take the form of more restricted and selective intervention buying during the year so that Community production can be marketed normally, though the average level of prices should not be appreciably affected.

1.2.8. In the oilseeds sector, colza oil may prove difficult to sell both on the Community market and on the world market. The Commission considers it necessary to introduce a co-responsibility system similar to that for cereal producers: that is, support prices would be reduced by a fixed amount for each percent by which oil production exceeded a basic quantity, which would be fixed in advance.

1.2.9. Lastly, the Commission plans to apply the co-responsibility principle to three

¹ Fourteenth General Report, point 342.

² OJ C.271, 18.10.1980; Bull. EC 9-1980, point 2.1.49.

sectors which receive direct aid and where production has been considerably expanded (processed fruit and vegetables) or where marketing difficulties have entailed substantial intervention costs (olive oil and tobacco). As regards olive oil, the Commission proposes that the aid to producers should be reduced proportionately for all quantities produced in excess of a maximum figure, which would be fixed at 700 000 tonnes for the next three marketing years. As regards processed fruit and vegetables, aid would be granted only for the processing of certain quantities, the main products concerned being tomato concentrate, peeled tomatoes and peaches in syrup. In the tobacco sector, provision is made for special measures to reduce intervention buying of certain varieties production of which has expanded far beyond the quantities which can actually be marketed.

Financial implications

1.2.10. The financial implications of the Commission's proposals have to be seen both for the current year and for a full 12-month period. Given the dates for the beginning of the several farm years and the timing of payments, the impact of the current year is always considerably less than on a 12-month period. The financial implications are set out in Table 1.

The financial effects shown in the table result from the difference between expenditure and the savings entailed by the Commission proposals; the savings are essentially the result of the measures aimed at increasing the participation of producers in financing the disposal of increases in production in the various sectors concerned.

Table 1

(million ECU)

| | Over the portion of 1981 affected | | Over 12 months | |
|---------------|-----------------------------------|---------------|----------------|---------------|
| | Expenditure | Own resources | Expenditure | Own resources |
| Total effects | +248 | +70 | +804 | +357 |
| Net cost | | +178 | | +447 |

PRESS RELEASE

Brussels, 20 February 1981
4903/81 (Presse 20)

689th meeting of the Council

- Foreign Affairs -

Brussels, 17 February 1981

President: Mr C.A. van der KLAUW,
Minister for Foreign Affairs
of the Kingdom of the Netherlands

The Governments of the Member States and the Commission of the European Communities were represented as follows:

Belgium:

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|------------------------------|---|
| Mr Willy CLAES | Deputy Prime Minister, Minister for Economic Affairs |
| Mr Charles-Ferdinand NOTHOMB | Minister for Foreign Affairs |

Denmark:

| | |
|-----------------|------------------------------|
| Mr Kjeld OLESEN | Minister for Foreign Affairs |
|-----------------|------------------------------|

Germany:

| | |
|-----------------------|--|
| Otto Graf LAMBSDORFF | Federal Minister for Economic Affairs |
| Mr Klaus von DOHNANYI | Minister of State, Federal Ministry of Foreign Affairs |

Greece:

| | |
|--------------------------|------------------------------|
| Mr Constantin MITSOTAKIS | Minister for Foreign Affairs |
|--------------------------|------------------------------|

France:

| | |
|---------------------------|---|
| Mr Michel COINTAT | Minister for Foreign Trade |
| Mr Pierre BERNARD-REYMOND | State Secretary, Ministry of Foreign Affairs |

Ireland:

| | |
|------------------|------------------------------|
| Mr Brian LENIHAN | Minister for Foreign Affairs |
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Italy:

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| Mr Emilio COLOMBO | Minister for Foreign Affairs |
| Mr Edoardo SPERANZA | State Secretary, Ministry of Foreign Affairs |

Luxembourg:

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| Miss Colette FLESCH | Minister for Foreign Affairs |
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17.II.81

Netherlands:

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|------------------------|--|
| Mr C.A. van der KLAUW | Minister for Foreign Affairs |
| Mr G.M.V. van AARDENNE | Minister for Economic Affairs |
| Mr D.F. van der MEI | State Secretary, Ministry of Foreign Affairs |

United Kingdom:

| | |
|--------------------|---|
| Sir Ian GILMOUR | Lord Privy Seal |
| Mr Cecil PARKINSON | Minister of State, Department of Trade |

Commission:

| | |
|---------------------------|----------------|
| Mr Gaston THORN | President |
| Mr François-Xavier ORTOLI | Vice-President |
| Mr Wilhelm HAFERKAMP | Vice-President |
| Viscount Etienne DAVIGNON | Vice-President |
| Mr Claude CHEYSSON | Member |
| Mr Michael O'KENNEDY | Member |
| Mr Georgis CONTOGEOGIS | Member |

EEC/JAPAN RELATIONS

The Council heard a report by the Commission on the results so far of the High-Level Consultations that have taken place with the Japanese authorities following the Council's statement of November. After a general exchange of views on the situation, it adopted the following statement :

1. The Council reaffirmed its statement of 25 november 1980 in which it expressed its serious concern at the present state of trade between Japan and the Community and its likely future development. It regretted that the Japanese response to the statement had not been such as to remove the Council's concern.
2. The Council took the view that economic factors were one facet of the overall relationship between Europe and Japan ; the Community should therefore press its preoccupations on these economic difficulties at a high political level. The Community's concern should be conveyed forthwith by the representatives of the Member States and of the Commission in Tokyo.
3. The Council noted in particular that the situation as regards Japanese car exports continued to give rise to increasing and very serious concern, in particular the position in certain regions of the Community especially the Benelux countries. The work and the contacts should be promptly pursued in this and other relevant sectors.
4. The Council further noted that the Commission intended to introduce Community-wide surveillance forthwith in order to make more rapidly available statistical information on imports from Japan of passenger cars, colour television sets and tubes and certain machine tools. It requested the Commission to monitor the results of this surveillance and to report to the Council as soon as the outcome for the first three months of this year was clear, and regularly thereafter.

5. The Council took note that the Commission had circulated an initial analysis of the concentration of Japanese exports to the Community and invited the Commission to pursue the studies requested by the Council in its November statement.
6. The Council recognized that it was for European enterprises to take advantage of the growing Japanese market and to develop positive strategies to deal with Japanese competition. It called upon the Commission to continue to pursue vigorously with the Japanese authorities the opening up of the Japanese market.
7. At the next EEC/Japan High-Level Consultations which should be held as soon as possible, the Commission should check on the progress of the various discussions and report to the Council on the results achieved.
8. Since the question of trade with Japan has implications for all major industrialised trading countries, the Council took the view that it should be raised with them on every possible occasion and in particular at the Western Economic Summit in Ottawa next July in the context of the customary exchange of views on world trading problems.

EEC/US RELATIONS

The Council heard a report by the Commission on the results of its recent high level consultations in Washington with the members of the new American administration, and held a brief exchange of views. It agreed to revert to the matter at its March session.

YUGOSLAVIA

The Council conducted a thorough examination of this dossier. It instructed the Permanent Representatives Committee to continue its work on the question of "baby beef" so as to enable the Council to adopt, at its meeting on 17 March 1981, directives for the negotiation of Protocols of adaptation to the EEC/ECSC/Yugoslavia Agreements following the accession of Greece to the European Communities.

The Permanent Representatives Committee was also instructed to continue its proceedings on the question of transit.

FISHERIES POLICY

At the request of the German delegation and the Commission, the Council exchanged views on the situation resulting from the delay in establishing a common fisheries policy and the ensuing problems for certain Member States.

The Council appealed to all Member States and to the Commission to endeavour to find a satisfactory solution at the next meeting of the Fisheries Council scheduled for 9 and 10 March 1981.

At the same time it took particular note of the desire expressed by most delegations to have the Agreements negotiated with Canada, the Faroe Islands and Spain approved by the Council at the earliest possible opportunity, if possible without waiting until discussions were resumed on the entire fisheries dossier on 9 and 10 March.

ARRANGEMENT ON TEXTILES WITH TUNISIA

The Council instructed the Permanent Representatives Committee to continue its examination of this matter in conjunction with the Commission.

FINANCIAL AND TECHNICAL AID TO NON-ASSOCIATED DEVELOPING COUNTRIES: FRAMEWORK REGULATION

The Council adopted the framework Regulation on financial and technical aid to non-associated developing countries and the contents of a letter to be sent by the President to the President of the European Parliament explaining the position adopted by the Council to take account of the comments and proposals made by the European Parliament within the framework of the conciliation procedure.

The Regulation constitutes a permanent basis for Community financial and technical aid to non-associated developing countries. It lays down the criteria for the implementation of this aid and the detailed rules for its administration.

The aid is intended for the financing of projects. In general it takes the form of grants and is granted either autonomously or by means of co-financing. As a general rule it is directed towards the poorest developing countries. Bearing this principle in mind, it is designed to ensure a Community presence in the major regions of the developing world while aiming at a reasonable geographical balance along these regions.

The aid must be mainly directed towards improving the living conditions of the most needy sections of the population. Special importance is to be given to rural development and to improving food production. Participation in regional projects may also be considered. An annual reserve is to be set up for aid in exceptional circumstances, in particular to help with reconstruction in the event of disasters.

Each year the Council is to determine the general guidelines for the following year, acting on a proposal from the Commission and after consulting the European Parliament. The funds required are fixed by the budget of the Communities.

The Commission is responsible for administering the aid. The Regulation sets up a Committee, composed of representatives of the Member States, which delivers its opinion on the draft financing Decisions submitted to it by the Commission. If the Committee's opinion is favourable, the Commission takes decisions which are immediately applicable. In the absence of any favourable opinion of the Committee, the Commission may refer the matter to the Council which, acting by a qualified majority, must decide at the second meeting following such referral and at the latest within a period of two months. If the Council approves the draft financing Decision, the Commission takes decisions which are immediately applicable. If, after its discussions, the Council has not decided by a qualified majority within two months, the Commission may submit a new draft financing Decision to the Committee and inform the European Parliament thereof.

Once a year the Commission reports to the European Parliament and the Council on the administration of the aid.

RELATIONS WITH THE ACP STATES

The President reported to the Council on his talks on 16 February 1981, in the presence of Mr CHEYSSON, Member of the Commission, with Mr ONYON, Minister (Kenya), President of the ACP Committee of Ambassadors, Mr MONYAKE (Lesotho), several Ambassadors of ACP States and Mr OKELO-ODONGO, the Secretary-General of the ACP Group of States, who had come to inform the Community authorities of the outcome of the ACP Council of Ministers, held a few weeks earlier, with a view to the forthcoming ACP-EEC Council of Ministers meeting to be held in Luxembourg on 9 and 10 April 1981.

The President of the Council stressed the spirit of co-operation and comprehension which had prevailed at this discussion.

MEASURES INTENDED TO IMPROVE THE FUNCTIONING OF THE COURT OF JUSTICE

The Council resumed its examination of this dossier with particular reference to the question of the creation of the posts for an eleventh judge and a fifth advocate-general at the Court of Justice.

Following thorough discussion of this matter, the President noted that the Council had failed to reach a decision.

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REVISION OF THE METHOD FOR ADJUSTING THE REMUNERATION OF
OFFICIALS OF THE COMMUNITIES - COUNCIL STATEMENT

Having been informed of the staff's views, the Council held a policy discussion on the revision of the method for adjusting the remuneration of staff of the European Communities. Account being taken of the points cited in the Council statement of 20 January 1981, the Council reached the following conclusions:

The Council stresses the great importance it attaches to retention of the independence, permanence and competence of the Community public service. It emphasizes that there has never been any question of jeopardizing the said public service. It is well aware of the singularity of a multinational public service and of the rights and obligations inherent therein. This singularity will continue to be respected whenever decisions or regulations governing the conditions of employment of European civil servants are being reviewed, as will their career structure.

The Council requests the Commission to submit within a month a proposal for a revised method for adjusting remuneration in the light of the Council discussions and of the comments made by the Staff Representatives.

The Council invites the Secretary-General to work out and submit, after consulting the Commission representatives and the Staff Representatives, a conciliation procedure which is consistent with the powers of the Institutions.

Miscellaneous decisions

The Council adopted in the official languages of the Communities a Directive amending Section 2 of Annex II to Directive 72/276/EEC on the approximation of the laws of the Member States relating to certain methods for the quantitative analysis of binary textile fibre mixtures.

The Council also adopted in the official languages of the Communities Regulations opening, allocating and providing for the administration of Community tariff quotas for prepared or preserved sardines, falling within subheading 16.04 D of the Common Customs Tariff and originating in Morocco and Tunisia respectively.

In addition the Council recorded its agreement on the text of an exchange of letters concerning the simplification of customs formalities relating to Community transit and approved a Decision applying Decisions Nos 1, 2 and 3/80 of the EEC/Switzerland and EEC/Austria Joint Committees - Community transit.

Appointments

On a proposal from the Commission, the Council appointed Mrs G. de LANGE member of the Management Board of the European Centre for the Development of Vocational Training to replace Mr WESTERHUIS, who has resigned, for the remainder of the latter's term of office, i.e. until 14 January 1982.

The Council also appointed, on a proposal from the German Government, Dr Dieter HOEMIG, Ministerialrat, Bundesministerium des Innern, as member of the Advisory Committee on Freedom of Movement for Workers, to replace Dr E. STOEVE, who has resigned, for the remainder of the latter's term of office, i.e. until 16 March 1982.

Finally, on a proposal from the German Government, the Council appointed Mr Armin SCHULTE, Ministerialrat, Bundesministerium für Arbeit und Sozialordnung, as a member of the Administrative Board of the European Foundation for the Improvement of Living and Working Conditions, to replace Professor FITTING, who has resigned, for the remainder of the latter's term of office, i.e. until 16 March 1983.

PRESS RELEASE

5034/81 (Presse 24)

690th Council meeting

- Agriculture -

Brussels, 23-24 February 1981

President:

Mr Gerrit BRAKS,
Minister for Agriculture
of the Kingdom of the Netherlands

The Governments of the Member States and the Commission of the European Communities were represented as follows:

Belgium:

Mr Albert LAVENS Minister for Agriculture and
Small Firms and Traders

Denmark:

Mr Bjoern WESTH Minister for Agriculture

Germany:

Mr Joseph ERTL Federal Minister for Food,
Agriculture and Forestry

Mr Hans-Jürgen ROHR State Secretary,
Federal Ministry for Food,
Agriculture and Forestry

Greece:

Mr Athanase CANELLOPOULCS Minister for Agriculture

France:

Mr Pierre MEHAIGNERIE Minister for Agriculture
Mr Michel DEBATISSE State Secretary responsible to
the Prime Minister for the
agricultural and foodstuffs
industries

Mr Jacques FOUCHIER State Secretary,
Ministry of Agriculture

Ireland:

Mr Ray MacSHARRY Minister for Agriculture

Italy:

Mr Giuseppe BARTOLOMEI

Minister for Agriculture and Forestry

Mr Fabio FABBRI

State Secretary,
Ministry of Agriculture

Luxembourg:

Mr Camille NEY

Minister for Agriculture,
Viticulture, Water and Forestry

Netherlands:

Mr Gerrit BRAKS

Minister for Agriculture

United Kingdom:

Mr Peter WALKER

Minister for Agriculture,
Fisheries and Food

Mr Alick BUCHANAN-SMITH

Minister of State,
Ministry of Agriculture,
Fisheries and Food

Commission:

Mr Christopher TUGENDHAT

Vice-President

Mr Poul DALSAGER

Member

The Council paid tribute to the late Finn Olaf GUNDELACH, Vice-President, who held the agriculture portfolio in the Commission from 1977 to 1981, for his devotion to European integration; it welcomed his successor, Poul DALSGER, former Minister for Agriculture of the Kingdom of Denmark, who had recently taken up the position and was attending the Council for the first time in his new capacity as the Commission Member responsible for the common agricultural policy.

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The Council also agreed to convene its next meeting for 16 March, to set aside 23 March if necessary, and, taking into account the Opinion of the European Parliament, expected at the end of Parliament's extraordinary sitting on 24 and 25 March, to set the agricultural prices for the 1981/1982 marketing year at a meeting scheduled for 30 and 31 March.

1981/1982 AGRICULTURAL PRICES AND RELATED MEASURES

The Council held an initial exchange of views on the Commission's agricultural prices proposals for the 1981/1982 marketing year and related measures; this enabled delegations to voice their initial political and technical reactions regarding the general outlines of the proposals.

Concluding the discussion, the President noted that the exchange of views had demonstrated the complexity of the issues dealt with, and he instructed the Special Committee on Agriculture to pin-point and examine urgently the most difficult points, so that the Council could concentrate on these topics in particular at its next meeting.

IMPORTANT PROBLEMS STILL OUTSTANDING:

Sugar - New Zealand butter - Structures - Estimates for beef and veal

Following extensive discussions on a number of agricultural dossiers still outstanding, nine delegations expressed a consensus with regard to:

- a package of measures on agricultural structures;
- the arrangements to be applied to butter imports from New Zealand;
- estimates for beef and veal.

In addition, they expressed agreement in principle with regard to the guidelines on the future rules for the market in sugars.

The Italian delegation reserved its position and will make its attitude known by 10 March at the latest.

In the event of this delegation not associating itself with the consensus referred to above, the whole dossier will be re-examined by the Council at its meeting on 16 March.

In the meantime the Council has adopted a Regulation extending until 31 March 1981 the special arrangements for the importation of New Zealand butter into the Community.

POULTRYMEAT

After a short discussion the Council agreed on an amendment to the standard amounts and the coefficients used for calculating the levy and the sluice-gate price for poultrymeat (turkeys, geese and ducks), and on the Regulation on the Common Customs Tariff.

AUBERGINES FROM THE FRENCH ANTILLES

After a discussion on aid for aubergines from the French Antilles, the main purpose of which was to facilitate transport of the aubergines and to promote the diversification of agricultural production in the region, the Council agreed to instruct the Special Committee on Agriculture to study the subject in greater detail.

GREEK OLIVE OIL

Taking the view that an error made when the conversion rate for the drachma was fixed in December 1980 needed correcting, the Council fixed the intervention price for olive oil for the 1980/1981 marketing year at 170.80 ECU/100 kg (a figure which included the January monthly increase) instead of 167.70 ECU/100 kg.

MISCELLANEOUS STATEMENTS AND REPORTS

The Council took note of the following statements, accompanied where appropriate by the Commission's replies and observations from other delegations:

- grant of national aid in France (United Kingdom delegation);
- aid for heated greenhouses (United Kingdom delegation);
- progress of the Commission's work on the poultrymeat proposals (United Kingdom delegation).

The Council also took note of an interim report from the Commission on work in connection with a Community scale for grading the carcasses of adult bovine animals.

VARIOUS DECISIONS

Relations with the ACP States

The Council adopted in the official languages of the Communities the decision of the ACP-EEC Council of Ministers on the inclusion of Zimbabwe on the list of land-locked ACP States.

Relations with Israel

The Council decided to sign the Protocols adapting the EEC-Israel Agreement and the ECSC-Israel Agreement following the accession of Greece to the European Communities. Pending the entry into force of these Protocols, it adopted autonomous measures to take account of the accession of Greece.

Other decisions

The Council took note of the ninth financial report of the EAGGF, Guarantee and Guidance Section, 1979.

The Council also adopted in the official languages of the Communities:

- the Decision authorizing the Commission to participate in the negotiation of an International Convention on the Harmonization of Controls at Frontiers;
- the Decision concerning the Euratom/United States Co-operation Agreements;
- the Regulation amending Regulations (EEC) Nos 1893/79, 2592/79 and 649/80 introducing the registration of crude oil and petroleum product imports into the Community (extension of the Regulations on crude oil until 31 December 1981 and of the Regulation on petroleum products until 30 June 1981).

Customs union

The Council also adopted the Directive on the harmonization of procedures for the export of goods.

Common rules for the import of goods into the Community were laid down in 1979, and this Directive now harmonizes the rules to be followed for the export of goods from the Community. The purpose is:

- to ensure uniform application of common policies on goods exported to third countries and especially of measures adopted under the common agricultural policy;
- to eliminate distortions of treatment as between Community commercial operators resulting at present from the application of rules which vary according to the Member States in which they carry out the formalities for exporting their goods to third countries.

Like the Directive on the import of goods, this Directive makes provision in title II for a set of simplified procedures to be introduced by national administrations in order to take account of developments in customs techniques and in particular the ever-growing use of data processing.

There is no record for a 691th meeting of the Council

PRESS RELEASE

5195/81 (Presse 26)

692nd meeting of the Council

- Energy -

Brussels, 3 March 1981

President: Mr G.M.V. van AARDENNE,
Minister for Economic Affairs
of the Kingdom of the Netherlands

The Governments of the Member States and the Commission of the European Communities were represented as follows:

Belgium:

Mr Willy CLAES Minister for Economic Affairs

Denmark:

Mr Gunnar RIBERHOLDT Ambassador,
Permanent Representative

Germany:

Otto Graf LAMBSDORFF Federal Ministry for Economic
Affairs

Greece:

Mr Stephanos MANOS Minister for Industry and Energy

France:

Mr André GIRAUD Minister for Industry

Ireland:

Mr Brendan DILLON Ambassador,
Permanent Representative

Italy:

Mr Filippo PANDOLFI Minister for Industry

Luxembourg:

Mr Jean DONDELINGER

Ambassador,
Permanent Representative

Netherlands:

Mr G.M.V. van AARDENNE

Minister for Economic Affairs

United Kingdom:

Mr Norman LAMONT

Parliamentary Under-Secretary,
Ministry of Energy

Commission:

Mr Gaston THORN

President

Mr François-Xavier ORFOLI

Vice-President

Viscount Etienne DAVIGNON

Vice-President

Mr Karl-Heinz NARJES

Member

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OIL SUPPLY (1)

"The Council reviewed the oil supply situation in the light of the measures which they agreed at their 27 November 1980 meeting, including the draw down of stocks.

They noted that these measures, the measures taken by Member States, the reduction of the consumption and the oil production levels achieved by the OPEC producing countries have led to a significant improvement in Community oil markets. Nevertheless, in view of continuing uncertainties the situation must be kept under close review.

The Council agreed that

- (a) the measures established on 27 November 1980 will remain in operation;
- (b) the time was now opportune to examine which specific and efficient actions could be taken if supply problems recur. They invited the Commission in particular to study further the possibilities of mutual aid in oil stocks at times of market tension, and to report to the Council at their June meeting."

(1) Conclusions drawn by the Presidency.

ENERGY OBJECTIVES FOR 1990 (1)

The Council held an exchange of views on the Commission's first report analysing the progress made in pursuing the Community's energy policy objectives for 1990 and in Member States' investment programmes.

Following this exchange of views, the Council reached the following conclusions:

1. Some progress is to be noted in the pursuit of the objectives which the Council adopted in its Resolution of 9 June 1980.
2. However, the actual achievement of these objectives will require several Member States to intensify their efforts:
 - in the field of electric power stations by means of a more rapid substitution of solid fuel consumption for oil consumption and/or by stepping up nuclear programmes;
 - in the field of energy savings, whether in the domestic sector, in industry or in transport.
3. The Council emphasized the importance in the short and medium terms of indigenous primary sources of energy including oil, gas, coal and nuclear energy for the overall balance of payments of the Community.
4. The Council also emphasized the need to prepare for the future beyond 1990 by actively developing renewable energy sources.

(1) Conclusions drawn by the Presidency.

5. The Council invited the Commission to examine the possible need to go further than the investment levels currently fixed in order to achieve the common objectives, and, if necessary, to propose the measures to be taken to attain them, including informing the public of the economic return which can be expected from such investments.

6. The Council confirmed the predominant role of energy prices transparency and emphasized the importance it attributed to the communication which the Commission intends to submit to it shortly on the price policy to be conducted on the basis of the energy objectives.

MISCELLANEOUS DECISIONS

Questions pertaining to atomic energy and research

The Council recorded its agreement on an exchange of letters between the IAEA on the one hand and the Commission on behalf of the EAEC on the other, on co-operation in the field of research and development in safeguards.

The Council adopted in the official languages of the Communities a Decision adopting a sectoral research and development programme in the field of environment. This programme is divided into two sections: protection of the environment (with five research areas: sources, pathways and effects of pollutants; reduction and prevention of pollution and nuisances; protection, conservation and management of natural environments; management of information of the environment; complex interactive systems: man-environment interactions) and climatology (with two research fields: "understanding climate" and "man-climate" interactions). The programme - which will last for five years - comprises indirect action and action to establish co-ordination at Community level of research activities forming part of Member States' research programmes and, where appropriate, Community programmes. Appropriations totalling 43 million ECU are entered in the Community budget for this programme.

Other decisions

The Council gave the assent requested under Article 95 of the ECSC Treaty on the draft Commission Decision concerning certain obligations of Community undertakings using high-grade special steel and stockholders of these products.

The Council adopted in the official languages of the Communities the Decision extending until 31 July 1981 the Decision of 4 April 1978 on the application of certain guidelines in the field of officially-supported export credits.

Appointments

The Council adopted in the official languages of the Communities a Decision appointing additional Greek members of the Economic and Social Committee for the remainder of the Committee's term of office, i.e. until 18 September 1982.

The following are the twelve members in question:

- M. Andreas BLAMOUTSIS - Μέλος του διοικητικού Συμβουλίου του
'Εμπορικού Συλλόγου 'Αθηνών.
(Association of Traders of Athens)
- Mlle Anne BREDIMAS - Ειδική Σύμβουλος της 'Ενώσεως
'Ελλήνων 'Εφοπλιστών.
(Union of Greek Shipowners)
- M. Ilias CHRONOPOULOS - Πρόεδρος Πανελληνίου Συνομοσπονδίας 'Ενώσεων
Γεωργικών Συνεταιρισμών (ΠΑ.Σ.Ε.ΓΕ.Σ)
(Panhellenic Confederation of the Unions
of Agricultural Co-operatives)
- M. Georges DASSIS - Συνεργάτης Γενικής Συνομοσπονδίας 'Εργατών
'Ελλάδος (Γ.Σ.Ε.Ε)
(General Labour Confederation of Greece)
- M. Ioannis DOUROS - Πρόεδρος Γενικού Συμβουλίου 'Ανωτάτης Διοικήσεως
'Εκτροπής Δημοσίων 'Υπαλλήλων (ΑΔΕΔΥ)
(Federation of public officials (ADEDY))

- M. Theodossios GEORGIU - Διευθύνων Γενικός Γραμματέας Συμβουλίου Κοινωνικής και Οικονομικής Πολιτικής (ΣΚΟΠ)
(Social and Economic Policy Council (SKOP))
- M. Christos KARAKITSOS - Γενικός Γραμ/τεύς Γενικής Συνομοσπονδίας Έργατών Ελλάδος (ΓΣΕΕ)
(General Labour Confederation of Greece)
- M. Filotas KAZAZIS - Αντιπρόεδρος Συνδέσμου Έλληνικών Βιομηχανιών.
(Association of Greek Industries)
- M. Nicolaos KOLYMBAS - Γενικός Γραμματέας Διοικητικού Συμβουλίου Πανελληνίου Συνομοσπονδίας Ένώσεων Γεωργικών Συνεταιρισμών. (ΠΑΣΕΓΕΣ)
(Panhellenic Confederation of Unions of Agricultural Co-operatives)
- M. Pavlos PAPADOPOULOS - Βιοτέχνης, Αντιπρόεδρος Βιοτεχνικού Έπιμελητηρίου Αθηνών.
(Athens Chamber of Craft Trades)
- M. Rizos RIZOS - Πρόεδρος Όμοσπονδίας Έπαγγελματιών και Βιοτεχνών Αθηνών.
(Athens Federation of Trades and Crafts)
- M. Emmanuel SAITIS - Γενικός Γραμματέας Πανελληνίου Ναυτικής Όμοσπονδίας.
(Panhellenic Seafarers Federation)

PRESS RELEASE

5196/81 (Presse 27)

693rd meeting of the Council

- Iron and Steel -

Brussels, 3 March 1981

President: Mr G.M.V. van AARDENNE,

Minister for Economic Affairs
of the Kingdom of the Netherlands

The Governments of the Member States and the Commission of the European Communities were represented as follows:

Belgium:

Mr Willy CLAES Minister for Economic Affairs

Denmark:

Mr Mogens JENSEN Attaché to the Permanent Representation (Ministry of Trade)

Germany:

Otto Count LAMBSDORFF Federal Minister for Economic Affairs

Greece:

Mr Stephanos MANOS Minister for Industry and Energy

France:

Mr André GIRAUD Minister for Industry

Ireland:

Mr Denis GALLAGHER Minister of State for Industry, Trade and Tourism

Italy:

Mr Filippo PANDOLFI Minister for Industry

Luxembourg:

Miss Colette FLESCHE Minister for Foreign Affairs

Netherlands:

Mr G.M.V. van AARDENNE

Minister for Economic Affairs

United Kingdom:

Mr Norman TEBBIT

Under-Secretary of State,
Department of Trade

Commission:

Mr Gaston THORN

President

Mr François-Xavier ORTOLI

Vice-President

Vicomte Etienne DAVIGNON

Vice-President

Mr Frans H.J.J. ANDRIESSEN

Member

Mr Ivor RICHARD

Member

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At the end of its deliberations on the situation in the iron and steel industry, the Council approved the following resolution (1) :

" Since 1975 the European iron and steel industry has been facing a deep and lasting crisis. This difficult situation can only be overcome at the cost of large reductions in global capacity for crude steel and finished products. Restructuring actions that have already been implemented have brought about important increases in productivity.

The Council concurs with the Commission's diagnosis of steel restructuring problems and of aids to the steel industry and agrees with the Commission that the principal objectives of restructuring policies are to return the steel industry in the Community to international competitiveness, to restore the profitability of the firms in order to ensure stable employment and to avoid distortions of competition between individual firms which might jeopardize the efforts already made in this direction.

To restore competitiveness, degressive public aids will be accepted only as a transitional measure and on the condition that they contribute directly to the restructuring of the sector.

The Council is of the opinion that no further public aid schemes in favour of the steel industry should be introduced after the 1st July 1983.

Before the 1st April 1981 and within the framework of the Community's anti-crisis measures iron and steel companies must come to a voluntary arrangement concerning their deliveries inside the Community. The Member States and the Commission support the realisation of this objective.

For its part, the Commission :

(1) Provisional text.

- will collect from Member States and enterprises the necessary data for the conduct of its aids policy;
- will ensure full disclosure of all public aid funding granted to steel undertakings by the Community and the Member States and present a new report within two months;
- will use its powers to ensure that enterprises inform it on their restructuring plans in the framework of the objectives and timetable set out;
- will use its discretionary powers under article 54 to grant loans for investment programmes only where projects achieve a satisfactory degree of restructuring with no increase in the production capacity for a product without discarding an equivalent uneconomic production capacity;
- will apply strictly the provision of its decision n° 257/80/ECSC and ensure, in particular, that no aid will be granted to preserve obsolete capacities or to enterprises which do not make the necessary efforts to restructure in accordance with the principles mentioned above;
- will confirm its requirement that Government notify in advance all public aids, specific or not;

- will ensure that steel prices are not adversely affected by unfair or discriminatory practices prohibited by article 60 ECSC and use existing powers to roll back such practices applying the appropriate sanctions, in particular by applying measures provided in articles 63, 64 and 67 ECSC without delay.

Where unjustifiable burdens would be imposed on certain groups of workers, the appropriate social measures will have to be introduced to mitigate the effects of capacity reduction resulting from restructuring.

The Council will meet again on the 26 of March to take decisions on the above."

PRESS RELEASE

5368/81 (Presse 32)

694th meeting of the Council

- Fisheries -

Brussels, 10 and 11 March 1981

President: Mr Gerrit BRAKS,
Minister of Agriculture and Fisheries of
the Kingdom of the Netherlands

The Governments of the Member States and the Commission of the European Communities were represented as follows:

Belgium:

Mr Albert LAVENS Minister of Agriculture and for
Small Firms and Traders

Denmark:

Mr Karl HJORTNAES Minister for Fisheries
Mr Lars Emil JOHANSEN Minister for Fisheries of the
Home Government of Greenland
Mr Jørgen HERTOFT State Secretary,
Ministry of Fisheries

Germany:

Mr Josef ERTL Federal Minister for Food,
Agriculture and Forestry
Mr Hans-Jürgen ROHR State Secretary,
Federal Ministry of Food,
Agriculture and Forestry

Greece:

Mr Chrysostomos KARAPIPERIS State Secretary,
Ministry of Agriculture

France:

Mr Daniel HOEFFEL Minister for Transport

Ireland:

Mr Patrick POWER Minister for Fisheries

Italy:

Mr Francesco COMPAGNA Minister for Shipping
Mr Giuseppe CAROLI Deputy State Secretary
Ministry of Shipping

Luxembourg:

Mr Jean MISCHO

Deputy Permanent Representative

Netherlands:

Mr Gerrit BRAKS

Minister of Agriculture and
Fisheries

United Kingdom:

Mr Peter WALKER

Minister of Agriculture,
Fisheries and Food

Mr George YOUNGER

Secretary of State for Scotland

Mr Alick BUCHANAN-SMITH

Minister of State,
Ministry of Agriculture,
Fisheries and Food

Commission:

Mr Georges CONTOGEOGIS

Member

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FISHERIES POLICY

The Council continued the discussions begun at its meeting from 9 to 12 February on all the questions arising in connection with the adoption of a common fisheries policy. Its discussions dealt in particular with the quotas for 1981 and access to fishing waters, and also with various external aspects including relations with Canada, the Faroe Islands and Norway.

Concluding the discussion, which emphasized the important but also complex and controversial nature of the questions involved, the President noted that despite the Commission's and the Presidency's attempts to work out a compromise the Council had been unable to bring the day's discussions to a successful conclusion.

Pending the resumption of discussions on all these problems on 6 and 7 April next in Luxembourg, the Council agreed to continue until 30 April 1981 Regulation No 2527/80 laying down technical measures for the conservation of fishery resources.

Pending the adoption of definitive Community measures the Council also agreed that the Member States should continue to apply conservation measures similar to those applied in past years with regard to fishing activities carried on in waters under their sovereignty or their jurisdiction.

In the context of a discussion of the external aspects of the common fisheries policy the Council gave particular attention to relations with Canada, the Faroe Islands, Norway and certain African countries.

Pending the Opinion of the European Parliament the Council approved the substance of the 1981 arrangements agreed upon between the Community and Norway.

As regards relations on fisheries matters with Canada and the Faroe Islands, the Council took no decision at this stage since one delegation has made a decision on these matters subject to a decision on the common fisheries policy as a whole.

In the same way the Council did not act regarding relations on fisheries matters with certain African countries with Atlantic coasts. In this connection the Council instructed the Permanent Representatives Committee to examine the costs and benefits of the 1980 agreement with Senegal with a view to its possible continuation.

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The Council also adopted in the official languages of the Communities the Regulation amending Regulation (EEC) No 3179/78 concerning the conclusion by the European Economic Community of the Convention on Future Multilateral Co-operation in the Northwest Atlantic Fisheries. This amendment was necessary following changes made in Annex III of the Convention concerning the plotting of the boundaries between the statistical sub-areas covering the waters between the West coast of Greenland and the coast of Canada.

Other decisions

The Council adopted in the official languages of the Communities the Regulation amending Regulation (EEC) No 4/81 as regards the intervention prices applicable in Greece in the olive oil sector for the 1980/1981 marketing year.

The Council also adopted in the official languages of the Communities the Regulation on the conclusion of the Agreement in the form of an exchange of letters between the EEC and the Portuguese Republic regarding prepared or preserved tomatoes falling within subheading 20.02 C of the Common Customs Tariff.

In addition, the Council agreed on the opening of negotiations with Spain with a view to the conclusion of an arrangement concerning trade in certain textiles products in 1981 and on the negotiating directives for the Commission for that purpose.

ECSC

The Council gave the Council's assent as required by Article 56(2)(a) of the ECSC Treaty as regards:

- the Saarländische Investitionskreditbank (SIKB), Germany
- Bus Manufactures Ltd., United Kingdom
- Leonard Lang Ltd., United Kingdom
- Scottish Development Agency, United Kingdom
- Daniel Doncaster & Sons Ltd., United Kingdom
- Strong-pac Ltd., United Kingdom
- Merryweather Sons Ltd., United Kingdom

Appointment

The Council appointed, on a proposal by the Italian Government, Mr Franco CHITTOLINA of the Ufficio Internazionale CISL an alternate member of the Advisory Committee on Freedom of Movement for Workers in place of Mr Gian Battista CAVAZZUTI, alternate member, who has resigned, for the remainder of the latter's term of office which expires on 16 March 1982.

COUNCIL OF THE EUROPEAN COMMUNITIES
GENERAL SECRETARIAT

PRESS RELEASE

5476/81 (Presse 35)

695th Council meeting

- Agriculture -

Brussels, 16 March 1981

President: Mr Gerrit BRAKS,
Minister for Agriculture
of the Kingdom of the Netherlands

The Governments of the Member States and the Commission of the European Communities were represented as follows:

Belgium:

Mr Albert LAVENS Minister for Agriculture and
Small Firms and Traders

Denmark:

Mr Bjoern WESTH Minister for Agriculture

Germany:

Mr Hans-Jürgen ROHR State Secretary,
Federal Ministry for Food,
Agriculture and Forestry

Greece:

Mr Athanasios CANELLOPOULOS Minister for Agriculture

France:

Mr Pierre MEHAIGNERIE Minister for Agriculture

Mr Michel DEBATISSE State Secretary responsible to
the Prime Minister for the
agricultural and foodstuffs
industries

Ireland:

Mr Ray MacSHARRY Minister for Agriculture

Italy:

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| Mr Giuseppe BARTOLOMEI | Minister for Agriculture and Forestry |
| Mr Mario CAMPAGNOLI | State Secretary, Ministry of Agriculture |

Luxembourg:

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| Mr Camille NEY | Minister for Agriculture, Viticulture, Water and Forestry |
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Netherlands:

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| Mr Gerrit BRAKS | Minister for Agriculture |
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United Kingdom:

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| Mr Peter WALKER | Minister for Agriculture, Fisheries and Food |
| Mr Alick BUCHANAN-SMITH | Minister of State, Ministry of Agriculture, Fisheries and Food |

Commission:

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| Mr Poul DALSGER | Member |
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1981/1982 AGRICULTURAL PRICES AND RELATED MEASURES

Continuing its initial exchange of views of 23 and 24 February on the Commission's agricultural price proposals for the 1981/1982 marketing year and related measures, the Council examined in detail a number of general issues raised by these proposals. It discussed in particular the level of prices (average level and price hierarchy), monetary compensatory amounts and the budgetary aspects of the proposals.

It then broached various specific issues relating to cereals, oils and fats (colza, olive oil), fresh and processed fruit and vegetables, tobacco, milk products and beef and veal.

In this context the Council noted a supplementary proposal by the Commission concerning a programme of measures designed to improve the agricultural situation in Ireland. It instructed the Special Committee on Agriculture to examine the proposal, which it forwarded to the European Parliament and the Economic and Social Committee for urgent Opinion, and to report to it on this matter along with the prices dossier at its next meeting.

In conclusion, the Council agreed to continue its examination of the Commission proposals on the basis of the proceedings of the Special Committee on Agriculture prior to its next meeting scheduled for 30 and 31 March, so that, as far as possible, an overall decision could be arrived at on prices and the related measures on that occasion.

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Following this meeting, the President of the Council met a delegation from the Committee of Agricultural Organizations in the EEC (COPA) led by its Chairman, Mr von Heeremann, which had come to present its views concerning the 1981/1982 prices and related measures.

WINE

The Council discussed the Commission proposal to lay down general rules for the application of the minimum price for table wine. In view of the urgency of a decision in this field, the Council instructed the Special Committee on Agriculture to look into the technical aspects more closely at its next meeting and report back to the Council so that a decision could be taken as soon as possible.

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The Council also took note of a formal request by the French, Italian and Greek delegations for a special distillation operation in view of the difficult situation on the wine market. The Council agreed to instruct the Commission to consider the situation as a matter of urgency in order for any measures required to be adopted under the usual procedure.

BEEF

The Council briefly discussed the proposal to open Community tariff quota for frozen beef and veal for 1981, following which it agreed to look at the matter again at its next meeting so as, in particular, to resolve some questions concerning the share for Greece.

Other agricultural decisions

The Council adopted in the official languages of the Communities the Regulation laying down the amounts of aid in the seeds sector applicable in Greece for the 1980/1981 and 1981/1982 marketing years.

The Council also adopted in the official languages of the Communities the Regulation amending both Regulation (EEC) No 2778/75 laying down rules for calculating the levy and the sluice-gate price for poultrymeat and Regulation (EEC) No 950/68 on the Common Customs Tariff.

Finally, the Council adopted in the official languages of the Communities the Directive amending for the 16th time Directive 64/54/EEC on the approximation of the laws of the Member States concerning the preservatives authorized for use in foodstuffs intended for human consumption.

PRESS RELEASE

5477/81 (Presse 36)

696th meeting of the Council

- Economic and Financial Questions -

Brussels, 16 March 1981

President: Mr A.P.J.M. van der STEE,
Minister for Finance
of the Kingdom of the Netherlands

The Governments of the Member States and the Commission of the European Communities were represented as follows:

Belgium:

Mr Mark EYSKENS . Minister for Finance

Denmark:

Mr Gunnar RIBERHOLDT Ambassador,
Permanent Representative

Germany:

Mr Hans MATTHOFER Federal Minister for Finance

Greece:

Mr Jean PALAIOKRASAS Deputy-Minister for Co-ordination

France:

Mr René MONORY Minister for Economic Affairs

Ireland:

Mr Brian LENIHAN Minister for Foreign Affairs

Italy:

Mr Nino ANDREATTA Minister for the Treasury

Luxembourg:

Mr Ernest MUHLEN State Secretary for Finance

Netherlands:

Mr A.P.J.M.M. van der STEE

Minister for Finance

Mr G.M.V. van AARDENNE

Minister for Economic Affairs

United Kingdom:

Sir Geoffrey HOWE

Chancellor of the Exchequer

Commission:

Mr François-Xavier ORTOLI

Vice-President

Mr Christopher Samuel TUGENDHAT

Vice-President

The meeting was also attended by:

Mr Jean-Yves HABERER

Chairman of the Monetary
Committee

Mr F.W. RUTTEN

Chairman of the Co-ordinating
Group for Economic and
Financial Policies

Mr Gordon RICHARDSON

Chairman of the Committee
of the Governors of the
Central Banks

ECONOMIC SITUATION

On the basis of a Commission communication, the Council conducted the first quarterly examination of the economic situation in the Community. On concluding the exchange of views it had on the subject, which enabled Ministers to comment on recent economic developments, the Council expressed agreement with the Commission's opinion that for the time being the economic policy guidelines for the current year, adopted in December 1980, should not be altered.

As regards Greece, which acceded to the Community after the approval of the annual report in December, the Council, after expressing a favourable view, forwarded the economic policy guidelines formulated by the Commission in its communication to the Council to both the European Parliament and the Economic and Social Committee for their opinion.

PREPARATION FOR THE EUROPEAN COUNCIL

The Council prepared the economic, financial and monetary items likely to be raised at the forthcoming European Council meeting in Maastricht on 23 and 24 March 1981.

1981/1982 AGRICULTURAL PRICES - ECONOMIC AND FINANCIAL ASPECTS

The Council discussed the economic and financial aspects of the agricultural price review for the 1981/1982 marketing year. Members of the Council will report to their respective Governments on this debate. The Council may continue its discussions on the matter at a subsequent meeting.

COMMUNITY LOANS DESIGNED TO SUPPORT THE BALANCE OF PAYMENTS

The Council adopted in the official languages of the Communities the Regulation adjusting the Community loan mechanism designed to support the balance of payments of Community Member States.

The new mechanism will enable the Commission to contract loans up to 6 thousand million ECU in principal either directly from third countries and financial institutions, or on the capital markets, for the sole purpose of onlending the funds amassed to one or more Member States in balance of payments difficulties directly or indirectly related to an increase in prices of petroleum products.

On the initiative of the Member State seeking a Community loan, the Council, after examining the situation of that State and the adjustment programme which it undertakes to implement, will decide, as a rule during the same meeting:

- whether to grant the loan;
- the amount of the loan;
- the economic policy conditions attaching to the loan, with a view to re-establishing a sustainable balance of payments situation;
- the techniques for disbursing the loan, which may be paid off in one amount or several instalments; in the latter eventuality, payment by successive instalments will, in principle, be subject to compliance with the relevant economic policy conditions.

At the request of the Member State seeking the loan, the loan may carry the option of early repayment at any time; this would imply the use of the appropriate borrowing formulae.

The Commission is responsible for verifying that the economic policy of a Member State granted a loan accords with the adjustment programme and any other conditions laid down by the Council. Where appropriate, the Commission may pay any successive instalments on the basis of the findings of such verification. The Council may also adjust the initial economic policy conditions.

Borrowing and lending operations will be expressed in the same currency units using the same value date and on the same terms with respect to repayment of the principal and payment of interest.

No later than five years after the adoption of the new mechanism, the Council will, on the basis of a report from the Commission and following consultation with the European Parliament, examine whether the mechanism established still meets, in its principle, its arrangements and its ceiling, the needs which led to its creation.

FREEDOM TO PROVIDE SERVICES IN THE INSURANCE SECTOR

The Council had before it a report by the Permanent Representatives Committee drawing its attention to the principal problems arising in connection with the second Directive aimed at the effective achievement of freedom to provide services in the field of direct insurance other than life assurance. Problems regarding, in particular, a possible authorization procedure for the provision of services, the role and rights of agencies and branches, fiscal questions and the law applicable to the contract have so far stood in the way of any decisive progress in this area.

The Council conducted a policy debate on the matter, at the close of which it confirmed the importance it attached to the principle of the effective achievement of freedom to provide services in this important area.

The Council asked the Permanent Representatives Committee to seek, as a matter of priority, a compromise solution to the question of authorization taking account both of the principle of freedom enshrined in the Treaty and the guarantees to be given to the countries where the services are provided, by means of close co-operation between the supervisory authorities of the Member States.

PRESS RELEASE

5478 (Presse 37)

697th meeting of the Council

- Foreign Affairs -

Brussels, 16 and 17 March 1981

President: Mr C.A. van der KLAUW,
Minister for Foreign Affairs
of the Kingdom of the Netherlands

The Governments of the Member States and the Commission of the European Communities were represented as follows:

Belgium:

Mr Charles-Ferdinand NOTHOMB Minister for Foreign Affairs

Denmark:

Mr Otto MØLLER State Secretary,
Ministry for Foreign Affairs

Germany:

Mr Hans-Dietrich GENSCHER Federal Minister for Foreign
Affairs

Mr Klaus von DOHNANYI Minister of State,
Federal Ministry of Foreign
Affairs

Greece:

Mr Constantin MITSOTAKIS Minister for Foreign Affairs

France:

Mr Jean FRANCOIS-PONCET Minister for Foreign Affairs
Mr Pierre BERNARD-REYMOND State Secretary,
Ministry of Foreign Affairs

Ireland:

Mr Brian LENIHAN Minister for Foreign Affairs

Italy:

Mr Emilio COLOMBO Minister for Foreign Affairs
Mr Edoardo SPERANZA State Secretary,
Ministry of Foreign Affairs

Luxembourg:

Miss Colette FLESCHE Minister for Foreign Affairs

Netherlands:

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| Mr C.A. ven der KLAAUW | Minister for Foreign Affairs |
| Mr D.F. ven der MEI | State Secretary, Ministry of Foreign Affairs |

United Kingdom:

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| Lord CARRINGTON | Secretary of State for Foreign and Commonwealth Affairs |
| Sir Ian GILMOUR | Lord Privy Seal |
| Mr Cecil PARKINSON | Minister of State, Department of Trade |

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Commission:

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| Mr Gaston THORN | President |
| Mr François-Xavier ORTOLI | Vice-President |
| Mr Wilhelm HAFERKAMP | Vice-President |
| Mr Lorenzo NATALI | Vice-President |
| Mr Christopher TUGENDHAT | Vice-President |
| Mr Claude CHEYSSON | Member |
| Mr Georges CONTOGEOORGIS | Member |
| Mr Michael O'KENNEDY | Member |
| Mr Karl-Heinz NARJES | Member |

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SPANISH ACCESSION

The Council prepared for the 7th meeting of the Conference at Ministerial level for the Accession of Spain to the European Communities, held on the same day.

PREPARATIONS FOR THE EUROPEAN COUNCIL

The Council prepared the subjects likely to be discussed at the next European Council meeting at Maastricht on 23 and 24 March 1981; in addition to political co-operation matters, these subjects concern in particular the economic, financial and social situation in the Community, including the medium-term outlook, relations with the industrialized countries and North-South relations.

PASSPORT UNION - UNIFORM PASSPORT

After reaching agreement on the major points regarding a uniform passport, the Council directed the Permanent Representatives Committee to resolve the final technical problems still outstanding in time for the next meeting on 14 April.

EMERGENCY AID FOR THE SALVADORIAN POPULATION

In the light of the additional information provided by Commissioner CHEYSSON, with particular reference to the conditions governing the neutrality and efficient allocation of the projected aid, the Council agreed to the grant by the Commission of emergency humanitarian aid amounting to 400,000 ECU for the Salvadorian population, mainly for the purchase of medical supplies.

Under these same conditions, the Commission will be able to supply, as emergency food aid, an initial quantity of 1,050 tonnes cereal equivalent in the form of maize and rice to the population, without prejudice to aid in the form of milk powder and butteroil under the 1980 programme.

This aid will be distributed through the International Red Cross Committee and the Salvadorian Red Cross. Within the next few days the Commission will submit a proposal for additional aid to be distributed through other non-governmental bodies.

YUGOSLAVIA

Following a detailed exchange of views, the Council instructed the Permanent Representatives Committee to continue its discussions on the matter of baby beef, which was the main issue still outstanding prior to adoption of the negotiating directives for the Protocols for the adaptation of the EEC/ECSC/Yugoslavia Agreements as a result of Greek accession to the Communities.

It consequently instructed the Permanent Representatives Committee also to finalize - on the basis of proposals shortly to be submitted by the Commission - the detailed rules for extending the autonomous arrangements currently applicable in relations with Yugoslavia, due to expire on 31 March 1981.

Finally, the Council reached agreement on the matter of road transport through Yugoslavia, following Greek accession.

RELATIONS WITH JAPAN

The Council heard a report from the Commission on recent developments regarding implementation of the earlier conclusions reached by the Council, including those on the problem of Japanese car exports to the Benelux countries. It asked the Commission to expedite the implementation.

RELATIONS WITH THE UNITED STATES

The Council had before it a report drawn up by the Commission following the latter's talks with the United States authorities in accordance with the statement adopted by the Council on 16 December 1980 regarding problems caused by certain imports from the United States.

The Council took note of the report and of the views expressed by delegations regarding the urgent and serious nature of these problems. It asked the Commission, as a matter of urgency, to continue its talks with the United States authorities on the liberalization of the price of natural gas and of the high level of penetration of United States exports of certain textile products in certain areas of the Community. It called upon the Commission to continue giving high priority to these issues and to report back at the earliest opportunity.

ARRANGEMENTS FOR COMMUNITY PARTICIPATION IN INTERNATIONAL
COMMODITY AGREEMENTS - SIGNING OF THE COCOA AGREEMENT

The Council conducted an exchange of views on the signing by the Community of the 1980 International Cocoa Agreement and on the arrangements for participation by the Community and its Member States in commodity agreements. It instructed the Permanent Representatives Committee to continue examining these issues so that the Council can take a decision quickly.

CEREALS EXPORTS

The Council held a discussion on the cereals stocktaking for the 1980/1981 marketing year during which concern was expressed regarding its preparation. The Commission stated that it was aware of this concern and would endeavour to elaborate appropriate solutions within the framework of its management responsibilities and in compliance with the Council's earlier decisions.

COURT OF JUSTICE

The Council agreed to increase the number of Judges at the Court to 11 and the number of Advocates-General to 5.

The first Judge to fill the new post will be of French nationality, and his term of office will expire on 6 October 1985.

The Council also agreed on the procedure for filling these two posts in the future and in particular on the potential consequences of Community enlargement on attribution of the 11th post of Judge.

RELATIONS WITH STAFF - CONSULTATION PROCEDURE

The Council examined in detail the draft decision - submitted by the Secretary-General as instructed by the Council at its meeting on 17 and 18 February - establishing a consultation procedure for relations with staff.

The Council was broadly in favour of the draft but was unable to adopt a final decision for the time being. However, it agreed that the consultation procedure submitted to it by the Secretary-General would be used on a provisional basis until 18 May to enable the Council to prepare its decision on the new method for adjusting salaries to be taken on 18 May 1981 together with the decision on the definitive form of the consultation procedure.

FISHERIES POLICY

The Council examined the problems arising in connection with the signing of the framework Agreement with Canada. It undertook this examination mindful of the fact that the fishing year in Canadian waters was about to end, and of the importance attached by some delegations to the effective exercise of fishing rights provided for under this agreement during the present year.

At the end of a thorough discussion, centred on the basic elements of a compromise put forward by the Commission on market support measures necessary to enable all delegations to approve the signing of this Agreement, the Council instructed the Permanent Representatives Committee to continue the examination of these problems before the end of the week, on the basis of the formal proposals which the Commission had undertaken to put forward shortly.

MISCELLANEOUS DECISIONS

Relations with the ACP States

The Council adopted in the official languages of the Communities the Financial Regulation applicable to the fifth European Development Fund.

Commercial policy

The Council adopted in the official languages of the Communities the Regulation prolonging the provisional anti-dumping duty on monomer vinyl acetate originating in the United States of America.

The Council also adopted in the official languages of the Communities the Decision authorizing the extension or tacit renewal of certain Trade Agreements between Member States and third countries.

Finally, the Council adopted, in the official languages of the Communities, the Regulation amending the Agreement on the observance of prices and import arrangements annexed to the Agreement of 20 September 1977 between Austria and the European Economic Community, negotiated under Article XXVIII of GATT regarding certain cheeses.

Other decisions

The Council adopted in the official languages of the Communities a Regulation on the conclusion of the EEC-Cyprus Protocol on the arrangements to be applied in 1981 and decided to sign the Protocol on 18 March.

The Council adopted in the official languages of the Communities the Decision adopting a EURATOM and EEC programme in the area of scientific and technical training.

Having regard to the annual report from the Court of Auditors for the 1979 financial year, the Council adopted the Recommendation to be forwarded to the European Parliament regarding the discharge to be given in respect of the budget for that year.

PRESS RELEASE

5800/81 (Presse 45)

698th Council meeting

- Transport -

Brussels, 26 March 1981

President: Mr D.S. TUIJNMAN,
Minister of Transport and Water Control
of the Kingdom of the Netherlands

The Governments of the Member States and the Commission of the European Communities were represented as follows:

Belgium:

Mr Valmy FEAUX Minister of Communications

Denmark:

Mr Jens Risgaard KNUDSEN Minister of Public Works and Communications

Germany:

Mr Volker HAUFF Federal Minister of Transport
Mr Heinz RÜHNAU State Secretary,
Federal Ministry of Transport

Greece:

Mr Georges PANAGIOTOPOULOS Minister of Communications
Mr Jean FIKICRIS Minister of Shipping

France:

Mr Jean COSTET Director-General,
Ministry of Transport

Ireland:

Mr Padraig FLYNN Minister of State,
Ministry of Transport

Italy:

Mr Salvatore FORMICA Minister of Transport

Luxembourg:

Mr Josy BARTHEL Minister of Transport,
Communications and Informatics

Netherlands:

Mr D.S. TUIJNMAN
Mrs N. SMIT-KROES

Minister of Transport and Water
State Secretary. Control
Ministry of Transport and Water
Control

United Kingdom:

Mr Norman FOWLER
Lord SKELMERSDALE

Minister of Transport
Under-Secretary of State,
Ministry of Transport

Commission:

Mr Georges CONTOGEOORGIS

Member

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RELATIONS WITH THE PARLIAMENTARY COMMITTEE ON TRANSPORT

At the beginning of the meeting, the President gave an account of his meeting on 19 February in Brussels with the Committee on Transport of the European Parliament, at which he had in particular indicated that the Presidency intended to achieve progress in implementing various measures involved in Community transport policy.

Furthermore, the President stressed the importance attached by the Members of Parliament to the following areas:

- improvement of transport infrastructures;
- sea transport, in particular the dangers to competition posed by State-trading countries and the protection of coasts against sea pollution;
- the liberalizing of rules on air transport within the Community.

PRIORITY TASKS

Continuing the discussions started at its previous meeting (¹), the Council approved the list of the following main topics to be given priority during the period up to the end of 1983:

- = improving the situation of railways;
- = continuing measures to harmonize conditions of competition;
- = implementing measures in the field of transport infrastructure;
- = developing combined forms of transport;
- = facilitating frontier crossing;
- = improving the operation of the transport market, in particular international transport;
- = improving the efficiency and safety of transport;
- = bettering social conditions in the transport field;
- = continuing the work in hand on sea and air transport in accordance with the conclusions reached by the Council at its previous meetings;
- = solving the problems likely to arise in connection with intra-Community transit via third countries.

This list, the order of which does not indicate the order of priority of the topics to be dealt with, will provide a basis for the Council's future discussions on transport.

(¹) See Press Release 11981/80 (Presse 182) of 4.XII.80

RAILWAY POLICY

Following an in-depth discussion of Community railway policy, the Council instructed the Permanent Representatives Committee to examine in detail certain problems not yet solved and to finalize a draft Council Resolution in the light of the comments made by various delegations during the discussions, in order to enable the Council to take a decision on this matter at its next meeting.

SUPPORT FOR INFRASTRUCTURE PROJECTS OF COMMUNITY INTEREST

Continuing the discussions started at its previous meetings, in particular on 23 November 1978 and 4 December 1980, the Council noted that it was not yet able to take a decision at this stage. It stressed the need to examine the Commission proposal in greater detail and instructed the Permanent Representatives Committee to speed up discussions on this question so as to be able to report back to it in time for its next meeting.

COMMUNITY QUOTA

Continuing its discussion of 4 December 1980 ⁽¹⁾, the Council re-examined the problems raised by a possible increase in the Community quota for the carriage of goods by road between Member States.

Certain delegations stressed the economic and political importance of increasing the Community quota. Other delegations pointed to the need to make substantial progress in Community railway policy and in the harmonization of conditions of competition.

At the end of the discussion, the President noted that the Council was not able to take a decision at its present meeting, and the Council instructed the Permanent Representatives Committee to speed up discussions on the basis in particular of the Commission proposal.

WAITING TIMES AT FRONTIER CROSSING-POINTS

After discussing waiting times at frontier crossing points in intra-Community transport, including transit via third countries, the Council requested the Commission to submit a report before the end of 1981 together where appropriate, with proposals for measures likely to reduce waiting times at frontier crossing-points, taking account of the necessary controls and the nature of the goods carried.

Mr Contogeorgis, Member of the Commission responsible for transport questions, said that the Commission intended to submit a draft Directive on this in the near future.

⁽¹⁾ See Press Release 11981/80 (Presse 182) of that date.

COMBINED ROAD/RAIL TRANSPORT

The Council adopted in the official languages of the Communities the Decision on the opening of negotiations between the Community and third countries on arrangements for certain types of international combined road/rail carriage of goods, and adopted the negotiating directives for the Commission.

The aim of these negotiations is to reach agreements between the European Economic Community and third countries

- avoiding combined carriage within the Community being subject to different arrangements depending on whether the route concerned lies wholly within the Community or between Member States and third countries,
- encouraging greater use of this method for the international carriage of goods between Member States and third countries,
- contributing, by reducing traffic, to improving road safety while at the same time forming part of an environmental protection measure.

CARGO LINER TRAFFIC BETWEEN EUROPE AND THE FAR EAST

Following the decision of 4 December 1980, the Council adopted in the official languages of the Communities the Decision laying down the detailed arrangements for the collection of information concerning the activities of carriers participating in cargo liner traffic between the Member States and the Far East.

In accordance with this Decision, the Member States will gather information concerning inter alia liner services, the tonnage carried and the freight rates for liner traffic between the ports of the Community and Japan, Taiwan, Hong Kong, Malaysia, Singapore, the Republic of Korea, the Philippines and Thailand. This information collection operation will take place from 1 July 1981 to 31 December 1982.

OTHER TRANSPORT QUESTIONS

The Council also took note of a statement by the Commission on summer time, transport relations with Austria, the draft Directive on the adjustment of national systems of taxing commercial vehicles, the duty-free entry of fuel contained in the tanks of commercial vehicles and on price fixing for international transport by rail.

MISCELLANEOUS DECISIONS

The Council adopted, in the official languages of the Communities, the Decision on the conclusion of the Protocols extending for the fourth and fifth times the Wheat Trade Convention and the Food Aid Convention which constitute the International Wheat Agreement of 1971.

The Council recorded its agreement to the following six proposals for financial and technical aid to Zimbabwe:

- Reclamation of abandoned land and intensive-colonization programme;
- Support for national advisory services;
- Agricultural training programme;
- Rural health;
- Study of rural projects (preparation of projects with a view to Lomé II);
- Programme of technical assistance to the Ministry of Rural Development, Land and Colonization.

The Council also recorded its agreement to the extension, until September 1983, of the current provisional arrangement adopted by the Council on 20 September 1977 on relations between Euratom and the IAEA concerning sensitive installations and light water reactors.

Finally, the Council adopted, in the official languages of the Communities, the Directive amending Directive 78/631/EEC on the approximation of the laws of the Member States relating to the classification, packaging and labelling of dangerous preparations (pesticides - postponement of the date of entry into force).

Appointments

On a proposal from the French Government, the Council appointed Mr André DUNET, Collaborateur du Bureau Confédéral de la CGT, Member of the Economic and Social Committee in place of Mr Georges CROESE, who has resigned, for the remainder of the latter's term of office, which runs until 18 September 1982.

On a proposal from the Italian Government, the Council also appointed Mr Franco CHITTOLINA, Ufficio Internazionale CISL, Member of the Committee of the European Social Fund in place of Mr Antonio MINIUTTI, who has resigned, for the remainder of the latter's term of office, which runs until 9 November 1982.

PRESS RELEASE

5801/81 (Presse 46)

699th meeting of the Council

- Iron and Steel -

Brussels, 26 and 27 March 1981

President: Mr G.M.V. van AARDENNE,

Minister for Economic Affairs
of the Kingdom of the Netherlands

The Governments of the Member States and the Commission of the European Communities were represented as follows:

Belgium:

Mr Willy CLAES Minister for Economic Affairs

Denmark:

Mr Erling JENSEN Minister for Industry

Germany:

Otto Count LAMBSDORF Federal Minister for Economic Affairs
Dieter von WÜRZEN State Secretary,
Federal Ministry of Economic Affairs

Greece:

Mr Stephanos MANOS Minister for Industry and Energy

France:

Mr André GIRAUD Minister for Industry

Ireland:

Mr Brendan DILLON Ambassador,
Permanent Representative

Italy:

Mr Filippo PANDOLFI Minister for Industry
Mr Gianni DE MICHELIS Minister for State Holdings

Luxembourg:

Miss Colette FLESCH Minister for Economic Affairs
Mr Paul HELMINGER State Secretary for Economic Affairs

Netherlands:

Mr G.M.V. van AARDENNE

Minister for Economic Affairs

United Kingdom:

Mr Norman TEBBIT

Under-Secretary of State,
Department of Trade

Commission:

Mr Gaston THORN

President

Mr François-Xavier ORTOLI

Vice-President

Vicomte Etienne DAVIGNON

Vice-President

Mr Frans H.J.J. ANDRIESSEN

Member

Mr Karl-Heinz HARJES

Member

Mr Ivor RICHARD

Member

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Council Resolution on the steel recovery policy

Following its Resolution of 3 March 1981, the Council confirms the undertakings outlined therein and agrees on the following measures to be taken to deal with the crisis facing the European steel industry.

The Council considers that it will only be possible to give lasting security to the European steel industry if strict discipline among producers enables prices to be substantially increased as soon as possible and if restructuring measures inevitably involving reductions in capacity are implemented at the same time by undertakings.

1. Objective and measures to be implemented

The objective to be achieved is the restoration in the medium-term of normal market conditions in which undertakings are **profitable**, i.e. they cover by the proceeds from production, without any state aid, the costs of the factors of production including a normal level of depreciation and a reasonable rate of financing costs.

If this objective is to be attained, the Council considers that :

- aid to steel firms should be gradually phased out, within a specified period of time, and all distortion of competition avoided;
- overall production capacity should be reduced within the Community

- the production capacity for the various categories of product is should not be increased. Consequently the creation of any new production units should be offset by the simultaneous closure of equivalent capacities by the undertaking or group of undertakings concerned;
- aid should be confined to those undertakings or groups of undertakings engaged in restructuring programmes which comply with the above objectives and whose overall results include a reduction in production capacity.

All restructuring decisions should be based on this main objective.

The Community urges the European steel industry to intensify its efforts to restructure and to phase out non-competitive plant.

2. Information

The Council considers that a more comprehensive information system should be introduced to ensure genuine transparency with regard to restructuring projects, including their funding and state aid, and with regard to measures by the Member States and authorities to fund public enterprises. Such a system will enable the Commission to determine and to evaluate all aid factors more satisfactorily.

The Council notes that the Commission will duly:

- collect from Member States and undertakings the necessary data for the conduct of its aids policy; ⁽¹⁾

⁽¹⁾ Text of the Resolution of 3 March 1981.

- use its powers to ensure that undertakings inform it of their restructuring plans in the framework of the objectives and timetable set out; ⁽¹⁾
- continually complete and update, as necessary, the general objectives for steel, covering a wider range of products.

3. Investment policy

This improved information, and in particular the restructuring plans, will provide the basis for a more systematic relationship between the restructuring objectives mentioned in paragraph 1 and investment policy (investment opinions and Community lending), and for state aid decisions.

The Council notes that the Commission will use its discretionary powers under Article 54 to grant loans for investment programmes only where projects achieve a satisfactory degree of restructuring.

4. Competition policy

(a) Aid

In its Resolution of 3 March 1981, the Council agreed on the following:

⁽¹⁾ Text of the Resolution of 3 March 1981.

- To restore competitiveness, degressive public aids will be accepted only as a transitional measure, and on the condition that they contribute directly to the restructuring of the sector ⁽¹⁾.
- The Commission will confirm its requirement that Governments notify in advance all public aids, specific or not ⁽¹⁾.
- The Council takes note that the Commission will apply strictly the provisions of its Decision No 257/80/ECSC and ensure, in particular, that no aid will be granted to preserve non-competitive capacities or to undertakings which do not make the necessary efforts to restructure in accordance with the principles mentioned above ⁽¹⁾.
- The Commission will ensure full transparency in all public aid funding granted to steel undertakings by the Community and the Member States and present a new report within two months ⁽¹⁾.
- The Council is of the opinion that no further public aid schemes in favour of the steel industry should be introduced after 1 July 1983 ⁽¹⁾.

⁽¹⁾ Text of the Council Resolution of 3 March 1981.

In view of these principles the Council and the Commission consider that:

- only those applications for state aid can be taken into account which are for undertakings or groups of undertakings which have drawn up systematic and specific recovery plans covering the various aspects of restructuring (modernization, reduction in capacity, and where necessary financial restructuring) and ensuring that they become competitive again as quickly as possible;
- the Commission will examine these recovery plans together with their financing, particularly applications for State aid, on the basis of the objectives in paragraph 1. Aid proposed for undertakings or groups of undertakings can be approved only if it contributes to the realization of the objectives referred to in paragraph 1, including the overall reduction of production capacity; ⁽¹⁾
- no aid can be approved for undertakings or groups of undertakings which would be responsible for a net increase in the production capacity for a product for which there is not a growth market.

⁽¹⁾ When deciding on aid applications submitted to it as part of restructuring plans, the Commission will take account of the special position of Member States which only have a single steel undertaking, with a very slight impact on the Community market.

The Council therefore requests the Commission to replace, as quickly as possible and in any case before 30 June 1981, Decision 257/80/ECSC by a new Decision based on the principles set out in this Resolution and on the experience gained in implementing the current Decision.

The Commission is requested to report on other measures which distort competition between undertakings operating within the common market and to consider what measures can be taken.

The Council notes that the Commission confirms that it will make every effort to ensure, in accordance with the provisions of the Treaty, that undertakings are not injured by competition distortions resulting from the aid granted and that fundamental and persistent disorders in the economy of the Member States are avoided.

(b) Co-operation between firms

The Council notes that the Commission will give, within the bounds of the Treaties, favourable consideration to co-operation between firms and concentrations of undertakings which facilitate the creation of the capacity necessary for genuine restructuring, while at the same time ensuring that in the long term there will be enough independent firms to ensure proper competition.

Discipline, freely agreed to by producers, is the best solution to permit prices to be increased in the short-term and avoid the payment of aids creating distortions of competition.

The Council notes that it devolves in the first place on undertakings to take under the Commission's supervision, in accordance with the obligations laid down in the Treaty, the measures necessary to ensure that the rationalization of the market accomplished over the last few months is not endangered.

While noting the Commission report on the progress made by producers in negotiating the conditions for such discipline both at production and delivery level, the Council asks producers to specify these conditions, before 1 April 1981, in order to permit the necessary recovery of market prices to take place.

In order to be effective, the agreement between producers must be accompanied by strict Commission surveillance of imports from third countries, in order that the latter take place under conditions compatible with market recovery and the commitments entered into in the framework of the OECD Steel Committee.

5. Prices

The Council takes note that the Commission will ensure that steel prices are not adversely affected by unfair or discriminatory practices prohibited by Article 60 of the ECSC Treaty and will use existing powers to roll back such practices by applying the appropriate sanctions, in particular by applying the measures provided for in Articles 63, 64 and 67 of the ECSC Treaty without delay.

(¹) Text of the Council Resolution of 3 March 1981.

The Council notes with satisfaction that the Commission has listed the main measures it intends to take with respect to prices.

These measures will be finalized, as soon as possible, once the Council and the Consultative Committee have been consulted pursuant to Article 60 of the ECSC Treaty.

6. Social measures

Where unjustifiable burdens would be imposed on certain groups of workers, the appropriate social measures will have to be introduced to mitigate the effects of capacity reductions resulting from restructuring. ⁽¹⁾

To this end, the Council will examine in detail as soon as possible the appropriate social measures to be taken by the Community with a view to reaching the necessary decisions in parallel with decisions on further restructuring and the aids code.

7. Procedure

Proposed measures of state aid will be examined with regard to the degree of restructuring and net capacity reduction involved in relation to the Community's general restructuring objectives by a Working Party under the aegis of the Commission.

The Council ECSC Working Party will examine on a regular basis how this Resolution is being implemented, in particular the progress in restructuring, capacity reduction and phasing-out of aids.

⁽¹⁾ Text of the Council Resolution of 3 March 1981.

PRESS RELEASE

5854/81 (Presse 47)

700th Council meeting

- Fisheries -

Brussels, 27 March 1981

President: Mr Gerrit BRAKS,

Minister for Agriculture and Fisheries
of the Kingdom of the Netherlands

The Governments of the Member States and the Commission of the European Communities were represented as follows:

Belgium:

Mr Albert LAVENS Minister for Agriculture and for
Small Firms and Traders

Denmark:

Mr Karl HJORTNAES Minister for Fisheries
Mr Jørgen HERTOFT State Secretary,
Ministry of Fisheries

Germany:

Mr Josef ERTL Federal Minister for Food,
Agriculture and Forestry
Mr Hans-Jürgen ROHR State Secretary,
Federal Ministry of Food,
Agriculture and Forestry

Greece:

Mr Chrysostomos KARAPIPERIS State Secretary,
Ministry of Agriculture

France:

Mr Daniel HOEFFEL Minister for Transport

Ireland:

Mr Patrick POWER Minister for Fisheries

Italy:

Mr Vincenzo SCOTTI Minister for Co-ordination
Mr Giuseppe CAROLI Deputy State Secretary,
Ministry of Shipping

Luxembourg:

Mr Jean MISCHO

Deputy Permanent Representative

Netherlands:

Mr Gerrit BRAKS

Minister for Agriculture and
Fisheries

United Kingdom:

Mr Peter WALKER

Minister for Agriculture,
Fisheries and Food

Mr George YOUNGER

Secretary of State for Scotland

Mr Alick BUCHANAN-SMITH

Minister of State,
Ministry of Agriculture,
Fisheries and Food

Commission:

Mr Gaston THORN

President

Mr George CONTOGEOORGIS

Member

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FISHERIES POLICY

In response to the political impetus given by the European Council, the Fisheries Council brought forward its meeting originally scheduled for the beginning of April, with the aim of resolving the problems this week.

Although it proved impossible to arrive at an overall solution in such a short space of time, the Council re-affirmed its political resolve to reach final decisions this spring on all the issues involved.

Any further delay in taking decisions would leave those who work in the fishing industry in uncertainty for too long. Particularly for fishing-fleets dependent on catch possibilities in third country waters, final decisions cannot be put off any longer.

Although some political progress has been made, more detailed preparation still appeared necessary on some points.

With the firm resolve to reach final decisions this spring, the Council asked the Presidency to prepare for its next meeting in consultation and co-operation with the Commission.

The Presidency will convene that meeting as soon as the necessary preparations are sufficiently advanced.

Pending the resumption of discussions on all the problems involving fisheries, the Council agreed to extend until 30 June 1981 Regulation No 2527/80 laying down technical measures for the conservation of fishery resources.

Pending the adoption of final Community measures, the Council also agreed that the Member States should continue to implement conservation measures similar to those implemented in past years in respect of fishing carried out in waters under their sovereignty or jurisdiction.

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The Council also adopted in the official languages of the Communities the Decision on the conclusion of the Agreement, in the form of an exchange of letters, establishing fishing arrangements between the European Economic Community and the Kingdom of Norway for 1981 and the Regulation laying down certain measures for the conservation and management of fishery resources applicable to vessels flying the flag of Norway.

The Council also adopted in the official languages of the Communities the Regulation laying down certain measures for the conservation and management of fishery resources applicable to vessels flying the flag of certain non-member countries in the 200 nautical-mile zone off the coast of the French Department of Guyana.

MISCELLANEOUS DECISIONSFood aid

In view of the critical food situation in a number of African countries, the Council decided to authorize the Commission to effect a partial advance mobilization of about 50% of the amount of cereals earmarked for the following countries under the Community's 1981 food aid programme.

| | |
|-----------------------|----------------------|
| Angola | 4,000 tonnes |
| Benin | 2,000 |
| Cape Verde | 4,000 |
| Comores | 2,000 |
| Djibouti | 2,000 |
| Equatorial Guinea | 1,000 |
| Ethiopia | 8,000 |
| Gambia | 2,000 |
| Ghana | 5,000 |
| Guinea-Bissau | 3,000 |
| Guinea (Conakry) | 5,000 |
| Kenya | 8,000 |
| Lesotho | 2,000 |
| Madagascar | 8,000 |
| Mali | 4,000 |
| Mauritania | 4,000 |
| Mozambique | 13,000 |
| Rwanda | 1,000 |
| Sao Tome and Principe | 1,000 |
| Senegal | 8,000 |
| Sierra Leone | 2,000 |
| Somalia | 8,000 |
| Sudan | 4,000 |
| Tanzania | 10,000 |
| Upper Volta | 3,000 |
| Zaire | 5,000 |
| Zambia | 5,000 |
| | <u>TOTAL 124,000</u> |

The Council also agreed to the Commission proposal to provide Somalia with 11,000 tonnes of cereals (CIF) from the 1980 food aid programme reserves.

Trade policy

The Council adopted in the official languages of the Communities the Decision on the negotiating directives relating to the corrigendum to Annex A to the Interim Agreement and the Co-operation Agreement signed with the Socialist Federal Republic of Yugoslavia concerning mannitol and sorbitol.

The Council also adopted in the official languages of the Communities Regulations opening, allocating and providing for the administration of Community tariff quotas for carrots and new potatoes respectively originating in Cyprus.

Appointments

On a proposal from the Confederazione Generale Italiana del Lavoro, the Council appointed Mr Paolo PERUGINO, FIOM-CGIL, Member of the ECSC Consultative Committee in place of Mr Ottaviano DEL TURCO, who has resigned, for the remainder of the latter's term of office, which runs until 24 November 1982.

On a proposal from the Irish Government, the Council also appointed Mr Patrick HAYDEN, Principal Officer - Department of Labour, full Member of the Advisory Committee on Safety, Hygiene and Health Protection at Work in place of Mr M. CASHELL, who has resigned, for the remainder of the latter's term of office, which runs until 22 November 1981.

PRESS RELEASE

5890/81 (Presse 49)

701st meeting of the Council

- Agriculture -

Brussels, 30/31 March and 1/2 April 1981

President:

Mr Gerrit BRAKS

Minister for Agriculture
of the Kingdom of the Netherlands

The Governments of the Member States and the Commission of the European Communities were represented as follows:

Belgium:

Mr Albert LAVENS Minister for Agriculture and for Small Firms and Traders

Denmark:

Mr Bjoern WESTH Minister for Agriculture

Germany:

Mr Josef ERTL Federal Minister for Food, Agriculture, Waterways and Forestry

Mr Hans-Jürgen ROHR State Secretary, Federal Ministry of Food, Agriculture and Forestry

Greece:

Mr Athanasios CANELLOPOULOS Minister for Agriculture

France:

Mr Pierre MEHAIGNERIE Minister for Agriculture

Mr Michel DEBATISSE State Secretary to the Prime Minister, with responsibility for the Agricultural and Food Industries

Mr Jacques FOUCHIER State Secretary, Ministry of Agriculture

Ireland:

Mr Ray MacSHARRY Minister for Agriculture

Mr Michael SMITH Minister of State, Ministry of Agriculture

Italy:

| | |
|------------------------|---|
| Mr Giuseppe BARTOLOMEI | Minister for Agriculture |
| Mr Mario CAMPAGNOLI | State Secretary, Ministry of Agriculture |

Luxembourg:

| | |
|----------------|---|
| Mr Camille NEY | Minister for Agriculture, Viticulture and Forestry |
|----------------|---|

Netherlands:

| | |
|-----------------|--------------------------|
| Mr Gerrit BRAKS | Minister for Agriculture |
|-----------------|--------------------------|

United Kingdom:

| | |
|-------------------------|--|
| Mr Peter WALKER | Minister for Agriculture, Fisheries and Food |
| Mr Alick BUCHANAN-SMITH | Minister of State, Ministry of Agriculture, Fisheries and Food |

Commission:

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|-----------------|-----------|
| Mr Gaston THORN | President |
| Mr Poul DALSGER | Member |

AGRICULTURAL PRICES FOR 1981/1982 AND RELATED MEASURES

After a detailed discussion the Council, bearing in mind the Opinions of the European Parliament and the Economic and Social Committee, agreed to an overall compromise on the agricultural prices for 1981/1982 and related measures. The decisions reached may be summarized as follows:

AGRI-MONETARY MEASURES

The Council made changes to the exchange rates to be applied in the agricultural sector as regards the Belgian franc, the Luxembourg franc, the Danish kroner, the French franc, the Greek drachma, the Irish punt, the Italian lira and the Netherlands guilder. The following rates will apply as from 6 April 1981:

| | | |
|---------|----------|----------------------------------|
| 1 ECU = | 40.7985 | Belgian francs/Luxembourg francs |
| 1 ECU = | 7.91917 | Danish kroner |
| 1 ECU = | 5.99526 | French francs |
| 1 ECU = | 61.4454 | Greek drachma |
| 1 ECU = | 0.685145 | Irish punt |
| 1 ECU = | 1227.00 | Italian lira |
| 1 ECU = | 2.81318 | Netherlands guilders. |

The green rate for Germany will be adjusted at the start of the marketing year for each product in such a way that the monetary compensatory amounts are reduced by 4.3 points for milk and 3.3 points for the other products. As a result, 1 ECU will equal DM 2.65660.

Use of the ECU in the common agricultural policy

During its discussions on the fixing of the agricultural prices and related measures, the Council adopted the Regulation extending until 31 December 1981 the use of the ECU in the common agricultural policy.

MILK AND MILK PRODUCTS

The increases in the target and guide prices will take place from the start of the 1981/1982 marketing year, and not in two stages; they will be as follows:

-- the target price for milk will go up to 24.26 ECU/100 kg (+ 9%);

-- the increase in the intervention price for butter and skimmed milk powder will be accompanied by a similar rise in the contribution to processing costs, such that:

the intervention price for butter will rise to

317.84 ECU/100 kg (+ 9%), and

the intervention price for skimmed milk powder will rise to

132.45 ECU/100 kg (+ 9%)

-- the contribution to the processing costs for Italian cheeses will rise to 12%, such that:

the intervention price for 30 to 60 day-old Grana Padano will rise to

317.20 ECU/100 kg (+ 9.52%)

the intervention price for 6 months old Grana Padano will rise to

384.27 ECU/100 kg (+ 9.83%)

the intervention price for 6 months old Parmigiana-Reggiano will rise to

418.87 ECU/100 kg (+10.01%)

Co-responsibility levy

The co-responsibility levy for 1981/1982 is set at 2.5% of the target price, under the same conditions as the current basic co-responsibility levy.

Conscious of the need to avoid an increase in milk surpluses and to ensure that the appropriations opened in the 1981 budget for milk are not exceeded, the Council has decided that it will take the necessary measures to ensure a better balance on the market so that budgetary costs can be limited.

If extra costs arise following an increase in milk supplied of more than 1% in 1981 over 1980, the Council will take steps to offset these extra costs by means of appropriate decisions (for example, levy on the increased production partial suspension of intervention, alteration of the intervention price, application of a progressive basic levy or other appropriate means).

The Council took note of a Commission statement to the effect that the Commission would study in depth the question of an additional co-responsibility levy and the proposal for applying a co-responsibility levy at a higher rate to milk supplied by farmers producing more than 15,000 kg of milk per hectare of forage area. The Council will take a decision on this matter in the light of that study and the progress made in the talks with third countries which supply additional feedingstuffs.

Aids and subsidies

The Council decided that as from 1 January 1982 the rate of the aids for butter would be adjusted as follows:

- general aid for butter (Regulation (EEC) No 1269/79): the Community contribution will not exceed 75% of the aid paid and will not exceed 40 ECU/100 kg;
- general aid for butter payable in the United Kingdom (Regulation (EEC) No 1269/79): the Community contribution will not exceed 45.94 ECU/100 kg.

The Council took note of a second statement by the Commission that as from 1 October 1981 aid for concentrated butter (Regulation (EEC) No 649/78) will be suspended.

The Council took note of a statement by the Commission to the effect that the Commission would continue to ensure rigorously that other aids and subsidies applicable to butterfat, skimmed milk powder, liquid skimmed milk and casein were set at the lowest effective level.

The Council agreed to a change in the bracket within which the Commission sets the amount of the aid for skimmed milk powder, raising it to 50 to 64 ECU instead of 52 to 64 ECU.

The Council also agreed to an adjustment of the aids for school milk following the increase in the target price for milk.

Pending the legal finalization of the texts relating to the milk sector, the Council agreed to extend the current season until 6 April 1981.

NEW ZEALAND BUTTER

The Council agreed to the Regulation on the import of New Zealand butter into the Community under special conditions. The import arrangement concerns 70,250 tonnes for the period from 1 April to 31 December 1981 (94,000 tonnes for the whole of 1981) and 92,000 tonnes for 1982.

Acting on a proposal from the Commission, the Council will determine before 1 October 1982 the quantity which the United Kingdom will be authorized to import during the 1983 calendar year, taking account among other things of trends in the situation on the Community butter market and trends in the world butter market.

Before 1 August 1983, the Council will review, on the basis of a report and a proposal from the Commission, the operation of this arrangement with a view to taking a decision on the arrangement for the import of New Zealand butter after 1 January 1984.

CEREALS

The Council agreed to the following prices and aids:

| | Increase % |
|--|---------------|
| Common intervention price | + 6 |
| Target price for feed-grain | + 8.07 |
| Reference price for wheat of bread-making quality | |
| • <u>EEC of 9</u> - Average quality | + 7.5 |
| - Minimum quality | + 5.5 |
| Target price for common wheat | + 7.73 |
| Intervention price for rye | |
| • <u>EEC of 9</u> | + 3.28 |
| Special premium for rye of bread-making quality: 5.44 ECU/tonne | |
| Target price for rye (alignment on the target price for feed-grain) | + 6.43 |
| Intervention price for durum wheat | |
| • <u>EEC of 9</u> | + 7.5 |
| Target price for durum wheat | + 7.73 |
| Aid for durum wheat | |
| • <u>EEC of 9</u> | + 7.50 |

The Council agreed in principle to the application of co-responsibility measures in the cereals sector. It decided however that any adjustment to the intervention and reference prices in the context of co-responsibility would not apply during the current marketing year but would be carried over to 1982/1983. It will review the matter in greater detail when the prices for 1982/1983 are fixed.

The Council invited the Commission to submit as soon as possible its report on durum wheat, particularly as regards the criteria for and the level of direct aid, so that it could examine these criteria in greater depth before the price decisions for 1982/1983 were taken.

The Council took note of a Commission statement to the effect that, as regards starch products, the Commission intended to submit by 1 June new proposals aimed not only at improving the economic viability of the system but also at ensuring the expenditure earmarked for this purpose in the Community budget was reduced.

The target and intervention prices for rice are fixed as follows:

| | |
|---------------------------------|-----------------------------|
| target price (husked rice) | 450.50 ECU/tonne (+ 10.37%) |
| intervention price (paddy rice) | 259.42 ECU/tonne (+ 11%) |

BEEF AND VEAL

The guide and intervention prices will be increased by 10%, 7.5% at the beginning of the marketing year 1981/1982 and 2.5% from 7 December.

Community grading scale

The Council signified its agreement on the Community grading scale for carcasses which will be applied to the determination of market prices and to intervention buying from a date to be decided before 31 March 1982 on the basis of a report and a proposal to be submitted before 31 December 1981.

It took note of a Commission statement that it would adjust the coefficients applicable to the buying-in prices in Belgium for the interim period before the Community scale was introduced.

It also took note of a Commission statement that the Commission would continue, within the limits of its powers, to decide on the issue of the admission to intervention of the meat from male or female bovine animals in accordance with its assessment of the market situation.

The Council took note in addition of a Commission statement that, in view of the level of market prices for beef and veal in Ireland, it did not intend to suspend intervention for certain categories of beef and veal as long as the average market price in that Member State remained below 85% of the guide price.

Premiums

The premium for suckler cows remains at 40 ECU per suckler cow, with 20 ECU being borne by the EAGGF. The Council decided that as from the marketing year 1982/1983 the Community contribution to the premium would be limited to 75% of the expenditure relating to the basic premium. In this connection, the Council took note of a Commission statement that the Commission intended to replace the "positive" list of proposed breeds by a "negative" list of breeds which could not qualify for the premium, and to take a decision on this list in the near future.

The calving premium (Regulation (EEC) No 1667/80) is maintained in Italy at 32 ECU per calf during the marketing year 1981/1982.

On a proposal from the Commission and subject to the Opinion of the European Parliament, the Council expressed a favourable opinion on the retention of the slaughter premium (Regulation (EEC) No 1666/80) during the marketing year 1981/1982. The Council took note of a Commission statement that this premium would apply to the whole of the United Kingdom and that a separate rate would not be fixed for Northern Ireland.

Estimates and quota for frozen beef and veal

Furthermore, the Council signified its agreement on the estimate concerning 60,000 tonnes of beef and veal for processing and 230,000 head of young bovine animals.

In accordance with the undertakings entered into in the context of GATT, it also agreed on the Regulation opening a Community tariff quota of 50,000 tonnes of frozen beef and veal falling under subheading 02.01 A II b) for 1981.

PIGMEAT

The basic price of pigmeat is increased by 11%.

The Council took note of a Commission statement that it would endeavour, through instruments available in the context of market organization, to manage the pigmeat market in such a way that the increase in the approved basic price would have a corresponding effect on the market price.

SHEEPMEAT

In view of the larger increases in the support price applicable to beef and veal and pigmeat, the basic price and the central reference price will be increased by 7.5%.

The Council took note of a Commission statement that, pending decisions on the arrangements applicable to Community exports - decisions which may be taken during the 1981/1982 marketing year - it would maintain during the 1981/1982 marketing year the transitional measure whereby the "claw-back" system (recovery of the premium on exports) would not apply to exports to third countries from the Member States in which a slaughter premium was paid, subject to the same conditions relating to the observance of the traditional pattern of trade applicable to the current Regulation (Regulation (EEC) No 3191/80).

SUGAR

The Council, taking into consideration the Opinion of the European Parliament, adopted the regulations on the new common organization of the market in sugar.

This new market organization, which will be applied for a five-year period from 1 July 1981, essentially makes provision for a production quota system with modulated guarantees and financial participation by producers in the costs of reabsorbing any surpluses.

| <u>Quotas</u> | (for 1,000 tonnes of white sugar) | |
|--------------------|-----------------------------------|----------|
| | Quotas A | Quotas B |
| Belgium/Luxembourg | 680 | 146 |
| Denmark | 328 | 97 |
| Germany | 1,990 | 611 |
| Greece | 290 | 29 |
| France/mainland | 2,530 | 759 |
| France/FOD | 466 | 47 |
| Ireland | 182 | 18 |
| Italy | 1,320 | 248 |
| Netherlands | 690 | 182 |
| United Kingdom | 1,040 | 104 |

Administration of the quotas

The allocation and alteration of quotas are carried out by the Member States for the undertakings situated within their territory in accordance with Community criteria.

The envisaged 10% limit for the reserve quantity does not apply to either Italy or to the French overseas departments in the case of restructuring plans (such as already provided for in the present regulations); however, the transfers of quotas (A + B) from the French overseas departments to mainland France may not exceed 30,000 tonnes.

Revision of the quotas

Possibility of a revision of the A and B quotas for the marketing years 1984/1985 and 1985/1986.

Financial participation of the producers

Basic production levy (A and B sugar) with a maximum of 2%.

Levy on B sugar with a maximum of 30% (total maximum charge for B sugar: 2% + 30%). In accordance with the principle already adopted by the Council as regards the financial participation of producers and if there were a balance of financial losses not covered by the product of the levy, the levy on the B quota would be revised for the following year by an additional percentage of up to 7.5%.

National aid

National aid is maintained in the French overseas departments and in Italy. As far as Italy is concerned, aid may be applied to the quantity covered by the present maximum quota (1,568,000 tonnes). However, in Northern Italy, national aid will be reduced by an amount corresponding to 2% of the intervention price for each marketing year.

International Sugar Agreement

Adherence to the procedure laid down in the event of the Community's accession to the ISA, as proposed by the Commission, but deletion in Article 26 of the provisions proposed with a view to accession to the ISA.

Regionalization - Storage costs - Differential levy

- Continuing regionalization for deficit regions.

- Retention of the present arrangements for refunding storage costs but the amount for 1981/1982 will be determined on the basis of an interest rate of at least 13%.

- Maintenance of the differential levy for 1981/1982 at its 1980/1981 level. Reduction by one-third for each of the following three marketing years by comparison with the 1981/1982 level. For 1981/1982 and the following marketing years, the Commission is prepared to propose that a quantity of up to 150,000 tonnes be exempted from the differential levy.

1981/1982 prices

The main prices have been fixed as follows:

- basic price for sugar beet : 35.91 ECU/tonne
(+ 8.5%)
- intervention price for white sugar: 46.95 ECU/100 kg
(+ 8.5%)

HONEY

The Council signified its agreement on the introduction of a system of aid for beekeeping for the marketing years 1981/1982 to 1983/1984. The aid, which is fixed at 1 ECU per hive in production and per marketing year, may be used through recognized associations of beekeepers for the purchase of reduced-price feed sugar or for general programmes for the improvement of honey production, technology and marketing.

WINE AND SPIRITUOUS BEVERAGES

Wine prices

The Council signified its agreement on a 10% increase in the guide price for table wines, with the exception of the guide price for white wines of the AI type for which the increase is fixed at 8.5%.

Procedures for applying the minimum price

Continuing its discussions of 16 March 1981, the Council also agreed on the Regulation laying down general rules for applying the minimum price to table wine.

These general rules, which will apply temporarily for one marketing year until 15 December 1981, govern the mechanisms for monitoring and the measures for limiting the marketing of wines the price of which is below the minimum price; these rules also determine all the procedures concerning distillation and the mechanism for the termination of the application of the minimum price.

The Special Committee on Agriculture was instructed to draw up the definitive Regulation to apply until 30 June 1984.

Whisky

The Council signified its agreement on the basic features of regulations for the encouragement of the use of Community cereals in the manufacture of exported spirituous beverages, and in particular whisky. This agreement constitutes the implementation of Protocol No 19 of the Act of Accession of the United Kingdom to the European Communities; it concerns

- an amendment of the basic cereals Regulation which provides the legal basis for the payment of refunds for Community cereals used in this way;

- general rules concerning the granting of such refunds, in particular their scope, the annual relationship between the quantities of beverages exported and the total quantities marketed, the monitoring procedures and the rights and obligations of operators.

FLAX AND HEMP

The Council agreed on an increase of 12% in the flat-rate aid per hectare by fixing the level for flax at 296.48 ECU (59.30 ECU for Greece) and that for hemp at 269.26 ECU (53.85 ECU for Greece).

SILK WORMS

The Council agreed on an increase in aid which it fixed at 85.00 ECU per box (64.03 ECU for Greece).

SOYA BEANS, LINSEED AND CASTOR SEEDS

The Council agreed on an increase in the guide price for soya to 46.26 ECU/100 kg (+ 10%) and on the fixing of the minimum price at 41.63 ECU/100 kg (90% of the guide price rather than 92% as in 1980/1981).

The Council also agreed on an increase of 10% in the guide price for linseed which is fixed at 46.40 ECU/100 kg.

The Council further agreed on increases of 10% in the guide price and the minimum price for castor seeds which it fixed at 59.81 and 56.96 ECU/100 kg respectively.

OLIVE OIL

The Council agreed on an increase of 9% in the intervention price for olive oil. When fixing that price the Council did not set an upper limit for guaranteed production, originally planned at 700,000 tonnes, nor did it accept the Commission's original proposals concerning co-responsibility for regional promotion measures in this sector.

COLZA AND RAPE SEEDS

The Council agreed on increases of 10% in the target price and of 8% in the intervention price. It also agreed on eight monthly increases (instead of seven) and on retention of the daily aid provisions for the 1981/1982 marketing year.

It also approved the application of a special subsidy to the price of type 00 seeds offered for intervention buying.

SEEDS

The Council agreed on the differential increases of 8, 10 and 15% proposed by the Commission for the three major groups of seeds with the exception of the phleum pratense variety (+ 10% instead of + 15%) and vicia faba (no increase).

The Council noted a Commission statement to the effect that the Commission planned to propose the addition of Triticum spelta to the list of seeds eligible for aid and to propose an appropriate figure.

COTTON

The Council agreed to study the Commission proposal regarding cotton in greater detail and to act on it at the earliest opportunity.

PEAS AND FIELD BEANS

The Council agreed on an increase of 8% in the minimum price (244.70 ECU/tonne) and 11% in the activating price (418.30 ECU/tonne).

In addition the Council noted the Commission's intention of urgently seeking measures to remedy the difficulty of marketing pease intended for human consumption and possibly submitting appropriate proposals to the Council.

DRIED FODDER

The Council agreed on

- an increase of 8% in the flat-rate aid (7.03 ECU/tonne);
- an increase of 10% in the guide price (148.08 ECU/tonne);
- an increase in the difference between the guide price and the world market price, which difference fixes the variable supplementary aid at
 - = 80% for dehydrated fodder and protein concentrates,
 - = 45% for fodder dried by other means;
- the fixing of aid of 13.41 ECU/tonne (+ 8%) for dehydrated potatoes for the 1981/1982 marketing year.

In addition the Council agreed to resume its examination of the proposal for a Regulation on the common organization of the markets in potatoes before 30 September 1981 with a view to reaching a conclusion before 31 December 1981.

FRUIT AND VEGETABLES

The basic and buying-in prices for cauliflowers, peaches, lemons, pears, table grapes, mandarins and sweet oranges are increased by 11%, those for tomatoes by 8% and those for apples by 9%.

The marketing premiums for oranges, mandarins, clementines and lemons were increased by similar amounts.

The Council noted a statement to the effect that when the 1981/1982 aids were fixed for processed fruit and vegetables in accordance with basic Regulation (EEC) No 516/77, the Commission would apply the criteria laid down in these rules in such a way as to achieve economies equivalent to those which would result from applying the proposals it had submitted.

TOBACCO

The Council agreed on the following prices and premiums:

Norm price, intervention price and premiums for leaf tobacco of the 1981 harvest

Derived intervention prices for baled tobaccos of the 1981 harvest

| Serial number | Variety | Norm price | Intervention price | Amount of Premium | Derived intervention price |
|---------------|--|------------|--------------------|-------------------|----------------------------|
| 1 | Badischer Gauderheimer | 3,165 | 2,849 | 2,219 | 4,160 |
| 2 | Badischer Burley E | 3,783 | 3,405 | 2,384 | 4,734 |
| 3 | Virgin D | 3,690 | 3,321 | 2,243 | 4,331 |
| 4 | a) Paraguay et ses hybrides b) Dragon vert et ses hybrides, Philippin, Petit Grammont (Flobecq), Semois, Appelterre | 2,993 | 2,694 | 1,979 | - |
| 5 | Nijkark | 2,915 | 2,624 | 1,818 | - |
| 6 | a) Kisionero et ses hybrides b) Rio Grande et ses hybrides | 2,717 | 2,445 | 1,892 | - |
| 7 | Bright | 3,247 | 2,922 | 1,885 | 3,976 |
| 8 | Burley I | 2,387 | 2,148 | 1,331 | 3,084 |
| 9 | Maryland | 2,722 | 2,450 | 1,479 | 3,427 |
| 10 | a) Kentucky et ses hybrides b) Moro di Cori c) Salento | 2,339 | 1,871 | 1,373 | 2,690 |
| 11 | a) Forcheimer Havana II C b) Mostrano del Brenta c) Resistente 142 d) Cojano | 3,139 | 2,882 | 2,157 | 4,127 |
| 12 | a) Beneventano b) Brasile Selvaggio et variétés similaires | 1,693 | 1,524 | 1,218 | 2,208 |

| Serial number | Variety | Norm price | Inter-vention price | Amount of premium | Derived inter-vention price |
|---------------|--|-----------------|---------------------|-------------------|-----------------------------|
| 13 | Xanti-Yakà | 3,184 | 2,547 | 2,220 | 4,015 |
| 14 | a) Perustitsa b) Samsun | 3,016 3,016 | 2,413 2,714 | 2,114 2,114 | 3,514 3,859 |
| 15 | Erzegovina et variétés similaires. | 2,708 | 2,166 | 1,904 | 3,166 |
| 16 | a) Round Tip b) Scafati c) Sumatra I | 14,200 | 12,780 | 8,122 | 18,831 |
| 17 | Basmas | 4,036 (+ 6%) | 3,633 | 1,911 | 5,008 |
| 18 | Katerini et Variétés similaires | 3,532 (+ 6%) | 3,179 | 1,719 | 4,684 |
| 19 | Kaba Koulak classic | 3,137 (+ 6%) | 2,824 | 1,502 | 4,077 |
| 20 | a) Kaba Koulak non classic b) Elassona, Myrodata Smyrne, Trapezous et PHI 1 | 2,654 | 2,389 | 1,099 | 3,588 |
| 21 | Myrodata Agrinion | 3,422 | 3,080 | 1,760 | 4,308 |
| 22 | Zichomyrodata | 3,246 (+ 6%) | 2,921 | 1,611 | 4,186 |
| 23 | Tsebelia | 3,663 | 3,297 | 2,887 | 4,607 |
| 24 | Kavra | 3,575 | 3,218 | 2,251 | 4,519 |
| 25 | Burley Gr | 1,729 | 1,556 | 0,797 | 2,480 |
| 26 | Virginia Gr | 2,783 | 2,505 | 1,421 | 3,508 |

The Commission proposal for a general reduction in the intervention price to 85% of the norm price will not be applied to the 1981 harvest.

On the basis of Article 13 of Regulation (EEC) No 727/70 a reduction in the intervention price to 80% of the norm price for oriental and Kentucky varieties will be applied starting with the 1981 harvest.

STRUCTURES POLICY

The Council adopted a series of measures concerning structures, comprising:

- an amendment of Directive 72/159/EEC on the modernization of farms;
- special aid for young farmers;
- a common measure to adapt and modernize beef and veal, sheepmeat and goat meat production structures in Italy;
- integrated development programmes for the Western Isles (Scotland), the Department of Lozère and South-East Belgium;
- an amendment of Directive 72/161/EEC on socio-economic information and the professional qualification of those employed in agriculture;
- the acceleration of agricultural development in the less-favoured areas of Northern Ireland;
- a common measure to improve processing and marketing conditions in the animal feedingstuffs sector in Northern Ireland;
- agricultural development in the French Overseas Departments;
- a common measure to accelerate infrastructure improvement in certain less-favoured agricultural areas of Germany;
- the extension until 31 December 1981 of Decision 76/402/EEC on the amount of the interest-rate subsidy provided for by Directive 72/159/EEC on the modernization of farms, to be applied in Italy.

In addition the Council agreed in principle on the Commission's proposals for the improvement of agriculture in Ireland and in Northern Ireland (development aid for the production of beef cattle; financial aid for pre-movement tuberculin testing and brucellosis blood-sampling of cattle; an additional premium for maintaining suckler cows) and it agreed to take a decision as soon as it had received the Opinion of the European Parliament.

SPECIAL PROBLEMS OF AGRICULTURE IN IRELAND

The Council expressed its intention of approving the Commission's proposals for aiding the farming industry in Ireland and

- noted the Commission's statement that it would consider other methods of helping to resolve the social difficulties and other problems resulting from the reduction of income in the farming industry which was of particular importance to the Irish economy, and
- invited the Commission to study methods of mitigating further the serious income problems being experienced by the Irish farming industry at present, in particular the cattle breeding sector, and to submit proposals so that the Council could take decisions before 15 July 1981.

Investment aid

Investment aid in pigmeat production is forbidden except for that granted towards the amount of investment required to create 550 pig places per farm.

The Commission may authorize a Member State to alter the number fixed in the preceding paragraph as part of a farm development plan in specific cases where 550 pig places do not ensure comparable income for 1.5 MPU. Even in those cases, however, no aid may be granted for the part of the investment increasing the number of pig places over 1,000.

The Council agreed to ban investment aid for milk production with the exception of that granted to farmers carrying out development plans under Directive 72/159/EEC or farm improvement plans under common measures. In connection with a development plan aid will be limited to that part of the investment making it possible to achieve the comparable level of income defined in Article 4(2) of Directive 72/159/EEC for a maximum number of 1.5 MPU per farm, and made subject to the condition that that part of the investment must not increase the number of cows to more than 40 per MPU on completion of the plan.

As regards farms with more than 1.5 MPU, however, aid will be restricted to that part of the investment making it possible to increase by up to 15% the dairy herd on completion of the plan.

The Member States are authorized to grant investment aid to farmers who do not submit development plans provided that the investments involved do not increase the number of dairy cows to more than 40 per farm.

Aids and other measures

The Council took note of a Commission statement to the effect that the Commission would make a study of the cost effectiveness of certain aids and other measures, including:

- aids not directly linked to the actual organization of markets
- possible new measures to make intervention more flexible and to link it more directly to market requirements

and would submit this report to the Council.

BUDGETARY IMPLICATIONS

The Commission estimated the additional expenditure resulting from the agricultural price-fixing decisions and the related measures at 1.096 million ECU over twelve months, including 343 million ECU in 1981.

The Council took note of the Commission's statement that the cost of the decisions on price increases and economy measures could be financed within the existing FEOGA appropriations in the 1981 budget, thereby avoiding the need for a supplementary budget due to agricultural expenditure. For 1982 the Council took note that, on present provisions and without taking into account the possible cost in 1982 of the 1982/1983 prices and related measures proposals, the decisions were consistent with ensuring that the rate of increase of agricultural expenditure remain close to or, if possible, below the rate of increase in the Community's own resources. The Council undertook to adopt in good time any further measures that might be needed to this end. The Commission stated that in this way it would be possible to keep the 1982 budget within the present own resources ceiling applied by the Community while permitting the development of non-agricultural policies.
