



EUROPEAN PARLIAMENT

Secretariat

EUROPE TODAY

State of European Integration

1979

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Directorate-General for Research and Documentation

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FOREWORD

Looking back on 1979 historians will undoubtedly remember the first elections to the European Parliament by direct universal suffrage as one of the major landmarks of an eventful year. Although these elections, for which provision was made in the Treaty of Rome, in no way change the institutional balance established under that treaty, it is generally agreed that they will enhance the European Parliament's political influence or, at the very least, add to the impact of its actions on public opinion.

As a result of the elections the ordinary citizen will have become more aware of the fact that Europe is already a reality in terms both of the increasing interdependence of the economies of the Member States and of the Community's role *vis-à-vis* the outside world.

It is a pleasure for me to be writing the foreword to the fifth edition of 'Europe Today'. Unlike previous issues, this edition contains a sixth chapter devoted to relations between the Community and the associated States and third countries. The publication thus covers virtually all Community legislation, providing newly elected Members of the European Parliament with a succinct account of what has been achieved in the thirty years since Robert Schuman first laid the foundations of the European Communities.

I hope that, as in the past, this publication will be well received by political movements, universities, professional bodies and the media, whose needs it will meet as a working tool, permitting rapid access to the basic facts and providing those who wish to carry out more detailed research with an easy means of tracing official source documents. Europe is a daily struggle. It is only fitting that those who work for it should have at their disposal the necessary documentation and research facilities.

Simone Veil

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This fifth edition of Europe Today is dedicated to Antonio Arno (1934-1979), Director in the Directorate-General for Sessional and General Services, who did so much to ensure publication of this review. We also wish to pay tribute to the memory of Heinz Kuby (1925-1974), Head of Division in the Directorate-General for Research and Documentation who prepared the basis and framework for the original edition of Europe Today.

INTRODUCTION

1. This handbook is a collection of the most important legislative acts of the European Community in their most recent form, and is designed to give an overall picture of the latest stage reached in the political and legal development of the Community. It is kept up to date by annual amendment.

It has been found that there are so many amendments each year, that a completely new edition is required: it has therefore been decided to abandon the original loose-leaf format in favour of that now adopted.

Its purpose is to furnish politicians, journalists and other observers of the European scene with a handy source of information on the legal position in various sectors of the Community, together with indications of where more exhaustive information can be found.

2. The text has been so arranged as to present the European Communities as a political organization. The institutional structure of the Community and its decision-making procedures have therefore been separated from the more specialized chapters and placed at the beginning in a chapter of their own. This is followed, by chapters on the internal structure of the Communities (creation of the common market and economic policies) and, on external economic relations and the associations.
3. In view of its size and scope, the material has had to be presented in the form of brief entries headed by keywords and confined to those decisions which are regarded as essential. The sole criterion has been that of political relevance. Any attempt to include all legal provisions would have necessitated a publication far exceeding the scope envisaged and however concise the presentation, would have led to a

volume of unmanageable proportions. Consequently, technical details have almost without exception been omitted. The decisions included are given in the form currently available at the date of publication; brief reference is frequently made to earlier developments and those projects which are still being elaborated.

4. *Layout*: the text is subdivided according to the decimal system. The figure preceding the decimal point indicates the chapter and each figure following the decimal point indicates a subdivision of the preceding section.

Example:

1.4	Evolution of political structures
1.41	Expansion of institutions
1.411	European Parliament
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5. *How to read the pages:*

— left-hand column:

legal authority for the decision (article of a treaty or legal act, etc., adopted by an organ of the Communities, together with date or number)

— central portion:

content of the decision, etc.

— right-hand column:

sources from which the information is derived or publication in which the decision, etc., has appeared.

The principal sources are as follows:

- Official Journal of the European Communities:
Number/Year

- Bulletin of the European Communities :
Number/Year
- General Reports of the Commission on the Activities of the Communities :
Number/Institution
- Reports and other documents of the European Parliament :
Number/Session.

6. The ISIC list used in the text to describe certain economic activities is the revised 1958 edition ('International Standard Industrial Classification of Economic Activities', United Nations, Series M, No 4 Rev. 1, New York 1958).

7. In view of the number of amendments to the basic texts on agriculture normally only the most recent amendment is indicated beside the original text.

The value of this work will be considerably enhanced by the readiness of its users to share their experience of its use in practice ; any suggestions to be considered for incorporation in future supplements, and any constructive criticism of the present contents should be addressed to :

Directorate-General for Research and Documentation
(Europe Today)
European Parliament,
P.O. Box 1601,
Luxembourg.

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- 6.2422 ECSC Agreement

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ABBREVIATIONS

AASM	Assoc. African States and Madagascar
Act of	
Accession	Act concerning the conditions of accession and the adjustments to the Treaty
ACP	African, Caribbean and Pacific
Addit. Prot.	Additional Protocol
AETR	European Agreement concerning the work of crews of vehicles engaged in international road transport
Agric.	Agriculture, agricultural
Agrmt	Agreement
AP	Agricultural policy
Art.	Article
ASEAN	Assoc. of South-East Asian Nations
Assoc.	Association, associated
Assoc.	
Agrmt	Association Agreement
Assoc. C	Association Council
Bull.	Bulletin
C	Council
CAP	Common Agricultural Policy
CCT	Common Customs Tariff
CECLA	Latin American Special Coordination Commission
CEPAL	Economic Committee for Latin America
CID	Centre for Industrial Development
CIEC	Conference on International Economic Cooperation
CJEC	Court of Justice of the European Communities
CM	Common Market
CMEA	Council for Mutual Economic Assistance
COM	Common organization of the market(s)
Comm.	Commission
Commun.	Communication
Comm. Sec.	Commission Secretariat

Conv.	Convention
Coop.	Cooperation
Cttee	Committee
Dec.	Decision
Decl.	Declaration
Dir.	Directive
EAEC	European Atomic Energy Community
EAEC Tr.	Treaty establishing the EAEC
EAGGF	European Agricultural Guidance and Guarantee Fund
EC	European Community, European Communities
ECE	Economic Commission for Europe
ECSC	European Coal and Steel Community
ECSC Tr.	Treaty establishing the ECSC
ECU	European Currency Unit
EDF	European Development Fund
EEC	European Economic Community
EEC Tr.	Treaty establishing the EEC
EFTA	European Free Trade Assoc.
EIB	European Investment Bank
EMS	European Monetary System
EP	European Parliament
ERDF	European Regional Development Fund
ESC	Economic and Social Committee
EUA	European unit of account
FAO	Food and Agriculture Organization
Finan.	Financial
GATT	General Agrmt on Tariffs and Trade
GR	General Report
GSP	Generalized system of preferences
HA	High Authority of the ECSC
ICRC	International Committee of the Red Cross
IEA	International Energy Agency
IFAD	International Fund for Agricultural Development
ILO	International Labour Organization
IMF	International Monetary Fund

Impl. Conv.	Implementing Convention
Impl. Reg.	Implementing Regulation(s)
ISIC	International Standard Industrial Classification
JET	Joint European Torus
LAFTA	Latin American Free Trade Assoc.
Merger Tr.	Treaty establishing a single Commission of the European Communities (8.8.65 OJ 152/67)
MFA	Multifibre Arrangement
MO	Market organization
Nat. govt	National government
NGO	Non-Governmental Organization(s)
OCT	Overseas Countries and Territories
OD	Overseas Department(s)
OECD	Organization for Economic Cooperation and Development
OJ	Official Journal
OQ	Oral Question
Par.	Paragraph
Parl.	Parliament, parliamentary
Prog.	Programme
Prop.	Proposal, proposed
Prot.	Protocol
Pt.	Point
Qual.	Qualified
Rec.	Recommendation(s)
Reg.	Regulation(s)
Rep.	Report
Res.	Resolution(s)
RP	Rules of Procedure
SELA	Latin American Economic System
STABEX	System for stabilizing export earnings
Subpar.	Subparagraph
Suppl.	Supplement
t.	tonne(s)
Tr.	Treaty, Treaties
Transit.	Transitional

u.a.	Units of account
UNCTAD	UN Conference for Trade and Development
UNESCO	United Nations Education, Scientific and Cultural Organization
UNICEF	United Nations International Childrens Emergency Fund
UNO	United Nations Organization
UNRWA	United Nations Relief and Works Agency
Vol.	Volume
WD	Working Document
WFP	World Food Programme
WQ	Written Question

0. **SYSTEMS OF GOVERNMENT OF MEMBER STATES**

Constitution of 1831

BELGIUM, Constitutional Monarchy

Executive :

King (right to veto laws, not exercised)

Cabinet (responsible to King and Parliament)

Legislature :

Chamber of Representatives :

212 Members

Life : 4 years

Elections by universal suffrage based on proportional representation

Minimum age to vote : 21 years ; to be elected : 25 years

Senate :

181 Members + 1 Member as of right (Prince Albert)

Life : 4 years

106 Senators elected directly

50 elected by provincial councils

25 coopted by the Senate

Minimum age to vote : 21 years ; to be elected : 40 years

Constitution of 5 June 1953

DENMARK, Constitutional Monarchy

Executive :

Queen (must approve laws)

Cabinet nominated by the Sovereign

0.
(contd)

Legislature :

Unicameral system

Diet (Folketing):

179 Members

Life : 4 years

Elections by universal suffrage based on proportional representation

Minimum age to vote : 20 years ; to be elected : 20 years

Constitution
(Basic Law)
of 23 May 1949

GERMANY, Federal Republic

Executive :

President (elected for 5 years by the Federal Assembly)

Chancellor (elected by Federal Diet)

Legislature :

Federal Diet (Bundestag):

518 deputies in all, of which 496 are entitled to vote and 22 are Berlin Members appointed by the Berlin House of Representatives, acting in an advisory capacity with limited voting rights

Life : 4 years

Elections by universal suffrage based on a mixed system of majority and proportional representation

Minimum age to vote : 18 years ; to be elected : 18 years

Federal Council (Bundesrat):

45 Members of the 'Länder' governments, by whom they are appointed and recalled

0.

FRANCE, Republic

Executive :

President of the Republic

(elected by universal suffrage for 7 years by an absolute majority, in default of which the two most successful candidates are voted for in a second ballot) : can dissolve the National Assembly

Government

(nominated by President without consulting Assembly) responsible to National Assembly

Legislature :

National Assembly :

490 Members

Life : 5 years

Elections by universal suffrage based on majority system. Second ballot if no candidate gains an absolute majority

Minimum age to vote : 18 years ; to be elected : 23 years

Senate :

295 Members

Length of mandate : 9 years

One-third of Members re-elected every three years. Representatives of regional government organs elected at 'département' level by an electoral college (composed of National Assembly Members, Departmental Councillors and delegates of the Municipal Councils) by a majority system in two ballots ('département' entitled to 4 seats or less) or by proportional representation ('département' entitled to 5 seats or more).

Minimum age to be elected : 35 years

Constitution of 29
December 1937

0.
(contd)

IRELAND, Republic

Executive :

President (elected for 7 years by universal suffrage)

Cabinet

Legislature :

bicameral system 'Oireachtas'

Dáil Éireann (House of Representatives) :

144 Members (number varies according to population)

Life : 5 years

Elections by universal suffrage based on proportional representation

Minimum age to vote : 18 years ; to be elected : 21 years

Seanad Éireann (Senate) :

60 Members

11 nominated by Prime Minister

3 nominated by National University of Ireland

3 nominated by Trinity College, Dublin

43 elected on basis of proportional representation from panels representing vocational groups by an electoral college comprising members of the Dáil, outgoing Senate, and members of County Councils and County Borough Councils

Minimum age to be elected : 21 years

Constitution of 1 January
1948

ITALY, Republic

Executive :

President of the Republic, elected for 7 years by both chambers (Senate and Chamber of Deputies) :

can dissolve both chambers

Government (nominated by President) :

must enjoy the confidence of both chambers

0.

0.
(contd)

Legislature :

Parliament (bicameral system)

Chamber of Deputies :

630 deputies

Life : 5 years

Elections by universal suffrage based on proportional representation within each province

Minimum age to vote : 18 years ; to be elected : 25 years

Senate :

322 members (of which 5 for life) plus all ex-presidents of the Republic

Life : 5 years

Elections by universal suffrage based on proportional representation within each region

Minimum age to vote : 25 years ; to be elected : 40 years

Constitution of 1868

LUXEMBOURG, Constitutional Monarchy

Executive :

Grand Duke

Cabinet

Legislature :

Unicameral system

Chamber of Deputies :

59 Members

Life : 5 years

Elections by universal suffrage based on proportional representation

Minimum age to vote : 18 years ; to be elected : 21 years

Constitution of 1814

0.
(contd)

NETHERLANDS, Constitutional Monarchy

Executive:

Government, i.e. Sovereign and Ministers
can dissolve the chambers (separately or together)
The members of the Government may not be members of the States-Gen-
eral

Legislature:

States-General

Second Chamber:

150 Members

Life: 4 years

Election by universal suffrage based on proportional representation

Minimum age to vote: 18 years; to be elected: 25 years

First Chamber:

75 Members

Life: 6 years

50 % of members re-elected every three years by provincial councils

Constitution based on
common law

UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN
IRELAND, Constitutional Monarchy

Executive:

Queen (must authorize laws)

Cabinet

Prime Minister, leader of the majority party in the Commons

0.

0.
(contd)

Legislature :

House of Commons :

635 Members

Life : 5 years

Election by a simple majority

Minimum age to vote : 18 years ; to be elected : 21 years

House of Lords :

(total membership variable)

817 hereditary peers

279 life peers (nominated by the Queen on Government advice)

42 other *ex officio* members (High Court judges, bishops)

1. **CONSTITUTION OF THE EUROPEAN COMMUNITIES**

1.1 **Institutions**

ECSC Tr., Art. 20—25
EEC Tr., Art. 137—144
EAEC Tr., Art. 107—114

1.11 **EUROPEAN PARLIAMENT**

Conv. of 25 March 1957 on
certain Institutions common
to the EC, Art. 1

Parliamentary organ of the three Communities (ECSC, EAEC, EEC) with
consultative, supervisory and decision-making powers.

C Dec. and Act
of 20 Sept. 1976

Since July 1979 composed of members elected by direct universal
suffrage :

Belgium	24 members
Denmark	16 members
FR of Germany	81 members
France	81 members
Ireland	15 members
Italy	81 members
Luxembourg	6 members
Netherlands	25 members
United Kingdom	81 members
	<hr/>
	410 members

Monthly part-sessions in Strasbourg or Luxembourg.

Powers

(a) of supervision

vis-à-vis Comm. :

- questions (written, oral, question time),
- discussion of *Annual General Report*,
- granting of *discharge* in respect of the implementation of the budget,

— *motion of censure*

(two-thirds majority of the votes cast and a simple majority of members of EP) : if adopted, Comm. must resign as a body,

- supervision by participation of Comm. representatives in committee meetings,

vis-à-vis C and Conference of Foreign Ministers :

- questions (written, oral, question time).

(b) budgetary powers

progressive reinforcement :

- Tr. of 22 April 1970
- Tr. of 22 July 1975

— *Creation of revenue*

- under the Tr., the nature of revenue is fixed by decision equivalent to the Tr.
- the amount of revenue is fixed at the time of adoption of the budget, up to a given ceiling.

EEC Tr., Art. 140

EEC Tr., Art. 143

EEC Tr., Art. 206b

EEC Tr., Art. 144

ECSC Tr., Art. 49—50

EEC Tr., Art. 201

EAEC Tr., Art. 173

C Dec. of 21 April 1970

ECSC Tr., Art. 78
EEC Tr., Art. 203
EAEC Tr., Art. 177
Joint Decl.
EP-C-Comm.
4 March 1975

1.111
(*contd*)

— *Creation of expenditure :*

- the nature of expenditure depends in the last resort on the legislative power of C, unless the conciliation procedure is initiated,

- the amount of expenditure is determined by the budgetary authorities :
 - for obligatory expenditure the last word is with C
 - for non-obligatory expenditure the last word is with EP, unless the maximum rate has been exceeded.

OJ L 89/75

ECSC Tr., Art. 78d and g
EEC Tr., Art. 205a and 206b
EAEC Tr., Art. 179a and 180b

— *Control of revenue and expenditure :*

discharge is given to Comm. by EP following recommendation from C on the basis of a report prepared by the Court of Auditors in the case of the operational expenses of the ECSC the separate report drawn up by Court of Auditors is used.

ECSC Tr., Art. 78h
EEC Tr., Art. 209
EAEC Tr., Art. 183

— *Budgetary regulations :*

depend on the legislative power of C, unless the conciliation procedure is initiated.

RP EP Rule 25
ECSC Tr., Art. 95, 96
EAEC Tr., Art. 204
EEC Tr., Art. 236

(c) participation in legislation

- EP may, or must be consulted by C,
- EP is entitled to take up any matter on its own initiative,
- EP must be consulted when treaties are to be amended,

Joint Decl.
4 March 1975

- Conciliation procedure between C and EP (with the assistance of Comm.). The purpose of this procedure is to settle varying positions of C and EP in the case of acts which have appreciable financial implications.

OJ C 89/75

Structure

RP EP Rules 5—7a

Bureau :

President

12 Vice-Presidents ; 5 Questors (without right to vote)

Enlarged Bureau :

Members of the Bureau and chairmen of political groups

RP EP Rules 36—44

Committees (15) and Delegations :

Political Affairs Committee ; Committee on Agriculture ; Committee on Budgets ; Committee on Economic and Monetary Affairs ; Committee on Energy and Research ; Committee on External Economic Relations ; Legal Affairs Committee ; Committee on Social Affairs and Employment ; Committee on Regional Policy and Regional Planning ; Committee on Transport ; Committee on the Environment, Public Health and Consumer Protection ; Committee on Youth, Culture, Education, Information and Sport ; Committee on Development and Cooperation ; Committee on Budgetary Control ; Committee on the Rules of Procedure and Petitions.

Delegation to the Joint Parliamentary Committee on the EEC/Greece Association. Delegation to the Joint Parliamentary Committee of the EEC/Turkey Association.

RP EP Rule 36

Political Groups :

Minimum strength of a political group : 14 representatives (or 10 representatives from at least 3 Member States)

1.112 Composition of EP on 24. 9. 1979

(contd)

Socialist Group	112 representatives
Group of European People's Party (Christian Democratic Group)	108 representatives
European Democratic Group	64 representatives
Communist and Allies Group (SF, Ind. Sin.)	44 representatives
Liberal and Democratic Group	40 representatives
Group of European Progressive Democrats	22 representatives
Group for the Technical Coordination and Defence of Independent Groups and Members	11 representatives
Non-Attached	9 representatives

Since the direct elections in 1979 the number of EP representatives elected in each Member State 15 as follows :

Belgium	24
Denmark	16
FR of Germany	81
France	81
Ireland	15
Italy	81
Luxembourg	6
Netherlands	25
United Kingdom	81

Total 410

Secretariat : (Luxembourg)

Secretary-General

5 Directorates-General

- for Sessional and General Services
- for Committees and Inter-Parliamentary Delegations
- for Information and Public Relations
- for Administration, Personnel and Finance
- for Research and Documentation

COUNCIL

EEC Tr., Art. 145—153

Merger Tr., Art. 2

Communiqué Summit
Conf. 1974

Merger Tr., Art. 4

EEC Tr., Art. 148
ECSC Tr. Art. 28EEC Tr., Art. 149
Luxembourg Agrmt of 30
Jan. 1966EEC Tr., Art. 148
EAEC Tr., Art. 118
ECSC Tr., Art. 28*Structure :*

- composed of representatives of the Member States in the persons of their Foreign, Finance, Social Affairs, Justice, Education, Agriculture, or Transport Ministers, etc.
- Heads of Government can also constitute C ;
- is presided over for 6 months by each of the Foreign Ministers in turn ;
- is assisted by the Committee of Permanent Representatives of the Member States.

8 GR EC, Annex

Procedure :

Convened by its President on his own initiative or at the request of one of its members or of the Comm. Decisions by unanimous vote or by simple or qual. majority, according to the Tr.

- can amend Comm. proposals only by unanimous vote ;
- matters considered by one Member State to affect its 'vital interests' can be settled only by a unanimous decision of C ;
- if a qual. majority is required, votes are weighted as follows : Belgium 5, Denmark 3, France 10, Germany 10, Ireland 3, Italy 10, Luxembourg 2, Netherlands 5, United Kingdom 10.

9 GR EEC, Par. 13

Qualified majority :

from 1 January 1973 :

41 votes on proposals from the Comm.

41 votes cast by at least 6 Member States in all other cases.

Powers :

Legislative organ of EC in cases set out in Tr.

All important decs. taken by C.

Merger Tr., Art. 4

1.12
(contd)

Permanent Representatives

Member States' ambassadors to EC function as Permanent Representatives.

They have deputies to deal with technical matters (see 1.203).

The Committee of Permanent Representatives

— prepares the work of the Council,

— carries out tasks assigned to it by the Council.

Lomé Convention
of 28 Feb. 1975

1.121

Association Councils

Attached to C are Assoc. Councils comprising members of C, Comm. and governments of the assoc. countries or groups of countries, to supervise implementation of these Associations.

For information concerning individual Assoc. Councils, see Part II.

1.122

European Council

Conference of heads of State and government of the Member States, which has been meeting thrice yearly since 1974. Not a Community organ, but can, acting as 'Council', take decisions in accordance with the procedures set out in the treaties.

Function : to stimulate and coordinate Community activities.

COMMISSION

EEC Tr., Art. 155—163
 Merger Tr., Art. 9—19

Structure :

Members nominated by Member States for 4 years ; may be reappointed.
 From among these 1 President and 5 Vice-Presidents nominated for 2 years :

— from 1 January 1973

13 Members, including 1 President, and 5 Vice-Presidents.

Members are completely independent in the performance of their duties.
 Members guilty of serious misconduct may be compulsorily retired by CJEC.

In 1965 executives of EEC, ECSC and EAEC were merged to form a single Comm.

EEC Tr., Art. 169—186
 ECSC Tr., Art. 33—44

Powers (differ according to the Treaties) :

- entitled to initiate measures and take decisions in cases laid down in Tr.,
- supervises proper implementation of EC decisions,
- ensures observance of Tr. provisions and provisions laid down by EC organs,
- implements the budget on its own responsibility.

ECSC Tr., Art. 78 c
 EEC Tr., Art. 205
 ECSC Tr., Art. 179

Relations to other EC organs :

— to EP :

responsible to EP (see 1.111),
 submits annually to EP general report on EC activities,

— to C :

to amend a Comm. proposal, C must act unanimously
 C may request Comm. to submit proposals.

EEC Tr., Art. 144
 EEC Tr., Art. 143
 Merger Tr., Art. 18

EEC Tr., Art. 149
 EEC Tr., Art. 152

1.131

Association Committees

Attached to the Comm. are Association Committees which are responsible for countries or groups of countries, with which Association Agreements exist and whose task is to prepare the work of the Assoc. Councils. For information concerning individual Assoc. Comms. See Part II.

1.14 EUROPEAN COURT OF JUSTICE

EEC Tr., Art. 164
ECSC Tr., Art. 31
EAEC Tr., Art. 136
Conv. of 25 March 1957 on
certain Institutions common
to the EC, Art. 3, 4
EEC Tr., Art. 165/168

CJEC Statute of 18 April
1951 and 17 April 1957

EEC Tr., Art. 183
EAEC Tr., Art. 155

EEC Tr., 183
ECSC Tr., 40

RP of 3 March 1959 and 4
Dec. 1974

Task :

to ensure observance of the law in interpretation and application of the Treaties.

Composition :

— from 1 January 1973 :

9 Judges, 4 Advocates General

appointed for 6 years by common accord of Member States' governments.

Partial replacement every 3 years

Appointments are renewable

The Judges elect CJEC President

2 chambers

Jurisdiction (see 1.31, 1.331)

Jurisdiction based on the Tr., but may be determined by agreement in individual cases

Where not explicitly conferred on CJEC, jurisdiction in cases involving EC may devolve upon Courts of the Member States.

Procedure :

Suits may be filed by : Member States, EC Institutions and private persons in cases laid down by the Tr.

— written procedure,

— oral procedure,

— written application (applicant's name, subject matter of the disputed, etc.),

— hearing of evidence,

— speeches by Counsel and submission by the Advocate General,

— CJEC judgments have immediate effect and are final.

OJ 318/59

OJ 2/60

OJ L 350/74

Establishment :

treaty of 22 July 1975, entered into force on 1 June 1977.

OJ L 359/77

Task :

to carry out audit.

ECSC Tr., Art. 7
EEC Tr., Art. 4
EAEC Tr., Art. 3

Composition :

- 9 members — President elected from among their number for 3 years
— chosen from among persons who belong or have belonged in their
respective countries to external audit bodies or who are especially
qualified for this office ;
- appointed for 6 years by C, acting unanimously after consulting EP.
Members eligible for re-appointment. Initially 4 members appointed
for 4 years only ;
- completely independent in performance of their duties, in general
interest of EC.

ECSC Tr., Art. 78e
EEC Tr., Art. 206
EAEC Tr., Art. 180

Powers :

- to examine accounts of all revenue and expenditure of all bodies set
up by EC in so far as relevant constituent instrument does not
preclude such examination, to establish whether revenue has been
received and expenditure incurred in a lawful and regular manner and
whether financial management has been sound ;
permanent audit, even before closure of accounts for financial year
but subsequent to commitment or authorization of expenditure ;
audit based on records and, if necessary, performed on the spot in the
institutions of EC and in Member States, in liaison with national audit
bodies ;

ECSC Tr., Art. 78f
EEC Tr., Art. 206a
EAEC Tr., Art. 180a

1.15
(*contd*)

- to draw up annual report to be published in the OJ together with replies of the institutions : separate report is drawn up by Court of Auditors stating whether accounting other than that for administrative revenue and expenditure has been conducted by ECSC in a regular manner ;
- to submit, at any time, observations on specific questions and deliver opinions at request of one of the institutions ;
- to assist EP and C in exercising their powers of control over implementation of budget ;
- to attend and speak at meetings of the appropriate EP committees ;
- to adopt its annual report or opinions by a majority of its members ;
- to issue opinions on Comm. proposals concerning financial regulations.

ECONOMIC AND SOCIAL COMMITTEE

EEC Tr., Art. 193—198
 EAEC Tr., Art. 165—170
 Conv. of 25 March 1957 on
 certain Institutions common
 to the EC, Art. 5

Structure :

from 1 January 1973 :	144 members
Belgium	12 members
Denmark	9 members
FR of Germany	24 members
France	24 members
Ireland	9 members
Italy	24 members
Luxembourg	6 members
Netherlands	12 members
United Kingdom	24 members

- Members appointed by C, acting unanimously, from lists submitted by Member States of candidates representing various categories of economic and social activity ;
- appointments for 4 years, renewable ;
- chairman and officers elected by ESC for 2 years from among own members ;
- ESC include specialized sections for principal fields covered by the Tr.

Advisory role of ESC :

- ESC *must* be consulted in cases laid down in Tr., e.g. cases concerning free movement of workers, freedom of establishment, freedom to supply services, and in all cases where approximation of provisions laid down by national laws, regulations or administrative action entails amendment of national legislation ;
- ESC *may* be consulted if considered necessary by C or Comm. Since 1974, ESC may now act on its own initiative.

EEC Tr., Art. 49, 54, 100
 Reg. of 13 June 1974

C Dec of 12 Feb. 1974

OJ L 228/74

Bull. EC 2/74, item 2505

CONSULTATIVE COMMITTEE OF THE ECSC

Structure : not less than 60 and not more than 84 members, comprising equal numbers of producers, workers and consumers and dealers.

In practice, comprises 81 members. Belgium : 8 ; Denmark : 3 ; Federal Republic of Germany : 19 ; France : 13 ; Ireland : 3 ; Italy : 8 ; Luxembourg : 4 ; Netherlands : 5 ; United Kingdom : 18.

- In the case of producers and workers, members appointed by C from lists of candidates,
- appointment for two years, renewable,
- chairman and other officers elected by Committee for a term of one year,
- *Must* be consulted in cases laid down in Tr., e.g. general objectives and programmes; information and broad lines of High Authority's action,
- *May* be consulted if considered necessary by C or Comm.

EUROPEAN INVESTMENT BANK*Independent public institution within the Community*

EEC Tr., Art. 129

EEC Tr., Art. 130

Task :

To contribute to the balanced and steady development of the common market by facilitating on a non-profit-making basis (low rates of interest), the financing of the following projects in all sectors of the economy :

- projects for developing less developed regions ;
- projects for modernizing or converting undertakings or for developing fresh activities called for by the progressive establishment of the common market ;

Financing of private and public projects up to 50 % of cost of fixed assets.

Granting of 'global loans' to intermediary institutions which lend on to small and medium-scale undertakings.

EEC Tr., Art. 130

Field of activity:

Originally limited to territories of Member States of EC, field of activity of EIB has been gradually extended under various association or cooperation agreements to 13 Mediterranean countries (Greece, Turkey, Algeria, Morocco, Tunisia, Syria, Jordan, Egypt, Lebanon, Malta, Yugoslavia, Israel and Cyprus) and to 53 countries in Africa, the Caribbean and the Pacific, signatories of Lomé Convention.

Loans granted by EIB in these countries attract interest subsidies financed out of EC budget.

C Dec. of 16 Oct. 1978

By decision of C of 16 October 1978, Comm. is empowered to contract loans up to a maximum of 1 000 million EUA in principal for the promo-

OJ L 298/74

1.18
(contd)

tion of investment in the Community. Funds borrowed by Comm. are deposited with the EIB, which is responsible for administering the loans, examining loan applications — after Comm. has reached a decision on the eligibility of each project — and deciding on the granting of the loans, the terms under which they are granted and their management.

For projects serving the interests of EC as a whole, Bank may, with special authorization from Board of Governors, provide financing in other non-member countries.

Prot. on the Statute
of the EIB, Art. 4

Prot. on the Statute
of the EIB, Art. 4, 5, 6

Prot. on the Statute
of the EIB, Art. 8-14

Resources :

Member States have each subscribed share of Bank's capital which, from 19 June 1978 onwards, amount to 7 087.5 million units of account.¹ Bank borrows most of the funds required to carry out its tasks on national and international capital markets.

Structure :

Administrative structure of Bank comprises :

- Board of Governors : 1 Minister appointed by each Member State, generally the Finance Minister.
- Board of Directors : 17 directors and 9 alternates appointed by Board of Governors for period of 5 years following nomination by Member States, and 1 director and 1 alternate appointed by Commission of EC for same period.
- Management Committee, the Bank's 'motor', composed of President and 4 Vice-Presidents appointed for term of 6 years by Board of Governors on proposal from Board of Directors.

¹ Unit of account used by EIB is European unit of account.

1.18
(contd)

EIB financing operations within the Community
Sectoral breakdown

	1978					1958-1978				
	Number		Amount (in million EUA)			Number		Amount (in million EUA)		
	Total	of which global loan allocations	Total	of which global loan allocations	% of total	Total	of which global loan allocations	Total	of which global loan allocations	% of total
Energy, communi- cations and other infrastructures	67		1 703.9		86.6	349		6 659.2		71.0
Energy	27		721.3		36.7	152		2 864.9		30.6
Communications	21		625.6		31.8	135		2 790.6		29.7
Water supply and distribution	19		357.0		18.2	60		987.5		10.5
Public buildings						2		16.3		0.2
Industry, agriculture and services	183	155	262.6	72.2	13.4	1 233	836	2 714.1	390.0	29.0
Industry	157	129	256.0	65.6	13.1	1 182	791	2 679.3	375.4	28.6
Agriculture, forestry, fisheries	25	25	6.4	6.4	0.3	37	36	16.5	11.0	0.2
Services	1	1	0.2	0.2	—	14	9	18.3	3.6	0.2
Grand Total	250	155	1 966.5	72.2	100.0	1 582	836	9 373.3	390.0	100.0

Source: EIB.

1.18 Financing operations outside the Community in 1978 and from 1963 to 1978
(contd)

Country	1978			from 1963 to 1978		
	Number	Amount (in million EUA)	% of total	Number	Amount (in million EUA)	% of total
Ordinary operations						
Greece	1	20.0	9.0	23	136.4	10.3
Lebanon	1	3.0	1.3	1	3.0	0.2
Portugal	3	35.0	15.8	12	185.0	14.0
Turkey	—	—	—	2	25.0	1.9
Yugoslavia	1	25.0	11.3	2	50.0	3.8
ACP-OCT	12	90.9	41.0	66	345.5	26.2
Total	18	173.9	78.4	106	744.9	56.4
Special operations ¹						
Turkey	1	6.3	2.8	56	370.0	28.0
ACP-OCT	18	41.5	18.7	76	205.7	15.6
Total	19	47.8	21.6	132	575.7	43.6
(of which venture capital)	(15)	(25.3)	(11.4)	(36)	(66.2)	(5.0)
Grand Total	37	221.7	100.0	238	1 320.6	100.0

¹ cf. Operations with special conditions financed from budget resources of Member States either directly (Turkey) or through the European Development Fund (ACP-OCT) and entered ex-balance sheet in the Special Section of the Bank.

Source: EIB.

1.18
(contd)

Financing in the Community in 1978, from 1958 to 1972 and from 1973 to 1978
Breakdown by project location

Location	1978			1958-1972			1973-1978		
	Number	Amount (in million EUA)	% of total	Number	Amount (in million EUA)	% of total	Number	Amount (in million EUA)	% of total
Member States									
Belgium	1	62.2	3.1	6	67.2	2.7	4	107.0	1.6
Denmark	9	106.3	5.4	—	—	—	33	192.2	2.8
FR of Germany	3	45.5	2.3	44	353.6	14.4	32	485.4	7.0
France	9	359.3	18.3	56	570.5	23.2	62	1 238.1	17.9
Ireland	10	117.4	6.0	—	—	—	31	361.2	5.2
Italy	40	845.1	43.0	196	1 412.3	57.5	164	2 472.0	35.7
Luxembourg	—	—	—	3	9.0	0.4	—	—	—
Netherlands	—	—	—	5	42.9	1.8	4	62.3	0.9
United Kingdom	23	430.7	21.9	—	—	—	100	1 889.1	27.3
Third countries ¹	—	—	—	—	—	—	6	100.5	1.6
Total	95	1 966.5	100.0	310	2 455.5	100.0	436	6 917.8	100.0
(of which guarantees)	(—)	(—)	(—)	(9)	(110.1) ²	(4.5)	(3)	(118.1) ³	(1.7)

¹ Operations of direct concern to the Community carried out pursuant to Article 18, paragraph 1, second subparagraph of the EIB Statute, under which the Board of Governors may authorize the financing of investments outside the Community.

² Of which Italy — 90.2 million; FR of Germany — 17.2 million; France — 2.7 million.

³ Of which FR of Germany — 101.6 million; Netherlands 16.5 million.

Source: EIB.

1.2 Legal measures

EEC Tr., Art. 3

EC's legislative powers not all-embracing, but are limited to spheres and procedures laid down in the Tr. The *form of a measure and the manner of its adoption* depend on its content and objective.

1.201 Types of official act

EEC Tr., Art. 189, Par. 2
EAEC Tr., Art. 161, Par. 2
ECSC Tr., Art. 14, Par. 2

EEC Tr., Art. 189, Par. 3
EAEC Tr., Art. 161, Par. 3
ECSC Tr., Art. 14, Par. 3

EEC Tr., Art. 189, Par. 4
EAEC Tr., Art. 161, Par. 4

e.g. EEC Tr., Art. 18, 111,
113, 238

ECSC Tr., Art. 6, Par. 2
EAEC Tr., Art. 101

e.g. EEC Tr., Art. 142

EEC Tr., Art. 199

— *Regulations* (in ECSC Tr: *Decisions*), comparable to national laws, have general application and confer obligations and entitlements directly upon natural and legal persons in the Member States.

— *Directives* (in ECSC Tr: *Recommendations*), in practice extremely detailed, are *binding only upon Member States* but may confer entitlements upon natural and legal persons.

— *Decisions* are rulings applicable to individual cases and are addressed to individuals or States.

— *Opinion, Recommendations*

— Programmes

— International agreements of the EC

— Provisions relating to internal organization (RP, Statutes, appointments)

— The Budget

1.202 Decision-making procedure

There are various decision-making procedures. In general they are as follows:

— C decides on Comm. proposal after consulting:

— EP

— ESC

— EP and ESC

— ECSC Consultative Committee

CJEC, Case 33/70
Coll. Vol. XVI, p. 1213

1.202
(contd)

In certain cases provision is also made for independent decisions by the institutions (e.g. the settlement of the language question by C, decision on RP by EP). Such special cases are as follows :

— *Committee procedure :*

C has often (e.g. in agric. and customs legislation) empowered Comm. to issue Impl. Reg. to implement its rules : in most of such cases a committee, composed of representatives of Member States, must be involved before Comm. can act.

For details of procedures see 3.411

— *Budgetary procedure (see 1.24)*

EEC Tr., Art. 155, 4th
indent

1.203

Decision-making within the individual organs

In the C authority is distributed over several levels :

— proposed measures are examined by *specialized working parties* composed of representatives of Member States and Comm. and chaired by a delegate of that Member State whose representative is currently President of C. Chairmen of working parties are assisted by C. Secretariat ;

— proposed measures then examined by the *Committee of Permanent Representatives* (Member States' ambassadors or their deputies). If these are agreed, C automatically gives formal approval (as an 'A item on the Agenda') ; otherwise proposed measures are examined by C, which approves or refers them back. If approved, they are drawn up in EC languages, adopted by C as a rule at its next meeting, signed by C President and published or forwarded to those to whom they are addressed.

Provisional RP C, Rule 16 ;
Merger Tr., Art. 4

EEC Tr., Art. 148
C Decl. of 29 Jan. 1966
RP Comm., Rule 1
Comm. Dec. of 3 April 1968

1.203
(contd)

According to measure concerned, C decides by *simple or qual. majority or by unanimous vote.*

9 GR EEC, Par. 13

Comm. acts as body, deciding by majority vote.

OJ L 89/68

— Except with regard to certain agric. levies, subsidies and refunds (entailing decisions liable to constant revision), which individual members are authorized to 'fix and alter for and on behalf of the Comm.'

— Working out of proposals in close contact with Member States through consultation with national experts. Proposals with more extensive material implications are submitted to nat. govts before finalization.

9 GR EEC, Par. 13

Comm. frequently alters proposals before their finalization by C on account of,

- EP's opinion ;
- Need for compromise in C ;
- For EP (see 1.11)

EEC Tr., Art. 149, Par. 2
EAEC Tr., Art. 119, Par. 2

EP Res. of 5 July 1972
EP Res. of 10 July 1975

1.204

EP's proposals for changes in decision-making process

OJ C 82/72
OJ C 179/75

- referring back of proposals to EP when C rejects EP's opinion ('Second Reading');
- delaying effect of rejection of proposal by EP, e.g. repeated rejection of proposal by EP should block it for at least 6 months ;
- entitlement for EP to participate in conclusion of international treaties, admission of new members, amendment of Treaties, application of Art. 235 of EEC Tr., and adoption of Regs. with financial implications ;

1.204
(contd)

- at a later stage, participation by EP so that legislative acts of EC require EP approval ;
- continuation of gradual move to extend budgetary powers of EP so as to give the latter unlimited jurisdiction (fiscal power, abolition of the distinction between compulsory and non-compulsory expenditure, joint decisions on regulations).

1.21

CHARACTERISTICS OF DECISION-MAKING IN PRACTICE

Great majority of decisions reached in cooperation between Comm. and C. Nature of measures to be taken and decision-making procedure applicable to them are laid down for various sectors by Tr.; however, practice diverges from Tr. provisions in individual questions, e.g.:

- *EP* frequently consulted by C when such consultation not prescribed;
- *Comm.* frequently informs EP of intended proposals to C;
- formal voting carried out only occasionally in C;
- Decisions prepared for the most part in Permanent Representatives' Committee;
- political guidelines are issued by European Council (heads of State or government).

1.22

DECISION-MAKING IN INDIVIDUAL SECTORS

Free movement of goods (see 2.12)

Competition (see 2.412, 2.422)

Approximation of taxes (see 2.51)

Common agricultural policy (see 3.1)

Common economic policy (see 4.03, 4.16)

Common research policy (see 4.2211, 4.2221, 4.2232)

Common energy policy (see 4.2331, 4.2341)

Common transport policy (see 4.2412, 4.2422)

Common social policy (see 4.31)

1.22
(contd)

Approximation of laws

In the absence of special provisions, this proceeds in accordance with EEC Tr., Art. 100-102.

EEC Tr., Art. 100, Par. 1

Acting unanimously on Comm. proposals, C issues directives containing model laws which Member States must enact as national laws or regs.

EEC Tr., Art. 100, Par. 2

EP and ESC must be consulted if implementing such directives would involve amendment of existing national legislation.

EEC Tr., Art. 101, Par. 2

C, acting by qual. majority on Comm. proposals, issues directives to eliminate distortions of competition arising from differences in nat. provisions laid down by law, reg. or administrative action.

EEC Tr., Art. 101, Par. 2

Comm. and C may take any other appropriate measures provided for in Tr. to eliminate such distortions.

EEC Tr., Art. 102

In particular Comm. addresses recommendations to Member States when the adoption or amendment of nat. legislation may result in distortion of competition.

1.23

DECISION-MAKING PROCEDURE DURING EXPANSION OF COMMUNITIES

1.231

Procedure for expansion of EC by accession

First Stage:

EEC Tr., Art. 237, Par. 1

EAEC Tr., Art. 205, Par. 1

— *Application to C by applicant State.*

ECSC Tr., Art. 98

— *C asks Comm. to negotiate the terms of accession treaty (in practice the accession negotiations with UK, Ireland and Denmark were mainly handled by C alone).*

1.231
(contd)

Second Stage:

— *Comm. submits its opinion* (not binding on C).

Third Stage:

— *unanimous decision on admission by C* (under ECSC Tr., procedure completed at this stage with deposit of instrument of accession).

Fourth Stage:

— *Agreement between Member States and applicant State.*

Fifth Stage:

— Ratification of agreement by all contracting States.

Criticism by EP:

— *EP demands right of veto or assent without which legitimation of decisions on admission is incomplete.*

OJ C 82/72

ECSC Tr., Art. 98

EEC Tr., Art. 237 Par. 2
EAEC Tr., Art. 205, Par. 2

EP Res. of 5 July 1972
Par. 7

1.2311

EXPANSION OF EC ON 1 JANUARY 1973

Denmark, UK, Ireland and Norway applied to C for membership. In accordance with the Resolution of the Summit Conference of the Hague, formal accession negotiations were carried out between 1970 and 1972.

Formal positive opinion of Comm.

C decision concerning admission of the new States into the ECSC, the EEC/EAEC and Treaty between old and new States covering conditions of accession to EEC and EAEC.

Treaties ratified in Denmark, United Kingdom and Ireland, and rejected in Norway. Enlargement operative as from 1 January 1973. Details of the accession, adjustment of existing Treaties and special provisions for new members, (concerning, *inter alia*, the transitional period) are settled in 'Acts of Accession' together with 11 Annexes and 30 Protocols.

In view of Norway's failure to accede, special adjustments were made in relation to the Act of Accession (in particular in regard to Community Institutions).

OJ L 73/72

OJ L 73/72

OJ L 73/72

OJ L 2/73

May 1967
1/2 Dec. 1969
June 1970 to Jan. 1972

19 Jan. 1972

22 Jan. 1972

C Dec. of 1 Jan. 1973

1.231/1.2311

Act Acc, Art. 2-4
Act Acc, Art. 9

1.2311
(contd)

Fundamental principle of Accession Treaties:

All Community decisions, in particular Community law applicable to original and new Member States alike.

Exception: transitional measures covering agriculture, free movement of goods, etc. with special rules for new Member States. Valid until 31 Dec. 1977 at the latest.

(For details, see the respective chapters.)

On 1 April and on 4 June 1974 the British Government at Meeting of C expressed reservations with regard to conditions of accession. The last of these reservations (correction mechanism for contributions of a Member State in the case of budget deficits; relations with New Zealand) were resolved at the Dublin Summit Conference.

In consequence the British Government recommended the electorate to vote 'yes' in the Referendum on whether or not UK should remain in EC. Referendum was held on 5 June 1975 and showed 67.2 % of votes in favour of staying in EC.

10/11 March 1975

Bull. EC 3-1974
point 1 104
Bull. EC 6-1974
points 1 102—1 107
Bull. EC 3-1975
points 1 101—1 106

1.2312

Enlargement of EC on 1 January 1981. Greece (1975), Portugal (1977) and Spain (1977) applied for membership of EC. EC accepted these applications. The Treaty of Accession with Greece was signed in Athens on 28 May 1979 and will enter into force on 1 January 1981.

1.232

Procedure for expansion of EC by Association

EEC Tr., Art. 238

General Procedure

EAEC Tr., Art. 206

First Stage:

— Comm. negotiates assoc. agrmt.

1.232
(contd)

Second Stage :

— C asks EP for opinion.

Possible intermediate stage :

— Amendment of Tr. according to EEC Tr. Art. 236 (see 1.234).

Third Stage :

— C takes unanimous decision on association.

Implementation of assoc. agrmt by :

— Assoc. C (composed of members of govts of EC Member States, C and Comm. and of govt of Assoc. State) in 'cooperation' with EP and ESC (see 6.1).

OJ 26/63
OJ 217/64

e.g. EEC-Greece Assoc.
Agrmt
9 July 1961, Art. 65, 71
EEC-Turkey Assoc. Agrmt
12 Sept. 1963, Art 23, 27

1.233

Major amendment of EC Treaties

Under EEC Tr. and EAEC Tr.

If action by Community proves necessary to attain one of its objectives and

if Tr. has not provided the necessary powers, C, acting unanimously on Comm. proposal and after consulting EP, takes appropriate measures.

Requirements of EP :

Right to participate in decisions on application of Art. 235 of EEC Tr.

OJ C 82/72

Under ECSC Tr. :

First possibility :

If dec. or rec. of Comm. appears necessary to attain one of ECSC's objectives set out in Art. 2—4 of ECSC Tr., and if the case is not provided for in the Tr.

EEC Tr., Art. 235
EAEC Tr., Art. 203

EP Res. of 5 July 1972

ECSC Tr., Art. 95 Par. 1

1.232/1.233

1.233
(contd)

Comm., takes dec. or makes rec. with C's unanimous assent and after consulting the Consultative Committee ;

Second possibility :

ECSC Tr., Art. 95 Par. 3

If difficulties in applying Tr. or economic or technical changes necessitate adaptation of rules governing Comm.'s powers, and if proposed amendments neither conflict with Art. 2—4 of ECSC Tr. nor interfere with distribution of powers,

ECSC Tr., Art. 95, Par. 4.

C (by $\frac{2}{3}$ majority) and Comm. jointly submit prop. amendments to CJEC and then, if found in order, to EP. They enter into force if approved by EP ($\frac{3}{4}$ of the votes cast and $\frac{2}{3}$ of its members).

1.234

Extension of EC Treaties to confer new powers on EC organs

EEC Tr., Art. 236
EAEC Tr., Art. 204
ECSC Tr., Art. 96

First Stage :

Prop. amendments submitted to C by govt of a Member State by Comm.

Second Stage :

EP delivers opinion ; Comm. gives opinion only when the prop. comes from a nat. govt (not under ECSC Tr.)

Third Stage :

C decides whether to call conference of representatives of govts of Member States ; if C so decides (under ECSC Tr., by $\frac{2}{3}$ majority), then :

Fourth Stage :

C President convenes conference and amendments are determined by common accord.

Fifth Stage :

Amendments enter into force after ratification by all Member States.

1.24 **BUDGETARY POWERS**

Joint Decl. EP-C-Comm.
of 4 March 1975

1.241 **Conciliation procedure**

OJ C 89/75

Generally speaking, the type of expenditure is governed by the legislative power of the Council. The amount of expenditure is fixed during the budgetary procedure. The increase in the budgetary powers of the EP involves its participation in the legislative acts of the Council. The conciliation procedure means that the EP can play an active part in the process of preparing and adopting the decisions which give rise to significant expenditure or revenue for the Communities ; the purpose of the conciliation procedure is, with the active assistance of the Commission, to reach an agreement between EP and C, which makes the final ruling, at the end of the conciliation procedure, and if necessary after a further opinion of the EP.

1.242 **Budgetary procedure**

During first half-year joint C (Ministers for Foreign Affairs and Ministers for Finance) and EP each examine a Comm. document giving an overall review of budget problems for following year.

ECSC Tr. Art. 78
EEC Tr. Art. 203
EAEC Tr. Art. 177

1.2421 ***THE FIVE STAGES OF THE PROCEDURE***

First Stage :

Each institution draws up, before 1 July (15 May 1978), an estimate of its expenditure for the following year.¹

¹ The dates given in parentheses indicate the adjusted time schedule for examining the budget for the 1979 financial year, by agreement between the EP, C and Comm. with a view to increasing the time for examining budget documents.

1.2421
(contd)

On the basis of a report prepared by the Secretary-General of the EP and following an internal procedure involving the enlarged Bureau of the EP, the Committee on Budgets prepares the draft estimate of expenditure of the EP, which is adopted at the plenary sitting in June (20 June 1978). Comm. consolidates estimates, attaches its opinion, and presents them to C and to EP by 1 September (16 June 1978).

Second Stage :

Council :

- *consults* institutions concerned whenever it intends to depart from the preliminary draft budget ;
- establishes draft budget, acting by qual. majority ;
- places it before EP not later than 5 Oct. (beginning of August) after 35 days, discussion (45 days).

Third Stage :

EP :

- has 45 days in which to state its position (58 days, i.e. from 1 September to 28 October 1978) ;
- *may propose modifications* to obligatory expenditure, acting by an absolute majority of votes cast ;
- *may amend* those parts of the draft budget which concern non-obligatory expenditure, acting by a majority of its members.

Fourth Stage :

Council :

- has 15 days to complete its second reading (25 days, i.e. from 29 October to 22 November 1978) ;
- may modify each of the amendments, acting by qual. majority ;

1.2421
(cont'd)

- may, acting by qual. majority, reject proposed modifications which do not result in an increase in overall expenditure of any institution ;
- may, acting by a qual. majority, accept proposed modifications which result in an increase in overall expenditure of any institution ;
- forwards modified draft budget to EP by 5 December (22 November 1978).

Fifth Stage :

EP :

- has 15 days to complete its second reading (22 days, i.e. from 22 November to 14 December 1978) ;
- is informed of C's decision regarding the proposed modifications ;
- rules on the modifications made to its amendments by C, acting by a majority of its members and by three-fifths of the votes cast ;
- adopts the budget accordingly, *not later than 20 December (14 December 1978)*. The President of EP declares budget finally adopted ;
- may reject draft budget as a whole on serious grounds, acting by majority of its members and 2/3 of votes cast.

1.2422

LIMITS OF BUDGETARY POWERS

ECSC Tr. Art. 87 (10)
EEC Tr. Art. 203 (10)
EAEC Tr. Art. 177 (10)

- Each institution exercises the powers described above in compliance with the provisions of the treaties and the acts adopted in consequence of the treaties ;

ECSC Tr. Art. 78 (9)
EEC Tr. Art. 203 (9)
EAEC Tr. Art. 177 (9)
C-EP Agrmt

- a maximum rate of increase for non-obligatory expenditure is determined by Comm. The institutions must conform to this during the course of the budgetary procedure. EP may, exercising its right of amendment, further increase the total amount of that expenditure to a

1.2421/1.2422

1.2422
(contd)

limit not exceeding half the maximum rate. A new rate may be determined jointly by EP and C if the activities of the Communities require that this maximum rate should be exceeded.

Although, several times, the maximum rate was exceeded by agreement between the C and the EP, the latter also had a working margin equal to approximately half the maximum rate.

— As a rule, the budgetary authority has retained in preliminary draft budget, the classification of obligatory and non-obligatory expenditure proposed by the Commission in preliminary draft budget.

Obligatory expenditure includes :

- the lump sum refund to Member States from own resources and the effects of exchange rates,
 - Titles VI and VII of the budget concerning, the EAGGF, Guarantee Section,
 - Title VIII of the budget, concerning the EAGGF, Guarantee Section,
 - Title IX, regarding financial and technical cooperation with Maghreb and Malta, food aid and emergency measures to assist developing countries.

All other expenditure is classified as non-compulsory, with a few exceptions.

1.2423

COOPERATION BETWEEN EP AND C DURING BUDGETARY PROCEDURE

C-EP Agrmt

In accordance with Resolution No 3 annexed to the agreement of 22 April 1970 strengthening the budgetary powers of EP, a cooperation procedure has been established, in consequence of which :

OJ C 124/71

1.2422/1.2423

- 1.2423
(contd)
- C receives a delegation of EP before adopting draft budget (second stage) and before making a ruling during second reading (fourth stage). Further meetings may take place.
 - C takes part in the discussions of the Committee on Budgets and in the plenary sessions.

1.2424 *IMPROVEMENT OF CERTAIN BUDGETARY
MACHINERY:*

Each year EP examines jointly with C and Comm. (trialogue) the following questions with a view to improving the budgetary procedure in the Communities. The following have already been examined:

- inclusion of borrowings in the budget;
- inclusion in the budget of credits from financial cooperation and the European Development Fund;
- wider use of commitment and payment appropriations, to avoid carrying appropriations over from one year to the next;
- ways of avoiding supplementary budgets as far as possible;
- budgetary nomenclature, particularly transfers of appropriations;
- transparency of the budget, particularly as regards the decentralized management of appropriations.

The work is prepared by ad hoc working party of the Committee on Budgets. C and Comm. forward their replies to EP opinion in writing.

1.2425 *OPERATIONAL BUDGET OF ECSC*

This budget is adopted by Comm. after consulting EP (customary law)

EP Opinion

EP Doc. 119/77
OJ C 163/77

EP Res. of 13 Dec. 1978

1.2425
(*cont'd*)

EP has called upon Comm. to examine the possibility of integrating ECSC and EEC activities in accordance with the treaties in force.

OJ C 6/79

1.243

EC's own resources

ECSC Tr., Art. 49—51

— ECSC has two sources of revenue :

— levies on the production of coal and steel, the rate of which is fixed by Comm. at not more than 1 % (currently 0.29 %);

— funds obtained by borrowing, with a view to granting loans to companies.

In addition it has revenues arising from its investments. The rate of the levy may exceed 1% if C authorizes it, acting by a two-thirds majority.

EEC Tr., Art. 201
EAEC Tr., Art. 173
C Dec. of 21 April 1970

— Since 1971 the own resources of the EEC and EAEC consist of :

— agricultural levies and levies on sugar,

— customs duties arising from common external tariff.

OJ L 94/70

C. Dir. 388 of 17 May 1977

— revenues arising from value added tax (VAT) up to a limit not exceeding 1 % applied on a uniformly-determined basis. This Directive is now applied by six Member States; the balance of revenue required is made up of financial contributions from FR of Germany, Ireland and Luxembourg.

OJ L 145/77

EAEC Tr., Art. 172
C Dec. of 6 April 1977

— EAEC may raise loans with a view to financing research or investments. The general terms of the loans raised are fixed by C. Additional EAEC projects may be financed by financial contributions.

OJ L 88/77

C Reg. of 17 Feb. 1975

1.243
(*contd*)

— EEC may borrow funds in order to re-lend those funds to one or more Member States in balance of payments difficulties caused by the rise in prices of petroleum products.

OJ L 46/75

C Dec. of 16 Oct. 1978

— EEC may contract loans up to a maximum of 1 000 million EUA to finance investment projects which contribute to greater convergence and integration of the economic policies of the Member States. Priority objectives: energy, industry and infrastructure sectors, taking into account the regional impact of the projects and the need to combat unemployment.

OJ L 298/78

EP Res. of 12 April 1978

— After conciliation, EP secured the following agreement from C:
— loans may exceed 1 000 million EUA;
— borrowings must be entered in the annual budget;
— Comm.'s budgetary powers must be respected; Comm. will decide on the eligibility of projects; EIB will decide on the granting of loans.

OJ C 108/78

Acces. Tr., Art. 129—131

Accession:

Own resources of the three new Member States are being paid into the budget of the Communities by progressive stages, from 1973 until 1978 (1973: 45% — 1978: 100%). Special provisions cover 1978 and 1979.

1.244

Implementation and control of budget

Provisions of the treaties

Comm. implements budget on its own responsibility.

ECSC Tr., Art. 78c
EEC Tr., Art. 205
EAEC Tr., Art. 179

ECSC Tr., Art. 78b
EEC Tr., Art. 204
EAEC Tr., Art. 178

If budget has not been voted by beginning of financial year, a sum may be spent each month in respect of any chapter or other subdivision provided that it does not exceed one-twelfth of budget appropriations for

1.243/1.244

1.244
(contd)

preceding financial year and one-twelfth of those provided for in draft budget.

C may authorize expenditure exceeding one-twelfth; where such an authorization covers non-compulsory expenditure, EP may take a different decision in following month on the part in excess of one-twelfth.

ECSC Tr., Art. 78d
EEC Tr., Art. 205a
EAEC Tr., Art. 179a

Comm. submits annually to C and EP accounts of preceding financial year.

ECSC Tr., Art. 78g
Tr., Art. 206b
Tr., Art. 180b

EP, on a recommendation from C acting by a qual. majority, gives discharge to Comm. in respect of implementation of budget, after examining annual report of Court of Auditors.

ECSC Tr., Art. 78

Comm. presents every year to EP separate report by Court of Auditors on accounts of ECSC, other than administrative expenses.

ECSC Tr., Art. 78b
EEC Tr., Art. 207 and 208
ECSC Tr., Art. 181 and 182

Since 1 January 1978 budget has been drawn up in European units of account, save for special rates applied to EAGGF.

Fin. Reg. of 21 Dec. 1977

The European unit of account (EUA) is expressed as the weighted sum of the currencies of the Member States. It is determined by Comm. on basis of exchange rates recorded each day on exchange markets. Daily rates for conversion of EUA into the various national currencies are published each day in series C of the OJ.

OJ L 356/77

The EUA is also applied to ECSC transactions, to the EIB and the EDF.

Value as at 30 April 1979 : 1 EUA = BFR 40·2; DM 2·52; HFL 2·74; UKL 0·645; DKR 7·06; FF 5·81; LIT 1 127; USD 1·33.

C Reg. of 21 Dec. 1977
EP Rep.

1.244
(contd)

Implementing rules

- (a) Financial Regulation, applicable to the general budget of the Communities covering :
- general principles ;
 - presentation and structure of the budget ;
 - implementation of the budget ;
 - conclusion of contracts, inventories, accountancy ;
 - responsibility of authorizing officers, financial controllers, accounting officers and administrators of advance funds ;
 - presenting and auditing accounts ;
 - special provisions applicable to the EAGGF, Food Aid, research and investment appropriations and the Publications Office.

OJ L 356/77
EP Doc. 469/76
434/77

C Reg. of 19 Dec. 1977

- (b) Implementation of Decision of 21 April 1970 concerning replacement of financial contributions by own resources.
- Own resources are established by Member States and made available to Comm.

OJ L 336/77

Control of revenue and expenditure

Control is exercised :

- at national level by the competent authorities in the Member States,
- at Community level, in the following order :
 - by the authorizing officer ;
 - by the internal controller (DG XX of Comm.) ;
 - by the external controller (Court of Auditors) ;
 - by Parliament, who gives a discharge to Comm. on a recommendation from C.

1.244
(contd)

(a) Control by the Member States

Control by the competent authorities in the Member States is decisive, since 85% of the budget consists of expenditure incurred and revenue collected by the national administrations.

Measures taken :

C Reg. of
19 Dec. 1977

— Member States undertake verification and inquiries related to establishing and making available Community's own resources. Comm. takes part, at its own request, in their control procedures;

OJ L 336/77

C Dir. of
15 March 1976
Comm. Dir. of 4 Nov. 1977

— mutual assistance among Member States for recovery of claims resulting from operations forming part of system of financing of EAGGF, and of agricultural levies and customs duties;

OJ L 73/76
OJ L 333/77

C Res. of
16 Dec. 1975

— stricter prevention of and proceedings against irregularities in financing of common agricultural policy;

OJ C 298/75

Comm. Rec. of
3 Feb. 1975

— reciprocal and direct exchanges of information between authorities of Member States on all matters relevant to campaign against irregularities and fraudulent practices to detriment of EAGGF, Guarantee Section.

OJ L 44/75

C Dir. of 27 June 1977

— inspection by Member States of commercial documents of undertakings receiving or making payments in order to ensure that transactions forming part of system of financing by EAGGF, Guarantee Section, are actually carried out and are executed correctly.

OJ L 172/77

Measures being drawn up :

Comm. Prop.
Reg.

— mutual assistance between competent authorities of Member States and between these authorities and Comm. for ensuring correct application of Community customs and agricultural regulations;

OJ C 100/73
Doc. EP 65/73

Comm. Prop. Dec.	1.244 (<i>contd</i>)	— extension of field of application of C Dir. of 15 March 1976 to cover VAT, excise duties and other charges applying to consumption ;	OJ C 249/76 Doc. EP 366/76
Comm. Prop.		— draft for Treaty amending Treaties establishing European Communities so as to permit adoption of common rules on protection under criminal law of financial interests of Communities and prosecution of infringements of provisions of those Treaties.	Doc. EP 290/76
		(b) Community control	
C Reg. of 21 Dec. 1977		Control procedures are laid down by the Treaties and the financial regulation of 21 December 1977. In addition, special measures have been taken as part of the rules establishing the various agricultural, social and regional funds. The following should also be mentioned :	OJ L 356/77
C Reg. of 21 Jan. 1974		— powers and obligations of officials appointed by the Commission to take part in control measures carried out by Member States on own resources ;	OJ L 20/74
C. Reg. of 7 Feb. 1972		— prevention of irregularities and recovery of sums wrongly paid as part of financing of common agricultural policy and organization of an information system in this field.	OJ L 36/72
		The Commission has adopted various measures, particularly internally, in order to reinforce these controls :	EP 37.478 COM (75) 3599
		— reorganization and reinforcement of internal checks at the Commission ;	
		— planned spot checks and random sampling checks ;	
		— special control assignments in several sectors (dairy products, olive oil, beef and veal) ;	

1.244
(contd)

- building up documentation centres (at the disposal of authorized paying officers) which cover Community and national regulations and which have a bearing on Community finance.

(c) Parliamentary control

EP Res. of
15 June 1976

The Parliament passed a resolution on the role and function of parliamentary control of Community resources and expenditure. It considers that its control functions should :

- be such as to combine internal and external control with a view to drawing political conclusions ;
- cover on a permanent and retrospective basis all Community resources and expenditure ;
- make use of the close and permanent assistance of the Court of Auditors and the help of Community and national administrations ;
- be such as to induce the institutions to take action on the comments appearing in the decisions giving discharge.

OJ C 159/76
Doc. EP 143/76

It confirms its decision to set up a subcommittee of the Committee on Budgets with powers of information and investigation concerning the implementation of Community expenditure :

- the forwarding, both by the Community institutions and by the national authorities, of all documents ;
- the hearing of officials or experts from the Community institutions and Member States ;
- the carrying out of inspection visits to the Community institutions and national bodies.

1.245 Budget of EC — 1979 (in EUA million)

Revenue

Country	Total	Agr. levy and customs duties	VAT or fin. contr. ¹	%
Belgium	871.1	561.3	309.8	6.4
FR of Germany	4 022.6	1 915.4	2 107.2 ¹	29.7
France	2 573.6	958.1	1 615.5	19.0
Italy	1 565.5	861.5	704.0	11.6
Luxembourg	18.0	4.0	14.0 ¹	0.13
Netherlands	1 246.5	820.4	426.1	9.2
Denmark	339.6	165.4	174.2	2.5
Ireland	103.8	64.7	39.1 ¹	0.76
United Kingdom	2 790.5	1 567.7	1 222.8	20.6
Total	13 531.3	6 918.5	6 612.7	100.0

¹ Three MSs are still paying financial contributions.

Source: OJ L 23/79.

Own resources	11 370.8
Financial contributions	2 160.3
Miscellaneous revenue	143.6
Total	13 685.7

Expenditure

Parliament	114.2
Council	102.8
Court of Justice	19.6
Court of Auditors	12.7
Commission :	
(a) Personnel	409.5
(b) Operation	171.6
(c) 10 % repayment on own resources	691.8
(d) Specific assignments and research	290.7
(e) Social Fund	502.5
(f) Regional Fund	499.0
(g) European Monetary System	245.4
(h) EAGGF — Guarantee	8 772.9
— Guidance	432.3
(i) Exchange rate	809.2
(j) Cooperation	494.9
(k) Miscellaneous	116.4
Comm. Total	13 436.4
	13 685.7

1.3 **Legal matters**

1.31 **COMMUNITY LAW**

Object : attainment of aims set out in Treaties.

A body of regulations, practices, interpretations and judicial rulings, the result of combined efforts of national authorities and Community institutions.

Basic legislation : treaties and protocols.

Secondary legislation : legislative instruments of the institutions. C and Comm. make *regulations* ('decisions' in ECSC Tr.) — having application, binding in their entirety and directly applicable in all Member States; issue *directives* ('recommendations' in ECSC Tr.) — binding, as to result to be achieved, on each Member State to which they are addressed, but leaving free choice of form and methods; ¹ take *decisions* ('make recommendations' in ECSC Tr.) — binding on those to whom they are addressed.

Judgments of the Court of Justice

Object : to ensure Community law is uniformly applied.

(a) Rulings in actions brought on grounds of illegality and in actions in which the CJEC has unlimited jurisdiction (see 1.331).

EEC Tr., Art. 189
EAEC Tr., Art. 161
ECSC Tr., Art. 14

¹ According to a recent judgment of CJEC certain provisions arising from Community directives may have direct effects on individuals subject to them, thus conferring on these individuals rights enforceable by them in national courts. (See judgment of Court of Justice in Case 41/74, CJEC Rulings Vol. VIII 1974, p. 1337).

EEC Tr., Art. 177
EAEC Tr., Art. 150

1.31
(contd)

(b) Preliminary rulings on :
interpretation of Treaties ;
validity and interpretation of acts of Community institutions ;
interpretation of statutes of bodies established by act of C, where
those statutes so provide.

Courts of first instance and various courts of appeal as well as several
supreme courts in Member States have referred matters to CJEC under
EEC Tr., Art. 177.

1.32

COMMUNITY LAW AND NATIONAL LAW

General obligations laid down in Treaties

Member States take all appropriate measures to ensure fulfilment of
obligations arising from Tr. or acts of institutions, and abstain from any
measure which might jeopardize attainment of aims of Treaties.

EEC Tr., Art. 5
EAEC Tr., Art. 192
ECSC Tr., Art. 86

1.321

Precedence of Community law :

Definition of relationship at Community level :

Where Community and national laws conflict, aims and terms of Tr.
demand that Community law must prevail.

No domestic legislation can be incompatible with the law established by
Tr. and thus having independent legal foundation ; otherwise the legal
basis of EC itself would be called into question.

CJEC Rulings
Vol. X/64

As members of EC, States have, by accepting the supremacy of Commu-
nity law, definitively forsworn some part of their own legal sovereignty.

e.g. Case 6/64
(Costa-ENEL)

1.321
(cont'd)

Direct application of Community regulations.

Judges may not apply national law covering concrete cases if this conflicts with Community law.

e.g. Case 26/62
(Van Gend & Loos —
Netherlands Tax
Authorities)

National judges must apply directly Community rulings which, even though addressed only to Member States, embody a special obligation and do not leave implementation to discretion of States. This can thus confer rights on third parties concerned, which must be upheld.

CJEC Rulings
Vol. LX/63

e.g. Case 74/69 Bremen
(Main Customs Office —
Freihafen-Waren-Import-
Gesellschaft Krohn & Co.)

When problems arise (classification of a product) national authorities may adopt implementing measures, in conformity with Community provisions and without laying down generally binding interpretations.

CJEC Rulings
Vol. XVI/70

e.g. Case 106/77
(Italian Tax Authorities
— Simmenthal SA)

National judges are under a duty to give unqualified effect to provisions of Community law, refusing if necessary to apply any contrary provisions of national legislation, even if adopted subsequently.

Judgment of
9 March 1978

1.322

Definition at national level

BELGIUM

Constitution

The exercise of certain powers may be transferred by treaty or by law to international legal bodies.

Court rulings

In *Belgian State v 'Le Ski' Dairy*, the Court did not regard conflict between international treaty and national law as a conflict between laws and therefore ruled out application of principle '*lex posterior derogat legi priori*'. What is valid for an international treaty also applies to Community law. Hence judges are required 'not to apply internal legislation which conflicts with provisions of the Treaty'.

Judgment of Belgian
Court of Cassation
(Section 1) 27 May 1971

Journal des Tribunaux No.
4750—1971

1.321/1.322

1.322
(contd)

DENMARK

Constitution

Constitution Art. 20,1

The powers attributed by the Constitution to the Danish authorities can be delegated by law to international authorities set up by virtue of an international convention in order to promote cooperation and the rule of international law.

GERMANY

Constitution (Basic Law)

Art. 24, Par. 1

Federal Republic can transfer sovereign rights, by legislative process, to international institutions.

Art. 25

The general rules of public international law are a constituent part of Federal law, take precedence over laws and embody directly applicable rights and obligations for inhabitants of the Federal Republic. Where there is any doubt in a dispute as to whether rules of international law are a constituent part of Federal law and create directly applicable rights and obligations for individuals, appeal must be made to Federal Constitutional Court.

Art. 100, Par. 2

Court rulings

Federal Constitutional Court
9 June 1971

Community law takes precedence over national laws. Judgments of CJEC in context of proceedings for preliminary rulings are binding. Moreover courts must also apply legal provisions deriving from autonomous external jurisdiction, which, however, have direct effect within State and override and supersede national law.

Außenwirtschaftsdienst der
Betriebsberater 1971 —
p. 418

Federal Finance Court
10 July 1968

1.322
(contd)

Drew a distinction between validity and interpretation of Community law and its applicability in national law. Decisions valid in constitutional law can be incompatible with Community law.

Außenwirtschaftsdienst der
Betriebsberater 1968 —
p. 397

Federal Constitutional Court
29 May 1974

This court has reserved the right to judge the compatibility of EC regulations with fundamental rights defined by the Constitution. It follows from this that it can rule that a Community regulation is inapplicable in the Federal Republic when it conflicts with fundamental rights.

Neue Jurist. Wochenschrift
1974 No 38 p. 1697

FRANCE

Constitution

Art. 54 and 55

If Constitutional Council declares that a clause of an international agreement conflicts with Constitution, ratification or adoption requires amendment to Constitution.

Treaties or agreements which have been duly ratified or approved take precedence, from date of publication, over laws, provided treaties or agreements also applied by other parties to treaty.

Precedence of international law over existing internal laws seems established and allows no laws to be passed which conflict with international law.

Court rulings

French Supreme Court
of Appeal (penal
section) 22.10.1970

Case Law

The judgment in the Indirect Taxation Authority v Ramel case recognizes that Community regulations have the force of an international treaty and, as such, 'higher authority than ordinary laws'; it thus confirms the primacy of Community law.

Journal des Tribunaux
No 4726-1971

French Supreme Court
of Appeal (commercial
section) 8.5.1973

Where the Court of Justice of the European Communities has defined the meaning and scope of applicable Community provisions, this interpretation must be respected by the national courts.

Gazette du Palais 1973,
No 5, Jurispru. p. 659

French Court of Cassation
24 May 1975

Decision in the case of Revenue Authority v. S.A.R.L. Weigel and Cafés Jacques Fabre affirms priority of Community law even over national law subsequently enacted: the Treaty of 24 March 1957 establishing the EEC, takes precedence over national law under Art. 55 of the Constitution. It establishes an independent order of law which is an integral part of the

Recueil Dalloz Sirey,
1975, p. 497 *et seq.*

1.322
(contd)

law of Member States and for this specific reason the legal structure created by it is directly applicable to the nationals of these States and is binding on their judiciary. An Appeal Court has decided therefore correctly that in the present case, Art. 95 of the Treaty is to be applied in the place of Art. 265 of the Customs Code, although the latter text was of later date.

It would be idle to argue that Art. 55 of the Constitution subordinates the authority which it confers on Treaties ratified by France to the requirement that it should be applied by the other contracting party, when within the framework of Community law the failure of a Member State to meet its obligations arising from the Treaty of 25 March 1957 is subject to the recourse provided by Art. 170 of the Treaty which excludes the possibility of action based on a lack of reciprocity being used as an argument before national courts.

Concerning the relationship between the Community and French sovereignty in the context of a directly-elected European Parliament, the French Constitutional Court concluded that direct elections would *not* affect national sovereignty.

French OJ of 31 Dec. 1976,
p. 7651 = EP Bull.
45/1976-77

Constitutional Council
of 30 Dec. 1976

IRELAND

Constitution

The Irish Constitution was amended by referendum on 10 May 1972 in order to permit Irish membership of the EC and to enable Ireland to fulfil the obligations arising from her membership.

Keesings Contemporary
Archives p. 25333

ITALY

Constitution

Art. 10, Par. 1
Art. 11

Legislation conforms to generally recognized rules of international law.

Agrees, on condition that other States do likewise, to restrictions on sovereignty called for by the legal requirement to safeguard peace and justice.

Court rulings

Constitutional Court
7 March 1964

Asked to rule on possible conflict between law on nationalization of electricity undertakings (setting up of ENEL) and EEC Tr., the court acknowledged that treaties placing restrictions on sovereignty may be concluded and that, on certain conditions, it is admissible to apply them on basis of ordinary law.

Foro Italiano,
Vol. 1 1964 — Column 1 ;
465

In its grounds for judgment, however, court expressed the view that Article 11 of the Constitution does not accord law ratifying EEC Tr. a special position in relation to other laws. It did not give a ruling on precedence of Community law.

In view of some courts Parliament can ratify a treaty which restricts sovereignty. However, if treaty not ratified according to correct procedure for passing constitutional laws, it is accorded no special status in national law.

Constitutional Court
27 Dec. 1973

In this judgment the Constitutional Court conceded the constitutional legality of EEC Tr., Art. 189, and thus affirmed the precedence of Community law over internal law.

Foro Italiano
Volume 2 1974 —
Column 1 ; 314

Constitutional Court
22 Oct. 1975

Following rulings of the Italian courts whereby only national legal provisions could be applied, the Constitutional Court declared that such provisions were unconstitutional even if their content were the same as that of Community regulations. Recourse to internal legal provisions to apply Community regulations could not only lead to a delay in their application, which is in direct contravention of Article 189, second paragraph, of the Treaty of Rome, but would also have an even more serious consequence, namely that such legal requirements, as internal provisions would no longer be subject to interpretation by the Court of Justice of the Communities.

Gazzetta Ufficiale
No 281 of 22 Oct. 1975
9th GR EC (1975)
Par. 520

1.322
(contd)

LUXEMBOURG

Constitution

Amended on 25 October 1956: exercise of legislative, executive and judicial powers normally under constitutional jurisdiction can be transferred temporarily by treaty to international institutions.

Court rulings

Judges must apply the provisions of a relevant international treaty, even if this conflicts with national law of later date, since a legally ratified international treaty has precedence over ordinary law.

Pasicrisie Lux.
Vol XVI — p. 150

NETHERLANDS

Constitution

No judicial examination made of legal status of international treaties.

Should developments in international law so require, a treaty can depart from provisions of Constitution. Such derogations must be expressly approved.

Treaty provisions which are binding on individuals come into force from date of publication.

Valid legal provisions not to be applied if they conflict with generally binding provisions of international treaties ratified before or after enactment of national law.

Articles 65 and 66 also apply to provisions of international organizations to which legislative, executive and judicial powers have been transferred by international treaty.

The principle of treaties having precedence over laws not disputed.

Art. 49a

Supreme Court 14 July 1954

Art. 60, Par. 3

Art. 63

Art. 65, Par. 1

Art. 66

Art. 67, Par 2

Constitutional position

The position in the United Kingdom is marked by the existence of principles which *a priori* make it difficult to ensure the priority and application of Community law. The undertaking of international obligations is a prerogative of the Crown ; the application to domestic law of obligations resulting from international agreements is a prerogative of Parliament. It follows that an international obligation legally entered into by the Crown can in no way affect the rights or obligations of individuals until Parliament has taken the necessary steps to enable the international obligation to have effect in the body of domestic law.

Thus, in order to introduce Community law into the national legal system, the European Communities Act 1972 enacted that Community law will be 'recognized and available in law ... and ... enforced, allowed and followed accordingly'. Community law is therefore applied by Act of Parliament, but not as law emanating from Parliament.¹

Legal decision

In its decision of 22 May 1974 the Court of Appeal stated that Community treaties were henceforward part of UK law.

Court of Appeal London, 22
May 1974

Report on the work
of the CJEC 1974
CMLR 74 p. 91

¹ See J.-P. Puissechet, *l'Élargissement des Communautés Européennes*. Éditions techniques et économiques (Paris 1974), p. 118 *et seq.*

1.33 LEGAL PROTECTION, PETITIONS

1.331 Legal protection by CJEC

from measures applying Treaties or in their interpretation :

(a) annulment and default proceedings before

CJEC alleging maladministration by Community institutions or their failure to act.

Valid grounds for complaint are :

- lack of competence,
- infringement of essential procedural requirement,
- infringement of Treaty or implementing provision,
- misuse of powers.

Following are entitled to lodge complaints :

- *Member State, Comm. or C* against acts of C or Comm. (except recommendations or opinions);
- any natural or legal persons against acts of commission or omission by EC institutions which directly and individually affect them ;
- *Member State or Community* institution if C or Comm. in default ;
- *Member State or C* against Comm. Dec. or Rec. or its failure to act ;
- *Member State or Comm.* against acts of EP or C decisions, but only for lack of competence or infringement of essential procedural requirements ;
- *Undertakings or associations* against Commission Decs. or Recs. or its failure to act (under specified conditions) ;

EEC Tr., Art. 173, Par. 1
EAEC Tr., Art. 146, Par. 1

EEC Tr., Art. 173, Par. 2,
175, Par. 3
EAEC Tr., Art. 146, Par. 2,
148, Par. 3

EEC Tr., Art. 175 Par. 1,2
EAEC Tr., Art. 148, Par. 1,2
ECSC Tr., Art. 33, Par. 1,
Art. 35
ECSC Tr., Art. 38
ECSC Tr., Art. 33, Par. 2
Art. 35

1.331
(contd)

(b) Cases in which CJEC has unlimited jurisdiction :

these cover :

ECSC Tr., Art. 36
EEC Tr., Art. 172
EAEC Tr., Art. 144

— pecuniary sanctions imposed by executive bodies on persons and undertakings subject to Community law ;

ECSC Tr., Art. 40
EEC Tr., Art. 179
EAEC Tr., Art. 152

— measures connected with Staff Regulations or Conditions of Employment of EC servants ;

ECSC Tr., Art. 37

— an express or implied decision by Comm. refusing to recognize an allegation by a Member State that an action or failure to act on its part is such as to provoke fundamental and persistent disturbances in the economy of that State ;

(c) Claims for damages

CJEC can order payment of damages either upon application or when giving an annulment judgment against :

ECSC Tr., Art. 40
EEC Tr., Art. 178 and 215
EAEC Tr., Art. 151 and 188

— EC, for any damage caused by its institutions or its servants in performance of their duties ;

ECSC Tr., Art. 34

— Comm., if it fails to take steps called for by judgment of annulment ;

ECSC Tr., Art. 47

— Comm., for any breach of professional secrecy causing damage to an undertaking.

1.332

Petitions to EP

RP EP Rule 48

EP accepts petitions relating to Community activity. Referred to relevant committee for examination. Cttee can report to Parliament and may ask for petition to be forwarded to C or Comm.

EP gives extensive application to the provisions of its RP on this matter.

PRIVILEGES AND IMMUNITIES

Merger Tr., Art. 28 ;
Protocol on Privileges and
Immunities of EC of 8 April
1965

EC and EIB enjoy privileges and immunities necessary for performance of their tasks : inviolability of premises and buildings ; exemption from taxed and customs duties ; same treatment for official communications and transmission of documents as that accorded to diplomatic missions ; freedom from censorship of communications.

Members of EP : facilities in respect of customs and exchange control ; Parliamentary immunity during part-sessions (can be waived by EP) ; immunity from prosecution because of opinions expressed in the performance of their duties.

Representatives of Member States, their advisers and technical experts, and members of the EC advisory bodies enjoy the customary privileges.

Officials and other servants : immunity from legal proceedings in respect of acts performed in an official capacity ; freedom from immigration restrictions ; facilities in respect of currency or exchange regulations ; right to import furniture, personal effects and motor-car free of duty on taking up their post and re-export them free of duty on termination of their duties ; exemption from national taxes on salaries, wages and emoluments paid by EC. In application of income taxes, wealth taxes and death duties and for the purposes of Double Taxation Conventions, officials are, in certain circumstances, deemed to have retained their domicile for tax purposes in their country of origin at the time of entering the service of the Communities.

Members of EP and certain officials of EC institutions issued with laissez-passer recognized as valid travel document within territory of Member States and, in certain circumstances, of third countries.

Purpose :

To set out rights and obligations of staff in relation to EC institutions.

Definition of 'official'

Staff Regulations, Art. 1

'Official of the Communities' is any person appointed to an established post on the staff of one of the EC institutions.

Rights and obligations

Staff Regulations, Art.
11-26

Officials serve EC exclusively, must neither seek nor take instructions from any government or authority outside their institution.

Governments must respect officials' independence.

Officials who are candidates for elective public office must apply for leave on personal grounds. The Appointing Authority must decide whether any official elected to such office can continue in active employment or should apply for leave on personal grounds.

Strictest confidence on facts, documents or information.

Privileges and immunities are accorded solely in interest of EC.

Recruitment — career

Staff Regulations, Art.
27-34

Basic principles : purpose of recruitment ; necessary preconditions, e.g. must be national of a Member State ; publication of selection procedure ; open competition ; geographical distribution ; no posts can be reserved for nationals of particular Member State.

Officials of institutions receive priority in recruitment to vacant permanent established posts (promotion, transfer, internal competition).

Appointments permanent. Entry at first step in starting grade. One or two grades for every post.

1.35
(contd)

Remuneration

Staff Regulations, Art. 65

Remuneration reviewed each year by C on prop. from Comm.

Taxes

C Reg. of 29 Feb. 1968

Tax on salary calculated individually according to salary and family circumstances. Tax deducted at source, proceeds entered as revenue in EC Budget.

OJ L 56/68

Pension

Staff Regulations, Art. 77

Officials entitled to retirement pension after 10 years' service or from age 60.

Maximum pension 70 % of final basic salary at last grade and step in which official has spent at least one year, and after 35 years of pensionable service and from age 60.

Staff Regulations Art. 83

Officials pay one-third of total pension contribution equivalent to 6.75 % of basic salary.

Pension exempt from national tax.

Staff Committees, Disciplinary Boards

Staff are consulted on problems affecting them through elected representatives.

Staff Regulations, Art. 9

— *Staff Committee*: represents interests of staff; consulted on amendments to Staff Regs. and Impl. Regs.; shares in management and supervision of social welfare bodies set up by institution.

— *Joint Committees*: supervision of selection procedure, etc.

— *Reports (or promotion) Committee*

— *Disciplinary Board*

Staff Regulations, Art.
86-91

1.35
(contd)

Disciplinary action, complaints by staff, protection of staff rights

Failure, whether intentional or through negligence, to fulfil obligations makes official liable to disciplinary action.

Officials may submit applications or complaints to appointing authorities.

Officials may bring disputes with institutions before CJEC.

1.4 **Development of political structures**

1.41 **EXTENSION OF POWERS OF THE INSTITUTIONS**

1.411 **European Parliament**

1.4111 *DEVELOPMENT PROVIDED FOR IN TREATIES:*

ECSC Tr., Art. 21

Direct elections

EEC Tr., Art. 138
EAEC Tr., Art. 108

Procedure for introduction of direct elections : Proposals by EP, decision by C, adoption by Member States.

EP Res. of 14 Jan. 1975

In accordance with EP proposals, C adopted on 20 September 1976 a text introducing direct elections and changing the number of representatives.

OJ C 32/75

Following ratification by all Member States, this text entered into force on 1 July 1978. The first elections were held on 7-10 June 1979.

OJ L 173/78, p. 30

Basic characteristics of EC electoral law.

Art. 7

— during transitional period national electoral systems to be used thereafter European electoral system (to be drawn up by EP);

Art. 5

— national parliamentary mandate compatible with EP mandate;

Art. 3

— term of EP representatives : 5 years ;

Art. 9

— elections to take place simultaneously in Member States.

1.4112 *FURTHER AIMS OF EP*

General :

EP Res. of 10 July 1975

participation on an equal footing in the legislative process and considerable extension of powers.

OJ C 179/75, p. 28

- 1.4112
(cont'd)
- In particular :
- parliamentary right of initiative ;
 - conciliation procedure no longer subject to time limits ;
 - participation in the appointment of members of the Commission ;
 - participation in political cooperation and in all coordination and consultation procedures between the Member States.

Final Decls.

1.4113

*MANDATE OF 19-20 OCTOBER 1972
AND 9-10 DECEMBER 1974
FROM HEADS OF STATE OR GOVERNMENT*

6th GR EC and 8th GR EC
Annex

- Strengthening EP's powers of control and legislation.
- Improvement of EP's relations with C and Comm.
- Measures by EC institutions to allocate roles and responsibilities in work of Economic and Monetary Union.

Vedel Rep.

1.4114

PROPOSALS BY 'VEDEL' WORKING PARTY (appointed by the Commission)

Supp. 4/72 — Bull. EC

- Greater participation by EP in major legislative decisions and other measures, by :
 - (a) sharing in decisions on Tr. *amendments, application of Art. 235 of EEC Tr., admission of new members, ratification of international agreements* ;
 - (b) right of suspensive veto (right to demand a fresh decision from C) in areas of special political importance ;

- 1.4114 — extended powers of decision and control in budgetary sector ;
(cont'd) — EP to be consulted on appointment of Comm. President.

1.4115 *COMM. PROPOSALS*

- Comm. proposal of 30 May 1973 — To improve relations between the institutions, and strengthen EP's powers of control : EP Doc. 103/73
— more political debates at EP ;
— where Comm. intends to disregard general political approach of debates it will so inform EP, explaining its reasons ;
— extended consultation on all important matters in coal and steel sector ;
— information on progress in negotiations on trade agreements ;
— Comm. statement before EP on measures to be taken in response to proposed amendments.
- Comm. proposal of 13 June 1973 — Measures for allocation of powers and responsibilities with a view to Economic and Monetary Union : EP Doc. 68/73
— second reading (consultation) whenever C intends to depart substantially from EP opinion,
- Comm. proposal of 6 June 1973 — budgetary powers (see 1.24). COM (73) 1 000

1.4116 *PROPOSALS BY MR TINDEMANS*

- Report on European Union of 29 Dec. 1975 — recognition, at first unofficial and subsequently to be given legal value through a Treaty amendment, of Parliament's *right to take initiatives*, the Council undertaking to consider the resolutions which Parliament addresses to it ; Suppl. 1/76 — Bull. EC

- 1.4116
(contd)
- *recognition of Parliament's right to consider all questions within the competence of the Union, whether or not they are covered by the Treaties ;*
 - *organization of an annual debate on the state of the Union and the functioning of the institutions ;*
 - *recognition of Parliament's right of approval when the President of the Commission is elected.*

1.412 **Council**

Final Decls.

— *Mandate of the 1972 and 1974 Summit Conferences*

Improvement of working methods (e.g. through harmonization of national cabinet meetings), as from 1975 Heads of Government meet at least three times a year as C.

Waiver of unanimity in decision-making process, strengthening of role of Permanent Representatives, increased delegation of executive powers to Comm., closer integration (Secretariat) with cooperation in the foreign policy field.

6th GR EC
8th GR EC, Annex

C Res. of 4-5 Feb. 1974

— *Achieved so far :*

regular liaison between C and Comm., in order to avoid contradictions between decisions of individual specialized ministerial councils, working programme covering a six-month period, grouping of related items on the agenda, speeding up of decision-making procedure, in individual cases decisions taken by majority vote, Heads of Government meet as C. As from 1975 foreign policy cooperation more closely connected with C.

C Press communiqué of
8 Feb. 1974

1.42 **PLANS FOR PROMOTING INTEGRATION**

1.421 **Foreign policy**

Fouchet Plan' (for political union)

Plan for a UNION OF STATES, submitted by France on 2 Nov. 1961 after conferences of 10-11 Feb. 1961 (Paris) and 5 May and 18 July 1961 (Bonn).

Aims: cooperation in foreign and defence policy.

Organization:

Heads of State or Government meet every four months.

Unanimous decisions.

Chairmanship by four-monthly rota.

Consultative Assembly to submit recommendations and questions (to be answered by C within four months).

Executive Comm. of senior officials, who preside in turn on four-monthly rota, with no right of initiative.

Commission to sit in Paris.

Subject to unanimous approval of 'Six', membership of Union open to Member States of Council of Europe.

Counter-proposals by other members of 'Six':

Secretary-General independent of Member States;

Revision of Union Tr., to strengthen powers of its institutions;

Parliament elected by universal direct suffrage;

Introduction of majority dec. in Union C.

— *Collapse of project* on 17 April 1962, due to failure to reach agreement among 'Six'.

— *Meetings of Foreign Ministers ('Davignon Procedure')*

Die Politische Union,
Dokumentensammlung,
pubd. by EP, January 1964

Hague Conference of 1-2
Dec. 1969
1st Foreign Ministers' report
EP report of 3 April 1973

1.421
(cont'd)

Committee of heads of political departments of Foreign Ministries set up in October 1970 as a result of Hague Conference to prepare Foreign Ministers' conferences at regular intervals, for harmonization of certain sectors of foreign policy. Report presented after each meeting by C President-in-Office to EP Political Affairs Cttee. and once yearly to plenary session of EP.

EP Doc. 155/70
EP Doc. 12/73

2nd Foreign Ministers'
report of 23 July 1973

At least four annual meetings of Foreign Ministers. Setting up of working parties to study individual problems and 'Groups of correspondents' to prepare work of Cttee. of heads of political departments. Increased cooperation of Member States' ambassadors to third countries and in international organizations.

7th GR EC, p. 509 *et seq.*

Subjects: 'All important foreign policy matters'. Each State undertakes not to establish its own position definitively without first consulting its partners as part of the process of political cooperation.

Letter of C President to EP
President of Feb. 1975.

Close liaison with C and Comm.

EP 39.916

Parliament: as well as existing contacts, since February 1975, parliamentary questions concerning political cooperation are answered by C.

1.422

Economic and Monetary Union

Werner Report of 8 Oct.
1970

'Werner Plan' submitted as result of Hague
Conference of 1-2 Dec. 1969 (see 4.16).

OJ C 136/70

— Proposals of the European Council of 6 July 1978 (Bremen).
Introduction of a European Monetary System (see 4.16).

Bull. EC 6/1978, p. 17

1.421/1.422

EUROPEAN UNION**EUROPEAN POLITICAL COMMUNITY (1952-1954)**

Draft Treaty concerning the
Statute of the European
Community of 10 March 1953

Constitution for a European Community was drawn up in connection with proposals for European Defence Community by *ad hoc* Assembly (ECSC Common Assembly, 9 specially elected members of Consultative Assembly of C of Europe, and 13 observers). Adopted by that Assembly on 10 March 1953, but not adopted by Member States.

Proposal: 'European Community' with federal structure. Art. 2 sets out tasks and aims in general terms.

Legislature:

First Chamber, elected by universal suffrage.

Second Chamber, Senate, nominated by nat. parliaments.

Executive:

European Executive Council responsible to both Chambers, President nominated by Senate; Council of Member States' Ministers assuring liaison between Executive Council and nat. govts.

Judiciary:

Federal Court (Court of ECSC)

Union of States (1961-1962) (see Fouchet Plan, 1.421)

EUROPEAN UNION (1972 PROPOSALS)

Summit Conference
Final Decl. of 20 Oct. 1972

— *Plan :*

Transformation of all relations between Member States into a 'European Union' by 1980.

Summit Conference
Final Decl. of 9-10 Dec.
1974

— *Mandate :*

Comm., EP, CIEC to draw up reports by mid-1975.

8th GR EC, Ann.

15 July 1974

— *CJEC Report :*

Demands binding and uniform legal rules for Union, and safeguards for individual rights. Provisions to be adopted to prevent conflict between existing EC law and new juridical structure.

EP 39.850

25 June 1975

— *Comm. Report :*

All tasks which can no longer be efficiently carried out by Member States alone should be passed on to Union — in particular those relating to economic and monetary union. Institutions of the Union must have direct powers of decision and control as well as financial resources ; they must perform a judicial function.

Bull. Suppl. 5/75

Proposal : collegiate European government, independent of nat. govts., combining all existing executive functions of C and Comm. Legislature : bicameral system (Chamber of Peoples — Chamber of States). During transitional period : participation of Ministerial Committee (consisting of national ministers) in decision-making process.

10 July 1975

— *EP Report :*

EU must be a pluralistic and democratic community. Authority in all fields, which can no longer be effectively governed by individual States. Organization : independent decision-making centre, participa-

Doc. 174/75
OJ Annex 193 10.7.75

1.431
(contd)

tion on equal terms, of Parliament in decision-making process a Court of Justice, Economic and Social Council and Audit Office.

Transitional period necessary. During transitional period : direct elections, strengthening of powers of EP, participation in appointment of members of Comm., conciliation procedure in the case of all proposals where C chooses to depart from opinion of EP.

Submission of a programme by Comm. for transitional period.

Setting up of a 'Charter of Civil Rights by EC'.

- Report of Economic and Social Committee :
- By end of 1975 : comprehensive report of Belgian Prime Minister Tindemans.

EC Bull., Suppl. 9/75

8th GR EC, p. 340

17 July 1975

Summit Conference Final
Decl. of 9-10 Dec. 1974

29 Dec. 1975

Report on European Union by Mr Leo Tindemans to the European Council : Mr Tindemans proposed that the European Council should define the various elements of European Union as follows :

EC Bull., Suppl. 1/76

(1) European Union implies that we present a united front to the outside world. We must tend to act in common in all the main fields of our external relations whether in foreign policy, security, economic relations or development aid. Our action is aimed at defending our interests but also at using our collective strength in support of law and justice in world discussions.

(2) European Union recognizes the interdependence of the economic prosperity of our States and accepts the consequences of this : a common economic and monetary policy to manage this prosperity, common policies in the industrial and agricultural sectors and on energy and research to safeguard the future.

1.431
(contd)

(3) European Union requires the solidarity of our peoples to be effective and adequate. Regional policy will correct inequalities in development and counteract the centralizing effects of industrial societies. Social action will mitigate inequalities of income and encourage society to organize itself in a fairer and more humane fashion.

(4) European Union makes itself felt in people's daily lives. It helps to protect their rights and to improve their life style.

(5) In order to achieve these tasks European Union has given institutions with the necessary powers to determine a common, coherent and all-inclusive political view, the efficiency needed for action, the legitimacy needed for democratic control. The principle of the equality of all our States continues to be respected within the Union by each State's right to participate in political decision making.

(6) Like the Community whose objectives it pursues and whose attainments it protects European Union will be built gradually. So as to restart the construction of Europe straight away and increase its credibility its initial basis is the political commitment of the States to carry out in different fields specific actions selected according to their importance and the chances of success.

(For details please consult the relevant chapters.)

2. THE COMMON MARKET

2.1 Free movement of goods

2.10 OBJECTIVES

— elimination of customs duties between Member States and of quantitative and qualitative restrictions on trade.

2.11 REQUIREMENTS OF TREATIES

ECSC Tr., Art. 4a
EAEC Tr., Art. 93
EEC Tr., Art. 30, 31, 32, 33,
34
EEC Tr., Art. 12-17
EEC Tr., Art. 33
EEC Tr., Art. 35
EEC Tr., Art. 9-11
EEC Tr., Art. 36

Abolition of customs duties on imports and exports, charges having equivalent effect and all quantitative restrictions.
Progressive abolition of customs duties, including those of a fiscal nature.
Gradual increase of global quotas.
Accelerated abolition of quantitative restrictions where possible.
Creation of customs union within 12 years.
Prohibitions and restrictions allowed if on grounds of public morality, public policy or public security, etc.

2.12 DECISION-MAKING PROCEDURES

C adopts independently (in practice in cooperation with Comm.):

— measures for defining concept 'originating products' *vis-à-vis* Assoc. States.

e.g. C Dec. of 5 May 1966
and 17 Dec. 1970

OJ 1966 p. 1445
OJ L 284/70

2.12
(contd)

Acting on Comm. prop., C by qual. majority:

EEC Tr., Art. 25 (1)

- grants individual Member States tariff quotas if Comm. finds EC supply of particular products insufficient.

Unanimously:

EEC Tr., Art. 100

- issues Dirs. to approximate nat. legal provisions (e.g. those concerning customs matters) directly affecting the Common Market (must consult EP and ESC if amendment of nat. legislation involved).

Comm. independently adopts:

EEC Tr., Art. 10 (2)

- Decs. on methods of administrative cooperation to achieve customs union;

EEC Tr., Art. 27

- Recs. to Member States on approximation of provisions in respect of customs matters; since end of the transitional period (1 July 1968), such measures have been based on EEC Tr., Art. 100 and 235 (see 1.22, 1.233 for procedure);

C Reg. of 19 Dec. 1972,
Art. 4

- Measures for maintaining EC tariff quota *vis-à-vis* developing countries;

OJ L 296/72

EEC Tr., Art. 33 (7)

- Dirs. on abolition of measures having effect equivalent to that of quotas;

EEC Tr., Art. 37 (6)

- Recs. on adjustment of State commercial monopolies.

Comm. in conjunction with a management cttee (see 1.202) proposes measures such as:

C Reg. of 18 March 1969

- Reg. on Community transit procedures;

OJ L 77/69

C Reg. of 27 June 1968

- Reg. on common definition of concept of 'origin of goods';

OJ L 148/68

C Dir. of 4 March 1969

- Dir. on harmonization of provisions on inward processing.

OJ L 58/69

PRESENT STATE OF INTEGRATION

C Dec. of 26 July 1966
C Reg. of 28 June 1968

Acces. Tr., Art. 32, 38

Comm. Dec. of 27 Feb.
1973

Comm. Rec. of 21 June 1968

C Dir. of 19 Dec. 1977

C Reg. of 18 March 1969
C Prop. of 8 Oct. 1975

Acces. Tr., Art. 42
Comm. Commun. (18 Oct. 1978)

(a) Abolition 18 months earlier than planned, on 1 July 1968, of customs duties on industrial and agric. products except a maximum duty of 25 % for some agric. products not subject to COM.

For new Member States, abolition of customs duties as from 1 July 1977.

Certain customs duties may be retained subject to Comm. authorization.

(b) Gradual abolition of charges having equivalent effect ; many cases are still under examination.

(c) Travel :

— simplified inspection of travellers and vehicles at frontier posts within EC ;

— abolition of 'Green Card' check at frontier posts within EC as from 25 May 1974 ;

— regulation of turnover taxes and excise duties applicable in international passenger transport (see 2.5223).

Derogation accorded to Denmark relating to rules governing turnover tax and excise duty applicable in international travel

(d) Common External Customs Tariff.

(e) EC transit procedure, in force since 1 Jan. 1970, simplifies customs formalities in respect of goods transport.

(f) Prohibition of measures having effect equivalent to quantitative restrictions, from 1 Jan. 1975 in the Enlarged Community. These measures have in fact been increasing in recent years.

OJ 165/66
OJ L 172/68

OJ L 197/73

OJ L 167/68

OJ L 366/78

OJ L 336/77

OJ L 335/78

OJ L 77/69
OJ C 244/75

Bull. EC 10-78

General C Progr. of
28 May 1969
Suppl. of 21 May 1973

2.13
(contd)

- (g) Removal of technical obstacles to trade in industrial goods ; mutual recognition of nat. provisions, to make possible production at common market level and offer consumers a better choice ; essential element of EC's industrial policy.

OJ C 76/69
OJ C 38/73

113 directives have been adopted to date by C, in addition to 14 by Comm. At the end of 1978 a further 43 proposals were under examination by C.

12th GR EC,
Section 104

C Dir. 70/32

- (h) Tenders for public work contracts : public authorities may not give preference to national undertakings nor may imported products be excluded. Where necessary, the Commission initiates the procedure laid down in Art. 169.

OJ L 13/70

C Dir. No 62
of 20 Dec. 1976

Adoption by the Council of the directive coordinating procedures for the award of public supply contracts. All goods in free circulation may be offered for public works contracts awarded in the Member States. Dir. does not apply to purchases by transport and telecommunications services and by water, gas and electricity supply services.

OJ L 13/77

The directive is not yet being applied correctly by all Member States.

12th GR EC,
Section 121

Progress achieved :

Comm. Progr. of 28
April 1971

- (i) Harmonization of customs laws ; Comm. programme only partly implemented. Numerous proposals are before C for examination.

Comm. working progr. of
25 Feb. 1975

- (j) Simplification of customs procedures and formalities.

EP Rep.
EP Opinion

- (k) EP concern that administrative barriers at internal frontiers in EC are imperilling progress achieved towards integration and hampering further realization of free movement of goods.

EP Doc. 132/77
OJ C 163/77

EP Rep.
EP Opinion

2.13
(*contd*)

(l) EP calls for simplification and harmonization of procedures governing imports and exports and continuation of efforts towards harmonization of customs legislation.

EP Doc. 376/77
OJ C 229/77

Comm. Progr. (9 March
1979)

(m) Programme covering several years for the complete realization of a customs union.

COM(79) 8 final

2.2 Rights and Freedoms

2.21 WORKERS' FREEDOM OF MOVEMENT

2.210 Objectives :

EEC Tr., Art. 7

Same treatment for foreign workers as for nationals of Member States, freedom of movement throughout the territory of the EC.

2.211 Requirements of Treaties

ECSC Tr., Art. 69

— Abolition of all restrictions based on nationality upon employment in coal and steel industries, subject to limitations imposed by health and public policy requirements ;

EEC Tr., Art. 48 (1, 2, 3)

— Abolition by end of transitional period of all discrimination based on nationality between workers of Member States as regards employment, remuneration and other conditions of work and employment, except where justified by public policy, security or health ;

EEC Tr., Art. 50

— Joint programme for encouraging exchange of young workers ;

EEC Tr., Art. 51

— Adoption of system to ensure, for migrant workers and entitled dependants aggregation of qualifying periods and payment of benefit within social security scheme (see also 4.335) ;

EAEC Tr., Art. 96, Par. 1

— Abolition of all restrictions based on nationality upon access by Member States' nationals to skilled employment in nuclear energy field, except those justified by public policy, security or health.

2.212 Decision-making procedures

EEC Tr., Art. 49

- (a) *C, acting on Comm. prop. and after consulting ESC,*
— issues Dirs. or makes Reg. for progressive realization workers' freedom of movement.

EAEC Tr., Art. 96, Par. 2

- (b) *After consulting EP, C, acting by qual. majority on prop. from Comm., which has consulted ESC,*
— issues Dirs. for achieving free movement of skilled workers in nuclear energy field.

EEC Tr., Art. 51

- (c) *C, acting unanimously on Comm. prop.,*
— adopts social security measures necessary for workers' freedom of movement.

EEC Tr., Art. 54 (3, d)

- (d) *Comm. enacts independently,*
— Impl. Regs. enabling workers to remain on territory of another Member State.

2.213 State of integration

C Reg. of 15 Oct. 1968
(replaces C Reg. of 25 March 1964)

- All Member States' nationals entitled to work as wage or salary-earners in territory of another Member State according to legal and administrative provisions applying there.

OJ L 257/68

C. Dir. of 15 Oct. 1968

- Abolition of restrictions on movement and residence within EC for workers of Member States and their families except those justified by public policy, security or health.

OJ L 257/68

- Equal treatment of and for immigrant workers on conditions of employment and work, esp. as regards remuneration, dismissal, reinstatement, etc.; same social and tax advantages, equal rights on joining trade unions, and on housing.

2.213
(cont'd)

— Cooperation between Member States' central employment services and with Comm. in matching jobs wanted and jobs vacant.

— Organs entrusted with running system:

1. European Coordination Office for Vacancy Clearance
2. Advisory Committee assisting Com.
3. Technical Committee

C Dir. of 25 Feb. 1964

Coordination of special measures on movement and residence of foreign nationals justified on grounds of public policy, security or health (see 2.22).

OJ 56/64

Decl. of 25 March 1964 by
Member States'
Representatives in C

Recognition of need for special goodwill when examining question of allowing recognized refugees, as defined in 1951 Agreement, resident in territory of one Member State to enter that of another for purpose of accepting employment as wage or salary-earners.

OJ 78/64

1st General Programme of 8
May 1964 of Member States'
Representatives in C

Fostering of exchanges within EC of young workers (18—30 years) with basic qualifications who want to complete training in another Member State while gainfully employed.

OJ 78/64

C Dec. of 15 Oct. 1968

Extension of application of Art. 48 and 49 of EEC Tr., and implementing measures to French overseas departments.

OJ L 257/68

Comm. Reg. of 29 June
1970

Right of workers to remain in a Member State after having been employed there.

OJ L 142/70

C Dir. of 18 May 1972

Extension to workers exercising this right of C Dir. of 25 Feb. 1964.

OJ L 121/72

C Reg. of 9 Feb. 1976	2.213 <i>(cont'd)</i>	Preparation of comparable statistics concerning workers from outside the EC working within the EC.	OJ L 39/76
Opinion of Specialist Committee on free movement of workers 19 Feb. 1974		Measures designed to avoid legislative differences which might permit agencies for temporary employment to avoid their responsibilities to the disadvantage of workers : provision for exchange of information between Member States.	8 GR EC, Par. 225
C Reg. of 9 Feb. 1976		Measures concerning the admission of workers from other Member States to leading positions in trade union organizations.	OJ L 39/76
C Dir. of 25 July 1977		Education of the children of migrant workers : Member States obliged to provide free tuition in the language of the host country and in the children's mother tongue. Directive to enter into force on 25 July 1981.	OJ L 199/77
	2.214	Work in progress	
Prop. Dir. of 4 Nov. 1976		Proposal for a Directive to combat illegal immigration into the EEC from third countries. Rejected by EP in its Opinion of 12 December 1977.	OJ C 277/76
EP Opinion of 12 Dec. 1977		Re-submitted with the amendments of EP by Comm. on 3 April 1978. Since then has been before C pending adoption.	OJ C 200/77
	2.215	Prospects	
3rd Programme for medium-term economic policy, Par. 110		Workers' freedom of movement to be enhanced by, — information on labour situation and job opportunities in the various Member States, — general and detailed forecasts in sphere of employment, — more effective measures for settling migrant workers in their new working environment, — mutual recognition of professional qualifications.	OJ L 49/71

2.22 **RIGHT OF ESTABLISHMENT
AND FREEDOM TO PROVIDE SERVICES**

2.220 **Objectives**

EEC Tr., Art. 52—56

- (a) Abolition of all restrictions, based on nationality, on establishment and provision of services by natural and legal persons ;
- (b) Coordination of rules on taking up and pursuing self-employed activities (including services), and mutual recognition of professional qualifications.

2.221 **Requirements of Treaties**

EEC Tr., Art. 66

Provisions common to the right of establishment and freedom to provide services:

EEC Tr., Art. 52, 59 and 60

— During transitional period : progressive realization of freedom of establishment (access to self-employed activities and right to set up and manage undertaking) and freedom to provide services (industrial, commercial, craftsmen's and professional activities pursued for remuneration, in so far as not governed by provisions on freedom of movement for goods, capital and persons) ;

EEC Tr., Art. 53 and 62

— No new restrictions to be introduced ;

EEC Tr., Art. 54 and 63

— Drawing up of general programmes (not in themselves mandatory) setting out general conditions under which and stages by which freedom of establishment for each type of activity and service attained.

EEC Tr., Art. 66

2.221
(contd)

Common provisions on right of establishment and freedom to provide services:

EEC Tr., Art. 55, Par. 1

— not covered,
activities which in any Member State are connected, even occasionally, with exercise of official authority;

EEC Tr., Art. 55, Par. 2

activities covered by C ruling;

EEC Tr., Art 56 (1)

— Tr. does not prejudice applicability of provisions laid down by law, regulation or administrative action providing for special treatment for foreign nationals on grounds of public policy, security or health;

EEC Tr., Art 57

— The taking up and pursuing of self-employed activities facilitated by mutual recognition of diplomas and other professional qualifications; coordination of nat. legal provisions.

Special provisions on freedom to provide services:

EEC Tr., Art. 61 (1)

— in field of transport, under EEC Tr. provisions relating to transport (EEC) Tr., Arts. 74-84);

EEC Tr., Art. 61 (2)

— in field of banking and insurance, to keep step with progressive liberalization of movement of capital (EEC) Trs. Arts. 67-73).

EEC Tr., Art. 64

— liberalization beyond limits of general programme, if the economic situation permits;

EEC Tr., Art. 65

— restrictions still obtaining not to involve distinctions on grounds of nationality.

2.222 Decision-making procedures

(a) *C, acting on Comm. prop. after ESC and EP have been consulted, unanimously:*

— draws up general programmes for achieving right of establishment and freedom to provide services;

by qual. majority:

— issues Dirs. to implement general programmes or achieve freedom of establishment or freedom to provide services as regards certain professions.

(b) *C, acting on Comm. prop. after consulting EP, issues:*

— Dirs. to coordinate nat. legal provisions on taking up and pursuing, as self-employed persons, certain specially-protected activities (banking, medicine, pharmacy, etc.) and self-employed activities covered by legislation in at least one Member State;

— Dirs. to coordinate nat. legislation providing for special treatment for foreign nationals on grounds of public policy, security or health (coordination of regulation and admin. *action without consulting EP*);

— Dirs. on mutual recognition of diplomas and other professional qualifications;

— Dirs. to coordinate nat. legal provisions on taking up and pursuing other self-employed activities.

(c) *C, on Comm. prop., acting unanimously:*

— may extend provisions on freedom to provide services to nationals of third countries;

acting by qual. majority:

— may exclude certain activities from provisions on right of establishment.

EEC Tr., Art. 54 (1) and
63 (1)

EEC Tr., Art. 54 (2) and
63 (2)
EAEC Tr., Art. 96, Par. 2

EEC Tr., Art. 57 (2)

EEC Tr., Art. 56 (2)

EEC Tr. Art. 57 (1)

EEC Tr. Art. 57 (2)

EEC Tr., Art. 59, Par. 2

EEC Tr., Art. 55, Par. 2

2.223 **State of integration**

2.2231 *GENERAL*

Deadline (1 Jan. 1970) for abolishing restrictions on freedom of establishment and freedom to provide services not observed.¹

OJ 2/62

Mutual recognition of diplomas and other professional qualifications and coordination of nat. legal provisions on taking up and pursuing activities to be completed by time restrictions are abolished. Possibility of transitional measures based on production of evidence of having actually and legally pursued such activities.

OJ 2/62

Services :

- Those who are already benefiting include :
 - Member States' nationals resident within Community ;
 - companies with registered office within EC and formed according to laws of a Member State ;
- restrictions still to be abolished concern :
 - entry, exit and residence ;
 - treatment differing from that of own nationals ;
 - change of location of service operation or provider of services ;
 - transfers of funds ;
 - payments for services ;
- until restrictions are abolished, most favourable treatment is applied without discrimination on grounds of nationality.

General Programmes of 18
Dec. 1961

Dec. CJEC 21 June 1974

¹ In the Reyners case the Court ruled that at the end of the transitional period the Member States would no longer have the right to maintain restrictions on freedom of establishment, since from that moment Art. 52 would have direct application.

(Jurisprudence Vol. 1974
p. 631 Case No 2/74)

2.223/2.2231

2.2231
(contd)

Right of establishment

- Those who are already benefiting include :
 - as regards establishment :
 - Nationals of Member States ;
 - Companies formed according to laws of a Member State and with registered office there ;
 - as regards the setting up of agencies, branches or subsidiaries :
 - Nationals of one Member State resident in territory of another ;
 - Companies, having no more than their registered office in EC, must be genuinely and permanently bound up with economy of a Member State ;
- restrictions still to be abolished concern :
 - entry and residence ;
 - differing treatment of nationals of other Member States as regards their activities or rights ;
 - activities of nationals of non-member countries (even when such restrictions are applied irrespective of nationality) ;
 - cessation of aids to establishment.

C Decl. of 16 Nov. 1971

Procedure laid down for speeding up current work on mutual recognition of diplomas in respect of right of establishment ; Comm. asked to study, together with national experts on higher education, the question of such recognition.

5 GR EC Par. 157

2.2231
(contd)

Attainment of freedom of establishment

- | | | |
|--|--|-------------------------|
| C Dir. of 25 Feb. 1964
superseded by
C Dir. of 21 May 1973 | (a) Abolishing restrictions on movement and residence for Member States' nationals with regard to establishment and provision of services. | OJ 56/64
OJ L 172/73 |
| C Dir. of 17 Dec. 1974 | (b) Right to remain in the territory of another Member State after having been active there in a self-employed capacity. | OJ L 14/75 |
| C Dir. of 25 Feb. 1964
amended by
C Dir. of 17 Dec. 1974 | (c) Coordinating special measures for entry and residence of foreign nationals justified on grounds of public policy, security and health. | OJ 56/64
OJ L 14/75 |
| C Dir. of 31 May 1963 | (d) Removing all prohibitions of or obstacles to payments where these constitute sole hindrance to provision of services. | OJ 86/63 |

2.2232

RULES FOR INDIVIDUAL OCCUPATIONS

- | | | |
|---|--|-------------------------------------|
| C Dir. of 7 July 1964 | — Mining and quarrying | OJ 117/64 |
| C Dir. of 13 March 1969 | — Prospecting and drilling for petroleum and natural gas | OJ L 68/69 |
| C Dir. of 28 Feb. 1966 | — Production and distribution of electricity, gas and water | OJ 42/66 |
| C Dir. of 7 July 1964 | — Manufacturing and processing industries falling within ISIC Major Groups 23-40 : Transitional measures | OJ 117/64
ibid. |
| C Dir. of 4 March 1969 | — Manufacture of corrective appliances for sight and hearing (without examination of human organs) | |
| C Dir. of 25 Feb. 1964 | — Wholesale trade
Transitional measures
Certification of practice of occupation in country of origin | OJ 24/65 |
| Comm. Rec. of 12 Jan. 1965 ¹
C Dir. of 30 Nov. 1970 | — Wholesale coal trade and activities of intermediaries in the coal trade
Transitional measures | OJ L 267/70
ibid. |
| C Dir. of 15 Oct. 1968 | — Retail trade
Transitional measures
Certification of practice of occupation in country of origin | OJ L 260/68
ibid.
OJ L 146/69 |

Comm. Rec. of 22 May 1969¹

¹ Superseded by Comm. Commun. of 31 May 1974 (OJ C 81/74) relating to the nine Member States.

C Dir. of 4 June 1974	2.2232 (<i>contd</i>)	— Trade in and distribution of toxic products Transitional measures	OJ L 307/74 ibid.
C Dir. of 25 Feb. 1964		— Activities of intermediaries in trade, industry and crafts Transitional measures	OJ 56/64 ibid.
Comm. Rec. of 12 Jan. 1965 ¹		Certification of practice of occupation in country of origin	OJ 24/65
C Dir. of 13 Dec. 1976		— Activities of self-employed insurance agents and brokers Transitional measures	OJ L 26/77
Dir. Cons. 24 July 1973		— Direct insurance other than life insurance (taking up and pursuit) ² — Corrigendum to the 1st Dir	OJ L 228/73 OJ L 5/78
C Dir. of 5 March 1979		— Direct life assurance (taking up and pursuit) — Ist Dir	OJ L 63/79
C Dir. of 29 June 1976		— Amended provisions	OJ L 189/76
C Dir. of 30 May 1978		— Coordination of laws, regulations and administrative provisions relating to Community co-insurance	OJ L 151/78
C Dir. of 25 Feb. 1964		— Reinsurance and retrocession	OJ 56/64
C Dir. of 12 Jan. 1967		— Real estate business (except surveying), ISIC 6901	OJ 10/67
		— Other business services, such as enquiry and advertising agencies, interpreting	OJ 10/67
C Dir. of 15 Oct. 1968		— Eating, drinking and lodging establishments, camp-sites (ISIC Groups 852, 853) Transitional measures	OJ L 260/68 ibid.
Comm. Rec. of 22 May 1969 ¹		Certification of practice of occupation in country of origin	OJ L 146/69
		— Manufacture of food, beverages and tobacco (ISIC Major Groups 20, 21) Transitional measures	OJ L 260/68 OJ L 260/68
C Dir. of 15 Oct. 1968		Certification of practice of occupation in country of origin	OJ L 146/69
Comm. Rec. of 22 May 1969 ¹			

¹ Superseded by Comm. Commun. of 31 May 1974 (OJ C 81/74) relating to the nine Member States.

² The Directives on the abolition of restrictions on freedom of establishment was rendered obsolescent by the judgment handed down in the Reyners case.

	2.2232 (<i>contd</i>)	— Film industry	
C Dir. of 13 May 1965		2nd Dir. on cinemas specializing in foreign films, import and screening quotas, dubbing	OJ 85/65
C Dir. of 15 Oct. 1963		— Implementation in respect of film industry of provisions of General Programme for abolition of restrictions on freedom to provide services	OJ 159/63
Comm. Rec. of 8 April 1964		— Implementation of General Programme	OJ 63/64
C Dir. of 15 Oct. 1968		— Film distribution	OJ L 260/68
C Dir. of 29 Sept. 1970		— Film production	OJ L 218/70
C Dir. of 24 Oct. 1967		— Forestry and logging	OJ 263/67
C Dir. of 14 Dec. 1964, 16 Dec. 1970		— Agriculture and horticulture	OJ 1/65 OJ L 8/71
C Dir. of 28 June 1973		— Self-employed activities of banks and other financial institutions	OJ L 194/73
C Dir. of 12 Dec. 1977		— Coordination of the laws, regulations and administrative provisions relating to the taking up and pursuit of the business of credit institutions	OJ L 322/77
C Dir. of 22 March 1977		— Freedom of lawyers to provide services	OJ L 78/77
C Dir. of 16 June 1975		— Mutual recognition of diplomas, certificates and other medical qualifications, and measures aimed at facilitating the effective exercise of the right of establishment and the freedom to provide services	OJ L 167/75
C Statement		— On adopting the text concerning freedom of establishment and freedom to provide services for doctors within the Community	OJ C 146/75
C Dir. of 16 June 1975		— Coordination of provisions laid down by law, regulation or administrative action in respect of activities of doctors	OJ L 167/75
C Dir. of 16 June 1975		— Creation of an Advisory Committee on Medical Training	OJ L 167/75
C Dec. of 16 June 1975		— Creation of a Committee of Senior Officials on Public Health	OJ L 167/75
C Dec. of 27 June 1977		— Amending Dec. setting up Committee of Senior Officials on Public Health	OJ L 176/77
C Rec. of 16 June 1975		— Special rules relating to nationals of the Grand Duchy of Luxembourg holding diplomas in medicine conferred in a third country	OJ L 167/75

C Rec. of 16 June 1975	2.2232 (cont'd)	— Clinical training of doctors	OJ L 167/75
C Dir. of 25 July 1978		— Mutual recognition of diplomas, certificates and other evidence of formal qualifications of practitioners of dentistry, including measures to facilitate the effective exercise of the right of establishment and freedom to provide services	OJ L 233/78
C Dir. of 25 July 1978		— Coordination of provisions laid down by law, regulation or administrative action in respect of the activities of dental practitioners	OJ L 233/78
C Dec. of 25 July 1978		— Setting up of an Advisory Committee on the Training of Dental Practitioners	OJ L 233/78
C Dec. of 25 July 1978		— Setting up of a Committee of senior officials on Public Health	OJ L 233/78
C Dir. of 18 Dec. 1978		— Mutual recognition of diplomas, certificates and other evidence of formal qualifications in veterinary medicine, including measures to facilitate the effective exercise of the right of establishment and freedom to provide services	OJ L 362/78
C Dir. of 18 Dec. 1978		— Coordination of provisions laid down by law, regulation or administrative action in respect of the activities of veterinary surgeons	OJ L 362/78
C Dec. of 18 Dec. 1978		— Setting up of an Advisory Committee on Veterinary Training	OJ L 362/78
C Rec. of 18 Dec. 1978		— Special provisions for nationals of the Grand Duchy of Luxembourg who hold a diploma in veterinary medicine conferred in a third country	OJ L 362/78
C Statement of 23 Dec. 1978		— Prophylaxis and inspection of animal foodstuffs and foodstuffs of animal origin	OJ C 308/78
C Dir. of 27 June 1977		— Mutual recognition of diplomas, certificates and other evidence of formal qualifications of nurses responsible for general care, including measures to facilitate effective exercise of right of establishment and freedom to provide services	OJ L 176/77
C Dir. of 27 June 1977		— Coordination of provisions laid down by law, regulation or administrative action in respect of activities of nurses responsible for general care	ibidem

C. Dec. of 27 June 1977	2.2232 (cont'd)	— Setting up an Advisory Committee on Training in Nursing	ibidem
C Dir. of 20 May 1975		— Special medicinal products Second Directive on the coordination of laws, regulations and administrative provisions	OJ L 147/75
C Dir. of 16 June 1975		— Itinerant activities Transitional measures	OJ L 167/75
C Dir. of 12 Nov. 1974		— Inland and international transport Carriage of passengers and goods by road	OJ L 308/74
Comm. Rec. of 26 May 1978		— Admission in Ireland to the occupation of road passenger transport operator in national and international transport operations	OJ L 159/78
Comm. Rec. of 19 Sept. 1977		— Admission to occupations of road haulage operator and road transport passenger operator	OJ L 248/77
Comm. Rec. of 16 Dec. 1977			OJ L 25/78
C Dir of 12 Dec. 1977		— Mutual recognition of diplomas, certificates and other evidence of formal qualifications for goods haulage operators and road passenger transport operators, including measures intended to encourage these operators effectively to exercise their right to freedom of establishment	OJ L 334/77
C Dir. of 16 June 1975		— Auxiliary occupations connected with travel, transport and storage; customs agents	OJ L 167/75
C Dir. of 16 June 1975		— Various activities pursued by self-employed persons (communications, domestic service) Transitional measures	
		Attainment of freedom to provide services	OJ L 185/75
		— public works contract Coordination of procedures for awarding contracts Setting up of an Advisory Committee on Public Works Contracts Announcement of contracts; nomination of concessionaires; award of subcontracts	OJ C 82/71
Decl. by Member States' Representatives in C			

C Dir. of 26 July 1972	2.2232	Procedures and conditions for publication of notices of public works contracts and licences for public works published in the Official Journal of the European Communities	OJ 176/72
		Attainment of freedom of establishment in agriculture	
C Dir. of 2 April 1963		— for agricultural workers from other Member States who have worked as such for two years	OJ 62/63
C Dir. of 2 April 1963		— on agricultural holdings that have been abandoned or left uncultivated	OJ 62/63
		— legislation on agricultural leases to farmers from other Member States	OJ 190/67
C Dir. of 25 July 1967		— for farmers resident in another Member State in respect of:	
		changing farms	OJ 190/67
		access to cooperatives	ibid.
		access to the various forms of credit	OJ L 93/68
		access to the various forms of aid	OJ L 308/68
C Dir. of 30 Nov. 1970		— attainment of freedom of establishment for self-employed persons in agriculture and market gardening.	OJ L 267/11

2.224

Work in Progress

Props. for C Dir. on attainment of freedom of establishment and freedom to provide services in the following sectors:

- Self-employed commercial agents
 Coordination of the laws of the Member States

Amendment to Prop. for Dir.

- Architects ¹
 Recognition of diplomas, certificates and other qualifications ²
 Coordination of laws, regulations and administrative provisions ²

OJ C 13/77
Doc. COM(78) 773 fin.
EP Opinion
OJ C 239/78

OJ 239/67
ibid.
EP Opinion
OJ C 72/68

¹ Proposal withdrawn on 4 Nov. 1974 following ruling of Court of Justice: Case 2/74 in the Reyners case (1974) ECR.

² Under examination by C.

2.224 (<i>contd</i>)	— Transport agents and travel agents Transitional measures ¹	OJ 73/66 EP Opinion OJ C 72/68
	— Research, design, consultation and technical application (esp. engineering activities) ¹ Transitional measures ² Coordination of legal and administrative provisions on the training of engineers ²	OJ C 99/69 ibid. ibid. EP Opinion OJ C 51/70
	— Activities in finance, economics and accountancy ¹ Transitional measures ²	OJ C 115/70 ibid. EP Opinion OJ C 45/71
	— Activities of self-employed persons under ISIC classes 22 and 61 (tobacco and salt monopolies) ¹ Transitional measures ²	OJ C 21/70 OJ C 6/71 EP Opinion OJ C 103/70
	— Activities of self-employed persons in pharmacy ¹ Recognition of diplomas, certificates and other qualifications ³ Coordination of laws, regulations and administrative provisions ³ Dir. on attainment of freedom of establishment and freedom to provide services in wholesale trade sector covering medicinal products ¹	OJ C 54/69 OJ C 54/69
	— Opticians ¹ Recognition of professional qualifications ³ Coordination of legal and administrative provisions on the taking up and pursuit of such activities by a natural and legal person ³	OJ C 155/69 ibid. ibid.

¹ Proposal withdrawn on 4 Nov. 1974 following ruling of Court of Justice : Case 2/74 in the Reyners case (1974) ECR.

² Under examination by C.

³ Proposal withdrawn by Comm. on 8 Dec. 1976 ; OJ C 26/77.

2.224 (contd)	— Midwives ¹ Recognition of professional qualifications ² Coordination of legal and administrative provisions ²	OJ C 18/70 ibid. ibid. EP Opinion OJ C 101/70
	— Veterinary medicinal products Dir. on approximation of laws of Member States relating to veterinary medicinal products	OJ C 152/76
	— Journalism ¹	Suppl. 8/64-Bull. EC
	— Hairdressers ¹ Recognition of professional qualifications ² Coordination of legal and administrative provisions ²	OJ C 106/71 ibid. ibid. EP Opinion OJ C 103/72
	— Tax consultants and tax attorneys ¹ Transitional measures ²	OJ C 107/71 ibid. EP Opinion OJ C 36/72
	Props. for C Dir. on attainment of freedom of establishment for self-employed persons in :	
	— Direct life insurance ¹	OJ C 27/74
	— Agricultural services ¹	OJ C 39/69
	— Itinerant activities ¹	OJ C 89/70
	— Customs forwarding agents Transitional measures ²	OJ 73/66
	— Insurance agents and brokers ¹	OJ C 14/71

¹ Proposal withdrawn on 4 Nov. 1974 following ruling of Court of Justice : Case 2/74 in the Reyners case (1974) ECR.

² Under examination by C.

- 2.224 — Transport of goods and passengers by road and by inland waterway (recognition of diplomas) OJ C 279/75
 (cont'd) — Various activities (formerly ISIC class 01-80)¹ OJ C 21/70

Props. for C Dir. on attainment of freedom to provide services in

- Cinematography (public register) OJ C 106/71
 Coordination of laws, regulations and administrative provisions¹ EP Opinion
 — Activities of self-employed persons in film distribution¹ OJ C 36/72

Prop. for C Dir. on

OJ C 50/71

Coordinating procedures for *public contracts* except those issued by public transport, water and energy utilities.

Proposals for directives coordinating national provisions on the taking up and pursuit of the following activities :

- direct insurance other than life insurance (directive amending the Directive of 24 July 1973); OJ C 243/75
- direct insurance other than life insurance (second directive); OJ C 32/76
 EP Opinion
 OJ C 36/78

¹ Under examination by C.

² Proposal withdrawn on 5 May 1976 following the ruling by the Court of Justice in the Van Binsbergen case 33/74 ([1974] ECR).

2.224
(cont'd)

Special provisions for Luxembourg nationals

Props. for Rec. on facilitating taking up and pursuit in other Member States by Luxembourg nationals possessing appropriate diplomas issued in third countries and recognized by Luxembourg law, of the professions of:

- Dentist¹ OJ C 54/69
- Pharmacist² OJ C 92/70
- Engineer¹
- and activities in the financial, economic and accounting spheres.¹ OJ C 115/70

Comm. props for C Rec.

¹ Under examination by C.

² Proposal withdrawn by Comm. on 14 Dec. 1976.

2.23 **FREE MOVEMENT OF CAPITAL**

2.230 **Objective**

C Res. of 22 March 1971

Free movement of capital not later than 1980.

OJ C 28/71

2.231 **Requirements of Treaties**

EEC Tr., Art. 67, 68 (2), 69

To extent necessary for proper functioning of Common Market, progressive abolition during transitional period of *restrictions* on movements of capital and of *discrimination* based on nationality or place of residence ; Liberalization from 1 Jan. 1962 of current payments connected with movement of capital ;

Enactment by C of Directives implementing Art. 67 of EEC Tr.

Non-discriminatory application of domestic rules to liberalized movements of capital ;

EEC Tr., Art. 68 (1), 70, 71

Liberal granting of necessary *exchange authorizations* ;

Progressive coordination of national exchange policies in respect of movement of capital between Member States and third countries ;

Wherever possible, no new exchange restrictions ;

EEC Tr., Art. 68 (3)

Loans to be issued by one Member State in another only after prior agreement between States concerned ;

EEC Tr., Art. 72

Notification to Comm. of movements of capital to and from third countries.

EEC Tr. Art. 73 (2)

Protective measures by a Member State following authorization by Comm. in the event of disturbances in the functioning of its capital market ; on grounds of secrecy or urgency, Member State may take measures itself ; after consulting the Monetary Committee Comm. may decide that these measures must be amended or abolished.

ECSC Tr. Art. 51

2.231
(contd)

Funds obtained from loans issued may only be used by Comm. to grant loans ; issue of loans by the Comm. on the markets of the Member States is subject to the rules in force in these markets (see EEC Tr., Art, 68 (3)).

No State to be obliged to give guarantee for issue of loans by EC ;

Comm. may guarantee loans and take over guarantees for loans granted direct to undertakings by third parties ;

EAEC Tr., Art. 172

EC may borrow on capital market of a Member State to finance research projects and investments in accordance with legal provisions applying to domestic loan issues, or if no such provisions exist, by agreement with State in question.

2.232

Decision-making procedures

(a) *C on proposal of Comm. with latter having consulted Monetary Cttee, by qual. majority, issues :*

— *Directives* aimed at abolishing restrictions on movements of capital.

EEC Tr., Art. 69

(b) *C on proposal of Comm., by unanimous vote, issues :*

— *Directives* aimed at coordination of foreign exchange policy *by qual. majority, decides :*

— Amendment or abolition of special national provisions aimed at alleviating foreign exchange difficulties.

EEC Tr., Art. 70 (1)

EEC Tr., Art. 70 (2, Par. 2)

(c) *Comm. may, after consulting Monetary Cttee, issue :*

— Recommendations aimed at reducing foreign exchange restrictions on movements of capital.

EEC Tr., Art. 71 (Par. 3)

2.231/2.232

EEC Tr., Art. 73 (1)

2.232
(contd)

— Authorizations for national protective measures during disturbances of capital markets, (C may revoke by qual. majority).

EEC Tr., Art. 73 (2)

— Decisions on amendment or abolition of national protective measures, prompted by disturbances of capital market.

2.233 State of integration

1st C Dir. of 11 May 1960

Implementation of EEC Tr., Art. 67

OJ 43/60

(a) Greatest possible liberalization of capital movements relating to: direct investment, investment in real estate, personal capital transactions, short-term and medium-term credits in respect of commercial transactions, transfers in performance of insurance contracts, acquisition, imports and exports of securities dealt in on a stock exchange (excluding units of unit trust).

2nd C Dir. of 18 Dec. 1962

(b) Currency restrictions may be maintained in respect of issue of securities of enterprises, acquisition of securities not dealt in on a stock exchange, foreign bonds issued on a foreign market and denominated in national currency, short-term trade credits and non-commercial loans and credits.

OJ 9/63

Extension of scope of 1st Directive to:

- Transactions in connection with services
- Transfers of migrant workers' savings
- Death duties, damages, royalties, etc.

The 1st and 2nd Directives constitute minimum obligations; the Member States have frequently gone further. However, many restrictions have been imposed on free capital movements since 1971. Their objective has been to restrict inflow, or outflow, of capital.

<p>Comm. Rec. (25 July 1977) C. Dir. 79/279 (5 March 1979) Comm. Dec. of 20 June 1975 and 29 Sept. 1976 Comm. Dec. of 22 Dec. 1977</p>	<p>2.233 <i>(cont'd)</i></p>	<p>Code of conduct relating to transactions in transferable securities. Coordination of the conditions for the admission of securities to official stock exchange quotation. Italy authorized to maintain restrictions on certain capital transactions. Denmark, Ireland and United Kingdom authorized, under EEC Tr., Art. 108 (3), to take protective measures relating to transactions in securities and, in the case of United Kingdom, to direct investments and certain capital movements of a personal nature. In December 1978 Ireland also took protective measures under Art. 109 whereby the United Kingdom is treated in the same way as the other Member States.</p>	<p>OJ L 212/77 OJ L 66/79 OJ L 158/75 and OJ L 268/76 OJ L 45/78</p>
<p>C Dir. of 21 March 1972</p>		<p>Monetary authorities must have available the appropriate instruments for regulating international capital movements effectively and neutralizing the effects of such movements on the domestic monetary situation. (See also 2.5.)</p>	<p>OJ L 91/72</p>
	<p>2.234</p>	<p>Work in progress</p>	
<p>Prop. for Dir. (amended 8 Dec. 1975) EP Rep. EP Opinion</p>		<p>Prospectus for admission of securities to the stock exchange.</p>	<p>OJ C 131/72 (COM (75) 603) EP Doc. 186/73 OJ C 11/74</p>
<p>Prop. for Dir. (amended 28 Oct. 1976) EP Rep. EP Opinion</p>		<p>Coordination of conditions for admission of securities to official stock exchange quotation.</p>	<p>OJ C 56/76 (COM(76) 565) EP Doc. 236/76 OJ C 238/76</p>
<p>Prop. for Dir. (amended 2 June 1977) EP Rep. EP Opinion</p>		<p>Coordination of provisions regarding collective investment undertakings for transferable securities.</p>	<p>OJ C 171/76 (COM(77) 227) EP Doc. 532/76 OJ C 57/77</p>
<p>Prop. for Dir. (19 Jan. 1979)</p>		<p>Intended to ensure that companies in the Community and in third countries whose securities are admitted to official stock exchange quotation in the Community publish a half-yearly report every financial year within three months of the end of the relevant six-month period.</p>	<p>OJ C 29/79</p>

2.3 **Company law**

2.30 **OBJECTIVES**

Mutual recognition of companies and legal persons.

Creation of Community legal machinery required for establishment of undertakings or groups of undertakings.

Coordination of national legislation on company law, in particular for protection of interests of shareholders and third parties.

2.31 **REQUIREMENTS OF TREATIES**

EEC Tr., Art. 54 (3) (g)

Coordination, for protection of shareholders and third parties, of provisions safeguarding companies including cooperative societies, and other legal persons governed by public or private law, save for those which are non-profit-making.

EEC Tr., Art. 52

Progressive abolition of restrictions on setting up of agencies, branches or subsidiaries (see 2.223).

EEC Tr., Art. 220

Mutual recognition of companies and legal persons.

Retention of legal personality when their seat is transferred from one country to another.

Merger possibilities for companies governed by laws of different countries.

EEC Tr., Art. 58

Prerequisites for application of provisions on freedom of establishment and freedom to provide services :

- formation of company in accordance with law of a Member State ;
- registered office, central administration or principal place of business within EC.

EAC Tr., Art. 45—51

Status of Joint Undertakings in nuclear industry.

STATE OF INTEGRATION

Gen. Progr. Title VI (Freedom of Establishment)	Deadline for coordination of safeguards required of companies (end of 1964) not met.	OJ 2/62
C Dir. of 9 March 1968	<i>First Directive</i>	OJ L 65/68
EP Opinion	Coordination of general safeguards (disclosure, validity of obligations entered into on behalf of a company).	OJ 96/66
C. Dir. of 14 Dec. 1976	<i>Second Directive</i>	OJ L 26/77
EP Opinion	Formation of stock-holding company, maintenance and alteration of its capital.	OJ C 114/71
C. Dir. of 9 Oct. 1978	<i>Third Directive</i>	OJ L 295/78
EP Opinion	— mergers of public limited liability companies in a Member State.	OJ C 129/72
Second EP Opinion		OJ C 95/75
C. Dir. of 25 July 1978	<i>Fourth Directive</i>	OJ L 222/78
EP Opinion	— Annual statement of accounts of company (breakdown and contents of annual statement, situation report, methods of valuing assets).	OJ C 29/72
C. Dir. of 5 March 1979	— Coordination of conditions for admission of securities to official stock exchange quotation.	OJ L 66/79
EP Opinion		OJ C 238/76
Conv. of 29 Feb. 1969	— Convention on mutual recognition of companies and legal persons.	Suppl. 4/71 — Bull. EC

WORK IN PROGRESS

Prop. Dir.	A. Coordination of provisions safeguarding shareholders and third parties (a) Fifth Directive	OJ C 131/72
	— structure of limited company (composition, powers and obligations of its organs).	

2.33
(contd)

- | | | |
|--|---|---|
| Prop. Dir.
Prop. amendment
EP Opinion | (b) Sixth Directive (prop. not yet submitted). | |
| | (c) Seventh Directive
— consolidated balance sheet (standards for drawing up and evaluating group accounts). | OJ C 121/76
OJ C 14/79
OJ C 163/78 |
| Prop. Dir. | (d) Eighth Directive
— approval of persons responsible for carrying out statutory audits of the annual accounts of limited liability companies. | OJ C 112/78 |
| Prop. Dir.
Prop. amendment
EP Opinion | (e) Guarantees concerning content, checking and distribution of prospectus to be published when securities issued by companies are admitted to official stock exchange quotation. | OJ C 131/72
Comm. Doc. (75) 603 fin.
OJ C 11/74 |
| Prop. Dir. | (f) Information to be published on a regular basis by companies whose transferable securities are admitted to official stock exchange quotation. | OJ C 29/79 |
| Prop. Reg.
EP Opinion | (g) Control of concentrations (obligation to notify Comm. of certain transactions concerning concentration of undertakings. | OJ C 92/73
OJ C 23/74 |
|
 | | |
| B. On basis of EEC Tr., Art. 235 (cases not provided for in Tr.) | | |
| Prop. Reg.
Prop. amendment
EP Opinion | (a) Statute of European company
— enables enterprises with activities not restricted to satisfaction of purely local needs to reorganize their activities at Community level by concentration and merger measures ;

— available to companies governed by laws of individual States and to holding companies and subsidiaries of companies governed by a number of different legal systems ; | OJ C 124/70
Comm. Doc. (75) 150 fin.
OJ C 93/74 |

2.33
(cont'd)

- not subject to laws of any individual State ;
- introduces dual structure (Board of Management and Supervisory Board) ;
- company registered in European Commercial Register under supervision of CJEC ;
- creation of European factory committees and representation of employees on company's board ;
- taxation system of State in which company or management has its seat to be applied.

(b) Creation of joint undertakings

Facilitation of the creation of bodies at EC level concerned with provision of services in public interest and of enterprises to carry out activities important in general European interest for technological development or the supply of raw materials ;

- creation of Joint Undertakings (analogous to EAEC Tr., Art. 45 ff.) in the hydrocarbons sector ;
- comparable proposal for petroleum industry companies ;

OJ C 106/71
OJ C 46/72

(c) European 'cooperation grouping'

— Creation of a European cooperation grouping modelled on the association of business interests existing under French law, for the purpose of cooperation between, in particular, small and medium-sized undertakings engaged in business activities in the territory of various Member States.

OJ C 14/74
OJ C 163/77
Comm. Doc. (78) 139 fin.

C. International conventions

- draft Conv. on international mergers.

Suppl. 13/73 — Bull. EC

D. Multinational undertakings

- multinational undertakings and EC Regulations.

OJ C 114/73
OJ C 5/75

Prop. Reg.

EP Opinion

Prop. Reg.

EP Opinion

Prop. amendment

Prop. Res.

EP Opinion

2.33
(contd)

TAXATION SYSTEM

A. State of integration

- | | | |
|---------------------------------------|--|----------------------------|
| C. Dir. of 17 July 1969
EP Opinion | — indirect taxes on raising of capital, | OJ L 249/69
OJ 119/65 |
| C. Dir. of 9 April 1973
EP Opinion | — variation of field of application of reduced rate of capital duty provided for in respect of certain company reconstruction operations by Article 7 (1) (b) of Dir. concerning indirect taxes on raising of capital, | OJ L 103/73
OJ C 138/72 |
| C. Dir. of 9 April 1973
EP Opinion | — fixing common rates of capital duty, | OJ L 103/73
OJ C 78/71 |
| C. Dir. of 7 Nov. 1974
EP Opinion | — amendment to Article 5 (2) of Dir. concerning indirect taxes on raising of capital. | OJ L 303/74
OJ C 76/74 |

B. Work in progress

- | | | |
|--------------------------|---|----------------------------|
| Prop Dir.
EP Opinion | — common taxation system applicable to mergers, hive-offs and transfers of assets among companies of various Member States, | OJ C 39/69
OJ C 51/70 |
| Prop. Dir.
EP Opinion | — common taxation system applicable to parent companies and subsidiaries of various Member States, | OJ C 39/69
OJ C 51/70 |
| Prop. Dir.
EP Opinion | — harmonization of systems of company taxation and of withholding taxes on dividends, | OJ C 253/75
OJ C 6/78 |
| Prop. Dir.
EP Opinion | — elimination of double taxation (arbitration procedure). | OJ C 301/76
OJ C 163/77 |

RIGHTS OF WORKERS

A. State of integration

- | | | |
|---------------------------------------|---|--------------------------|
| C. Dir. of 17 Dec. 1975
EP Opinion | — approximation of laws of Member States relating to collective redundancies, | OJ L 48/75
OJ C 19/73 |
|---------------------------------------|---|--------------------------|

C. Dir. of 4 Feb. 1977
EP Opinion

2.33
(*contd*)

— harmonization of legislation of Member States on retention of rights and advantages of employees in case of mergers, takeovers and amalgamations.

OJ L 61/77
OJ C 95/75

Prop. Dir.
EP Opinion

B. Work in progress

— protection of employees in the event of the insolvency of their employer.

OJ C 135/78
OJ C 39/79

2.4 **Competition**

2.40 **OBJECTIVES**

1st Comm. Report on
Competition Policy

- Realization of customs union unhampered by :
 - agreements which restrict competition ;
 - abuse of dominant economic positions ;
 - restrictive or distortive action by State affecting public or private undertakings ;
- Creating favourable conditions for cooperation between or merger of undertakings to extent necessary for economic development ;
- Consumer protection ;

EP Doc. 31/72

EP Rep.
EP Opinion

EP requests Comm. to ensure that in scope and application, the competition policy in general covers all economic activities.

EP Doc. 347/77
OJ C 299/77

2.41 **REGULATION OF COMPETITION IN ECSC TREATY**

2.411 **Requirements of ECSC Treaty**

ECSC Tr., Art. 5

ECSC Tr., Art. 60

ECSC Tr., Art. 63

ECSC Tr., Art. 65

Establishment, maintenance and observance of normal competitive conditions ; if necessary, direct influence by EC on production and market ;
Prohibition of discriminatory and unfair pricing practices ;
Publication of price lists and conditions of sale ;
Action by Comm. in cases in which discrimination is being systematically practised by purchasers, in particular under provisions governing contracts entered into by bodies dependent on a public authority ;
Prohibition (legal invalidity) of agreements and concerted practices which may restrict competition ;
Authorization by Comm. of agreements on specialization or joint buying or selling possibly subject to specified conditions and for limited periods ;

ECSC Tr., Art. 66

2.411
(*contd*)

Prior authorization by Comm. of all measures leading to concentration between undertakings. Authorization given provided concentration does not enable undertakings to determine prices or to evade rules of competition ;

No prior authorization required when size of assets or undertakings concerned is insignificant ;

Powers of decision and sanction by Comm. against public or private undertakings with dominant position shielding them against effective competition in a substantial part of the Common Market if that position used for purposes contrary to objectives of Tr. ;

Fixing of fines or periodic penalty payments, by Comm., if ECSC. Tr. infringed ;

Action by Comm. against measures by Member States liable to have appreciable repercussions on conditions of competition.

ECSC Tr., Art. 64—66

ECSC Tr., Art. 67

2.412

Decision-making procedure under ECSC Treaty

Comm. after consulting :

ECSC Tr., Art. 60 (2)

— *Consultative Cttee in accordance with ECSC Tr. may issue :*
instructions on publication of prices

ECSC Tr., Art. 60 (2)

— *Consultative Cttee in accordance with ECSC Tr. and C may make :*
decisions defining prohibited practices

ECSC Tr., Art. 61, Par. 1

— *studies of price levels*

ECSC Tr., Art. 67

recommendations for abolition of national measures restricting competition

ECSC Tr., Art. 66 (7)

— *national governments, may determine :*

prices, conditions of sale, etc. where undertakings dominate market, if corresponding recommendations not complied with.

2.411/2.412

2.412
(cont'd)

Comm. decides independently by implementing regulations and individual decisions on:

ECSC Tr., Art. 60 (2) (a)

ECSC Tr., Art. 63

ECSC Tr., Art. 61

ECSC Tr., Art. 65 (2)

ECSC Tr., Art. 65 (3,4)

ECSC Tr., Art. 65 (5)

ECSC Tr., Art. 66 (6)

ECSC Tr., Art. 66

ECSC Tr., Art. 66 (5)

ECSC Tr., Art. 66 (7)

— recommendations for preventing practices restricting competition

— fixing prices

— authorization of specialization agreements

— monitoring prohibition of practices restricting competition

— fixing fines

— authorization of mergers

— decisions declaring concentration of enterprises unlawful; execution of separation measures

— recommendations to prevent dominant positions on market.

2.413

State of integration

(a) ECSC Tr., Art. 60, 63

HA Dec. of 12 Feb. 1953

Modes of assessment for sales of coal in Common Market

OJ 2/53

Conditions for publication of price lists and conditions of sale applied by:

HA Dec. of 12 Feb. 1953

— coal and iron ore undertakings

OJ 2/53

HA Dec. of 2 May 1953

— iron and steel undertakings.

OJ 6/53

HA Dec. of 7 Jan. 1954

OJ 1/54

HA Dec. of 2 May 1953

Practices prohibited by Art. 60 (1) of ECSC Tr. Deviation from published price lists is discrimination if seller cannot prove that:

OJ 6/53

HA Dec. of 7 Jan. 1954

— transaction does not fall within categories covered

OJ 1/54

— deviation is common to all comparable transactions.

HA Dec. of 11 Dec. 1963

Amendment and supplementation of decisions on publication of provisions in force for prices and disclosure as result of extension to cover producer's selling agencies.

OJ 187/63

2.413
(contd)

Aligning of quotation on those of enterprises outside EC and rebates or special prices for indirect exports must be notified to Comm.

Adaptation of application of EEC Tr., Art. 60 by defining comparable transactions and separating prohibition of discrimination and obligation to disclose activities

EP Doc. 31/72

Comm. Prop. 1st Rep. on
Compétition, April 1972

(b) ECSC Tr., Art. 65, 66

As ECSC Tr. contains concrete provisions, no Impl. Reg. for Art. 65 and 66 apart from decisions supplementing certain definitions (characteristics of control of an undertaking; exemption from prior authorization; information to be supplied to HA);

OJ 10/53
OJ 9/54

New application of ECSC Tr., Art 66 (3)

OJ 154/67

Exemption from requirement for prior authorization for

- mergers between producers,
- mergers between coal and steel producing undertakings and undertakings outside ECSC,
- mergers between marketing undertakings,

if annual production of enterprises involved in merger does not exceed specified amounts or turnovers matching development of production and sales structures.

Decision amending decision No 25/67 above. Conditions of exemption adapted to current economic situation.

OJ L 300/78

Exemption from prior authorization extended to concentrations between undertakings covered by Art. 80 and undertakings which consume reduced quantities of steel.

Exemption limits also raised with respect to concentrations between distributors in the steel and scrap sector.

8th Comp. Rep. 1978

HA Dec. of 11 July 1953
HA Dec. of 6 May 1954

HA Dec. of 22 June 1967
No 25/67

ECSC Dec. 2495/78 of
27 Oct. 1978

2.413
(cont'd)

Coal:

Policy of prohibition of concentrations (ECSC Tr., Art. 65) has given way to policy of support aiming at allowing concentrations because of growing pressure of competition from crude oil and natural gas;

Production subsidies for coking coal;

OJ L 2/70

Revision of EC system of measures for coal-mining industry; subsidies for total or partial closure of pits, for workers, for exceptionally large pithead stocks etc. Obligation on all Member States to give Comm. full details of all aid.

OJ L 3/71

OJ L 13/72

Comm. Dec. of 19 Dec.
1969

Comm. Dec. of 22 Dec.
1970

Comm. Dec. of 10 Dec.
1971

Steel:

Comm. has defined competition policy respect to structure of steel industry:

OJ C 12/70

- favourable approach to vetting of applications for concentration of enterprises in order to improve competitiveness;
- monitoring to see that concentrations do not lead to obstruction of effective competition (critical threshold is where production by group after concentration exceeds 12-13 % EC production);
- ensuring that large groups remain independent of each other;
- preventing alignment of market behaviour by large groups;
- promotion of specialization or joint-selling agreements between small and medium-sized undertakings to improve production or sales conditions.

Outlines of competition
policy

2.42 **REGULATION OF COMPETITION
IN THE EEC TREATY**

2.421 **Requirements of EEC Treaty**

- EEC Tr., Art. 3 (f)
EEC Tr., Art. 85 (1)
- No distortion of competition within CM ;
Prohibition (legal invalidity) of agreements between undertakings that affect trade between Member States or restrict competition ;
- EEC Tr., Art. 85 (3)
- Exemption from such prohibition for agreements or categories of agreements which contribute to improving production or distribution of goods or to promoting technical or economic progress ;
- EEC Tr., Art. 86
- Prohibition of practices abusing a dominant position within CM or a substantial part of it ;
- EEC Tr., Art. 88, 89
- Until entry into force of Impl. Reg., Member States responsible for observation of EEC Tr., Art. 85 and 86 ; without prejudice to this Comm. ensures application of principles laid down in Art. 85 and 86 ;
- EEC Tr., Art. 90, 37
- Public undertakings subject to rules on competition in so far as application of rules does not obstruct performance of particular tasks assigned to them ;
- Adjustment of State commercial monopolies during transitional period ;
- EEC Tr., Art. 91
- Comm. to put end to dumping practices within CM before end of transitional period, viz. by 31 Dec. 1969 ;
- EEC Tr., Art. 92-94
- State aid which distorts competition is prohibited ;
- Certain kinds of aid compatible with EEC Tr ; other kinds of aid may be considered compatible ;
- Comm. keeps existing aid arrangements under review ;

EEC Tr., Art. 101	2.421 <i>(contd)</i>	C may make Impl. Regs. for EEC Tr., Art. 92, 93 ; Consultations to eliminate differences in legal and administrative provisions ; C and Comm. may issue directives and take other measures provided for in Tr. ;
EEC Tr., Art. 102		Consultation to avoid distortion through adoption of legal provisions ; Comm. may make Recs.

2.422 **Decision-making procedure under EEC Treaty**

EEC Tr., Art. 87 (1)	(a) <i>C, on prop. of Comm. and after consulting EP, may issue</i> — Regs. or Dirs, to give effect to principles of law on competition (since 1 Jan. 1961 by qual. majority).	e.g. C Reg. of 6 Feb. 1962 OJ 13/62
EEC Tr. Art. 94	(b) <i>C, on prop. of Comm., may make</i> — Impl. Regs. for review of State aid.	
EEC Tr., Art. 89	(c) <i>Comm. may independently issue Impl. Regs. and individual decisions on :</i> — hearing procedures — complaints procedures	e.g. Comm. Reg. of 25 July 1963 OJ 127/63 e.g. Comm. Reg. of 8 Aug. 1969 OJ L 209/69
EEC Tr., Art. 89	— the form of negative clearance tests — recording prohibited agreements, etc. as defined in EEC Tr., Art. 85	e.g. Comm. Dec. of 2 Jan. 1973 OJ L 140/73
EEC Tr., Art. 89	— recording abuse of dominant market position as defined in EEC Tr., Art. 86	
EEC Tr., Art. 90	— directives or decisions on participation of public undertakings in competition	
EEC Tr., Art. 91	— prevention of dumping practices	e.g. Comm. Reg. of 11 March 1960 OJ 21/60
EEC Tr., Art. 93 (1)	— harmonization of national aid regulations	

EEC Tr., Art. 93 (2)

2.422
(contd)

- incompatibility with EEC Tr., or abuse of national aid regulations.
In exceptional circumstances C may, by unanimous vote and at a request of a Member State, declare aid to be compatible with CM.

e.g. Comm. Commun. to C
on 'General Regional Aid
Regulations'
OJ C 111/71

(d) *Comm. after consulting :*

- *Advisory Cttee on Restrictive Practices and Monopolies, takes :
Decisions under EEC Tr., Art. 85, 86 or Reg. for application of
EEC Tr., Art. 85 (3) to categories of agreements or concerted prac-
tices.*

OJ 13/62

C. Reg. of 6 Feb. 1962
EEC Tr., Art. 85, 86

2.423

State of integration

A. Interpretation of Articles 85 and 86 of the EEC Tr.

- undertakings may request 'negative clearance' from Comm. certi-
fying that state of affairs described in EEC Tr., Art. 85 (1) does not
exist ;
- obligation to notify in order to obtain clearance with respect to
EEC Tr., Art. 85 (3) ;
- exclusive competence of Comm. to make implementation deci-
sions under EEC Tr., Art. 85 (3) ;
- creation of Advisory Cttee.

Results to end of 1962 :

- 460 notifications and applications in respect of multilateral agree-
ments ;
- 34 500 notifications and applications in respect of bilateral agree-
ments.

Owing to abundance of notifications, procedure developed exempting
certain categories of agreements.

On 31 Dec. 1977, there were 4 117 pending, of which 3 862 were
applications or notifications, 135 complaints from firms and 120

OJ 13/62
OJ 58/62
OJ 162/63
OJ L 285/71

C. Reg. of 21 Feb. 1962
(amended and supple-
mented by C. Reg. of 10 July
1962, 7 Nov. 1963 and 29
Dec. 1971)

2.423
(cont'd)

proceedings on the initiative of Comm. Some 59 % of notifications or applications concerned licensing agreements, 30 % distribution agreements and 11 % horizontal agreements.

The Commission specifies its policy in individual decisions.

B. Relaxation of rules on competition

(a) Exclusive dealing agreements and patent licensing contracts

Comm. Communications

Draft Comm. proposal for exclusive dealing agreements and patent licensing contracts not mentioned in EEC Tr., Art. 85 (1):

OJ 139/62

Reg. of 2 March 1965
C Tr., Art. 85 (3)

— procedures for exemption from prohibition on agreements (EEC) Tr., Art. 85 (3) for certain categories of agreements and concerted practices;

OJ 36/65

— Comm. may exempt individual classes or certain categories by special Reg. for bilateral exclusive distribution agreements and patent licensing contracts which meet the legal conditions for exemption in EEC Tr., Art. 85 (3);

— exemption may be revoked or made subject to specified conditions;

Comm. Reg. of 22 March 1967

Certain exclusive dealing agreements in international trade which improve distribution and facilitate sales promotion while affording consumer a suitable share in resulting benefit no longer have to be notified;

OJ 57/67

11 GR EC, Par. 181

Comm. Commun.

Draft amendment to the regulation on the exemption of exclusive dealing agreements:

Bull. EC 2-78

OJ C 31/78

— the regulation must apply to exclusive dealing agreements which are concluded between undertakings of the same Member State and which are likely to affect trade within the Community.

— All exclusive dealing agreements concluded between manufacturers and their competitors must be excluded from block exemption.

- Block exemption can be applied to exclusive sales agreements only if the population of the territory covered by an agreement does not exceed 100 million.
- Block exemption of agreements :
exclusivity of sale must be subject to the proviso that the contracting party for whose benefit the exclusivity clause was agreed upon does not thereby obtain a share of more than 15 % of the market.

EP Rep.
EP Opinion

Comm. is drawing up Prop. for Reg. to give blanket authorization to certain categories of patent licensing agreements ; EP request that Reg. should contain precise guidelines to promote economic use of new techniques within EC.

EP Doc. 347/77
OJ C 299/77

Comm. Commun. of 27
May 1970

(b) Agreements of minor significance

OJ C 64/70

do not fall under EEC Tr., Art. 85 (1) since they have only slight effect on trade between Member States. Comm. gives figures to serve as criteria for assessment ;

Raising of limits applied.

OJ C 313/77

Amended Comm. Commun.
of 19 Dec. 1977

Comm. Commun.

(c) Agreements furthering research and specialization

OJ C 75/68

agreements on cooperation between firms with, in general, no restrictive effect on competition ;

abolition of obligation to notify agreements, decisions and concerted practices which concern only common research and development, and certain specialization agreements ;

OJ L 285/71

C Reg. of 20 Dec. 1971

Comm. authorized for a certain period by Reg. to declare EEC Tr., Art. 85 (1) not applicable to categories of agreement relating to application of standards and types, research and development of products or processes, or specialization ;

OJ L 285/71
OJ L 292/72

C Reg. of 20 Dec. 1971
Comm. Reg. of 21 Dec.
1972

Widens scope of Reg. of 21 Dec. 1972.

OJ C 338/77

Comm. Reg. of 23 Dec. 1977

C Reg. of 26 Nov. 1974

(d) Limitation periods in proceedings and enforcement of sanctions under the rules relating to transport and competition.

OJ L 319/74

Comm. Commun.

2.423
(contd)

(e) Subcontracting agreements

Comm. adopted a communication on the assessment of subcontracting agreements in relation to Art. 85 EEC. Purpose is to eliminate doubts as to the compatibility of this modern form of work distribution with Community rules on competition.

OJ C 1/79

C. Application of EEC Tr., Art. 86; abuse of dominant economic position

(a) EEC Tr., Art. 86 first applied in 1971-1972.

(b) There may be abuse if an enterprise with a dominant position strengthens this to such a degree that competition is substantially restricted.

(c) Draft proposal on supervision of company mergers: mergers involving companies with turnovers of not less than 1 thousand million u.a. per annum must be notified in advance.

On several occasions EP has deplored that C has not yet adopted Draft Reg.

(d) Comm. further implements its policy by means of individual decisions.

(e) Development of multinational concerns is on the whole positive, but requires that certain measures also be taken, particularly with respect to: collective dismissals, retention of acquired rights by workers in the event of mergers or rationalization programmes, guarantees of investment in third countries, domestic mergers of companies, statute of the European limited liability company, checks on mergers, international cooperation in respect of collection of taxes and common regulations with regard to establishment of prices and royalties within concerns, legislation relating to concerns of companies, collection of information on the international activities of enterprises.

Ruling of the Court 6/72 of
21 Feb. 1973

Draft Reg. of 18 July 1973

EP Rep.
EP Opinion

EP Rep.
EP Opinion

Comm. Communication of 7
Nov. 1973
Draft C decision of 7 Nov.
1973

Jurisprudence of Court
of Justice Vol. 1973

OJ C 92/73

EP Doc. 263/73 and 362/73
OJ C 23/74

EP Doc. 347/77
OJ C 299/77

COM (73) 1930

EP Rep.
EP Opinion

2.423
(contd)

EP stresses that binding and legally enforceable norms must gradually be laid down for international undertakings and framework for their activities defined in one or more international agreements.

EP Doc. 292/74
OJ C 5/75

EP Rep.
EP Opinion

To this end, EP calls upon Council and Comm. to conduct negotiations with parties concerned, governments and international organizations and undertakings.

EP Doc. 547/76
OJ C 118/77

D. Individual sectors

Agriculture (see 3.4)

Transport (see 4.25)

C Reg. of 19 July 1968

Prohibition of agreements between undertakings engaged in rail, road and inland waterway transport which can affect trade between Member States and restrict competition within CM.

OJ L 175/68

Transitional measures for agreements to reduce disturbances arising from structure of transport market; exception for groups of undertakings in which carrying capacity of individual undertakings and total carrying capacity of group do not exceed certain limits.

C Reg. of 26 Nov. 1962

Non-application of C Reg. of 5 Feb. 1962 (OJ 13/62) to sea and air transport.

OJ 124/62

Air transport: Comm. has continued work on measures to ensure more effective application of competition rules to commercial aviation within the Community.

12th GR EC,
par. 151

Sea transport: Comm. has begun work on drawing up competition rules for sea transport.

2.423
(cont'd)

Commercial monopolies

(a) Free movement within EC has not yet been achieved in respect of a number of products marketed by national monopolies of commercial nature. Comm. reaffirmed that Art. 37 (1) has been directly applicable since end of transitional period. Provision entails abolition of exclusive import and trading rights if monopoly holding such rights itself produces goods in question.

5th Rep. Competition Policy
1975, Par. 149

(b) Comm. has initiated infringement proceedings for failure of Italian and French manufactured tobacco monopolies to comply with Art. 37.

11 GR EC, Par. 201

Problems remain with the Italian match monopoly, as with the French and German alcohol monopolies and the French petroleum monopolies.

8th Comp. Rep.
1978

E. Aids granted by the Member States

Comm monitors State aids, in accordance with two main principles : aids must contribute towards reaching a durable solution to structural problems of EC and preventing any sterile outbidding :

11 GR EC, Par. 180

— sectoral aid must be aimed at restoring the competitiveness of the enterprises concerned and safeguarding employment in the short term ; e.g. in the textile, shipbuilding and film industries ; escalation of aid measures must be avoided, and a common system must be set up into which national aid measures can be fitted ; aid measures can also be approved if they promote other developments which are considered desirable, e.g. aid to the development of new energy sources, aid to investment in environmental projects, aid to electricity undertakings, using coal instead of oil, etc.

2.423
(cont'd)

— general aid regulations : Comm. accepts the implementation of such arrangements only within the framework of programmes with a sectoral or regional character.

4th Rep. on Competition
Policy, Par. 166

If Member States deviate from this rule, advance notice must be given to Comm. of all important measures.

— Regional aid schemes :

OJ L 31/79

Comm. renews principles applicable to regional aid schemes from 1 Jan. 1979.

The following will be applied for three years :

— coordination principles (those of 1975). Incorporate five main aspects : differentiated ceilings on aid intensity, transparency, regional specificity, sectoral effects of regional aid and a system of supervision.

8th Comp. Rep.
1978

A new alternative denominator expressed in units of account per job created as a result of the new investment was incorporated into the coordination principles.

— All aid in the least developed regions — Ireland, the Mezzogiorno, Northern Ireland and West Berlin — can now be coordinated because of the introduction of new ceilings linked to job creation and of new measurement techniques.

The other categories of regions defined in 1975 remain for the most part unchanged, and the ceilings fixed at that time at a percentage of initial investment (20 % to 30 %) are maintained.

Bull. EC 2-75
8th Comp. Rep.
1978

— Sectoral aids :

Comm. Commun. to C describes general principles governing sectoral aids. Comm. policy based on provisions of Treaty which seek to ensure that competition in the common market is not distorted.

8th Comp. Rep.
1978

Aids are admissible when they are necessary to correct serious regional imbalances, to facilitate adjustments or to make essential improvements.

On the basis of these general principles Comm. has drawn up criteria to assess each sectoral aid scheme of which it is notified.

Policy on aids awarded to certain industrial sectors :

— Shipbuilding : C approved 4th Directive.

OJ L 98/77
7th Comp. Rep.
1977

— Iron and steel industry (application of ECSC Tr.). Draft Comm. decision sets out criteria for assessing aids and interventions to facilitate investment, plant closures and rescue measures.

8th Comp. Rep.
1978

— Textile industry.

6th Comp. Rep.
1976

— Aids to undertakings in difficulty.

Aids awarded by Member States (for rescue and accompanying measures). Comm. required that certain conditions (e.g. the drafting of sectoral programmes) should be observed.

— Aids to employment : may be warranted under certain circumstances.

— Aids to SMUs : Comm. stated that it was in favour of several national schemes.

— Aids to exports considered incompatible with general principles of a common market.

2.423
(contd)

F. Public and other undertakings referred to in Article 90

Comm. is drawing up draft Dir. on basis of Art. 90 (3) to clarify for Member States their responsibilities under Art. 90, to introduce rules which will put Comm. in a better position to check that provisions of Art. 90 EEC Tr. are being observed, and to ensure that financial links between States and financial links between States and undertakings referred to in Art. 90 are more transparent.

G. Distortions arising from legislation of Member States

Check on actual cases by Comm. under EEC Tr., Art. 101 and 102.

H. European trademark

In August 1976 Comm. published memorandum on creation of a Community trademark. The memorandum announced proposal for regulation based on EEC Tr. Art. 235 and creation of Community trademark office to administer system.

This would enable undertakings to distribute their products under same trademark throughout territory of CM.

10th GR EC
Par. 145

To reduce likelihood of conflict between Community trademark and previous national trademarks, transitional solution envisaged: national trademarks will have priority for period of 10 to 15 years and conciliation body will be set up to settle disputes.

2.423
(cont'd)

I. Community patent

On 15 December 1975 Member States signed in Luxembourg the Community Patent Conv.

Conv. supplements 1973 Munich Conv, signed by 16 European States.

Luxembourg Conv. institutes single substantive patent law: Community patent, granted by European Patent Office to be set up in 1977, has same force in all Member States with regard to exercise of rights attaching thereto.

OJ L 17/76

2.5 **Harmonization of taxation**

2.50 **OBJECTIVES**

EEC Tr., Art. 95-102

Harmonization of tax laws of Member States to prevent distortion of competition and restriction and restriction of free movement of goods, services and capital.

Comm. Commun. to C.

Action Programme for Taxation

Bull. EC 9-75

- establishing tax conditions to permit maximum liberalization in movement of persons, goods, services and capital ;
- bringing closer together impact of taxes and charges in this context.

2.51 **DECISION-MAKING PROCEDURES**

EEC Tr., Art. 99, Par. 2

C decides unanimously, on proposal of Comm. :

EEC Tr., Art. 100, Par. 2

- on approximation of national legislation ;

EP and ESC to be consulted

EEC Tr., Art. 98

C authorizes by qual. majority on proposal of Comm. limited-period discharge from countervailing charges in trade between Member States.

EEC Tr., Art. 97, Par. 2

If Member State infringes EEC Tr., Art. 95 or 96, Comm. issues directives or decisions applicable to the Member State in question.

2.52 **INDIRECT TAXES**

2.521 **Requirements of Treaties**

EEC Tr., Art. 95

Taxes on goods from other Member States not to exceed taxation imposed on similar domestic goods ; taxation not to afford any protection, even indirect.

EEC Tr., Art. 96

2.521
(*contd*)

Repayment of internal taxation on exported goods not to exceed direct or indirect internal taxation.

EEC Tr., Art. 99, 100

Turnover taxes, excise duties and other forms of indirect taxation to be harmonized. No general harmonization of tax laws provided for, except where measures by a Member State have significant effects on conditions of competition.

2.522

State of integration

Work done in two directions :

- removal of restrictions on free movement based on individual cases ;
- approximation of national laws (e.g. proposals for a number of Dir. on excise duties).

Aim of approximation :

Abolition of countervailing levies and border taxes in trade, removal of frontier controls.

Stages :

Initially approximation of structures, later approximation of rates of taxation.

2.5221

TURNOVER TAX

1st C Dir. 227
of 11 April 1967

Framework for harmonization of VAT laws of Member States

OJ 71/67

Objectives :

- short-term : abolition of taxation components which distort conditions of competition at national and Community level ;
- long-term : abolition of import levies and tax remissions on exports in trade between Member States.

2.5221
(cont'd)

Methods:

- introduction of common VAT system, simple and neutral with respect to origin of goods and services and, if possible, embracing retail trade ;
- later, harmonization of tax rates and exemptions ;
- taking account of tax and budgetary policy of Member States when introducing VAT system.

2nd C Dir. 228 of 11 April
1967

Structure and procedures for applying common VAT system

OJ 71/67

- definition of following concepts : supply of goods and services, territory, taxable persons, importation of goods, basis of assessment, etc. ;
- certain limits set for establishment of tax rates, tax exemptions and deductions ;
- provides for the keeping of accounts, special systems for small undertakings and for undertakings in the agricultural sector and the possibility of Member States applying transitional measures.

C Dec. of 21 April 1970

Stipulates that up to 1 % of VAT revenue be allocated to EC budget from 1975, provided that assessment basis of VAT harmonized.

OJ L 94/70

Common system of VAT ; uniform basis of assessment. Principal provisions include :

OJ L 145/77

6th C. Dir. 388 of 17 May
1977
Arts. 1-20

- scope, territorial application, taxable persons, taxable transactions and their location, chargeable events and chargeability to tax, taxable amount, rates, exemptions and deductions ;

Arts. 24-26

- special schemes prescribed for small undertakings, for farmers and for travel agents ;

Art. 29

- VAT Advisory Committee set up.

2.5221

C. Reg. of 19 Dec. 77

2.5221
(contd)

Implementation of C. Dec. of 21 April 1970 in respect of own resources from VAT, on replacement of financial contributions from Member States by EC's own resources.

National procedures for implementation of 6th VAT Dir. not completed in time to allow EC budget for 1979 to be based wholly on 'own resources' system.

(See 1.243)

OJ L 336/77

2.5222

DUTIES ON RAISING OF CAPITAL

C Dir. 335 of 17 July 1969

Abolition of stamp duty on issue of securities.

OJ L 249/69

C. Dir. 79 of 9 April 1973

Harmonization of duty on subscription of capital :

OJ L 103/73

C Dir. 553 of 7 Nov. 1974

As from 1 January 1976 standard rate 1 % ;
reduced rate of 50 % replaced by rate of 0 to 0.5 %.

OJ L 103/73

Determination of basis to take account of actual value of subscribed capital.

OJ L 303/74

2.5223

TAXES IN INTERNATIONAL TRAVEL

Harmonization of legal and administrative provisions relating to exemption from turnover tax and excise duty on imports in international travel.

Objective :

To make population of Member States aware of reality of CM when importing goods of a non-commercial nature.

Methods :

C Dir. 169 of 28 May 1969
amended by C Dir.
230 of 12 June 1972

(a) exemption from VAT and excise duty

— Member States — third countries : 25 u.a. per person

OJ L 133/69

— between Member States : 125 u.a. per person, 30 u.a. for each child.

OJ L 139/72

2.5221/2.5223

C Dir. of 19 Dec. 1978

2.5223
(cont'd)

— Tax exemption for private persons :

Adoption of directives which, because of the introduction of the EUA in calculating exemptions, change the amount of exemptions to ensure that there is no reduction in national currency. Adoption of a directive on the exemptions granted to travellers and small consignments of a non-commercial character.

OJ L 366/78

- (b) tobacco products, alcoholic beverages, perfumes, coffee and tea : exemption for limited amounts ; duty-free amounts increased in 1972 ;
- (c) value and/or quantity of exempted goods may be fixed at lower level : e.g. in frontier zone travel, for crew of transport used in international travel, and for members of armed forces ;
- (d) exemption of goods already taxed in country of origin ;
- (e) flat-rate import charges collected on small non-commercial consignments of agricultural products so as to avoid the collection of several different charges ;
- (f) relief from VAT and excise duties on importations of small consignments within the Community ;
- (g) relief from customs duties and charges having equivalent effect on importations of small consignments sent between original and new Member States, or between the new Member States themselves.

C Reg. of 18 Dec. 1973

OJ L 361/73

C Dir. of 19 Dec. 1974

OJ L 354/74

C Reg. of 19 Dec. 1974

OJ L 354/74

2.5224

EXCISE DUTIES

The harmonization programme envisaged by the Commission covers the following products : mineral oils, manufactured tobacco, alcohol, beer, wine.

— *Manufactured tobacco*

Directives lay down general principles of harmonization and special criteria applicable during successive stages.

First stage (1 July 1973 — 30 June 1978) : covered cigarettes which were made liable to specific excise duty and proportional excise duty.

OJ L 303/72

OJ L 180/74

OJ L 354/76

OJ L 338/77

C Dir. 464 of 19 Dec. 1972

amended by

C Dir. 318 of 25 June 1974,

786 of 16 June 1975

911 of 21 Dec. 1976

and 805 of 19 Dec. 1977

2.5223/2.5224

2.5224
(cont'd)

Second stage (1 July 1978 — 31 Dec. 1980): specific excise duty determined by reference to total tax (excise duty plus VAT);

Subsequent stages: Rate of proportional excise duty and amount of specific excise duty must be same for all cigarettes and fairly reflect difference in the manufacturers' delivery prices. Methods of collection of excise duty to be harmonized at final stage at latest.

2.523

Work in progress

VAT

Comm. Prop. for 7th Dir.
of 11 Jan. 1978

EP Opinion of
12 March 1979

Comm. Prop. for 8th Dir.
of 11 Jan. 1978

EP Opinion of
16 Jan. 1979

Introduction of Common VAT system for used goods, works of art, antiques and collectors' items.

Introduction of common arrangements for refund of VAT to undertakings in an EC country other than that in which goods or services invoiced inclusive of tax.

OJ C 26/78

OJ C 93/79

OJ C 26/78

OJ C 39/79

Taxes on raising of capital

Comm. Prop. for Dir. of 31
March 1976

EP Opinion of 15 Oct. 1976

Transactions in securities

— establishment of single taxation system to replace current taxes on stock exchange transactions; prescribes maximum rates and certain compulsory exemptions.

OJ C 133/76

OJ C 259/76

2.523
(cont'd)

International travel

Several proposals by Comm. have not yet been made the subject of a C. Dec. : these include :

- | | | |
|---|--|---------------------------|
| Comm. Prop. for Reg. | — tariff applicable to agricultural products contained in travellers' personal luggage ; | OJ C 100/73 |
| Comm. Prop. for Dir. of 20 Dec. 1974
amended 17 April 1975
EP Opinion of 21 Feb. 1975 | — exemption from taxes on importation of small consignments from third countries of goods of a non-commercial nature ; | OJ C 18/75
OJ C 60/75 |
| Comm. Prop. for Reg.
EP Opinion of 21 Feb. 1975 | — exemption from duties and charges on importation, in conjunction with previous proposal ; | OJ C 24/75
OJ C 60/75 |
| Comm. Prop. for Dir.
of 24 Oct. 1975
EP Opinion of 13 Feb. 1976 | — tax exemptions applicable to personal property of individuals on permanent importation from another Member State ; | OJ C 267/75
OJ C 53/76 |
| Comm. Prop. for Dir.
of 24 Oct. 1975
EP Opinion of 13 Feb. 1976 | — tax exemptions for certain means of transport temporarily imported into one Member State from another ; | |
| Comm. Prop. for Dir. of 31 Dec. 1976
EP Opinion 12 May 1977 | — increased exemption on imports to 200 u.a. ; | OJ C 31/77 |
| | — maintained real value of exemptions by indexation in future. | OJ C 133/77 |

Excise duties

Introduction of harmonized excise duty system for mineral oils, manufactured tobacco, alcohol, beer, wine and mixed beverages.

Abolition of other special excise duties, except those which do not give rise to tax on importation or remission of tax on exportation and no frontier controls.

Setting up Excise Duty Committee.

- | | | |
|---|--|--|
| Comm. Prop. for Dir.
of 7 March 1972
EP Opinion of 5 April 1974 | | |
| Comm. Prop. for
Dec. 7 March 1972
EP Opinion of 5 April 1974 | | |

OJ C 43/72

Comm. Prop. for Dir. of 27 March 1974 EP Opinion 15 Nov. 1974	2.523 (contd)	— <i>Manufactured tobacco</i>	OJ C 48/74
Amended Comm. Prop. for Dir. of Feb. 1976		Covers manufactured tobacco other than cigarettes; authorizes Member States to subdivide into categories: cigars and smoking tobacco, but requires that products of same group be taxed under same scheme and at same rate.	OJ C 72/74 OJ C 155/74
Comm. Prop. for Dir. of 28 Jan. 1976 EP Opinion of 6 July 1976		Proposal on taxes other than turnover taxes which affect consumption of manufactured tobacco.	OJ C 45/76
		Proposed second stage of harmonization, (see 2.5224). Specific component of excise duty on most popular price category of cigarettes not to be less than 15 % nor more than 50 % of total excise duty and VAT charged.	OJ C 45/75 OJ C 178/76
Comm. Prop. for Dir. 9 Aug. 1973 EP Opinion of 13 Jan. 75 Comm. Prop. for Dir. of 1 Aug. 1973 EP Opinion of 13 Jan. 1975		— <i>Mineral oils</i>	
		Proposes harmonization of excise duties;	OJ C 92/73 OJ C 32/75
		covers first stage in harmonization of excise duty structure relating to mineral oils:	OJ C 92/73 OJ C 32/75
		definition of products liable to excise duty, determination of chargeable event, conditions under which excise duty becomes due, arrangements covering importation and exportation, exemptions.	
Comm. Prop. for Dir. of 23 Feb. 1972 EP Opinion of 5 Apr. 1974		— <i>Alcohol</i>	
		Single rate of excise duty in each Member State; reduced rate for certain wine-based beverages; exemption for industrial alcohol.	OJ C 43/72 OJ C 48/74
Comm. Prop. for Dir. of 23 Feb. 1972 EP Opinion of 5 April 1974		— <i>Wines</i>	
		Introduction of excise duty in some Member States where none exists; minimum rate fixed immediately on entry into force of Dir. EP not in favour of extending excise duty to other Member States where none exists.	OJ C 43/72 OJ C 48/74

<p>Comm. Prop. for Dir. of 23 Feb. 1972 EP Opinion of 5 April 1974</p>	<p>2.523 (contd)</p>	<p>— <i>Beer</i> Standardization of rates for beers of same category ; fixing of relationship between rates applicable to various categories.</p>	<p>OJ C 43/72 OJ C 48/74</p>
<p>Comm. Prop. for Dir.</p>		<p>— <i>Mixed beverages</i> Collection of excise duty on alcohol in cases where ethyl alcohol has been added ; in all other cases, collection of excise duty appropriate to each of the constituents.</p> <p>Imported mixed beverages are subject to same fiscal system as like national beverages.</p>	<p>OJ C 43/72</p>
<p>Comm. Commun. to C. of 2 Aug. 77</p>		<p>Recommends immediate resumption of work on proposals to harmonize excise duties firstly on alcohol and beer and subsequently on mineral oils, with a view to their adoption in 1978.</p> <p>Comm. continued the infringement procedures initiated in 1976 and 1977 against certain Member States concerning excise duties on potable spirits, wine, beer and tobacco.</p>	<p>12th GR</p>
<p>Comm. Prop. for Dir.</p>		<p><i>Taxation of commercial motor vehicles</i></p> <p>Harmonization of laws of Member States on taxation of commercial motor vehicles, aimed at progressive transformation of national systems into system based on common principles and criteria with a view to calculating cost of using transport infrastructures.</p>	<p>OJ C 95/68</p>
<p>Comm. Prop. for Reg. of 23 Dec. 1975 EP Opinion of 14 May 1976</p>		<p>Provision for repayment or remission of export or import duties.</p>	<p>OJ C 54/76 OJ C 125/76</p>

2.53 **DIRECT TAXES**

2.531 **Requirements of Treaties**

EEC Tr., Art. 3 (c)

Intervention by EC in direct taxation where this represents obstacle to free movement of persons, services or capital.

EEC Tr., Art. 100

Approximation of legal provisions directly affecting establishment or functioning of CM.

EEC Tr., Art. 220

Member States to enter into negotiations to secure abolition of double taxation within EC.

2.532 **State of integration**

C. Res. of 10. 2. 75

Recognition of international dimensions of tax evasion and avoidance.

C. Dir. of 19 Dec. 77

Mutual assistance by authorities of Member States in field of direct taxation :

EP opinion of 17 Nov. 76

- measures to combat tax evasion and avoidance ;
- strengthening collaboration between national revenue departments ;
- exchange of information to determine income and wealth tax liabilities ;
- permits investigations by one Member State on behalf of another, and officials of one Member State working in another.

OJ C 35/75

OJ L 336/77

OJ C 293/76

Work in progress

Prop. Comm. Dir. of
16 Jan. 1969
EP Opinion
of 9 April 1970

— Common tax system for mergers, separation and subscription of capital with respect to parts of undertakings involving companies from different Member States.

OJ C 39/69
OJ C 51/70

Prop. Comm. Dir. of
16 Jan. 1969
EP Opinion of 9 April 1970

— Common tax system for parent companies and subsidiaries belonging to different Member States.

OJ C 39/69
OJ C 51/70

Prop. Comm. Dir. of
29 Nov. 1976
EP opinion of
14 June 77

— Elimination of double taxation in connection with adjustment of transfers of profits between associated enterprises (arbitration procedure).

OJ C 301/76
OJ C 163/77

Prop. Comm. Reg. amended
30 April 1975

Creation of European Company ; settlement of a number of tax problems (see also 2.33)

OJ C 124/70
Comm. (75) 150 fin.

- Location of company domicile for tax purposes.
- Possibility of moving tax domicile from one Member State to another in connection with tax exemptions.
- Possibility of allowing losses suffered by permanent establishments, and in some cases even by subsidiaries, located in other Member States to be taken into account in Member State where tax domicile is located.

Comm. Progr. of 30 July 1975

Establishment of tax conditions for economic and monetary union

Bull. EC 7/8-75

— Establishment of longer term measures with a view to greater integration.

Comm. Prop. for Dir.
of 1 Aug. 1975

Harmonization of systems of company taxation and of withholding taxes on dividends.

OJ C 253/75

Interim EP Opinion of
8 May 1979

— Proposal based on partial imputation system.

Minutes of sitting
of 8 May 1979

Comm. Prop for Dir. of
24 July 1978

2.533
(cont'd)

— Proposal for a directive for the application of the above proposal for a directive to dividends received through a collective investment institution.

OJ C 184/78

Purpose : to achieve equality of tax treatment between direct company shareholders and those whose investment in shares is made through a collective investment institution.

Mutual assistance between Member States

Comm. Prop. for Am.
Dir. of 8 Oct. 76
EP opinion of
11 Feb. 1977

— recovery of claims relating to EAGGF, agricultural levies and customs duties ;

OJ C 249/76

Comm. Prop. for Dir.
of 8 Oct. 1976

— extension of directive on mutual assistance to recovery of claims for VAT, excise duties and other consumption taxes.

OJ C 57/77

3. REALIZATION OF COMMON AGRICULTURAL POLICY

EEC Tr., Art. 38, 39 and Annex II

3.0

Objectives

- To increase agricultural productivity by promoting technical progress, rationalizing agricultural production and optimum utilization of factors of production, especially labour.
- To ensure fair standard of living for agricultural community, in particular by increasing individual earnings of persons engaged in agriculture.
- To stabilize markets.
- To assure availability of supplies.
- To ensure supplies to consumers at reasonable prices.

The CAP must be achieved by end of transitional period at the latest. Products concerned enumerated in Annex II of the Treaty. The Council may decide and has decided amendments to Annex II (with effect : 31 Dec. 1960).

3.1

Decision-making procedure

EEC Tr., Art. 43 (1) and (2) (i)

Two years after the Treaty came into force, the Commission — after consulting the ESC — drew up proposals on the preparation and implementation of the CAP. These proposals were submitted by the Commission in 1960 : ESC and EP gave their opinions. (Boscary-Monsservin Report, No 70).

OJ 16 Nov. 1960

EEC Tr., Art. 43 (2) (iii)

3.1
(*contd*)

These basic options were followed up in practice as follows :

The Council shall, on a proposal from the Commission and after consulting Parliament, acting unanimously during the first two stages and by a qualified majority thereafter, make regulations, issue directives, or take decisions, without prejudice to any recommendations it may also make.

EEC Tr., Art. 40 (2)

EEC Tr., Art. 40 (4)

EEC Tr., Art. 42

These regulations or directives concern in particular :

- establishment of common organizations of markets,
- setting up of one or more agricultural guidance and guarantee funds,
- application of rules on competition to production of and trade in agricultural products,
- and, more generally, all measures meeting the objectives defined in Art. 39.

C Reg. of 13 June 1967

C Reg. of 15 June 1965

C Reg. of 5 Feb. 1964

Comm., after consulting Management Cttee, decides on :

- implementation of provisions for COM,
- impl. provisions for application of network for collection of farm accountancy data,
- administration of EAGGF.

OJ 117/67

OJ 109/65

OJ 34/64

C Dec. of 15 Oct. 1968

C Dec. of 13 Nov. 1969

Comm., after consulting Cttee, for Implementation of Regulations, decides on :

- veterinary matters,
- questions concerning foodstuffs.

OJ L 255/68

OJ L 291/69

Comm. decides independently on (*inter alia*):

- import levies (for agricultural products),
- export refunds (for agricultural products).

e.g. C Reg. of 13 June 1967,

Art. 13, 14

OJ 117/67

EEC Tr., Art. 40, 41

3.2

Measures used

Common organization of markets by means of :

- common rules on competition,
- compulsory coordination of national MOs,
- European market organization.

COMs cover in particular regulation of prices, aids to production and marketing, storage and carry-over arrangements, joint measures for stabilizing imports and exports and, if necessary, regulation of inward processing traffic.

Within the Community discrimination between producers or consumers is prohibited.

Coordination of measures relating to vocational training, agricultural research and dissemination of agricultural knowledge with aid of jointly financed projects or institutions.

Measures for the preparation of joint projects.

EEC Tr., Art. 38

3.21

INTERNAL COMMON MARKET FOR AGRICULTURAL PRODUCTS

Save as otherwise provided in Art. 39 to 46, the rules laid down for the establishment of the common market apply to agricultural products.

The operation and development of the common market for agricultural products must be accompanied by the establishment of a common agricultural policy.

Present state of integration :

Most of the COMs for the final stage of the common market were set up between 1966 and 1968. For some products (wine, tobacco, fisheries) regulations were introduced after 1 July 1968 — the date when the free movement of agricultural products was achieved for the majority of products.

3.21 Setting up the COMs involves the abolition of all quantitative restrictions and all customs duties between the Member States.

However, it does not abolish the obstacles due to existing differences in national legislations with regard to, e.g. health requirements or provisions relating to the composition or packaging of products. Harmonization provisions (mostly in the form of Directives) will need to be made in this regard.

EEC Tr., Art. 44

3.22 **MINIMUM PRICES**

Machinery often used by Member States to protect farmers before the common market was set up — hence the lengthy provisions made by the Treaty in this regard.

3.23 **AGRICULTURAL MONETARY POLICY**

C Reg. 129/62
modified by
C Reg. 2543/73

The CAP involves the fixing of common prices and common financing of measures. It requires a common denominator for converting the relevant currencies. In 1962 the unit of account, defined in gold, was chosen as the common denominator.

OJ 106/62
OJ L 263/73

Since 1969 Community agriculture has been suffering from effects of absence of monetary union. After end of transitional period (1969) market unity resulting from conversion of common prices into units of account once more deteriorated considerably. Weakening of common market adversely affects competition and EC budget.

3.231 **Green currencies**

C Reg. 1586/69
C Reg. 2464/69

Since period of monetary instability special representative rates (green currencies) have been introduced. These differ from official parities with the u.a. and are closer to market rates.

OJ L 202/69
OJ L 312/69

3.231
(contd)

Green currencies may be adjusted to market rates, as has happened on several occasions. The lira, French franc, Danish crown and pound sterling, in particular, were devalued in 1977 and 1978. Devaluation of a green currency has following effects :

- higher guaranteed prices expressed in the national currency ;
- lower import subsidies and export charges.

Since Italy and United Kingdom in particular are net importers of agricultural produce, devaluation of green currencies represents a considerable saving for EAGGF.

3.232 **Monetary Compensatory Amounts (MCAs)**

Objects

To maintain the value of price guarantees in national currencies during the period of monetary instability, and to permit the free movement of goods at fixed prices.

Operation

MCAs compensate the difference between the representative rates used for converting guarantees into national currencies and : (a) the central rate, in the case of countries with fixed exchange rates, or (b) the market rate, for those countries with flexible exchange rates.

They are levied or granted on trade between Member States and on trade with third countries. For countries with revalued currencies MCAs are levied on imports and granted on exports, and for countries with devalued currencies they are levied on exports and granted on imports.

MCAs are worked out on basis of average fluctuations of currencies which belong to the snake or, in the case of currencies outside the snake, on that of market rates.

C Reg. 974/71
modified by
C Reg. 557/76

OJ L 106/71

OJ L 67/76

3.232
(cont'd)

MCAs became permanently established as all Member States allowed their currencies to float without adjusting their green currencies which were introduced in 1973 for new Member States and in 1975 for the others. This also had effect of shifting flow of trade between Member States and of affecting unity of market for agricultural products.

Comm. Prop.
of 16 Nov. 1976

In order to counter this unhealthy trend Comm submitted proposal to introduce a ceiling for MCAs and to adjust green currencies periodically to market rates.

EP Doc. 430/76

3.233

Abolition of MCAs

Amended Prop.
of 14 Nov. 1977

Regular and differentiated dismantling of MCAs:

- dismantling of existing MCAs over 7 years;
- dismantling of future MCAs, provided that adjustments to green currencies are limited to 5 %;
- restriction of Member States' powers to introduce or amend representative rates.

EP Doc. 390/77

Representative rates are fixed once a year by C.

EP Opinion

Favourable opinion on dismantling of existing MCAs over 7 years. Rejection of scheme for dismantling new MCAs; instead, green rates should be adapted regularly and permanently.

Doc. 104/78

C Reg. 129/78

Procedure for applying exchange rates and green currencies to granting aid for undertaking joint action in structural field.

OJ L 20/78

3.232/3.233

C Dec. of 30 Dec. 1977

3.233
(contd)

EUA

The EUA is a 'basket' unit equal to the sum of the following amounts in the currencies of the Member States :

Deutschmark (DM) :	0.828
Pound sterling (UKL) :	0.0885
French franc (FF) :	1.15
Italian lira (LIT) :	109.0
Dutch guilder (HFL) :	0.286
Belgian franc (BFR) :	3.66
Luxembourg franc (LFR) :	0.14
Danish krone (DKR) :	0.217
Irish pound (IRL) :	0.00759

The value of this unit of account varies from day to day and is published in the Official Journal of the Communities.

OJ L 199/78

C Reg. 652/79

3.234

Impact of European Monetary System (EMS) on CAP

OJ L 84/79

Conversion of prices and amounts by means of specified coefficient (value of European currency unit — 'ECU' — is 21 % lower than that of EUA). Value of coefficient, at least up to 30 June 1979 inclusive, is 1.208953.

Introduction of ECU does not affect differences in agricultural prices resulting from green currency rates and MCAs.

EP's ultimate objective to abolish MCAs, which will be facilitated by monetary stability. Aim must be to create unified agricultural market without any reduction in farmers' incomes.

EP Opinion
EP Res. of 14 Dec. 1978

EP Doc. 523/78
OJ C 6/79

Comm. Communication to
EP and C
EP Opinion
C Approval 10-11 Nov.
1975
EEC Tr., Art. 38

3.24

STOCKTAKING OF THE COMMON AGRICULTURAL POLICY

Suppl. 2/75 Bull. EC
OJ C 157/75
Bull. EC 11/75

Extension of the common market to agriculture

Rate of increase in intra-Community trade in agricultural products 1963-73 : 409 % as against 335 % for all products.

However : a certain amount of rigidity in the regional location of certain products. Obstacles due to the monetary position.

EEC Tr., Art 39 (1 a)

Increase in productivity

Increase in yields greater in the crop sectors (cereals 4 % per annum) than in the livestock sectors (milk + 0.7 % per annum).

Whereas in industry the labour productivity index rose from 100 to 166 between 1961 and 1971, it rose from 100 to 188 in agriculture. Main reason : departure of 5.5 million farmers over this period.

EEC Tr., Art. 39 (1 b)

Fair standard of living

On the whole, agricultural incomes have increased at a slightly lower rate than that of the other sectors of the economy, particularly in Germany, France and Italy. Very wide disparities according to regions (variations in the ratio of 1 to 5 among the 55 regions of the original Community), type of farming as between farms of the same size, size of farm as between farms engaged in the same type of farming (ratio varying from 1 to 3 for farms of 5 to 10 ha and for those exceeding 50 ha).

EEC Tr., Art. 39 (1 c)

Market stability

Between 1968 and 1974 the monthly prices for common wheat varied by only 3 % in the Community as against 11 % on the world market and 13 % in the United States.

3.24
(contd)

The markets in agricultural products covered by a price support system were more stable than the markets in agricultural products which were subject to a supplementary aid system.

Role of machinery of intervention and variable levies to ensure this stability both at times of surplus and during periods of shortage.

EEC Tr., Art. 39 (1 d)

Security of supply

Increase in self-sufficiency rate for most agricultural products under COM.

Security of supply more or less guaranteed for essential products intended for human consumption but enlarged Community dependent on outside supplies for animal feed (80 % for protein-rich concentrates ; 50 % for maize).

EEC Tr., Art. 39 (1 e)

Reasonable prices for consumers

On average purchases of foodstuffs account for 26 % of total consumer expenditure per household. The agricultural component in the price of foodstuffs to the consumer is a little over one-third. The automatic effect of a 10 % increase in common agricultural prices is an increase of the order of 1.9 % in total household expenditure on consumer goods.

EEC Tr., Art. 110

The harmonious development of world trade

The index figure for imports of foodstuffs from non-member countries rose from 100 to 150 between 1963 and 1972 (\$ 14 500 million in 1973) and the figure for exports to non-member countries rose from 100 to 200 (\$ 6 100 million in 1973).

3.24

(contd)

Proposals for improvement

Guidelines on rationalization are contained in the section of the document headed 'Proposals for improvement'. The Commission will concentrate on achieving, in the case of modernized farms, an earned income comparable to that obtainable in non-agricultural sectors. The Commission also indicates its intention to ensure that the benefit of the policy relating to the disposal of surpluses is passed on to the consumer. It reaffirms its intention of codifying and simplifying legislation in force.

As regards the various organizations of markets, provision is made for special measures of reform and rationalization.

On the general plane, in confirming the guidelines of its 1973 Memorandum, the Commission maintains the principle underlying the common price and structure policy and does not wish to generalize the forms of income or consumer subsidies.

3.25

NEW GUIDELINES FOR CAP

EP Doc. 128/79

Conclusions from Seminar held by EP Committee on Agriculture in Echternach from 25 to 27 October 1978 on new guidelines for CAP and on strengthening role of EP and its Committee on Agriculture in formulating this policy.

Committee on Agriculture rejects any attempt to modify fundamental principles of CAP, but calls for more efficient use of existing instruments.

Future development of CAP

Comm. position on policy in this field.

Bull. EC 11/78

Comm. Communication
to C

European Council on CAP

On 12 and 13 March 1979 in Paris, European Council (Council of Heads of State and Government) reaffirmed that fundamentals of CAP were one of the achievements of European integration.

With regard to surpluses of certain products, it takes the view that a properly directed price policy and specific measures to control production can correct imbalances on certain markets and counteract the build-up of new surpluses.

European Council attaches importance to improving structural policy, with particular regard to least-favoured regions.

C Res. of 23 Nov. 1976

3.251

Political agreement on need for simplification of agricultural legislation for the benefit of the national administrations and of the economy.

OJ C 287/76

GUIDELINES ON THE DEVELOPMENT OF THE MEDITERRANEAN REGIONS OF THE COMMUNITY

('Mediterranean package')¹

Comm. Commun.
EP Rep.
EP Opinion

Following Council Resolution of 12-13 March 1976 on expediency of taking measures to assist agriculture in Mediterranean regions of EC, Comm submitted first communication on the subject to C on 1 April 1977.

EP Doc. 467/77
OJ C 36/78

Comm. Props. of 9 Dec.
1977
and 3 Jan. 1978
EP Rep.
EP Opinion

When proposals for prices for 1978-79 marketing year were presented, Comm. prepared 'package' (guidelines concerning development of Mediterranean regions of EC) of measures aimed at both structure and organization of certain markets.

EP Doc. 470/77
EP Doc. 34/78
OJ C 108/78

Proposals comprise :

structural policy

- (a) irrigation of Mezzogiorno ;
- (b) restructuring and conversion of vineyards in Languedoc-Roussillon ;
- (c) improvement of public services in rural areas ;
- (d) development of common marketing projects in these regions.

¹ Details of decisions taken by C on 12 May 1978 and confirmed by the regulations adopted subsequently may be found in the various chapters on structural policy and the COM. This section refers solely to the overall content of Comm. document, which deals with several sectors.

3.26
(cont'd)

market organization

- (a) adjustment of aids and subsidies for processed fruit and vegetables;
- (b) rationalization of fruit production;
- (c) modification of COM for fresh fruit and vegetables;
- (d) modification of COM for olive oil.

C acted on these proposals on 12 May 1978. In the light of measures adopted by C, Comm supplemented its proposals by:

- (a) proposal on afforestation of barren areas;

EP Doc. 201/78

Comm. Prop. of 24 April
1978
EP Rep.
EP Opinion of 7 July 1978

Comm. Prop. of 3 July 1978
Comm. Prop. of 28 Feb.
1978

- (b) proposal on dissemination of agricultural knowledge;
- (c) proposal to modify organization of wine market.

EP Doc. 564/77

The details of the definitive arrangements adopted by the Council are as follows:

structural policy

- (a) rural amenities;

OJ L 204/78

C Reg. 1760/78 of 25 July
1978

- (b) irrigation;

OJ L 166/78

C Reg. 1362/78 of 19 June
1978

- (c) processing and marketing (amending Reg. 355/78);

OJ L 166/78

C Reg. 1361/78 of 19 June
1978

- (d) producer groups and associations in Italy, Southern France and Belgium;

OJ L 166/78

C Reg. 1360/78 of 19 June
1978

- (e) forestry;

OJ L 38/79

C Reg. 269/79 of 6 Feb.
1979

- (f) agricultural advisory services.

OJ L 38/79

C Reg. 270/79 of 6 Feb.
1979

3.26 *market organization*
(*cont'd*)

C Reg. 1562/78 of 29 June 1978	(a) olive oil ;	OJ L 185/78
C Reg. 2752/78 of 23 Nov. 1978		OJ L 33/78
C Reg. 3089/78 of 19 Dec. 1978		OJ L 369/78
C Reg. 1152/78 of 30 May 1978	(b) fresh and processed fruit and vegetables :	OJ L 144/78
C Reg. 1154/78 of 30 May 1978	— amendments to COM (countervailing charges, reference prices, powers of producers' organizations, intervention system, particularly for fresh grapes, peaches and pears, financial compensation for oranges and lemons, special measures for withdrawing blood oranges from the market and selling them to the processing industry) ;	OJ L 144/78
C Reg. 1766/78 of 25 July 1978		OJ L 204/78
C Reg. 1122/78 of 22 May 1978	— marketing aid for products processed from lemons, special measures for processing tomato concentrates, skinned tomatoes, prunes and peaches in syrup ;	OJ L 142/78
C Reg. 1767/78 of 25 July 1978		OJ L 204/78
C Reg. 1119/78 of 22 May 1978	(c) peas and field beans ;	OJ L 142/78
C Dec. of 19 Dec. 1978	(d) wine.	

3.27 **NATIONAL SUPPORT MEASURES**

Agr. Situation 1978 Rep.
Chap. V(D)

These measures continue to make up a substantial part of the various forms of support given to agriculture (1978 : approx. 12 000 million EUA, inc. social security, excluding tax relief).

Concise list of government financial measures in agriculture.

3.3 **Financing of common agricultural policy**

3.31 **PRINCIPLES**

C Reg. of 4 April 1962

C Reg. of 5 Feb. 1964

C Reg. of 26 July 1966

Establishment of a Fund divided into two sections :

OJ 30/62

Guarantee Section :

in the 1978 budget, approx. 6 960 million EUA to finance

- interventions on the domestic market ; these are designed to reduce the quantities placed on the Community markets and to guarantee a minimum price to producers ;
- refunds on exports to third countries ; these equal the difference between Community prices and the generally lower prices on world markets.

OJ 34/64
OJ 165/66

Guidance Section :

fixed in principle at 325 million u.a. per annum (1978 appropriations : 423.5 million EUA) to contribute towards financing (generally 25 to 45 %)

- as a matter of priority, common measures designed to improve the structures of agricultural holdings ;
- certain special measures ;
- individual development projects.

3.32 **PRESENT SYSTEM OF FINANCING**

OJ L 94/70

C Reg. 729/70 of 21 April
1970

Confirms the functions of the EAGGF and includes the fund in the Communities' budget financed by the Communities' own resources as a whole.

Ends the system previously in operation, based on scales of contribution amongst Member States and a clearing system relating to expenditure and resources of the EAGGF.

3.32
(contd)

Allows advances to be granted to national bodies responsible for payment of aid by way of 'guarantee'.

Divides responsibility for checking expenditure between the Member States and the Commission.

3.33

MEASURES USED

C Reg. of 28 Dec. 1972

— General rules for the financing of *interventions* by the EAGGF, Guarantee Section : lists the interventions intended to stabilize agricultural markets and financed by the EAGGF ; leaves in abeyance the question of financing in full intervention measures for which flat-rate amounts are at present fixed (purchase, storage, sale). There are numerous amendments and additions to this regulation.

OJ C 287/76

C Reg. of 25 March 1976

C Reg. of 23 Nov. 1976

C Reg. of 13 Feb. 1978

— Rules applicable to the financing of *refunds* made by the EAGGF, Guarantee Section : these rules are fixed individually per regulation establishing a COM.

OJ L 84/76

OJ L 333/76

OJ L 45/78

Comm. Reg. of 17 Jan.
1975

The rules for the application of export refunds are the subject of an amending regulation by the Commission, specifying the conditions under which the refund may be made (date of exportation, evidence of actual exportation, deposit required, etc.).

OJ L 25/75

C Reg. of 21 Dec. 1977

— General financial regulations covering special provisions for the EAGGF Guarantee Section (Art. 95 to 101) :

OJ L 356/77

— provisional and final commitment of expenditure, corresponding to the advances made to national bodies responsible for making payment ;

— transfers of appropriations ;

— financial year in which expenditure is chargeable to the accounts.

EAGGF APPROPRIATIONS FOR 1979
(in millions of EUA)

A. *Guarantee*: 6 959.7

Sectors	Refunds	Intervention, production aids	Other aids
Cereals	1 493.4	434.8	
Rice	38.5	2.9	
Milk products	1 572.9	2 144.7 ¹	
Olive oil	1.1	320.6	
Oilseeds	6.0	195.2	
Sugar	751.8	252.8	
Beef and veal	122.7	365.6	
Pigmeat	68.6	16.3	
Eggs and poultry	41.2	—	
Fruit and vegetables	35.6	290.9	
Wine	5.6	97.7	26.1
Tobacco	5.4	256.6	
Fishery products ²			
Fibre flax and hemp	—	17.5	
Miscellaneous	—	95.0	
Processed products	—	176.2	
Mon. comp. amounts			809.2

¹ After deduction of the co-responsibility levy, namely 30.9 million EUA.

² See 'Guidance' section.

Source: OJ L 23/79.

B. *Guidance*: 432.3

— Joint schemes	
— reform of agricultural structures	146.4
— marketing and processing of agricultural products	18.1
— particular sectors:	
beef and veal	4.5
fruit and vegetables	4.0
wine	31.5
milk	73.4
health improvement (cattle)	20.0
— agricultural infrastructures	54.8
— Special schemes (fruits and vegetables)	3.5
— Fisheries	36.1
— Individual projects	40.0

3.34
(contd)

Relative magnitude of EAGGF expenditure in the Community

The financial burden resulting from the common agricultural policy for the Community as a whole and for each Member State in particular can be assessed in familiar economic terms : i.e. the market support expenditure as a proportion of total expenditure on foodstuffs and total agricultural expenditure as a proportion of the Community's gross domestic product. This financial burden is not to be confused with the transfers which take place from consumers to producers and vice versa.

Years	Expenditure of EAGGF Guarantee Section as a percentage of EEC expenditure on foodstuffs	Expenditure of EAGGF Guarantee Section as a percentage of EEC gross domestic product
1973	2.72	0.45
1974	1.94	0.34
1975	2.52	0.45
1976	2.59	0.43
1977	2.71	0.46
1978 (forecasts)	3.62	0.57
1979 (forecasts)	3.63	0.57

Source: 'The Agricultural Situation in the Community', 1978.

3.4 Common organization of markets (COM)

3.40 OBJECTIVES AND PRINCIPLES OF THE COM

Whereas all the COMs pursue the same goal — i.e. to achieve the objectives of EEC Tr., Art. 39 whilst at the same time observing those of Art. 110 (harmonious development of world trade), the means employed differ according to the product (degree of self-sufficiency of the EEC for a particular product, storage facility, rapid variation of production as between one year and the next). Two other factors are relevant: the type of organization previously in existence in a particular Member State (existence of a quota system for sugar; existence of monopolies for tobacco) and to some extent the time when the COM was set up (experience with regard to other COMs; market position at the time the COMs were set up).

A variety of mechanisms — not necessarily enumerated in the Treaty — may be employed to achieve these objectives.

The following three principles are generally embodied in each COM:

- *Community preference* achieved either by levies or by the external tariff, possibly in conjunction with supplementary charges. The system of levies forms a screen which adjusts the variations — at times very marked — of world market prices. The levies, which in most cases are applied to imports, affected exports of certain products in 1973 and 1974 (cereals, sugar) by reason of the particularly high level of world market rates.
- Sheltered by this screen, the *free movement of products* is ensured thanks to the elimination of internal barriers (tariff or quantitative). It is accompanied by the fixing of a *single price* for the Community. These two concepts — free movement and single price — have been called into question by the monetary fluctuations which have led to the introduction of 'monetary compensatory amounts' and the transpo-

sition of the prices fixed in u.a. into national currencies expressed in terms of a 'representative rate' (mostly different from the parity declared to the IMF but closer to the real economic situation in the agricultural sector).

- *Financial guarantee*: size and guarantees differ according to the product. The following may be distinguished:
 - support prices covering approx. 72 % of EC production (cereals, rice, sugar, milk, beef and veal and pigmeat, table wine, certain types of fruit and vegetables and fishery products). Producers are assured of these support prices by means of mandatory intervention measures applied on a permanent basis or by intervention measures determined in accordance with criteria established beforehand;
 - supplementary aid to products covering approx. 2.5 % of EC production, applied particularly in cases of low degree of self-sufficiency (durum wheat, olive oil, oil seeds, tobacco);
 - flat-rate amounts of aid per hectare covering only 0.6 % of production (cotton seeds, flax and hemp, hops, silkworms, seeds, dehydrated fodder).

Export refunds form — if not a financial guarantee as such — at least an aid to export.

Finally it should be noted that some products (flowers, eggs, poultry) are not covered by financial guarantees.

INSTRUMENTS

Decisions relating to the operation of the COMs are taken either by the Council after opinion of EP on proposals by the Commission (e.g. annual fixing of prices), and — in practice — by the ESC, or by the Commission acting in accordance with the Committee procedure, or by the Commission acting autonomously.

C Reg. 2727/75
Art. 25 to 28

3.411 **Committees**

3.4111 *MANAGEMENT COMMITTEES*

Each COM includes a Management Committee composed of representatives of the Member States under the chairmanship of a Commission representative. The votes of the Member States are weighted as per EEC Tr., Art. 148. The Commission does not take part in the voting.

The Commission submits drafts for relevant measures and *immediately adopts the measures*. However, if these conflict with the view of the Committee, they are communicated to the Council by the Commission. The Commission may defer implementation of the measures by one month. The Council may take a different decision within the period of one month.

OJ L 281/75

3.4112 *COMMITTEES FOR IMPLEMENTATION OF REGULATIONS*

The free movement of goods within the Community raises — in addition to the problems of commercial management as such — problems relating to the harmonization of commercial, health or veterinary provisions. From 1964 onwards directives have been issued relating to veterinary inspection problems in intra-Community trade in live animals and meat. In implementing these Directives the Commission is supported by Committees for Implementation of Regulations. The procedure is somewhat different from that appertaining to the Management Committees despite repeated calls by EP for alignment of the procedure of all these committees with that of the Management Committees.

Same composition as for the Management Committees.

Contrary to the Management Committee procedure, the measures proposed by the Commission *are not applicable immediately* if they conflict with the opinion, or in the absence of an opinion. The Commission must immediately submit to the Council a proposal relating to the measures to be adopted. The Council adopts the measures by a qualified majority.

C Dec. of 20 July 1970

OJ L 170/70

C Dec. of 20 July 1970	3.4112 (contd)	Subsequent procedure may follow two courses : e.g. Standing Committee for Feedingstuffs If, following a delay of three months from the date of reference to the Council, the latter has not acted, the measures proposed may be taken by the Comm.	OJ L 170/70
C Dir. of 19 July 1971		e.g. Standing Veterinary Committee The Council has in fact the means of blocking application of proposed measures, which may be exercised within 15 days (rapid procedure) or within three months (standard procedure) if it decides against these measures by simple majority.	OJ L 179/71
C Dir. of 24 June 1975 C Dec. of 24 June 1975		Both the Commission — in a proposal which was not accepted by the Council — and the EP have always opposed the possibility of the Council blocking application of the proposed measures. This possibility was, however, confirmed in two directives dated 24 June 1975.	OJ L 172/75

3.4113 **CONSULTATIVE COMMITTEES :**

Consultative Cttees on decision of Comm. for all products (include representatives of producers, any cooperative, trade, industry, agricultural and food industry employees, and consumers).

There are also Consultative Cttees for foodstuffs, agriculture, horticulture and forestry.

Comm. may consult Cttees on impl. provisions for COM.

3.42 **STATE OF INTEGRATION**

Three agricultural products are not yet covered by the COMs
— i.e. mutton and lamb, potatoes and alcohol.

PRICE TERMINOLOGY¹

(a) In connection with external trade :

The c.i.f. price (prix CAF) is used for calculating the levy. This is the difference between the c.i.f. price and the threshold price. The c.i.f. price is the world market price with respect to a frontier transit point, calculated by the Commission.

The threshold price (prix de seuil) is the basis for calculating the levy on imported produce. Imports may not cross the EEC's frontiers with third countries below this price, and thus the levy is equivalent to the difference between the threshold price and the world market price (generally lower). The threshold price is fixed so that when transport costs are added the imported goods reach the target price for the domestic market (see target price).

The sluice-gate price (prix d'écluse) is required for calculating the supplementary levy. In the case of goods processed from agricultural products the levy is not equal to the difference between the c.i.f. price and the threshold price ; to avoid market disruption in this case a supplementary levy is charged, equal to the difference between the lower free-at-frontier offer price and the sluice-gate price (see e.g. 3.623, 3.624, 3.625).

The free-at-frontier offer price (prix d'offre franco frontière) is quoted for all products imported from third countries. It is required for calculation of the supplementary levy which is given by the sluice-gate price minus the lower free-at-frontier price.

The second free-at-frontier offer price (second prix d'offre franco frontière) is used as a basis for calculating the supplementary levy (see free-at-frontier offer price) when imports from certain third countries are at abnormally low prices compared with supplies from other third countries.

¹ See Bodo Börner: 'Das Interventionssystem der landwirtschaftlichen Marktordnungen der EWG', Agrarrecht der EWG, Cologne, 1969.

3.43
(contd)

The reference price (prix de référence) is used in the MO for fruit, vegetables and fishery products for calculating the countervailing charge to be imposed over and above customs duty on goods imported at unusually low prices.

The *minimum import price* (prix minimum d'importation) serves the same purpose as the reference price and is applied to imports of certain fishery products as a special protection measure.

(b) In connection with production planning :

The target price (prix indicatif) is the market price aimed at by the MOs to guarantee the producers a minimum return. Interventions on the Community market and at the Community frontiers with third countries serve to achieve this target price, and intervention and threshold prices are therefore derived from it.

The producer target price (prix indicatif à la production) relates only to the MO for olive oil (see e.g. 3.6141). Unlike the target price and market target price it is not meant to be obtained on the market, but serves rather to calculate the aid due to olive-oil producers ; it corresponds to the difference between market and producer target prices.

The market target price (prix indicatif du marché) is a special kind of target price, introduced only in the MO for vegetable fats in respect of olive oil. It, too, represents a declared target price without, however, guaranteeing producer target price.

The basic price (prix de base) is used in the COMs for fruit and vegetables and pigmeat as a basis calculating the buying-in price. Whereas with pigmeat the basic price corresponds to the target price of the other MOs the basic price of fruit and vegetables is not fixed as a target price but calculated from certain market quotations from previous financial years.

3.43
(contd)

The guide price (prix d'orientation) takes the place of the target price in the MO for beef and veal because it is the desired market price.

The norm price (prix d'objectif) fixed for soya beans and unmanufactured tobacco fulfils the same function as the target price.

(c) In connection with price support :

The intervention price (prix d'intervention) is the price at which intervention centres must buy up produce. It is guaranteed to producers as a minimum return, and is slightly under the target price and slightly higher than the price to the producer (difference — transport costs between the farm and the warehouse of the intervention agency).

The basic intervention price (prix d'intervention de base) is the intervention price of certain kinds of cereal in the area showing the largest deficit. For other intervention centres, the derived intervention price is calculated from the basic intervention price.

Derived intervention prices (prix d'intervention dérivés) are the prices derived for other intervention centres from the basic intervention price at which the intervention agencies buy in produce.

The guaranteed minimum price (prix minimum garanti) is used in the case of durum wheat for the calculation of aid to producers. If the intervention price for the centre in the area with the highest surplus falls short of the guaranteed minimum price, producers receive a subsidy corresponding to the difference.

The buying-in price (prix d'achat) is the intervention price of the MO for pigmeat and the MO for fruit and vegetables. It is derived from the respective basic prices applicable in these COMs.

The withdrawal price (prix de retrait) is the price below which fruit and vegetable producers' organizations will not release onto the market the goods supplied by their members (who receive a payment in compensation).

3.43
(contd)

In COM for wine a floor price is applicable to table wine. Marketing below this price may be prohibited.

The activating price (prix de déclenchement) is the price which triggers off intervention in the COM for wine.

The reference price (prix de référence) is a guide price for common wheat which makes it possible for the market price of wheat of bread-making quality to exceed the Community intervention price for wheat.

The *maximum aid price* (prix d'aide maximum) is the producer price level for soya meal at a given time which determines amount of aid in COM for peas and field beans.

3.431

Calculating prices

Annual proposals for guaranteed prices are drawn up by Comm. mainly by means of *objective method*, based on accounts of reference undertakings, (whose income is between 80 % and 120 % of comparable income in various occupational zones as provided for by C Dir. No 72/159 on modernization of agricultural holdings) (see 3.731).

Over reference period of three years this method takes account of:

- operating costs;
- comparable income from one Member State to another;
- fixed coefficient of technical progress of 1.5 %;
- trend of exchange rates.

Account is also taken of other factors, such as general economic climate, interests of consumers and the fact that greater guarantees are allocated to agriculture than to other economic sectors.

Pricing policy is not the only means of achieving and maintaining a reference income and should be accompanied by socio-structural measures.

PRICES FIXED FOR THE 1979-80 MARKETING YEAR

Prop.

The Commission proposed freezing most of the guaranteed prices expressed in units of account, and in particular those for products with structural surpluses. It was thought, however, that, in national currency terms, some price increases would be possible through an adjustment to the representative rates and a resulting reduction in negative MCAs.

EP Opinion
Res. EP 15 March 1979

Parliament had advocated an average increase in guaranteed prices of 3 %.

EP Doc. 675/78
OJ C 93/79

At its meeting held from 18 to 22 June 1979, the Council reached an agreement on prices for the 1979-80 marketing year.

EC Bull. 6-79

The products covered by this agreement are those subject to a common market organization, which requires the fixing of a common price. In 1977, the last year for which figures are available, they accounted for 70.6 % of final agricultural production in the Community as a whole (the proportion in the Member States ranging from 63.6 % in Italy to 87.7 % in Ireland). In the case of one category of products (fruit and vegetables), common prices bear little relationship to production prices ; in the case of a second (beef and veal and milk), there is a definite but indirect relationship ; and in the case of a third (sugar and cereals), administrative decisions have an immediate impact on production prices.

With the exception of milk, the Council decided to increase the prices expressed in u. a./ECU by 1.5 %. The freeze on the price of milk has had the effect of reducing the average increase in common prices to 1.09 %.

3.432
(cont'd)

The general price level will be more significantly affected by the fact that, at its June meeting, following up the adjustments to the representative rates made in March (a 5 % devaluation of the rates of the French franc, the pound sterling and the Italian lira and a 0.5 % devaluation of the rate of the Irish pound), the Council decided on a further devaluation of the rates of the French franc (-1.5 %), the Italian lira (-4.6 %) and the pound sterling (-5 %), while agreeing to a revaluation of the rates of the Deutsch Mark (+1 %) and of the Belgian/Luxembourg franc and the guilder (+0.5 %) (with the exception of representative rates for milk which remained unchanged).

The adjustments made to the representative rates in March and June 1979, coupled with the increase in the common prices expressed in u. a./ECU, will have the effect of increasing national currency prices by:

0.35 % in the Federal Republic of Germany
7.65 % in France
10.84 % in Italy
0.60 % in the Netherlands
0.77 % in Belgium
0.55 % in Luxembourg
10.99 % in the United Kingdom
1.48 % in Ireland, and
1.07 % in Denmark.

Taking into account each country's share of the proportion of the final agricultural production subject to the fixing of common prices, the increase in prices in national currency terms will be 5.27 % for the Community as a whole.

Products	Category of price or amount	Prices and amounts fixed for 1978/79 u.a./tonne	Percentage change from 1977/78 to 1978/79		Prices and amounts decided for 1979/80 u.a./tonne	Period of application
			Proposed	Decided		
Durum wheat	Target price	224.27	0.0	2.30	229.43	1.8.1979-31.7.1980
	Single intervention price	203.01	0.0	1.50	206.06	
	Aid	63	0.0	1.50	63.95	
		u.a./ha			u.a./ha ¹	
Common wheat	Target price	162.39	0.0	2.60	166.61	1.8.1979-31.7.1980
	Common single intervention price	121.57	0.0	1.50	123.39	
	Reference price for bread wheat	136.96	0.0	1.50	139.01	
Barley	Target price	147.23	0.0	2.75	151.28	1.8.1979-31.7.1980
	Common single intervention price	121.57	0.0	1.50	123.39	
Rye	Target price	155.12	0.0	2.65	159.23	1.8.1979-31.7.1980
	Single intervention price	130.25	- 6.66 ²	1.50	132.20 ³	
Maize	Target price	147.23	0.0	2.75	151.28	1.8.1979-31.7.1980
	Common single intervention price	121.57	0.0	1.50	123.39	
Rice	Target price for husked rice	301.26	0.0	4.96 ⁴	316.20	1.9.1979-31.8.1980
	Single intervention price for paddy rice	174.98	0.0	3.33 ⁴	180.80	
Sugar	Minimum price for beet	25.94	0.0	1.50	26.33	1.7.1979-30.6.1980
	Target price for white sugar	352.50	0.0	1.50	357.80	
	Intervention price for white sugar	334.90	0.0	1.50	339.90	
Isoglucose	Production levy	50.0	- ²	-	41.28 ⁵	1.7.1979-30.6.1980

3.432 (contd)

Products	Category of price or amount	Prices and amounts fixed for 1978/79 u.a./tonne	Percentage change from 1977/78 to 1978/79		Prices and amounts decided for 1979/80 u.a./tonne	Period of application
			Proposed	Decided		
Olive oil	Producer target price	1 915.40	0.0	1.50	1 944.13	1.11.1979-31.10.1980
	Representative market price	— ⁶	—	—	—	
	Intervention price	1 411.40	0.0	1.50	1 432.57	
	Production aid	431.10	0.0	1.50	437.57	
Oilseeds	Target price					
	— Colza and rape seed	296.70	2.02 ²	1.50	301.15	1.7.1979-30.6.1980
	— Sunflower seed	323.20	0.0	1.50	328.05	1.9.1979-31.8.1980
	Basic intervention price					
	— Colza and rape seed	288.20	2.08 ²	1.50	292.52	1.7.1979-30.6.1980
	— Sunflower seed	313.80	0.0	1.50	318.51	1.9.1979-31.8.1980
	Guide price					
	— Soya seed	321.70	0.0	1.50	326.53	1.11.1979-31.10.1980
	— Flax seed	324.30	0.0	1.50	329.16	1.8.1979-31.7.1980
	— Castor beans	420.00	0.0	1.50	426.30	1.10.1979-30.9.1980
	Minimum price for castor beans	400.00	0.0	1.50	406.00	1.10.1979-30.9.1980
Additional aid for castor beans	—	—	—	100.00	1.10.1979-30.9.1980	
Flat-rate aid (per ha) for cotton seed	108.70	0.0	1.50	110.33	1.8.1979-31.7.1980	
Dehydrated fodder	Flat-rate aid	5.00	0.0	1.50	5.08 ⁷	1.4.1979-31.3.1980
	Guide price	103.00	0.0	1.50	104.55	
Peas, beans and field beans	Activating price	285.00	0.0	1.50	289.28	1.7.1979-30.6.1980
	Minimum price	175.00	0.0	1.50	177.63	
Flax and hemp	Flat-rate (per ha)					1.8.1979-31.7.1980
	— Fibre flax	202.55	0.0	1.50	205.59	
	— Hemp	183.96	0.0	1.50	186.72	

3.432 (cont'd)

Products	Category of price or amount	Prices and amounts fixed for 1978/79 u.a./tonne	Percentage change from 1977/78 to 1978/79		Prices and amounts decided for 1979/80 u.a./tonne	Period of application	
			Proposed	Decided			
Seeds	Aid (per 100 kg)						
	— Monoecious hemp	10.50	0.0	1.50	10.67	1.7.1980-30.6.1982	
	— Fibre flax	14.50	58.62 ²	1.50	14.75		
	— Seed flax	11.50	73.91 ²	1.50	11.66		
	— Grasses	10 to 38	0.0	1.50	10.17-41.50		
— Legumes	4 to 28	0.0	1.50	4.05-30.44			
Table wine	Guide price (by degree/hl or by hl according to type)	Type R I	2.07	0.0	1.50	2.10	16.12.1979-15.12.1980
		Type R II	2.07	0.0	1.50	2.10	
		Type R III	32.28	0.0	1.50	32.76	
		Type A I	1.94	0.0	1.50	1.97	
		Type A II	43.02	0.0	1.50	43.67	
Type A III	49.12	0.0	1.50	49.86			
Raw tobacco	Guide price	8	0.0	1.50	8	1979 harvest	
	Intervention price						
Fruit and vegetables	Basic price	9	0.0	1.50	9	1979-80	
	Buying-in price			*			
Milk	Milk target price	177.00	0.0	0.0	177.00	2.7.1979-31.3.1980	
	Intervention price						
	— of butter	2 357.20	0.0	0.0	2 357.20		
	— of skimmed-milk powder	957.80	0.0	0.0	957.80		
	— of cheeses						
— Grana-Padano 30-60 days	2 311.30	0.0	0.0	2 311.30			
— Grana-Padano 6 months	2 804.80	0.0	0.0	2 804.80			
— Parmigiano-Reggiano 6 months	3 060.30	0.0	0.0	3 060.30			

3.432 (contd)

Products	Category of price or amount	Prices and amounts fixed for 1978/79 u.a./tonne	Percentage change from 1977/78 to 1978/79		Prices and amounts decided for 1979/80 u.a./tonne	Period of application
			Proposed	Decided		
Beef and veal	Guide price for adult cattle (live weight)	1 259-70	0-0	1-50	1 278-60	2.7.1979-3.4.1980
	Intervention price for adult cattle (live weight)	1 133-70	0-0	1-50	1 150-70	
Pigmeat	Basic price (pig carcasses)	1 226-04	0-0	1-50	1 244-43	1.11.1979-31.10.1980
Silkworms	Aid per box of silkworm seed	55-00	0-0	1-50	55-83	1.4.1979-31.3.1980

¹ Aid for durum wheat: the aid is granted only in the regions of Abruzzi, Basilicata, Calabria, Campania, Latium, Marches, Molise, Apulia, Sardinia, Sicily, Tuscany, Umbria, Marseilles, Toulouse, Ardèche, Drôme and the mountain and less-favoured areas in Italy within the meaning of Directive 75/268/EEC.

² The Commission proposed adjustments to the common rules governing the product; hence the price changes proposed for 1979/80.

³ The Council agreed to retain the special premium for rye of bread-making quality (4-50 u.a. tonne at a level to be determined through the management committee procedure.

⁴ The increase in the price of rice comprises the increase agreed at the GATT multilateral trade negotiations and the increases decided by the Council at its meeting from 18 to 22 June.

⁵ The isoglucose production levy was set by Commission Regulation on 30 June 1979.

⁶ 1 484-30 u.a./tonne from 1.1.1979 to 28.2.1979 and 1 207-80 u.a./tonne from 1.3.1979 to 31.10.1979.

⁷ Pending the Opinion of the European Parliament, the Council has taken a favourable line on the Commission proposals concerning aid for dehydrated potatoes, namely that the existing system be extended to the 1979/80 marketing year and the amount of the flat-rate aid be set at 9-69 u.a./tonne (11-72 ECU).

⁸ Prices for 19 tobacco varieties in 1978/79 and for 16 varieties in 1979/80.

⁹ Products in Annex II to Council Regulation of 18 May 1972 and periods concerned:

Cauliflowers	1.5.1979 to 30.4.1980	Lemons	1.6.1979 to 31.5.1980	Apples	1.8.1979 to 31.5.1980
Tomatoes	1.6.1979 to 30.11.1980	Pears	1.7.1979 to 30.4.1980	Mandarins	16.11.1979 to 28.2.1980
Peaches	1.6.1979 to 30.9.1980	Table grapes	1.8.1979 to 31.10.1980	Sweet oranges	1.12.1979 to 31.5.1980

The marketing premium for oranges, mandarins, clementines and lemons was raised by 1-5 %.

Source: Bull. EC 6-1979.

Monetary measures affecting agriculture

C Regs. 878/77
and 976/78

Amounts fixed in units of account can be converted into national currencies of the various Member States by applying representative (green) rates at the beginning of the 1979-80 marketing year :

OJ L 106/77
OJ L 125/78
OJ L 89/79

C Regs. 706/79
and 707/79

1 BFR/LFR	=	0.0244982	EUA
1 DKR	=	0.141125	EUA
1 DM	=	0.355326	EUA
1 FF	=	0.194205	EUA
1 IRL	=	1.53177	EUA
100 LIT	=	0.104762	EUA
1 HFL	=	0.355292	EUA
1 UKL	=	1.90625	EUA

This takes account of a devaluation with effect from 1 April 1979 in green rates for the French franc, lira, pound sterling and Irish pound.

These representative rates apply in principle either from beginning of marketing year or from entry into force of Reg. However, date of applicability can vary for different countries or products.

C Reg. 129/78

In field of structural policy, representative rate is that rate in force on 1 January of year in which aid is granted.

OJ L 20/78

3.5 **Harmonization of provisions on production and marketing of agricultural products**

3.50 **OBJECTIVES**

Protection of public health
Protection of consumer

3.51 **REQUIREMENTS OF TREATY**

EEC Tr., Art. 100

Legal basis for these measures is constituted by general provisions on elaboration and implementation of common agricultural policy and coordination of legal provisions.

3.52 **HARMONIZATION OF VETERINARY LEGISLATION**

Objectives: elimination of obstacles to intra-Community trade in live animals and consumer protection.

C Dec. of 15 Oct. 1968

— Setting up of a Standing Veterinary Committee.

OJ L 255/68

C Dec. of 24 June 1975

— Amendment of the procedures of the Standing Veterinary Committee (see also 3.4112).

OJ L 172/75

3.521 **Intra-Community trade in bovine animals and swine**

Objectives: joint system for the control of animal diseases.

C Dir. 77/98

amended by

C Dir. 78/51

OJ L 26/77

OJ L 15/78

Codified 1975 version of C Dir. 64/432 with successive amendments. Exceptions to this are Denmark, Ireland and the United Kingdom, which may retain a different system from that of the Community of the 'Six' up to and including 31 Dec. 1982.

OJ L 189/75

C Dec. 77/97

C Dir. 72/462
amended by
C Dir. 75/379 (codif.)

C Dir. 79/111
Prop. EP. Opinion

3.521
(cont'd)

- Setting up of an emergency fund to combat animal diseases.
- Health regulations affecting imports of bovine animals, swine and fresh meat from third countries: Prolongation of different arrangements for United Kingdom, Ireland and Denmark in respect of protection against swine fever and with regard to tuberculosis and brucellosis, pending adoption of proposal for Community regulation on prevention of classic swine fever.

OJ L 26/77
OJ L 302/72
OJ L 172/75
OJ L 29/79
OJ C 23/79
EP Doc. 33/79

3.522

Intra-Community trade in fresh meat

Objectives: harmonization of the hygiene and health requirements in slaughterhouses and during storage and transport.

Health requirements and control of intra-Community trade in meat-based products. Codified versions of C Dir. 64/433 with successive amendments up to 1975.

C Dir. 64/433
amended by
C Dir. 77/99

C Dir. 72/461
C Dir. 77/96

- Regulations on animal health.
 - Provisions relating to examination for trichinae upon importation from third countries of fresh meat derived from domestic swine.
- Control of imports of fresh meat.

OJ 121/64
OJ L 26/77
OJ C 189/75

OJ L 302/72
OJ L 26/77

3.5221

Trade in fresh poultry-meat

- Health provisions concerning preparation, storage, transport and refrigeration processes.

Supplement
C Dir. 71/118
amended by
C Dir. 75/379 (codif.)

OJ L 55/71
OJ L 172/75
OJ L 15/78

3.521/3.5221

3.523

Control of feedingstuffs

C Dir. of 20 July 1970
amended on 20 July 1972

— Introduction of Community methods of sampling and analysis for the official control of feedingstuffs.

OJ L 170/70
OJ L 171/72

Comm. Dir. of 23 Nov. 1970
amended on 15 Dec. 1975

— Additives in feedingstuffs.

OJ L 270/70
OJ L 4/76

Comm. Dir. of 1 Dec. 1976

— Fixing of maximum permissible levels for harmful substances and products in feedingstuffs.

OJ L 364/76

C Dir. 77/101

— Marketing of straight feedingstuffs. Control of quality and health requirements.

OJ L 32/77

C Dir. 70/524
20th amendment
Comm. Dir.

— Additives in feedingstuffs.

OJ L 270/70
OJ L 18/78

C Dir. of 17 Dec. 1973
amended on 1 Dec. 1976

— Undesirable substances and products in feedingstuffs.

OJ L 38/74
OJ L 364/76

Prop. for Dir. of 18 July 1978
EP Opinion

Amendment of these Directives.

EP Doc. 239/77
EP Doc. 412/77

State of integration

EP Opinion

Application of the Council Dir. in the Member States has been greatly delayed. The list of third countries to be included in the Community system of imports in accordance with C Dir. of 12 Dec. 1972 has not yet been drawn up. The divergent national legislation impeding the free movement of goods has thus been maintained.

EP Doc. 419/76

C Dir. of 1972 on animal health safeguards has not so far been implemented in any Member State.

C Reg. of 22 July 1974

Timetable for measures to be taken in field of animal and plant health in order to speed up approximation of national legislation.

OJ C 92/74

3.523

3.524
(contd)

Control of animal diseases

C Dir. 77/391
C Dir. 78/52

Joint action for the eradication of epidemics. Establishment of Community criteria for national programmes.

OJ L 145/77
OJ L 15/78

Work in progress

Prop. Dir. of 26 May 1976

The Commission opened the way to the approximation of legislation on veterinary medicinal products by submitting a proposal relating thereto.

EP Doc. 132/76
OJ C 152/76

3.53

HARMONIZATION OF LEGISLATION ON PLANT HEALTH

C Dec. of 23 Nov. 1976

— Setting up of a Standing Committee on Plant Health.

OJ L 340/76

C Dir. 77/93

— Protective measures against the introduction of harmful organisms of plant or plant products.

OJ L 26/77

Comm. Dec. of 4 Oct. 1972
amended on 9 Jan. 1974

— Setting up of an Advisory Committee on Seeds.

OJ L 236/72
OJ L 52/74

C Dir. 76/895

— Pesticides. Maximum levels for their residues on and in fruit and vegetables.

OJ L 340/76

C Dir. of 14 June 1966
amended on 26 June 1975

— Provisions concerning quality and marketing of seeds, etc.
beet seed, fodder plant seed, cereal seed,

OJ 125/66
OJ L 196/75

C Dir. of 14 June 1966
amended on 15 March 1976

seed potatoes,

OJ 125/66
OJ L 72/76

C Dir. of 30 June 1969
amended on 26 June 1975

oil and fibre plant seed.

OJ L 169/69
OJ L 196/75

For vegetable seeds, see 3.6184.

3.54 **REMOVAL OF TECHNICAL OBSTACLES TO TRADE**¹

C Res. of 17 Dec. 1973	Programme for removal of technical obstacles to trade in foodstuffs resulting from different legal and administrative provisions in Member States. Five phases planned, to be completed by 1 Jan. 1978	OJ C 117/73
Comm. Dec. of 16 April 1974	<i>Setting up a Scientific Committee for Food</i>	OJ L 136/74
Comm. Dec. of 26 June 1975	<i>Setting up an Advisory Committee on Foodstuffs</i>	OJ L 182/75
	The following proposals have been adopted by C:	
C Dir. of 24 July 1973	— Cocoa and chocolate	OJ L 228/73
Amendment of 1 Aug. 1974		OJ L 221/74
Amendment of 19 Dec. 1974		OJ L 349/74
Amendment of 4 March 1975		OJ L 61/75
Amendment of 20 July 1976		OJ L 223/76
C Dir. of 11 Dec. 1973	— Sugar	OJ L 356/73
C Dir. of 22 July 1974	— Honey	OJ L 221/74
C Dir. of 18 June 1974	— Emulsifying and stabilization, thickening and gelling agents	OJ L 189/74
C Dir. of 17 Nov. 1975	— Fruit juices and certain similar products	OJ L 311/75
C Dir. of 18 Dec. 1975	— Certain partly or wholly dehydrated preserved milk for human consumption	OJ L 24/76
C Dir. of 20 July 1976	— Maximum level of erucic acid in oils and fats intended as such for human consumption and in foodstuffs containing added oils for fats	OJ L 202/76
C Dir. of 23 Nov. 1976	— Materials intended to come into contact with food	EP Doc. 321/74 OJ L 340/76

¹ Most of the Community Regulations in this field which have been adopted contain sections of great importance to consumers, and therefore also appear in section 4.6 'Consumer protection'.

C Dir. 78/142 of
30 Jan. 1978
EP Opinion of
22 April 1977

3.54
(cont'd)

— Materials and articles which contain vinyl chloride monomer and are intended to come into contact with foodstuffs

OJ L 44/78

EP Doc. 515/76
OJ C 118/77

3.541

Work in progress

The following proposals are before C :

Comm. Prop. for Dir.

— Dietary foodstuffs

OJ C 66/69

Comm. Prop. for Dir.
EP Opinion of 19 April 1971

— Natural mineral water

OJ C 69/70
EP Doc. 252/70
OJ C 45/71

Comm. Prop. for Dir.
EP Opinion of 19 Sept. 1973

— Coffee and tea extracts

OJ C 76/73
EP Dec. 139/73
OJ C 83/73

Comm. Prop. for Reg.
EP Opinion of 4 July 1968

— Butter

OJ C 71/68
EP Doc. 99/68
OJ C 72/68

Amended Comm. Prop. for Dir.
EP Opinion of 18 Dec. 1975

— Fruit jams, jellies and marmalades and chestnut purée

OJ C 202/75
EP Doc. 343/75
OJ C 7/76

3.6 Common organization of the market (COM)

3.61 PLANT PRODUCTS

3.611 Cereals

C Reg. 2727/75 codif.
amended by C.
Reg. 1254/78

COM completed since 1 July 1967 : uniform prices throughout EC.

OJ L 281/75
OJ L 156/78

EC regulations cover major products (common and durum wheat, rye, barley and maize), less important products (oats) and processed products : flour, farinaceous products, fodder, etc.

Price system

Prices fixed by C each year for the period from 1 August to 31 July of the following year. These are prices at wholesale stage, goods delivered at warehouse, not unloaded, expressed in EUA.

— *Uniform Community target prices* for Duisburg, the centre in shortest supply. While target price not guaranteed, it does offer protection against fluctuations in world market prices through introduction of variable levy, which is bound to the target price through the threshold price.

Target prices are composed of three elements : Community intervention price, market factor and freight costs Orleans-Duisburg. The market factor is intended to make some allowance for quality in the pattern of prices.

— *Uniform Community intervention prices* are fixed for the area with the largest supply, in particular Ormes in the case of barley, maize and common wheat, and uniform intervention prices for rye and durum wheat.

— *Guaranteed minimum price* for durum wheat ; price at which intervention agencies must buy in.

3.611
(cont'd)

- *Uniform Community threshold price.*
- *The reference price* for common wheat of bread-making quality is the same as the uniform Community intervention price plus an amount corresponding to the difference in yield between wheat of bread-making quality and that which is unsuitable for bread-making. To be established in accordance with the Management Committee procedure.

These prices are all valid for a standard quality and may be adjusted to take account of fluctuations in quality. The intervention and target prices are subject to monthly increases throughout the year to take account, in particular, of storage costs.

C Reg. 2740/75

Possibility of special intervention measures (preventive intervention) when price levels fall.

OJ L 281/75

Price support for quality cereals

The purpose of the means of intervention known as the 'reference price' for wheat of bread-making quality is to bolster the market price. It requires the application of a special intervention measure, 'intervention C', in the event of a slump in the market price of wheat of bread-making quality. In such cases the Commission, acting through the Management Committee for Cereals, intervenes directly on the market by issuing invitations to tender for certain types or quantities at reference price level.

The quantities bought under 'intervention C' may be intended for:

- the regulation of the market;
- the constitution of safety stocks and stocks for food aid;
- stocks to be used in the event of a permanent policy on exports.

3.611
(cont'd)

For 1978/79 the difference between the uniform Community intervention price and the reference price for common wheat was 15 % for wheat of average bread-making quality. Market support takes effect, however, above a certain 'minimum bread-making quality'. On account of the surplus of rye for feedingstuffs, the intervention price for rye has been reduced, but there is now a premium per hectare calculated on the basis of a flat-rate yield. This is intended to compensate farmers in areas where rye is the most economically important crop. For rye of good bread-making quality there is once again a supplement.

Price support for durum wheat

C Reg. 1259/78

In view of the surplus of low-quality durum wheat, a system of aid for this product has been introduced, to apply in areas with a low yield in order to maintain producers' incomes in those areas.

OJ L 156/78

C Reg. 3103/76
Prop. for Reg. of 31 Dec. 1977

Aid to producers of durum wheat per hectare sown and harvested. This aid is granted only for certain qualities in certain parts of Italy and France.

OJ L 351/76
OJ C 50/78

Trade

Imports

Threshold price for each product.

Levies (possibility of abatement: cf. maize in the case of Italy).

Import certificates.

Safeguard clauses.

C Reg. 2748/75

If the market is disturbed, possibility of discontinuing the advance fixing of levies and the issuing of import certificates.

OJ L 281/75

3.611
(cont'd)

Exports

Refunds may be granted to cover the difference between the Community price and the price on the world market. The amount of the refund is the same throughout the Community. It may vary according to destination.

Possibility of public invitation to tender for refunds.

If the market is disturbed, possibility of introducing a system of export levies and discontinuing the issuing of export certificates.

C Reg. 2747/75

OJ L 281/75

State of integration

The Council is progressively reforming the COM on the basis of the Commission's proposals. The reform is spread over several marketing years and started some years ago with the discontinuation of the regional differences in the prices for certain products.

The current reform is designed particularly to create an improved price structure for cereals, based on the value of the product for use. For instance, common wheat with no bread-making value — and of which the Community is in surplus — will be assessed on the basis of its value as a fodder.

In the existing COM there is an intervention price, a target price and a threshold price for each product, and the Commission feels that this has led to a certain inflexibility of the market. To make the latter more adaptable, a new system has been introduced, under which a single intervention price, a single target price and a single threshold price are laid down for cereals of fodder quality, based on the utilization value of barley.

3.611
(cont'd)

The market prices of the other cereals would then find their level in the context of a structure deriving from the respective values for use. This concept also involves the discontinuation of regional differentiation where it still exists, i.e. in the case of common wheat.

From the 1977-78 marketing year there is a change in the price relationship on the basis barley = 100. The indexes for the other cereals depend on their relative value as fodder.

Market prices for cereals of fodder quality are expected to range between the uniform Community threshold price.

The intention is to include rye in this system, so that it too is subject to the uniform Community price.

Cereal substitutes

On account of the replacement of cereals, particularly barley, in feeding-stuffs by tapioca (max. import duty 6 %), competitive difficulties may arise for Community-produced barley, which then has to be placed on the world market with high export refunds. A similar competitive disadvantage arises on account of soya for processing into feedingstuffs, which is imported free of any duty or levy.

A solution is being sought within framework of GATT and in voluntary restriction of exports from Thailand to the Community to 6 million t/year.

3.6111

RICE

COM in force since 1967.

Price system

Each year the Council fixes a target price (valid for Duisburg) for husked rice and intervention prices for paddy rice ; these prices are derived from the target price but take into account conversion rates, manufacturing costs and the value of by-products.

C Reg. 1418/76
amended by
C Reg. 1260/78

OJ L 166/76

OJ L 156/78

C Reg. 1424/76 C Reg. 1425/76	6.6111 (<i>cont'd</i>)	The intervention prices are fixed for Arles and Vercelli. Target prices and intervention prices are subject to monthly increases. General rules concerning intervention. Special intervention measures (to prevent massive purchases by the intervention agencies).	OJ L 166/76 OJ L 166/76
		Trade	
		— <i>Imports</i>	
		Threshold prices. Import licences. Levies. Advance fixing may be suspended for a specified period.	
C Reg. 1431/76		— <i>Exports</i>	
		Export certificates and export refunds (possibly by tendering procedure).	OJ L 166/76
C Regs. 1432 and 1433/76		— <i>Safeguard clauses</i>	
		When rice market is disturbed, protective measures may be taken. C may decide to introduce export levy instead of refund.	OJ L 166/76
		Export levy may also be introduced if there is shortage within Community, when world market price is substantially higher than Community price.	
Basic C Reg. 2727/75 amended by C Reg. 1125/78 and C Reg. 2742/75 amended by C Reg. 1127/78	3.6112	STARCH	
		Possibility of granting production refund in respect of certain products used in manufacture of starch, potato starch and glucose. (These are maize, common wheat, potato starch, maize groats and meal intended for brewing and glucose manufacture, and broken rice also intended for brewing).	OJ L 281/75 OJ L 142/78 OJ L 281/75 OJ L 142/78

EP Opinion
EP Res.

3.6112
(contd)

Aim is progressive abolition of all production refunds covering starch products.

EP Doc. 522/75
OJ C 53/76

Work in progress

Comm. intends to abolish production refunds covering foodstuffs and animal feed in four phases beginning in 1978 marketing year.

Following a judgment from the Court, refunds for maize groats and broken rice have been reintroduced.

C agreed to take a decision by 1 January 1979 on general policy on starch products. As this was not done, production refund system has been extended for a further marketing year.

July 1977

Prop.

EP Doc. 48/79

3.612

Sugar

COM in effect since 1967 for a transitional period until 1980.

Affects beet and cane sugar.

Price system and regulation of production

Target and intervention prices for white sugar fixed annually for Community region with largest surplus. Derived intervention prices fixed for other regions. A minimum price, linked to the intervention price, is fixed for sugar beet.

C Reg. 3330/74
amended by
C Reg. 705/78

OJ L 359/74

OJ L 94/78

3.6112/3.612

3.612
(cont.d)

Comm. must fix amount of quality surcharge for sugar.

National aid granted in Italy for a given quantity of sugar.

C Reg. 3331/74
amended by
C Reg. 298/78

Granting of basic quota to undertakings.

Intervention agencies bound to buy in quantities of sugar allocated to manufacturers on the basis of a basic quota calculated with reference to production between 1968-69 and 1972-73 ('A' sugar).

Intervention agencies also bound to buy in quantities of sugar produced between basic quota and maximum quota (i.e. basic quota multiplied by 127.5 for 1978-79).

OJ L 359/74

OJ L 45/78

Production levy and aid for storage

But manufacturer must make contribution to cost of disposing of this sugar ('B' sugar). This contribution may not exceed 30 % of intervention price.

The manufacturer may claim 60 % of this contribution from sugar-beet producers.

At the same time producers are requested to make a contribution to cover costs of storing 'B' sugar.

Intervention agencies may not, unless so authorized by a Council decision taken in the light of the situation on the market, dispose of quantities of sugar exceeding the maximum quota ('C' sugar) in the common market.

As intervention price affects the manufactured products, sugar manufacturers must pay sugar-beet producers a minimum price in order to guarantee these producers minimum income. Minimum prices for sugar-beet generally vary according to whether the raw material permits manufacture of 'A', 'B' or 'C' sugar. The price guarantee for 'B' sugar represents a percentage of that for 'A' sugar.

C Reg. 748/68
C Reg. 2829/71

3.612
(contd)

Member States may also apply exceptional arrangements called the 'mixed price' system according to which each sugar-beet producer receives a uniform average price. But this system involves a 230 % limit on the basic quota for two years instead of the normal 227.5 % (application of the 1.35 weighting to the basic quota).

OJ L 137/68
OJ L 285/71

Production surpluses may in certain cases and in certain conditions be carried forward to the following marketing year.

C Reg. 1488/76

Introduction of system of minimum stock equal to 10 % of basic quota for each manufacturer.

OJ L 167/76

Denaturing premium

C Reg. 3930/74

A denaturing premium may be granted for sugar made unfit for human consumption.

OJ L 359/74

C Reg. 1640/73

General rules on denaturing for animal feed (e.g. for farmers' associations).

OJ L 165/73

Production refund

A production refund may be granted for sugar intended for chemical industry.

Trade

Imports

Threshold price.

Import certificates.

Levies.

If cif price for sugar higher than threshold price, subsidy may be granted for imports, such subsidy to be fixed by standing invitation to tender.

Exports

Refunds

Export levy may be applied when there is danger that a whole or one of the regions of the Community will no longer be supplied at threshold price level.

3.6121 *PROTOCOL No 3 OF THE LOME CONVENTION OF 28 FEB. 1975*

C Reg. 199/76

Since Lomé Convention, maximum of 1 300 000 tonnes of unrefined sugar from ACP¹ countries allowed into Community without levy.

OJ L 25/76

For an unspecified period, the Community undertakes to import from the ACP countries, at guaranteed prices, specified quantities of unrefined or refined sugar, which the ACP countries undertake to supply.

C Dec. of 15 July 1975
C Reg. 2623/75

The system of preferential imports applies also to the French overseas departments, to the overseas regions and countries, and to India. Cane sugar from these countries benefits from the same conditions of access. Guaranteed prices are fixed yearly and must provide ACP producers with an income comparable to that of Community sugar-beet producers.

OJ L 198/75
OJ L 268/75

State of integration

After sugar shortage of 1974, market price rocketed and consequently boosted production. As a result, there is now a surplus in the world and in EC; this has led to considerable drop in prices. World Sugar Agreement concluded January 1978 has so far not had any effect. Reserves provided for by Agreement have not yet been built up.

3.6122 *ISOGLUCOSE*

C Reg. 1111/77
amended by
C Reg. 1298/78
Comm. Reg. 1469/77

EC arrangements provide for application of import levies to be set each month and of export refunds (processed goods are also covered).

OJ L 134/77

Rules for applying levies and refunds.

OJ L 160/78
OJ L 162/77

¹ The African, Caribbean and Pacific States associated with the EEC.

3.6122
(cont'd)

The refund granted for the production of maize-based isoglucose under the basic regulation on cereals is abolished by Comm. Reg. 2158/76, as the Commission feels that isoglucose enjoys a competitive advantage over beet and cane sugar.

As in the case of beet sugar, since the 1977/78 marketing year producers have been required to pay a levy. The amount of the levy must be equal to that of the COM for sugar (C Reg. 3330/74). Court has declared present levy incompatible with principle of non-discrimination. Comm. therefore proposes : introduction of basic quota with marketing guarantee, maximum quota and levy on production between basic and maximum levels.

Prop. of 2 March 1979

COM (79) 102 fin.

3.613

Wine

COM regulates prices and interventions, trade, production, control of planting and rules on certain oenological processes.

OJ L 99/70
OJ L 327/76

C Reg. 816/70
& Annexes
amended by C Reg. 2842/76

Price and intervention system

Guide prices fixed annually before 1 Aug. for each type of table wine on basis of average prices recorded for type of wine in question during two preceding wine-growing years, and on basis of price trends during current wine-growing year.

These trends are now determined not only by calculation of 'weighted average price', but also by fixing of 'representative price', calculated on basis of a number of quotation centres, thereby avoiding disruption of arrangements for putting intervention measures into operation.

OJ L 256/77
EP Doc. 149/77
OJ C 163/77
OJ L 312/77

Guide prices fixed at production stage, valid from 16 Dec. of year in which fixed until 15 Dec. of next year.

Prices expressed, according to type of wine, in u.a. per degree/hl or in u.a. per hl.

C Reg. 2211/77
EP Rep.
EP Opinion
Comm. Reg. 2682/77

3.613
(cont'd)

C fixes annually before 16 Dec. threshold price activating intervention system ('activating price') for each type of wine for which guide price fixed.

Private storage aid, conditional on conclusion of storage contracts, may be long- or short-term.

Private storage aid may cover only technical storage costs and interest charges, both fixed at an 'all-in' rate.

Special measures are laid down for grape must.

The other intervention measure is distillation, which can be ordered by the Council only in case of serious disequilibrium.

C Reg. 1677/77

OJ L 187/77

Trade

(a) Within Community

Quantitative restriction of imports prohibited, but producer Member States authorized, so long as all administrative mechanisms necessary for management of market in wine not in application — with exception, until 31 Dec. 1971, of viticultural land register — to take measures to limit imports from another Member State, in order to avoid disturbances on their markets.

Measures to be communicated to Comm., which decides without delay whether to maintain, amend or abolish them.

After receiving a reference for a preliminary ruling, the Court of Justice finally invalidated Par. 2 of Article 31 of Reg. 816/70 which formed the basis for these transitional arrangements which derogated from the free movement of wine. The Court considered that this provision was no longer compatible with definitive common market arrangements.

Judgments of CJEC
of 20 April 1978
Cases 80 and 81/77

OJ C 120/78

OJ C 190/77

(b) With third countries

Imports: Import licence necessary.

Reference price for 'table-wines' fixed annually before 16 Dec.

3.613
(contd)

If free-at-frontier offer price for a wine, plus customs duties, below reference price, countervailing charge (equal to difference between reference and free-at-frontier offer prices plus customs duties) levied on imports of that and same-category wines.

Special arrangements for Mediterranean countries (see Part 2).

Refund same for whole Community, can be varied according to country of destination.

Refund granted on application.

Exports:

Can be made conditional on submission of export licence.

Control of production and planting

Following prohibited: aids for new vine planting and replanting which have effect of increasing wine production beyond levels resulting from vineyard rationalization and afford no qualitative improvement. Exceptions possible in wine-growing zones.

From 1 Sept. 1971 only recommended or authorized vine varieties to be used for new vine planting, replanting or grafting.

Obligation to give notice of new planting or replanting. Exceptions to this rule possible in certain areas. The Council may, however, restrict planting and replanting in order to avoid structural surpluses. Comm. reports on this point each year.

Wine-growing zones of Community demarcated and vine varieties classified.

Viticultural land register replaced subsequently by system of statistical surveys.

3.613 **Control of quality wines**
(contd)

C Reg. 817/70
C Reg. of 26 July 1971

Special provisions for quality wines produced in specified regions (p.s.r.).
Characteristics listed in Annex.

OJ L 99/70
OJ L 170/71

Community term 'quality wine p.s.r.', or any specific term traditionally used in Member States to designate particular wines, may be used only for wines complying with certain provisions.

3.6131 **REFORM OF THE COM**

Comm. Prop. Reg. of 4 Nov.
1974 and 25 June 1975
EP Opinion

Because of formation of large surpluses, Comm. has proposed amendments to Regs. 816 and 817 of 1970. These concern, in particular :

EP Doc. 363/74 and COM
(75) 317 final OJ C 179/75

- (a) *planting system*, which becomes very strict, with ban on new planting and on aid, and strict limitations to replanting ;
- (b) *price and intervention system* with establishment of maximum calculation price at 95 % of guide price, selection of weighted mean for calculation of mean price, increased storage aid for wine and musts, implementation of system of aid for marketing musts, extension of distillation system so that it could be decided upon not only during the year, but also at start of marketing year, and would be either voluntary or compulsory, with maximum withdrawal price of 50 % of guide price ;
- (c) *improvement of quality* with raising of natural alcoholometric base and certain limitations on fortification.

C Regs. 1160 to 1168/76

The Council acted on all these proposals on 6 March 1976. The points of the agreement of principle were :

OJ L 135/76

- (a) *planting system*
 - (i) new planting is prohibited, except in the case of quality wines produced in specified regions (p.s.r.), for a period of two years (1 Dec. 1976 to 30 Nov. 1978) ; exceptions are authorized in accordance with Directive No 159/72 ;

- (ii) replanting is authorized only in the case of recommended vine varieties ; a grubbing-up grant will be paid for three marketing years until 1978-79 according to a sliding scale ; the basic amount will be 1 500 u.a. per hectare ;
- (iii) all hybrid vine varieties must be discontinued by 31 Aug. 1980 ; 'tolerated' varieties are to be eliminated by 1983.

(b) *price and intervention system*

- (i) the measures connected with distillation under exceptional circumstances, to be adopted on a case-by-case basis by the Council, together with the other support machinery, will remain in force ;
- (ii) the intervention system is however reinforced by the following :
 - the introduction of a voluntary preventive distillation system ; distillation will be carried out at a price based on a sliding scale from 68 % of the guide price for A 1 table wine in 1976 and 55 % in 1980 ; from then on the price will remain at 55 % of the guide price ;
 - consolidation of the 'wine deliveries' machinery, in particular as regards distillation of Italian wine produced from table grapes ; the modulation of additional rate of these deliveries will vary according to local conditions ;
 - the 'final price guarantee' for wines which have been stored over a long period ; the guarantee will be allowed until 1980 and will ensure that by various means (such as aid and distillation) the price of the product will at the end of the contract be at a level higher than the activating price.

(c) *improvement of quality*

- (i) wine from table grapes cannot be marketed with the exception of wine from grapes grown under glass ;

Comm. Reg. 1608/76	3.6131 (cont'd)	<ul style="list-style-type: none"> (ii) effective natural alcoholometric bases are listed ; (iii) 'suitable' wines may no longer remain in circulation and blended wines must be identified as such on the label of the bottle (C., 7 April 1976); (iv) the Member States undertake to adopt the necessary measures to implement Community provisions and to improve methods of preventing fraud ; 	OJ L 183/76
C Reg. 1679/77 EP Opinion		<ul style="list-style-type: none"> (v) more stringent measures were adopted later regarding sulphur dioxide content in certain wines and, on a broader plane, oenological practices in general ; 	OJ L 187/77 OJ C 163/77
C Reg. 1678/77 EP Opinion C Reg. 1861/78 of 25 July 1978 EP Opinion C Reg. 1475/77		<ul style="list-style-type: none"> (vi) further provisions were also added regarding the presentation of wines and grape musts. 	OJ L 187/77 OJ C 23/74 OJ L 215/78 OJ C 182/78 OJ L 164/77
C Reg. 2878/76		<ul style="list-style-type: none"> (d) <i>yield per hectare of quality wines p.s.r.</i> the Member States will fix maximum yields per hectare for quality wines. 	OJ L 331/76
		(e) <i>immediate measures</i>	
C Reg. 567/76 C Reg. 798/76 C Reg. 1281/76		<ul style="list-style-type: none"> (i) contracts, which may be terminated in the event of favourable developments in the market, may be concluded for the distillation of 4 million hectolitres by 31 July 1976 at a special price ; beneficiaries will immediately receive a down payment of 40 % of the price laid down ; (ii) the French import tax introduced in Sept. 1975 and opposed in the Court by Comm. is abolished as from 1 April 1976 ; however, France may grant national aid of FF 1 per hectolitre for three years subject to certain conditions. 	OJ L 67/76 OJ L 93/76 OJ L 144/76

Comm. Opinion
Comm. Action
Case 133/77

3.6131
(contd)

When French Government subsequently wished to increase aid to FF 2, Comm. initiated procedure provided for in Par. 2 of Art. 93 EEC Tr. In addition, an action against France was brought before the Court of Justice by Comm. regarding price margin system which differed for domestic products and imported products (cf. 3.613, a).

OJ C 194/77
OJ C 301/77

C Reg. 2212/77

Special aid introduced for producers of wine grapes intended for production of table wines in certain regions of France and Northern Italy affected by natural disasters during the 1977 harvest.

OJ L 256/77

C Regs. 1848/76
and 531/77
Comm. Regs. 2115/76
and 607/77
C Reg. 2918/76

(f) *trade with third countries*

the new regulations, based on the agreement in principle of 6 March 1976, have not altered the essential features of the basic texts; however, protection is reinforced by the new rules on documentation and product presentation and on the fixing and observance of reference prices.

OJ L 204/76 and
OJ L 69/77
OJ L 237/76 and
OJ L 76/77
OJ L 333/76

C Regs 337 to 359/79
of 5 Feb. 1979
Res. EP

Consolidation

All the provisions referred to in the above paragraphs were consolidated by C on 5 February 1979 in a series of regulations forming a body of legislation on wine.

OJ L 54/79
OJ C 296/78

Comm. Prop. of
13 Feb. 1978

ADAPTATION OF THE COM

Continuing imbalance on the wine market led Comm. to submit proposals for establishment of inter-trade wine office and introduction of system of 'floor prices' below which wine trading would not be allowed. On 12 May 1978, when prices were fixed for the 1978-79 wine-growing year, C undertook to consider this possibility if representative market price remained below 85 % of guide price for three consecutive weeks.

EP Doc. 564/77

C Reg. 1438/78

Comm. Prop.

EP Res.
of 15 Dec. 1978

3.6131
(*cont'd*)

C subsequently adopted special system for common control of product quality.

On 7 August, 2 October and 7 November 1978 Comm. amended and supplemented its proposals.

On 19 December 1978, after obtaining the opinion of EP, C reached agreement in principle to a series of measures involving the following:

- (i) the granting of aid for must and rectified concentrated must intended for the enrichment of wine;
- (ii) the adoption of special measures for the production of grape juice and British and Irish wines and for the restructuring of wine-growing in the Charentes;
- (iii) a system of market support in the event of a crisis, providing for a minimum price and supplementary compulsory distillation measures at the same price level;
- (iv) reinforcement of the system of wine deliveries;
- (v) adoption of structural measures and new provisions concerning areas under vines, planting and replanting.

At 30 March 1979 not all of these decisions had been formally taken by C.

OJ L 173/78

OJ C 209/78
OJ C 276/78
OJ C 279/78

OJ C 6/79

3.614

Vegetable oils and fats

C Reg. 136/66
amended by
C Reg. 2560/77

Prop. for Reg.
of 31 Dec. 1977

COM in force since 1966.

To improve economy of Mediterranean regions it is proposed to achieve greater balance in protecting products of the north of the Community and those of the south.

OJ 172/66
OJ L 303/77

OJ C 50/78

3.6141 *OLIVE OIL*

C Reg. 3209/73
amended by
C Reg. 2807/75

Price, aid and intervention system

OJ L 327/73
OJ L 280/75

C fixes producer target price each year for the marketing year from 1 Nov. to 31 Oct. of following year. It is fixed at a level 'fair' to producers. Market target price also fixed, at lower level, so as to ensure normal market for olive oil, account taken of prices for competing products. Difference between two prices represents aid granted to producers. In practice, it amounts to a deficiency payment.

Intervention price also fixed, at level below that of market target price ; this is price at which intervention agencies must buy in if prices fall.

Comm. Reg. 2374/77

Only applies if party concerned has proved that the oil was produced within EC.

OJ L 277/77

Trade

Imports

C Reg. 171/67
amended by
C Reg. 2429/72

A levy may be imposed on imports if prices for olive oil imported from third countries are lower than threshold price. This price is applied at Community frontier and is calculated on basis of market target price fixed for the Community. Tender procedure applicable to imports.

OJ 130/67
OJ L 264/72

C Regs. 2843, 2844/76
and 2361/77

Pending the reform of the COM, which has been announced several times, and until 31 Oct. 1978, it has been decided that, in order to improve market stability and transparency, levies may be fixed in accordance with effective offer prices. This rule applies to imports from third countries and from Greece.

OJ L 327/76
OJ L 277/77

C Regs. 162/66,
1521, 1508
and 1514/76
C Reg. 1235/71 and 1620/77

3.6141
(cont'd)

Safeguard clause may be applied. Special system for imports from Greece, Spain, Morocco, Tunisia, Algeria, Turkey and the Lebanon.

OJ L 97/66
OJ L 169/76
OJ L 130/71
OJ L 181/77

C Reg. 2749/78

The system for imports from Greece is covered by a regulation on oils and fats in general.

OJ L 331/78

Exports

Export refunds may be paid. If the world market price is high, export levies may be introduced.

C Reg. 154/75
of 21 Jan. 1975

Control of production

Because of certain abuses of system of aid, C has established principle of olive grove register, which is at present in course of preparation, and cost of which will be paid partly from levy on aid payments.

OJ L 19/75

Judgment of CJEC
of 8 Nov. 1977
Case 36/77

After Court of Justice ruled that subsidy should be granted to olive oil producers as a subsidy for a processed product, Comm. proposed amendment to Par. 1 of Art. 10 of basic Reg. 136/66.

OJ C 301/77

Comm. Prop. 22 May 1978
EP Rep.
EP Opinion of 14 June 1978
C Reg. 1419/78

As a result, subsidy will be paid only to olive producers, taking into account the quantity of oil produced from these olives. Amendment to be applied retrospectively from 1 Nov. 1973.

EP Doc. 153/78
EP Doc. 154/78
OJ L 171/78

Work in progress

Comm. has proposed modifying system of paying aid, since market trends have often caused prices to rise above market target price, producers would have benefited both from aid payments fixed at start of marketing year with reference to level of market target price, and from supplementary margin obtained in practice as a result of rise in prices to

3.6141
(contd)

level above market target price : to avoid this double profit, level of deficiency payment should be calculated at end of marketing year and should represent difference between producer target price and effective market price.

Proposal for a new COM in the olive-oil sector before 1 Nov. 1976.
Carried forward to July 1977.

REFORM OF THE COM

Comm. Props. of 9 Dec. 1977
and 3 Jan. 1978

Comm. Prop. of 24 April 1978
EP Rep.
EP Opinion

Comm. proposal finally made as part of the 'Mediterranean package' (guidelines concerning development of Mediterranean regions of EC), which accompanied proposals for prices for the 1978-79 marketing year. During the course of proceedings it became apparent that this proposal required substantial amendment, especially in the light of opinion submitted by EP. Proposed reform was concerned mainly with splitting up aid into :

- production aid (flat-rate or proportional to amounts produced for associated olive oil producers only)
- consumption aid (marketing stage).

Also included were minor alterations to intervention and marketing systems, together with special clauses to facilitate formation of producer groups.

C decided on these proposals on 12 May 1978 and gave agreement to new system comprising :

- application of a double aid system (production and consumption);
- retention of system of production target prices, intervention prices and fixing of threshold price ;
- application of system of import levies, either conventional or by tender ;
- application of administrative sanctions if provisions not observed ;

EP Doc. 470/77

EP Doc. 34/78
OJ C 108/78

C Reg. 1562/78
of 29 June 1978
C Reg. 2752/78
of 23 Nov. 1978
C Reg. 3089/78
of 19 Dec. 1978

3.6141
(contd)

All these decisions of principle were formally taken by C on 29 June, 23 November and 19 December 1978.

OJ L 185/78
OJ L 331/78
OJ L 369/78

— recognition of producer groups and their participation in management of the market.

C Reg. 1562/78

C subsequently made a definitive decision on the new COM and on 29 June 1978 ratified these measures for olive oil.

OJ L 185/78

C Reg. 136/66
amended by
C Reg. 1562/78

3.6142

OILSEEDS AND ALBUMINOUS SEEDS

OJ 172/66

3.61421

Colza, rape seed and sunflower seed

OJ L 185/78

Price, aid and intervention system

A target price, a genuine guide price, is fixed each year for colza, rape seed and sunflower seed. Also basic intervention price and derived intervention price which takes account of transport costs. An aid payment is also fixed, payable to producers; it represents difference between target price and world market price.

From the 1978-79 marketing year aid will be maintained only for seeds which have a low erucic acid content.

Intervention affects only those varieties which contain a certain percentage of erucic acid.

Extra support for colza and rape seed processed in Italy.

C Reg. 851/78

OJ L 116/78

3.61421
(cont'd)

Trade

It is necessary to fix this aid, since oilseeds entering the Community are exempt from levies or import duties. Seed oils are also imported without levy, and there is no import duty on oil cake. It is 10 % *ad valorem* on crude vegetable oils, 15 % on refined vegetable oils and 25 % on margarine.

Work in progress

As part of the 1977-80 Action Programme on the milk market (cf. 3.6221), the Commission proposed the setting up of a tax on certain fats. Unfavourable opinion of EP. Proposal withdrawn.

EP Doc. 247/76

OJ C 6/77

Comm. Prop. Action
Programme 1977-1980
EP Res.

C Regs. 1900/74 and 1776/76

3.61422

Soya beans

Price, aid and intervention system aids per hectare harvested, based on a target yield fixed by the Community. The amount of the aids covers the difference between the world market price and the target price. Uniform amount of aid. Annually, a target price fixed and the world price determined.

Imports

CCT: no duty.

OJ L 201/74 and
OJ L 199/76

C Reg. 569/76

3.61423

Linseed

Price, aid and intervention system of linseed fixed annually. Amount of aid granted corresponds to difference between world market price and target price.

Imports

CCT: no duty.

OJ L 67/76

3.61421/3.61423

C Reg. 2874/77

3.61424

Castor beans

OJ L 332/77

Price, aid and intervention system

Target price fixed annually. Aid equal to difference between market price and target price. Aid to be paid to oil mills.

Conditions : conclusion of contracts with producers, who must receive a specified guaranteed minimum price.

General provisions and scope.

C Reg. 1853/78
and 2290/78

OJ L 212/78
and OJ L 275/78

C Reg. 1516/71

3.61425

Cotton seeds

OJ L 160/71

Aid per hectare harvested.

C Reg. 1119/78

3.61426

Peas and field beans

OJ L 142/78

(for animal feed).

Price, aid and intervention system

Maximum price for aid (to be fixed annually) to enable producers to counter competition from producers of linseed meal.

Aid is equal to 45 % of difference between world market price for soya meal and activating price.

Conditions for granting aid : conclusion of contracts for guaranteed minimum prices (to be fixed by Comm.) between manufacturers of animal feedingstuffs and producers.

3.61424/3.61426

C Reg. 1035/72
amended by
C Reg. 1766/78

3.615

Fruit and vegetables

COM in force since 1962.

List of products for which quality standards established (30 products) and those subject to price and intervention regulations (9 products).

Quality classes (Extra I, II and III) and quality controls. Exceptions apart, products for which quality standards exist can only be offered for sale if they conform to these standards.

Clear and indelible labelling. In retail trade, particulars of variety, origin and quality class. No exports of products in quality class III.

OJ L 118/72
OJ L 204/78

Producers' organizations

Member States may grant aid to producers' organizations (3, 2, 1 % of the marketed value) during three years following date on which they were established. Producers' organizations may fix withdrawal prices below which they will not put goods supplied by their members on market. Member States may fix a maximum withdrawal price.

Members of producers' organizations are compensated by an intervention fund of the organization financed by contributions calculated on quantity of goods offered for sale.

Criteria fixed for whole Community. Member States may support intervention fund, either directly or through credit institutions, for a maximum of five years from time of its establishment.

Strengthening of position of producers' organizations in context of objectives pursued as part of policy for developing Mediterranean regions, in particular by means of supplementary aid. Producers' organizations authorized to make pre-emptive withdrawals of apples and pears from the market.

C Reg. 325/79

OJ L 45/79

3.615

3.615
(contd)

Price system

Basic and buying-in prices for Community fixed annually by C before start of marketing year. The basic price is equal to the arithmetical average of the prices recorded on the Community's representative market(s) in production areas showing a surplus and having the lowest prices during the three marketing years preceding the date of establishment of the basic price.

The buying-in prices, which are fixed separately for the various products, are between 40 and 70 % of the basic price.

There is intervention on the markets by the Community, at buying-in price, in the event of a serious crisis being declared by the Commission, i.e. prices remaining below the buying-in price for three successive market days.

Buying-in is suspended as soon as prices have exceeded the buying-in price for three successive market days.

Products withdrawn from the market by the producers' organizations or bought in by the Community are disposed of in the following manner: free distribution to charitable organizations or 'economically weak' persons; for animal feed, either fresh or after processing; distillation.

Marketing premiums for oranges, mandarins, clementines and lemons. Premiums for processing lemons for juice and for sale to processing industries of blood oranges withdrawn from the market.

Possibility of buying pears and peaches at intervention price under certain conditions. Relaxation of rules for determining crises in the market.

3.615
(contd)

Trade

Imports

Application of CCT and countervailing charges in certain cases.

Each year C fixes a reference price for the various products equal to the arithmetical average, plus marketing costs, of the producer price of each Member State. These producer prices represent the average price recorded during the three previous years on the representative market(s) in the production areas where prices are lowest.

For each of the products for which there is a reference price, an entry price is calculated each marketing day and for each origin, on the basis of actual or importer/wholesale prices. A countervailing charge is levied when three entry prices are lower than the reference prices, provided that at least one of them is 0.5 u.a. lower than the reference price. This charge is added to the tariff duty.

Protective measures if market perturbed. National protective measures authorized under certain conditions.

Exports

Export refunds may be granted, with possibility of advance fixing.

3.6151 *PRODUCTS PROCESSED FROM FRUIT AND VEGETABLES*

C Reg. 516/77 amended by
C Reg. 1152/78

COM in force since 1968.

OJ L 73/77
OJ L 144/78

Covers 16 customs headings (dried, cooked, frozen products, etc. with or without addition of sugar).

COM for sugar and cereals has direct and appreciable influence on cost price of certain processed products containing sugar ; different trade regulations applied according to products.

Harmonization with trade in basic products (cereals and sugar).

Aid

C Reg. 1152/78

Aid for processing peeled tomatoes, tomato concentrates, and tomato, peach and dried prune juices.

OJ L 144/78

C Reg. 525/77

Aid covers difference between price of preserved foods from third countries and that of preserved foods produced in EC.

Aid to pineapple processing industry, with guaranteed minimum prices for producers.

OJ L 73/77

Trade

C Reg. 192/75
C Reg. 2123/75

Liberalization of trade, but implementation from July 1975 of Regulation No 109/70 establishing common rules for imports from State-trading countries (Community information and consultation procedure, surveillance and protective measures).

OJ L 198/75
OJ L 216/75
OJ L 19/70

3.6151
(contd)

Imports

CCT and in certain cases levies calculated on sugar content of products.

Import charge on sugar substitutes (glucose and glucose syrup) in certain processed products. Import certificates and financial guarantees for products containing sugar.

Protective measures if market disturbed. Minimum price system.

OJ L 73/77

C Reg. 521/77

Exports

Refunds calculated on sugar content, special refunds for glucose and glucose syrup.

Levies and refunds fixed in advance, using system of certificates involving commitments to import or export.

Regulations on inward processing trade may be suspended.

To permit economically important exports of products not containing added sugar, difference between prices inside EEC and world market prices may, where necessary, be covered by export refund.

OJ L 151/71
OJ L 73/77

C Reg. of 2 July 1971
C Reg. 519/77

3.616

Raw tobacco

Price system, premiums and interventions

OJ L 94/70

Annual fixing of norm prices and intervention prices for crop of following year.

OJ L 73/72

C Reg. 727/70
amended by
Act Acc.

3.6151/3.616

3.616
(contd)

Norm price fixed on basis of previous norm price. Intended to promote specialization matching economic structure and natural conditions of EC production, presupposing rational management and economic viability of undertakings.

The intervention price is 90 % of the norm price. It is the price at which the intervention agency is bound to buy in, i.e. the minimum price at which growers may market the product.

C Reg. 339/77

Production under contract, at 'contract price' negotiated freely between producers and buyers, is encouraged. Special measures in respect of Beneventano tobacco. Aid for changeover to other varieties. Premiums in accordance with Article 43 (2) of the Treaty are granted to buyers of leaf tobacco from Community growers. In principle, premium represents difference between norm price and cost price (contractual price) of tobacco imported from third countries.

OJ L 48/77

If grower does not conclude contract with buyer, and hence no premiums are paid, leaf tobacco thus may be sold into intervention. A derived intervention price is fixed for packaged tobacco.

If price mechanism insufficient to steer production in desired direction, C adopts special measures, chiefly :

- lowering of intervention price, premiums and norm prices ;
- exclusion from intervention buying of some or all qualities of tobacco variety in question.

3.616
(contd)

Trade

Exports

Difference between world market and Community prices may be covered by refund.

Amount or refund as a rule (Management Cttee decides exceptions) determined within limits of incidence of CCT duty, calculated on basis of average offer prices of third countries.

Imports

In case of serious disturbances of market, Member States may take temporary measures to regulate imports and exports. C decides in what cases and within what limits such measures may be taken. In normal times, all quantitative restrictions are abolished. Only import duties are levied.

Aid

In view of special problems of tobacco sector, programme of aids not tied to products proposed to C in cases where circumstances require.

3.617

Certain products listed in Annex II to the EEC Treaty

In force since 1 July 1968.

Applies to products listed in Annex to Reg. (pure-bred breeding animals, tea, cider, cocoa-beans, honey, live horses).

Liberalization of trade.

CCT applicable.

Protective measures in case of disturbance of market. Community export refund permitted for certain products.

National export subsidies authorized for some products, however.

C Reg. 827/68

OJ L 151/68

3.616/3.617

3.618 **Simple COMS for some plant products**

3.6181 *FIBRES, FLAX AND HEMP*

C Reg. 1308/70, amended
by C Reg. 814/76

No price system, but :

OJ L 146/70
OJ L 94/76

- flat-rate aid per hectare sown and harvested ;
- aid for storage if market in disequilibrium ;
- liberalization of trade with third countries ;
- measures to improve quality ;
- measures to find new applications for product.

C Reg. 234/68

3.6182 *LIVE PLANTS AND ARTICLES OF FLOWER TRADE*

OJ L 55/68

Quality standards system

In order to encourage action by trade and joint trade organizations, following Community measures may be taken :

- measures to improve quality and stimulate demand ;
- measures to provide better organization of production and marketing ;
- measures to facilitate recording of market price trends.

When quality standards adopted, products can be marketed only if they conform to these standards.

Control of application of quality standards exercised by Member States, with the possibility of involving Management Cttee.

3.6182
(contd)

Trade

CCT applied since 1 July 1968.

Minimum export prices may be fixed.

3.6183

HOPS

Aid to producers: Council may fix aid per hectare registered and harvested (for the previous marketing year).

Marketing system

Certification procedure in respect of designation of origin :

OJ L 175/71

C Reg. 1696/71
amended by
C Reg. 235/79

OJ L 34/79

Comm. Reg. of 20 March
1973

The hops must :

OJ L 74/73

- come from recognized production areas,
- belong to recognized varieties,
- satisfy quality standards.

C Reg. 708/78

List of regions in which aid is granted only to recognized producer groups.

OJ L 94/78

Producer groups

Aid possible (3, 2, 1 % of the value of the products marketed) for first three years following date of recognition for producer groups satisfying requirements of regulation.

C Reg. 879/73

Regulation on granting and reimbursement of aid accorded by Member States to recognized producer groups.

OJ L 86/73

Trade

Free trade.
CCT applicable.
Safeguard clauses.

3.6182/3.6183

C Reg. 1170/77	3.6183 (contd)	<p>Work in progress</p> <p>The purpose of the amendment is to reduce structural surpluses on the market in hops by:</p> <ul style="list-style-type: none"> — temporarily prohibiting any increase in the area under hops; — maintaining aid for conversion to other varieties subject to a reduction of at least 40 % in the area concerned; — the amended safeguard clause empowers the Council and the Commission to adopt any measures necessary to prevent or eliminate surpluses; — conversion programme in progress. 	OJ L 137/77
C Reg. 2358/71 amended by C Reg. 1346/78	3.6184	<p>SEEDS</p> <p>COM since 1 July 1972.</p> <p>Aid to producers</p> <p>The Council may fix aid per quintal of seed produced, taking into account required volume of production, marketing possibilities and prices on external markets.</p> <p>Aid fixed for two successive marketing years to take account of production programme.</p> <p>Rules on contracts for seed multiplication in non-member countries.</p>	OJ L 246/71 OJ L 165/78
C Reg. 2514/78	3.61841	<p>RULES APPLICABLE TO THE MARKETING OF SEEDS</p> <p><i>Common catalogue of varieties of vegetable seeds</i></p> <p>Fourth complete edition.</p> <p>Lists the varieties which are not subject to any marketing restrictions within the Community.</p>	OJ L 225/70 OJ C 86/78

C Dir. 70/457
amended by
C Dir. 78/55

3.61841
(cont'd)

Directive on the marketing of agricultural species.

OJ L 225/70
OJ L 16/78
OJ C 66/74

Codified version.

Common catalogue of varieties of agricultural species.

Fourth complete edition.

OJ C 48/78

This edition includes varieties which are not subject to any marketing restrictions throughout the Community.

Trade

Free trade.

Import certificates, where appropriate.

CCT applicable.

Special provisions for hybrid maize for sowing : fixing of a reference price per type of seed on the basis of the free-at-frontier prices for the three previous marketing years. If the free-at-frontier offer price is lower than the corresponding reference price, collection of a compensatory tax in accordance with the obligations resulting from consolidation within GATT.

Comm. Communication

3.6185

DRIED FODDER

Price, aid and intervention system

OJ L 142/78

Flat-rate aid fixed yearly in order to improve EC supplies of vegetable proteins.

Guide price fixed annually at a level which is fair to producers.

Aid equal to difference between guide price and (lower) market price

C Reg. 1117/78

3.61841/3.6185

3.6185
(contd)

Conditions for granting aid :

- conclusion of contracts between processing industry and producers
- processing of own harvest, or
- processing of harvest of one of the producer groups in question.

Supplementary aid for processing of fodder under certain conditions.

Aid to storage, provided a contract has been concluded.

Trade

Provision is made for measures to be applied in the event of market disturbances due to imports or exports.

3.619 **Products not covered by COM**

3.6191 *POTATOES*

Comm. Prop. of 22 Dec. 1975
EP Opinion

Proposal for a COM.

OJ C 61/76
OJ C 238/76

3.6192 *ETHYL ALCOHOL*

Comm. Prop. of 1 March
1972

Proposals for COM to regulate production, trade, use, prices and trade with third countries now being studied.

OJ C 43/72

The first proposal concerns ethyl alcohol of agricultural origin, and certain products containing alcohol.

Work in progress

EP Opinion 1972
Comm. Prop. of 7 Dec. 1976

EP resolution calls for changes in Comm. Prop. to take account of new situation resulting from Accession. After numerous postponements the Commission presented its new and second proposal for a COM on 7 Dec. 1976. It was withdrawn.

EP Doc. 266/72
OJ C 309/76

3.62 **ANIMAL PRODUCTS**

3.621 **Beef**

COM in force since 1968.

OJ L 148/68
OJ L 67/76

Price system

Guide prices fixed annually for calves and full-grown cattle.

Support measures are intervention buying and private storage aids. They may be decided for Member States in which prices fall below a given level and when at the same time prices on representative EC markets are lower than 98 % of the guide price.

Community intervention measures are obligatory when prices for full-grown cattle are lower than 93 % of the guide price.

Obligatory intervention may be suspended in a Member State or a region of this Member State when market price for a certain quality or certain qualities are higher than maximum buying-in price.

OJ L 130/78
OJ L 261/78

Intervention measures are regionalized to take into account differences in the conditions of price formation.

OJ L 132/73

Special measures

OJ L 195/74

When a substantial rise or fall in prices occurs in the Community the Council may take measures by a qualified majority on the Comm.'s proposal.

C Reg. 805/68
amended by
C Reg. 568/76

C Reg. 995/78
C Reg. 2226/78

C Reg. 1302/73

C Reg. 1855/74

C Reg. 870/77
amended by
C Reg. 996/78
C Reg. 997/78

3.621
(cont'd)

During 1978/79 marketing year Member States may grant either a birth premium for calves or a slaughter premium for full grown cattle for slaughter, except cows. In the first case the premium is 35 u.a. to be paid from the EAGGF. In the second case, the premium which is variable in time must not be more than 45 u.a. per adult bovine animal. The intervention price for meat from animals to which this premium applies is reduced by the amount of the premium granted. EAGGF financing is limited to 25 %.

OJ L 106/77

OJ L 130/78
OJ L 130/78

C Reg. 1856/74

Sale of beef at reduced prices to certain categories of consumers to dispose of surplus stocks.

OJ L 195/74

C Reg. 1857/74

Advertising and publicity campaign to increase consumption of beef and veal.

OJ L 195/74

Trade

Imports

C Reg. 425/77
C Reg. 571/78

Customs duties and a basic levy taking account of the difference between the guide price and the free-at-Community-frontier offer price plus the amount of the customs duty. Where the price of adult bovine animals on the representative markets of the Community exceeds the guide price, the levy applicable is gradually reduced in relation to the basic levy. The levy applicable is gradually increased in the converse situation.

OJ L 61/77
OJ L 78/78

Imports are conditional upon production of an import licence, which is issued subject to the lodging of a deposit guaranteeing that importation is effected during the period of validity of the licence. This deposit is forfeited if the operation is not effected, or only partially effected, within that period.

Exports

A refund corresponding to the difference between the quotations on the world market and prices in the Community. This may be varied

3.621
(contd)

according to end-use or destination and is conditional upon production of an export licence, which is issued subject to the lodging of a deposit.

Work in progress

Comm. Commun. C

Examination by Comm. of current intervention measures and proposal to use variable production premiums to supplement traditional intervention system.

Bull. EC 10-77

3.622

Dairy products

C Reg. 804/68
amended by
C Reg. 1761/78

COM in force since 1964.

OJ L 148/68
OJ L 204/78

C Reg. 566/76

Price system

A target price in respect of standardized whole milk containing at least 3.5 % fat, delivered to dairy, is fixed each year. The target price is the price it is aimed to obtain on producers' milk sales. It is not a guaranteed price.

OJ L 67/76

C Reg. 985/68
amended by
C Reg. 2714/72
C Reg. 1014/68

Intervention measures

Intervention prices are fixed for the following derived milk products: butter, skimmed-milk powder, Grana-Padano and Parmigiano-Reggiano cheese.

OJ L 169/68
OJ L 291/72
OJ L 173/68

Comm. Reg. 685/69
amended by
Comm. Reg. 630/77

The relative support given to the fat content in milk (through butter intervention) and the protein content (through skimmed-milk intervention) may vary according to the state of the market.

OJ L 90/69
OJ L 78/77

Rules of application for intervention on the market in butter and cream, and storage measures.

Aid for the private storage of butter and cheeses may be granted to supplement the action of intervention agencies in stabilizing markets (e.g. for Provolone cheese).

3.621/3.622

3.6221 *Disposal of surpluses of dairy products*

(a) *Skimmed-milk powder*

Aid for denaturing of skimmed-milk powder for use as fodder and aid for skimmed milk processed into casein complete the price guarantee system. Rules for granting aid for skimmed milk processed into compound feedingstuffs and for skimmed-milk powder for use as feed. Extra aid can be granted in respect of liquid skimmed milk and skimmed-milk powder for use in producing compound feedingstuffs for poultry.

Comm. Reg. 990/72
amended by
Comm. Reg. 270/78

OJ L 115/72

OJ L 40/78

(b) *Butter*

In 1978 the Community extended measures to stimulate consumption.

General subsidy for butter consumption in Denmark, Ireland, Italy, Luxembourg, United Kingdom, and at the same time additional aid for UK.

C Reg. 880/77
and 1040/78

OJ L 106/77

and OJ L 134/78

Special subsidies :

— Member States authorized either to implement a scheme for the short-term sale of specific quantities of butter with a reduction of 75 u.a. per 100 kg ('Christmas butter'), or to arrange sales over a longer period with a reduction of 35 u.a. per 100 kg.

OJ L 216/78

— Scheme for sale of intervention butter for manufacture of pastry products, ice cream and other foodstuffs by means of a standing invitation to tender.

OJ L 41/79

and OJ L 72/79

— Scheme for sale of butter with reduction of 20 % on intervention price to persons receiving social security (50 u. a. per 100 kg).

OJ L 204/78

— Scheme for butter at reduced prices for orphanages, hospitals, the army and similar forces, social services and non-profit-making organizations (141 u.a. per 100 kg).

OJ L 134/78

Comm. Reg. 1901/78

Comm. Reg. 262/79
and 545/79

C Reg. 1761/78
and 1762/78

Comm. Reg. 1048/78

Comm. Reg. 649/78
and 131/79

3.6221
(cont'd)

— Sale at reduced prices of intervention butter in public and private storage for direct consumption as concentrated butter.

OJ L 86/78
and OJ L 19/79

C Reg. 1038/78
and 1039/78

(c) *Milk*

Supply of milk and milk products to schoolchildren (13 u.a. per 100 kg whole milk, 75 u.a. per 100 kg skimmed milk).

OJ L 134/78

National aid authorized.

3.6222

THE GRADUAL RESTORATION OF BALANCE ON THE MARKET FOR MILK PRODUCTS

EP Doc. 247/76
EP Doc. 343/76

Comm. Action Programme
1977-1980
EP Opinion of 13 Dec. 1976

Action programme involving radical measures to restore balance on market, with a very cautious price policy, in order to eliminate structural surpluses on dairy market.

C Dec. of 25 and 26 April 1977

Measures adopted by the Council on the basis of the action programme :

- (a) creation of a joint responsibility levy and measures aimed at extending the markets of milk sector ;
from 16 Sept. 1977 a levy of 1.5 % was applied to all milk supplies, except in mountain regions. Since 1 May 1978 the levy has been 0.5 % ;
- (b) the system of levies on certain oils and fats, initially proposed by the Commission, and then withdrawn after EP had rejected it, has been replaced by a special set of measures financed in part by the Community and aimed at increasing butter consumption ;
- (c) temporary suspension of certain national and Community measures for aid in the dairy sector ;
- (d) programme for the distribution of milk to schools ;
- (e) general rules concerning the exclusive use of butter fats and milk proteins for certain purposes ;

3.6221/3.6222

3.6222
(contd)

- (f) eradication throughout the Community of brucellosis, tuberculosis and leucosis among Bovidae ;
- (g) system of premiums financed entirely by the Community for the non-marketing of milk and products derived therefrom and for the replacement of dairy livestock .

Premium for non-marketing and for conversion of quantities greater than 120 000 kg per year (11 u.a./100 kg). Higher premium (17.5/100 kg) for quantities less than 120 000 kg per year. Aim is to remove milk production of 1.3 million cows from market.

Premium financed by co-responsibility levy.

- (h) decision at a later date on a Commission proposal for a premium for the closure of dairy undertakings within the context of the revision of directives concerning agricultural structures (cf. 3.732) ;
- (i) measures regarding sales promotion, publicity and market research.

Comm. Reg. 368/77

Special measure for the disposal of intervention stocks of skimmed-milk powder

OJ L 52/77

The processing of 450 000 tonnes of skimmed-milk powder from intervention stocks by means of a radical reduction in price in order to create conditions of competition comparable to those of other important sources of protein, in particular soya beans.

Comm. Reg. 753/76
amended by
Comm. Reg. 324/77

Application of this measure is supervised by means of strict rules on denaturing and on the tendering bond and processing security. In view of the low sale price of skimmed-milk powder, the aid referred to in the COM for milk and milk products is not granted.

OJ L 88/76
OJ L 45/77

3.622
(cont'd) Sale by means of a standing invitation to tender as well as on the basis of fixed prices.

Trade

Imports

C Reg. 823/68
amended by
C Reg. 561/76

A threshold price is fixed for pilot products, which are the most representative product within a given group of dairy products. It ensures that, account taken of protection needed by the processing industry, prices of imported products correspond to the target price for milk.

OJ L 151/68
OJ L 67/76

C Reg. 875/77

Butter and skimmed-milk powder are excluded from the inward processing traffic until 31 March 1980.

OJ L 106/77

Levies bring the wholesale price of imports up to the threshold price concerned.

A special régime for imports of New Zealand dairy products to the UK runs until 1980 (see Section 3.24).

Exports

Comm. Reg. 706/77

Export refunds enable Community producers to export when world prices are below the target price.

Export certificates are compulsory for dairy products in the event of advance fixing of refunds.

OJ L 86/77

Butter and cheese

Protocol No 18
of the Act of Accession

Up to 31 Dec. 1980 UK authorized to import a progressively smaller tonnage of New Zealand butter and cheese at a price representing average in UK market during 1969-1972 inclusive.

OJ L 73/72

3.623

Pigmeat

C Reg. 2759/75 (Codif.)
Impl. Reg. 2760-2770/75

COM since 1 July 1967.

OJ L 282/75
OJ L 282/75

Price system

After consulting the EP the Council may adopt measures to improve organization of the production and sale of processed products, to improve quality and short- and long-term production forecasts and to facilitate the monitoring of market price trends.

Basic and standard qualities for slaughtered pigs fixed by Council after consulting EP.

State aids

Comm. Dec. 77/172

In accordance with the first sub-paragraph of Article 93 (2) of the EEC Treaty and with basic regulation 2759/75, in particular Article 21 thereof, the Commission gave notice to the United Kingdom on 17 Feb. 1977 to terminate without delay the provision of aid in the form of a temporary subsidy of approximately 5.5 pence per kilogram deadweight to pig producers on delivery to abattoirs. The aid was announced on 20 Jan. 1977.

OJ L 54/77

Intervention measures

Aid for private storage.

Buying-in by intervention agencies.

Intervention possible when pigmeat prices on representative markets fall below 103 % of the basic price.

C Reg. 2763/75

3.623
(contd)

Buying-in prices between 85 % and 78 % of the basic price and aids are fixed by Management Cttee procedure.

OJ L 282/75

C Reg. 1423/78
of 20 June 1978
EP Opinion
of 10 June 1978
C Reg. 2762/75

General provisions for granting aid to private storage fixed by Council.

OJ L 171/78

OJ C 163/78

List of representative markets drawn up by Council.

OJ L 282/75

Trade

Trading system covers live swine, pigmeat, bacon, lard and preparations containing pigmeat or offal.

Imports

Import certificates.

Levies

Sluice-gate prices fixed every quarter.

The sluice-gate price represents the cost price of pigmeat in third countries with the greatest technical efficiency and the best conditions for the supply of fodder. The levy comprises a variable component corresponding to the difference in the cost of the feed ration on the world market and in the Community, and a fixed component corresponding to 7 % of the average sluice-gate price for the four quarters preceding 1 May of each year.

If the free-at-frontier offer price falls below the sluice-gate price, the levy is increased by a supplementary amount equal to the difference between these two prices.

Exports

C Reg. 2768/75

Export refunds may be granted.

OJ L 282/75

C Reg. L 769/75

Protective measures, if market disturbed.

OJ L 282/75

3.624

Eggs

C Reg. 2771-2776/75

COM since 1 July 1967.

OJ L 282/75

No price system, but measures :

- to improve organization of production, processing and sales ;
- to improve quality ;
- to improve short- and long-term production estimates ;
- and to monitor price trends.

C Reg. 2772/75

Marketing standards fixed by Council.

OJ L 282/75

Trade

Imports

Protection of the Community market by :

Import certificates.

Import levies consisting of one fixed and one variable component.

In fixing levies, account taken of price of feed grain required to produce given quantity of eggs.

Supplementary amount where free-at-frontier offer price below sluice-gate price.

Sluice-gate price for each quarter fixed by Management Cttee.

The sluice-gate price consists of two components :

- the price on the world market for the quantity of feed grain required for the production in third countries of 1 kilogram of eggs ;
- a standard amount representing other feeding costs and overhead costs of production and marketing.

Safeguard clauses applicable if market disturbed.

3.624

Exports

Refunds on exports if world market prices higher than prices in EC.

If there is glut on market or if price levels are low, refund amount may temporarily be increased or the issue of import certificates may be suspended.

Marketing

Marketing standards for grading by quality and weight, packaging, storage, transport, presentation and labelling.

3.625

Poultrymeat

C Regs. 2777-2782/75

Price system and trade : as for eggs (see 3.624).

OJ L 282/75

3.626

Fishery products

C Reg. 100/76

Fishery products covered by COM listed in Annex I of regulation. These are mostly products for everyday consumption.

OJ L 20/76

Marketing standards system

C Regs. 103-104/76

Quality, size or weight categories, packaging, presentation and labelling.

OJ L 20/76

3.624/3.626

Producers' organizations

Same system as for fruit and vegetables (see. 3.615).

Producers' organizations fulfilling certain conditions recognized by Member States.

They may receive aid calculated as a percentage of the administrative costs incurred when they are set up or approved.

Price system

Where withdrawal prices applied, producers' organizations grant members compensation in respect of certain products withdrawn from the market (products in Annex I). For other products, it is left to their discretion whether or not to grant compensation.

Compensation financed by members' contributions to organization's fund.

Guide prices and intervention prices are fixed for certain products annually before beginning of fish marketing year. Prices fixed so as to help stabilize market prices without leading to structural surpluses. Representative wholesale markets and ports fixed by Management Cttee procedure. Guide price fixed on basis of average prices over last three years on the representative wholesale markets or ports. The intervention price is between 35 and 45 % of the guide price.

Trade

Imports

CCT applicable, but may be suspended for certain products.

Fixing of reference price by products, on the basis of guide price.

3.626
(contd)

In certain cases collection of a countervailing charge, in addition to the CCT, covering the difference between the entry price and the reference price.

Imports may be limited or suspended — safeguard clauses.

Exports

Refunds may be made for exports.

3.6261

EXTENSION OF ECONOMIC ZONES

Following the session of the United Nations Conference on the law of the sea from 2 Aug. to 17 Sept. 1976, which failed to agree on any general extension of economic zones, the Community decided to increase its own fishing zone in the Atlantic and in the North Sea to 200 nautical miles from 1 Jan. 1977.

Work in progress

Pending the adoption of a definitive COM, temporary partial regulations have been drawn up comprising, like the system ultimately envisaged, the following :

- an external aspect with negotiations with third countries on the basis of the mutual access of Community fishermen and those of third countries to their respective fishing grounds, taking account of the need to conserve stocks and of the signing of international agreements by the Community and
- an internal aspect with zones reserved exclusively for local fishermen and Community conservation measures which may comprise, *inter alia*, quotas on catches, fishing licences, regulations on mesh sizes, prohibited zones or seasons and the temporary suspension of fishing for certain species of fish.

OJ C 255/76
EP Doc. 474/76
OJ C 57/77

OJ L 81/79
OJ L 378/78

OJ C 25/79
OJ L 83/79
OJ C 76/78

Prop for Reg.
of 8 Oct. 1976
EP Opinion
EP Res.
C Reg. 586-589/79
C Reg. 3179/78

Prop. for Reg.
of 20 Nov. 1978
C Dec. of
9 April 1979
CJEC judgment of
16 Feb. 1978

3.626/3.6261

3.6261
(cont'd)

Mutton and lamb

COM proposed by Comm.

Under examination by C and EP.

OJ C 93/78

Prop. for Reg.
of 31 March 1978

3.63

PRODUCTS NOT COVERED BY ANNEX II OF THE TREATY

Goods resulting from the processing of agricultural products

Regulation for the adoption of market rules.

This regulation is intended to compensate for the fact that only those agricultural products referred to in Annex II of the Treaty are dealt with by the provisions drawn up as part of the common agricultural policy.

OJ L 141/69
OJ L 163/75

C Reg. 1059/69
amended by
C Reg. 1589/75

The provisions adopted for basic products have an impact on the cost price of processed products: it is therefore necessary, in particular in order to protect the European processing industry, to harmonize the cost of supplying the raw materials on which these goods are based and to adjust the arrangements designed to protect them. The products listed in the regulation are mainly products processed from cereals, milk products and sugar.

Imports

The import duty consists of one fixed component consisting of an *ad valorem* customs duty and one variable component intended to cover the difference between the prices of these products and the price of products from third countries.

3.6261/3.63

3.63
(cont'd)

Exports

C Reg. 2682/72
amended by
C Reg. 2795/76

Export of products not referred to in Annex II of the Treaty.

OJ L 289/72
OJ L 320/76

Fixing of general rules for the granting of export refunds for certain processed or non-processed agricultural products. The products in question, which are obtained from basic products or from the processing of basic products, are listed in Annexes B and C of the regulation.

C Dir. 73/69
amended by the Act
Acc. and by
C Dir. 119/76

Harmonization of the laws and administrative provisions governing *outward processing traffic*. (Export of products for re-import after processing or treatment.)

OJ L 58/69

OJ L 24/76

C Dir. 73/69
Comm. Dir. 95/73
amended by
Comm. Dir. 681/75

Harmonization of the laws and administrative provisions governing the *inward processing traffic*. (Import of products for re-export after processing or treatment.)

OJ L 58/69
OJ L 120/73
OJ L 301/75

3.7 **Structural policy**

The term 'common agricultural policy' not specifically defined in Treaty. Art. 43 of EEC Tr. provides for implementation of the measures referred to in Title II of EEC Tr., as well as of other measures not referred to, which may be introduced on Comm.'s initiative. Latter category includes measures to improve structures.

Res. of Agr. Conf. Stresa
1958
Comm. Memo. 1968
'Mansholt Plan'

Comm. policy on prices, rationalization of market and restructuring of agricultural prices.

OJ 11/58

3.70 **OBJECTIVES**

Modernization of agriculture (see also 3.730).

3.71 **INSTRUMENTS**

EAGGF, Guidance Section

Dirs. and Regs. with system of aid for projects designed to improve structures :

Art. 39, EEC Tr.
C Reg.
17/64
C Reg. 729/70

— through system of aid for individual projects forwarded by the Member States — satisfying Community criteria. EAGGF contribution : 25 %.

OJ 34/64

— through common measures.

EAGGF generally bears 25 % of cost of common measures. Up to max. of 65 % in certain regions.

OJ L 94/70

C Dec. of 4 Dec. 1962

3.711 **Coordination of structural policy in agriculture**

Setting up of the Standing Committee on Agricultural Structures.

OJ 136/62

3.711
(contd)

Agricultural structures, support for Comm. in preparing annual review of national structural policy measures.

Secretarial services provided by Comm.

Setting up of an Advisory Committee on Questions of Agricultural Structure Policy.

OJ L 273/76

Comm. Dec. of
17 Sept. 1976

C Reg. 17/64
amended by
C Reg. 3171/75

3.72

INDIVIDUAL PROJECTS

OJ 34/64
OJ L 315/75

3.720

Objectives :

- (a) adjustment and improvement of production conditions in agriculture ;
- (b) adjustment and guidance of agricultural production ;
- (c) adjustment and improvement of marketing ;
- (d) increase in sales.

Conditions of EAGGF participation

Action under (c) and (d) only for products covered by COM.

EAGGF contribution : 25 % of expenditure.

EAGGF contribution may be increased to 45 % for certain projects.
Comm. allocates EAGGF aid every six months.

OJ 165/66

General and special conditions for awarding aid incorporated in Reg.

Applications for aid must be submitted by Member States, who must have approved projects. Balanced distribution of aid among Member States.

C Reg. 130/66

3.711/3.720

3.720
(cont'd)

C Reg. of 29 July 1969

Each year, C Reg. lays down priorities for maximum aid from EAGGF.

Financial participation of beneficiary in structural improvement projects must be at least :

- 20 % for production structure projects ;
- 38 % for market structure projects.
- Funds per year fixed in general budget 1977 : 325 million u.a.).

OJ L 189/69

C Reg. 729/70 modified to
take account of Accession
C Reg. 2788/72

Priority for funds from EAGGF (Guidance Section), given to financing common measures. Balance must be used to finance individual projects under C Reg. 17/64.

OJ L 94/70
OJ L 295/72

Work in progress

C Dec. of 12 May 1978

C Reg. 17/64 will be in force until end of 1978, when § b, c and d of the regulation will gradually be replaced by C Reg. 355/77. Projects for which applications have been filed will continue (see 3.31).

As part of price fixing arrangements for 1978-79, C decided, by way of compensation, to give priority to projects for improving production structures in Benelux.

3.73

REORIENTATION OF COMMON AGRICULTURAL POLICY

C Res. of 25 May 1971
EP Opinion of
18 Nov. 1971

3.730

Objectives :

- to prevent structural surpluses ;
- to normalize price policy ;
- to create modern farms.

OJ C 52/71
OJ C 124/71

3.730
(contd)

In order to reorganize structures, C has decided to support the following *common measures* :

- measures to help those wishing to give up farming ;
- measures to help those continuing farming ;
- measures to provide farmers with occupational guidance and training ;
- measures to improve the marketing of agricultural products ;
- measures to prevent an increase in farmland ;
- afforestation activities ;
- authorization to Member States to grant aid, for a period of five years, to young farmers receiving no investment aid under the common measures ;
- measures to stimulate regional development.

C Reg. 729/70, amended by
C Reg. 2788/72

The financing of the common measures is laid down in Art. 6 of Reg. relating to financing of common agricultural policy.

OJ L 94/70
OJ L 295/72

3.731

Modernization of farms

Selective system for aiding farms capable of development

C Dir. 72/159 amended by
C Dir. 76/837 and
C Dir. 77/390

OJ L 96/72
OJ L 302/76
OJ L 145/77

(a) Persons wishing to claim aid must fulfil following conditions :

- farm as main occupation ;
- possess adequate occupational skill and competence ;
- keep accounts ;
- draw up development plan leading after six years to income comparable to average for non-agricultural workers in the region in question.

3.731
(cont'd)

Assistance also for farmers with income comparable to that of other occupational groups but with farm structures jeopardizing maintenance of that income. For this category, interest-rate subsidy up to 80 % of loan.

20 % of income attained through development plan may consist of income from non-agricultural activities, provided 'earned income derived from farm business at least equal to comparable earned income for one-man work unit': therefore applicable only to farms with more than one-man work unit.

Comparable earned income assessed directly by comparison with that of workers in region or indirectly by reference to typical small farm in region.

C Dir. 76/837

(b) Assistance for persons submitting development plans :

OJ L 302/76

- allocation, by way of priority, of land released within Dir. 72/160 ;
- interest-rate subsidies max. 5 % and not more than 53 333 u.a. per man work unit. As general rule, no additional national aids except for construction of farm buildings and land improvement operations ;
- provision of guarantees for loans contracted ;
- aid of 600 u.a. for first four years of properly kept accounts ;
- aid towards costs of cooperative schemes, from 2 500 to 7 500 u.a. ;
- aid for land improvement (land re-parcelling and irrigation).

Aid not usable for purchase of land, pigs or poultry. Aid for purchase of cattle or sheep only if sales from these on completion of development plan make up over 60 % of total proceeds.

3.731
(cont'd)

Temporary ban on aid for the purchase of dairy cattle until 1980, as part of the 1977-80 action programme for milk and milk products.

Aid possible for pigkeeping if investment between 10 520 and 42 060 u.a. and if, after carrying out development plan, 35 % of feedingstuffs produced by farm itself, or by associated farms.

(c) Other aid for farms

Other farms receive same aid for book-keeping if the data collected are used for the EEC accounting network; the recognized farmers' mutual aid associations may also receive this aid.

(d) National aid

Member States may give aid if interest remaining payable by beneficiary at least 5 %.

For five-year period, national aid can be given to owners of farms not attaining comparable earnings and not yet eligible for aid to cessation of farming; aid may not be in excess of that for persons submitting modernization plans.

Abandoned zones: special system of national subsidies. C defines term 'abandoned zones'.

EAGGF reimburses Member States for 25 % of expenditure.

Amounts adjusted to movements in cost of living.

OJ L 302/76

C Dir. 76/837

Work in progress

Forestry measures to improve agricultural structures.

Aid for afforestation measures supplementary to C Dir. 72/160 on cessation of farming and use of farm land for structural reorganization of agriculture.

OJ C 44/74

OJ C 161/75

Prop. for Dir. of 26 Feb. 1974
Amended Prop. of 7 March 1975

	3.731	Aid between 40 and 90 % of cost of capital grants (240 u.a./ha).	
	(cont'd)	Aid for conversion of forest areas.	
Prop. for Dir. of 3 Dec. 1974		Flat-rate aid on sliding scale to young farmers (aged not more than 40 years) during implementation of development plan (five years).	OJ C 107/74 OJ C 32/75
EP Res. C Dir. 77/390	3.7311	Authorization for Member States to extend to the investment aid scheme to farmers who are not capable of attaining comparable income levels. This aid is payable by the Member States. 50 % reimbursement from EAGGF to Ireland for drainage operations.	OJ L 145/77
	3.7312	<i>GUIDANCE PREMIUM FOR PRODUCTION OF BEEF AND VEAL AND MUTTON AND LAMB</i>	
C Dir. 73/131 amended by C Dir. 78/1017		Granting of guidance premium per hectare for three years for production of beef and veal and mutton and lamb as provided for by C Dir. 72/159 on modernization of farms.	OJ L 153/73
		Increase in premium per hectare.	OJ L 349/78
C Reg. 269/79	3.7313	Forestry in certain dry Mediterranean areas.	OJ L 38/79
C Reg. 1362/78 and 1760/78	3.7314	Acceleration and guidance of <i>collective irrigation works</i> in the Mezzogiorno (50 % of costs reimbursed by EAGGF), drainage works in Ireland, water control works in the Bas-Hérault area and infrastructure works in the Mezzogiorno and Southern France (40 % of investment costs reimbursed by EAGGF).	OJ L 166/78 OJ L 204/78
C Dir. 79/173		Collective <i>irrigation works</i> in Corsica with maximum subsidy of 1 500 EUA/ha.	OJ L 38/79
C Reg. 1760/78	3.7315	<i>Infrastructure</i> improvements in certain <i>lowland areas</i> .	OJ L 204/78
C Dir. 78/628	3.7316	Aid for <i>drainage works</i> in less-favoured areas of Western Ireland.	OJ L 206/78

Encouraging cessation of farming and utilization of released farmland to improve structure

Aid to encourage cessation of farming may be granted to farmers and their employees who are between 55-65 years of age.

Annuities :

- 900 u.a. for married persons,
- 600 u.a. for single persons.

Member States may grant farmers premiums calculated on utilized agricultural area released, without reimbursement by EAGGF.

System for five years (extended) :

Following premiums only reimbursable, by EAGGF :

- to farmers aged 60-65 and to persons employed by them of like age ;
- to widows and persons with more than 50 % disablement ;
- to farmers aged at least 55 and whose farms cover not more than 15 hectares, in countries where farm workers make up over 15 % of all workers (Italy and Ireland).

At least 85 % of utilized agricultural land released must be :

- leased for at least 12 years to farmers who have submitted development plans or, under certain conditions, to other farmers, or offered to land agencies ;
- or permanently removed from agricultural use.

C Dir. 76/837	3.732 (contd)	<p>In general, 25 % of outlay is refunded. In areas where measures to promote cessation of farming had not been applied previously (Italy) the proportion may be increased to 65 %.</p> <p>Amounts adjusted on basis of changes in cost of living.</p>	OJ L 302/76
Prop. for Dir. EP Opinion		<p><i>Work in progress</i></p> <p>Abolition of age limit of 65 years for recipients of premium for cessation of farming.</p>	OJ C 304/77 EP Doc. 59/78
C Dir. 72/161	3.733	<p>Professional guidance and training</p> <p>Dir. provides for</p> <p>— guidance :</p> <p>Creation and expansion of socio-economic guidance services (7 500 u.a. per counsellor);</p> <p>Bearing of cost of training these advisers (4 500 u.a. per counsellor).</p> <p>— training :</p> <p>Creation and expansion of training centres or courses ;</p> <p>Granting of premiums or allowances for attendance (1 500 u.a. per farmer).</p> <p>Title III of Dir. on vocational training is no longer operative since this is dealt with by Regional Fund.</p>	OJ L 96/72
C Dec. 77/343		<p>In southern Italy the interest-rate subsidy may not exceed 12 % ; in the less-favoured regions of northern and central Italy the maximum rate is 11 %. In the other regions the maximum interest rate subsidy is 9 %.</p>	OJ L 120/77
C Dir. 76/837 C Reg. 270/79		<p>Amounts adjusted on basis of changes in cost of living.</p> <p>Development of agricultural advisory services in Italy.</p>	OJ L 302/76 OJ L 38/79

3.733
(cont.)

STATE OF INTEGRATION (3.731-3.735)

On 12 May 1978 C found it necessary to take a decision without delay on Comm. proposals modifying socio-structural guidelines in order to achieve greater flexibility and efficiency in the light of experience gained.

3.734

Regional differentiation

C Dir. 73/440

All three directives allow for the possibility of regional differentiation.

OJ L 356/73

The Member States are authorized not to apply or to apply only partially in certain regions C Dirs. 72/159, 72/160 and 72/161.

Implementation of directives

Every year the Commission submits to the Council and to Parliament its report on the implementation of directives relating to agricultural reform. See also annual financial reports on EAGGF.

3.735

Joint action on mountain and hill farming and farming in certain less-favoured areas

C Dir. 75/268
amended by
C Dir. 76/400

Supplements Council Directives 72/159, 160 and 161 on modernization of farms.

OJ L 128/75

OJ L 108/76

To maintain a minimum level of agricultural activity in areas where price and structural policies are unable to ensure an adequate income, because of physical handicaps. ¹

¹ For the amounts valid from 15 March 1976 see Comm. Reg. 571/76 OJ L 68/76.

3.735
(cont'd)

Definition of areas

For mountain areas (e.g. Alps, Massif Central, Apennines) physical disabilities resulting from either a short growing season or steep slopes or both. For less-favoured areas (e.g. Scottish Highlands, Ardennes, Galway) a combination of infertile land, low economic results and rural depopulation.

C Dirs. 269-276/75

Community list of agricultural areas within the terms of C. Dir. 268/75.

OJ L 128/75

These areas cover a quarter of the agricultural land in use in the Community; they contain over a million farms, but these account for only 10 % of Community production.

Conditions for granting aids

Annual compensatory allowance granted to farmers with at least three hectares of agricultural land in use who undertake to continue farming for at least five years.

The compensatory allowance is calculated as follows :

- either on the basis of the size of bovine, sheep or goat stocks by using a distribution key expressed in units of adult bovine animals (equivalent to one dairy cow).

The minimum amount is 15 u.a. per adult bovine animal unit, the maximum being 50 u.a. per adult bovine animal unit and 50 u.a. per hectare of total land devoted to fodder crops ;

- or for products derived from sources other than bovine animals, sheep or goats, based on the cultivated land area, with the exception of land devoted to fodder crops, of land intended for wheat-growing and all land of more than 50 acres used for fruit-growing.

C Reg. of 15 March 1976

3.735
(cont'd)

Amounts increased by 8 % in 1977.

Higher rates of interest-rate subsidy, or capital grant, and higher guidance premiums for farmers submitting development plans (see 3.731).

Contributions of EAGGF, Guidance Section : 25 % of outlay refunded, but increases to 35 % in the case of Italy and Ireland.

The Regional Fund may also be used to improve infrastructures in mountain regions and certain less-favoured areas.

Work in progress

EAGGF subsidy raised to 50 %.

Improvement of infrastructure of certain areas in Mezzogiorno (Italy) and in south of France and Corsica.

Financial contribution of EAGGF, 'Guidance' section : 50 %.

OJ C 304/77

EP Doc. 59/78

OJ C 50/78

Prop. for Dir.
EP Opinion

Prop. for Reg.
of 31 Dec. 1977

C Reg. 355/77

3.736

Community action to improve the conditions under which agricultural products are processed and marketed

OJ L 51/77

Aim : to improve structure of agricultural markets and encourage adjustment and reorientation in agricultural sector.

As part of this EC action programme aid may be granted from Guidance Section of EAGGF for implementation of projects which form part of specific programmes and which meet certain conditions. Programmes are drawn up by Member States and submitted to Commission for approval.

3.736 A project is defined as any plan involving capital expenditure on equip-
(cont'd) ment in accordance with aims of EC action programme.

Aid may be granted under the Guidance Section of the EAGGF to investments for the rationalization and extension of storage capacity, packing, preservation, the treatment and processing of agricultural products and the improvement of marketing channels for price formation mechanisms.

The aid granted by the EAGGF is equal to a maximum of 25 % of the investment (up to 30 % in the case of the least-favoured regions). The beneficiary must make a minimum contribution of 50 % while the contribution of Member States must be not less than 5 %.

As far as processing and marketing of agricultural products are concerned, this EC action programme will gradually replace Reg. 17/64 on individual projects.

Modified implementation in certain less-favoured areas

C Reg. 355/77 to be applied, as a matter of priority to Mezzogiorno (Italy) and Languedoc-Roussillon (south of France) with 50 % contribution from Guidance Section of EAGGF.

Special scheme for increased investment aid for marketing and processing of milk.

OJ C 88/79

EP Doc. 127/79

Prop.
EP Opinion

C Reg. 1360/78

3.7361 *PRODUCER GROUPS AND ASSOCIATIONS*

OJ C 166/78

Common measures to grant gradually decreasing aid to recognized producer groups and associations :

— interest rebate up to a maximum of 5 % for 15 years ;

3.7361
(cont'd)

- guarantees for loans contracted ;
- flat-rate aid (50 000 u.a.) for setting up producer groups.

Special provisions for certain less-favoured areas and for Belgium with regard to improving marketing structures. In these regions EAGGF refunds 25-50 % of eligible expenditure.

3.737

Community action sector by sector

3.7371

HOPS

Aid to encourage setting up of producers' organizations to adjust production to market requirements with a view to structural reorganization, and aid for production of other varieties of hops.

3.7372

FISHING

COORDINATION OF STRUCTURAL POLICY IN FISHING INDUSTRY (see 3.735)

C Reg. 101/76

Member States may under certain conditions grant aid for structural improvements. EAGGF, Guidance Section, may finance common measures to increase productivity, adapt production and marketing conditions, improve living standards of population depending on fishing for livelihood.

OJ L 20/76

C Reg. 1852/78

C Reg. 592/79

Interim common measure for restructuring the inshore fishing industry.

OJ L 211/78

OJ L 78/79

Participation by the EAGGF in the financing of investment projects for the development of inshore fishing in regions where fishing potential makes this possible and for the development of aquaculture.

C Dec. of
25 July 1978

Financial participation by the EAGGF in inspection and surveillance operations in the maritime waters of Denmark and Ireland.

OJ L 211/78

3.7361/3.7372

3.7373

HONEY

Comm. Prop.

Aid, spread over 3 years, of 1.2 u.a. per hive to bee-keepers who are members of an organization. Contribution of Guidance Section of EAGGF: 50 %.

EP Opinion

Proposal rejected.

EP Doc. 64/76

As previously, aid is granted for denaturing sugar intended for feeding bees (see 3.612).

3.7374

BEEF AND VEAL

C Reg. 870/77

— Premiums for slaughtering adult bovine animals (except cows) (see 3.621.

OJ L 106/77

C Reg. 1353/73

— Incentive premiums for beef production.

OJ L 141/73

3.7375

FRUIT AND VEGETABLES

C Reg. 2517/69

— Rationalization of fruit production.

OJ L 318/69

amended by

C Reg. 794/76

Premiums for grubbing up fruit-trees.

OJ L 93/76

C Dir. 76/625

amended by

C Dir. 77/159

— Surveys to determine production potential of certain types of fruit trees (apples, pears, peaches and oranges).

OJ L 218/76

OJ L 48/77

Special measures affecting citrus fruit

C Reg. 2511/69

amended by

C Reg. 1122/78

— Aid, financed out of Guarantee Section of EAGGF, to promote production and marketing of citrus fruit.

OJ L 318/69

OJ L 142/78

C Reg. 2601/69

amended by

C Reg. 1154/78

— Aid for conversion to better citrus fruit.

In addition, supplementary aid to offset losses resulting from conversion and to promote processing of certain varieties of oranges.

OJ L 324/69

OJ L 114/78

EAGGF reimburses 50 % of expenditure.

C Reg. 340/77

— Provisions for speeding up aid process in view of considerable delay in implementing schemes.

OJ L 48/77

3.7376 *FARM STRUCTURE*

C Reg. 70/66
C Reg. 218/78

Organization of structural survey in EC for 1979/80, as part of FAO survey programme.

OJ L 112/66
OJ L 35/78

3.7377 *WINE*

C Reg. 1163/76

— Conversion premiums.

OJ L 135/76

System of premiums of different amounts to reduce structural surpluses and the cost of rationalizing wine market.

Prop. for Dir.
of 31 Dec. 1977

— Structural reorganization and conversion of vine-growing in Languedoc-Roussillon, as part of Mediterranean policy.

OJ C 50/78

3.7378 *DAIRY PRODUCTS*

C Regs. 1078/77
and 1041/78

— System of premiums for non-marketing of milk and milk products and for conversion of dairy herds applicable until 31 March 1979.

OJ L 131/77 and
L 134/78

Premiums of 17.5 u.a. for quantities of 120 000 kg or less, and 11 u.a. for quantities over 120 000 kg. EAGGF financing, Guidance Section : 40 % ; Guarantee Section : 60 %.

Under this scheme 638 500 cows had been eliminated from dairy herds by 1 January 1979 (2.55 % of total dairy stock). Target figure was 1 300 000 head. Despite this the milk supply has increased. Comm. therefore proposes to extend the scheme and to grant more substantial premiums.

Conversion scheme has been of little effect : only 11.7 % of applications have so far related to conversion.

C Dec. of 26 April 1977

— Cessation of farming for dairy farmers (not yet adopted).

3.7376/3.7378

4. **COMMON ECONOMIC AND SOCIAL POLICY**

4.0 **Economic policy**

4.01 **OBJECTIVES :**

EEC Tr., Preamble, Par. 6
EEC Tr., Art. 2, 3, 6

Unification of economies and harmonious development of economic life of whole Community.

4.02 **REQUIREMENTS OF EEC TREATY**

EEC Tr., Art. 104, 105

To ensure equilibrium of overall balance of payments and maintain confidence in their currencies, Member States to coordinate economic policies while ensuring high level of employment and stable level of prices. Cooperation between appropriate administrative departments and between central banks.

EEC Tr., Art. 145

To achieve coordination of economic policies of Member States, C has power to take decisions.

4.03 **DECISION-MAKING PROCEDURES** (see also 4.161)

(a) *C decides, by qual. majority, on recommendation or opinion of Comm. and after consulting Monetary Cttee, on :*

EEC Tr., Art. 108 (2)

— granting of mutual assistance in case of balance of payments difficulties.

EEC Tr., Art. 109 (3)

— suspension of national protective measures taken under Art. 109 (1) in the face of sudden balance of payments crises.

(b) *C decides unanimously, on proposal from Comm., on :*

EEC Tr., Art. 103 (2), (4)

— measures to implement common conjunctural policy and meet supply difficulties.

4.03
(contd)

(c) *Comm., after consulting Monetary Cttee :*

— authorizes other Member States to take protective measures in case of alteration of exchange rate by a Member State.

(d) *Comm. independently :*

— authorization of state with balance of payments difficulties to take protective measures, if mutual assistance is not sufficient or not granted by C.

— *recommendations to prevent deflection of trade resulting from commercial policy measures.*

EEC Tr., Art. 107 (2)

EEC Tr., Art. 108 (3)

EEC Tr., Art 115 (1)

4.12 REGIONAL POLICY

4.120 Objectives :

EEC Tr., Preamble, Par. 6

Reduction of differences between various regions and backwardness of less-favoured regions.

Prevention of new regional imbalances arising from the change in world economic structures or from measures adopted by the Community within the framework of its own policies.

Bull. EC
Suppl. 2/77

4.121 Requirements of EEC Treaty

EEC Tr., Art. 75, 80, 82, 92,
226

Possibility of departure from general provisions of Tr. to serve regional policy objectives.

EEC Tr., Art. 39, 42, 49

Account to be taken of regional differences in implementing CAP and free movement of workers.

EEC Tr., Art. 235

Provides for regional policy and other measures not expressly covered by Tr.

EEC Tr., Art. 129/130
Protocol on Statute
of EIB

Priority to be given to financing of projects for developing less-developed regions by the European Investment Bank (see 4.127 and 1.16).

4.122 Regional policy tasks

Comm. Rep. to C. 4 May 1973

— Supplement to national regional policies.

— Support for backward regions.

— Reduction of concentrations in built-up areas.

— Coordination of existing Community policies and financial instruments so that they may be better utilized for the purposes of regional policy (see 4.125 — 4.128).

— Permanent analysis and assessment of the regional integration process in the Community.

Bull. EC
Suppl. 8/73

Bull. EC
Suppl. 2/77

Measures to fulfil these tasks

C Reg. of 18 March 1975
EP Opinion
amended by C Reg.
of 6 Feb. 1979
EP Opinion

European Regional Development Fund instituted 1 Jan. 1975 for trial three-year period and with budget of 1 300 million u.a. of which 300 million u.a. in 1975 and 500 million u.a. in both 1976 and 1977.

OJ L 73/75
OJ C 108/73
OJ L 35/79
OJ C 266/77

The Regulation on the Fund continued to be applied provisionally after the end of the experimental period, the 1978 budget being allocated 581 million EUA. The 1979 budget was endowed with 1 100 million EUA by the European Parliament on 13 December 1978. In amending and supplementary Budget No 1/1979 the amount was finally fixed at 945 million EUA.

C Reg. of 6 Feb. 1979
EP Opinion

Since amendment of the Regional Fund Regulation on 6 February 1979, the financial endowment for the Fund will be determined annually in the EC budget procedure.

OJ L 35/79
OJ C 266/77

The part of the Fund's resources subject to quota is allocated as follows :

Denmark	1.20 %
Belgium	1.39 %
France	16.86 %
Ireland	6.46 %
Italy	39.39 %
Luxembourg	0.09 %
Netherlands	1.58 %
FR of Germany	6.00 %
United Kingdom	27.03 %
	<hr/>
Total	100.00 %

Since 6 February 1979 5 % of the resources are not subject to quota. (Art. 2 Par. 3 b).

4.123
(cont'd)

These resources will be used either in connection with the implementation of other Community policies or, in exceptional cases, for meeting the consequences of particularly serious occurrences in a region (Art. 13).

The Regulations establishing the Fund provide that the Fund may contribute to the financing of any of the following three types of investment :

- (1) investments in industrial, handicraft or service activities ;
- (2) investments in infrastructures which aid the development of the area concerned and are financed by public authorities ;
- (3) investments in infrastructures relating to hill farming and farming in certain other less-favoured areas.

Requests for assistance shall be submitted by Member States (Art. 7) and must, with the exception of non-quota resources, be concerned with national development areas (Art. 3).

Investments may benefit from the Fund's assistance only if they fall within the framework of a development programme to be submitted by the Member States and updated annually (Art. 6).

Further provisions for granting aid are specified in the Regulation.

From 1975 to 1978 the total amount of the Fund was allocated to projects (See table at the end of section 4.12. Compare also Comm. annual reports on administration of the Fund, which have appeared regularly since 1976);

C Dec. of 18 March 1975
EP Opinion
supplemented by C Dec.
of 6 Feb. 1979
EP Opinion

The setting up of a Regional Policy Committee in July 1975. The Committee carried out the following tasks :

- (1) it drew up a model for a regional development programme (work completed). The Committee examines development programmes submitted by Member States and gives its opinion on them.
- (2) the examination of yearly data from the Member States on the economic and social development of the assisted areas and the current and future national regional policy and contribution in those areas ;

OJ L 73/75
OJ L 8/74

OJ L 35/79
OJ C 266/77

4.123
(cont'd)

(3) delivery of an opinion on infrastructure projects in excess of 10 million u.a. and on general guidelines for the financing of infrastructure projects ;

(4) examination of problems relating to borderline areas.

The Committee's tasks were widened in the 1979 Council Decision to include cooperation on a Comm. report on the situation and the social and economic development of the regions.

Concerted research project on growth of large urban concentrations.

In the 'Community regional policy guidelines' the Comm. presented the general outlines of a more comprehensive regional policy for the years to come.

Preparation of studies on various difficulties in Community regional policy.

OJ L 35/79

OJ L 45/78
OJ C 299/77

Bull. EC
Suppl. 2/77

12th GR EC
EP Doc. 615/78
Par. 237,
240-242

4.124

Work in progress

Drawing up a long-term programme of regional studies.

Examination of the situation and the social and economic development of the regions.

Examination of the regional impact of enlargement of the Community.

Coordination of regional policy and socio-structural measures in Mediterranean areas and Ireland.

Bull. EC 3-78
Par. 2.1.45

Bull. EC
Suppl. 1/78, 2/78, 3/78
EP Doc. 42/79

12th GR EC
EP Doc. 615/78
Par. 238

C Dec. of 7 Feb. 1978
EP Opinion

EEC Tr., Art. 38-47
C. Dir. 75/268
amended by
C Dir. 76/400
C Dir. of 14 Feb. 1976

4.125 **Regional policy measures supported by EAGGF**

Measures to assist mountain and hill farming and farming in less-favoured areas (see 3.735).

OJ L 128/75
OJ L 108/76
OJ L 58/77

EEC Tr., Art. 123

4.126 **Regional policy measures supported by the Social Fund**

The Social Fund's aim of rendering the employment of workers easier and increasing their geographical and occupational mobility within the Community and thus improving employment opportunities means that it must be taken into account in the Comm.'s coordination efforts.

Bull. EC
Suppl. 2/77

EEC Tr., Art. 129/130

4.127 **Regional policy objectives of the EIB**

The European Investment Bank grants loans according to banking criteria for industrial projects in less developed regions (see 1.16).

ECSC Tr., Art. 56

4.128 **Regional policy measures on the basis of Art. 56 ECSC Tr.**

ECSC measures are primarily concerned with regions affected by structural problems and are thus of significance to regional policy and must be coordinated with such policy.

Bull. EC
Suppl. 2/77
12th GR EC
EP Doc. 615/78
Par. 248

4.128
(contd)

European Regional Development Fund 1975-1978

Aid granted in millions of European units of account (EUA)¹ (figures rounded off; in brackets: number of investment projects)

Country	Industry, crafts and service industries	Infrastructures	Infrastructures relating to mountain and hill farming	Total
Belgium	5.94 (18)	22.26 (120)	1.92 (1)	30.12 (139)
Denmark	2.53 (27)	20.87 (137)	—	23.40 (164)
FR of Germany	74.07 (569)	77.02 (304)	—	151.09 (873)
France	99.75 (587)	157.03 (363)	12.01 (107)	268.79 (1057)
Ireland	40.56 (111)	38.86 (224)	10.65 (53)	90.07 (388)
Italy	135.76 (438)	364.14 (250)	28.33 (830)	528.23 (1518)
Luxembourg	—	2.10 (3)	—	2.10 (3)
Netherlands	5.52 (2)	31.14 (19)	—	36.66 (21)
United Kingdom	157.51 (425)	228.65 (1694)	8.60 (66)	894.76 (2185)
Total	521.64 (2177)	924.07 (3114)	61.51 (1057)	1525.22 (6348)

Source: ERDF Annual Reports, Comm.

¹ The amounts given in EUA should be regarded as provisional.

4.13 **CONJUNCTURAL POLICY**

4.130 **Objectives :**

Ensuring balanced, uniform conjunctural development in all Member States.

4.131 **Requirements of EEC Treaty**

EEC Tr., Art. 103

Conjunctural policy to be matter of common concern. Member States shall consult each other and the Commission.

EEC Tr., Art. 109

Where a sudden crisis in the balance of payments occurs, a Member State may, under certain conditions, take protective measures.

4.132 **State of integration**

C Decs. of 18 Feb. 1974
C Dir. of 18 Feb. 1974

- C sets aside one day a month for discussion of economic and monetary questions; session devoted to examination of economic situation three times a year;
- on the basis of Comm. communication, C adopts guidelines for economic policy, including quantitative guidelines for government budgets;
- on proposal from Comm. and after consulting EP and ESC, C adopts annual report on economic situation; copies distributed to national parliaments so that it can be taken into account during budget debates;
- procedure for consultation and supervision of implementation of guidelines (recommendation by Comm. to Member States not keeping to the guidelines);
- in each Member State the authorities must have means of temporarily accelerating or slowing down the rate of public spending and of adjusting tax revenue within 90 days;

OJ L 63/74

4.132
(cont'd)

- in each Member State the authorities must have means, without having to seek prior approval, of temporarily freezing the surplus of estimated tax revenues or the proceeds of loan issues ;
- the Economic Policy Cttee has replaced the Conjunctural Policy Cttee, the Budgetary Policy Committee and the Medium-term Economic Policy Committee ; it advises C and Comm. ; it comprises four representatives of the Comm. and four representatives of each Member State.

Progress achieved

- Comm. calls for increased coordination of conjunctural policy.
- EP calls for quantitative guidelines to be drawn up for the Member States' monetary, credit and budgetary policies and for strict adherence to these guidelines.
- European Council also calls for 'increased convergence of economic policy' under the European Monetary System.

COM (78) 52 fin.

EP Doc. 434/78
OJ C 296/78

Bull. EC 12-78

Action Programme
10 Feb. 1978
EP Opinion

European Council
Res. of 5 Dec. 1978

4.14 **MONETARY AND FINANCIAL POLICY**

4.140 **Objectives :**

EEC Tr., Art 105 (2)

Coordination of monetary policies of Member States to extent needed for functioning of Common Market.

4.141 **Requirements of EEC Treaty**

EEC Tr., Art. 107

Rates of exchange to be matter of common concern.

EEC Tr., Art. 105 (2)

Monetary Cttee with advisory status comprising two Comm. representatives and two representatives of each Member State.

- Reports to C on monetary and financial situation in EC and Member States.
- Delivers opinions.
- To be heard before Comm. Recs. forwarded to C, to ensure mutual support of Member State with balance of payments difficulties.
- Close cooperation with Conjunctural Policy Cttee (now the Economic Policy Committee).

EEC Tr., Art. 108

4.142 **State of integration**

(a) Setting up administrative bodies

- setting up Cttee of Governors of Central Banks,
- setting up European Monetary Cooperation Fund.

Task to promote smooth functioning of EC exchange-rate mechanism, interventions in EC currencies and settlements

OJ 24/64

OJ 89/73

4.142
(contd)

between central banks with a view to achieving coordinated reserves policy.

In first phase of activities, Fund will concern itself in particular with consultation on EC exchange-rate system, on making balances arising from interventions by central banks in EC currencies multilateral and on management of very short-term financing and short-term monetary support.

Fund is managed by Board of Governors consisting of members of Cttee of Governors of Central Banks and a member of Comm.

(b) Internal and external monetary policy

C Dec. of 8 May 1964

— cooperation between central banks in area of internal and external monetary policy;

OJ 77/64

C Dec. of 22 March 1971

— strengthening of cooperation between central banks : coordination of monetary policy, guidelines on development of bank liquidity, conditions for extension of credit and for interest rate levels;

OJ L 73/71

C Dec. of 18 Feb. 1974

— arrangements for consultations prior to changes in parity, central rate of intervention points of currencies;

OJ L 63/74

— strengthening of coordination of monetary policy of Member States, particularly as regards development of liquidity of the economy and banking system, conditions for granting credit and level of interest rates;

C. Res. of 8 Nov. 1976

— C considers 'that it would be appropriate to make pragmatic use of the various opportunities for aligning monetary policy objectives without, however, encroaching upon national powers and areas of responsibility'.

Bull. EC 11/76 par. 2202

- 4.142
(cont'd)
- C Reg. of 17 Feb. 1975
- (c) Machinery for Community loans
- Possibility created for raising Community loans to maximum of 3 000 million dollars (principal and interest) on behalf of Member States with serious balance-of-payments difficulties caused by increase in price of petroleum products.
- Since the machinery was established, EC has borrowed a total sum equivalent to 1 800 million dollars, of which 1 500 million have been lent-on to Italy and 300 million to Ireland.
- OJ L 46/75
- 11 GR EC, Par. 109
- C Dec. of 16 Oct. 1978
EP Opinion
- Comm. empowered to contract loans up to 1 000 million EUA for financing of investment projects helping to attain the priority Community objectives in the energy, industry and infrastructure sectors.
- OJ L 298/78
EP Doc. 36/78
OJ C 108/78
- (d) EUA
- Adoption of European unit of account (EUA) based on a 'basket' of currencies of Member States, for European Development Fund, European Investment Bank and ECSC borrowing and lending operations. Application of EUA has since been extended to the machinery for medium-term financial assistance, the EC budget, public contracts, the SOEC and in Community legislation on customs tariffs.
- C Dec. of 21 April 1974
Dec. of the Board of
Governors of the EIB
of 18 March 1975
Comm. Dec. of
18 Dec. 1975
- OJ L 104/75
Bull. EC 7-8/75

4.15 EUROPEAN MONETARY SYSTEM (EMS)

4.150 Objectives

Creation of a zone of monetary stability, with exchange rates which are mutually stable but adaptable, with the aim of promoting growth and employment.

4.151 State of integration

European Council
Resolution of 5 Dec. 1978
C Reg. 3181/78 of
18 Dec. 1978

— The EMS, which came into force on 13 March 1979, is a Community scheme under which :

Bull. EC 12-78
OJ L 379/78

- (a) the currencies of the participating countries must be kept within a margin of 2.25 % (currently 6 % for Italy) on either side of the agreed central rate ;
- (b) it is presumed that the national authorities will take action if a currency crosses its 'threshold of divergence' against the ECU ;
- (c) credit mechanisms are available for financing interventions and balance of payments deficits ;
- (d) provision is made for the transfer of funds to less prosperous Member States.

EP Opinion

4.151
(cont'd)

— EMS cannot succeed and develop into economic and monetary union unless policy is aimed at convergence of the economies and at reducing regional and social disparities.

EP Doc. 437/78
OJ C 296/78

C Reg. 3180/78
of 18 Dec. 1978

— ECU is defined as the sum of the following amounts in the currencies of the Member States :

OJ L 379/78

0.828	DM
0.0885	UKL
1.15	FF
109	LIT
0.286	HFL
3.66	BFR
0.14	LFR
0.217	DKR
0.00759	IRL

— The ECU is the unit of reference for the central rates (a), a currency divergence indicator (b), the unit of account for both intervention and credit mechanisms (c) and the means of settlement between central banks (d).

— Within two years of entry into force of the system, the EMS will be consolidated and a European Monetary Fund set up. In the meantime, Member States deposit 20 % of their gold and dollar reserves with the European Monetary Cooperation Fund in the form of revolving swap credits, in exchange for which they are given ECUs.

— Credit mechanisms :

(a) unlimited facility for very short term (settlement 45 days after end of month of intervention) ;

not publ.

European Council Resolution
of 5 Dec. 1978
Agr. Central Banks of
of 9 Feb. 1970 and 9 Jan. 1979

4.151
(contd)

(b) short-term monetary aid (3 months, may be extended to 9 months); amount 'effectively available': 14 000 million ECU; no economic policy conditions;

(c) medium-term financial assistance (2 to 5 years); amount 'effectively available': 11 000 million ECU; policy conditions.

OJ L 73/71
OJ L 316/78
OJ L 379/78

C Dec. of 22 March 1971
C Dec. of 21 Dec. 1978

European Council Resolution
of 5 Dec. 1978
Draft Reg. of 12 Feb. 1979

— Measures to help less prosperous Member States of EMS: loans over period of five years up to 1 000 million EUA per year, on special conditions, for investment in infrastructure; also for a period of five years, interest rate subsidies up to 200 million. EUA per year.

OJ C 65/79

— United Kingdom not participating in exchange rate mechanism for time being.

4.16 **MEDIUM-TERM ECONOMIC POLICY**

4.160 **Objectives :**

C Dec. of 18 Feb. 1974

- to facilitate and guide structural (sectoral, regional and social) changes in preparation for economic and monetary union ;
- to ensure convergence of the economic policies of Member States.

OJ L 63/74

4.161 **State of integration**

C Dec. of 18 Feb. 1974

Economic Policy Cttee (formally Medium-term Economic Policy Cttee) set up.

OJ L 63/74

Comm. to draw up at least every five years a draft of medium-term economic policy programme, indicating points of divergence from preliminary draft drawn up by Economic Policy Cttee. C makes decision after consulting EP and ESC. By accepting programme C and govts. of Member States indicate intention to act in acc. with guidelines set out in programme.

Dec. taken by C and representatives of M.S. on 14 March 1977
EP Rep.
EP Opinion

Fourth medium-term economic policy programme covering the period 1 Jan. 1976 to 1 Jan. 1980.

OJ L 101/77
EP Doc. 579/76
OJ C 83/77

Main objectives :

- employment : a particularly active policy necessary to ensure that level of unemployment falls below 3 % by 1980. Objective must be a return to full employment ;
- growth : average annual growth rate of GDP in volume terms of 4.5 to 5 % ;

4.161
(contd)

- prices : rate of inflation should be gradually reduced to one compatible with lasting stability and should be of the order of 4 to 5 % by 1980 at the latest ;
- wages : adjusted share of wages and salaries must revert to a more normal level before a more satisfactory growth rate and unemployment level can be achieved ;
- investment : the ratio of productive investment to GDP must increase considerably ;
- public finance : public finance policy flexibility is a major importance for the growth path ; recourse to a further increase in tax burden should be limited ;
- balance of payments : at beginning of the projection period, EC should accept an external deficit, but by 1980 it should achieve a positive external balance of some 0.5 to 1 % of GDP.

C Dec. of 18 Feb. 1974

Comm. makes five-year forecasts covering main macro-economic variables.

OJ L 63/74

Tripartite Conferences : economic policy coordination and participation of both sides of industry in policy-forming process at Community level. Definition of Community strategy for restoring full employment and stability.

Bull. EC 6-76

Proposal to set up a European institute for research into economic and social policy. Comm. proposes that each country in Europe should be able to join and that the institute should be completely independent.

12 GR EC, Par. 98

4.17 **ECONOMIC AND MONETARY UNION**

Res. of C and Member State
representatives of 22 March
1971 and 21 March 1972

Gradual achievement of Economic and Monetary Union.

OJ C 28/71
OJ C 38/72

4.170 **Objectives**

Communiqué summit conf.
of 9/10 Dec. 1974

To ensure satisfactory growth, full employment and stability in EC, to eliminate structural and regional imbalances and to ensure a larger EC contribution to international economic and monetary cooperation.

4.171 **Decision-making procedure**

See conjunctural policy, monetary policy, capital movements and regional policy.

4.172 **Instruments**

C Res. of 22 March 1971
C Res. of 21 March 1972

(a) Ten-year plan for Economic and Monetary Union (EMU), i.e. a zone within which there is freedom of movement of persons, goods, services and capital without causing structural or regional imbalances or distortion of competition :

OJ C 28/71
OJ C 38/72

- which forms an independent monetary whole with complete convertibility, the elimination of margins of fluctuation in exchange rates and the final establishment of parities,
- in which the Community institutions have powers to administer the EMU.

(b) Economic policy coordination group set up, consisting of one representative of competent minister in each Member State and one Commission representative.

Comm. Commun. of
17 Nov. 1977
1978 Action Prog.
(Comm. Commun. of
10 Feb. 1978)

4.172
(contd)

- (c) Five-year action programme, details to be specified annually which revolves around :
- establishment of lasting convergence between economies of Member States (coordination of economic policies, return to greater monetary cohesion and increase in financial resources of EC) ;
 - establishment of a single market ;
 - Community contribution to solving sectoral, structural and social problems.

COM(77) 620 final
COM(78) 52 final

4.173 **State of integration**

Coordination of economic policies of the Member States leaves a lot to be desired ; now more restrictions in movements of capital than at beginning of 1960s ; only limited progress in EC structural policy and fiscal harmonization.

European Monetary Cooperation Fund plays subsidiary role. On 15 April 1978 France, Ireland, Italy and United Kingdom played no part in the EC's exchange-rate mechanism. Member States often disregard procedures for advance consultation when central rates are changed. Cooperation between the central banks of the Member States satisfactory. The introduction of the EMS (see 4.15) opens up new perspectives.

See also conjunctural policy, monetary and financial policy, capital movements, European Monetary System and regional policy.

4.21 **INDUSTRIAL STRUCTURE POLICY**

(see also 2.4 Competition, and 4.12 Regional Policy)

4.210 **Objectives**

Creation of optimum conditions for existing measures to *redevelop and adapt industry* to realities of Common Market. Encouragement and, if necessary, guidance of this development.

Increase in productivity through research and industrial use of technological progress.

Promotion of intra-Community concentration until undertakings reach optimum size :

- to satisfy conditions of EEC domestic market ;
- to increase international competitiveness while,

however,

- maintaining workable system of competition ;
- simultaneously strengthening the efficiency of undertakings in new, larger units.

Coordination of national structural measures to achieve homogeneous industrial structure in Community, and regional balance.

EEC Tr., Art. 100
EEC Tr., Art. 235
EAEC Tr., Art. 203
ECSC Tr., Art. 96

4.211 **Requirements of the Treaties**

Treaties do not expressly provide for industrial structure measures.

Measures can be based on provisions on

- approximation of legislation (see 1.22),
- amendment of Treaties (see. 1.233).

Specific structural policy measures possible under Treaty provisions on

- economic policy (see. 4.101),
- regional policy (see 4.121),
- control of competition (see 2.411, 2.421),
- company and industrial law (see 2.31),
- control and coordination of national aid.

4.212 **Decision-making procedures**

Approximation of legislation (see 1.22),

Amendment of Treaties (see 1.233),

Economic policy (see 4.102, 4.171),

Regional policy (see 4.102),

Control of competition (see 2.412, 2.422),

Company and industrial law (see 2.221),

Control and coordination of national aid (see 2.422).

4.213 **State of integration**

To date, no all-embracing, expressly structural policy measures introduced by C or Comm.

Measures with *inter alia* a structural effect taken as part of

4.213
(contd)

Comm. Dir. of 17 Dec.
1969

C Dir. of 26 July 1971

C Dec. of 26 July 1971

C Dir. of 21 Dec. 1976

- economic policy (see 4.161),
- control of competition, control and coordination of national aid (see 2.413, 2.423),
- liberalization of procedure governing public works contracts.
Ban on treating imported and domestic goods differently.
- Coordination of procedures governing public works contracts
— publication in EC OJ ;
- formation of Advisory Committee for Public Works Contracts.
- Procedures for award of public supply contracts and measures for
- certain less developed areas (see 4.12),
- branches of industry affected by structural changes (see 4.2332, 4.333).
- Adoption by C in 1973 of an initial programme in the field of technological and industrial policy (see 4.215).

OJ L 13/70

OJ L 185/71

OJ L 185/71

OJ L 13/77

OJ C 117/73

4.214

Comm. memorandum 'Industrial Policy for the Community'

On completion of transitional period, EC must endeavour to pursue policy of industrial development, to make economic and political unity of Western Europe irreversible and to ensure continuous economic growth and technical independence from other industrial countries.

EC policy on industrial development should be not only quantitative policy but also a qualitative industrial structure policy, so that

- balanced industrial structure,
- economic growth at high technological level,

can be achieved within EC.

Comm (70) 100 fin.
EP Doc. 226/70—71 and
Annex

4.214
(contd)

Industrial policy proposed by Comm. embraces

Memorandum, Part 2,
Chapter I

C General Programme of 28
May 1969

- Completion of CM ;
- Elimination of technical obstacles to trade to permit Community production without industry having to manufacture a variety of similar products for individual Member States (see 2.13) ;
- Elimination of discrimination in awarding public works contracts ;
- National production not to be maintained for prestige reasons, which make cheaper production at Community level impossible and increase cost of introducing new technological processes ;
- Elimination of tax barriers ;
- Investments to be made in most favourable locations regardless of tax considerations ;
- Unification of legal, taxation and financial framework ;
- Facilitation of mergers of undertakings throughout Member States ;
- *Establishment of 'joint undertakings' in area covered by EEC Tr.* (for joint undertakings in EAEC see 4.2342) ;
 - by setting up, or completely or partially merging, activities of public service organizations whose activities are in public EC interest ;
 - by establishing or merging undertakings whose activities in field of technological development or raw material supply, excluding hydrocarbons industry, are in EC interest ;
- involving partners from at least two Member States ;
- established by C Dec. ;
- legal entity ;
- annual report to Comm. ;
- annex : list of possible concessions.

OJ C 76/69

OJ C 50/71
OJ C 7/72

Memorandum, Part 2,
Chapter II

Comm. Prop. for Reg.
EP Opinion

OJ C 107/71
EP Doc. 158/71—72
EP Doc. 2/72—73

Comm. Prop. for Reg.
Amended Comm. Prop. for
Reg. of 13 May 1975

4.214
(*contd*)

Grant of 'joint undertaking' status to activities in hydrocarbons industry.

Work to create a 'European limited company' (see 2.33).

Elimination of varying tax laws which make mergers difficult and obstruct relations between parent companies and affiliates.

OJ C 106/71
EP Doc. 12/72—73
Bull. EC
Suppl. 4/75

Memorandum, Part 2,
Chapter II

- Industrial restructuring of undertakings,
Support for concentrations where necessary to become internationally competitive,
Support for concentrations to achieve optimum supply of EEC domestic market,
Aid from EIB for amalgamations of undertakings from different Member States.

Memorandum, Part 3,
Chapter I

- *Control over changes and processes of adaptation* by means of investigation into development of industrial structure in major sectors with advanced technology (nuclear engineering, aviation, electronics, data processing). Support to develop efficiency while maintaining competitive situation.

Forecasts of changes in labour market in as many sectors as possible, to allow redundant workers at all levels to be retrained or trained for work in more dynamic sectors.

Memorandum, Part 3,
Chapter III

- Industrial applications of innovations.
Dynamic industrial development and creation of new jobs dependent on speed at which industry exploits results of scientific and technical research.
- Cooperation between specialists in technological forecasting to study new possibilities for industrial production from developing technology and changing needs.

4.214
(cont'd)

- Improved dissemination of results of research.
- Improved cooperation between State and private research institutions.
- Improved business management.
Adjustment to expected changes in marketing and production methods.
Improved cooperation between management and labour.
Adaptation of training of industrial management to new conditions in the Common Market.

4.215

Initial action programme in field of technological and industrial policy

Bull. EC 5—73 Par.
1101-1105, 2232

Programme envisages five main fields of action :

OJ C 117/73

- abolition of technical barriers to trade ;
- gradual and effective liberalization of public and semi-public contracts in EC ;
- promotion of competitive European-scale undertakings ;
- promotion of advanced technology industries and industrial sectors in difficulties ;
- the establishment of the Business Cooperation Centre (2 May 1973).

Motion for a resolution of 9
Aug. 1971
Comm. Prop. for Reg. of 21
Dec. 1973

Initiative by two members of the European Parliament, taken over by Comm. in substantially altered form for establishment of 'European Cooperation Grouping' (ECG).

EP Doc. 108/1971—72
Bull. EC Annex 1—1974

EP Opinion
of 14 June 1977

Objective : Framework established for cross-frontier cooperation, particularly between small- and medium-sized undertakings, based on Community law (legal basis : Art. 235 of the EEC Treaty).

OJ L 163/77

4.215
(contd)

Principal provisions of Comm. proposal :

- ECG set up on contractual basis.
- ECG not to seek to make profits.
- Activities of ECG limited to provision of services for members only and to processing goods or packaging finished products for requirements of members only.
- From date of registration ECG shall enjoy legal capacity.
- Members of ECG jointly and severally liable for debts of grouping.
- Decision-making body of grouping shall be general meeting.
- Profits made by ECG taxable in hands of members.

Comm. intends to transmit an amended proposal to C.

11 GR EC, Par. 132

4.216

Work in progress

Comm. Prop. for Dec. of 28
April 1971

Formation of *Industrial Policy Cttee to*

- coordinate general and sectoral measures forming part of national structural policies
- prepare for structural policy activities of EC by means of investigations and opinions delivered to C or Comm.

No agreement reached in C on formation of Cttee.

Bull. EC 6—71
Par. 41

Comm. Prop. for Reg. of 24
July 1972 (see also
Memorandum, Part 4,
Chapter II)

Industrial development contracts to be concluded by EC to allow technological cooperation between undertakings in different Member States

- Existing mechanisms of this type not capable of encouraging multi-national technological cooperation.

Bull. EC 9—72, Par. 67
EP Doc. 10/73—74

Comm. Commun. of 25
Sept. 1972

Opening of Business Cooperation Centre.

Bull. EC 10—72, Par. 110
Bull. EC 4—73,
Par. 22—38

4.215/4.216

- 4.216 — Undertakings provided with general information.
 (cont'd) — Contact established between undertakings willing to cooperate.
 — Reports to C or Comm. on difficulties or obstructions met by undertakings willing to cooperate.

The Business Cooperation Centre's success rate rose progressively in the first five years of its existence. A total of 140 contracts were made between 1974 and the end of 1977.

12 GR EC
 Par. 123

Comm. Prop. of 31 Oct. 1978

Prop. for a C Reg. on the Community financing of restructuring and conversion operations in crisis-hit industrial sectors. These measures to be applied on a sectoral basis to projects which serve Community objectives and contribute to stable employment. Finance may be in the form of investment premiums or interest rebates, but only when the Member State concerned has implemented its own systems of aid.

OJ C 272/78

Comm. Prop. of 11 Jan. 1979

Two sectoral proposals (for the textile and shipbuilding industries).

COM(78) 769
 fin.

EP Opinion

Opinion delivered by the EP in the light of the two Commission proposals.

OJ C 127/79

4.2161 *STRUCTURAL POLICY IN VARIOUS SECTORS*

4.21611 STEEL INDUSTRY

Comm. Memo. of 26 July
 1971 (in acc. with ECSC Tr.,
 Art. 46)

'General Objectives' for Steel, 1975-1980'

OJ C 96/71

Comm. Commun.

'General Objectives for Steel 1980-1985'

OJ C 232/76

Comm. Commun.

Revision of 'General Objectives for Steel 1985-1990'

OJ C 103/77

In 1975, steel production in EC suffered a decline of 20 % *vis-à-vis* the previous year, thereby dropping to the level of 1968. The simultaneous

4.21611 (cont'd)	reduction in the level of iron and steel prices caused reductions in the number of persons employed in this sector. In order to halt this trend, the Commission introduced the following measures :	
ECSC Tr. Art. 47	— Reinstatement of the four-month and annual forecasting programme concerning production and requirements in Member States.	OJ C 98/75
ECSC Tr. Art. 74, part. 3	— Obligation for companies in the steel industry to make regular declarations on the subject of steel production and on the present situation and the forecast situation as regards employment.	OJ L 130/75 OJ L 190/75
ECSC Tr. Art. 61	— Import and export controls by Member States	
Comm. Commun. of 20 Dec. 1976	— Consultation on the advisability of fixing minimum prices for iron and steel products within the EC.	
Comm. Dec.	Initial crisis measures.	OJ C 304/76
Comm. Dec. of 16 March 1977 EP Opinion	Extension of crisis measures.	Bull. EC 3—77 Bull. EC 4—77 Bull. EC 6—77 Bull. EC 7-8—77
Comm. Commun.	Guidelines for steel policy (preservation of unity and openness of market, maintenance of modernized production capacity, market intervention and retraining and redeployment of workers).	Bull. EC 3—77 Bull. EC 4—77 OJ C 118/77
Comm. Rec. of 15 April 1977 and 28 Dec. 1977	Guidance prices.	OJ L 114/77 OJ C 174/77
C Dec. of 20 Dec. 1977	Automatic import licensing system.	OJ L 114/77 OJ L 352/77
Comm. Dec.	Price discipline for steel (cf. 5.2552).	Bull. EC 12—77
	Interim anti-dumping scheme (valid until 1 April 1978).	OJ L 352/77
	The existing measures were adapted and extended.	12 GR EC Par. 125

4.21611 Revision of the 'General objectives for steel 1980-1985-1990', setting out
(contd) the general framework for the Community's restructuring measures in the
steel industry.

Bull. EC 6—78
Point 1.3.4.

Comm. Commun.
of 31 Oct. 1978

Commission proposals for social measures to help workers affected by
restructuring operations.

COM(78)
570 fin.

ECSC Tr. Art. 55

17 million u.a. were spent in 1975 on technical research in the iron and
steel sector. In 1976 the figure was 17.7 million u.a. and in 1977 12.5
million u.a. In the period from setting up the ECSC to 1977, a total of
127.2 million u.a. has thus been spent on research and innovation and a
total of 16 million EUA. was made available in 1978.

4.21612 NUCLEAR INDUSTRY

See 4.222 Technology and research

4.234 Energy policy

4.21613 TEXTILE INDUSTRY

Comm. Commun.
of 22 July 1971

Approval of document on industrial policy for textile sector

Bull. EC 9-10—71, Point 78

- Comm. traces guidelines to serve for reorganization. Member States
must create the conditions required to allow restructuring to proceed
smoothly. Besides intervention at national level, action by Comm.
envisaged, as general measures aimed at sectors of textile industry.
- Creation of suitable financing possibilities.
- Only gradual opening-up of EC market, to allow for medium-term
reorganization plans.
- Appraisal of national grants from viewpoint of EC development.
- Recourse to European Social Fund in internal conversion projects and
in retraining workers for employment in other sectors.

4.21611/4.21613

4.21613 (contd)	<ul style="list-style-type: none"> — Activities to benefit certain regions as part of the regional policy. — Coordination of individual and collective research (research programme for the textile sector). — Use of development contracts as soon as procedures approved by C. 	<p>EP Doc. 424/74 EP Doc. 287/74 OJ L 111/75</p>
	<p>Acceptance of the Arrangement regarding international trade in textiles by C on behalf of EC on 21 March 1974 so as to reduce disruption caused by imports of certain textiles products.</p>	OJ L 118/74
C Dec.	<p>Extension of Arrangement regarding international trade in textiles until 1981 (see also 5.572).</p>	OJ L 348/77
	<p>Conclusion of 'bilateral limitation agreements' with a certain number of developing countries with a view to limiting imports of textile products into EC, on the basis of Art. 4 of the Arrangement regarding international trade in textiles.</p>	
C. Reg. 3001/75 of 29 Nov. 75	<p>C. Reg. on opening, allocating and providing for the administration of Community tariff quotas for certain textile products from developing countries, with a view to controlling imports.</p>	<p>OJ C 205/75 OJ L 310/75</p>
Comm. Rec.	<p>Tights and stockings subsector.</p>	OJ L 265/76
Comm. Commun. of 8 Dec. 1976	<p>Promotion of textile and clothing industry.</p>	Bull. EC 12—76
Comm. Rec. July 1977	<p>Discontinuation of aid to synthetic fibre industry for two years.</p>	<p>Bull. EC 7-8—77 Bull. EC 11—77</p>
Comm. Commun. of 24 July 1978	<p>Communication to C on general guidelines for a textiles and clothing industry policy.</p>	<p>Bull. EC 7/8-78 Point 2.1.22</p>
Comm. Prop. of 11 Jan. 1979	<p>Comm. proposal for Community aid for restructuring measures in the textile industry, particularly in the man-made fibres industry (see also 4.216).</p>	<p>COM(78) 769 fin.</p>

4.21614 FOOTWEAR INDUSTRY

Comm. Prop. for C Dec.

Collective technological research programme.

OJ C 209/76

Comm. Dec. of Sept. 1977

Setting-up of a Joint Cttee for footwear industry.

OJ L 61/77

Bull. EC 9—77

Comm. Dec.
of 7 April 1978

Introduction of Community surveillance of imports of footwear.

OJ L 94/78

4.21615 DATA-PROCESSING INDUSTRY

C Res. of 15 July 1974

Promotion of data processing.

OJ C 86/74

C Dec. of 22 July 1976

Joint data-processing project.

OJ L 223/76

Comm. Commun.
of 8 Nov. 1976

Multiannual programme for data-processing sector ; continuation of work on this programme.

Bull. EC 10—76
12 GR EC,
Par. 129

C Dec. of 27 Sept. 1977

Studies in : software portability, support of use of informatics in the research centres of EC etc.

OJ L 255/77

Inclusion of data protection problems.

EP Doc. 100/79

4.21616 WOOD AND PAPER INDUSTRY

C has taken note of the proposals put forward by Comm. in 1974 concerning the wood and paper industry which were examined and found to be well founded by the Parliament and the Economic and Social Committee. C does not consider it is in a position to take a decision because of the complexity of the measures proposed.

8 GR EC, Par. 306

4.21617 SHIPBUILDING INDUSTRY

C Dir. of 10 July 1975	Aid to shipbuilding.	OJ L 192/75
C Dir. of 16 Nov. 1976	Amendment of C Dir. of 10 July 1975. These Directives expire on 31 Dec. 1977.	OJ L 320/76
Comm. Prop. of 4 Nov. 1977 EP Opinion C Dir. of 4 April 1978 EP Opinion	Aid to shipbuilding.	OJ C 294/77 OJ C 36/78 OJ L 98/78 OJ C 36/78
Comm. Prop. of 9 Dec. 1977	Setting-up of a shipbuilding Cttee.	OJ C 10/78
Comm. Commun. of 9 Dec. 1977 EP Opinion C Dec. of 19 Sept. 1978	Reorganization of shipbuilding in EC.	Bull. EC Suppl 7/77 OJ C 182/78 OJ C 229/78
Comm. Prop. of 11 Jan. 1979	Commission proposal on Community aid for conversion investments in the shipbuilding industry.	COM(78) 769 fin.

4.21618 AIRCRAFT INDUSTRY

C Res. of 4 March 1975	C requests report from Comm.	OJ C 59/75
Comm. Commun. of 3 Oct. 1975 EP Opinion of 6 July 1976	Action programme for European aircraft industry and air transport.	Bull. EC Suppl 11/75 OJ C 265/75 Bull. EC 7-8—76
C Dec. of 14 March 1977	Criteria for joint programme.	OJ C 69/77
Comm. Prop. of 2 Aug. 1977	Action programme for aeronautical research.	OJ C 210/77
Comm. Commun. of 23 June 1978	Need for concerted action in developing a range of European aircraft based on the Airbus.	Bull. EC 6—78 Point 2.1.19

4.21619

MANUFACTURE OF MOTOR VEHICLES

C Dir. 1968-1977 37 Dirs	Technical harmonization of motor vehicle parts and technical provisions in road transport.	OJ L 42/70
C Dir. of 6 Feb. 1970	Type-approval, permissible sound level.	OJ L 76/70
C Dir. of 20 March 1970	Air pollution by exhaust gases, liquid fuel tanks, registration plates.	OJ L 133/70
C Dir. of 8 June 1970	Steering equipment.	OJ L 176/70
C Dir. of 27 July 1970	Doors, audible warning devices.	OJ L 68/71
C Dir. of 1 March 1971	Rear-view mirrors.	OJ L 202/71
C Dir. of 26 July 1971	Braking devices.	OJ L 152/72
C Dir. of 20 June 1972	Suppression of radio interference.	OJ L 190/72
C Dir. of 2 Aug. 1972	Emission of pollutants.	OJ L 38/74
C Dir. of 17 Dec. 1973	Interior fittings, devices to prevent unauthorized use.	OJ L 159/74
C Dir. of 28 May 1974	Air pollution by exhaust gases.	OJ L 165/74
C Dir. of 4 June 1974	Interior fittings — steering mechanism.	OJ L 221/74
C Dir. of 22 June 1974	Interior fittings — seats.	OJ L 266/74
C Dir. of 17 Sept. 1974	External projections.	OJ L 196/75
C Dir. of 26 June 1975	Reverse and speedometer equipment.	OJ L 24/76
C Dir. of 18 Dec. 1975	Statutory plates and safety-belts.	OJ L 262/76
C Dir. of 27 July 1976	Lighting equipment.	OJ L 26/77
C Dir. of 21 Dec. 1976	Taximeters.	OJ L 47/77
C Dir. of 29 Dec. 1976	Roadworthiness tests.	OJ L 66/77
C Dir. of 8 March 1977	Permissible sound level, exhaust system.	OJ L 145/77
C Dir. of 17 May 1977	Towing devices.	OJ C 177/77
C Res. of 29 June 1977	EEC whole vehicle type-approval.	OJ L 220/77
C Dir. of 28 June 1977	Lighting equipment, safety-belts.	OJ L 267/77
C Dir. of 27 Sept. 1977	Field of vision of drivers.	
C Dir. of 21 Dec. 1977	Type-approval, interior fittings, defrosting and demisting systems, wiper and washer systems.	OJ L 81/78
C Dir. of 12 June 1978	Type-approval, heating systems, wheel guards.	OJ L 168/78
C Dir. of 16 Oct. 1978	Head restraints.	OJ L 325/78

4.21619

C Dir. of 23 Nov. 1978	4.21619	Permissible sound level, exhaust system of motorcycles.	OJ L 349/78
C Res. of 29 June 1977	(cont'd)	EEC whole vehicle type-approval for passenger cars.	OJ C 177/77
C Dir. of 21 Dec. 1977		Type-approval of motor vehicles and their trailers.	OJ L 81/78
C Dir. 1974-1977		Technical harmonization of parts of agricultural and forestry tractor relating to :	
13 Directives :		load platforms, components, mirrors, field of vision, windscreen wipers,	OJ L 84/74
3 Dirs. of 4 March 1974		indicators, lighting, towing devices, roll-over protection structures, emission of pollutants from diesel engines, noise level.	OJ L 191/74
2 Dirs. of 25 June 1974			OJ L 147/75
3 Dirs. of 20 May 1975			OJ L 122/76
Dir. of 6 April 1976			OJ L 262/76
Dir. of 27 July 1976			OJ L 105/77
Dir. of 29 March 1977			OJ L 220/77
2 Dirs. of 28 June 1977			
C Dir. of 25 July 1978		Driver's seat on wheeled tractors.	OJ L 255/78
C Dir. of 16 Oct. 1978		Lighting and light-signalling devices.	OJ L 325/78

4.22 TECHNOLOGY AND RESEARCH

Treaties do not incorporate comprehensive research tasks or powers. Research at present possible only to extent authorized by individual Treaties, limited to specific sectors and by Article 235 of the EEC Treaty.

EC's research activities comprise :

- direct activities carried out by Joint Research Centre and financed in full by EC ;
- indirect activities carried out by research workers, laboratories and universities in Member States and financed in part by EC ;
- coordinated activities, likewise carried out by research workers, laboratories and universities in Member States, but only coordination being financed by EC.

4.221 **Research under ECSC Treaty**

4.2210 *OBJECTIVES*

ECSC Tr., Art. 55

Promotion by Comm. of research on production and increased consumption of coal and steel (in acc. with ECSC Tr., Annex I) and industrial safety.

4.2211 *DECISION-MAKING PROCEDURES*

ECSC Tr., Art. 55 (1)

ECSC Tr., Art. 55 (3)

(a) *Comm., acting on own initiative*

- promotes cooperation between existing research bodies,
- delivers *opinions* to make technical improvements more widely known.

ECSC Tr., Art. 55 (2) (a)

ECSC Tr., Art. 55 (2) (b)

(b) After consulting consultative Cttee, Comm. decides on

- joint financing of research by undertakings,
- allotting research funds received as gifts.

ECSC Tr., Art. 55 (2) (c)

(c) *With assent of C, Comm. approves*

- research funds derived from levies.

4.2212 *STATE OF INTEGRATION*

Current research programmes

ECSC Tr., Art. 55

In 1978, aid to research was granted to:

Coal research (16 million EUA) as part of the medium-term coal research aid programme 1975-1980. In 1978 140 research contracts were in operation, including research on mining technology (gas, dust, ventilation etc.) and coal utilization (coking and hydrogenation).

OJ C 60/74

4.2212 *Steel research* (16 million EUA) involving 140 contracts covering production methods, product improvement, new technology and special applications.
(contd)

Social research in the coal and steel sector (9 million EUA) involving contracts covering mine safety, pollution in the iron and steel industry, ergonomics etc. *Industrial hygiene in mines 1978-1982* (7 million EUA).

OJ C 159/78

4.222 **Research under EAEC Treaty**

4.2220 *OBJECTIVES*

Creation of conditions for rapid establishment and development of nuclear industries

EAEC Tr., Art. 4 (2)

Objectives of research in EAEC Tr., Annex I. Can be amended by C on proposal by Comm.

4.2221 *DECISION-MAKING PROCEDURES*

(a) *C independently appoints*

EAEC Tr., Art. 18

— Members of Arbitration Cttee for licence and patent disputes.

(b) *C, on Comm. proposal,*

EAEC Tr., Art. 9 (2)

— determines by qual. majority details of establishment of an institution of university status,

EAEC Tr., Art. 24 (1)

— security gradings and measures in respect of information acquired during research programmes.

(c) *C decides, on Comm. proposal and after consulting Scientific and Technical Cttee, on*

EAEC Tr., Art. 4 (2)

— amendments to field of activity described in EAEC Tr., Annex I (by qual. majority),

EAEC Tr., Art. 7, Par. 1

— research and training programmes (*unanimously*).

- 4.2221 (cont'd)
- EAEC Tr., Art. 4 (1)
EAEC Tr., Art. 6
EAEC Tr., Art. 7, Par. 4
EAEC Tr., Art. 5, Par. 1
EAEC Tr., Art. 5, Par. 2
EAEC Tr., Art. 5, Par. 4, 5
EAEC Tr., Art. 10
EAEC Tr., 12-19
EAEC Tr., Art. 15
- EAEC Tr., Art. 8
- EAEC Tr., Art 9 (1)
- (d) *Comm. on own initiative, decides on*
- measures to promote research in Member States and carry out EC research programme, reporting to C,
 - *requests or communications* to Member States, etc., relating to information on national research,
 - *opinions* on national research programmes,
 - publication of lists of insufficiently explored sectors of research,
 - commissioning third parties to carry out research projects,
 - dissemination of information in EC possession,
 - action for exchange of information not originating within Community institutions.
- (e) *Comm. decides, after consulting Scientific and Technical Cttee, on*
- establishment of Joint Nuclear Research Centre and Central Bureau for nuclear measurements,
after consulting ESC, on
 - establishment of training schools.

4.2222 *STATE OF INTEGRATION*

Current research programmes:

(a) *Energy from fission (indirect actions)*

- | | | |
|---|--|---------------------------|
| C Dec. 75/406/EAEC | Research programme on management and storage of radioactive waste (1975-1980). | OJ L 178/75 |
| C Dec. 74/642/EAEC
of 17 Dec. 1974
EP Opinion | Recycling of plutonium in light-water reactors (1975-1979). | OJ L 349/74
OJ C 93/74 |

C Dec. 78/843/EAEC
of 10 Oct. 1978

4.2222
(contd)

C Dec. 74/642/EAEC extended to 1980.

OJ L 291/78

C Res. of 22 July 1975
EP Opinion

Investigation into reactor safety (implementation of C Res. of 22 July 1975 on alignment of safety requirements and criteria, coordination of research).

OJ C 185/75

C Dec. 79/345/EAEC
of 27 March 1979
EP Report
EP Opinion

Adopting a programme of research on the safety of thermal water reactors.

OJ L 83/79

EP Doc. 411/78
OJ C 296/78

C Dec. 79/344/EAEC
of 27 March 1979
EP Report
EP Opinion

Adopting a research programme concerning the decommissioning of nuclear power plants.

OJ L 83/79

EP Doc. 473/78
OJ C 6/79

(b) *Controlled thermonuclear fusion and plasma physics*

C Dec. 76/345/EAEC
of 25 March 1976
EP Report
EP Opinion

This part of research and training programme adopted by C on 25 March 1976 (1976-1980) is being implemented by associations linking Comm. and all specialized bodies in Member States. Community contribution amounts to 124 million EUA.

OJ L 90/76

EP Doc. 402/75
OJ C 7/76

C Dec. 78/470/EAEC
of 30 May 1978

Amending Dec. 76/345/EAEC to include the JET project in the research and training programme in the field of fusion and plasma physics.

OJ L 151/78

C Dec. 78/471/EAEC
of 30 May 1978

Establishing a 'Joint European Torus, (JET), Joint Undertaking'.

OJ L 151/78

C Dec. 78/472/EAEC
of 30 May 1978

Conferring advantages on the 'Joint European Torus (JET), Joint Undertaking'.

OJ L 151/78

4.2222
(contd)

(c) *Multiannual research programme for the Joint Research Centre (1977-1980)*

C Dec. 77/488/EEC, EAEC
of 18 July 1977
EP Report
EP Opinion

Those parts of programme concerning nuclear safety account for 39.7 % of total budget of 346 million u.a. This covers : reactor safety, plutonium fuels and actinide research, and management of nuclear materials and radioactive waste.

Future forms of energy (solar energy, hydrogen and thermonuclear fusion) account for 14.5 %, environment and resources for 10.2 %, measurements, standards and reference techniques for 15.4 %, and service and support activities for 20.2 % of the budget.

OJ L 200/77

EP Doc. 283/76
OJ C 238/76

(d) *Scientific and technical education and training*

C Dec. 77/55/EEC, EAEC
of 21 Dec. 1976
EP Report
EP Opinion

Adopting programme in field of scientific and technical education and training.

OJ L 10/77

EP Doc. 379/76
OJ C 293/76

(e) *Uranium exploration and extraction*

C Dec. 78/264/EAEC
of 6 March 1978
EP Report
EP Opinion

Adopting a programme of research and development for the European Atomic Energy Community on uranium exploration and extraction (indirect action, 3 million EUA).

OJ L 77/78

EP Doc. 409/77
OJ C 6/78

4.2223

WORK IN PROGRESS

Proposed programmes

Comm. Prop. for C Res.
EP Report
EP Opinion

on EC plan of action relating to radioactive wastes.

— on establishment of a high-level committee of experts to assist Comm. on matters concerning implementation of plan of action on radioactive wastes.

OJ C 249/77

EP Doc. 576/77
OJ C 85/78

4.2222/4.2223

Comm. Prop. for C Dec. EP Report EP Opinion	4.2223 (<i>contd</i>)	— on setting up ad hoc committee on reprocessing of nuclear fuels.	OJ C 249/77 EP Doc. 576/77 OJ C 85/78
Comm. Prop. for C Dec. EP Report EP Opinion		— on fast breeder option in Community context.	OJ C 199/77 EP Doc. 576/77 OJ C 85/78
Comm. Commun. EP Report EP Opinion		— justification, achievements, problems and action perspectives.	Doc. COM(77) 361 fin EP Doc. 519/77 OJ C 63/78
Prop. for C Dec. EP Report		Multiannual programme for the Joint Research Centre 1980-1983.	OJ C 110/79 EP Doc. 54/79
Prop. for C Dec. EP Report EP Opinion		Research programme on codes and standards for fastbreeder reactors (structural integrity of components).	OJ C 233/78 EP Doc. 493/78 OJ C 6/79
Prop. for C Dec. EP Report EP Opinion		Adopting a research and training programme in the field of controlled thermo-nuclear fusion.	OJ C 299/78 EP Doc. 58/78 OJ C 93/79

4.2224 *EUROPEAN UNIVERSITY INSTITUTE AT FLORENCE*

Background:

CBEA Tr., Art. 9, Par. 2

- 3 June 1955 : proposal to set up a European University first raised at Messina (Conference of Foreign Ministers of the Six),
- 18 July 1961 : again raised at Summit meeting in Bonn 'Creation of a European University by Italy in Florence',
- 19 April 1972 : signature of inter-governmental 'Convention' by Six (adopted by three new Member States),
- ratification procedures.

4.2224
(cont'd)

Programme for establishment :

- 20 March 1975: first meeting of Upper Council of the European University Institute,
- October 1975: preparation of study programme and selection of students,
- October 1976: inauguration of first academic year.

4.223 **Research under EEC Treaty**

4.2231 *REQUIREMENTS OF EEC TREATY*

EEC Tr., Art. 41
EEC Tr., Art. 235

For agriculture only.

In recent years, Article 235 has been widely applied to research not covered by ECSC or EAEC Treaties, and for defining general research policy.

4.2232 *DECISION-MAKING PROCEDURES*

EEC Tr., Art. 235

Cf. Section 1.233.

4.2233 *STATE OF INTEGRATION*

General

C Res. of 14 Jan. 1974

It was not until this C Res. on coordination of national policies and definition of scientific and technological projects of interest to EC that there was any formal basis for research policy going beyond fields covered by ECSC and EAEC Treaties.

OJ C 7/74

4.2224/4.2233

C Res. of 14 Jan. 1974

4.2233
(cont'd)

EC's initial action programme in the field of science and technology laid down a general framework for work.

OJ C 7/74

Comm. Commun.
of 30 June 1977
EP Report
EP Opinion

These Resolutions have recently been supplemented by a common policy in the field of science and technology during the period 1977 to 1980.

OJ C 187/77
EP Doc. 361/77
OJ C 299/77

C Res. of 18 July 1977

Scientific and Technical Research Committee (CREST), composed of delegations from all Member States, assists Comm. and C in preparing common policy. This is of particular importance in coordinating national projects.

OJ C 192/77

A number of advisory committees for programme management assist in implementation of programmes already approved.

Research projects in progress

(a) Energy (non-nuclear)

C Dec. 75/510/EEC
of 22 Aug. 1975
EP Report
EP Opinion
C Dec. 77/54/EEC
of 21 Dec. 1976
EP Opinion

Adopting an energy research and development programme. Indirect action on energy conservation, production and utilization of hydrogen, solar energy, geothermal energy and systems analysis. Authorizing Comm., within specified limits, to transfer funds between different parts of programme.

OJ C 231/75
EP Doc. 526/74

OJ C 76/75
OJ L 10/77
OJ C 293/76

(b) Resources

C Dec. 75/263/EEC
of 6 March 1978
EP Report
EP Opinion

Adopting a multiannual research and development programme in field of primary raw materials. Indirect action (18 million EUA) on exploration, ore processing and mining technology.

OJ L 72/78
EP Doc. 348/77
OJ C 299/77

C Dec. 78/384/EEC
of 17 April 1978
EP Report
EP Opinion

4.2233
(contd)

Multiannual research and development programme (1978-1980) in the field of paper and board recycling (indirect action).

OJ L 107/78
EP Doc. 464/77
OJ C 36/78

(c) Industrial technology

C Res. of 15 July 1974
C Stat. of 14 March 1977

EC policy on data processing.
On industrial policy in aeronautical sector approves a study of opportunities and procedures for a joint effort with regard to basic research.

OJ C 86/74
OJ C 69/77

C Dec. 77/188/EEC
of 14 Feb. 1977
EP Report
EP Opinion

Adopting a technological research programme for footwear industry. Indirect action (235 000 EUA).

OJ L 61/77
EP Doc. 466/76
OJ C 30/77

Comm. Dec. 78/636/EEC
of 29 June 1978

Establishing an Advisory Committee on industrial research and development.

OJ L 203/78

(d) Dissemination of knowledge etc.

C Res. of 26 Nov. 1974

On the automation of legal documentation on Community law (CELEX).

OJ C 20/75

C Dec. 76/310/EEC
of 15 March 1976
EP Report
EP Opinion

Adopting a research programme (1976-1978) for EC in field of reference materials and methods (Community Bureau of Reference). Indirect action, 2.7 million EUA.

OJ L 74/76
EP Doc. 363/75
OJ C 280/75

C Dec. 78/887/EEC
of 9 Oct. 1978
EP Report
EP Opinion

Adopting a second three-year plan of action in the field of scientific and technical information and documentation. The major objectives of the plan are the implementation of Euronet, the development of a market for information within the Community and the promotion of information technology.

OJ L 311/78
EP Doc. 552/77
OJ C 85/78

4.2233
(contd)

C Res. of 14 Jan. 1974

C Dec. 78/668/EEC
of 25 July 1978
EP Report
EP Opinion

(e) *Forecasting*

On a programme of research as an instrument of forecasting, assessment and methodology in EC. On basis of this resolution, a project group of 25 scientists from Member States investigated 'foreseeable or possible developments over the next thirty years, which are likely to affect progress of Europe'. This study, entitled 'Europe plus 30', was completed in 1975.

On a research programme on forecasting and assessment in the field of science and technology (1978-1982). The programme is a follow-up to 'Europe plus 30'

OJ C 7/74

OJ L 225/78
EP Doc. 361/77
OJ C 299/77

(f) *Environment, public health etc.*

See Section 4.52.

(g) *International cooperation*

EC participates in a number of research projects in cooperation with COST (Conférence d'organisation scientifique et technologique), in which 19 European countries are involved. It does not participate in all COST projects, nor does its participation prevent Member States from participating individually. One example is COST project 50/51/52 — coordinated European action on 'materials for gas turbines'.

As part of energy research programme, Comm. participates in coordination of research between members of IEA with a view to avoiding overlapping of its research projects with those of EC.

Together with 40 countries and 3 international organizations, Comm. is also participating in International Nuclear Fuel Cycle Evaluation (INFCE), which started in October 1977.

4.2233 A number of third countries are involved bilaterally in EC research
(cont'd) projects, cf. for instance agreement between EAEC and Sweden for coop-
eration in field of controlled thermonuclear fusion and plasma physics. OJ L 162/76

Finally, on basis of C Resolution of 14 Jan. 1974, EC has established
contact with the European Science Foundation. OJ C 7/75

4.2234 *WORK IN PROGRESS*

General

Comm. Prop. for
C Res.
EP Report
EP Opinion

Guidelines for common policy in field of science and technology.

OJ C 187/77

EP Doc. 361/77
OJ C 299/77

Resources

Comm. Prop. for
C Dec.
EP Report
EP Opinion

Multiannual research and development programme in the field of recy-
cling of urban and industrial waste (secondary raw materials) — indirect
action 1979-1982.

OJ C 233/78

EP Doc. 494/78
OJ C 6/79

Industrial technology

Comm. Prop. for
C Dec.
EP Report
EP Opinion

On the promotion of industrial research projects.

OJ C 187/77

EP Doc. 361/77
OJ C 299/77

4.2233/4.2234

Comm. Prop. for C Dec. EP Report EP Opinion	4.2234 <i>(cont'd)</i>	Proposals for — a multiannual programme (1978-1981) for data-processing sector. — a management and coordinating committee for data-processing programmes. — EC premium scheme for data-processing sector.	OJ C 39/77 EP Doc. 235/77 OJ C 241/77
Comm. Prop. for C Dec. EP Report EP Opinion		An initial programme for aeronautical research and for a management and coordinating committee for research programme in aeronautical industry.	Doc. COM(77) 362 fin. EP Doc. 454/77 OJ C 36/78
Prop. for C Dec. EP Report EP Opinion		<i>Energy:</i> Adopting an Energy Research and Development Programme (1979-1983).	OJ C 228/78 EP Doc. 499/78 OJ C 39/79
Prop. for C Dec. EP Report EP Opinion		<i>Reference materials and methods:</i> Adopting a research and development programme in the field of reference materials and methods (Community Bureau of Reference — BCR) and applied metrology (non-nuclear indirect action) (1979-1982).	OJ C 176/78 EP Doc. 477/78 OJ C 6/79
Prop. for C Dec. EP Report EP Opinion		<i>Climatology:</i> Multiannual research programme in the field of climatology (indirect action 1979-1983).	OJ C 247/78 EP Doc. 478/78 OJ C 6/79

4.23 ENERGY POLICY

4.230 Objectives

Planning and organization of procurement and distribution of secure, cheap and adequate energy supplies for industry and public at Community level, account taken of the following basic situations :

- different economic and technical bases in the competition between energy sources (coal, oil, nuclear power, natural gas, hydro-electric power) ;
- high investments with long amortization period necessary ;
- so far, activity by States predominantly in accordance with national criteria ;
- energy policy at EC level still only in its infancy.

4.231 Energy statistics for 1977 (in million tonnes of oil equivalent)

Primary energy	Production	Gross domestic consumption	Degree of dependence on foreign supply %
FR of Germany	109.0	258.0	60.7
France	41.4	175.4	77.5
Italy	24.8	134.4	83.1
Netherlands	76.5	64.5	— 18.6
Belgium	4.5	43.7	89.2
Luxembourg	0.1	4.4	99.1
United Kingdom	144.1	212.0	29.3
Ireland	1.1	7.2	85.7
Denmark	0.5	20.2	97.4
EC Nine	402.0	916.5	57.1

4.231	Primary energy consumption 1977 EC Nine by products (%)	
<i>(contd)</i>	Coal etc.	18.9
	Lignite etc.	2.9
	Crude oil etc.	54.0
	Natural gas	17.2
	Electricity	4.1
	Residual heat	2.9

4.232 **Legal position**

ECSC Treaty
EAEC Treaty
EEC Tr., Art. 5,
Art. 213, Art. 103.4,
Art. 113
Art. 235

Treaties provide no general powers for drawing up a common energy policy. An energy policy for coal sector can be implemented on basis of ECSC Tr, and a policy on nuclear power can be based largely on EAEC Tr. General energy measures and guidelines regarding oil, gas, electricity and other sources of energy must be reached on basis of those provisions of EEC Tr concerning exchange of information between Member States and EC institutions, procedures in the case of supply difficulties and common commercial policy. Finally, where no other powers are available, recourse must be had to Article 235 of EEC Tr.

4.233 **Energy policy under ECSC Tr.**

ECSC Tr. contains provisions only for energy policy on coal.

ECSC Tr., Art. 3

4.2330 **OBJECTIVES**

- Securing supplies at low price.
- Promotion of undertakings covered by ECSC Tr.
- Reduction of trade barriers.

ECSC Tr., Art. 54, Par. 4

4.2331

DECISION-MAKING PROCEDURES

ECSC Tr., Art. 58 (4)

ECSC Tr., Art. 59 (7)

ECSC Tr., Art. 64

ECSC Tr., Art. 59 (4)

ECSC Tr., Art. 63 (1, 3)

- (a) *Comm. on own initiative, decides on*
- *opinions on investment programmes,*
 - *imposition of fines on undertakings,*
 - *allocation of coal in times of shortage,*
 - *recommendations where ban on discrimination infringed.*

ECSC Tr., Art. 50 (2)

- (b) *Comm. after consulting C*

— *assesses levies.*

ECSC Tr., Art. 53 (b), Par. 1

ECSC Tr., Art. 54, Par. 2

- (c) *Comm. with unanimous assent of C*

— *makes financial arrangements serving purposes of Treaty,*
— *assists industrial investment programmes.*

ECSC Tr., Art. 53 (a)

ECSC Tr., Art. 53 (b), Par. 2

ECSC Tr., Art. 59 (6)

ECSC Tr., Art. 60 (1)

ECSC Tr., Art. 62, Par. 3

- (d) *Comm. after consulting C and Consultative Cttee*

— *determines conditions under which it will authorize financial arrangements common to several undertakings ;*
— *makes recommendations to Member States where financial arrangements inconsistent with ECSC Tr. ;*
— *ends arrangements made in the form of allocation systems in times of shortage ;*
— *defines prohibited practices ;*
— *authorizes equalization payments between undertakings in different coalfields.*

ECSC Tr., Art. 58 (1)

ECSC Tr., Art. 59 (5)

- (e) *Comm. establishes, with assent of C and after consulting Consultative Cttee*

— *systems or production quotas,*
— *restrictions on exports.*

ECSC Tr., Art. 59 (1)
ECSC Tr., Art. 62, Par. 2

4.2331
(contd)

- (f) *Comm. after consulting Consultative Cttee*
- proposes to C measures to eliminate shortage ;
 - authorizes equalization payments between undertakings in same coalfield.

(g) *C decides,*

acting unanimously if proposal from Comm.,
by simple majority if proposal from Member State,

— to end systems of quotas ;

acting unanimously if proposal from Comm.,

— whether serious shortage exists ;

— on consumption priorities in event of shortage (if C does not reach decision, Comm. decides).

ECSC Tr., Art. 58 (3)

ECSC Tr., Art. 59 (1)

ECSC Tr., Art. 59

4.2332 *STATE OF INTEGRATION*

Achievement of Tr. objectives by

- prohibiting discrimination,
- prohibiting subsidies and special charges,
- prohibiting import and export duties, or charges having equivalent effect, and quantitative restrictions on the movement of products,
- prohibiting sharing of markets,
- paying resettlement allowances,
- granting loans,
- promoting research (see 4.221),
- prohibiting agreements restricting competition.

ECSC Tr., Art. 4

ECSC Tr., Art. 56

ECSC Tr., Art. 53, 54

ECSC Tr., Art. 55

ECSC Tr., Art. 65

(a) *General*

On 17 Dec. 1974, C adopted a regulation concerning EC energy policy objectives for 1985. Among other things, EC production of hard coal was to be maintained at current level (approx. 250 million toe) under satisfactory economic conditions.

OJ C 153/75

In its Communication 'Medium-term guidelines for coal 1975 to 1985', Comm. stressed need to stabilize coal production, while at the same time increasing productivity. These guidelines were approved by the C in Dec. of 13 Feb. 1975.

OJ C 22/75

OJ C 179/75

The need to maintain production capacity to meet an expected rise in demand in 1980s has since been stressed by Comm. in several Communications, for instance 'The Community coal market in 1977 and forecasts for 1978'.

OJ C 118/78

The maintenance of production, together with decline in coal consumption and an increase in imports of cheap coal from third countries, has led to sharp increase in stocks of Community coal, which amounted to approximately 34 million tonnes in January 1979.

4.2332
(contd)

In accordance with ECSC Tr. the following measures have now been taken in coal sector :

(b) *Support measures*

Comm. Dec.
73/287/ECSC of
25 July 1973
Comm. Dec.
3544/73/ECSC of
20 Dec. 1973

Concerning coal and coke for the iron and steel industry in the Community. This system, which replaces previous similar arrangements, involves granting partly Community-financed aid to sales of coal and coke to the iron and steel industry. The original Decision provided for this aid to be gradually reduced during 1977 and 1978, as the period of validity of the Decision expired on 31 Dec. 1978.

OJ L 259/73

OJ L 361/73

Comm. Dec.
751/77/ECSC of
12 April 1977
Comm. Dec. of
15 July 1977

— This reduction was postponed for one year, and the latest Comm. Decision of 20 July 1977 postpones it for a further year. The system itself is also extended till 31 Dec. 1981.

OJ L 91/77

OJ L 180/77

Comm. Dec.
528/76/ECSC of
25 Feb. 1976

— Specifies conditions for approval of national aid to the coal industry with a view to rationalizing production structure. Member States are also obliged to provide details of any planned aid measures.

OJ L 63/76

(c) *Price fixing*

Commun. of Comm. on amended text at present valid of Dec. No 30/53 on practices prohibited by Article 60 (1) of the Treaty in the common market for coal and steel.

OJ C 29/73

4.2332
(contd)

Commun. of Comm. on amended text at present valid of Dec. No 4/53 on publication of price lists and conditions of sale by undertakings in coal industry.

OJ C 29/73

Comm. Dec.
72/443/ECSC of
22 Dec. 1972

Comm. Decision of 22 Dec. 1972 on alignment of prices for sales of coal in common market.

OJ L 297/72

(d) *Financial aid*

Commun. from Comm. concerning industrial loans at reduced interest rates which Comm. may grant under Article 54 of ECSC Tr.

OJ C 73/70

Commun. concerning granting financial aids for technical and economic research (coal, iron ore, steel) pursuant to provisions of Art. 55 of ECSC Tr.

OJ C 139/74

Commun. from Comm. concerning granting industrial loans at reduced interest rates under Art. 54 of ECSC Tr. for safety and hygiene purposes, in particular for prevention of nuisances.

OJ C 146/74

(e) *Other fields*

Community monitoring of imports of hard coal originating in third countries.

OJ L 292/77

C Dec.
77/707/ECSC of
7 Nov. 1977

4.2332

4.2333 *WORK IN PROGRESS*

Comm. Prop. for
Reg.
EP Report
EP Opinion

EC financial measures to promote use of coal for electricity generation.

OJ C 22/77
EP Doc. 45/77
OJ C 22/77

Comm. Prop. for
Reg.
EP Report
EP Opinion

EC aid for financing cyclical stocks of hard coal, coke and patent fuel.

OJ C 87/77
EP Doc. 226/77
OJ C 241/77

Prop. for C Reg.
EP Report
EP Opinion
Draft Dec.
EP Report

Community aid system for intra-Community trade in power station coal.

OJ C 243/78
EP Doc. 582/78
OJ C 67/79

Aid for coal and coke for the Community steel industry.

Doc. COM (78)
516 fin.
EP Doc. 69/79

4.234 **Energy policy under EAEC Treaty**

4.2340 *OBJECTIVES*

Promoting an efficient nuclear industry

4.2341 *DECISION-MAKING PROCEDURES*

(a) *C acts unanimously, on proposal by Comm., on :*

EAEC Tr., Art. 47, Par. 4 (a)
EAEC Tr., Art. 47, Par. 4 (b)
EAEC Tr., Art. 48, Par. 2

- participation by EC in financing of joint undertakings,
- participation by non-member States, etc., in joint undertakings,
- conditions governing conferment of special advantages on joint undertakings,

EAEC Tr., Art. 48, Par. 1

4.2341
(contd)

- applicability of advantages listed in EAEC Tr., Annex III, to joint undertakings,
- fixing prices of nuclear fuels.

by qual. majority, on :

- establishment of joint undertakings,
- amendment of statutes of joint undertakings,
- statutes of supply agency,
- inadequacy of prospecting activities,
- financing of emergency stocks.

by simple majority on :

- alteration of time limits for notification of supply contracts.

EAEC Tr., Art. 69, Par. 1

EAEC Tr., Art. 47, Par. 3

EAEC Tr., Art. 50, Par. 2

EAEC Tr., Art. 54, Par. 2

EAEC Tr., Art. 70, Par. 4

EAEC Tr., Art. 72, Par. 2

EAEC Tr., Art. 42, Par. 2

EAEC Tr., Art. 76, Par. 1

- (b) *C unanimously on proposal from Comm. and after consulting EP*
— amends Chapter VI of EAEC Tr. (Supply).

- (c) *C on proposal from Comm. and after consulting Scientific and Technical Cttee may*

- amend list in Annex I of EAEC Tr.

EAEC Tr., Art. 4 (2)

- (d) *C on proposal from Comm. and after consulting Economic and Social Cttee may*

- alter list of persons and undertakings having to notify investment projects.

EAEC Tr., Art. 41, Par. 2

EAEC Tr., Art. 51

- (e) *Comm. solely responsible for*

- carrying out C decisions on establishment of joint undertakings,
- supervision of supply agency established under EAEC Tr., Art. 52,
- authorization of sale of fissile materials outside EC,

EAEC Tr., Art. 53

EAEC Tr., Art. 59, Par. 1 (b)

- EAEC Tr., Art. 60, Par. 2 4.2341
 (cont'd)
- EAEC Tr., Art. 68, Par. 3 — agreeing to long-term supply contracts with non-member States etc., or their nationals,
- EAEC Tr., Art. 70, Par. 2 — fixing prices of *individual* offers,
- EAEC Tr., Art. 70, Par. 1 — *recommendations* to Member States, to develop prospecting for and exploitation of mineral deposits,
- EAEC Tr., Art. 71 — support for prospecting programmes,
- EAEC Tr., Art. 72, Par. 2 — *recommendations* to Member States *on revenue or mining regulations*,
- EAEC Tr., Art. 73 — decisions to build up emergency stocks,
- EAEC Tr., Art. 74 — consenting to supply contracts outside Community,
- EAEC Tr., Art. 74 — exemption of small quantities of fissile materials from provisions of Section VI EAEC Tr.
- EAEC Tr., Art. 40, Par. 2 (f) *Comm. decides, after consulting Economic and Social Cttee, on*
- EAEC Tr., Art. 44 — publication of programmes indicating nuclear energy production and investments required.
- EAEC Tr., Art. 44 (g) *Comm. may, with consent of those concerned*
- EAEC Tr., Art. 44 — publish investment projects communicated to it.

4.2342 *STATE OF INTEGRATION*

No Community powers to guide generation of energy from nuclear fuels

Community can exert considerable indirect influence over energy production by:

- EAEC Tr., Art. 4 — coordinating research at national level,
- EAEC Tr., Art. 7 — carrying out research programmes of its own,
- EAEC Tr., Art. 8 — establishing a Joint Nuclear Research Centre,
- EAEC Tr., Art. 12 ff — disseminating information,
- EAEC Tr., Art. 30 ff

EAEC Tr., Art. 77 ff

4.2342
(contd)

EAEC Tr., Art. 41

EAEC Tr., Art. 45

EAEC Tr., Art. 52 ff

EAEC Tr., Art. 70

EAEC Tr., Art. 172(4)

- organizing health and safety surveillance,
- obligatory notification of planned investments in nuclear industry,
- cooperation in establishment of 'Joint Undertakings' (involving various States or private undertakings from various States),
- creating supply agency, supervised by Comm. to administer fissile materials owned by Community. Contract type depends on fissile materials shortage. Regulations to ensure uniform supply,
- aid for prospecting,
- loans for financing research and development.

The following legal acts have also been approved by virtue of the powers conferred under EAEC Tr.

C Res. of 22 July 1975

(a) *Nuclear safety and safeguards*

Technological problems of nuclear safety.

OJ C 185/75

On 5 Apr. 1973 an Agreement was signed between Belgium, Denmark, the Federal Republic of Germany, Ireland, Italy, Luxembourg, the Netherlands, the EAEC and the International Atomic Energy Agency in implementation of Art. III(1) and (4) of the Tr. on non-proliferation of nuclear weapons.

OJ L 51/78

Comm. Reg. (EAEC) 3227/76 of
19 Oct. 1976

Application of provisions on Euratom safeguards required under Agreement of 5 Apr. 1973 with International Atomic Energy Agency.

OJ L 363/76

(b) *Supplies*

Statutes of Euratom Supply Agency.

Rules of Euratom Supply Agency determining manner in which demand is to be balanced against supply of ores, source materials and special fissile materials.

OJ 27/58

OJ L 32/60

4.2342
(contd)

Amended by Regulation of 25 July 1975.

OJ L 193/75

C Dec. 73/45/EAEC
of 8 March 1973

Amending the Statutes of Euratom Supply Agency following Accession of new Member States to EC.

OJ L 83/73

Comm. Reg. 17/66 EAEC
of 29 Nov. 1966

Exempting transfer of small quantities of ores, source materials and special fissile materials from Rules of Chapter on Supplies.

OJ L 241/66

OJ L 333/74

Amended by
Comm. Reg.
3137/74/EAEC of 12 Dec. 1974
C Res. of 4 June 1974

Supply of enriched uranium to EC.

OJ C 69/74

(c) *Financing*

Comm. Reg. 4/58/EAEC
of 6 Oct. 1958

Investment projects to be communicated to Comm. in accordance with Art. 41 of the EAEC Tr.

OJ 17/58

Comm. Reg. 1/58/EAEC
of 27 Nov. 1958

Procedures for effecting communications prescribed under Article 41 of the EAEC Tr.

OJ 25/58

C Dec. 77/270/EAEC
of 29 March 1977
EP Opinion

Empowering Comm. to issue Euratom loans for purpose of contributing to financing of nuclear power stations.

OJ L 88/77

OJ C 157/75

C Dec. 77/271/EAEC

On the implementations of Dec. 77/270/EAEC.

OJ L 88/77

4.235

Energy policy under the EEC Treaty

4.2350

OBJECTIVES

To establish a common energy policy in those fields not covered by either the ECSC or EAEC Tr. This would involve drawing up a general energy policy strategy for all forms of energy, including coal and nuclear power, as well as a policy for forms of energy other than coal and nuclear power, i.e. oil, gas, wind power, wave power, geothermal energy, solar energy etc.

4.2351 Instruments approved under the EEC Treaty

(a) *General*

C Res. of 17 Sept. 1974	A new energy policy strategy for EC.	OJ C 153/75
C Res. of 17 Dec. 1974	EC energy policy objectives for 1985.	OJ C 153/75
C Res. of 13 Feb. 1974	Measures to be implemented to achieve EC energy policy objectives adopted by the C on 17 Dec. 1974.	OJ C 153/75

(b) *Energy savings*

C Res. of 13 Feb. 1974	EC action programme on rational utilization of energy.	OJ C 153/75
C Dir. 75/404/EEC of 13 Feb. 1975 EP Opinion	Restriction of use of natural gas in power stations.	OJ L 178/75 OJ C 93/74
C Dir. 75/405/EEC of 14 April 1975 EP Opinion	Restriction of use of petroleum products in power stations.	OJ L 178/75 OJ C 125/75
C Res. of 26 June 1975	Setting short-term target for reduction of oil consumption.	OJ C 153/75
C Recomm. 76/492/EEC of 4 May 1976	Rational use of energy by promoting thermal insulation of buildings.	OJ L 140/76
C Recomm. 76/493/EEC of 4 May 1976	Rational use of energy in heating system of existing buildings.	OJ L 140/76
C Recomm. 76/494/EEC of 4 May 1976	Rational use of energy, through better driving habits, of energy consumed by road vehicles.	OJ L 140/76
C Recomm. 76/495/EEC of 4 May 1976	Rational use of energy in urban passenger transport.	OJ L 140/76
C Recomm. 76/496/EEC of 4 May 1976	Rational use of energy for electrical household appliances.	OJ L 140/76

C Recomm. 77/712/EEC of 25 Oct. 1977	4.2351 (contd)	Regulation of space heating, production of domestic hot water and metering of heat in new buildings.	OJ L 295/77
C Recomm. 77/713/EEC of 25 Oct. 1977		Rational use of energy in industrial undertakings.	OJ L 295/77
C Recomm. 77/714/EEC of 25 Oct. 1977		Creation in Member States of advisory bodies or committees to promote combined heat and power production and exploitation of residual heat.	OJ L 295/77
C Dir. of 13 Dec. 1977 EP Report EP Opinion		Performance, maintenance and regulation of heat generators and insulation of heat distribution system in new buildings.	OJ L 52/78 EP Doc. 309/77 OJ C 266/77
C. Recomm. of 5 Feb. 1979 79/167/ECSC, EEC, EAEC EP Report EP Opinion		On the reduction of energy requirements for buildings in the Community.	OJ L 37/79 EP Doc. 309/77 OJ C 266/77
<i>(c) Supplies (oil, gas, electricity etc.)</i>			
C Dir. 68/414/EEC of 20 Dec. 1968 EP Opinion		Obligation on Member States to maintain minimum stocks of crude oil and/or petroleum products.	OJ L 308/68 OJ 20/65
C Dec. 68/416/EEC		Conclusion and implementation of individual agreements between Governments relating to obligation of Member States to maintain minimum stocks of crude oil and/or petroleum products.	OJ L 308/68
C Dir. 72/425/EEC of 19 Dec. 1972		Amending C directive 68/414/EEC.	OJ L 291/72
C Dir. 73/238/EEC		Measures to mitigate effects of difficulties in supply of crude oil and petroleum products.	OJ L 228/73
C Dir. 73/339/EEC of 20 May 1975 EP Opinion		Obliging Member States to maintain minimum stocks of fossil fuels at thermal power stations.	OJ L 153/75 OJ C 85/74
C Dec. 77/186/EEC of 14 Feb. 1977		Exporting of crude oil and petroleum products from one Member State to another in the event of supply difficulties.	OJ L 61/77

Comm. Dec. 78/890/EEC	4.2351	Implementing C Dec. 77/186/EEC.	OJ L 311/78
Comm. Dec. 79/126/EEC of 29 Jan. 1979	(cont'd)	Introducing a system of authorization to be granted automatically by the exporting Member States for trade in crude oil and/or petroleum products between either France, Belgium, the Netherlands or Luxembourg and other Member States, pursuant to C Dec. 77/186/EEC.	OJ L 30/79
79/135/EEC of 6 Feb. 1979			OJ L 32/79
79/397/EEC of 29 March 1979		Setting Community target for reduction in consumption of primary sources of energy in the event of difficulties in supply of crude oil and petroleum products.	OJ L 97/79
C Dec. 77/706/EEC of 7 Nov. 1977			OJ L 292/77
 (d) <i>Support measures</i>			
C Reg. 3056/73 of 9 Nov. 1973		Support of EC projects in hydrocarbons sector.	OJ L 312/73
C Reg. 1302/78 of 12 June 1978		On the granting of financial support for projects to exploit alternative energy sources.	OJ L 158/79 EP Doc. 362/77 OJ C 299/77
EP Report EP Opinion		Fixing the maximum amount of aid to be made available pursuant to C Reg. (EEC) 1302/78.	OJ L 93/79
C Reg. 726/79 of 9 April 1979			On the implementation in the solar energy, solid fuel liquefaction and gasification and geothermal energy sectors.
C Regs. 727-729/79 of 9 April 1979		On the granting of financial support for demonstration projects in the field of energy savings.	OJ L 158/78 EP Doc. 362/77 OJ C 299/77
EP Report EP Opinion			Fixing the maximum amount of aid to be made available pursuant to C Reg. (EEC) 1303/78.
C Reg. 1303/78 of 12 June 1978		Notifying the Comm. of imports of crude oil and natural gas.	OJ L 120/72
EP Report EP Opinion			Applying C Reg. (EEC) 1055/72.
C Reg. 725/79 of 9 April 1979			
 (e) <i>Information and consultation procedures</i>			
C Reg. 1055/72 of 18 May 1972			
C Reg. 1068/73 of 16 March 1973			

C Reg. 3254/74 of 17 Dec. 1974	4.2351 <i>(cont'd)</i>	Applying Reg. (EEC) 1055/72 on notifying Comm. of imports of crude oil and natural gas to petroleum products falling within subheadings 27.10 A, B, C I and C II of Common Customs Tariff.	OJ L 349/74
Comm. Reg. 2677/75 of 6 Oct. 1975		Applying C Reg. (EEC) 3254/74.	OJ L 275/75
C Reg. 388/75 of 13 Feb. 1975		Notifying the Comm. of exports of crude oil and natural gas to third countries.	OJ L 45/75
Comm. Reg. EEC 2678/75 of 6 Oct. 1975		Applying C Reg. 388/75.	OJ L 275/75
C Reg. 1056/72		Notifying Comm. of investment projects of interest to EC in petroleum, natural gas and electricity sectors.	OJ L 120/72
Comm. Reg. 1069/73 of 16 March 1973		Applying C Reg. (EEC) 1056/72.	OJ L 113/72
C Reg. 1215/76 of 4 May 1976		Amending Reg. (EEC) 1056/72.	OJ L 140/76
Comm. Reg. 3025/77 of 23 Dec. 1977		Applying C Reg. (EEC) 1056/72.	OJ L 358/77
C Dir. 76/491/EEC of 28 May 1976		Regarding Community procedure for information and consultation on prices of crude oil and petroleum products in EC.	OJ L 140/76
EP Report			EP Doc. 419/75
EP Opinion			OJ C 28/76

4.2352 *WORK IN PROGRESS*

General

Prop. for C Res. EP Report EP Opinion	Second report from Comm. to C on achievement of Community energy policy objectives for 1985, together with a draft C Resolution.	COM (77) 395 fin. EP Doc. 433/77 OJ C 6/78
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Energy savings

Prop. for C. Dir. EP Report EP Opinion	I. Indication by labelling of the energy consumption of domestic appliances.	OJ C 212/78 EP Doc. 671/78
	II. Application to electric ovens of the C Dir. on the indication by labelling of the energy consumption of domestic appliances.	OJ C 93/79

4.2352
(contd)

Supplies

Comm. Commun.
EP own-initiative report
EP Res.

Problems relating to profitability of EC refining industry, and proposed solutions.

COM (78) 71 fin.
EP Doc. 577/77
OJ C 131/78

Comm. Prop. for C Dir.
EP Report
EP Opinion

Introduction in EC of joint stocks of crude oil and petroleum products.

COM (77) 158 fin.
EP Doc. 16/78
OJ C 131/78

Comm. Prop. for C Dir.
EP Report
EP Opinion

Creation in each Member State of organizations responsible for storing crude oil and/or petroleum products, and on financing these organizations.

COM (77) 158 fin.
EP Doc. 16/78
OJ C 131/78

Comm. Prop. for C Dir.
EP Report
EP Opinion

Amending C Directive of 20 Dec. 1968 imposing an obligation on Member States to maintain minimum stocks of crude oil and/or petroleum products.

OJ C 15/78
EP Doc. 16/78
OJ C 131/78

Support systems

Comm. Prop. for C Reg.
EP Report
EP Opinion

Support for joint hydrocarbon exploration projects (Amendment to Prop. from Comm. to C of 29 Nov. 1974).

OJ C 70/78
EP Doc. 90/78
OJ C 131/78

Information and consultation procedures

Comm. Prop. for C Res.
and Reg.
EP Report
EP Opinion

EC consultation on siting of power stations, and prop. for C Regulation concerning introduction of Community consultation procedure in respect of power stations likely to affect territory of another Member State.

OJ C 31/77
EP Doc. 145/77
OJ C 183/77

4.24 **TRANSPORT POLICY**

4.241 **Common transport policy under EEC Tr.**

4.2410 **OBJECTIVES:**

EEC Tr., Art. 3 (e)
EEC Tr., Art. 74
EEC Tr., Art. 84
Comm. Commun.
of 24 Oct. 1973
EP Opinion

- implementation of common transport policy for rail, road and inland waterways.
 - appropriate provisions on sea and air transport are also authorized.
- In October 1973 the Commission addressed to the Council a 'Communication on the development of the common transport policy'.
A 'Programme of priority actions' was published by the Commission in 1977.

EP Doc. 215/74
OJ C 127/74
11 GR EC.
Par. 362

4.2411 **REQUIREMENTS OF EEC TREATY**

EEC Tr., Art. 75
EEC Tr., Art. 76
EEC Tr., Art. 77
EEC Tr., Art. 78
EEC Tr., Art. 79
EEC Tr., Art. 80

- common rules on international transport to or from or passing through Member States ;
- operation of transport services in Member States by non-resident carriers ;
- standstill clause ;
- aids for the coordination of transport and aids inherent in the concept of a public service ;
- regard for economic circumstances of carriers in fixing price policy ;
- abolition of discrimination in freight rates and conditions of carriage in EC transport ;

EEC Tr., Art. 81

4.2411
(*contd*)

- prohibition of support tariffs ;
- reduction of costs in respect of crossing frontiers ;
- special provisions for Germany ;
- creation of Advisory Committee on Transport.

EEC Tr., Art. 82

EEC Tr., Art. 83

4.2412 *DECISION-MAKING PROCEDURES*

EEC Tr., Art. 84 (2)

EEC Tr., Art. 76

- (a) C, acting unanimously, decides on :
- provisions, for sea and air transport,
 - exceptions from ban on discrimination under national legislation.

EEC Tr., Art. 75 (1)

EEC Tr., Art. 75 (3)

- (b) C, on prop. from Comm. and after consulting EP and Economic and Social Cttee. decides by qual. majority on :
- measures to develop a common transport policy ;
- unanimously on :*
- principles of regulatory system for transport, application of which could seriously affect the standard of living and employment and operation of transport facilities.

EEC Tr., Art. 79 (3)

- (c) C, by qual. majority on Comm. proposal and after consulting Economic and Social Cttee, lays down :
- rules for implementing ban on discriminatory freight rates.

EEC Tr., Art. 79 (4)

EEC Tr., Art. 80 (1) and (2)

EEC Tr., Art. 81

- (d) Comm., on own initiative,
- takes decisions to ensure application of ban on discriminatory freight rates ;
 - takes decisions on exemption from ban on scales of charges involving support payments ;
 - issues recommendations to reduce costs of crossing frontiers.

4.2411/4.2412

EEC Tr., Art. 83

4.2412 (e) *Transport Cttee* to be consulted as required.
(*cont'd*)

Statute Transport
Committee of 15 Sept. 1958
OJ 25/58, amended by C,
Dec. of 22 June 1964
OJ 102/64

4.2413 *STATE OF INTEGRATION*

4.24131 GENERAL PROVISIONS FOR RAIL, ROAD AND INLAND
WATERWAYS

C Dec. of 21 March 1962
EP Opinion (amended by
C Dec. of 22 Nov. 1973)

Procedure for prior examination and consultation.

OJ 23/62
OJ 73/61
OJ L 347/73

C Reg. of 27 June 1960

Elimination of discrimination in transport prices and conditions.

OJ 52/60

C Dec. of 13 May 1965
EP Opinion

Harmonization of certain regulations which affect competition : (outline
decision with timetable).

OJ 88/65
OJ 81/64

C Reg. of 19 July 1968
EP Opinion

Regulations on competition in rail, road and inland waterways.

OJ L 175/68
OJ L 205/64

C Reg. of 26 June 1969
EP Opinion

Establishment of provisions on obligations inherent in concept of public
service :

OJ L 156/69
OJ C 27/68

Comm. Prop.
of 26 May 1978

Proposed amendment to this Regulation.

OJ C 139/78

Member States remove obligations inherent in concept of public service
(obligation to operate, obligation to provide transport, tariff obligation).

4.2412/4.24131

C Reg. of 26 June 1969 (for railways : proposed Reg. to amend this Reg.) Comm. Prop. of 26 May 1978	4.24131 <i>(cont'd)</i>	Common rules on normalization of accounts of transport undertakings and elimination of disparities caused by burdens or advantages. Proposed amendment to this Regulation.	OJ L 156/69 OJ C 106/71 OJ C 139/78
C Reg. of 4 June 1970 (amended by C Reg. of 20 May 1975) EP Opinion		Regulation of aids granted to Member States' rail, road and inland waterway undertakings and public authorities : — Elimination of disparities that distort competition.	OJ L 130/70 OJ L 152/75 OJ 103/67
	4.24132	INLAND WATERWAYS	
C Dir. of 20 Jan. 1976		Reciprocal recognition of navigability licences for inland waterway vessels.	OJ L 21/76
C Dir. of 23 Nov. 1978 EP Opinion		Extension of deadline for the introduction of common provisions establishing technical requirements for inland waterway vessels. Council Decision of 19 Dec. 1978 on the adoption of an additional protocol to the revised Convention for the Navigation of the Rhine on the carrying conditions for vessels from non-Community countries on the waterways of the Rhine Basin.	OJ L 349/78 OJ C 108/78 12 GR EC, Par. 358
	4.24133	RAIL TRAFFIC	
C Dec. of 20 May 1975 EP Opinion		Financial relations between railway undertakings and States.	OJ L 152/75 OJ C 70/72
C Reg. of 12 Dec. 1977 EP Opinion		Comparability between accounting systems and annual accounts of railway undertakings.	OJ L 334/77 OJ C 163/77
C Reg. of 19 Sept. 1978 EP Opinion		Uniform costing principles for railway undertakings for international goods traffic in full train loads. Presentation to the Council of two reports on cooperation between the railway networks and on combined transport.	OJ L 258/78 OJ C 266/77 12 GR EC, Par. 363
C Dec. EP Opinion		Facilitation of inspection in the international carriage of goods by rail in transport operations between the Community and non-Community countries.	12 GR EC, Par. 365 OJ C 108/78

4.24134 ROAD TRAFFIC

<p>C Dir. of 6 Aug. 1962 EP opinion (amended by C Dir. of 19 Dec. 1972) C Dir. of 4 March 1974 C Dir. of 14 Feb. 1977 C Dir. of 20 Feb. 1978</p>	<p>Common rules for international transport (carriage of goods by road for hire or reward).</p>	<p>OJ 70/62 OJ 19/62 OJ L 291/72 OJ L 84/74 OJ L 48/77 OJ L 54/78</p>
<p>C Dir. of 13 May 1965 EP Opinion</p>	<p>Rules on authorization for the carriage of goods by road between Member States.</p>	<p>OJ 88/65 OJ 109/64</p>
<p>C Reg. of 28 July 1966 EP Opinion</p>	<p>Common rules for international road transport of passengers by coach and bus.</p>	<p>OJ 147/66 OJ 62/65</p>
<p>C Reg. of 28 Feb. 1972 EP Opinion (amended by C Reg. of 23 Nov. 1978) EP Opinion</p>	<p>Common rules for shuttle services by coach and bus between Member States.</p>	<p>OJ L 67/72 OJ C 151/70 OJ L 333/78 OJ C 63/78</p>
<p>C Reg. of 28 Feb. 1972 EP Opinion (amended by C Reg. of 20 Dec. 1977) (amended by C Reg. of 12 June 1978) EP Opinion</p>	<p>Common rules for regulation services and regular services and regular specialist services by coach and bus between Member States.</p>	<p>OJ L 67/72 OJ C 151/70 OJ L 158/78 OJ C 63/78 OJ L 358/77</p>
<p>C Dir. of 17 Feb. 1975 EP Opinion</p>	<p>Common rules for certain types of combined road/rail carriage of goods between Member States.</p>	<p>OJ L 48/75 OJ C 138/72</p>
<p>C Dir. of 19 Dec. 1978 EP Opinion</p>	<p>Establishment of common rules for certain types of combined road/rail carriage of goods between Member States.</p>	<p>OJ L 5/79 OJ C 296/78</p>

C Reg. of 19 July 1968
EP Opinion
last amended by
C Reg. of 21 Dec. 1977

4.24134
(cont'd)

EC quota for carriage of goods by road between Member States.

OJ L 175/68
OJ 109/64

OJ L 358/77

Allocation of licences :

Belgium 318 — Denmark 203 — Germany 512 — France 491 — Ireland
60 — Italy 383 — Luxembourg 84 — Netherlands 458 — United
Kingdom 326.

10 % increase in Community quota.

OJ L 366/78
OJ C 261/78

(amended by
C Reg. of 19 Dec. 1978)
EP Opinion

C Reg. of 16 Dec. 1976
Proposed amendment by
Comm. of 12 Dec. 1978

Possibility of converting Community authorizations into short-term
authorizations.

OJ L 357/78
OJ C 309/78

Comm. Prop. of
5 Oct. 1978

Adjustment of capacity for the carriage of goods by road for hire or
reward between Member States.

OJ C 247/78

C Dir. of 12 June 1978
EP Opinion

Statistical returns in respect of the carriage of goods by road as part of
regional statistics.

OJ L 168/78
OJ C 108/78

C Reg. of 12 Dec. 1977
EP Opinion

Bringing into force of AETR.

OJ L 334/77
OJ C 157/75

C Reg. of 30 July 1968
EP Opinion
Reg. last amended by
C Reg. of 18 Dec. 1975
extended by :
C Reg. of 21 Dec. 1976

Introduction of system of bracket tariffs for carriage of goods by road
between Member States.

OJ L 194/68
OJ 109/64
OJ L 329/75

Amended by :
C Reg. of 12 Dec. 1977

Fixing of rates for carriage of goods by road between Member States.

OJ L 334/77

Comm. Prop.
of 20 Sept. 1978

Standardization of forms used for authorizations for international goods
transport by road.

OJ C 237/78

Comm. Rec. of 29 June 1978	4.24134 (cont'd)	General conditions for the application of reference tariffs.	OJ L 202/78
Comm. Dec. of 25 Oct. 1978		Setting of a time limit for the conclusion of negotiations between professional organizations for the establishment of reference tariffs for the carriage of goods by road between Member States.	OJ L 326/78
C Reg. of 21 Dec. 1976		Application of TIR Convention in EC.	OJ L 368/76
C Reg. of 25 July 1978		Customs Convention on the international transport of goods under cover of TIR carnets.	OJ L 252/78
C Dir. of 19 July 1968 EP Opinion		Duty-free limit for fuel.	OJ L 175/68 OJ 28/67
C Dir. of 24 April 1972 EP Opinion		Approximation of laws on motor vehicle insurance against civil liability and enforcement of obligation to insure.	OJ L 103/72 OJ C 19/71
C Dirs. of 12 Nov. 1974 EP Opinions		Admission to the occupation of road haulage and road passenger transport operator.	OJ L 308/74 OJ C 72/68 OJ C 17/69
C Reg. of 25 March 1969 (amended by C. Reg. of 28 Feb. 1972 and 12 Dec. 1977 EP Opinion		Harmonization of certain social legislation relating to road transport.	OJ L 77/69 OJ L 67/72 and OJ L 334/77 OJ 63/67
Comm. Opinion		Equitable application of harmonization regulations.	12 GR EC Par. 368
C Reg. of 20 July 1970 EP Opinion (Reg. amended by C Reg. of 25 June 1973 and 12 Dec. 1977)		From 1975 introduction of equipment in vehicles to record distance travelled, vehicle speed, driving time, attendance, breaks from work and daily rest periods.	OJ L 164/70 OJ C 139/69 OJ L 181/73
C Dir. of 16 Dec. 1976		Minimum level of training for drivers.	OJ L 357/76
C Dir. of 12 Dec. 1977 EP Opinion		Recognition of evidence of qualifications.	OJ L 334/77 OJ C 125/78

Comm. Prop. of 30 Dec. 1978	4.24134 (contd)	Directive on weights and certain other characteristics (not including dimensions) of road vehicles used for the carriage of goods. (For technical harmonization, see 4.21619).	OJ C 16/79
C Rec. of 15 May 1979 EP Opinion		Ratification of the International Convention for Safe Containers.	OJ L 125/79 OJ C 93/79
	4.24135	SEA AND AIR TRANSPORT	
C Reg. 28 Nov. 1962		Suspension of application of the rules on competition to sea and air transport.	OJ 124/62
Comm. Prop. of 30 June 1972 EP Opinion		Comm. prop. on initial measures for air transport (cf. 4.2161).	OJ C 110/72 OJ C 19/73
Comm. Prop. of 1 Oct. 1975 EP Opinion amended Comm. Prop.		Creation of common policy in civil aircraft and aviation sectors.	OJ C 265/75 OJ C 178/76 OJ C 40/77
Comm. Prop. of 15 Dec. 1977		Accession to United Nations Convention on Code of Conduct for Liner Conferences.	COM (77) 686 final
C Dec. of 13 Sept. 1977		Consultation procedure on relations between Member States and third countries on shipping matters.	OJ L 239/77
C Rec. of 26 June 1978 EP Opinion		Recommendation to the Member States on the ratification of Conventions on safety in shipping (protection of the marine environment against pollution by ships, safety of life at sea).	OJ L 194/78 OJ C 163/78
		C Rec. of 21 Dec. 1978 on ratification of the International Convention on training, certification and watchkeeping for seafarers.	12 GR EC Par. 370 OJ L 33/79

C Dec. of 19 Sept. 1978 EP Opinion	4.24135 (contd)	Activities of certain third countries in the field of cargo shipping.	OJ L 258/78 OJ C 131/78
C Dec. of 19 Dec. 1978 EP Opinion		Observance of rules of competition by certain carriers.	OJ L 5/79 OJ C 296/78
C Dir. of 21 Dec. 1978		Pilotage of vessels by deep-sea pilots.	OJ L 33/79
C Dir. of 21 Dec. 1978		Minimum requirements for certain tankers entering or leaving Community ports.	OJ L 33/79
		Approval by Council of list of matters relating to air transport most urgently requiring examination.	12 GR EC Par. 372
	4.24136	SEAPORT POLICY	
EP Res.		EP urges need for initiating EC seaport policy.	OJ C 46/72
		In 1974, Comm. set up a Working Party on Maritime Ports which submitted a report in 1977.	
	4.24137	INFRASTRUCTURE	
C Dec. of 28 Feb. 1966 EP Opinion		Procedure for consultation on investment in transport infrastructure.	OJ 42/66 OJ 62/65
replaced by: C Dec. of 20 Feb. 1978 EP Opinion		Consultation procedure and committee on transport infrastructure.	OJ L 54/78 OJ C 293/76
C Dec. of 22 June 1964 EP Opinion		Organization of a survey of expenditure on infrastructure in respect of transport by rail, road and inland waterways.	OJ 102/64 OJ 24/64
C Reg. of 4 June 1970 EP Opinion		Accounting system for expenditure on infrastructure in respect of transport by rail, road and inland waterways.	OJ L 130/70 OJ C 135/68
Comm. Prop. of 2 Aug. 1978		Amended Reg. on an accounting system for expenditure on infrastructure in respect of transport.	OJ C 204/78
		Presentation of the Commission's fifth report on the accounting system, 20 Feb. 78.	12 GR EC Par. 356

4.242 **Transport policy under ECSC Tr.**

4.2420 *OBJECTIVES*

Availability of information and comparability of rates and market conditions.

4.2421 *REQUIREMENTS OF ECSC TREATY*

ECSC Tr., Art. 70, Par. 1

— Transport undertakings in EC must apply rates offering comparable price conditions to consumers.

ECSC Tr., Art. 70, Par. 2

— Prohibition on discrimination in rates and conditions of carriage based on country of origin or destination of products in traffic between Member States.

ECSC Tr., Art. 70, Par. 3

— Scales, rates and other tariff rules to be published.

CTP of ECSC Tr., § 10

— Establishing direct international tariffs, harmonization of tariffs.

4.2422 *DECISION-MAKING PROCEDURES*

ECSC Tr., Art. 70, Par. 5

General transport policy governed by individual Member States.

ECSC Tr., Art. 70, Par. 4

Comm. approves special internal rates and conditions.

4.242/4.2422

4.2423 *STATE OF INTEGRATION*

Rec. HA of 1 March 1961	— Strict implementation of ECSC Tr., Art. 70.	OJ 18/61
Rec. HA of 25 June 1953 C Commun. of 21 March 1955 C Commun. of 23 March 1959 C Commun. of 22 Nov. 1973	— Introduction of direct international railway rates for coal and steel consignments.	OJ 9/55 OJ 10/56 OJ 22/59 OJ L 347/73
Agreement of 28 July 1956	— Introduction of direct international railway rates for carriage of coal and steel through Swiss territory.	OJ 17/57
Agreement of 26 July 1957 Amended version	— Introduction of direct international railway rates for carriage of coal and steel through the territory of the Austrian Republic.	OJ 6/68 OJ C 49/77
Agreement of 9 July 1957	— Rates and conditions for transport of coal and steel on the Rhine.	OJ 4/58
HA Rec. of 1 March 1961	— Scales, prices and rates applied to transport of coal and steel to be published or notified.	OJ 18/61
C. Commun. of 16 Feb. 1967, amended on 11 Feb. 1974	— Revised uniform transport nomenclature.	OJ 52/67 OJ C 29/74

4.3 **Social policy**

EEC Tr., Art. 117-128

4.30 **OBJECTIVES**

To help achieve CM through close cooperation of Member States and common policy in various spheres (freedom of movement and establishment, vocational training, etc.) (see also 2.213, 2.214).

Social action programme

Objectives : full employment, improvement in living and working conditions, participation of both sides of industry in economic and social decisions

Bull. EC Suppl. 4/73

Until 1971 Community action was by sector only. From 1971, fresh social action on two fronts :

(a) through reform of European Social Fund (1971) (see 4.333).

C Res. of 21 Jan. 1974

(b) adoption of a general social action programme (1974) to give new impetus to Community social policy in all its forms (employment protection, migrant workers, living and working conditions, equality of men and women, measures to combat poverty, etc., see 4.332, 4.336, 4.337, 4.338, 4.339, 4.340, 4.341). Plan in stages. Adoption by the C of the measures proposed by the Comm. within the time limits laid down, with few exceptions, from 1974 to 1978.

OJ C 13/74

4.31 **DECISION-MAKING PROCEDURES**

- EEC Tr., Art. 121 (a) *After consulting ESC, C acting unanimously may authorize Comm. to implement common measures*
— esp. on social security for migrant workers.
- EEC Tr., Art. 126 (b) *After consulting Comm. and ESC, C may unanimously determine*
— new tasks for European Social Fund.
- EEC Tr., Art. 127 (c) *On Comm. prop., C, after consulting ESC and EP, lays down by qual. majority*
— provisions for implementing European Social Fund.
- EAEC Tr., Art. 31 (d) *On prop. from Comm., C, after consulting EP, Scientific and Technical Cttee and ESC, establishes by qual. majority*
— basic standards for protecting health from ionizing radiations.
- EEC Tr., Art. 128 (e) *On Comm. prop., C, after consulting ESC, lays down by simple majority*
— general principles for common vocational training policy.
- EEC Tr., Art. 118 (f) *After consulting ESC, Comm. delivers opinions on*
— promoting cooperation in social problems.
- EAEC Tr., Art. 37 (g) *After consulting experts, Comm. delivers opinions on*
— plans for disposing of radioactive waste.

- 4.31
(contd)
- ECSC Tr., Art. 68 (2 and 3)
- ECSC Tr., Art. 56
- EEC Tr., Art. 122
EEC Tr., Art. 124
C Reg. of 8 Nov. 1971
- EEC Tr., Art. 125 (2c)
- EAEC Tr., Art. 33
- EAEC Tr., Art. 34, Par. 2
EAEC Tr., Art. 38
- ECSC Tr., Art. 56
- ECSC Tr., Art. 56
- ECSC Tr., Art. 69 (5)
- ECSC Tr., Art. 68 (6)
- (h) *Comm., after consulting C and Consultative Committee, recommends*
— measures to counter abnormally low wages in coal and steel industries.
- (i) *Comm., with assent of C, decides on:*
— financing programmes for re-absorbing redundant coal and steel workers in other industries.
- (j) *Comm. alone responsible for:*
— reports to EP on social matters ;
— administration of European Social Fund (Joint Cttee delivers opinions on all important matters, e.g. budget, grants from Fund, impl. regs.);
— giving approval to industrial conversion plans involving assistance from Social Fund ;
— *recommendations* for harmonizing nat. provisions on observing basic health protection standards ;
— assenting to dangerous experiments in EAEC sphere ;
— *recommendations and directives* on radioactivity in air, water and soil ;
— financing programmes for new jobs for redundant coal and steel workers ;
— contributing towards tideover or resettlement allowances and cost of vocational retraining ;
— guidance of Member States in realizing mobility of skilled coal and steel workers ;
— fining undertakings for making non-permissible wage reductions.

OJ L 249/71

4.32

STATE OF INTEGRATION UNDER ECSC AND EAEC TREATIES

ECSC Tr., Art. 56 (2)

— 650 000 persons resettled between 1954 and 1978 in coal and steel industries.

— Housing aid: 160 177 housing units built up to 31 Dec. 1978 (of which 59 % in Germany).

— Setting up of Steel Industry Safety and Health Commission and Mines Safety and Health Commission (1954).

EAEC Tr., Art. 30

C Dir. of 2 Feb. 1959

— Research on protection against radioactivity — basic standards for protecting health against ionizing radiations.

OJ 11/59

Comm. Rec. of 27 July 1966

— Medical checks on workers exposed to particular occupational hazards.

OJ 151/66

4.33

STATE OF INTEGRATION UNDER EEC

4.331

Vocational training

Basic principles laid down and a few limited initiatives by Comm.

C Dec. of 2 April 1963

— *Principles:*

OJ 63/63

— training of teachers, coordination of training standards, priority for agric. and regional vocational training.

Comm. Rec. of 18 July 1966

— *Action on:*

— developing facilities for career guidance,

OJ 154/66

— exchanges of young workers,

3 GR EC Par. 321

— assistance for workers dismissed from Italian sulphur mines,

5 GR EC, Par. 228

4.331
(cont'd)

Comm. Dec. of 18 Dec. 1963
C Dec. of 14 Dec. 1970

- accelerated adult training (programme rejected by C),
- setting up tripartite cttee on vocational training,
- setting up Standing Cttee on Employment (employers, workers and EC) to facilitate coordination of Member States' employment policies,
- initial measures relating to vocational training.

OJ 2/64
OJ L 273/70
EP Doc. 239/72
EP Doc. 83/73

Comm. Commun. of 25
Oct. 1972

In application of the social action programme :

Comm. Dec. of
22 Oct. 1975

- the setting up of a European Vocational Training Centre (headquarters in Berlin).
- the setting up of a European Foundation for the improvement of living and working conditions (headquarters in Dublin).

OJ L 279/75
OJ L 139/75

Reg. No 1365/75

4.332

Equal pay for men and women

Timetable adopted in 1961 for reducing differences in men's and women's pay not adhered to.

Fresh action from 1975 with adoption of three large-scale directives :

- (a) directive on equal pay for men and women ;
- (b) directive on implementation of principle of equal treatment for men and women (access to employment, working conditions, vocational training) ;
- (c) directive on equal treatment for men and women in matters of social security.

OJ L 45/75
OJ C 55/74
OJ L 39/76
OJ C 111/76
OJ L 6/79
OJ C 299/77

EEC Tr., Art. 119
Conference of Reps. of
Govts. of Member States :
Res. of 30 Dec. 1961

C Dir. of 10 Feb. 1975
EP Opinion of
25 April 1974

C Dir. of 9 Feb. 1976
EP Opinion of
29 April 1975

C Dir. of 19 Dec. 1978
EP Opinion of 15 Nov. 1977

4.331/4.332

EEC Tr., Art. 123—128
C Reg. of 25 Aug. 1960

4.333 **European Social Fund**

OJ 56/60

Designed to improve job opportunities for workers and thus contribute to raising standard of living.

C Dec. of 1 Feb. 1971

1971 Reform (end of transitional period: EEC Tr., Art. 126).

OJ L 28/71

OLD FUND

Aim:

EEC Tr., Art. 123

To render employment of workers easier and to increase their geographical and occupational mobility within EC.

Operation:

On application by Member State, fund meets 50 % of conversion costs, with other 50 % from Member State or public corporation, provided certain administrative conditions fulfilled.

NEW FUND (1971 and 1977 reforms)

(a) 1971 reform:

C Dec. of 1 Feb. 1971
C Reg. of 24 April 1972
(budgetary regulations for
European Social Fund)

Fund adapted to economic and social trends in EC:

OJ L 28/71
OJ L 101/72

— field of intervention extended to two spheres:

- measures to counter unemployment caused by EC policies ("Type A" measures),
- measures to combat structural and regional imbalance ("Type B" measures, in which on application Fund participates to maximum of 50 %),

C Reg. of 8 Nov. 1971	4.333 (contd)	— extension of scope :	OJ L 249/71
		— grants also to persons other than wage-earners,	
		— also to bodies governed by private law,	
		— also as contribution to training for highly-skilled occupations,	
		— list extended to cover young workers, older workers, women, handicapped persons,	
		— drawing up of multi-year programmes,	
C Dec. of 21 April 1970		— creation of Fund's own resources (as part of gradual introduction of EC's own resources),	OJ L 94/70
C Dec. of 8 Nov. 1971		— extension of intervention by European Social Fund to French over- seas departments.	OJ L 249/71
C Reg. of 20 Dec. 1977		(b) 1977 reform :	OJ L 337/77
		— rate of intervention by Fund increased to 55 % for the Mezzo- giorno, Greenland, Northern Ireland and French overseas depart- ments.	
EP Res. of 9 June 1971 and 18 Oct. 1971		<i>Unfulfilled demands of EP:</i>	OJ C 66/71 OJ C 114/71
		— extension of terms of reference of Fund Cttee,	
		— funds for pilot studies.	
		<i>Decisions on action by Fund:</i>	
C Dec. of 27 Jun. 1974		Action by the European Social Fund for migrant workers	OJ L 185/74
C Dec. of 20 Dec. 1977		(renewed in 1977).	OJ L 337/77
C Dec. of 22 July 1975		Action by Fund to assist young people under 25 seeking employment for first time.	OJ L 199/75

C Reg. of 18 Dec. 1978

4.333
(cont'd)

Creation of new types of aid from the European Social Fund to intensify action against unemployment among young people.

OJ L 361/78

(a) Types of aid : — premiums to promote the recruitment of young people under 25 years of age who are unemployed or seeking employment, by means of additional jobs fulfilling a public need (excluding jobs with public authorities);

— premiums to promote recruitment and encourage undertakings to expand their workforce.

(b) Amount of aid : 30 EUA per person per week for a maximum of 12 months.

(c) Entry into force of Regulation : 1 Jan. 1979.

C Dec. of 9 Feb. 1976

Action by Fund to assist textile and clothing industries.

OJ L 39/76

C Dec. of 20 Dec. 1977

Action by Fund to assist women.

OJ L 337/77

4.334

Present position regarding the European Social Fund

Old Fund in the period 20 September 1960 to 31 December 1974 the European Social Fund paid 379.4 million u.a. benefits to 1 837 300 workers.

Main beneficiaries of old Social Fund : Germany (42.3 %) and Italy (36 %).

New Fund : in period 1 January 1972 to 31 December 1977, assistance of 1 857 million u.a. was granted from Fund.

Main beneficiaries : United Kingdom (29 %), Italy (27 %), France (19.5 %) and Ireland (7 %).

Social Security for Migrant Workers*Aim :*

To provide freedom of movement for workers by coordinating social security systems of Member States so that migrant workers entitled to benefit irrespective of place of work within EC.

EEC Tr., Art. 51

Scope :

- before 1971 : wage-earners entitled to benefit, but not self-employed. Limited extension of benefits to seasonal and frontier workers; seamen included in 1967;
- reform of 1971-72 : more generous interpretation of term 'social security';
- practically all branches of social security covered; 1971-72 reform increases benefits and simplifies calculation and payment procedures;
- also applies to French overseas territories;
- replaces bilateral and multilateral social security conventions between Member States unless these gave workers greater benefits or had been rescinded.

OJ 30/58

OJ L 149/71
OJ L 74/72
OJ L 86/73

CJEC judgment interprets C Reg. of 25 Oct. 1958 generously in favour of those entitled to benefit.

Summary :

About 2 million persons a year benefit from this Reg.

C Reg. of 25 Oct. 1958

C Reg. of 14 June 1971
C Impl. Reg. of 21 March
1972
C Impl. Reg. of 26 March
1973

4.336

Mass dismissals

In order to protect workers against mass dismissals :

Directive on safeguarding employees' rights in the event of mergers, take-overs or amalgamations.

OJ L 61/77

OJ C 95/75

C Dir. of 14 Feb. 1977
EP Opinion of
8 April 1975

4.337

Working hours and holidays :

Adoption of a Recommendation to the Member States that the principle of the 40-hour week and four weeks' annual paid holiday (not including public holidays) be applied by 31 Dec. 1978.

OJ L 199/75

OJ C 55/74

The application of the principle must not result in any reduction in pay.

C. Dec. of 17 June 1975
EP Opinion of 25 April 1974

4.338

Adoption of a programme of pilot schemes and studies to reduce poverty in the Community

Duration of programme : 1975 and 1976.

OJ L 199/75

OJ C 128/75

OJ L 322/77

C Dec. of 22 July 1975
EP Opinion of 13 May 1975
C Dec. of 12 Dec. 1977
EP Opinion

Extended to 1979.

Amount of appropriations allocated : 9 100 000 u.a. from 1975 to 1978 inclusive.

Appropriations granted for 1979-80 :
9 200 000 u.a.

50 % financing of projects by Community.

4.339

Trade union rights of migrant workers

Reg. of 9 Feb. 1975

Adoption of a Regulation entitling migrant workers in the Community to equal rights to those of nationals as regards the exercise of all trade union responsibilities in undertakings.

OJ L 39/76

4.340

European Foundation for the improvement of living and working conditions

Reg. of 26 May 1975

The seat of the Foundation was established in Ireland. Its task is that of a European Institute for Research on living and working conditions and of a clearing house for exchange of information and experience between Member States.

OJ L 139/75

4.341

European Trade Union Institute

Set up by European Trade Union Confederation and the Commission in 1977 and granted an operational budget of 500 000 EUA by EP for 1978.

Task: to promote better training and information of workers and their trade union organizations.

Seat: Brussels.

Public Health

Within the context of the approximation of legal provisions, EC activity is proceeding along four main lines :

— *Foodstuffs and veterinary legislation* (see 3.52),

— *Pharmaceutical products*.

Comm. Props adopted by C :

1st C Dir. of 26 Jan. 1965
2nd C. Dir. of 20 May 1975

Approximation of legislation relating to proprietary medicinal products.

OJ 22/65
OJ L 147/75
OJ L 147/75

C. Dir. of 20 May 1975

Standards and protocols relating to analytical, pharmaco-toxicological and clinical standards of proprietary medicinal products,

C. Dec. of 20 May 1975

setting up a pharmaceutical committee,

OJ L 147/75

C Dir. of 12 Dec. 1977

— Colouring matters which may be added to medicinal products.

OJ L 11/78

— *Dangerous substances*,

C. Dir. of 27 June 1967
Dir. of 24 June 1975

Classification, packaging and labelling of dangerous substances.

OJ 196/67
OJ L 183/75

C. Dir. of 4 June 1973

Classification, packaging and labelling of dangerous preparations (solvents).

OJ L 189/73

C. Dir. of 7 Nov. 1977
EP Rep.
EP Opinion

Classification, packaging and labelling of paints, varnishes, adhesives and similar products.

OJ L 303/77
EP Doc. 420/75
OJ C 28/76

C Dir. 76/769
of 27 July 1976
EP Opinion of
21 Feb. 1975

— Restrictions on the marketing and use of certain dangerous substances and preparations.

OJ L 262/76
EP Doc. 394/74
OJ C 60/75

C Dir. 78/631
of 26 Aug. 1978
EP Opinion of
14 Jan. 1977

— Classification, packaging and labelling of dangerous preparations (pesticides).

OJ L 206/78
EP Doc. 16/75
EP Doc. 463/76
OJ C 30/77

C Dir. 79/117
of 21 Dec. 1978
EP Opinion of
14 Jan. 1977

4.4
(*contd.*)

— Prohibiting the placing on the market and the use of plant protection products containing certain active substances.

OJ L 33/79
EP Doc. 455/76
OJ C 30/77

C. Dir. of 27 July 1976
EP Rep.
EP Opinion

— *Cosmetic products,*
Cosmetic products.

OJ L 262/76
OJ C 62/73
EP Doc. 35/73 and 383/73

Work in progress

Prop. for Dir.
EP Rep.
EP Opinion

Safety glass for use in motor vehicles.

OJ C 119/72
Doc. 13/73
OJ C 37/73

Prop. for Dir.
EP Opinion of
19 Nov. 1976

— Veterinary medicinal products.

OJ C 152/76
EP Doc. 421/76
OJ C 293/76

Prop. for Dir.
EP Opinion of
19 Nov. 1976

— Analytical, pharmaco-toxicological and clinical standards and protocols in respect of testing veterinary medicinal products.

OJ C 152/76
EP Doc. 421/76
OJ C 293/76

4.41

HEALTH PROTECTION OF WORKERS

The following cttees were set up to safeguard the health and safety of workers :

C. Dec. of 9 and
10 May 1957

— The Mines Safety and Health Committee,

OJ 28/57

— Extension of terms of reference,

OJ L 185/74

— The Steel Industry Safety and Health Committee.

C Dec. of 27 June 1974	4.41 (contd)	— The Advisory Committee on Safety, Hygiene and Health at Work.	OJ L 185/74
C. Dir. of 18 Dec. 1975		Electrical equipment for use in potentially explosive atmospheres.	OJ L 24/76
C. Dir. of 1 June 1976		Revised basic safety standards for health protection of general public and workers against dangers of ionizing radiation.	EP Doc. 387/73 OJ L 187/76
C. Dir. of 27 July 1976		Common provisions for pressure vessels and methods of inspecting them.	OJ L 262/76
C Dir. of 20 March 1977 EP Rep. EP Opinion		Driver-perceived noise level of agricultural or forestry tractors fitted with wheels.	OJ L 105/77 EP Doc. 193/74 OJ C 127/74
C Dir. of 27 July 1977 EP Rep. EP Opinion		Safety information at the work place.	OJ L 229/77 EP Doc. 217/77 OJ C 178/76
C Res. of 29 June 1978 EP Opinion of 12 June 1978		EC action programme on safety and health at work.	OJ C 165/78 EP Doc. 97/78
C Dir. 78/610 of 29 June 1978 EP Opinion of 13 June 1977		Protection of the health of workers occupationally exposed to vinyl chloride monomer;	OJ L 197/78 EP Doc. 459/76 OJ C 163/77
C Dir. 79/196 of 6 Feb. 1979 EP Opinion of 12 May 1978		Electrical equipment for use in potentially explosive atmospheres and employing certain types of protection.	OJ L 43/79 EP Doc. 61/78 OJ C 131/78

4.411

Work in progress

Prop. for Dir.
EP Rep.
EP Opinion

— Seamless steel gas cylinders.

EP Doc. 221/73
OJ C 2/74
COM (72) 1689 def.
EP Doc. 221/73
OJ C 2/74

Prop. for Dir.
EP Rep.
EP Opinion

— Seamless aluminium alloy gas cylinders.

OJ C 104/74
EP Doc. 384/74
OJ C 5/75

Prop. for Dir.

— Emission of pollutants from diesel engines for use in wheeled agricultural or forestry tractors.

OJ C 10/76

Prop. for Dir.
EP Opinion of
14 March 1975

— Constructional plant and equipment.

OJ C 82/75
EP Doc. 517/74
OJ C 76/75

Prop. for Dir.
EP Opinion of
14 March 1975

— Electro-medical equipment and medical X-ray equipment operating at 10 to 400 kV.

OJ C 33/75
EP Doc. 517/74
OJ C 76/75

Prop. for Dir.
EP Opinion of
27 April 1979

— Safety requirements for tower cranes for building work.

OJ C 25/79
EP Doc. 53/79

Prop. for Dir.

— Protection of workers from harmful exposure to chemical, physical and biological agents at work.

OJ C 89/79

4.5 Environmental protection

C Decl. of 22 Nov. 1973

4.50 OBJECTIVES

OJ C 112/73

- to prevent, reduce and as far as possible eliminate pollution and nuisances ;
- to maintain a satisfactory ecological balance and ensure the protection of the biosphere ;
- to guide development in accordance with prescribed quality standards, especially by improving working conditions and the quality of life ;
- to ensure that more account is taken of environmental aspects of town planning and land use ;
- to seek common solutions to environmental problems with States outside the Community, particularly in international organizations.

4.51 LEGAL POSITION

EEC Tr. Preamble
Art. 2, 3, 36, 92, 100,
101, 102, 116, 117,
118, 189, 228, 229,
230, 231, 235, 236,
EAEC Tr. Art. 35-38

The Treaties include no direct provisions for the establishment of a coordinated environmental policy. The provisions that can be invoked in this field can only be applied indirectly.

EP Doc. 15/72

MEASURES TAKEN TO SOLVE ENVIRONMENTAL PROBLEMS

C Agrmt. of 5 March 1973

— with a view to harmonization of urgent measures concerning the protection of the environment.

OJ C 9/73

C. Decl. of 22 Nov. 1973

EP action programme on the environment and Props. for related measures

OJ C 112/73
EP Doc. 9/72
EP Doc. 74/72
EP Doc. 106/73

The programme is based on 11 principles, amongst which are :

- the necessity of preventive action,
- the 'polluter pays' principle,
- the principle of action at the most appropriate level.

The proposed actions are divided into three main categories :

- measures to reduce pollution and nuisances,
- measures to improve the environment and living conditions,
- international action.

C Res. of 17 May 1977
EP Opinion of
8 July 1976

Continuation and implementation of a European Community policy and Action Programme on the Environment.

OJ C 139/77
EP Doc. 217/76
OJ C 178/76

C Reg. 26 May 1975

Creation of a European Foundation for the improvement of living and working conditions

OJ L 139/75
EP Doc. 93/74
EP Doc. 94/74

4.52
(cont'd)

International measures

C. Res. of 3 March 1975

Concluding the convention for the prevention of marine pollution from land-based sources.

OJ L 194/75

Comm. draft Prop.
for a C Dec.
EP Rep.
EP Opinion

Concluding the European Convention for the protection of international watercourses against pollution.

OJ C 99/75
EP Doc. 516/74
OJ C 76/75

The Rhine

Acting on own initiative, EP has adopted Res. calling on Comm. to submit plans and Props. on :

EP Res. of 19 Nov. 1970

— conservation of inland waterways, with particular reference to pollution of the Rhine,

OJ C 143/70
EP Doc. 161/70

EP Res. of 16 Dec. 1971

— pollution of rivers, particularly the Rhine,

OJ C 2/72

EP Res. of 20 June 1975

— acute danger of further pollution of the Rhine.

OJ C 157/75

Comm. is participating as an observer in the International Commission for the Protection of the Rhine against Pollution (ICPR) and will submit to C a Prop. requesting authority to participate in negotiations with a view to EC signing a Conv. on chemical pollution of the Rhine.

SEC (75) 1774

C. Dec. of 25 July 1977
EP Rep.
EP Opinion

Convention for protection of the Rhine against chemical pollution and Additional Agrmt of 1963 concerning the ICPR.

OJ L 240/77
EP Doc. 400/76
OJ C 293/76

Mediterranean

Comm. will submit Prop. requesting authority to participate in negotiations with a view to EC signing an outline Agrmt. concerning land-based marine pollution of the Mediterranean which is being drafted on the initiative of the United Nations Environment Programme (UNEP).

SEC (75) 1774

C. Dec. of 25 July 1977
EP Rep.
EP Opinion

4.52
(cont'd)

Convention on the protection of the Mediterranean Sea against pollution and Protocol on the prevention of the pollution of the Mediterranean Sea by dumping from ships and aircraft (Barcelona Convention).

OJ L 240/77
EP Doc. 334/76
OJ C 259/76

Research projects

C. Dec. of 15 March 1976
EP Rep.
EP Opinion

Research programme (1976-80) in environmental field (indirect action).

OJ L 74/76
EP Doc. 328/75
OJ C 280/75

C. Dec. of 27 Sept. 1977
EP Rep.
EP Opinion

Research programme in field of treatment and use of sewage sludge (concerted action).

OJ L 267/77
EP Doc. 123/77
OJ C 163/77

Comm. Prop. for C. Dec.

Research on physico-chemical behaviour of sulphur dioxide in the atmosphere.

OJ C 222/75

Comm. Prop. for C. Dec.

Analysis of organic micro-pollutants in water.

OJ C 222/75

Comm. Prop. for C. Dec.

Five-year research and training programme of the European Atomic Energy Community in the field of biology and health protection.

OJ C 222/75
EP Doc. 336/75

Comm. Prop. for C. Dec.
EP Rep.
EP Opinion

Growth of large urban concentrations (concerted action).

OJ C 199/77
EP Doc. 351/77
OJ C 299/77

Bird Protection

EP, acting on its own initiative, has adopted Decisions calling on the Commission to submit proposals for legally binding Community regulations on the protection and conservation of birds.

EP Doc. 449/74
EP Doc. 153/75
EP Doc. 473/75
EP Doc. 329/76

Rec. Comm. of 20 Dec. 1974
Comm. Prop. for C Dir.

Protection of birds and their habitats.

OJ L 21/75
OJ C 24/77

C Dir. 79/409 of
2 April 1979
EP Opinion of
14 June 1977

Bird conservation.

OJ L 103/79
EP Doc. 113/77
OJ C 163/77

STATE OF INTEGRATION

- | | | |
|---|---|---|
| C Dir. of 20 March 1970
amended 28 May 1974 | — Measures to be taken against air pollution by exhaust gases from certain motor vehicles. | OJ L 76/70
OJ L 159/74 |
| C Dir. of 6 Feb. 1970
amended 7 Nov. 1973
Prop. Comm. Amendment | — Permissible sound level of motor vehicle exhaust systems. | OJ L 42/70
OJ L 321/73
OJ C 113/74 |
| C Dir. of 2 Aug. 1972 &
corrigendum | — Measures to be taken against the emission of pollutants from diesel engines. | OJ L 190/72
OJ L 215/74 |
| C. Dir. of 22 Nov. 1973 | — Detergents. | OJ L 347/73 |
| C. Dir. of 22 Nov. 1973 | — Methods of testing the biodegradability of anionic surfactants. | OJ L 347/73 |
| C. Res. of 3 March 1975 | — Energy and environment. | OJ C 168/75 |
| C. Rec. of 3 March 1975 | — Cost allocation and action by public authorities on environmental matters (polluter pays principle). | OJ L 194/75 |
| C. Dir. of 28 April 1975
EP Rep.
EP Opinion | — Mountain and hill farming and farming in less-favoured areas. | OJ L 128/75
EP Doc. 11/73 and 439/74
OJ C 37/73 and C 32/75 |
| C. Dir. of 20 May 1975
EP Rep.
EP Opinion | — Aerosols. | OJ L 147/75
EP Doc. 150/73
OJ C 83/73 |
| C. Dir. of 16 June 1975 | — Quality of surface water for abstraction of drinking water. | EP Doc. 84/74
OJ L 194/75 |
| C. Dir. of 16 June 1975 | — Disposal of waste oils. | EP Doc. 132/74
OJ L 194/75 |
| C. Res. of 24 June 1975 | — Revised list of second-category pollutants to be studied as part of EC programme of action on the environment. | EP Doc. 514/74
OJ C 168/75 |
| C. Dec. of 24 June 1975 | — Common procedure for exchange of information between the surveillance and monitoring networks based on data relating to atmospheric pollution caused by certain sulphur compounds and suspended particulates. | EP Doc. 514/74
OJ L 194/75 |
| C. Dec. of 26 June 1975 | — Programme on management and storage of radioactive waste. | EP Doc. 23/75
OJ L 178/75 |

C. Dir. of 15 July 1975	4.53 (contd)	— Waste.	EP Doc. 383/74 OJ L 194/75
C. Res. of 15 July 1975		— Adaptation to technical progress of Directives or other Community rules on protection and improvement of the environment.	EP Doc: 101/74 OJ C 168/75
C. Dir. of 24 Nov. 1975		— Sulphur content of certain liquid fuels.	EP Doc. 103/74 OJ L 307/75
C. Dir. of 8 Dec. 1975		— Quality of bathing water.	EP Doc. 53/75 OJ L 31/76
C. Dec. of 8 Dec. 1975		— Establishment of common procedure for setting up and constant updating of inventory of sources of information on the environment in EC.	EP Doc. 141/75 OJ L 31/76
C. Dir. of 6 April 1976		— Disposal of polychlorinated biphenyls (PCB) and terphenyls.	OJ L 108/76
C. Dir. of 4 May 1976		— Pollution caused by certain dangerous substances discharged into the aquatic environment of EC.	OJ L 129/76
C. Dir. of 27 July 1976		— Restrictions on marketing and use of certain dangerous substances and preparations.	EP Doc. 103/74 OJ L 262/76
C. Dec. of 23 Nov. 1976		— Establishment of Standing Committee on Plant Health.	OJ L 340/76
C. Dir. of 23 Nov. 1976 EP Rep. EP Opinion		— Maximum levels for pesticide residues in and on fruit and vegetables.	OJ L 340/76 EP Doc. 60/69 OJ C 97/69
C. Res. of 12 Dec. 1977 EP Rep. EP Opinion		— Uniform procedure for exchange of information on quality of surface fresh water in EC.	OJ L 334/77 EP Doc. 205/76 OJ C 178/76

C Dir. 77/12 of 29 March 1977 EP Opinion of 15 Jan. 1976	4.53 (cont'd)	— Biological screening of the population for lead.	OJ L 105/77
C Dir. 78/176 of 20 Feb. 1978 EP Opinion of 13 Jan. 1976		— Waste from titanium oxide industry.	EP Doc. 399/75 OJ C 28/76
C Dir. 78/319 of 20 March 1978 EP Opinion of 14 Jan. 1977		— Toxic and dangerous wastes.	OJ L 54/78
C Dir. 78/611 of 29 June 1978 EP Opinion of 10 May 1975		— Lead content of petrol.	EP Doc. 457/75 OJ C 28/76
C Rec. of 30 May 1978 EP Opinion of 16 Dec. 1977		— Fluorocarbons in the environment.	OJ L 84/78
C Dir. 78/359 of 18 July 1978 EP Opinion of 14 Jan. 1977		— Quality of fresh waters needing protection or improvement in order to support fish life.	EP Doc. 446/76 OJ C 30/77
C Dir. 78/1015 of 23 Nov. 1978 EP Opinion of 14 May 1976		— Permissible sound level and exhaust system of motor cycles.	OJ L 197/78
C Rec. 79/3 of 19 Dec. 1978 EP Opinion of 11 May 1978		— Methods of evaluating the cost of pollution control to industry.	EP Doc. 339/75 OJ C 280/75
C Dir. of 19 Dec. 1978 EP Opinion of 15 Jan. 1976		— Quality of water for human consumption.	OJ C 133/78 EP Doc. 417/77 OJ C 6/78
			OJ L 222/78
			EP Doc. 465/76 OJ C 30/77
			OJ L 349/78
			EP Doc. 93/76 OJ C 125/76
			OJ L 5/79
			EP Doc. 85/78 OJ C 131/78
			OJ L 5/79 EP Doc. 418/75 OJ C 28/76

WORK IN PROGRESS

Comm. Prop. for Dir.
EP Rep.
EP Opinion

— Ceramic articles intended to come into contact with food.

OJ C 46/75
EP Doc. 18/75
OJ C 95/75

Comm. Prop. for Dir.
EP Rep.
EP Opinion

— Reduction of water pollution caused by wood pulp mills.

OJ C 99/75
EP Doc. 78/75
OJ C 111/75

Comm. Prop. for Dir.
EP Rep.
EP Opinion

— Air quality standards for lead.

OJ C 151/75
EP Doc. 399/75
OJ C 28/76

Comm. Prop. for Dir.
EP Rep.
EP Opinion

— Dumping wastes at sea.

OJ C 40/76
EP Doc. 216/76 and 375/76
OJ C 293/76

Comm. Prop. for Dir.
EP Rep.
EP Opinion

— Use of fuel-oils with aim of decreasing sulphurous emissions.

OJ C 54/76
EP Doc. 92/76
OJ C 118/77

Comm. Prop. for Rec.
EP Rep.
EP Opinion

— Permissible sound levels for pneumatic concrete-breakers and jack-hammers, motorcycles, tower cranes, current generators for welding, current generators for power supply.

OJ C 82/75
OJ C 54/76
EP Doc. 517/74,
73/76, 93/76
OJ C 76/75
OJ C 125/76

Comm. Prop. for Dir.
EP Rep.
EP Opinion

— Health protection standards for sulphur dioxide and suspended particulate matter in urban atmospheres.

OJ C 63/76
EP Doc. 88/76, 568/76
OJ C 83/77

Comm. Prop. for Dir.
EP Rep.
EP Opinion

— Limitation of noise emission from subsonic aircraft.

OJ C 126/76
EP Doc. 199/76
OJ C 178/76

C Prop.
EP Rep.
EP Opinion

— Quality requirements for waters favourable to shellfish growth.

OJ C 283/76
EP Doc. 96/77
OJ C 133/77

Prop. for Dir.
EP Opinion of
15 Nov. 1978

4.54
(cont'd)

— Protection of ground water against certain dangerous substances.

C Prop.
EP Opinion of
16 Feb. 1979

— Methods of measurement and sampling frequencies in respect of surface waters intended for abstraction of drinking water.

OJ C 208/78
EP Doc. 580/78
OJ C 67/79

C Prop.
EP Opinion of
27 April 1979

— Noise emitted by lawn mowers.

OJ C 86/79
EP Doc. 53/79

Comm. draft Prop. for a Dir.

— Quality objectives of water for agricultural use.

10 GR EC Par. 280

Comm. draft Prop. for a Dir.

— Freshwater flora and fauna.

10 GR EC Par. 280

Comm. Commun.

— Assessment of impact of thermal discharges on water and the environment.

10 GR EC Par. 280

4.6 Consumer protection

C Res. of 14 April 1975

4.60

OBJECTIVES

OJ C 92/75

- the right to protection of health and safety,
- the right to protection of economic interests,
- the right of redress,
- the right to information and education,
- the right of representation.

4.61

LEGAL POSITION

EEC Tr., Art.
2, 39, 85-90, 235

In addition to general provisions, the legal basis for EC interest in consumer affairs is provided by: Art. 39 which states, *inter alia*, that the objective of the CAP is to ensure 'that supplies reach consumers at reasonable prices', and Art. 86, which prohibits undertakings from 'limiting production, markets or technical development to the prejudice of consumers'.

4.62

MEASURES TAKEN TO SOLVE THESE PROBLEMS

Comm. Dec. of 25 Sept. 1973

Consumers Consultative Committee

OJ L 283/73

Objectives

Its task is to represent consumer interests to Comm. and to advise Comm. on all problems relating to the formulation and implementation of a consumer protection and information policy.

C Res. of 17 Dec. 1973

Programme for removal of technical obstacles to trade in foodstuffs resulting from different legal and administrative provisions in Member States.

OJ C 117/73

Five phases planned, to be completed by 1 Jan. 1978

C Res. of 14 April 1975	4.62 (contd)	<i>Preliminary programme for a consumer protection and information policy.</i>	OJ C 92/75
Comm. Dec. of 16 April 1974		<i>Setting up a Scientific Committee for Food.</i>	OJ L 136/74
Comm. Dec. of 26 June 1975		<i>Setting up an Advisory Committee on Foodstuffs.</i>	OJ L 182/75

4.63 **STATE OF INTEGRATION**

The free movement of agriculture and industrial products has provided European consumers with a wider range of goods.

C Dir. of 24 July 1973 Amendment of 1 Aug. 1974 Amendment of 19 Dec. 1974 Amendment of 4 March 1975 Amendment of 20 July 1976		— Cocoa and chocolate.	OJ L 228/73 OJ L 221/74 OJ L 349/74 OJ L 61/75 OJ L 223/76
C Dir. of 11 Dec. 1973		— Sugar.	OJ L 356/73
C Dir. of 22 July 1974		— Honey.	OJ L 221/74
C Dir. of 18 June 1974		— Emulsifying and stabilization, thickening and gelling agents.	OJ L 189/74
C Dir. of 17 Nov. 1975		— Fruit juices and certain similar products.	OJ L 311/75
C Dir. of 18 Dec. 1975		— Certain partly or wholly dehydrated preserved milk for human consumption.	OJ L 24/76
C Dir. of 20. Jan. 1976		Making-up by weight or by volume of certain prepackaged products.	OJ L 46/76
C Dir. of 20 July 1976		— Maximum level of erucic acid in oils and fats intended as such for human consumption and in foodstuffs containing added oils or fats.	OJ L 202/76
EP Rep. EP Opinion			EP Doc. 327/75 OJ C 280/75

C Dir. of 23 Nov. 1976
EP Rep.
EP Opinion

4.63
(contd)

— Materials and articles intended to come into contact with foodstuffs.

OJ L 340/76
EP Doc. 321/74
OJ C 155/74

C Dir. of 21 Dec. 1976
EP Rep.
EP Opinion

— Health foods.

OJ L 26/77
EP Doc. 92/69
OJ C 139/69

C Dir. 78/142 of 30 Jan. 1978
EP Opinion of 22 April 1977

— Materials and articles which contain vinyl chloride monomer and are intended to come into contact with foodstuffs.

OJ L 44/78
EP Doc. 515/76
OJ C 118/77

C Dir 79/112 of 18 Dec. 1978
EP Opinion of 9 July 1976

— Labelling, presentation and advertising of foodstuffs for sale to the ultimate consumer.

OJ L 33/79
EP Doc. 211/76
OJ C 178/76

4.64

WORK IN PROGRESS

Comm. Prop. for Reg.
EP Opinion of 4 July 1978

— Butter.

OJ C 71/68
EP Doc. 99/68
OJ C 72/68

Comm. Prop. for Dir.
EP Opinion of 19 April 1971

— Natural mineral water.

OJ C 69/70
EP Doc. 252/70
OJ C 45/71

Comm. Prop. for Dir.
EP Opinion of 19 Sept. 1973

— Coffee and tea extracts.

OJ C 76/73
EP Doc. 139/73
OJ C 83/73

Amended Comm. Prop. for Dir.
EP Opinion of 18 Dec. 1975

— Fruit jams, jellies and marmalades and chestnut purée.

OJ C 202/75
EP Doc. 343/75
OJ C 7/76

Comm. Prop. for Dir.
EP Rep.
EP Opinion

— Ranges of nominal quantities permitted for certain prepackaged products.

OJ C 193/76
EP Doc. 462/76
OJ C 30/77

4.63/4.64

Comm. Prop. for Dir. EP Opinion of 26 April 1979	4.64 (cont'd)	— Liability for defective products (product liability).	OJ C 241/76 EP Doc. 71/79
Comm. Prop. for Dir. EP Rep. EP Opinion		— Consumer protection in respect of contracts negotiated away from business premises.	OJ C 22/77 EP Doc. 227/77 OJ C 241/77
Comm. Prop. for Dir. EP Rep. EP Opinion		— Unit pricing of foodstuffs.	OJ C 167/77 EP Doc. 416/77 OJ C 63/78
Comm. Prop. for Dir. EP Opinion of 9 May 1978		— Home study courses.	OJ C 208/77 EP Doc. 82/78 OJ C 70/78
Comm. Prop. for Dir.		— Misleading and unfair advertising.	OJ C 70/78 EP Doc. 36/79
Comm. Prop. for Dir. EP Opinion of 11 May 1979		— Overall migration limit for the constituents of plastic materials and articles intended to come into contact with foodstuffs.	OJ C 141/78 EP Doc. 23/79
Comm. Prop. for Dir.		— Edible caseins and caseinates.	OJ C 50/79
Comm. Prop. for Dir.		— Consumer credit.	EP Doc. 10/79
Comm. draft Prop. for Dir.		— Unfair clauses in contracts (so-called small print).	11 GR EC, Par. 301

5. **EXTERNAL RELATIONS**

5.0 **Common commercial policy and multilateral relations**

Information on domestic aspects of the common commercial policy (see 2.1), on agricultural products falling under the COM (see 3.6), and on international agreements (see 5.5).

5.1 **Customs policy**

5.11 **OBJECTIVES**

Creation of conditions required for establishment of a common market without customs barriers between Member States and introduction of common customs tariff *vis-à-vis* third countries. Twelve-year transition period provided for.

EEC Tr., Art. 3
EAEC Tr., Art. 94
EEC Tr., Art. 8

5.12 **REQUIREMENTS OF TREATIES**

Progressive introduction of CCT at level of arithmetical average of duties in force on 1 January 1957. CCT to be applied by end of transitional period.

EEC Tr., Art. 18—23

Application of CCT one year after Treaty enters into force.

EAEC Tr., Art. 94

Possibility of altering or suspending CCT.

EEC Tr., Art. 28

Factors which guide Commission in task of setting up CCT.

EEC Tr., Art. 29

DECISION-MAKING PROCEDURE

EEC Tr., Art. 28

Any autonomous alteration or suspension of CCT decided unanimously by C.

C. acting on proposal from Comm. determines :
by qualified majority :

EEC Tr., Art. 28

— limited alterations to CCT ;

unanimously :

EEC Tr., Art. 100

— directives for approximation of provisions relating to customs matters laid down by law, regulation or administrative action in Member States (after consulting EP and ESC if these directives involve amendment of legislation) (see 1.22).

EEC Tr., Art. 235

— measures required to attain Community objectives (after consulting EP) (see 1.233).

Comm., at request of Member States, determines — for example :

C Reg. 1410, 4 June 1974

— tariff treatment applicable to goods imported for free circulation in event of disasters occurring in territory of one or more Member States.

OJ L 150/74

Comm., aided by advisory committees, supervises :

C Reg. 97, 16 Jan. 1969

— uniform application of CCT nomenclature ;

OJ L 14/69

C Reg. 542, 18 March 1969

— implementation of Community transit procedure ;

OJ L 77/69

C Reg. 802, 27 June 1968

— common definition of concept of origin of goods ;

OJ L 148/68

C Reg. 803, 27 June 1968

— valuation of goods for customs purposes ;

OJ L 148/68

C Dir. 73, 4 March 1969

— inward processing arrangements ;

OJ L 58/69

5.13 — composition of Advisory Committee on Customs Matters which represents all groups affected by customs regulations.
(contd)

7th GR EC, Par. 104

5.14 ATTAINMENT OF CUSTOMS UNION

Comm. Prog. of
28 April 1971

Comm. Commun. of
15 June 1977

EP Rep. of 3
March 1978
EP Res. of 12
April 1978
EP Res. of 5
July 1978

In 1971 Comm. adopted a programme aimed at completing the customs union. In 1977 it transmitted a communication to C and EP describing the salient features of the customs union, analysing its shortcomings and making suggestions for improvement.

Bull. EC 6-1971
Part 1, Chap. IV
Bull. EC 6-1977
Point 1.21 *et seq.*

Doc. 557/77
OJ C 108/78
OJ C 182/78

5.141 Work in progress

Comm. Prog. of
8 March 1979

The Comm. has put forward a multiannual programme for attaining customs union. This programme lays down the fundamental objectives which must guide the Community in establishing a true customs union and describes in detail the measures to be taken in this area. In the latter context, it contains in particular a list of 'priority measures' to be carried out in 1979.

Bull. EC 3-1979
OJ C 84/79

5.15 COMMON CUSTOMS TARIFF (CCT)

5.151 Objectives

EEC Tr., Art. 2 and 3

To contribute to establishment of common commercial policy.

5.152 Rules for application of CCT

In general CCT is applied by EEC Member States *vis-à-vis* third countries, except when CCT partially or wholly suspended as result of agreements between EEC and third countries or groups of third countries.

C Reg. 950, 28 June 1968

Applicable to industrial and agricultural products from 1 July 1968, CCT contains :

OJ L 172/68

- conventional tariffs applicable to member countries of GATT and to countries with which EEC has concluded 'most favoured nation' agreements ;
- autonomous tariffs established by EEC *vis-à-vis* other third countries.

When conventional customs duty is higher than autonomous duty, latter is applicable. Basis of application is nomenclature of import duties, published annually. Edition of CCT in force for current year is drawn up at end of previous year.

C Reg. 2800/78
of 27 Nov. 1978

The 1979 edition contains new subdivisions for textiles ; all tariffs are expressed in EUA.

OJ L 335/78

For preferential arrangements resulting from special agreements with third countries see 6.

C Reg. 1496, 27 Sept. 1968
C Reg. 2744, 19 Dec. 1972
C Reg. 3456, 17 Dec. 1973

Definition of customs territory of Community.

OJ L 238/68
OJ L 291/72
OJ L 356/73

C Reg. 2780, 20 Dec. 1971

5.152
(*contd*)

Possibly temporary, partial or total suspension of autonomous duties on certain products not produced in sufficient quantity to meet needs of EC.

OJ L 287/71

C Reg. 1308—14 (232/ECSC, 233/ECSC), 21 June 1971

Entry into force on 1 July 1971, for the Group of 77 (see 5.42) of generalized tariff preferences in favour of developing countries and areas.

OJ L 142/71

Comm. Reg. 2862, 22 Dec. 1971

Generalized tariff preferences.

OJ L 289/71

Since 1.1.1974 same system has been applied by Community as originally constituted and by new Members. Implementing regulations may be renewed. New regulations are published in OJ towards end of each year (see also 5.42).

Comm. Reg. 1371,
30 June 1971 amended
by Comm. Reg. 2171,
11 Oct. 1971

Concept of 'originating products' for application of tariff preferences granted by EEC in respect of certain products imported from developing countries (industrial and agricultural products).

OJ L 146/71

OJ L 229/71

Taxes in international travel (see 2.5223 and 2.523).

5.153

Approximation of customs legislation

— Aim to achieve uniform application of CCT; equal customs treatment. From 1 January 1975 all CCT duties levied in Member States are allocated to Community budget.

7th GR EC, Par. 100

C Reg. 803, 27 June 1968

— Valuation of goods for customs purposes.

OJ L 148/68

- | | | |
|--|--|----------------------------|
| C Dir. 73—76, 4 March 1969
5.153
(<i>contd.</i>) | — Customs warehouses and admission of goods into free zones ; deferred payment of customs duties — implementation of measures by Member States before 1 October 1969 to comply with provisions of Directive. | OJ L 58/69 |
| C Dir. 235, 21 June 1971 | — Directive relating to usual forms of handling goods which may be carried out in customs warehouses and in free zones. | OJ L 143/71 |
| C Dir. 73,
4 March 1969 | — Inward processing, i.e. duty-free importation of goods which are to be worked or processed before being re-exported — Inward Processing Committee. | OJ L 58/69 |
| C Dir. 76/119,
18 Dec. 1975 | — Outward processing, i.e. export of goods with a view to their being re-imported after processing, working or repair, wholly or partly free of import duties — Inward Processing Committee, hereafter called the Committee for Customs Processing Arrangements, may examine any matter relating to the application of this Dir. | OJ L 24/76 |
| C Reg. 754,
25 March 1976 | — Customs treatment applicable to goods returned to customs territory of Community (these goods are exempt from import duty). | OJ L 89/76 |
| C Reg. 802, 27 June 1968
amended by C Reg. 1318
of 21 June 1971 | — Common definition of concept of origin of goods ; uniform application of EC customs provisions. Committee on Origin and EEC certificate of origin. | OJ L 148/68
OJ L 139/71 |
| Comm. Reg. 2741/78
of 24 Nov. 1978
Comm. Reg. 2931/78
of 13 Dec. 1978 | — The scope of this Reg. has been extended on several occasions, most recently in 1978 in respect of postal charges and split consignments. | OJ L 330/78
OJ L 350/78 |
| Comm. Dir. 75/681 of
23 Sept. 1975 | — Administrative cooperation between Member States on questions of inward processing : entered into force on 1 July 1977. | OJ L 301/75 |

Comm. Dir. 78/206 of
7 Feb. 1978
Dir. 78/1018 of
27 Nov. 1978

5.153
(contd)

— After repairs outside the EC or when outward processing arrangements have not been made.

OJ L 62/78
OJ L 349/78
OJ C 299/77

EP Res. of 17 Nov. 1977
C Regs. 3165/78 — 3171/78
of 19 Dec. 1978

— Reg. amended on several occasions, most recently in 1978 with the aim of introducing the ECU into trade with EFTA countries.

OJ L 376/78

5.154

State of integration

C Reg. 950, 28 June 1968

1. CCT applied from 1 July 1968 to industrial and agricultural products not subject to levies. CCT drawn up annually by C for following year.

OJ L 172/68

Published in OJ towards end of year.

C Reg. 1/72, 20 Dec. 1971

2. Customs duties applicable to industrial products reduced by an average of 35 to 40 % in accordance with the Kennedy Round agreements (1967, the last of which came into force on 1 January 1972).

OJ L 1/72

Average level of Community duties applying to these goods after Kennedy Round : 6 %.

5th GR EC, Par. 503

C Reg. 97, 16 Jan. 1969

3. Establishment of several advisory committees with task of jointly ensuring uniform application and interpretation of tariffs and of customs regulations (see 5.13).

OJ L 14/69

5.154
(contd)

4. United Kingdom and Ireland retained their system of customs duties of a fiscal nature, in certain cases until end of 1977.

7th GR EC, Par. 94

Act of Accession, Art. 32

5. Customs duties between three new Member States of the EEC and six original Members reduced by 20 % (with a few exceptions) on 1 April 1973, with further reductions of 20 % on 1 January of each subsequent year. Duties abolished by 1 July 1977.

6. Between June 1967 and June 1978, the C adopted 100 Directives on the elimination of technical barriers to trade in industrial products. 300 Directives are regarded as essential to ensure genuine free movement of goods within the Community.

Bull. EC 6-1978
Point 1.1.1. *et seq.*

5.2 Common commercial policy

5.21 OBJECTIVES

EEC Preamble, Par. VI

— Progressive abolition of restrictions on international trade.

EEC Tr., Art. 2, 3

— Establishment of common market.

EEC Tr., Art. 110

— Contribution to harmonious development of world trade, to progressive abolition of restrictions on international trade, to lowering of customs barriers and increase in competitive strength of undertakings in Member States.

5.22 REQUIREMENTS OF THE TREATIES

EEC Tr., Art. 113
(1 and 2)

Common commercial policy is based on uniform principles, particularly in regard to changes in tariff rates, conclusion of tariff and trade agreements, achievement of uniformity in measures of liberalization, export policy and measures to protect trade such as those to be taken in case of dumping or subsidies.

EEC Tr., Art. 115

To ensure that execution of measures of commercial policy taken by any Member State is not obstructed by deflection of trade or economic difficulties.

ECSC Tr., Art. 71

Governments of Member States shall afford each other such mutual assistance as is necessary to implement measures taken in accordance with Tr.

EEC Tr., Art. 112 (1)

Harmonization, before end of transitional period, of systems whereby Member States grant aid for exports to third countries, to extent necessary to ensure that competition between undertakings of EC is not distorted.

ECSC Tr., Art. 72

5.22
(contd)

Fixing of maximum and minimum rates for customs duties.

ECSC Tr., Art. 73

Supervision of administration and verification of import and export licences (for trade with third countries).

ECSC Tr., Art. 74

Measures against dumping and excessive imports which threaten Community production.

5.221

Negotiation and conclusion of trade agreements with third countries

EEC Tr., Art. 113 (3)

Comm. makes recommendations to C, which authorizes it to open necessary negotiations.

Comm. conducts negotiations in consultation with special committee appointed by C to assist it in this task and within framework of such directives as C may issue to it.

EEC Tr., Art. 114

Agreements are concluded on behalf of EC by the C acting by qualified majority.

EEC Tr., Art. 228

Agreements between EC and one or more States or an international organization are negotiated by Comm. and concluded by C, after consulting EP where required by Tr.

5.23

**DECISION-MAKING PROCEDURE
(DECISIONS OTHER THAN THOSE QUOTED
IN 5.13 OR IN 5.221)**

Decisions are made by acting by qualified majority on proposal from Comm.

EEC Tr., Art. 113

Uniform principles for implementation of common commercial policy.

5.22/5.23

EEC Tr., Art. 115

5.23
(*contd.*)

Comm. can authorize Member States to take protective measures in case of deflection of trade or economic difficulties.

5.24

STEPS TOWARDS STANDARDIZATION OF MEASURES *VIS-À-VIS* THIRD COUNTRIES

5.241

Agreements between Member States and third countries

C Dec., 9 Oct. 1961

Validity of agreements with third countries may in no case extend beyond end of transitional period (31 December 1969).

OJ L 71/61

C Dec. 495, 16 Dec. 1969

However, authorization has been given for extensions of one year subject to prior consultation with EC.

OJ L 326/69

Certain authorizations for extension or continuation by tacit renewal are still granted.

5.242

Cooperation agreements not covered by Art. 113

Agreements relating to cooperation in technological, industrial, scientific or financial fields.

C Dec. 393,
22 July 1974

Adoption of consultation procedure.

OJ L 208/74

Member States inform Comm. and other Member States of any cooperation agreements with third countries which they intend to negotiate or extend.

Consultation takes place in a Committee consisting of representatives of Member States and Comm.

5.25

IMPORT POLICY

See 5.253 for rules applying to most State-trading countries.

5.251

Objectives

Harmonization of import procedures.

Contribution to liberalization of world trade by joint liberalization list.

5.252

State of integration

5.2521

HARMONIZATION ACHIEVED TO DATE

CCT in force (see 5.14).

Common rules for imports from non-member countries, excluding State-trading countries.

In the event of actual or potential serious disadvantage to Community production, imports may be restricted or suspended.

Adoption of measures of surveillance and protective measures regarding imports.

Consultation takes place within an advisory committee.

Common liberalization list for imports from certain third countries is annexed to Reg. Products described in Annex I and originating in third countries listed in Annex II are not subject to quantitative restrictions when imported into EC. The C, acting by qualified majority on Prop. from the Comm., may extend liberalization list and list of countries affected. Extended list is periodically published by Comm. in OJ C for information purposes.

Common procedure for administering quantitative import quotas.

C Reg. 1439, 4 June 1974

OJ L 159/74

C Reg. 1023, 25 May 1970

OJ L 124/70

5.251/5.2521

C Reg. 1471, 20 July 1970

5.2521
(*contd*)

Common procedure for the autonomous increase of imports into EC of products subject to voluntary restraint arrangements by exporting countries.

OJ L 164/70

Measures of surveillance and protective measures adopted by EC in 1975 — for example in respect of textiles, shoes and other products.

9th GR EC, Par. 418—19

5.2522

COORDINATION OF MEASURES BY MEMBER STATES

C Dec., 9 Oct. 1961

Establishment of consultation procedure to provide Comm. and Member States with information regarding changes in state of liberalization in relation to third countries. Transitional measures for progressive standardization of import terms as regards third countries in order to avoid autonomous amendments to import terms by Member States constituting obstacles to implementation of the common commercial policy.

OJ L 71/61 (pp. 1273—74)

C Dec. 455, 19 Dec. 1972

OJ L 299/72

5.253

Relations with State-trading countries

C Dec. 34, 6 Dec. 1973

Authorization for bilateral negotiations between Member States and State-trading countries and/or tacit extension of certain trade agreements; validity of these agreements must not extend beyond 31 December 1974.

OJ L 30/74

C Reg. 109/70, 19 Dec. 1969

Establishment of common rules for imports :

— list of liberalized products shown in the annex is amended periodically by C Reg. which are published in OJ L. Text of amending supplement is published in OJ C ;

OJ L 19/70

- 5.253 — transfer to EC of powers allowing it to take measures to safeguard
(*contd*) producers against excessive imports ;
— establishment of advisory committee composed of representatives
from Member States and from Comm.

C Dec. 210, 27 March 1975

Pending the conclusion of trade agreements with State-trading countries, Community has adopted unilateral arrangements concerning imports from these countries which are subject to quantitative restrictions.

OJ L 99/75

At end of each year C, acting on prop. of Comm. adopts new quotas for following year. C Reg. giving details of new quotas are published in OJ L. See OJ L 365 of 31 December 1976, for example.

The EC has concluded bilateral agreements with two State-trading countries, Yugoslavia and China (see Chapter 6).

5.2531 *WORK IN PROGRESS*

In November 1974, EC forwarded outline trade agreement to State-trading countries.

9th GR EC Par. 504

See CMEA 5.3642.

5.254 **Protection against dumping or granting of bounties or subsidies by third countries**

C Reg. 459, 5 April 1968
Art. 2, Par. 1 and 2 amended by
C Reg. 2011, 24 July 1973

Anti-dumping duties may be imposed when dumping :

OJ L 206/73

— causes or threatens to cause material injury to established industry ;

5.253/5.254

5.254 — causes a material delay in establishment of industry planned to be set
(contd) up in EC.

If complaint against dumping lodged, Comm. conducts inquiry into injury or threat of injury. Consultation may take place in advisory committee.

Comm. Reg. 261, 4 Feb. 1977

Imposition of provisional anti-dumping duty.

OJ L 34/77

In majority of cases examined, exporters agreed to take measures deemed admissible by Comm.

Comm. Commun.

Termination of anti-dumping/anti-subsidies procedure concerning synthetic stockings from Taiwan and from Republic of Korea — quoted as an example.

OJ C 73/74

5.255 **Commercial policy in coal and steel sector**

— Products covered :

Coal and steel (products described in common customs tariff (CCT) in chapters 27 and 73 and marked 'ECSC').

5.2551 *COAL*

Commercial policy has effectively remained in hands of Member States. Coordination exists only at technical level.

5.2552 *STEEL*

Anti-crisis measures

(steel industry) see also 4.21611

Special measures have been taken to deal with the difficulties in the steel industry.

Certain of these measures apply exclusively to imports and others, taken for the internal market, also apply to certain imports.

5.2552
(contd)

Measures applicable to imports:

- (1) Surveillance measures.
- (2) Anti-dumping measures.
- (3) Fixing of reference prices.
- (4) Agreements with third countries.

(1) *Surveillance measures*

These are not entirely specific to the crisis but are permanent and were merely strengthened by introduction of detailed measures.

Each month, Member States are required to notify Comm. of imports carried out during the previous month and supply data on applications for import licences which must contain very detailed information.

OJ L 7/76
OJ L 114/77
OJ L 31/79

Procedures renewed on several occasions.

Comm. Dec. 76/32/ECSC
of 10 Dec. 1975
Comm. Rec. 77/330/ECSC
of 15 April 1977
Comm. Res. 220/79/ECSC
of 5 Feb. 1979

ECSC Tr., Art. 74

(2) *Anti-dumping measures deriving from basic prices and practice of granting bounties or subsidies*

Basic prices

Concept linked to anti-crisis measures, differs from concept of basic prices used in iron and steel lists published in accordance with Art. 60 of the ECSC Tr.

Prices established by reference to the lowest normal cost in the supplying country where there are normal conditions of competition.

Measures applicable

Comm. statement concerning basic prices of certain iron and steel products (140 products); entry into force : 1 January 1978.

OJ L 353/77

Comm. Communic.

5.2552
(contd)

Dumping

Principle : compensation for a real or potential injury caused to an industry already established or being set up in EC.

Procedure : following a complaint from the European iron and steel industry lodged by a Member State, Comm., in consultation with the Member States, establishes the existence of both dumping and injury. It then fixes a provisional anti-dumping duty which becomes definitive if the facts as finally established show there is injury. Comm. may amend, revoke or annul these measures.

(3) **Fixing of reference prices :**

Application to imports : See 4 below

(a) *Minimum prices*

ECSC Tr. Art. 61

Setting by Comm. of supply targets with which EC steel undertakings agree to comply. In the case of certain products not covered by satisfactory voluntary commitments, fixing of minimum prices for a given period.

Comm. Dec. 3000/77/ECSC
of 28 Dec. 1977

Fixing of minimum prices for hot-rolled wide strips, merchant bars and concrete reinforcing bars.

OJ L 352/77
OJ L 176/78

Valid until 31 December 1979.

(b) *Guidance prices*

Comm. Communic.

These are prices which the producers voluntarily agree to comply with, but once a producer has agreed to these prices, Art. 60 of the ECSC Tr. is applicable.

OJ L 114/77
OJ C 174/77
OJ L 370/78

5.2552
(contd)

(c) *Delivered prices*

These are prices at the point of sale, i.e. the basic prices adjusted to take into account variations for example in quality or size, and transport costs.

(4) **Agreements with third countries**

In accordance with its mandate from C of 20 December 1977, prolonged on 19 December 1978, Comm. has already concluded agreements with third countries allowing the maintenance of traditional patterns of trade despite EC safeguard measures.

There are three types of agreement :

(a) *EFTA countries*

Main features :

- compliance with minimum and guidance prices,
- abatement of 3 % on minimum and guidance prices,
- prohibition on EC undertakings aligning their prices on imports from these countries for the duration of the agreement,
- exemption from anti-dumping proceedings,
- reciprocation of any advantages in favour of EC undertakings,
- valid until 31 December 1979.

(b) *Countries with market economies which are not members of EFTA*

Main features :

- exporting countries undertake to apply delivered prices,
- margin of penetration : 6 % for ordinary steels and 4 % for special steels,

5.2552
(cont'd)

- possible alignment on offers from third countries which have not concluded an agreement with EC, subject to compliance with the basic price,
- prohibition on EC undertakings aligning their prices on imports from these countries for the duration of the agreement,
- application of basic prices to indirect imports,
- restricted tonnage imported,
- no anti-dumping proceedings if the agreements are complied with,
- valid until 31 December 1979.

(c) *with State-trading countries*

Main features :

- compliance by such countries with the delivered prices,
- margin of penetration : 6 % for ordinary steels and 4 % for special steels,
- prohibition on EC undertakings aligning prices on imports from these countries for the duration of the agreement,
- possible alignment on the price of an offer from a third country which has not concluded an agreement with EC, subject to compliance with the basic price,
- application of basic prices to indirect imports,
- restricted tonnage imported,
- current anti-dumping proceedings suspended,
- valid until 31 December 1979.

5.26 **EXPORT POLICY**

5.261 **State of integration**

Although transitional period has expired, harmonization of rules relating to exports is not yet complete.

Common rules for exports.

OJ L 324/69

Measures can be taken :

- in case of serious shortage of essential products ;
- to allow international undertakings to be fulfilled ;
- to establish advisory committee ;
- to draw up Annex listing products subject to quantitative export restrictions.

List of products subject to restrictions periodically amended by C Reg. published in OJ L.

Common procedure for administering quantitative export quotas.

OJ L 124/70

Establishment of Quota Administration Committee presided over by representative of Comm.

C Reg. 2603
20 Dec. 1969

C Reg. 1023
25 May 1970

5.262 **Credit insurance and export credit insurance**

5.2621 *MEASURES IN FORCE*

C Dec. of 27 Oct. 1960

Establishment of a policy-coordination group for credit insurance, credit guarantees and financial credits consisting of delegates from the Member States and Comm.

OJ L 66/60

C Dec. 391
of 3 Dec. 1973
amended by C Dec. 641
of 27 July 1976

Consultation procedure for credit insurance, credit guarantees and financial credits given by the Member States or State bodies.

OJ L 346/73

OJ L 223/76

C Dec. 552
of 16 Dec. 1970
and annex

Arrangements, in the fields of export guarantees and export finance, applicable to certain subcontracting operations effected in other Member States or non-member countries.

OJ L 284/70

Convention laying down the reciprocal obligations of credit insurance bodies in the EC for joint guarantees of contracts involving subcontracting operations in one or several Member States.

Arrangement on guidelines for export credits. Following international negotiations, which were concluded on 22 Feb. 1978 and in which EC participated, it was agreed to implement an Arrangement on officially supported export credits.

Bull. EC 2-78

Par. 2.2.35

The Arrangement sets a minimum percentage for down-payments, maximum repayment periods and minimum interest rates. It also

5.2621
(contd)

contains guidelines on local costs and lays down procedures for the satisfactory operation of the Arrangement.

This Arrangement replaces the informal agreement on certain export credits applied between March 1977 — June 1978.

11th GR EC, Par. 494
Bull. EC 12-77, Par. 2.2.29

C Dec. of 4 April 1978

Confirmation that the Community will apply the guidelines from 1 April 1978 ; application prolonged on several occasions (unpublished C Decs.).

Bull. EC 4-78

5.2622

HARMONIZATION — DIRECTIVES ADOPTED BUT NOT YET IMPLEMENTED

C Dirs. 509 and 510
of 27 Oct. 1970

Adoption of common credit insurance policy for medium and long-term transactions with public and private buyers.

OJ L 254/70

C Dir. 86 of 1 Feb. 1971

Harmonization of main provisions concerning the guarantee of short-term transactions (political risk) with public or private buyers.

OJ L 36/71

Annex D to Dir. 510 of
27 Oct. 1970

These Directives have still not been implemented because their implementation has been made conditional upon the adoption of a body of other Directives in the same field. Comm. proposed to amend these two Directives to eliminate this condition.

5.2621/5.2622

5.2623 *PROPOSALS*

Recent proposals submitted by Comm. concerning : establishment of a European export bank.

OJ C 76/76
EP Doc. 66/77
OJ C 133/77
WQ 123/78

Council Directive relating to uniform principles to be adopted in export credit insurance systems for medium and long-term transactions with public and private buyers.

The uniform principles referred to by the Directive apply to the following fields :

- exports to non-member countries, guaranteed by individual or comprehensive or selected transaction policies and effected on the basis of a supplier credit ;
- performance bonds ;
- direct guarantees to banks ;
- transactions carried out on basis of financial credits and guaranteed by individual policies.

Bull. EC 6-1977
Point 2.2.27

C Directive to abolish cost escalation guarantee schemes for exports to non-member countries.

Bull. EC 5-1976
Point 307

5.3 **Relations with international and regional organizations, conferences or associations**

5.31 **UNO AND SOME OF ITS SPECIALIZED AGENCIES**

5.311 **UNO (United Nations Organization)**

5.3111 *OBJECTIVES*

Charter of the
United Nations

Set up by Charter of San Francisco signed 26 June 1945, United Nations Organization has following aims :

- to maintain international peace and security ;
- to develop 'friendly relations among nations based on respect for the principle of equal rights and self-determination of peoples' ;
- to achieve international cooperation in solving international problems of economic, social or cultural nature, and in promoting and encouraging respect for human rights ;
- to be a 'centre for harmonizing the action of nations in the attainment of these common ends'.

5.3112 *MEMBER STATES*

Approximately 160 States.

5.3113 *ADMINISTRATIVE STRUCTURE*

General Assembly in which all States are represented (one vote per State); Security Council, Economic and Social Council, Trusteeship Council, International Court of Justice, and Secretariat.

Numerous subsidiary bodies and specialized agencies.

Headquarters in New York.

5.3114 *RELATIONS WITH EC*

EEC Tr., Art. 229
ECSC Tr., Art. 93
EAEC Tr., Art. 199

Comm. responsible for ensuring maintenance of all appropriate relations with organs of United Nations and specialized agencies.

Since 1958 it has had status of 'guest of the Secretariat' of Economic Commission for Europe.

In 1959 agreement signed providing for mutual consultations and exchanges of views on employment policy between EEC and International Labour Office.

Agreements were concluded with ECSC and EAEC in 1953 and 1959 respectively.

Since end of 1961 various cooperation agreements have been concluded between EEC and UNO specialized agencies, such as Food and Agriculture Organizations (FAO), UNICEF, World Bank and IMF.

Since 1964 EEC has had status of permanent observer at UNCTAD and also holds consultations with UNESCO.

Since 1967 it has had status of observer at UNO Economic and Social Council.

EP Doc. 47/67
(Dehousse)

5.3114
(contd)

Res. passed by General Assembly on 11 October 1974 enables EEC to attend meetings and proceedings of General Assembly as observer.

Bull. EC 10-1974
Point 1101 and 2316

26.9.1978 : Speech by Mr Genscher in his capacity as President-in-Office of C on the position adopted by Member States and EC on certain issues debated or to be debated (e.g. Middle East, southern Africa, North-South Dialogue) at the 33rd session of the General Assembly.

12th GR EC
Par. 471

Common position among Member States on most of the resolutions.

5.312

FAO (United Nations Food and Agriculture Organization)

5.3121

OBJECTIVES

The first UNO specialized agency, set up in 1945.

Aim to combat hunger and malnutrition. Serves as coordinating body between government representatives, scientific groups and non-governmental organizations to carry out development programmes relating to food and agriculture.

5.3122

MEMBER STATES

Comprises around 140 Western and Eastern States, all members of UNO.

5.3123

ADMINISTRATIVE STRUCTURE

Governed by Conference of Member Nations which lays down work programme and meets every two years.

FAO Council, made up of representatives of 42 Member States, divided into several committees and responsible for FAO's operation between Conference sessions.

Headquarters in Rome.

Bull. EC 1-1977
Point 2.2.30

5.3124 *RELATIONS WITH EC*

2nd GR EC, Par. 62

Contacts between FAO and EC were established in 1958.

Agreement was concluded between EC and FAO in 1962 laying down methods for liaison and cooperation between two institutions.

6th GR EC, Par. 281

Since then Comm. has represented the Community at meetings of higher authorities of FAO.

In 1974 World Food Conference recommended setting-up World Food Council ; first meetings in 1976 attended by Community. The discussions concerned the increasing of food crop production in developing countries, food aid and the international food security arrangements (see 5.43).

Bull. EC 11-1974

Bull. EC 6-1976

Since January 1977, the EEC has been cooperating in running the global agricultural information and early-warning system.

Bull. EC 1-1977

5.313 **ILO (International Labour Organization)**

5.3131 *OBJECTIVES*

Set up in 1919 and associated with UNO in 1946 as specialized agency.

Aim to establish equal working and living conditions by reducing social injustice. To this end it has drawn up programmes, recommendations and conventions designed to achieve full employment, increased standard of living, worker protection, social security, etc.

5.3132 *MEMBER STATES*

Comprises 138 countries.

5.3133 *ADMINISTRATIVE STRUCTURE*

Executive made up of national delegations comprising two government representatives, a trade unionist, an employer, permanent secretariat.

5.3134 *RELATIONS WITH EC*

EC is not a member of the ILO in place of the Member States, but the 1953 and 1959 agreements (see 5.3114) cover the following inter-institutional questions :

- mutual consultations
- exchange of information
- technical cooperation
- implementing provisions and questions of jurisdiction.

5.3135 EC makes financial contributions to work carried out by various ILO bodies.

At the Annual Labour Conferences, the Comm. and the C coordinate the positions of EC Member States on matters of Community responsibility.

5.314 *ECE (The Economic Commission for Europe)*

5.3141 *OBJECTIVES*

Specialized commission set up in 1947 by UNO Economic and Social Council.

Art. 1 of Mandate of ECE

5.314
(contd)

Aim is to make provisions and participate in their implementation with a view to maintaining and strengthening economic relations of countries of Europe, both with each other and with the other countries of the world.

5.3142

MEMBER STATES

Art. 7 of Mandate
of ECE

Eastern and Western European countries which are members of UNO, USA and Canada, 34 in all.

5.3143

ADMINISTRATIVE STRUCTURE

Art. 6 of Mandate
of ECE

Controlled by bureau which meets periodically. Each country represented in bureau.

It must submit annual activity report to Economic and Social Council.
Headquarters in Geneva.

5.3144

RELATIONS WITH EC

Although only States are eligible for membership, Comm. has, since 1958, taken part in its activities as a 'guest of the Secretariat'; this participation permits consultation on all questions of particular interest to EC.

Bull. EC 10-1974

5.315

UNCTAD (United Nations Conference for Trade and Development)

5.3151

OBJECTIVES

Final Act 1964,
Part 1, Preamble

United Nations Conference on Trade and Development was set up on 30 December 1964, as permanent organ of United Nations General Assembly, by Resolution 1995 (XIX).

5.3151
(cont'd)

Objectives :

- to promote international trade, especially with a view to increasing pace of economic development, and particularly to promote trade between developing countries and countries with different social and economic systems ;
- to lay down principles and policy of international trade and to examine problems of economic development relating to it ;
- to harmonize trade and government development policies as well as policies of regional economic groupings.

5.3152

MEMBER STATES

159 countries belong to UNCTAD.

5.3153

ADMINISTRATIVE STRUCTURE

Conference meets in principle every four years. Meetings have been held in Geneva (1964), New Delhi (1968), Santiago (1972), Nairobi (1976) and Manila (1979).

Trade and Development Council is its permanent organ, in which following groups of countries are represented: developing countries (Group A), developed countries with a free market economy (Group B), Latin-American countries (Group C), and countries with a planned economy (Group D).

Conference is headed by a Secretary-General and a Secretariat. Headquarters in Geneva.

5.3154

RELATIONS WITH EC

EC participates as permanent observer in work of UNCTAD, of its permanent organ, the Trade and Development Council, and of its subsidiary organs.

Bull. EC 10-1974

5.31541 MAIN RESULTS OF UNCTAD IV (NAIROBI) AND
PROGRESS OF PROJECTS

EP Res. of 12 Oct. 1976

Main resolutions adopted concerned integrated programme on raw materials and setting up of common fund, developing countries' debt burden, transfer of technology and drawing up of code of conduct, improvement in GSP (cf. 5.42) and increase in official aid by socialist countries.

EP Doc. 333/76
OJ C 259/76

EP Res. of 26 April 1979

Certain resolutions and recommendations of UNCTAD IV have started to be implemented, the main aspects being :

EP Doc. 123/79
OJ C 127/79

— Integrated programme and common fund : agreement on the basic elements of the common fund for raw materials, considerable progress in the field of raw materials, rubber and olive oil, in particular, and prospects for copper.

Various implementation problems remain to be settled, especially budgetary problems in the Community context.

— Debt : some industrialized countries have decided to cancel, partially or completely, official debts of some or all of the poorest developing countries ; applies in particular to the following Member States : Italy, Netherlands, Federal Republic of Germany, Denmark, United Kingdom ; Belgium has decided to cancel interest owed by some of the poorest developing countries ; France intends to take suitable measures.

— Transfer of technology and code of conduct : discussions still in progress.

5.31542 MAIN RESULTS OF UNCTAD V (MANILA, 7 MAY TO
1 JUNE 1979)

Common EC position adopted by C on 8 May 1979 for UNCTAD V. In his capacity as President-in-Office, Mr Monory presented this position at the Manila Conference and outlined the progress made since UNCTAD IV and the role played by EC. The main resolutions and recommendations adopted in Manila concern :

- *direct aid* to the least-advanced developing countries : commitment, without fixed dates, by industrialized countries to double their direct aid to these countries in certain sectors. In addition, immediate aid is planned for the purchase of fertilizer and equipment for the food and agricultural industry of these countries ;
- *protectionism* was condemned and the need for *structural adjustment* in industrialized countries was stressed. A work programme comprising an examination of the trading policies of the member States of UNCTAD has been drawn up. The question of establishing a group of experts to examine the structural reorganization of the world economy, multilateral trade negotiations and the code on the transfer of technology has been referred to the Council of UNCTAD, and a conference on restrictive trading practices will be held at the end of the year ;
- *integrated programme* for raw materials : a programme will be drawn up on the processing and marketing of raw materials ;
- *cooperation between developing countries* : certain aspects have been taken from the programme adopted by the 'Group of 77' in Arusha in February 1979 ;
- finally, the Conference adopted resolutions on *industrial property rights* and the '*brain drain*' from developing countries to industrialized countries.

5.32 **NORTH-SOUTH DIALOGUE (Conference on International Economic Cooperation — CIEC)** Bull. EC 5-1977
Point 1.2.1 - 1.2.12

5.321 **Origin and objectives :**

14-16 October 1975, preparatory meeting of CIEC where subjects to be dealt with were determined: energy, raw materials, development and financial problems.

Bull. EC 10-1975

The CIEC officially commenced its work at ministerial level in December 1975 and brought it to a conclusion on 3 June 1977.

The objective of the CIEC was to organize international economic relations on a more equitable basis by reducing imbalances between developing countries and industrialized countries, and between producer countries and consumer countries.

5.322 **Countries taking part : 19 developing countries :**

Algeria, Argentina, Brazil, Cameroon, Egypt, India, Indonesia, Iran, Iraq, Jamaica, Mexico, Nigeria, Pakistan, Peru, Saudi Arabia, Venezuela, Yugoslavia, Zaïre and Zambia ; 8 industrialized countries : Australia, Canada, EEC (represented by a single delegation and speaking with a single voice), Japan, Spain, Sweden, Switzerland and the United States.

5.323 **Main points of agreement and disagreement :**

Energy Commission :

Agreement on : the supply, conservation, exploration and utilization of traditional energy sources ; need to develop new energy sources.

5.323
(cont'd)

Disagreement on: prices; accumulated revenues from oil exports; continuing consultations on energy products; financial assistance to bridge external payments problems of oil-importing countries or oil-importing developing countries.

Raw Materials Commission :

Agreement on: the principle of establishing a common raw materials stabilization *fund*; measures for international cooperation in the field of marketing and distribution of raw materials; measures to develop and diversify the natural resources of developing countries. As regards trade: determination on the part of the participating countries to make substantial progress for developing countries in multilateral trade negotiations; improvement of the GSP.

Disagreement on: purchasing power of developing countries; measures related to compensatory financing; various measures relating to world trade; production control for synthetics (competition problems); investment.

Development Commission :

Agreement on: the launching of a special USD 1 000 million action programme to meet the immediate needs of low-income developing countries (EEC contribution: USD 385 million); commitment to greater official development assistance; assistance to infrastructure development, particularly in Africa; measures relating to agricultural development and food.

Bull. EC 7/8-1977
Point 2.27-2.2.11

Disagreement on: indebtedness; code of conduct and strengthening of technological capacity.

5.323
(contd)

Finance Commission :

Agreement on : certain measures necessary to encourage private direct investment in developing countries ; developing countries' access to capital markets ; increase in the resources of the IMF ; cooperation among developing countries.

Disagreement on : criteria of compensation and transfer of capital and income ; jurisdiction and standards for the settlement of disputes ; measures to combat inflation and the financial assets of oil-exporting developing countries.

5.324

Outlook : the Common Fund (see 5.31541) should soon be in existence ; the special action has begun to be implemented ; negotiations on the renewal of the multifibre arrangement have been concluded (see 5.575).

As regards indebtedness (see 5.31541), certain industrialized countries have partly or completely cancelled the debts of some of the poorest developing countries.

A special committee (comprising 17 members, 9 of them from developing countries), chaired by the former German Chancellor Mr Brandt, has been set up in order to draw up proposals on the reorganization of relations between industrialized and developing countries, i.e. to consider ways in which the North-South Dialogue can be continued. This committee will submit a report with specific proposals for the solution of existing disputes between developing and industrialized countries.

5.33 **GATT (GENERAL AGREEMENT ON TARIFFS AND TRADE)**

5.331 **Objectives**

Preamble to 1969
General Agreement

Aims of General Agreement on Tariffs and Trade, which came into force on 1 January 1948, are as follows :

- liberalization of world trade by negotiations on dismantling and elimination of customs barriers ;
- non-discrimination ;
- establishment of consultation procedure to resolve disputes.

5.332 **Member States**

Initially there were only 23 members. In 1979 there were 84 contracting parties, 3 countries applied the agreement provisionally and 24 countries applied it *de facto*.

99 countries took part in the multilateral trade negotiations, which are open even to countries not belonging to GATT.

5.333 **Administrative structure**

Until 1955 GATT held a periodical conference of its Member States. Since then, the assembly of Contracting Parties was set up in 1960. It holds one session each year, and has wide powers. Its decisions are normally taken by consensus. Between sessions, the Council of Represen-

5.333 tatives is empowered to take action in routine matters. Specialist committees deal with individual problems on behalf of C.
(cont'd) Since 1965 GATT has been headed by a Director-General.
Headquarters in Geneva.

5.334 **Relations with EC**

STATUS OF EC

EC not formally member of GATT but has acquired such status through tacit international approval : a member of the various specialized committees.

EEC Tr., Art. 113,
116 and 229

Negotiations are conducted by Comm. on behalf of EC as a whole. It acts by virtue of general mandate conferred on it by Tr. and on basis of directives issued from case to case in accordance with state of negotiations.

EP Doc. 47/67
OJ 103 of 2.6.1967

EEC Tr., Art. 111
and 113

Comm. conducts negotiations in consultation with special committee appointed by C to assist Comm. in this task.

5.3341 *THE DILLON ROUND*

On 16 July 1961 EEC representative and representatives of governments taking part in negotiations signed Final Act of 1960/61 Tariff Conference which provided for tariff reductions of 20 %.

Bull. EC 9-1962

5.3342 *THE KENNEDY ROUND*

Final Act signed by EC on 30 June 1967. In addition to protocol containing final lists of concessions to be annexed to General Agreement, instruments comprise memorandum expressing agreement on basic

Bull. EC 8-1967

C Dec. 68/411,
27 Nov. 1967

5.3342
(cont'd)

elements for negotiation of world arrangement on cereals, special agreement on chemicals, agreement — known as anti-dumping code — on implementation of Article VI of General Agreement, and protocols on association of Iceland, Ireland, Argentina and Poland.

Approval by C of Comm. report on outcome of Kennedy Round ; on this basis C adopted commitments entered into on behalf of EC.

OJ L 305/68

1967 Geneva Protocol on tariff concessions averaging between 35 and 40 % came into force on 1 January 1968 for parties which had accepted it before 1 December 1967.

Tariff reductions agreed to by EC were implemented as follows :

1st GR EC, Par. 481

- 40 % of total reduction from 1 January 1968 ;
- 60 % in three equal instalments from 1 January 1970.

Concessions were fully implemented on 1 January 1972.

5.3343

THE TOKYO ROUND

Preamble to Paris
Decl., Oct. 1972,
point 5

In October 1972 Heads of State or Government of Member States of enlarged Community stated their preparedness to take part in new negotiations.

6th GR EC, Par. 5

On 12-14 September 1973 new multilateral negotiations were launched by GATT ministerial conference in Tokyo. C and Comm. were represented.

Bull. EC 9-1973

5.3342/5.3343

5.3343
(cont'd)

The aim of the Tokyo Round was to reduce tariff and non-tariff barriers and the differences in the structure of these in various countries, to improve the general conditions of world trade, especially for developing countries, and to bring trade in agricultural products within the scope of the agreement.

C negotiating mandate,
10 Feb. 1975

EC was in favour of :

- significant reduction of customs tariffs, accompanied by their harmonization at world level ;
- attempt to eliminate non-tariff barriers to trade by finding multilateral solutions ;
- with regard to agricultural sector, negotiation — without, however, encroaching on principles of CAP — of international agreements to promote expansion of trade and to stabilize world markets ;
- with regard to safeguard clause, an endeavour to find flexible means of application, involving no new restrictive measures but possibly subject to supervision ;
- desire to perfect generalized system of preferences ;
- reactivation of Article XI of GATT by means of better definition and better enumeration of measures in field of export restrictions, and creation of 'code of good conduct' ;
- reciprocal concessions for all concessions made to Eastern European countries, particularly with regard to tariff reductions.

EP Doc. 106/75
OJ C 157 of 14.7.1975

5.3343
(cont'd)

12th GR, Point 449

Despite the declarations made in July and December 1978 on the progress already achieved and on the desire of the main negotiating countries to complete discussions as soon as possible, it was not until 11 and 12 April 1979 that a final 'package' was initialled, although this package was not accepted by the majority of developing countries. It consists of the following :

- tariff reductions are spread over a period of eight years ; the American tariff will be reduced by about one third, the Japanese tariff by about one quarter, and the Community's common external tariff will go down from 9.8 to 7.5 % ;
- establishment of a series of codes on non-tariff barriers. In particular these codes cover standards, customs valuation, public contracts, subsidies and countervailing duties, anti-dumping duties, etc. ;
- agricultural sector : in return for improving access to its markets (in respect of tariffs and quantitative restrictions), the Community has obtained from its partners a recognition of the principles of its common agricultural policy. International agreements on meat and dairy products, but no agreement on cereals ;
- sectoral agreement on civil aviation ;
- reform of legislation governing international trade, including the treatment to be given to developing countries, protective measures and the machinery for consultation, for settling differences and for surveillance.

Negotiations are continuing on the selective application of the safeguards clause — a question of particular interest to developing countries.

5.34 **OECD (ORGANIZATION FOR ECONOMIC
COOPERATION AND DEVELOPMENT)**

5.341 **Objectives**

Set up by Paris Convention, signed on 14 December 1960, Organization for Economic Cooperation and Development aims to :

- bring about greatest possible expansion of economy and employment and achieve increased living standards in its member countries, while at the same time maintaining financial stability, and contribute thus to development of world economy ;
- contribute to healthy economic expansion both in member and non-member countries, with a view to economic development ;
- contribute to expansion of world trade on multilateral, non-discriminatory basis, in accordance with international obligations.

Art. 1 of
Paris Conv.

5.342 **Member States**

Original members : the 18 States of the former OEEC (Austria, Belgium, Denmark, France, Federal Republic of Germany, Greece, Iceland, Ireland, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, Turkey and the United Kingdom), the USA and Canada.

Japan joined in 1964, Finland in 1969, Australia in 1971 and New Zealand in 1973.

Yugoslavia is an associate member of OECD under special statute.

5.343 **Administrative structure**

Simple structure : Council of all members, Secretary-General appointed by Council, and Executive Committee of ten members.

Headquarters in Paris.

5.344 **Relations with the EC**

Treaties provide for close collaboration with OECD.

With regard to economic matters, Articles 113 and 116 of the Tr. of Rome also apply.

The EC collaborates, on a non-voting basis, with the OECD Council and committees.

5.3441 *STATE OF RELATIONS*

On 18 November 1974 OECD Council decided to set up International Energy Agency (IEA, based in Paris).

8th GR EC, Par. 383

Comm. has been associated, in accordance with the general arrangements, with work of IEA.

9th GR EC, Par. 443

EEC Tr., Art. 231
ECSC Tr., Art. 93

5.35 **EFTA (EUROPEAN FREE TRADE ASSOCIATION)**

5.351 **Objectives**

European Free Trade Association set up by 1960 Stockholm Convention.

Aim is to establish large free trade area for industrial products.

5.352 **Member States**

— Original members: Austria, Norway, Sweden, Switzerland and Portugal, plus United Kingdom and Denmark, which ceased to be members on accession to EC;

— Ireland became a member in 1970.

Finland has been an associate member since 1961.

5.353 **Administrative structure**

Council: twice-yearly ministerial meeting; permanent committee of experts on trade and budgetary matters etc. Secretariat of 70.

Budget: 8 m.

Headquarters in Geneva.

5.354 **Relations with EC**

5.3541 *OBJECTIVES OF NEGOTIATIONS:*

3rd GR EC, Annex 1

- to strengthen enlarged Community by creating special links with other European States ;
- to help solve problems of countries which are still members of EFTA, taking account of the fact that two new Member States of EC previously belonged to EFTA.

5.3542 *AGREEMENTS CONCLUDED*

For agreements concluded with EFTA countries, see 6.2.

These agreements extend free trade area set up by EFTA to trade between enlarged Community and member countries of EFTA.

Bull. EC 9-1972
1st part
Bull. EFTA 6/77

Since 1 July 1977, import duties abolished on almost all trade in industrial products between the 16 European countries in EFTA and the EC. At the May 1977 meeting, the emphasis was on the need for increased cooperation to combat unemployment and inflation, on monetary stability, etc.

Bull. EFTA 3/78

On 27 June 1978, C stated that it agreed to the proposals of Comm. for encouraging cooperation with EFTA in any areas deemed to be useful.

Bull. EC 6-1978
Point 2.2.70

Informal arrangement on the problems of the steel industry, 28.2.1978 (See 5.2552).

5.36 **CMEA (OR COMECON)**

5.361 **Objectives**

Set up by International Treaty of 25 January 1949, the Council for Mutual Economic Assistance is an inter-State organization for economic cooperation between various States in the socialist world.

5.362 **Member States**

Members since 1949: USSR, Bulgaria, Hungary, Poland, Romania and Czechoslovakia.

Albania joined in 1949 (withdrew *de facto* in 1961), the German Democratic Republic in 1950, Outer Mongolia in 1962, Cuba in 1972 and Vietnam in 1978.

5.363 **Administrative structure**

Structure is complex: Conference of First Secretaries of Central Committees of Communist Parties and of Heads of Government; Council Session; Executive Council set up in 1962; Conference of representatives of member countries and Secretariat.

Main activities centre on economic collaboration covering both coordination of national plans and a series of cooperation projects to do with production, infrastructure, organization of legal bases and standards, and scientific and technical research.

In relations with third countries, CMEA's activities have so far been on limited scale, although it enjoys observer status in certain international economic bodies.

Headquarters in Moscow.

Bull. EC 9-1974

5.364 **Relations with EC**

5.3641 *DIFFICULTIES IN NEGOTIATIONS*

In view of difference between fields of competence, Community institutions cannot negotiate with CMEA on questions of commercial policy or conclude trade agreements, since the latter as such has no competence in field of external economic relations.

EP Doc. 425/74
OJ C 60/75

5.3642 *STATE OF RELATIONS*

In October 1972 Conference of Heads of State or Government of EC States resolved to promote a policy of cooperation with Eastern European countries.

6th GR EC, Par. 5

In November 1974, after approval by Comm. transmitted to State-trading countries concerned a model agreement, the main points of which are :

4th GR EC, Par. 504
EP Doc. 425/74
OJ C 60/75

- conclusion of long-term non-preferential trade agreements on basis of overall balance of benefits to both sides ;
- general skeleton provisions aimed at ensuring harmonious development of reciprocal trade ;
- application of most-favoured nation clause to each of the parties ;
- creation of framework to permit liberalizing of imports.

In February 1976 CMEA sent to EC a message proposing conclusion of agreement, together with draft of proposed agreement.

Bull. EC 2-1976

In May 1978, communiqué issued by the EC and the CMEA expressing a common desire to reach an agreement regularizing relations in the spirit of the Final Act of the CSCE.

Bull. EC 5-1978
Points 1.2.1 —1.2.3

Paris Final Decl.,
Oct. 1972,
Point 13

5.3642
(cont'd)

In November 1978, discussions on Comm. proposals aimed at speeding up conclusion of an agreement.

Bull. EC 11-1978
Point 2.2.60

Pending a reply from the CMEA, negotiations on a bilateral agreement with Romania have begun.

5.37

ASEAN (ASSOCIATION OF SOUTH-EAST ASIAN NATIONS)

Bull. EC 11-1978
Points 1.41. — 1.45

5.371

Objectives

Association of South-East Asian Nations set up in August 1967 in Bangkok with aim of accelerating economic progress and stability of region by means of increased cooperation in political, economic, commercial, social and cultural fields.

5.372

Member States

Indonesia, Philippines, Thailand, Malaysia and Singapore.

5.373

Administrative structure

Summit meetings of Heads of Government, Conference of Ministers of Foreign and/or Economic Affairs. Standing Committee (meets monthly), and various committees.

Furthermore, from 8 to 11 January 1975 parliaments of ASEAN met to adopt main elements of 'ASEAN Parliamentary Cooperation', with follow-up meeting some months later to set up parliamentary organization agreed to.

5.374 **Relations with EC**

5.3741 *BACKGROUND*

16 June 1972: first formal meeting between ASEAN delegation and Members of the Commission. ASEAN set up Special Coordination Committee of ASEAN (composed of Ministers of Trade) and the ASEAN Brussels Committee (composed of ambassadors of ASEAN with the EEC).

Bull. EC 8-1972

Since then: regular dialogue between Commission and ASEAN countries.

May 1975, following exchange of letters, Joint Commission-ASEAN Group (composed of representatives of the Commission and the five ASEAN governments) set up to foster regular dialogue between ASEAN and EC. Group meets in principle twice a year.

Bull. EC 5-1975

November 1977: first meeting at ambassador level between ASEAN Brussels Committee, COREPER and Commission representatives.

November 1978: first meeting at ministerial level between EC and ASEAN.

5.3742 *STATE OF RELATIONS*

— ASEAN countries benefit from EC GSP (see 5.42), with application of the cumulative system regarding origin regulations, which promotes regional cooperation between the countries concerned; conferences on the functioning and utilization of the preferences have been organized.

— the EC policy of financial and technical aid to non-associated developing countries takes in ASEAN countries.

EP Doc. 77/79

EP Res. of 11 May 1979

5.3742
(cont'd)

- ASEAN countries also come under EC policy on food and emergency aid.
- seminars and conferences are organized on industrial cooperation, transfer of technology, investment, etc.
- at the meeting of ministers in November 1978 EEC and ASEAN decided to start negotiations on an overall cooperation agreement between the two groups (negotiations in progress).

Bull. EC 11-1978
Points 1.4.1 — 1.4.5

5.38 **LATIN-AMERICAN REGIONAL ORGANIZATIONS**

5.381 **SELA (Latin-American Economic System)**

5.3811 *OBJECTIVES*

Set up on 18 October 1975 by the Agreement of Panama, SELA's aims are :

- coordination of existing integration mechanisms (Andean Group, Central-American Common Market, Caribbean Community, etc.);
- give new impetus to intra-regional cooperation;
- organize producers of raw materials and basic agricultural products;
- coordinate positions and strategies of member countries towards outside world.

5.3812 *MEMBER STATES*

Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, Ecuador, Guatemala, Guyana, Haiti, Honduras, Jamaica, Panama, Paraguay, Peru, Mexico, Nicaragua, Dominican Republic, El Salvador, Trinidad and Tobago, Uruguay, Venezuela, Barbados and Grenada.

5.3813 *ADMINISTRATIVE STRUCTURE*

Council of Ministers meets once a year, and Permanent Secretariat.
Headquarters in Caracas.

5.382 **Relations with EC**

5.3821 *MULTILATERAL RELATIONS*

5.38211 **BACKGROUND**

Since the beginning of the 1970s, EC has had relations with certain regional integration groups in Latin America, such as CECLA (Special Committee for Latin-American Coordination), LAFTA (Latin-American Free Trade Association), the Andean Group, CARICOM (Caribbean Community), CEPAL (Economic Committee for Latin America), OEA (Organization of American States) and, since 1977, SELA.

These relations have led to the establishment of joint groups of experts to examine the particular problems involved. As a rule, there are also two working sessions per year at ambassador level between the countries of the Latin-American Group, the permanent representatives of the Member States and representatives of the Commission.

Meetings may also be held at ministerial level.

Since July 1974, interparliamentary conferences between the members of EP and 'Latin-American Parliament'.

5th GR EC,
Par. 470-472
6th GR EC,
Par. 429-430
7th GR EC,
Par. 544-545
8th GR EC,
Par. 444
9th GR EC,
Par. 495-497
10th GR EC,
Par. 554-556
11th GR EC,
Par. 562
12th GR EC,
Par. 525-527

5.38212 STATE OF RELATIONS

- Latin-American countries benefit from EC GSP (see 5.42), and conferences on the functioning and utilization of the preferences have been organized.
- EC policy on financial and technical aid to non-associated developing countries takes in Latin-American countries.
- Latin-American countries also come under EC policy on food and emergency aid.
- Difficulties continue to exist in the trade sector on account of self-restricting measures requested by EEC for certain 'sensitive' products.
- Development of relations with SELA is in progress and specific measures in several sectors are envisaged.

5.38213 RELATIONS WITH EP

EP Res. of 15 Nov. 1974

- July 1974 (Bogota): first meeting of EEC-Latin America Interparliamentary Conference, bringing together representatives of the Latin-American Parliament (parliamentary body) and EP. 'Findings and recommendations' of Conference are referred back to appropriate authorities of both Parliaments before being adopted.

Bull. EC 11-1974
Point 2.4.11
EP Doc. 351/74
OJ C 155 of 9 Dec. 1974

EP Res. of 13 Feb. 1976

- November 1975 (Luxembourg): 2nd meeting; debates centred on economic relations between EC and Latin America, problems arising from development of multinational companies and situation of parliamentary democracy in Europe and Latin America.

EP Doc. 469/75 rev.
OJ C 53 of 8 March 1976

EP Res. of 12 May 1978

5.38213
(contd)

- July 1977 (Mexico): 3rd meeting; subjects debated were new international economic order, human rights, parliamentary and democratic institutions, economic and trade relations, financial cooperation, international terrorism, demographic policy and technological cooperation and culture programmes.
- February 1979 (Rome): 4th meeting; main subjects of 3rd meeting were developed. In addition, drug control, law of the sea and international traffic in conventional arms were discussed.

EP Doc. 574/77

OJ C 131 of 5 June 1978

Bull. EC 2-1979

5.3822

BILATERAL RELATIONS

See 6.6.

5.4 Development cooperation policy

5.41 OVERALL POLICY ON DEVELOPMENT COOPERATION

In order to make positive contribution to Second United Nations' Development Decade it appeared essential to establish Community policy on development cooperation directed towards integrating all elements involved, i.e. trade policy, food aid, technical assistance and financial assistance.

4th GR EC, Par. 397

Therefore, in July 1971, Comm. adopted memorandum on Community development cooperation policy, consisting of four main points :

5th GR EC, Par. 433
Suppl. 5/71 — Bull. EC
Annex to Bull. EC 9-10/1971

- efficacy of cooperation policy depended on compatibility with internal economic policies ;
- policies of Member States must be coordinated ;
- policies regarding countries of black Africa and Mediterranean basin must be developed ;
- technical and financial assistance must be increased with a view to ensuring better geographical balance.

General guidelines incorporated into action programme (adopted by Conference of Heads of State or Government of October 1972) which lays down principles governing overall Community policy on development cooperation.

Suppl. 2/72 — Bull. EC
EP Doc. 194/72

Summit Conference,
Final Decl.,
Paris, 1972

5.41
(cont'd)

With a view to carrying out this programme, in 1974 C adopted nine Res. and one Rec. on following points :

Bull. EC offprint
from Bull. EC 7-8/1974

- improvement of generalized system of preferences (see 5.42);
- commodity agreements (see 5.5);
- volume of official aid for development ;
- conditions attaching to official aid ;
- debt burden of developing countries ;
- geographical allocation of aid (C Rec.);
- regional integration among developing countries ;
- promotion of exports from developing countries ;
- coordination and harmonization of Member States' national policies on development cooperation ;
- financial and technical aid to non-associated developing countries (see 5.45).

Comm. Commun. to C,
5 Nov. 1974

Comm. adopted these guidelines and incorporated them into overall policy in 'Fresco of Community action tomorrow', which emphasizes differences in position of underdeveloped countries and necessity of establishing overall 'world-wide' policy side by side with 'regional' policy of association.

Suppl. 8/74 — Bull. EC
EP Doc. 42/75

(See 6.24, 6.25, 6.3 and 6.4).

In 1975 a structured programme of technical aid designed to *promote trade and regional cooperation* to the benefit of developing countries was set up. Measures to help developing countries in Asia and Latin America comprise the financing and organization of trade missions, marketing seminars, trade documentation and participation in European trade fairs.

9th GR EC,
Par. 398, 416

5.41
(contd)

The funds required for such action are included annually in the EC budget.

Efforts have been made over the years to implement the 1974 resolution on the *coordination and harmonization* of the cooperation policies of the EC and its Member States (see 5.32). The Commission has also submitted a document to C on the volume of official development aid and another on the geographical breakdown of bilateral aid from Member States. Since this involves operational cooperation, progress has been made in emergency and humanitarian aid and in certain sectors of aid policy (especially rural development).

10th GR EC,
Par. 470
Bull. EC 11-1976
Point 2.4.30
Bull. EC 3-1977
Point 2.2.10
and 2.2.11
Bull. EC 6-1977
Point 2.2.12
Bull. EC 11-1977
Point 2.2.20 to 2.2.23

Various other questions examined :

- EC development cooperation policies during the first half of the second decade of development (1971-1976);
- implications for both parties of the development cooperation policy and other EC policies ;
- promotion of European investment in developing countries ;
- cooperation with developing countries in the energy sector ;
- respect of certain international standards governing conditions at work ;
- international development strategy.

Bull. EC 1-1978
Point 1.41 to 1.46

Bull. EC 7/8-1978
Point 2.1.113

Bull. EC 11-1978
Point 2.1.11

Bull. EC 9-1978
Point 1.2.1 to 1.2.8

GSP (THE GENERALIZED SYSTEM OF PREFERENCES)**BACKGROUND**

Idea of establishing generalized system of tariff preferences first put forward during meeting of GATT ministers in May 1963. At 1964 UNCTAD held in Geneva recognition was requested of principle that industrialized countries should grant generalized preferences to developing countries on exports of finished and semi-finished industrial products.

EP Doc. 272/73

EP Doc. 285/74

At Second Conference, (New Delhi 1968), Res. providing for establishment of non-discriminatory preferences adopted.

EP Doc. 285/75

EP Doc. 332/76

EC was first, and for a long time only, party to implement this resolution.

Application in 1971 of generalized preferences to countries belonging to group known as 'group of 77' within UNCTAD, and to countries and territories dependent on Member States or on third countries. Subsequently geographical area was enlarged in line with increase in number of countries belonging to 'group of 77'.

OJ L 142/71

The EC generalized system of preferences applies to around 114 independent countries and territories and to 27 countries and territories dependent on Community Member States or on third countries.

EEC system of generalized preferences (GSP)

Preferential tariff advantages offered unilaterally and on non-reciprocal basis for :

5 GR EC, Par. 455

- processed agricultural products (tariff reductions are envisaged for a certain number of products which appear on a positive list);

5.42
(contd)

— finished and semi-finished industrial products : countries benefiting from GSP may export these products duty-free to EC up to maximum amount fixed each year for each country and each product. Special rules are applicable to textiles, coconut fibre and jute products.

These principles have never been called into question, but each year amendments and improvements have been made. For 1979, these are :

C Reg. 2703/77-2713/77
of 28 Nov. 1977
C Reg. C 3154-3164
of 29 Dec. 1978
EP Res. of 15 Dec. 1978

— *list of processed agricultural products* to which preferences apply was extended and the preferential duty on others reduced ; special measures were taken for the least-developed countries, namely relief from all duties on all agricultural products to which the system of generalized preferences applies (up to the maximum amount of ceiling or quotas for the six products to which ceiling applies) ;

OJ L 375/78
EP Doc. 475/78
EP Doc. 474/78
OJ C 6/79

— as regards *industrial, finished and semi-finished products* other than textiles, ceiling is raised as a result of a new base year (1976) being taken for calculation of supplementary amount. For sensitive industrial products the 1978 offer will be 'frozen' in 1979 in certain particularly affected sectors, and there will be an increase of 5 to 10 % in others. For hybrid or semi-sensitive products 1978 ceilings have been raised in many cases. The least-developed countries are totally exempt from the reintroduction of the levying of duties in respect of all industrial products other than textiles (including those subject to quotas) ;

12th GR EC,
Par. 461

— for *textiles*, total imports of 88 000 tonnes, free of customs duty, up to 31 July 1979. From 1 August 1979 to 31 December 1979 ; 5 % increase in quantities.

Comm. Reg. 1371/71,
30 June 1971
Comm. Reg. 3214/75
of 3 Dec. 1975

5.42
(contd)

One of the most delicate problems regarding application of system concerns the concept of 'originating products'. The object of which is to prevent any fraud or deflection of trade. Provisions and regulations concerning concept of origin are adopted at regular intervals with view to standardization and simplification.

OJ L 146/71
OJ L 323/75

In conjunction with these measures EC undertook an information campaign *vis-à-vis* authorities of beneficiary countries, with view to ensuring that full benefit was derived from advantages offered by GSP.

9th GR EC,
Par. 408 and 409

5.43

COMMUNITY FOOD AID

5.431

Food aid in cereals

C Dec. 411/68,
27 Nov. 1967
C Dec. 208/70,
17 March 1970

Community food aid in cereals began with Food Aid Convention, annexed to wheat trade Agreement concluded on 18 August 1967, following final act of Kennedy round negotiations, under auspices of FAO (see 5.53).

OJ L 305/68
OJ L 66/70

Under terms of Conv. EC undertook to supply 1 035 000 tonnes of cereals for three years (1968-71) either free or in form of sale against non-convertible currency.¹ EC commitment represented 23 % of overall food aid commitment, which was set at 4.5 million tonnes per annum.

C Dec. 406/74,
25 June 1974

Conv. was renewed for first time on 1 July 1971 for three years and regularly since then.

OJ L 219/74

¹ EC has not availed itself of this alternative, and all its aid has been in form of gifts.

C Dec., 2 April 1973

5.431
(contd)

Following accession of Denmark, Ireland and UK, EC commitment increased to 1 287 000 tonnes of cereals per annum.

Bull. EC 3-1973
Point 2324
Bull. EC 4-1973
Point 2312

In general EC finances aid projects up to fob stage.

The annual food aid programme in cereals is divided into national aid and purely Community aid. Since the 1968-1969 programme the proportion of purely Community aid has increased from some 29 % (301 000 tonnes) to around 56 % (720 500 tonnes).

EP Doc. 169/69
EP Doc. 55/70
EP Doc. 141/71
3rd GR EC,
Par. 467
12th GR EC,
Par. 464

Under programme, aid is provided to the most needy developing countries, either directly or through international organizations. Variable proportion set aside as disaster fund and provided under emergency programmes, all or part of related costs (on processing, transport, distribution, etc.) being borne by EC.

5.432

Food aid in non-cereal products

The idea of food aid in milk and milk products devised independently by EC as part of 'special measures' to absorb certain agricultural surpluses. Results of this unilateral action are as follows :

- aid is given on purely EC basis ;
- it is irregular and intermittent.

C Reg. 1399/69,
17 July 1969
C Reg. 1852/69,
16 Sept. 1969

First Dec. of C regarding food aid in milk and milk products made on 21 and 22 April 1969, and concerned supply of 120 000 tonnes of skimmed-milk powder and 35 000 tonnes of butter-oil to WFP (World Food Programme) and 3 000 tonnes of skimmed-milk powder to IRCC (International Red Cross Committee).

OJ L 179/69
OJ L 237/69

C Reg. 1962/72,
2 Aug. 1972
C Reg. 2721/72,
19 Dec. 1972
C Reg. 530/74,
4 March 1974
C Reg. 1826/74,
11 July 1974

5.432
(contd)

Subsequently, butter-oil quantities have been retained within a bracket of 35 000 to 45 000 tonnes.

OJ L 178/72

OJ L 291/72

At the insistence of EP, skimmed-milk powder supplies were increased to 150 000 tonnes in 1976, and subject to slight variations are again 150 000 tonnes in 1979.

OJ L 65/74

OJ L 190/74

EEC contribution to the Flood II operation in India. This is a major multiannual rural development project to improve living conditions of millions of milk-producing families by setting up an efficient dairy industry together with necessary infrastructure. Total EEC contribution: skimmed-milk powder: 31 000 tonnes and butter-oil: 12 700 tonnes.

Counterpart funds in local currency will be constituted from proceeds of sale of products in question and used as an additional source of finance.

C Reg. 2017/76,
27 July 1976

Except in the case of emergency aid, countries in receipt of food aid constitute, where appropriate, counterpart funds. EC is not required to give formal approval to development projects financed in this way, but is kept regularly informed of all such projects and is thus able to verify that they fully conform to certain predetermined general criteria.

OJ L 224/76

C Dec. 496/72,
19 Dec. 1972
C. Reg. 1475/72,
10 July 1972
C Dec. 623 and 624/76,
20 July 1976

In addition to these independent projects, EC agreed under three-year Convention with UNRWA (United Nations Relief Works Agency) to supply various foodstuffs, including 6 000 tonnes of sugar each year. Upon expiry on 30 June 1975, temporary Convention extended for further year and then extended retroactively from 1 July 1975 to 30 June 1980.

OJ L 304/72

OJ L 157/72

OJ L 203/76

EP Doc. 42/76

EP Doc. 131/76

UN EMERGENCY FUND

Economic crisis following rise in oil prices had serious effects on those developing with few resources in energy and commodities. EC therefore submitted Prop. to 6th extraordinary session of UN (autumn 1974) aimed at implementation of international emergency project for developing countries most adversely affected by recent international price fluctuation. This project involved contribution of approximately 3 thousand million dollars towards losses suffered by developing countries most severely affected by rise in world commodity prices. In letter to Secretary-General of United Nations EC confirmed its intention to contribute one-sixth, i.e. 500 million dollars, of total involved.

8th GR EC. Par. 406
EP Doc. 177/74
OQ (0—52/74)

On 3 October 1974 C. decided to release first instalment of 150 million dollars, of which 30 million were to be paid into United Nations special account and 120 million were allocated to bilateral projects. Allocation of funds for these projects was laid down by C. on 3 December 1974.

9th GR EC, Par. 417

C Dec., 22 Jan. 1975

Second instalment of 100 million dollars, of which 33 million dollars were paid into special account held by Secretary-General of UN, released on 29 April 1975, thus bringing EC contributions to total of 250 million dollars. In addition bilateral projects by Member States amounted to 408 million dollars and there was contribution of 52 million dollars as exceptional food aid. Total European contribution (Community and Member States) amounted to 710 million dollars, i.e. one-quarter of total.

9th GR EC, Par. 417
Bull. EC 1-1975,
Point 2308

5.44
(contd)

There were 21 recipients of EC aid out of the 42 most severely affected countries.¹ The payments made enabled recipient countries to import essential goods and services, such as foodstuffs, fertilizers, equipment, etc.

OJ C 89/76

EEC Art. 235

5.45

FINANCIAL AND TECHNICAL AID TO NON-ASSOCIATED DEVELOPING COUNTRIES

5.451

Improvement of agricultural and food production

Measures envisaged are designed to improve production, infrastructures, marketing, stocking, applied research and vocational training (as well as regional cooperation). This aid is granted to the least developed and poorest countries ; by and large it involves direct financing, but some of it can also be passed on via intermediaries. None of this aid is repayable.

EP Res. of 19 June 1975

In March 1975 Comm. submitted to the C an action programme for the 1976-1980 period to support developing countries with which it had not signed regional cooperation agreements. This programme was directed basically at countries in Asia and Latin America. Since C has not taken a decision on the programme as a whole, annual action is included in the EC budget : 20 million u. a. in 1976 used to help five countries (Bangladesh, India, Indonesia, Pakistan and Sri Lanka) and agricultural research bodies (Asian Bank, Regional Research Programme). A sum of 45 million

Bull. EC 3-1975,
Point 2315
EP Doc. 38/75
EP Doc. 133/75
OJ C 157/75

¹ Bangladesh, Cameroon, Central African Republic, Chad, Benin (formerly Dahomey), Ethiopia, Ghana, Haiti, Honduras, India, Kenya, Madagascar, Mali, Niger, Pakistan, Rwanda, Senegal, Somalia, Sri Lanka, Tanzania, Upper Volta.

Budget Art. 930

5.451
(contd)

u. a. was contained in the 1977 budget to finance projects in Asia (Bangladesh, India, Indonesia, Pakistan, Sri Lanka, Thailand, Vietnam and North Yemen) and Latin America (Bolivia and Honduras) and to aid regional organizations in Asia and Latin America. A sum of 70 million EUA in commitment appropriations was contained in the 1978 budget, increasing to 133.62 million EUA in 1979.

The rôle of the EP in the financing of these projects has been crucial in that while the C has failed to reach agreement on how they should be financed, the EP included these appropriations in its working margin in the 1976 budget.

These appropriations may also be used to promote economic cooperation between the EC and developing countries and for emergency aid.

5.452 **Promotion of trade relations with EC**

Budget Art. 931

These appropriations are designed to finance a number of very varied activities with two main objectives : to facilitate the marketing of products from developing countries on the Community market, and to encourage developing countries to expand production of their exportable products. 4.34 million u. a. in appropriations were contained in the 1976 budget for projects of this kind in Asia and Latin America (5 million u. a. for 1977, 5 million EUA in commitment appropriations for 1978 and 5.5 million EUA in commitment appropriations for 1979).

5.453 **Measures to encourage regional and subregional integration**

Budget Art. 932

The aim of these measures is to provide Community aid to regional integration bodies in developing countries by giving them the benefit of experience gained and of results obtained at Community level. Appropriations to this end were 260 000 u. a. in 1976, 375 000 u. a. in 1977, 400 000 EUA in 1978 (commitment appropriations) and 500 000 EUA (commitment appropriations) for 1979.

5.454 **Aid to measures taken by non-governmental organizations (NGOs)**

Budget Art. 945

The aim is to co-finance, along with NGOs, microprojects for the most underprivileged populations of associated or non-associated developing countries. The following budget appropriations were allotted for these measures: 2.5 million u. a. in 1976; 4 million u. a. in 1977; 12 million EUA (commitment appropriations) in 1978; and 12 million EUA (commitment appropriations) for 1979.

5.5 **International agreements on certain products**

5.51 **GENERAL**

5.511 **Definition**

Market regulation agreements intended to balance in medium- or long-term supply and demand on international market for various products; applied in event of significant imbalance between production and consumption or marked price fluctuations.

5.512 **Objectives**

- (a) to reduce price fluctuations over a relatively long period and maintain stocks at reasonable level (element of stabilization);
- (b) to increase market prices in favour of producer countries which include in particular developing countries.

5.513 **Background**

The oldest agreement is the Brussels Sugar Convention of 1902.

Since end of Second World War UN has been responsible for problems concerning commodities and in 1954 CICT (Commission on International Commodity Trade) was set up as organ of UN Economic and Social Council.

5.513 Following agreements concluded under aegis of UN :

(contd)

- International Wheat Agreement (1949);
- International Tin Agreement (1953);
- International Sugar Agreement (1953);
- International Olive Oil Agreement (1956);
- International Coffee Agreement (1962);
- International Cotton Textiles Agreement (1962);
- International Cocoa Agreement (1972).

These agreements, which have been revised, renewed and extended as necessary, are still in force.

Since it was set up, EC has had observer status in committees set up under various international agreements and as such has entered into some of these agreements.

5.52 INTERNATIONAL TIN AGREEMENT

5.521 Background

1921 : Bandoeng Pool : Great Britain (Malacca), Netherlands (East Indies).

1929 : Association of Tin Producing Countries : Great Britain (Malacca), Netherlands (Dutch East Indies), Bolivia, Nigeria, Burma.

Important non-members : Australia, Siam.

1931 : International Tin Association : First agreement controlling almost all world production.

Export restrictions ; export quotas.

1934 : Stabilization reserves.

1938 : System of export restrictions.

5.521
(contd)

Note : Before Second World War international measures intended to control and absorb excess production, protect prices and in particular prevent unemployment in producer countries.

1953 : Signature of First International Tin Agreement, which did not however come into force until 1956. (Preamble based on text of 1948 Havana Charter.)

1960 : Signature of Second International Tin Agreement.

1967 : Third International Tin Agreement.

C Dec. 155, 22 March 1972

5.522

Fourth International Tin Agreement (1971)

UNCTAD Conference to negotiate Fourth International Tin Agreement (Geneva from 13 April to 15 May 1970) of particular procedural importance from EC's point of view ; it was the first conference to negotiate a world commodity agreement after 1 January 1970 — date on which final stage of Treaty of Rome entered into effect and common commercial policy was established.

C. Dec., 20-21 April 1970

C authorized Comm., under Article 113 of Tr., to conduct negotiations falling within its jurisdiction, on behalf of EC. Agreement signed by Comm. on behalf of EC on 27 January 1971 in accordance with C Dec. of 14 December 1970.

C approval for Community participation in Agreement : 22 March 1972.

EC has been member of Agreement since April 1972.

Expiry of Agreement : 30 June 1976.

OJ L 90/72

4th GR EC, Par. 424

Commun. to press

5th GR EC, Par. 482

6th GR EC, Par. 455

7th GR EC, Par. 446

C Dec. 626/76
of 21 June 1976

5.523
(cont'd)

Fifth International Tin Agreement (1976)

OJ L 222/76

C Dec. 33/79
of 18 Dec. 1978

20 May to 21 June 1975 : UN Conference on new agreement

OJ L 10/79

29 April 1976 : signature of the Agreement by the Community.

10th GR EC, Par. 461

Duration : Five years.

Provisional entry into force : 1 July 1976.

OJ L 288/76

Final entry into force : 14 June 1977.

Organization : Single body : International Tin Council, which has its seat in London, is composed of all members and meets in principle four times a year ; decisions are taken by simple majority of votes cast by producer countries (1 000 votes in all) and by consumer countries (also 1 000 votes in all) but important decisions are taken by two-thirds majority.

Members : Producing countries : Australia, Bolivia, Indonesia, Malaysia, Nigeria, Thailand and Zaire.

Consuming countries : Austria, Bulgaria, Canada, Czechoslovakia, EEC Hungary, India, Japan, Republic of Korea (South Korea), Poland, Romania, Spain, Turkey, USA, USSR and Yugoslavia.

Objectives :

- to balance world production and consumption of tin ;
- to prevent excessive price fluctuations ;
- to increase profitability of tin production ;

5.523
(contd)

- to prevent unemployment or underemployment and other problems which could be caused by imbalance in supply and demand for tin ;
- to ensure conditions which will help to achieve dynamic and rising rate of tin production on basis of remunerative return to producers, to secure an adequate supply at prices fair to consumers and to provide long-term equilibrium between production and consumption ;
- to keep under review need for development and exploitation of new tin deposits, and promotion of most efficient methods of mining, concentration and smelting of tin ores.

Instruments :

- establishment of buffer stocks, consisting of compulsory contributions by producing countries (20 000 tonnes) and additional voluntary contributions on an equivalent scale by consuming countries : Total 40 000 tonnes (20 000 tonnes in previous Agreement). Penalties are laid down for producing countries failing to meet their obligations ;
- laying down of ceiling and floor prices ;
- control and determination of total export tonnage ; penalties laid down ;
- strengthening of provisions as compared with previous Agreement with regard to measures to be taken, in event of tin shortage, to improve conditions under which consuming countries are supplied ;
- Article 54 of Agreement clearly defines conditions for participation of intergovernmental organizations — and thus of EC.

5.53 **FROM INTERNATIONAL WHEAT AGREEMENTS TO AGREEMENTS ON FOODSTUFFS**

5.531 **Background**

1933 : First International Wheat Agreement, terminated after one year.

1949 : New International Wheat Agreement (price limitation for certain export and import quantities) revised, renewed or extended in 1953, 1956, 1959, 1962, 1965 and 1966.

1967 : International Grains Arrangement ; negotiated in Rome from 12 July to 18 August 1967 ; C decided (24 October 1967) to sign Arrangement on behalf of EC, subject to final conclusion.

Arrangement consists of Wheat Trading Convention (price scale for wheat with system of maximum and minimum prices) and Food Aid Convention (annual supply of 4 500 000 tonnes of grain including at least 1 035 000 tonnes, i.e. 23 %, by EC.

Expiry of Arrangement : 30 June 1971.

C Dec. 208, 17 March 1970

OJ L 66/70

5.532 **International Wheat Agreement (1971)**

UN Wheat Conference met from 18 January to 20 February 1971 in Geneva under auspices of UNCTAD to negotiate new agreement consisting of two Conventions mentioned below.

WQ No 391/70

OJ C 30/71

Bull. EC 3-1971, Point 62

5.5321 *WHEAT TRADING CONVENTION*

(contains no economic restrictions)

Entry into force : 1 July 1971.

Expiry : 30 June 1974.

Organization : Supreme body : International Wheat Council ; seat in London ; composed of all members of Agreement ; meets at least twice a year. Decisions taken on majority of votes cast by all exporting member countries (1 000 votes in all) and importing member countries (also 1 000 votes in all), but important decisions are taken by two-thirds majority.

Executive Committee set up, consisting of a maximum of four exporting members and a maximum of eight importing members.

Members : Principal exporters : Argentina, Australia, Canada, EC, USA and USSR ; principal importers : Brazil, China, EC, India, Japan, Peru, United Arab Republic and Venezuela.

Objectives :

- to promote international cooperation ;
- to promote development of trade in wheat and wheat flour in interests of both exporting and importing members ;
- to help stabilize international wheat market ;
- to provide framework for negotiation of provisions relating to wheat prices.

Instruments :

- recording of commercial purchase and sales and of special transactions ;
- evaluation of needs for and availability of wheat ;

5.5321
(contd)

- consultations on market situation ;
- annual examination of world wheat situation and research into ways of promoting consumption ;
- directives on transactions on preferential terms ;
- a conference is to be organized whenever it appears that questions relating to price and to relevant rights and obligations could usefully be negotiated.

5.5322 *FOOD AID CONVENTION*

(See also 5.431)

Duration : Three years.

Entry into force : 1 July 1971.

Expiry : 30 June 1974.

Organization : Single body : Food Aid Committee ; composed of representatives of member countries ; monitors application of Convention.

Members : Argentina, Australia, Canada, EC, Finland, Japan, Sweden, Switzerland and United States.

Objective : Implementation, by virtue of contributions collected, of food-aid programme for developing countries.

Instruments : Each party to Convention must supply minimum annual tonnage or equivalent in cash. Minimum annual tonnage : 3 974 000 tonnes.

Procedures for supplies and contributions :

- sales against non-convertible cash payments in currency of importing country which may not be exchanged for foreign currency or goods and services intended for use by donating country ;

5.5322
(cont'd)

- gifts of grain or gifts in cash to be used to purchase grain for benefit of importing country, or
- credit sales (preference should be given to first two procedures);
- contributions of grain supplied on forward delivery terms fob;
- purchases of grain are to be effected in member countries;
- donating countries may nominate one or more beneficiary countries;
- contributions may be made either via an international organization or bilaterally; preference should be given in particular to multilateral networks and especially to the WFP.

5.5323

DEVELOPMENTS SINCE 1974

International Wheat Agreement of 1971 expired on 30 June 1974.

Extension to 30 June 1975.

Bull. EC 2-1974, Point 2314

Second extension to 30 June 1976.

Bull. EC 2-1975, Point 2315

Third extension to 30 June 1978.

Bull. EC 2-1976, Point 2325

Fourth extension to 30 June 1979.

Bull. EC 3-1978,
Point 2.2.19

Fifth extension to 30 June 1981.

Aim of latest extension is to retain current means for technical collaboration until new agreement containing genuine economic provisions can be negotiated. Similarly, Food Aid Convention was also extended with same obligations for same period.

Community position

Since 1968 EC and Member States have been members of International Grains Arrangement with a minimum annual commitment of 1 035 000 tonnes of grain (total annual programme: 4 500 000 tonnes) within context of Food Aid Convention. Commitment was confirmed in International Wheat Agreement of 1971 and increased to 1 287 000 tonnes on the occasion of the accession to the EEC of the United Kingdom, Ireland and Denmark.

10th GR EC, Par. 312
2nd GR EC, Par. 553

Signature by EC: 3 May 1971.

5th GR EC, Par. 456

C Dec. on provisional application: 7 June 1971.

C Dec. on conclusion of Agreement: 25 June 1974.

OJ L 219/74

Signature by EC and Member States of Protocol prolonging for one year (until 30 June 1975) Wheat Trading Agreement (1971): 22 April 1974 and statement confirming provisional application.

Bull. EC 4-1974, Point 2312
Bull. EC 6-1974, Point 2316

Council agreement to extension for one year (until 30 June 1975) of Food Aid Convention: 30 April 1974.

Bull. EC 4-1974, Point 2313

Council agreement to second extension (until 30 June 1976) of International Wheat Agreement: 28 May 1975.

9th GR EC, Par. 396

Council agreement to third extension (until 30 June 1978) of International Wheat Agreement: 31 May to 1 June 1976.

Bull. EC 5-1976, Point 2319
10th GR EC, Par. 459

Recommendation on extension for a further year: 24 April 1978 (until 30 June 1979).

Bull. EC 4-1978,
Point 2.2.19

Recommendation on extension for two years (until 30 June 1981) following the breakdown of negotiations on the conclusion of a new agreement in March 1979.

Provisional application by the EC.

OJ L 152/79

C. Dec. 406, 25 June 1974

C. Dec. 556/79
of 12 June 1979

5.54 **INTERNATIONAL COCOA AGREEMENT**

5.541 **Background**

1964: attempt to reach agreement by major producing countries following failure of negotiations for conclusion of international agreement.

Between 1966 and 1972: consultations, conferences and negotiations (at invitation of Secretary-General of UNCTAD) concerning conclusion of international agreement. Comm. took part in this work.

EEC Tr., Art. 113

6-28 March 1972: UN Conference on cocoa; six Member States and the Community took part. By decision of 7 March 1972, C authorized Comm. to conduct negotiations on behalf of the Community within scope of common commercial policy.

Bull. EC 5-1972, Point 98

11 September to 20 October 1972: Second phase of Conference. Adoption of text for Agreement intended to stabilize prices on world cocoa market for period of three years. Comm. was successful in inserting in Agreement provisions allowing EC to become full member (Article 4 of Agreement).

Bull. EC 10-1972, Point 195

January 1973: all Member States and Comm. signed Agreement.

Bull. EC 1-1973, Point 2308

26 June 1973: C Dec. for provisional application of International Cocoa Agreement of 1972, which entered into force provisionally on 1 July 1973.

Bull. EC 6-1973, Point 2340

First implementing Regulation adopted by C concerning exports and imports of cocoa from and into common customs territory.

OJ L 324/73

C Reg. 3135,
9 Nov. 1973

5.541
(cont'd)

Expiry of Agreement : 30 September 1976.

22 September to 20 October 1975 : Conference in Geneva organized under aegis of UNCTAD to negotiate conclusion of Second International Cocoa Agreement. EC represented by Comm., and the nine Member States took part. Comm. was authorized, by decision of C of 22 September 1975, to negotiate on behalf of EC questions of Community competence.

New Agreement concluded.

9th GR EC, Par. 393

Bull. EC 6-1975, Point 2322

Bull. EC 10-1975, Point 2321

5.542

Second International Cocoa Agreement (1975)

Signature of Agreement by EC : 27 July 1976 (subject to final conclusion).

Provisional entry into force : 1 October 1976 for three years with possible two-year extension without fresh negotiations.

Notification of provisional application of Agreement by EC : 28 September 1976.

Organization : Supreme body : International Cocoa Council ; seat in London ; consisting of all members of International Cocoa Organization ; normally meets twice a year. Decisions are taken in principle by simple majority of votes cast by all importing member countries (1 000 votes in all) and exporting member countries (also 1 000 votes in all) but important decisions are taken by a two-thirds majority. The Executive Committee consists of eight exporting member countries and eight importing member countries.

OJ L 321/76

OJ L 44/79

C Dec. 870/76 of
28 Sept. 1976
C Dec. 198/79
of 12 Feb. 1979

5.542
(contd)

Members : Exporting countries : Brazil, Cameroon, Dominica, Ecuador, Ghana, Guatemala, Ivory Coast, Jamaica, Mexico, Nigeria, Papua New Guinea, Peru, St Lucia, St Vincent, Sao-Tomé and Principe, Togo, Trinidad and Tobago and Zaire.

Importing countries : Australia, Bulgaria, Canada, Colombia, Czechoslovakia, EC, Finland, German Democratic Republic, Hungary, Japan, New Zealand, Norway, Peru, Portugal, Spain, Sweden, Switzerland, USSR and Yugoslavia.

Objectives :

- to alleviate any economic difficulties arising whenever it proves impossible to balance production and consumption by normal interplay of market forces ;
- to prevent excessive fluctuations in price of cocoa ;
- to maintain and increase income of exporting countries ;
- to ensure supplies at reasonable prices ;
- to promote consumption and where necessary to make adjustments to production.

Instruments :

- maintenance of price of cocoa beans within price limits fixed by joint agreement (minimum price of 39 US cents per pound and maximum price of 55 US cents per pound) ;
- below a certain price level, establishment of system of annual export quotas ; provision for revision and adjustment of quotas ;
- setting up cocoa bean buffer stocks (maximum capacity : 250 000 tonnes) ; provision in Agreement for procedures to cover financing (tax of 1 US cent per pound), management, operation (purchases, sales, liquidation) of stock ;

C Reg. 2762,
19 Oct. 1976

5.542
(*contd*)

- provisions for assignment to non-traditional uses of surplus cocoa ;
- control of imports and exports of member countries ;
- annual examination of operation of Agreement.

First implementing Regulation adopted by Community within context of International Cocoa Agreement 1975 on import and export controls.

Raising of price range to 65-81 cents per pound.

Negotiations in progress with a view to concluding a new agreement.

OJ L 321/76

11th GR EC,
Par. 480

5.55

INTERNATIONAL COFFEE AGREEMENT

5.551

Background

1940 : First attempt to regulate international coffee market.

From 1956 to 1962 : Conclusion of annual agreements between producing countries.

1962 : Conclusion of First International Coffee Agreement at instigation of United States ; EC present as observer.

1968 : Renewal of Agreement for five years by International Coffee Council.

30 September 1973 : Official expiry of Agreement (did not operate in 1973 because of disagreement on price levels).

5.551
(contd)

1 October 1973 : Agreement extended for two years, but stripped of its economic content (quotas, prices, diversification and promotion funds); constituted essentially a framework for negotiation of new agreement. Community present as observer.

1 October 1975 : Extension for further year of Agreement without adding economic provisions; Community present as observer.

3 November to 3 December 1975 : Negotiations in International Coffee Council in London led to conclusion of new Agreement.

Comm. negotiated on matters of Community interest on behalf of EC.

Agreement open for signature to 31 July 1976

C Dec. 845,
20 Sept. 1976

5.552

International Coffee Agreement (1976)

OJ L 309/76

Entry into force : 1 October 1976.

Signature by EC : 27 July 1976, subject to final conclusion.

Notification of provisional application of Agreement by EC : 20 September 1976.

Duration of Agreement : Six years.

Organization : As for International Cocoa Agreement (1975) (see 5.542).

Members : 42 exporting countries including : Brazil, Cameroon, Colombia, Costa Rica, Ecuador, El Salvador, Ethiopia, Guatemala, Indonesia, Ivory Coast, Kenya, Madagascar, Mexico, Peru, Tanzania, Uganda, Zaire.

5.552
(contd)

Importing countries : Australia, Canada, Cyprus, Czechoslovakia, EC, Finland, Japan, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, United States of America and Yugoslavia.

Objectives :

- to achieve reasonable balance between supply and demand for coffee ;
- to avoid excessive fluctuations in levels of world supplies, stocks and prices ;
- to contribute to development of productive resources and so to improve standard of living and working conditions ;
- to increase purchasing power of exporting countries by keeping prices at reasonable level ;
- to promote consumption of coffee ;
- to encourage international cooperation on world coffee problems.

Instruments :

- export quotas ;
- price range(s) which determine level for introduction, suspension and re-introduction of export quotas ;
- promotion funds (USD 25 000 000 in two years) ; financed by compulsory levy on coffee exports from exporting members ; main objective is to encourage coffee consumption ; may finance up to 50 % of cost of promotion campaigns ;
- production policy and policy relative to coffee stocks planned ;

C Reg. 2686
of 19 Oct. 1976

5.552
(cont'd)

- special fund to ensure that provisions of Agreement are implemented;
- procedures planned for information, collaboration, consultation, settlement of disputes and complaints.

First implementing Regulation adopted by C within context of International Coffee Agreement 1976 concerning import controls when quotas are not in force.

The economic mechanisms of the Agreement did not come into play in 1977 or 1978 due to high price of coffee.

OJ L 309/76

11th GR EC,
Par. 481
12th GR EC,
Par. 462

5.56

INTERNATIONAL SUGAR AGREEMENTS

5.561

Background

1902 : Brussels Sugar Agreement.

1931 : Chadbourne Agreement.

1937 : International Agreement between consumer countries ; covered almost all world trade in sugar ; formally in force until 1944.

1953, 1958, 1968 : conclusion of International Sugar Agreements (1958 Agreement suspended in 1960, following Cuban crisis, but extended in 1961) ; Community not party to 1968 Agreement.

1973 : May and September/October : conference to negotiate International Sugar Agreement under auspices of UNCTAD ; Agreement signed for period to 31 December 1975, without economic provisions ; Community attended as non-member with observer status (classified as importer) ;

Agreement extended to 31 December 1977.

5.561 18 April to 27 May 1977 : conference to negotiate new International
(contd) Sugar Agreement with economic provisions.

12 Sept. to 7 Oct. 1977 : 2nd round of negotiations ; agreement signed ;
Community attended as non-member with observer status.

11th GR EC,
Par. 478

5.562 **International Sugar Agreement (1977)**

Duration : Five years, possibility of extension.

Provisional entry into force : 1 January 1978.

Organization : International Sugar Council, based in London.

Members : approximately 55 countries ; exporting members include :
Australia, Brazil, Colombia, Cuba, Dominican Republic, Fiji, Guyana,
India, Jamaica, Mauritius, Mexico, Peru, Philippines, Poland, South Africa,
Thailand.

Importing countries include : Bulgaria, Canada, Chile, German Democ-
ratic Republic, Iraq, Japan, Malaysia, Morocco, New Zealand, Norway,
Republic of Korea, Switzerland, Union of Soviet Socialist Republics,
United States of America, Yugoslavia.

Aims : to stabilize the world market for sugar within a specific price
bracket through a system of export quotas backed up with an interna-
tional buffer stock.

Instruments :

(a) Price stabilization mechanism

Prices to be stabilized within a bracket of 11-21 US cents per pound.
To achieve this objective, some 16 million tonnes in export quotas
have been allocated to the exporting countries, the main quotas
being : Brazil (2.35 million tonnes), Australia (2.35 million tonnes),
Philippines (1.4 million tonnes), Dominican Republic (1.1 million
tonnes).

— Rising market : overall quotas will be increased in 3 tranches of
5 % if price per pound rises above 13 cents, 14 cents and 14.5

Bull. EC 9-1977
Point 2.2.10
Bull. EC 1-1978
Point 2.2.12

5.562
(contd)

cents respectively ; between 14 and 15 cents per pound, the International Sugar Council has the discretionary power to declare a free market ; above 15 cents per pound the quotas no longer apply.

- Falling market : basic export tonnages are reintroduced at 14 cents per pound ; the effective quotas will be reduced in 3 tranches of 5 % if the price per pound falls to below 13 cents, 12 cents or 11.5 cents respectively. Below 11 cents, the effective quotas calculated on the basic export tonnages may be reduced by 2.5 %, save for the four countries exporting more than 60 % of their production on the free market. If this exemption is invoked, other exporting countries will have to share the additional financial burden, which will be refunded to them subsequently.

In effect, since the Agreement came into force, the International Sugar Council has asked the member countries to reduce their export quotas. Despite this reduction, market prices in 1978 remained below the floor price provided for in the Agreement.

12th GR EC,
Par. 462

(b) Stocks

The volume of buffer stock is equal to 2.5 million tonnes, possibly increased by the share of the EC, should it join the Agrmt. This stock is to be constituted 'as quickly as possible' while the price remains below 15 cents, at the following rate : at least 40 % the first year, a further 40 % at least the second year and 20 % the third year.

To stabilize the upper end of the price bracket, stock will be released in three equal tranches if the price rises to 19 cents, 20 cents and 21 cents respectively.

A fund has also been set up to finance this stock ; its income will be derived from a levy of between 0.28 and 0.33 cents per pound on all sugar sold on the free market.

5.563 Community position

5.5631 1968 AGREEMENT

EC negotiated self-sufficiency rate of 117 %, corresponding to *export* quota of some 1 200 000 tonnes of raw sugar, while proposal made to it was for 214 000 tonnes to start with and 300 000 tonnes subsequently. On those conditions EC could not envisage acceding to 1968 Agreement.

2nd GR EC, Par. 558

5.5632 1973 AGREEMENT

EC took part in Conference to negotiate new Agreement, held in Geneva in 1973 under auspices of UNCTAD. In Memorandum to C dated 12 July 1973, Comm. suggested :

COM (73) 1177 final
EP Report 32/74

- that EC become party to new International Agreement in its role as net *importer* of at least 600 000 tonnes of sugar (1.4 million tonnes imported under Protocol No 22 to Act of Accession of 1972, less 800 000 tonnes to be exported on world market);
- that nevertheless in event of shortage on world market no quantitative limits could be applied to exports from EC.

No agreement was reached, and Conference decided to keep framework of 1968 Agreement in place, without economic provisions, until 31 December 1975 (extended to 31 December 1976 and subsequently to 31 December 1977).

7th GR EC, Par 448

5.5633

1977 AGREEMENT

Bull. EC 9-1977
Point 2.2.10

The Comm.'s original mandate — which provided for the negotiation of an agreement without an export quota element, but with a substantial buffer stock of 4.5 million tonnes in respect of a price bracket of 8 to 20 cents per pound — was modified by the C on 27 September 1977, so as to permit EEC participation in a new Agrmt. on the basis of 'undertakings similar or equivalent' to those which were entered into on export quotas by the other parties to the Agrmt.

This proposal was rejected by the Geneva Conference which tried, to the very end, to resolve the fundamental problem of sharing out the market in times of substantial surplus.

The Conference decided instead to adopt an article providing for accession of the EC to the Agrmt. after its entry into force through the negotiation of 'special conditions' at such time.

5.57

INTERNATIONAL AGREEMENTS ON THE TEXTILE TRADE

5.571

Background

1962: 1st Long-term Arrangement on Cotton Textile Trade entered into force 1 October 1962 for five years.

1967: Extension of Arrangement until 30 September 1970.

1970: Further extension of Arrangement until 30 September 1973 and subsequently until 31 December 1973.

7th GR EC, Par. 435-437

5.5633/5.571

5.571
(cont'd)

EC as such was party to this Arrangement, under which bilateral agreements on voluntary limitation of exports were concluded between EC and following non-member countries : China, Egypt, Hong Kong, India, Japan, Korea, Pakistan, Taiwan (replaced by an autonomous régime in 1975) and Yugoslavia.

OJ L 225/70

Bilateral agreements were extended initially until 31 December 1973 and subsequently until 30 June 1974. They remained in force, *de facto*, pending conclusion of new bilateral agreements under new Arrangement regarding International Trade in Textiles (see 5.572).

7th GR EC, Par. 435-437

Autonomous increase of quantitative ceilings under these bilateral agreements to adapt them to situation in enlarged EC.

OJ L 94/73

Comm. Dec. 71,
8 March 1973

C Dec. 214,
21 March 1974

5.572

Arrangement regarding international trade in textiles

OJ L 118/74

(GATT all-fibres Arrangement on textile products wool, cotton and man-made fibres)

20 December 1973 : agreement between parties ; EC participated in negotiations.

25 March 1974 : EC advised GATT of its acceptance of Arrangement.

Bull. EC 3-1974, Point 2309

Duration : Four years.

Entry into force : 1 January 1974.

Organization : Textiles Committee, consisting of representatives of parties to this Arrangement, meets at least once a year ; examines operation of Arrangement and carries out studies and analyses in textiles sector ;

5.571/5.572

5.572
(contd)

assisted by Textiles Surveillance Body consisting of chairman and eight members appointed by parties (standing body).

Members : appointed subject to acceptance by governments which are contracting parties of GATT or which have accepted it on a provisional basis (there is special clause for countries which are not parties to GATT).

Objectives :

- expansion of trade in textiles ;
- reduction of barriers to such trade ;
- progressive liberalization of world trade in textile products ;
- orderly and equitable development of this trade ;
- avoidance of disruptive effects in individual markets and on individual lines of production in both importing and exporting countries ;
- encouragement, by implementation of this Arrangement, of economic and social development of developing countries.

Instruments :

- progressive elimination (within a maximum period of three years), or harmonization with other provisions of Arrangement, of all unilateral restrictions or those resulting from bilateral agreements (Art. 2) ;
- a 'liberalization' programme to dismantle existing quantitative restrictions on imports ;
- safeguard measures foreseen and laid down (Art. 1.3 and Annex A to Arrangement) ;
- rules laying down framework for bilateral articles to be concluded (Art. 4) (voluntary restraint agreements with exporting countries) ;
- definition of textile products to which Arrangement applies (Art. 12).

Bilateral agreements concluded by EC pursuant to Art. 4 of Multifibre Arrangement

Since November 1974, Comm. has conducted negotiations with various countries with a view to the conclusion of bilateral agreements on voluntary limitation of exports; all these agreements have certain common provisions: based on principle of voluntary restraint of exports by countries in question; exporting countries undertake therefore to respect certain quantity ceilings for limited number of textile products (where there is real risk of disrupting markets); quantity ceilings accompanied by annual scaling-up factor; procedures for flexible operation to allow best use of ceilings; quantity ceilings normally managed by system of double checking.

These agreements generally include special consultation procedure to avoid risks of disruption of EC market for certain other sensitive products: this can be invoked by any Member State and enables EC to negotiate voluntary quantity ceilings for specific articles.

All existing restrictions lifted from products not covered by agreements, either at once or in accordance with programme of progressive elimination.

EC has concluded bilateral voluntary restraint agreements with following countries:

— Asia and the Far East: India, Pakistan, Hong Kong, Macao, Singapore, Malaysia, South Korea, Japan, Thailand:

5.573
(contd)

- Latin America : Brazil, Colombia ;
- Mediterranean : Egypt, Yugoslavia ;
- Eastern Europe : Romania.

All these agreements expired on 31 December 1977, i.e. on the same date as the Multifibre Arrangement.

5.574

Renewal of Multifibre Arrangement (MFA)

At the 1976 and 1977 negotiations, EC expressed hope that renewal of the Arrangement would be accompanied by examination of possible improvements. It considered that while aim of developing international trade, particularly in favour of developing countries, has generally been achieved, aim of avoiding disruption of markets in certain importing countries had not been respected.

This is particularly true of EC which has witnessed a substantial increase in textile imports, while consumption of textile products remained stable ; this has resulted in a marked fall in production and employment in Europe and has forced EC to resort to various safeguard measures.

Comm. Doc. (76)
720 final

Bull. EC 3-1977,
Point 2.2.23

Position of EC at negotiations in July 1977 :

- 1973 MFA had to be renewed, but signature of EEC only conditional. It could only give its approval to an extension of the MFA in the event of satisfactory conclusion of bilateral agreements to be negotiated with developing countries which export textiles.

5.574
(contd)

- Extended MFA to refer to difficulties besetting EC and willingness of exporting countries to take these difficulties into account in bilateral negotiations. It should explicitly empower EC, in certain circumstances, to depart from normal provisions of Arrangement, i.e. to impose import quotas for most sensitive products by not raising quantity ceilings (at rate of 6 % per annum according to Arrangement), but by stabilizing them at 1976 level and even bringing them down in certain instances.

Comm. began negotiations on basis of negotiating directives adopted by C on 18 October 1977, with a view to concluding bilateral agreements with low-cost textile exporting countries.

Comm. Reg.
3019/77 of
30 Nov. 1977
C Reg. 265/78
of 7 Feb. 1978

The bilateral arrangement negotiated for five years is as follows :

Bull. EC 12-1977,
Point 1.2.1-1.2.3
OJ L 357/77
OJ L 42/78

- For eight particularly sensitive product categories (cotton yarn, woven fabrics of cotton, woven fabrics of man-made fibres, T-shirts, jerseys, trousers, blouses and shirts), the quantity of low-cost imports into the market has been stabilized.
- For other sensitive products, the annual growth rate will be limited by way of agreed ceilings.
- For non-sensitive products, the Community will be able to have recourse to an automatic safeguard mechanism agreed with the non-preferential suppliers if the situation renders it necessary.

5.574
(contd)

The non-preferential suppliers of low-cost textile products are : Argentina, Bangladesh, Brazil, Colombia, Egypt, Guatemala, Haiti, Hungary, Hong Kong, India, Indonesia, Macao, Malaysia, Mexico, Pakistan, Peru, Philippines, Poland, Romania, Singapore, South Korea, Sri Lanka, Thailand, Uruguay, Yugoslavia. The agreements with these countries, which entered into force *de facto* on 1 January 1978, will expire after five years.

Comm. Reg. 3020/77
of 30 Dec. 1977
C Reg. 255/78
of 7 Feb. 1978

As in the past, the EEC will apply unilateral measures to Taiwan.

OJ L 357/77

OJ L 39/78

Comm. Reg. 3059/78
of 21 Dec. 1978
C. Reg. 1176/79
of 12 June 1979
EP Opinion of 15 Dec. 1978

Quantitative limits on imports of certain textile products from these countries : all administrative problems in respect of bilateral agreements on textiles up to 1982 to be dealt with by a Textiles Committee chaired by a representative of the Commission.

OJ L 365/78

OJ L 149/79

EP Doc.

467/78

OJ C 6/79

C Dec. 806, 20 Dec. 1977

Following the agreement reached in Comm.'s bilateral negotiations with textile exporters, on 20 December 1977 C approved these negotiations and gave its agreement to signature of the Protocol extending Multifibre Arrangement.

OJ L 348/78

5.58

INTERNATIONAL OLIVE OIL AGREEMENT

5.581

Background

Since 1929 : International Olive Growers Federation.

1956 : Under the aegis of the United Nations : 1st International Olive Oil Agreement, expiring 30 Sept. 1963.

5.581
(contd)

1 Oct. 1963 : Entry into force of 2nd Agrmt., expiring 30 Sept. 1969 ; extended and amended several times up to 31 Dec. 1979.

19 to 24 Sept. 1977 : Preparatory meeting organized by UNCTAD to renew 1963 Agrmt.

20 March to 2 April 1979 : Negotiating conference (organized by UNCTAD) aimed at concluding new Agrmt.

2 April 1979 : New Agrmt. concluded.

Bull. EC 4-1978,
Point 2.2.20

11th GR EC,
Par. 479

5.582

Community position : observer status to 1 Jan. 1978, in view of fact that not all Member States were signatories to Agrmt.

EEC member of Agrmt. since 1 Jan. 1978 ; EEC agreement to extension : 16 Oct. 1978.

Bull. EC 11-1977
Point 2.2.34

Bull. EC 4-1978,
Point 2.2.20
OJ L 306/78

C Dec. 886/78
of 16 Oct. 1978

5.583

International Olive Oil Agreement (1979)

Entry into force 1 Jan. 1980

Duration : 5 years

Open to signature : 1 July to 16 Nov. 1979

Organization : International Olive Oil Council ; based in Madrid ; normally meets twice a year ; Council made up of all signatories to Agrmt. Decisions taken in principle by four-fifths majority of votes cast,

Bull. EC 3-1979,
Point 2.2.22

5.583
(contd)

including votes of a majority of member countries with voting rights.
Secretariat set up.

Member countries : in principle, those countries which took part in negotiations and/or were signatories to the 1963 Agrmt., i.e. approx. 30 countries.

Aims : like its 1963 predecessor, Agrmt. is directed towards general improvement in market information, trade promotion and cooperation, but does not incorporate mandatory economic provisions on prices and stocks.

Instruments : Despite wishes expressed by certain countries, Agrmt. is not based on a buffer stock. It is founded essentially on consultation procedures involving producers and consumers, and seeks — by way of a propaganda fund financed by contributions (totalling 300 000 USD) from member countries (in the main producers) — to improve measures designed to stimulate consumption. To encourage measures designed to improve olive-growing techniques, a special annual maximum sum of 100 000 USD has been fixed for research purposes.

The products covered by Agrmt. are : virgin olive oil for human consumption, virgin olive oil not for human consumption, refined olive oil, pure olive oil and coupage olive oil. It will also cover table olives if Spain (a major producer) lifts its reservations.

5.59 Synoptic table of current international agreements regarding certain products

Product	Validity	Mechanism of Agreement	Participants
Tin	5th International Tin Agreement provisional entry into force on 1 July 1976, for five years.	Buffer stock (40 000 tonnes) possibility of export quotas; establishment of buffer stock consisting of compulsory contributions by producing countries and voluntary contributions by consuming countries. Fixing of ceiling and floor prices.	Main producers: excluding China. Principal consumers: EC, Japan, USA (for first time) and USSR.
Wheat	International Wheat Agreement (1971) comprising: — Wheat Trading Convention — Food Aid Convention Expiry: 30 June 1974 Extensions: until 30 June 1975 30 June 1976 30 June 1978 30 June 1979 30 June 1981	Wheat Trading Convention (1971) does not contain any restrictive economic clauses; provision for exchange of information. Each party to Food Aid Convention must supply minimum annual tonnage of cereals as aid for developing countries.	Principal exporters: Argentina, Australia, Canada, EC, USA and USSR; Principal importers: Brazil, China, EC, India, Japan, Peru, United Arab Republic and Venezuela. Members: Argentina, Australia, Canada, EC, Finland, Japan, Sweden, Switzerland, USA.
Cocoa	2nd International Cocoa Agreement (1975); provisional entry into force on 1 October 1976 for three years with possibility of extension for two years without new negotiations.	Export quotas; buffer stock (maximum 250 000 tonnes) financed by tax of 1 US cent per pound; upper and lower price limits for cocoa beans; annual examination of operation of Agreement.	Most major exporting and importing countries, except USA.

5.59 Synoptic table of current international agreements regarding certain products
(contd)

Product	Validity	Mechanism of Agreement	Participants
Coffee	International Coffee Agreement (1976); entry into force on 1 October 1976 for six years.	Export quotas to keep prices in certain brackets; promotion fund and special fund; collaboration between members.	Most major exporting and importing countries, except USSR.
Sugar	International Sugar Agreement (1973); entered into force 1 January 1974 for two years; extended until 31 December 1977 to facilitate negotiation of new Agreement: 7 October 1977: new Agreement concluded; entered into force on 1 January 1978 for five years.	No economic provisions. Price bracket (11—21 cents/pound) export quotas, buffer stock of 2.5 million tonnes.	Most major exporting and importing countries with exception of EC (observer). EC observer
Textiles	Arrangement regarding International Trade in Textiles (GATT all-fibres Arrangement); entered into force on 1 January 1974 for four years; extended for four years.	Progressive elimination or harmonization with other provisions of Arrangement of all unilateral restrictions or those resulting from bilateral agreements. Possible exemptions from certain provisions of the Arrangement agreed jointly in particular cases to avoid disruption of markets. EC has concluded bilateral voluntary restraint agreements with a number of countries.	50 countries

5.59 **Synoptic table of current international agreements regarding certain products**
(contd)

Product	Validity	Mechanism of Agreement	Participants
Olive oil	International Olive Oil Agreement (1979); entry into force on 1 January 1980 for five years.	Essentially consultation procedures involving producers and consumers; propaganda fund to be used to improve measures designed to stimulate consumption; does not incorporate mandatory provisions on prices and buffer stocks.	33 countries represented at the signing of the Agrmt. in Geneva in 1979.

6. RELATIONS WITH PARTICULAR COUNTRIES AND REGIONS

6.0 Countries contemplating possible accession

6.00 EEC-GREECE AGREEMENT

EEC Tr., Art. 238

C. Reg. 106/63 of 25 Sept. 1961

EP Res. of 19 Sept. 1961

C. Reg. 1245/78 of 22 May 1978

EP Res. of 12 Nov. 1975

— Association Agreement

— Agrmt. signed on 9 July 1961; entered into force on 1 November 1962; indefinite duration.

— Additional Protocol signed on 28 April 1975 extending the Assoc. Agrmt. to the three new Member States. Entered into force on 1 July 1978.

OJ 26/63

EP Doc. 61/61

OJ 67/61

OJ L 161/78

EP Doc. 337/75

OJ C 280/75

6.000 Objectives

Assoc. Agrmt, Art. 2

To promote the continuous and balanced strengthening of trade and economic relations between the parties, while taking account of the need to ensure accelerated development of the Greek economy and to improve the level of employment and living conditions of the Greek people.

Freezing of the Agrmt. : 1967-74 (military junta régime). Implementation of tariff dismantling measures only.

6.001 **Instruments**

Assoc. Agrmt, Art. 3, 65-66

— Assoc. C composed of members of the Governments of the Member States, members of the C, Comm. and members of the Greek Government; may set up special committees

OJ 26/63

Assoc. C Dec. 1/63

Annual Rep. to Joint Parl. Committee

— Joint Parl. Committee increased to 18 members of the EP and 18 members of the Greek Parliament

Bull. EC 11—78,
point 2.2.41

6.002 **Tariff provisions**

Industrial sector (excluding ECSC and Euratom)

Assoc. Agrmt, Art. 6, 19—20
Interim Agrmt, Art. 2

Imports to the EEC :

Exports from the EEC :

Imports free of duty from 1 July 1968 (31 Dec. 1977 for the three new Member States)

Tariff dismantling by Greece over a period of 12 years (ended on 1 November 1974) for 86 % of goods and 22 years (ending on 1 November 1984) for the remainder. Adoption of the CCT by Greece.

Art. 22—31

Elimination of quantitative restrictions between the contracting parties.

6.001/6.002

6.002 Agricultural sector
(cont'd)

Assoc. Agrmt, Art. 32—43
and Annex II
and Protocol No 13

Imports to the EEC :

Intra-Community tariff treatment since 1 July 1968 (1 July 1977 for new Member States) for products, in particular crops, of interest to Greece.

However, under these rules, referred to as 'participation of harmonization', and pending gradual harmonization of agricultural policies (by 1984), complete duty-free entry is compensated for by Community's option to apply import levies or other special measures (countervailing charges, in particular for fishery products and tomato concentrates) to Greek exports.

Exports from the EEC :

Greek tariff dismantling ended on 1 Nov. 1974, date of adoption of CCT for all products listed in Annex III ('anticipation of harmonization' rules on same conditions as for Greek exports to Community).

For certain products, particularly animal (Annex II Prot. 13), Greek tariff dismantling over 22 years ending in 1984 (Art. 15, § 1, tariff reduced by 52 % as at 1 May 1977). However, accelerated tariff dismantling provisions for ham, cheese of European type and butter. For other products, standstill at the 1962 position.

Assoc. Agrmt, Art. 7—9
Prot. 3—5

Rules of origin

Free movement of goods applies to all goods produced in Greece and in the Member States and those manufactured from products coming from third countries which are in free circulation in Greece or in the Member States. Rules of origin are designed to prevent goods from third countries benefiting under the Agrmt. They define the concept of origin of products, especially processed products, the levies payable on entry into

OJ 26/63

6.002 free circulation of goods from third countries, export and transit documents etc... These are determined by the Assoc. C and enacted by decisions or regulations of the C.
(*contd*)

Assoc. Agrmt, Art. 10, 41—43, 60

Safeguard clause
Definition of conditions required and procedures.

OJ 26/63

6.003 **Social provisions and free movement of persons**

Assoc. Agrmt, Art. 44—50

Freedom of movement for workers to be attained by 1 November 1974 (not yet implemented).

Preparation and development of technical assistance programmes in the manpower field, exchange of young workers, vocational training.

Provision for measures on freedom of establishment and the free provision of services.

6.004 **Economic provisions**

Assoc. Agrmt, Art. 51—58, 62

Prohibition of discriminatory measures and dumping practices.

Provisions relating to capital movements, taxation, approximation of legislation and coordination of economic and commercial policies.

6.005 **Financial aids**

Prot. No 19 of Assoc. Agrmt,

Financial Prot. signed on 9 July 1967; entered into force on 31 August 1962.

OJ 26/63

Loan of 124 million \$ US during the first five years of the Agrmt. Amount granted between 1963 and 1967, 1974 and 1975 (since Agreement frozen 1967-74).

6.002/6.005

C. Dec. 666/78 of 25 July 1978 6.005
EP Res. of 15 June 1979 (contd)

Second Financial Prot. signed on 28 February 1977 ; entered into force on 1 August 1978.

OJ L 225/78
EP Doc. 130/77
OJ C 163/77

Amount : 280 million EUA broken down as follows : 225 million EIB loans, 45 million non-repayable grants and 10 million loans on special terms.

EP Doc. 130/77

6.006 **Greek application for membership :**

Made on 12 June 1975
Comm. opinion 29 January 1976,
Opening of negotiations 27 July 1976.

COM (76) 30 fin.

6.006 **Treaty of Accession**

Signed on 28 May 1979 ; provides for accession on 1 January 1981.

Provisions :

- Customs union : five-year transitional period for the gradual abolition of Greek customs duties on Community products and alignment of Greek tariffs on the CCT. Quantitative restrictions to be abolished on accession, except on 14 products. Special procedure for ECSC products.
- Safeguard mechanisms : on the lines of Article 135 of the 1972 Act of Accession.
- External relations : five-year transitional period before abolition of quantitative restrictions on certain products in respect of the GATT and state-trading countries. Application of the GSP, the preferential agrmts and the Multifibre Arrangement on accession.

6.006
(cont'd)

- Agriculture : five-year transitional period, extended to seven years for tomatoes and peaches, in order to bring Greek prices and customs duties into line with the Community system.
- Social affairs : free movement of workers after a seven-year transitional period. Free access of Greek workers' families after five years. Equal treatment in respect of family allowances for members of workers' families not residing in the country in which the Greek worker is employed, after a three year period.
- Economic and monetary affairs : five-year transitional period for inclusion of the drachma in the European basket of currencies and for the gradual abolition of restrictions on capital movements.
- Financial arrangements : application of the Community's own resources system from the date of accession, but a proportion of the amount paid in the period 1981-85 to be refunded.
- State aids and regional policy : protocol on the lines of the Protocol to the 1972 Act of Accession for Ireland. Participation in the Regional Fund in accordance with the regulations and normal procedures.
- Institutional arrangements : full participation of Greece from the date of accession. Greece will have five votes (out of 63) in the Council, one Commissioner (out of 13) in the Commission, 24 seats (out of 434) in the EP and will also be represented in the other Community Institutions.

6.01

EEC-Turkey Agreement

- Legal basis of Assoc. Agrmt ;
- Agrmt signed on 12 September 1963 ; entered into force on 1 December 1964 ; unlimited duration ;
- Add. Prot. limited to transitional stage of application of the Assoc. Agrmt ; signed on 23 November 1970 ; entered into force on 1 January 1973 ;

OJ C 113/73¹

Doc PE 94/63²
JO 182/63²

OJ C 113/73¹
Doc PE 235/70²
JO C 19/71²

¹ Ref. relates to available English translation.

² Ref. to French text. No English translation available.

EEC Tr., Art. 238

C Dec. 732/64 of 23 Dec. 63
EP Res. of 28 Nov. 1963

C Reg. 2760/72 of 19 Dec. 1972
EP Res. of 8 Feb. 1971

C Reg. 3026/77 of 28 Nov. 1977 6.01
EP Res. of 16 Nov. 1973 (contd)

— Supplementary Prot. extending the Assoc. Agrmt to the three new Member States; signed on 30 June 1973; not yet in force;

OJ L 361/77
EP Doc. 218/73
OJ C 108/73

C Reg. 2682/73 of 1 Oct. 1973

EP Res. of 16 Nov. 1973

— Interim Agrmt signed on 30 June 1973; entered into force on 1 January 1974; expiry on entry into force of Supplementary Prot. Provides for application of the commercial provisions pending ratification of the Supplementary Prot.

OJ L 277/73
EP Doc. 218/73
OJ C 108/73

6.011 Objectives

Assoc. Agrmt, Art. 2

To promote the continuous and balanced strengthening of trade and economic relations between the Contracting Parties, while taking full account of the need to ensure an accelerated development of the Turkish economy and to improve the level of employment and living conditions of the Turkish people.

Assoc. Agrmt, Art. 3—5

Assoc. comprises three stages:

- a preparatory stage of five years (expired);
- a transitional stage lasting not more than 12 years permitting the progressive establishment of a customs union and a closer alignment of economic policies. Conditions, methods and timetables for the implementation of this stage are laid down in the Add. Prot.;
- a final stage based on the customs union and entailing closer coordination of economic policies.

Art. 28

As soon as the operation of the Agrmt has advanced far enough to justify full acceptance by Turkey of the obligations arising out of the EEC Tr. the possibility of the accession of Turkey will be examined.

6.012 Instruments

Art. 6, 22—25

— Assoc. C consists of members of the governments of the Member States, of the C, of the Comm. and of members of the Turkish Government (may set up special committees).

Annual report to the Joint Parl. Committee.

EP Res. of 14 March 1979

— Joint Parl. Committee's membership increased to 18 members of EP and 18 members of Turkish Parl.

EP Doc. 428/78
EP Doc. 644/78
OJ C 93/79

6.013 Tariff provisions

Industrial sector (excluding ECSC and EURATOM products)

Add. Prot., Art. 9—20
Annexes 1, 2, 3

Imports into the EEC :

Transitional stage of 12 years following which, in a final stage, customs union will be established.

During transitional stage, EEC applies intra-Community rules to imports from Turkey, with exceptions, particularly in the case of textiles and petroleum products.

Exports from the EEC :

Over a period of 12-22 years, depending on the product, Turkey will progressively abolish customs duties and adopt CCT.

Art. 21—30

Elimination of quantitative restrictions between the Parties.

6.012/6.013

6.013
(contd)

Assoc. Agrmt, Annex 6
Add. Prot., Art. 32—45

Agricultural sector

Imports into the EEC :

The EEC applies preferential treatment (ranging from complete exemption for dried grapes to a reduction of 75% or 50% of the CCT, depending on the product) to approximately 90% of Turkish exports. These arrangements will be reviewed every two years.

Exports from the EEC :

Turkey grants preferential treatment to ensure an increase in EEC exports.

Assoc. Agrmt, Annex 6
Art. 17

Over a period of 22 years Turkey will adjust its agricultural policy with a view to adopting the measures of the CAP at the end of that period.

Add. Prot., Art. 2—4
Annex 5

Rules of origin

Free movement of goods applies to all goods produced in Turkey or in the Member States and those manufactured from products coming from third countries which are in free circulation in Turkey or in the Member States. The rules of origin are designed to prevent goods from third countries benefiting under the Agreement.

They define the concept of origin of products, and particularly of processed products, the charges payable on entry into free circulation of products coming from third countries, export and transit documentation, etc. The rules are laid down by the Council of Association and adopted by decisions or regulations of the Council.

Assoc. Agrmt, Art. 8
Add. Prot., Art. 5—60

Safeguard clause

Definition of necessary conditions and procedures

OJ L 293/72

OJ 217/64 ¹
OJ L 293/72 ¹

¹ Ref. relates to French text. No English translation available.

6.014 Social provisions and freedom of movement

Add. Prot., Art. 36—42

Freedom of movement for workers is to be secured by progressive stages between the end of the twelfth and the twenty-second year after the entry into force of the Agrmt (1 December 1976 — 1 December 1986).

For workers :

non-discrimination as regards conditions of work and remuneration.

Social security :

aggregation of periods of insurance for pensions and health services and for family allowances for workers and their families residing in the Community ; freedom of transfer of old-age and invalidity pensions.

Exchange of young workers :

provision for measures concerning freedom of establishment and freedom to provide services.

6.015 Economic provisions

Add. Prot., Art. 43—60

Prohibition of discriminatory measures and dumping.

Provisions concerning payments, capital transfers, taxation, harmonization of legislation and coordination of economic and commercial policies.

6.014/6.015

6.016 **Financial aid**

C. Dec. 732/64 of 23 Dec. 1963
EP Res. of 28 Nov. 1963
Assoc. Agrmt, Prot. 19

1st Financial Prot. provides for investment loans of 175 million u. a. in the course of the first five years.

OJ C 113/73¹
Doc. PE 94/63²
JO 182/63²

C Reg. 2760/72 of 19 Dec. 1972
EP Res. of 8 Feb. 1971

2nd Financial Prot. signed 23 November 1970 ; entered into force on 1 January 1973 ; provides for special loans of 195 million u. a. over 5 1/2 years and ordinary EIB loans for a total of 25 million u. a.

OJ C 113/73¹
Doc. PE 237/70²
JO C 19/71²

Supplementary Prot. (enlarged EEC) increases special loans to 242 million u. a.

C Reg. 281/79 of 5 March 1979
EP Res. of 13 Oct. 1977

3rd Financial Prot. signed 12 May 1977 (310 million EUA); expires 31 October 1981 ; includes 220 million EUA of special EIB loans and 90 million EUA of ordinary EIB loans. Entered into force on 1 May 1979.

OJ L 67/79
EP Doc. 330/77
OJ C 266/77

6.017 **ECSC Agrmt**

signed on 23 November 1970 ; entered into force on 1 January 1973 ; unlimited duration.

OJ C 113/73¹

Progressive elimination of customs duties and quantitative restrictions between the Contracting Parties at a rate fixed by mutual agreement.

Comm. Communic. of 14 Feb. 1979

Comm. proposals for reactivating EEC/Turkey association

Bull. EC 2-79
point 1.3.1-1.3.5

¹ Ref. relates to available English translation.

² Ref. relates to French text. No English translation available.

6.02 **PORTUGAL**

EEC Tr. Art. 113

6.020 **Preferential agrmt (see also 6.10)**

C Reg. 72/2844, 19 Dec. 1972

Signed on 22 July 1972; entered into force on 1 January 1973 (see EFTA Countries, 6.1).

OJ L 301/72

Indefinite duration.

C Reg. 78/2237, 26 Sept. 1978
EP Res., 16 Sept. 1977

Addit. Prot. signed on 20 September 1976; entered into force on 1 November 1978.

OJ L 274/78
EP Doc. 187/77

Finan. Prot. signed on 20 September 1976; entered into force on 1 January 1978.

EP Doc. 44/78
OJ C 241/77

6.021 **Objectives**

(see 6.100)

6.022 **Instrument**

(see 6.1011)

6.023 **Tariff arrangements (see also 6.1012)**

Agrmt Art. 2 to 5 and 8
Prot. No I, Art. 1 to 6
Addit. Prot. Art. 2 to 6
(Int. Agrmt Art. 2 to 7)

Agrmt applies to products originating in the Community and Portugal listed in the Brussels Nomenclature, excepting Annex I, and to those listed in Prot. Nos 2 and 8, taking the special arrangements into account.

6.023
(contd)

Industrial goods

Imports into the EEC :

Time-limit for tariff dismantling extended until 1 January 1984 for paper and paper products. Duty-free access within certain quotas. Preferential imports of some other products, in particular textiles and cork, subject to ceilings above which the CCT may be reintroduced. Abolition of quantitative restrictions.

Exports from the EEC :

Time-limit for tariff dismantling extended to 1 January 1985 for some products. Time-limit for dismantling of *ad valorem* customs duties for certain products, including motor vehicles and petroleum products, extended until 1 January 1985. To protect its emergent industries, Portugal may impose customs duties not exceeding 2 % on products whose value does not exceed 10 % of imports from the Nine in 1970. Some quantitative restrictions may be maintained until 1 January 1980.

Agricultural goods

Tariff reduction

- (a) between 30 % and 100 % for certain fisheries and horticultural products ;
- (b) between 50 % and 60 % for wines originating in Portugal within certain quotas.

Agmt Art. 11
Prot. No 3

6.024

Rules of origin

6.025

Social provisions

Labour : non-discrimination in respect of working conditions and remuneration.

6.025
(contd) Social security : aggregation of insurance periods for pension and medical treatment.

Medical treatment and family allowances for Portuguese workers and their families residing in the Community. Free transfer of old-age and invalidity pensions. Portugal grants reciprocal benefits to Community workers.

Safeguard clause

Agrmt Art. 27

6.026 **Industrial and technical cooperation
(in abeyance pending ratifications of the Addit. Prot.)**

The aim of cooperation is :

- to increase productivity and enhance financial stability ;
- to encourage the restructuring of industry and agriculture ;
- to foster the maintenance of a high growth rate and improve living and working conditions.

6.027 **Financial aid**

Financial Protocol came into force on 1 November 1978.

Total aid : 200 million EUA in the form of EIB loans, of which 150 million EUA will be provided at 3 % p.a.

EP Res., 18 Jan. 1979

6.028 **Application for membership submitted 28 March 1977 ;
negotiations opened 17 October 1978**

On 19 May 1978 the Comm. delivered an opinion on the Portuguese application for membership in which it concluded that the political situation was now favourable for the integration of Portugal into the Commu-

COM (78) 220
Bull. EC 10-1978
points 1.1.1-1.1.5

Bull. EC — Supp. 5/78
EP Doc. 479/78
OJ C 39/79

6.028
(cont'd)

nity, and that it would be dangerous for the future of Portugal if its desire for membership were frustrated. In view of the limited weight of its economy, Portugal's accession to the EEC would not have a major economic impact. There would, however, be risks for Portuguese industry and for the less competitive sectors of Community agriculture. Moreover the substantial development gap between Portugal and the Community would accentuate the Community's heterogeneity and could make decision-making more difficult (per capita income: US \$ 1 650, compared with US \$ 7 465 in Denmark). The agricultural structures policy would be beneficial to Portugal, though inadequate to cope with the scale of problems to be tackled. The utilization of aid under the Financial Protocol and the conclusion of cooperation agreements could accelerate social, industrial and agricultural restructuring to the benefit of both parties. The stabilization plan currently being applied to limit inflation and the balance of payments deficit resulting from a high growth rate should receive the active support of the Community.

6.029 ECSC Agrmt (see also 6.1017)

EP Res., 14 Feb. 1974

Signed on 22 July 1972; entered into force on 1 January 1974.

Duration: unlimited.

Instrument of the agrmt: ECSC Joint Committee

Tariff arrangements (see 6.1017)

Imports into the EEC:

Exports from the EEC:

Time-limit for dismantling of tariffs extended to 1 January 1980 for ECSC products listed in Annex. Portugal may impose *ad valorem* customs duties.

OJ L 350/73

OJ L 350/73

EP Doc. 356/73

OJ C 23/74

OJ L 351/73

OJ L 350/73

OJ L 351/73

6.03 **EEC — SPAIN AGREEMENT**

EEC Tr. Art. 113

Preferential Agrmt

C Reg. 70/1524 of 20 July 1970
EP Res. of 16 Nov. 1970

Signed on 29 June 1970, entered into force on 1 October 1970 ; duration, a minimum of six years.

OJ L 182/70

C Reg. 73/680 of 26 Feb. 1973

Prot. signed on 29 January 1973 ; entered into force on 30 March 1973 ; duration until 31 December 1973, so as to limit certain provisions of the agrmt as a result of the accession of the new Member States.

OJ L 143/70
OJ L 66/73

WQ 237/77

C Reg. 77/1705-07 of 26 July 1977

In view of the failure to conclude a protocol by 1 July 1977 regularizing EEC-Spain relations, certain trade arrangements were introduced unilaterally by each of the parties concerned.

OJ C 289/77

6.031 **Objectives**

Preamble

To promote expansion of trade and development of relations between Community and Mediterranean States.

Agrmt Art. 1

The gradual elimination of obstacles to main body of trade to take place in two stages, the first stage to last at least six years. Transition to second stage to be the subject of mutual agreement.

6.032 **Instruments**

Art. 13 to 15

Joint Committee composed of representatives of the Community (C and Comm.) and of Spain, supervising the smooth running of the Agrmt. The Joint Committee may set up any working party required to assist it in its work.

6.03/6.032

Tariff arrangements

Industrial goods

Imports into the EEC :

Reduction of CCT by 60 % from 1 January 1973 for the main body of imported industrial goods (for petroleum products and certain cotton fabrics), within the annual quotas. 40 % reduction from 1 January 1977 for 12 industrial products (including leather shoes and certain textiles).

Exports from the EEC :

With effect from 1 January 1977 a 60 % tariff reduction for products specified in List A and 25 % for products specified in Lists B and C. Only products in List D are subject to a quota system. In order to protect its emergent industries, Spain may impose customs duties of up to 20 %. For the most sensitive products, e.g. paper pulp no tariff reduction was provided; special provisions for protecting emergent industries.

Agricultural goods

Imports into the EEC :

Favourable tariff treatment for certain products, in particular fruit, vegetables and fish. Reduction of the levy on olive oil by 0.5 u.a. per 100 kg. 60 % for reduction of CCT citrus fruits, subject to the Community reference price. Reduction of between 30 % and 60 % for wines originating in Spain, within the limits of annual quotas.

Exports from the EEC :

Tariff treatment similar to that for industrial goods. In addition Spain undertakes to purchase 30 % of its annual butter imports and 90 % of its milk and cream imports in certain forms in the Community while such imports remain subject to State-trading regulations. Special arrangements for cheese and curds.

Agrmt Art. 8 and Prot.

Agrmt Art. 11

Rules of origin

Safeguard clause

6.034 **Economic provisions**

Agrmt Art. 9

Anti-dumping measures to be taken under the GATT procedures.

Art. 3 to 6

Anti-discrimination measures — fiscal measures, trade arrangements, broader trade and export duties.

Provisions concerning payments relating to trade.

6.035 **Spain's application for membership submitted
28 July 1977 ; negotiations began 5 February 1979**

COM (78) 630

EP Res. of 18 Jan. 1979

The Comm. has delivered an opinion on Spain's application for membership.

It affirms that Spain's accession requires the applicant country to accept the whole of the *acquis communautaire* and the economies concerned to be integrated smoothly. Transitional periods and temporary derogations must lead to Spain's full integration into the Community. Such integration must be complete in areas such as tariffs, VAT, industrial subsidies, agriculture and the free movement of workers. Structural problems must also be taken into account and Spain must be involved in the formulation and implementation of Community policies on the restructuring of industries in crisis and of certain agricultural sectors. Accession will pose problems for Spain, particularly as regards tariffs, subsidies and agriculture. The Comm. proposes a transitional period of ten years. It draws attention in its report to the question of the decision-making capacity of a Community whose membership will, with the accession of Spain, be increased to 12.

Bull. EC 2-1979
points 1.2.1-1.2.4
Bull. EC Supp. 9-1978

Fisheries Agrmt

COM (78) 643

EP Res. of 15 Dec. 1978

C Reg. 79/586

Pending conclusion of an outline agreement on fisheries, which as initialled on 23 September 1978, interim measures are being applied. (See also section on fisheries).

EP Doc. 299/78
OJ C 239/78
EP Doc. 495/78
OJ 6/79
OJ L 81/79

6.034/6.035

6.1 EFTA Countries

6.10 GENERAL

In 1960, the seven members of EFTA (Austria, United Kingdom, Denmark, Norway, Sweden, Switzerland and Portugal) decided to establish an industrial free trade area within which the members would abolish restrictions on trade in industrial products, whilst maintaining their own customs tariffs and independent trade policies with the rest of the world. A gradual reduction of tariffs and quotas between the Member States was accordingly applied, leading to their complete abolition in 1967. Finland became an associate State in 1961 and Iceland became a member in 1970.

Following the decision by the United Kingdom, Norway and Denmark to apply for membership of the European Community, negotiations took place with the other EFTA members to seek a solution to the problems raised by enlargement of the Community.

Agreements concluded between the Community and the non-member EFTA countries enabled the free trade area already established with EFTA to be maintained and gradually extended to cover trade between the enlarged Community and the countries remaining in EFTA. This operation was carried out by a tariff reduction between EFTA and the Community running parallel with the dismantling of tariffs between the original and the new Community members.

C. Reg. 895 to 901
18 March 1975

Supplementary Protocols signed on 29 May 1975 ; entered into force, 29 May 1975 ; unlimited duration, amending the basic agreements following the non-accession of Norway to the Community.

OJ L 106/75

Agrmt Art. 1

6.100 **Objectives**

The promote, through the expansion of reciprocal trade, the harmonious development of economic relations between the Community and each country.

To provide fair conditions of competition for trade ; to contribute, by abolishing trade barriers, to the harmonious development and expansion of world trade.

6.101 **General features common to all the agreements**

6.1010 *SCOPE*

Agreements applicable to industrial products listed in Chapters 25-99 of the Common Customs Tariff (CCT). The agreement also covers processed agricultural products.

6.1011 *INSTRUMENTS*

Art. 29 - 31
(Iceland, Art. 30-32 ;
Portugal, Art. 32-34)

Joint Committees composed of representatives of the Community and of each of the EFTA countries have been set up to supervise proper implementation of the agreements. A Joint Committee may set up any working party needed to assist it in carrying out its tasks.

Agrmt Art. 3

6.1012 *CUSTOMS PROVISIONS*

The arrangements for the gradual reduction of tariffs on trade between the EFTA countries and the Community are akin to those laid down in the Treaty governing the accession to the Community of the three new

6.100/6.1012

6.1012
(cont'd)

Member States. This Treaty provides for the abolition of customs duties and taxes in five successive amounts each equivalent to 20 % of the basic duties spread over the period from 1 April 1973 to 1 July 1977.

In July 1977, with a few exceptions, a vast free trade area for industrial products was created between the Community and the EFTA countries.

6.1013 *RULES OF ORIGIN*

Agrmt Art. 11, Prot. No 3

Rules laid down determining the extent of processing required for a product to be deemed to have originated in the territory of a Contracting Party and thus to benefit from the preference system.

These rules are roughly the same as those laid down by the Community for its trade with other non-member countries.

6.1014 *AGRICULTURE*

Agrmt Art. 9, 15
Prot. No 2
(Portugal, Art. 9, 17,
Prot. No 2)

The Contracting Parties enjoy complete freedom with regard to implementation of their agricultural policy. They declare their readiness so far as their agricultural policies allow, to foster the harmonious development of trade in agricultural products to which the agreement does not apply.

Special treatment for certain processed agricultural products.

The concessions relate only to the fixed component of tariff protection of these products ; no concession on the variable component, the function of which is to compensate for the disparity between the world and Community prices of agricultural commodities.

6.1015 *GENERAL MEASURES*

The Agreements comprise measures designed to prevent distortions which might harm Community industries. In particular, there are provisions on :

- non-discrimination in the field of taxation,
- non-discrimination in respect of trade payments and credit,
- exceptional clauses on security and law and order,
- safeguard clauses on sectoral and regional problems, tariff disparities, dumping, balance of payments problems and the violation of undertakings enshrined in the Agreements.

6.1016 *PROVISIONS CONCERNING FUTURE DEVELOPMENTS*

With the exception of Finland, the Contracting Parties declare their willingness to consider opportunities to develop relations and, if necessary, to extend them to fields not covered by the Agreements.

Art. 32
(Iceland, Art. 33 ;
Portugal, Art. 35)

6.1017 *ECSC*

The ECSC Treaty stipulates that individual agreements are necessary with each of the EFTA countries. These agreements extend to ECSC products the measures for the dismantling of tariffs on Community products. They are also designed to impose on mining and iron and steel undertakings in

6.1017
(contd)

the EFTA countries price constraints comparable to those imposed on Community undertakings, and to safeguard non-discrimination.

Customs duties on ECSC products and quantitative restrictions were abolished except in the instances specified for individual countries.

Between 8 and 15 March 1978, the Commission on the one hand and Austria, Finland, Norway, Portugal and Sweden on the other, signed agreements in the form of exchanges of letters, on trade in iron and steel products affected by the recent price measures taken by the Community.

A similar agreement, confined to reinforcing rods, was concluded with Switzerland on 28 February, at an extraordinary meeting of the ECSC-Switzerland Joint Committee.

These EFTA countries agree to observe the same price constraints as those to which Community steel producers are subject on the Community market. The agreements should enable traditional trade flows between the parties to be maintained, in accordance with the free trade agreements. The parties agree to consult one another in the event of difficulties arising in the application of the Agreements (see also 5.2552).

Each Agreement, except that with Iceland, is supervised by a Joint Committee.

Since Iceland is not a coal or steel producer, an agreement was concluded mainly in order to secure preferential access to the Icelandic market for ECSC products.

AUSTRIA

EEC Tr. Art. 113
C Reg. 2836 of
19 Dec. 1972
EP Res. of
15 March 1973

Preferential agrmt (see also 6.10).

Signed on 22 July 1972; entered into force on 1 January 1973; indefinite duration.

OJ L 300/72
EP Doc. 322/72
OJ C 19/73

Objective of agrmt (see 6.100).

Instrument (see 6.1011)

Tariff arrangements

Industrial goods

Imports into the EEC:

Time-limit for dismantling of tariffs extended until 1 January 1984 for paper and paper products and until 1 January 1980 for certain ferrous, non-ferrous and precious metals.

Annual indicative ceilings above which customs duties applicable in respect of third countries may be reintroduced.

Exports from the EEC:

Time-limit for dismantling of tariffs extended until 1 January 1984 for certain products falling within Chapters 48 and 49 of the Austrian Customs Tariff and until 1 January 1980 for some metals and textile fibres. May be subject to annual ceilings.

Agrmt Art. 8
Prot. No 1, Art. 1-6

Art. 13

Art. 9, Prot. No 2

EP Res. of
15 March 1973

Abolition of quantitative restrictions

Agricultural goods (see 6.1014)

ECSC Agreement (see 5.2552, 6.1017)

Signed on 22 July 1972; entered into force on 1 January 1974; indefinite duration.

OJ L 350/73
EP Doc. 322/72
OJ C 19/73

6.11
(contd)

Tariff arrangements

Imports into the EEC :

Time-limit for dismantling of tariffs extended until 1 January 1980 for certain forms of steel. Annual indicative ceilings above which customs duties applicable in respect of third countries may be reintroduced.

Exports from the EEC :

Time-limit for dismantling of tariffs extended until 1 January 1980 for certain forms of steel. Austria maintains quantitative restrictions for lignite and manufactured lignite.

Annual indicative ceilings above which customs duties applicable in respect of third countries may be reintroduced.

Transit Agrmt

Signed on 30 November 1972 ; entered into force on 1 January 1974 ; indefinite duration.

OJ L 294/72
OJ L 276/78

Provisions on Community goods in transit through Austria amended on several occasions, mainly to simplify procedures for goods passing through Austrian territory between the Community and Greece and Turkey.

EEC Tr. Art. 113
C. Reg. 2813 of
21 Nov. 1972
C. Reg. 2302 of
29 Sept. 1978

6.12

FINLAND

Preferential Agrmt (see 6.10).

Signed on 5 October 1973 ; entered into force on 1 January 1974 ; indefinite duration.

Objective of agrmt (see 6.100).

Instrument (see 6.1016).

OJ L 328/73
EP Doc. 356/73
OJ C 23/74

EEC Tr. Art. 113

C. Reg. 3177
of 22 Nov. 1973
EP Res. of
14 Feb. 1974

6.12 Tariff arrangements

(contd)

Industrial goods

Imports into the EEC :

Time-limit for dismantling of tariffs extended until 1 January 1984, for paper and paper products and until 1 January 1980 for certain ferrous, non-ferrous precious metals and fibres. Annual indicative ceilings above which customs duties applicable in respect of third countries may be reintroduced.

Exports from the EEC :

Time-limit for dismantling of tariffs extended (a) until 1 January 1985 for products listed in Annex D, List 1 and (b) until 1 January 1981 for products listed in Annex D, List 2. Duty-free access until 1 January 1985 for certain textile products within specified quotas.

Agrmt Art. 8
Prot. No 1, Art. 1 to 5

Agrmt Art. 1
Art. 9, Prot. 2

EP Res. of
14 Feb. 1974

Abolition of quantitative restrictions

Agricultural goods (see 6.1014)

ECSC Agrmt (see 5.2552, 6.1017)

Signed on 5 October 1973 ; entered into force on 1 January 1975 ; indefinite duration.

OJ L 348/74
EP Doc. 356/73
OJ C 23/74

Tariff arrangements

Imports into the EEC :

Exports from the EEC :

Finland may maintain quantitative restrictions on certain types of coal, coke and semi-coke.

6.13

ICELAND

EEC Tr. Art. 113

C. Reg. 2842
of 19 Dec. 1972
EP Res. of
15 March 1973

Preferential Agrmt (see 6.10).

Signed on 22 July 1972 ; entered into force on 1 April 1973 ; indefinite duration.

OJ L 301/72
EP Doc. 322/72
OJ C 19/73

Objective of agrmt (see 6.100).

Instrument (see 6.1015).

Tariff arrangements

Industrial goods

Imports into the EEC :

Time-limit for dismantling of tariffs extended

(a) until 1 January 1984 for paper and paper products and

(b) until 1 January 1980 for certain ferrous, non-ferrous and precious metals. Some imports subject to indicative ceilings above which customs duties applicable in respect of third countries may be reintroduced.

Exports from the EEC :

Time-limit for dismantling of tariffs extended to 1 January 1980. Iceland may maintain quantitative restrictions on petroleum products and certain brushware. Temporary maintenance by Iceland of customs duties of a fiscal nature on products listed in Annex II.

Agrmt Art. 4 and 5
Agrmt Art. 8
Prot. 1, Art. 1 to 3
Prot. 4

Agrmt Art. 7, Ann. III

Agricultural goods

Iceland may retain the system of export levy on fish products.

Abolition of quantitative restrictions

Agrmt Art. 13

EP Res. of
15 March 1973

6.13
(cont'd)

ECSC Agrmt (see 5.2552, 6.1017).

Signed on 22 July 1972; entered into force on 1 January 1974; indefinite duration.

Tariff arrangements

Imports into the EEC:

Exports from the EEC:

Temporary maintenance by Iceland of customs duties of a fiscal nature on products listed in Annex II of the Preferential Agrmt

No ECSC-Iceland Joint Committee. Consultations between the Parties if necessary.

OJ L 350/73
EP Doc. 322/72
OJ C 19/73

6.14

NORWAY

Preferential Agrmt (see 6.10).

Signed on 14 May 1973; entered into force on 1 July 1973; indefinite duration.

Tariff arrangements

Industrial goods

Imports into the EEC:

Time-limit for dismantling of tariffs extended until 1 January 1984 for paper and paper products and until 1 January 1980 for, in particular, certain metals and textile fibres. Annual indicative ceilings above which customs duties applicable in respect of third countries may be reintroduced.

Exports from the EEC:

Time-limit for dismantling of tariffs extended

(a) until 1 January 1984 for products listed in Annex D (notably textile products)

and

(b) until 1 January 1980 for a series of products listed in Annex E.

OJ L 171/73
EP Doc. 161/73
OJ C 95/73

EEC Tr. Art. 113
C. Reg. 1691
of 18 Oct. 1973
EP Res.
of 18 Oct. 1973

Agrmt Art 8
Prot. 1, Art. 1 to 6

Agrmt Art. 13

6.14
(*contd*)

Agricultural goods (see 6.1014)

Abolition of quantitative restrictions

ECSC Agrmt (see 5.2552, 6.1017)

Signed on 14 May 1973; entered into force on 1 July 1975; indefinite duration.

OJ L 348/74

Tariff arrangements

Imports into the EEC:

Dismantling of tariffs until 1 January 1980 for certain ferromanganese products; option to set up indicative ceilings above which customs duties applicable in respect of third countries may be reintroduced.

Exports from the EEC:

EEC Tr. Art. 43
EP Res.
of 7 July 1978

Outline agrmt on fisheries entered into force provisionally in 1978 pending its conclusion; duration ten years

EP Doc. 213/78
EP Doc. 231/78
OJ C 182/78

EP Res.
of 15 March 1979
C. Reg. 587
of 26 March 1979

The agrmt provides for reciprocal fishing rights. For 1979, catch quotas were negotiated at the beginning of the year.

EP Doc. 634/78
EP Doc. 643/78
OJ C 93/79
OJ L 81/79

6.15

SWEDEN

EEC Tr. Art. 113
C. Reg. 2838
of 19 Dec. 1972
EP Res. of
15 March 1973

Preferential Agrmt. (see 6.10).

Signed on 22 July 1972; entered into force on 1 January 1973; indefinite duration.

OJ L 300/72
EP Doc. 322/72
OJ C 19/73

6.15
(contd)

Tariff arrangements

Industrial goods

Imports into the EEC :

Time-limit for dismantling of tariffs extended until 1 January 1984 for paper and paper products and until 1 January 1980 for certain ferrous, non-ferrous and precious metals and textile fibres. Imports subject to ceilings above which customs duties applicable in respect of third countries may be reintroduced.

Abolition of quantitative restrictions

Agricultural goods (see 6.1013)

ECSC Agrmt (see 5.2552, 6.1017).

Signed on 22 July 1972; entered into force on 1 January 1974; indefinite duration.

Tariff arrangements

Imports into the EEC :

Time-limit for dismantling of tariffs extended until 1 January 1980 for certain forms of steel. Annual indicative ceilings above which customs duties applicable in respect of third countries may be reintroduced.

Exports from the EEC :

Time-limit for dismantling of tariffs extended until 1 January 1980 for certain metals.

Exports from the EEC :

Time-limit for dismantling of tariffs extended until 1 January 1980 for certain forms of strip and sheet iron or steel and certain forms of alloy steel and high carbon steel. Option to set up an annual indicative ceiling above which customs duties applicable in respect of third countries may be introduced.

Agrmt. Art. 8 Prot. 1, Art. 1 to 5

Agrmt Art. 13
EP Res. of
15 March 1973

OJ L 350/73
EP Doc. 322/72
OJ C 19/73

EEC Tr. Art. 43
EP Res. of
7 July 1978

EP Res. of
15 March 1979
C. Reg. 588/79
of 26 March 1979

EEC Tr. Art. 113
C. Reg. 2840 of 19 Dec. 1972

C. Reg.
EP Res. of 15 March 1973

Agmt Art. 4, 8
Prot. 1, Art. 1 to 6

6.15
(*contd*)

Outline agrmt on fisheries entered into force provisionally pending its conclusion ; duration ten years.

The agrmt provides for reciprocal fishing rights. For 1979, the catch quotas were negotiated at the beginning of the year.

EP Doc. 174/78
EP Doc. 232/78
OJ C 182/78

EP Doc. 634/78
EP Doc. 643/78
OJ C 93/79
OJ L 81/79

6.16

SWITZERLAND

Preferential Agrmt (see 6.10).

Signed on 22 July 1972 ; entered into force on 1 January 1973 ; indefinite duration.

Additional agrmt on the validity of the EEC-Switzerland Agrmt for the Principality of Liechtenstein.

OJ L 300/72

OJ L 300/72
EP Doc. 322/72
OJ C 19/73

Tariff arrangements

Industrial goods

Imports into the EEC :

Time-limit for dismantling extended until 1 January 1983 for paper and paper products and until 1 January 1980 for certain ferrous, non-ferrous and precious metals.

Annual indicative ceilings above which the custom duties applicable in respect of third countries may be reintroduced.

Exports from the EEC :

Switzerland may temporarily maintain customs duties of a fiscal nature on products listed in Annex II. Time-limit for dismantling of tariffs extended until 1 January 1984 for certain paper and paper products and until 1 January 1982 for certain wood products. In the event of difficulties, indicative ceilings may be introduced for certain products.

Agrmt Art. 13

6.16
(contd)

Abolition of quantitative restrictions

Agricultural goods (see 6.1013)

EP Res. of 15 March 1973

ECSC Agrmt (see 5.2552, 6.1017).

Signed on 22 July 1972; entered into force on 1 January 1974; indefinite duration.

OJ L 350/73
EP Doc. 322/72
OJ C 19/73

Additional agrmt on the validity of the ECSC-Switzerland Agrmt for the Principality of Liechtenstein.

Signed on 22 July 1972; entered into force on 1 January 1974; indefinite duration.

EEC Tr. Art. 113

Transit. Agrmt

Signed on 23 November 1972; entered into force on 23 November 1972; indefinite duration.

OJ L 350/73
OJ L 294/72

Provisions relating to Community goods in transit through Switzerland; amended on several occasions.

6.2

Mediterranean basin and Near East

6.20

CYPRUS

EEC Art. 238

C Reg. 1246/73 of 14 May 1973

EP Res. of 15 March 1973

Assoc. Agrmt signed on 19 December 1972 and came into force on 1 June 1973; two stages: first until 30 June 1977; second for five years.

OJ L 133/73
EP Doc. 334/72
OJ C 19/73

C Reg. 1247/73 of 14 May 1973

Regulation on the conclusion of a protocol laying down certain provisions relating to the agreement establishing an association between the EEC and Cyprus consequent on the accession on new Member States to the EEC.

OJ L 133/73

C Reg. 1641/77 of 18 July 1977 6.20
EP Res. of 8 July 1977 (contd)

Extension of the validity of the arrangements applicable to trade with Cyprus beyond the date of expiry of the first stage of the Association Agreement until 31 December 1977.

OJ L 183/77
EP Doc. 206/77
OJ C 183/77

C Reg. 2907/77 of 20 Dec. 1977
EP Res. of 16 Dec. 1977

Addit. prot. signed on 15 September 1977 ; came into force on 1 June 1978, extending until 31 December 1979 the first stage of the agreement. Provides for economic cooperation between the EEC and Cyprus.

OJ L 339/77
EP Doc. 411/77
OJ C 6/78

C Reg. 1431/78 of 26 June 1978
EP Res. of 16 June 1978

Suppl. prot. and prot. laying down certain provisions relating to trade in agric. products, signed 11 May 1978 ; came into force on 1 July 1978 ; provides for the inclusion of certain agric. products in the agreement.

OJ L 172/78
EP Doc. 146/78
OJ C 163/78

6.201

Objectives :

Assoc. Agrmt
Addit. Prot. Title III

Progressive elimination of barriers for most trade sectors promoting cooperation between Cyprus and the EEC to ensure in particular the economic development of Cyprus.

During the second stage further elimination of barriers to trade and adoption by Cyprus of the CCT.

6.202

Instrument

Assoc. Agrmt

Assoc. Council responsible for the administration of the agrmt — consists of members of the EEC, C and Comm. and members of the Govt of the Republic of Cyprus.

OJ L 133/73

6.203 **Tariff arrangements**

Addit. Prot.
Arts. 3,5

Industrial sector

Imports into the EEC :

Almost all industrial products exempt from customs duty on entry with the exception of certain textile products which are subject to the Community tariff quota.

Exports from the EEC :

With some exceptions, Cyprus customs tariff reduced in stages. By 1 July 1978 the reductions totalled 35 %.

Agricultural sector

Suppl. Prot. Title I

Imports into the EEC :

Preferential entry for certain agric. products including potatoes, tomatoes, certain fruits, wines and Cyprus Sherry.

Agric. Prot.

Since preferential access to the United Kingdom market is being progressively eliminated, special transitional measures have been applied for 1979 for certain fruits and vegetables.

Assoc. Agrmt
Art. 10
Assoc. Agrmt
Art. 17
Addit. Prot. Art. 9

Safeguard clause

OJ L 133/73

Rules of origin

6.204 **Financial aid**

C Reg. 2760/78 of 23 Nov. 1978
EP Res. of 16 Dec. 1977

Financial protocol signed 15 September 1977; came into force on 1 November 1978; duration five years.

OJ L 332/78
EP Doc. 411/77
OJ C 6/78

Comprises : 30 million EUA :

20 EIB,
4 loans on special terms,
6 grants.

6.21

MALTA

EEC Art. 238
C Reg. 492/71 of 1 March 1972

Assoc. agrmt signed on 5 December 1970 and came into force on 1 April 1971.

OJ L 61/71
EP Doc. 257/70

EP Res. of 9 Feb. 1971

Agreement comprises two successive stages each of five years.

OJ C 19/71

C Reg. 939/76 of 23 April 1976
EP Res. of 5 April 1976

Prot. extending the assoc. agrmt to the three new Member States. Provides for the inclusion of agricultural products and financial and technical cooperation.

OJ L 111/76
EP Doc. 16/76
OJ C 100/76

C Reg. C 2610/77 of 28 Nov. 1977
EP Res. of 18 Nov. 1977

Addit. prot. signed 27 October 1977, came into force on 1 January 1978, extending the first stage of the agrmt to 31 December 1980. Provides improvements for certain industrial and agricultural products exported from Malta to the Community.

OJ C 183/77
OJ L 304/77
EP Doc. 378/77
OJ C 299/77

6.211

Objectives :

Assoc. Agrmt
Prot. Title 5

Progressive elimination of barriers for most trade sectors promoting cooperation between Malta and the EEC to ensure the economic development of Malta.

Assoc. Agrmt

During the second stage : further elimination of barriers to trade and adoption by Malta of the CCT.

6.212

Instrument

Assoc. Council consisting of members of the EEC Comm., Council and members of the Government of Malta — meets once a year.

6.213 **Tariff arrangements :**

Industrial sector

Imports into the EEC :

Duty-free entry for almost all industrial products with the exception of certain textile products which are subject to special regulations (men's and boys' outer garments, man-made fibres).

Exports from the EEC :

With some exceptions, Maltese customs tariff reduced in stages. At 1 April 1976, the end of the first stage (in fact extended to 1980), the reduction was 35 %.

Agricultural sector

Imports into the EEC :

Customs duties reduced by 40 to 75 % for certain agricultural products (citrus and other fruits); preferential access for certain processed agricultural products.

Safeguard measures

Rules of origin

OJ L 61/71
OJ L 61/71
OJ L 111/76
OJ L 111/76

Addit. prot.
Arts. 3,5

C. Reg. 939/76 of 23 April 1976
Addit. prot.
Arts. 3, 4, 7

Assoc. agrmt Art. 10
C Reg. 493/71 of 1 March 1971
C Reg. 939/76 of 23 April 1976
Addit. prot. Title 2

6.214 **Industrial and technical cooperation**

- Development of production and economic infrastructure ;
- Trade promotion ;
- Encouraging the development of industrial production ;
- Cooperation in the field of industry, science, technology and protection of the environment ;
- Encouragement and facilitation of private investment ;
- Exchange of information on the economic and financial situation.

C Reg. 939/76 of 23 April 1976
Addit. prot.
Arts. 3, 4, 7

6.215

Financial aid

C Reg. 939/76 of 23 April 1976
EP Res. of 4 July 1977

Financial protocol signed on 4 March 1976, came into force on 1 November 1978 for five years covering:

- 26 million EUA made up of:
 - 16 million EUA in EIB loans,
 - 5 million EUA in loans on special terms,
 - 5 million EUA in grants.

OJ L 111/76
EP Doc. 181/77
OJ C 183/77

6.22

ISRAEL

EEC Art. 113
C Reg. 1274 of 20 May 1975
EP Res. of 18 Dec. 1975

Agrmt signed 11 May 1975 — came into force 1 July 1975 — for indeterminate period. Agrmt establishing free trade area for industrial products and cooperation.

OJ L 136/75
EP Doc. 422/75
OJ C 7/76

EEC Art. 238
C Reg. 2217 of 26 Sept. 1978
EP Res. of 12 May 1977

Addit. prot. and financial prot. signed 8 February 1977, came into force 1 November 1978, establishing industrial, technical and financial cooperation.

OJ L 270/78
EP Doc. 67/77
OJ C 133/77

6.221

Objectives

Agrmt Art. 1

To promote the development of economic relations, improvement of living and employment conditions, and increased productivity and financial stability. To promote cooperation. To eliminate obstacles to trade.

6.222

Instrument

Add. prot. Title III

Cooperation Council. Meets at least once a year. To facilitate cooperation and contacts between the EP and the Knesset.

6.223

Tariff arrangements

Prot. to agrmt

Industrial sector

Imports into the EEC :

Customs duties and charges having equivalent effect reduced in accordance with the following timetable :

— from 1 July 1975 :	60 %
— from 1 January 1975 :	80 %
— from 1 July 1977 :	100 %

Exports from the EEC :

Duties will be abolished in accordance with the following timetable :

— from 1 July 1975 :	30 %
— from 1 January 1976 :	40 %
— from 1 July 1977 :	60 %
— from 1 January 1979 :	80 %
— from 1 January 1980 :	100 %

For certain products, total abolition of duties in 1985 (chemical products, petroleum products, textile products).

Agricultural sector

Imports into the EEC :

Tariff reduction by 20 to 80 %.
For oranges and mandarins reduction by 60 % (for the three new Member States : 80 %).

Exports from the EEC :

Tariff reduction by 10 to 25 % for certain food products, fresh or dried vegetables, certain fruits, preserved fish.

6.224

Economic cooperation

Agrmt Art. 18

To promote the development and diversification of trade, facilitating the transfer of technological know-how, encouraging private investment and contact and cooperation between the industries of the EEC and Israel.

OJ L 136/75

6.223/6.224

Addit. prot. Title I

6.224
(cont'd)

The purpose of cooperation is to promote :

- the development of Israel's production and economic infrastructure,
- the sales promotion of products exported by Israel,
- industrial cooperation,
- achieving complementarity between the economies in the agricultural and fisheries sectors,
- cooperation in the field of science, technology and the protection of the environment.

6.225

ECSC agrmt

ECSC Reg. 372
of 11 May 1975
Prot. I — II

Signed 11 May 1975 ; came into force 1 May 1978 ; indeterminate duration ; applying the industrial tariff provisions of the above agreement to ECSC products.

OJ L 165/75
OJ L 98/78

6.226

Financial aid

Fin. prot.
EP Res. of
12 May 1977

Signed 8 February 1977 ; came into force on 1 July 1978 ; Duration up to 31 October 1981, designed to promote the industrialization of Israel.

OJ L 270/78
EP Doc. 67/77
OJ C 133/77

Comprises : 30 million EUA in EIB loans.

6.23

YUGOSLAVIA

C Reg. 73/2170 of 31 July 1973

Non-preferential agreement of 26 June 1973, came into force 1 September 1973 for five years, tacitly renewed from year to year. Legal basis : Article 113.

OJ L 224/73

6.230

Objectives

Agreement
Third Recital

To promote and intensify trade between the parties on a mutually beneficial basis. Economic cooperation.

6.231

Instrument

A Joint Committee consisting of representatives of the Community and representatives of Yugoslavia. Meets once a year.

6.232

Tariff arrangements

Agreement
Annex I

Agricultural sector

The Community adjusts the system of Community levies applicable to bovine animals and meat from bovine animals.

6.23/6.232

<p>C Reg. 73/2172 of 8 May 1973</p> <p>Agreement Art. VI</p>	<p>6.232 (contd)</p>	<p>Yugoslavia undertakes to conform to an appropriate rate of deliveries. Industrial sector</p>	<p>OJ L 224/73</p>
	<p>6.233</p>	<p>Textile products originating in Yugoslavia are subject to special arrangements (tariff preferences).</p> <p>Agreement provides for the development of economic and commercial cooperation between the EEC and Yugoslavia to the extent to which this may promote the development of trade.</p>	<p>OJ L 224/73</p>
	<p>6.234</p>	<p>Financial aid</p> <p>The Council agreed that Yugoslavia could apply to the EIB for assistance in the financing of projects of common European interest (subject to amount and market conditions).</p> <p>Development of relations</p> <p>Belgrade statement of 2 December 1976 expresses the desire of the Community and Yugoslavia to strengthen cooperation.</p> <p>Present agreement to be replaced by an agreement on economic and commercial cooperation. In January 1978 the Council approved negotiating directives for the Commission to conclude a new agreement with Yugoslavia. However, since no progress has been made in the negotiations, on 6 February 1979 the Council approved supplementary negotiating directives. The negotiations are still in progress.</p>	<p>Bull. EC 11-1976 Point 2340</p>

6.24 **MAGHREB COUNTRIES**

EP Doc. 306/76
EP Doc. 307/76
OJ C 259/76

6.240 **General arrangements**

1969 Agrmts between EEC and Morocco and Tunisia concerned only trade arrangements; have been replaced by 1976 Cooperation Agrmts with these two countries and Algeria, and by three ECSC agrmts.

EEC Art. 238

6.2400 *GENERAL CHARACTERISTICS
COMMON TO THREE COOPERATION AGRMTS*

Art. 1 Agrmt

Art 60 (Mor.), 58 (Alg.), 59 (Tun.)

Art. 2 Prot. No 1

Art. 54 (Tun.), 53 (Alg.), 55 (Mor.)

- overall cooperation agrmts involving trade, economic, technical, financial, social and institutional cooperation;
- unlimited duration of agrmts; duration of financial prots limited to 31.10.1978;
- entry into force: 1.11.1978;
- review of results of agrmts or improvements to be made, in the first place from 1978 and again from 1983.

Art. 2-7

6.2401 *ECONOMIC AND TECHNICAL COOPERATION*

- development of production and economic infrastructure,
- trade promotion,
- industrial cooperation,
- encouragement of private investments,
- cooperation in the fields of science, technology and environmental protection,

- 6.2401
(cont'd)
- cooperation in the agricultural and fisheries sectors,
 - exchange of information (if required) on trends in respective economic and financial situations,
 - cooperation in energy field (Algeria and Tunisia).

Prot. 1 Agrmt

6.2402 *FINANCIAL AND TECHNICAL COOPERATION*

Financial prots establish resources and arrangements for Community contributions until 31.10.1981. Before end of final year, partners will examine arrangements to be made for possible further period.

Art. 2 Prot. 1 Agrmt

Total EEC contributions for the three countries : EIB loans (167 million u.a., generally with 2 % interest rate subsidies financed from funds earmarked for grants); loans on special terms (116 million u. a. granted for 40 years, with ten-year grace period ; rate : 1 %) and grants (56 million u. a.).

These funds allocated for the financing of investment projects in the fields of production and economic infrastructure, for the technical preparation of these projects and for training projects.

Financial aid granted to States, or with their agreement, to public or private agencies, etc.

Agrmts provide for possibility of joint projects with several sources of funds.

6.2403 *TRADE COOPERATION*

Art. 8 to 37 (Alg.)
Art. 8 to 39 (Mor.)
Art. 8 to 38 (Tun.)

For products other than those covered by CAP (raw materials, industrial products, including ECSC products), Maghreb exports will have free access to EEC market (exemption from customs duties and quantitative restrictions).

Nevertheless, two temporary restrictions: imports into EEC of cork products and refined petroleum products subject to system of ceilings until end of 1979 at the latest. Below ceilings, which are increased annually (by 5 % for refined petroleum products), imports are duty free; above ceilings, EEC may reintroduce duties applicable to third countries.

Agricultural imports into EEC: agrmts provide for access on more favourable terms than those applied to other third countries; concern most but not all products, with, in addition, quotas, import schedule, respect for rules laid down by COM, safeguard clause.

Reduction in CCT of 20 to 100 % for 80 to 90 % of Maghreb agricultural exports.

Outside agrmt, preferential access to French market for these three countries (temporary measure until 1.1.1979).

For wine, citrus fruits, olive oil, fresh fruit and vegetables, see 6.2410, 6.2420 and 6.2430.

Art. 25 (Alg.), 27 (Mor.), 26 (Tun.) 6.2403 Grant EEC treatment no less favourable than most-favoured-nation
(cont'd) treatment.

Prot. 2 Title I
Cooperation Agrmt

Definition of concept of 'originating products'.

6.2404 *SOCIAL COOPERATION*

Art. 39 to 42 (Tun.)
Art. 40 to 43 (Mor.)
Art. 38 to 41 (Alg.)

Provisions enabling Maghreb workers employed successively in several Member States to add together periods of insurance or employment for the purpose of social security entitlements.

Similarly, transfer of pensions to country of origin guaranteed, whatever the debtor Member State.

Maghreb countries to accord similar treatment to workers who are nationals of an EEC Member State. In addition, exchanges of views on labour problems.

6.2405 *INSTITUTIONAL COOPERATION*

Art. 42 to 46 (Alg.)
Art. 44 to 48 (Mor.)
Art. 43 to 47 (Tun.)

Cooperation C with power to decide on achievement of objectives established by agrmts.

May also formulate res., rec. and opinions ; meets in principle once a year and is composed of members of the C, Comm. and of the government of the Maghreb country concerned. Office of President held by each side in turn ; takes all appropriate measures to facilitate cooperation and contacts between EP and parliaments of the three countries ; assisted in its duties by Cooperation Committee.

EEC Art. 113

6.2406 *INTERIM AGRMTS*

C Reg. 1287, 1288 and
1289 of 28 May 1976

Interim Agrmts entered into force 1.7.1976 to implement trade provisions
pending ratification of cooperation Agrmts.

OJ L 141/76
OJ L 170/76

C Reg. 1454, 1455 and
1456 of 26 June 1978

Validity extended to 31.12.1978.

OJ L 175/78

6.2407 *ECSC AGRMT*

Trade measures provided for ECSC products are the same as those laid
down for industrial products in the Cooperation Agrmts (see 6.2403).

Setting up of joint committees ; indefinite duration ; not yet ratified.

6.241 **Algeria**

6.2410 *COOPERATION AGRMT SIGNED ON 26.4.1976*

Duration : indefinite.

C Reg. 2210 of 26 Sept. 1978

Reg. concluding Agrmt

OJ L 363/78

Economic and technical cooperation : see 6.2401

Financial cooperation : see 6.2402

Prot. No 1 to Agrmt

6.2410
(contd)

In addition, Financial Protocol.

Aggregate amount made available until 31.10.1981 : 114 million u. a. — 70 million u. a. in EIB loans, 19 million u. a. in loans on special terms and 25 million u. a. in grants (see 6.2404).

A number of specific products covered by Trade Cooperation :

Art. 12 Agrmt

— petroleum products : initial ceiling of 1.1 million tonnes for CCT headings 27.10 to 27.14 increased annually by 5 % ; if ceiling exceeded, EEC may reintroduce duties applicable to third countries ; ceiling to be abolished by 31.12.1979 at the latest ;

Art. 12 Agrmt

— cork products : initial ceilings (totalling 2 200 tonnes) increased annually by 3 % ; ceilings to be abolished by 31.12.1979 at the latest ;

Art. 20 Agrmt

— wines : ordinary wines : 80 % reduction in customs duties subject to respect for Community reference price. Quality wines : exemption from customs duties for annual tariff quota of 250 000 hl (first year) (to be increased to 450 000 hl in fourth year).

Wine intended for fortifying : exemption from full application of reference price for 500 000 hl each year (price difference to be reduced progressively over four years) ;

Art. 15 Agrmt

— citrus fruits : 80 % reduction (subject to respect for Community reference prices) ;

Art. 16 and 17 Agrmt

— olive oil : reduction in levy : 0.5 u. a. per 100 kg as trade benefit, 10 u. a. per 100 kg as economic benefit, the latter being granted only if Algeria levies an equivalent export charge ;

6.2410 — fresh fruit and vegetables : in general 30 to 60 % tariff reductions,
(cont'd) mostly limited to an out-of-season schedule.

C Reg. 1287 of 28 May 1976
OJ L 141/76

6.2411 *INTERIM AGRMT*
See also 6.2406.

OJ L 141/76

C Reg. 1454 of 26 June 1978
OJ L 175/78

Extended until 31.12.1978.

Setting up of joint committee.

OJ L 175/78

C Reg. 1663 of 18 July 1977
OJ L 186/77

Safeguard clause : definition of procedure.

Regulations lay down conditions for implementing Agrmt for certain products such as olive oil, fruit salad, tomato puree.

Agrmt of 26 April 1976
(78/798/ECSC)

6.2412 *ECSC AGRMT*
See 6.2403 and 6.2407.

OJ L 263/78

6.242 **Morocco**

6.2420 *COOPERATION AGRMT SIGNED ON 27. 4. 1976*

C Reg. 2211 of 26 Sept. 1978

Duration : indefinte

OJ L 264/78

Reg. concluding agrmt.

Economic and technical cooperation : see 6.2401.

Financial cooperation : see 6.2402.

Prot. No 1 to Agrmt

6.2420
(contd)

In addition, Financial Protocol.

Aggregate amount made available until 31.10.1981 : 130 million u. a. — 56 million u. a. in EIB loans, 58 million u. a. in loans on special terms and 16 million u. a. in grants (see 6.2402).

Provisions for a number of specific products covered by trade cooperation :

Art. 12 Agrmt

— petroleum products : see 6.2410, but initial ceiling of 175 000 tonnes ;

Art. 12 Agrmt

— cork products : see 6.2410, but total initial ceilings of 2 650 tonnes ;

Art. 21 Agrmt

— wines : ordinary wines : see 6.2410. Quality wines : exemption from customs duties for annual tariff quota of 50 000 hl ;

Art 14 Agrmt

— citrus fruits : see 6.2410 ;

Art. 17 and 18 Agrmt

— olive oil : see 6.2410 ;

— fresh fruit and vegetables : see 6.2410.

C Reg. 1288 of 28 May 1976

6.2421

INTERIM AGRMT

OJ L 141/76

See also 6.2406.

C Reg. 1455 of 26 June 1978

Extended until 31.12.1978.

OJ L 175/78

Setting up of joint committee.
Safeguard clause.

Implementing regulations : see 6.2411.

Agrmt of 27.4.76 (78/799/ECSC)

6.2422

ECSC AGRMT

OJ L 264/78

See 6.2403 and 6.2407.

6.243 **Tunisia**

6.2430 *COOPERATION AGRMT SIGNED ON 25.4.1976*

Duration : indefinite.

C Reg. 2212 of 26 Sept. 1978

Reg. concluding Agrmt.

OJ L 265/78

Economic and technical cooperation : see 6.2401.

Financial cooperation : see 6.2402.

Prot. No 1 to Agrmt

In addition, Financial Protocol.

Aggregate amount made available until 31.10.1981 : 95 million u. a. — 41 million u. a. in EIB loans, 39 million u. a. in loans on special terms and 15 million u.a. in grants (see 6.2402).

A number of specific products covered by trade cooperation :

Art. 12 Agrmt
Art. 20 Agrmt
Art. 15 Agrmt
Art. 16 and 17 Agrmt

— petroleum products
— wines
— citrus fruits
— olive oil
— fresh fruit and vegetables
— cork products : see 6.2410, but total initial ceilings of 900 tonnes.

} see 6.2420

Art. 12 Agrmt

6.243/6.2430

C Reg. 1289 of 28 May 1976	6.2431	<i>INTERIM AGRMT</i>	
		See 6.2406.	OJ L 141/76
C Reg. 1456 of 26 June 1978		Extended until 31.12.1978.	
		Setting up of joint committee.	OJ L 175/78
		Safeguard clause.	
		Implementing regulations : see 6.2411.	
Agrmt of 25.4.76 (78/800/ECSC)	6.2432	<i>ECSC AGRMT</i>	
		See 6.2403 and 6.2407.	OJ L 265/78

EP Opinion of 13 May 1977

6.25

**MASHREQ COUNTRIES
(EGYPT, JORDAN, LEBANON, SYRIA)**

Lebanon :
EP Doc. 312/77
OJ C 266/77

6.250

General arrangements

EP Opinion of 11 Oct. 1977

Agreements concluded with Lebanon in 1965 and 1972 (not ratified) and agreement concluded with Egypt in 1972 were commercial agreements ; were replaced by 1977 Cooperation Agrmts with these two countries and Jordan and Syria ; also 1977 ECSC Agreements with these four countries.

Other countries :
EP Doc. 99/77
OJ C 133/77

Agrmt with Mashreq consistent with 'global approach' of EEC Mediterranean policy.

BEC Tr. Art. 238

6.2500

COMMON ELEMENTS IN THE FOUR COOP. AGRMITS :

Agrmts Art. 1

— overall Cooperation Agreements comprising economic, technical, financial and institutional cooperation ;

Agrmts Art. 48 (Jord.),
49 (Syr., Leb.),
51 (Eg.)

— Agrmts concluded for unlimited period ; entered into force on 1 November 1978.

Prot. No 1, Art. 2

Financial protocols to expire on 31 October 1981 :

Agrmts Art. 43 (Jord.),
44 (Syr., Leb.),
46 (Eg.)

— reviews of results of Agrmts or improvements to be added, the first review beginning in 1979, the second in 1984.

Agrmts Art. 2-7

6.2501

ECONOMIC AND TECHNICAL COOPERATION :

- development of production and of economic infrastructure ;
- marketing and sales promotion ;
- industrial cooperation and encouragement of private investment ;
- cooperation in fields of science, technology and environmental protection ;

- 6.2501
(contd)
- participation by EEC operators in programmes for exploration, production and processing of resources of these countries ;
 - cooperation in fisheries sector ;
 - exchange of information (when required) on economic and financial developments.

Agrmts Art. 4-6

6.2502 *FINANCIAL COOPERATION*

Prot. 1

Financial Prots. laying down arrangements for Community contributions until 31 October 1981. Before the end of final year, Contracting Parties will examine what arrangements could be made for a possible further period.

Prot. 1, Art. 2

Total EEC contributions to the four countries : 165 million EUA in EIB loans (2 % interest rate subsidy financed from the funds allocated to non-repayable aids) ; 27 million EUA in loans on special terms (loan period of 40 years, ten-year amortization period, interest rate fixed at 1 %) ; 108 million EUA in non-repayable aids.

Prot. 1, Art. 3

These funds are to be used for the purpose of financing capital projects in fields of production and economic infrastructure, for technical preparation of these projects and for training schemes ; they may not be used for operating expenses. Objectives to be established by mutual agreement by reference to the States' development plans.

Prot. 1, Art. 9

Prot. 1, Art. 8

Financial and technical cooperation either with the States or, with their agreement, with public or private agencies, etc.
Agrmts provide for joint schemes financed by capital from several sources.

6.2503 *COMMERCIAL COOPERATION*

Abolition of customs duties and quantitative restrictions on products (raw materials, industrial products, including ECSC products), excluding those covered by the CAP, exported from these countries to EEC. However, temporary restrictions will be applied, varying from country to country.

Agricultural imports from Mashreq countries into EEC: Agrmts provide for a system of preferential access in relation to other third countries; tariff concessions, which vary between 40 % and 80 %, cover most agricultural exports, but with quotas, timetables for imports, a requirement that COM rules should be observed, and a safeguard clause.

Each Mashreq State shall accord the EEC treatment no less favourable than the most-favoured-nation scheme (exceptions for other developing countries).

The Agrmts do not require Mashreq countries to take immediate reciprocal measures; Mashreq countries undertake to consolidate existing arrangements but reserve right to adjust their customs tariffs as required to meet needs of their level of industrialization and development.

Definition of concept of 'originating products'.

6.2504 *INSTITUTIONAL COOPERATION*

Agrmts Art. 37-41 incl.
(Eg.), 34-38 incl.
(Jor.), 35-39 incl.
(Syr., Leb.)

Cooperation Council with power to take decisions on attainment of objectives laid down by Agrmts.

May also make res., rec. and deliver opinions; generally meets once a year and consists of Members of C, of Comm. and of members of government of Mashreq State in question; Presidency exercised in turn; takes all necessary measures to facilitate cooperation and contact between EP and Parliaments of countries in question; may establish any committee required to assist in accomplishment of its tasks.

6.2505 *INTERIM AGREEMENTS*

EEC Tr. Art. 113
C Reg. 1030, 1031,
1032 of 17 May 1977
C Reg. 1109 of 6 May 1977
C Reg. 1457, 1458,
1459 and 1460 of
26 June 1978

Interim Agrmts entered into force on 1 July 1977 (1 August 1977 in the case of the Lebanon) to put into effect trade provisions pending ratification of Interim Cooperation Agrmts extended until 31 December 1978.

OJ L 126/77
OJ L 133/77
OJ L 175/78

6.2506 *ECSC AGREEMENTS*

- same commercial measures as those for industrial products in Cooperation Agrmts (see 6.2503);
- joint committee set up to formulate recommendations, take decisions which are binding on Contracting Parties, meets once a year;
- Agrmt to be valid for an indefinite period, entered into force on 1 November 1978.

6.251 **Egypt**

6.2510 *COOPERATION AGREEMENT, SIGNED ON 18 JANUARY 1977, ENTERED INTO FORCE ON 1 NOVEMBER 1978*

C Reg. 2213 of 26 Sept. 1978

Reg. on conclusion of Agrmt.

OJ L 266/78

Economic and technical cooperation : see 6.2501.

Financial cooperation : see 6.2502 ; also,

Financial Protocol

Aggregate amount made available until 31 October 1981 : 170 million EUA, including 93 million EUA of EIB loans, 14 million EUA of loans on special terms and 63 million EUA of non-repayable aids.

Commercial cooperation : see 6.2503.

Prot. No 1 of the Agrmt

C Reg. 1030 of 17 May 1977

6.2511 *INTERIM AGREEMENT*

OJ L 126/77

See 6.2505 superseded by entry into force of Cooperation Agrmt of 1 November 1978

6.2512 *ECSC AGREEMENT*

See 6.2506.

6.2513 *AGREEMENT ON TRADE IN TEXTILE PRODUCTS (WITHIN FRAMEWORK OF GATT ALL FIBRES ARRANGEMENT)*

See 5.57.

6.252 **Jordan**

6.2520 *COOPERATION AGREEMENT, SIGNED ON 18 JANUARY
1977, ENTERED INTO FORCE ON 1 NOVEMBER 1978*

C Reg. 2215 of 26 Sept. 1978

Reg. on the conclusion of Agrmt.

OJ L 268/78

Economic and technical cooperation : see 6.2501.

Financial cooperation : see 6.2502 ; also

Prot. No 1 of the Agrmt

Financial Protocol

Aggregate amount made available until 31 October 1981 : 40 million
EUA, including 18 million EUA of EIB loans, 4 million EUA of loans on
special terms and 18 million EUA of non-repayable aids.

Commercial cooperation : see 6.2503.

6.2521 *INTERIM AGREEMENT*

AGREEMENT

C Reg. 1032 of 17 May 1977

See 6.2505 ; superseded by the entry into force of the Cooperation.
Agrmt of 1 November 1978.

OJ L 126/77

6.2522 *ECSC AGREEMENT*

See 6.2506.

6.253 **Lebanon**

6.2530 **COOPERATION AGREEMENT, SIGNED ON 3 MAY 1977, ENTERED INTO FORCE ON 1 NOVEMBER 1978**

C Reg. 2214 of 26 Sept. 1978

Reg. on the conclusion of the Agrmt.

OJ L 267/68

Economic and technical cooperation : see 6.2501.

Financial cooperation : see 6.2502 ; also

Prot. No 1 of the Agrmt

Financial Protocol

Aggregrate amount made available until 31 October 1981 : 30 million EUA, including 20 million EUA of EIB loans, 2 million EUA of loans on special terms and 8 million EUA of non-repayable aids.

Commercial cooperation : see 6.2503.

C Reg. 1109 of 26 May 1977

6.2531 ***INTERIM AGREEMENT***

OJ L 133/77

See 6.2505 ; superseded by the entry into force of the Cooperation Agrmt on 1 November 1978.

6.2532 ***ECSC AGREEMENT***

See 6.2506.

6.253/6.2532

6.254 Syria

6.2540 *COOPERATION AGREEMENT, SIGNED ON 18 JANUARY 1977, ENTERED INTO FORCE ON 1 NOVEMBER 1978*

C Reg. 2216 of 26 Sept. 1978

Reg. on the conclusion of the Agrmt.

OJ L 269/78

Economic and technical cooperation : see 6.2501.

Financial cooperation : see 6.2502 ; also

Prot. No 1 of the Agrmt

Financial Protocol

Aggregate amount made available until 31 October 1981 : 60 million EUA, including 34 million EUA in EIB loans, 7 million EUA of loans on special terms and 19 million EUA of non-repayable aids. Commercial cooperation : see 6.2503.

C Reg. 1031 of 17 May 1977

6.2541 *INTERIM AGREEMENT*

See 6.2505 ; superseded by the entry into force of the Cooperation Agrmt on 1 November 1978

OJ L 126/77

6.2542 *ECSC AGREEMENT*

See 6.2506.

6.3 **African, Caribbean and Pacific Countries**

6.31 **CONVENTIONS OF YAOUNDÉ**

6.310 **Background : Ist Convention of Yaoundé (AASM)**

OJ 93/64

C Dec. 346, 5 Nov. 1963
Conv. Art. 9
EP Res. of
4 March 1963

Date of signature : 20 July 1963

EP Doc. 147/63
OJ C 33/63

Entry into force : 1 June 1964

Duration : five years

Conv. Preamb.

Expiry : 1 June 1969

Nature : association agreement between the Community of the Six the African States and Madagascar (18) : Benin (formerly Dahomey), Burundi, Cameroon, Central Africa, Chad, Congo-Brazzaville, Gabon, Ivory Coast, Madagascar, Mali, Mauritania, Niger, Rwanda, Senegal, Somalia, Togo, Upper Volta, Zaïre (formerly Congo-Kinshasa).

Aims : cooperation on a basis of complete equality ; development of economic relations between the associated States and the EEC ; economic, social, cultural and industrial development of the AASM.

Legal basis

EEC Tr., Art. 238
and Part Four

2nd Convention of Yaoundé (AASM)

C Dec. 540 of
29 Sept. 1970
Conv. Art. 59

Date of signature : 29 July 1969

OJ L 282/70
EP Doc. 132/70

Entry into force : 1 January 1971

Duration : five years

Conv. Art. 61

EP Res. of
2 Oct. 1968

6.310
(*contd*)

Expiry : 31 January 1975

EP Doc. 137/68
OJ C 108/68
EP Doc. 176/69
OJ C 2/70

EP Res. of
9 Dec. 1969

Nature : renewal of Convention of Yaoundé I

C Reg. 240, 241
of 30 Jan. 1975

Associated States : EEC (6) and AASM (as under Yaoundé I, plus Mauritius (1973)).

Tr. Acc., Part Five
Title III, Chapt. 2
C Dec. 88
of 30 Jan. 1975

Transitional measures applying after 31 January 1975

Maintenance of *status quo* until expiry of the Conv. as regards relations with the States acceding to the EEC.

OJ L 26/75

EEC Dec. 347
of 5 Nov. 1963

Yaoundé Agreement I — ECSC

OJ L 93/64

ECSC Dec. 541
of 29 Sept. 1970
C Dec. 90 of 30 Jan. 1975

Yaoundé Agreement II — ECSC

OJ L 282/70

OJ L 26/75

6.311

Trade Cooperation under the two Conventions

Conv. Art. 2 to 6
(Yaoundé II)
Prot. 1 to 5
(Yaoundé II)

Provision for a free trade area between the two contracting parties and a system of reciprocity (with a few exceptions) : no customs duties or quantitative trade restrictions except on certain agricultural products.

3rd GR EC,
Par. 397-398

The AASM had power to reintroduce customs duties and quantitative restrictions for development or budgetary reasons.

Conv. Art. 11
(Yaoundé II)

The EEC granted more favourable treatment to the AASM than to third countries for AASM agricultural products similar to and competing with European products and goods processed therefrom ; aid for marketing and sales promotion is also provided.

Conv. Art. 12 to 14
(Yaoundé II)
Conv. Art. 16
(Yaoundé II)

6.311
(*cont'd*)

The AASM was free to maintain or set up customs unions or free trade areas and conclude economic cooperation agreements ; safeguard clauses provided.

6.312

Financial and technical cooperation under the two Conventions

(through the EDF and the EIB)

Conv. Art. 17 to 30
(Yaoundé II)

This took the form of investment in production and the social and economic infrastructure, the main aim being to diversify the economic structure of the AASM, and in particular, to encourage industrialization and agricultural development in those countries. It also provided the finance for technical cooperation projects connected with investment or general technical cooperation activities. In addition, provision was made for schemes to encourage the marketing and sales promotion of products exported by AASM. Finally, aid could be granted to overcome specific exceptional difficulties. This aid was non-repayable (with the exception of 20 % of EIB loans) and is multiannual.

3rd GR EC
Par. 399-401

The EDF was the main agency for the implementation of development programmes. Its operation was governed by various Community provisions.

The intervention sectors were : industrialization (preferences granted to local and regional industry for supply contracts), tourism, rural production, transport and communications, education and training, public health, hydro-electric power, public administration, accommodation, trade promotion and exceptional aid.

6.312 <i>(contd)</i>	2nd EDF : operational with effect from 1 June 1964 duration : five years appropriation 730 million u.a.	EIB : 70 million u.a.
	3rd EDF : operational with effect from 1 January 1971 duration : five years expiry : 21 January 1975 appropriation : 905 million u.a.	EIB : 100 million u.a.

EDF Fin. Reg. 71/68 EEC

Internal agreements on the financing and management of Community aid and the financial regulation of the EDF.

OJ L 31/71

EP Res. of
10 June 1974

Review of financial and technological cooperation.

EP Doc. 111/74
OJ C 76/74

6.313 **Institutions of the two Conventions**

Conv. Art. 39 to 53
(Yaoundé I)

Council of Association :

Conv. Art. 41 to 55
(Yaoundé II)

Composition : members of C and members of Comm. on the one hand, one member of the government of each Associated State on the other. The office of President alternated between AASM and EEC.

Powers : decision-making powers of a mandatory nature, in cases laid down by Conv., could formulate resolutions, recommendations or opinions. Assisted by the Committee of Association to which it could delegate

6.313
(contd)

powers. This committee was composed of one representative of each Member State of the EEC, one representative of the Comm. and one representative of each Associated State.

Secretariat prepared its work.

Parliamentary Conference of the Association :

Composition : members of EP and parliaments of the AASM on a basis of parity.

Powers : considered the activity report which the Association Council had to submit to it annually, met once a year, and adopted resolutions on matters concerning the Association. The business of the Conference was prepared by a Joint Committee.

Arbitration Court of the Association : was responsible for settling any disputes concerning the interpretation or application of the Conv.

Composition (five members): a President appointed by the Council of Association and four judges, of whom two were appointed by C and two by the AASM. It was to act by majority vote. No case of appeal was in fact submitted during the period of application of the two Convs.

EEC Tr. Art. 238

6.32 **ARUSHA AGREEMENTS WITH THE THREE
EAST AFRICAN COUNTRIES**

6.320 **Background**

EP Res.
of 1 Oct. 1968

1st Arusha Conv : date of signature : 26 July 1968
proposed expiry : 31 May 1969 ;
did not enter into force

EP Doc. 136/68
OJ C 108/68

C Dec. 545 of 20 Sept. 1970
EP Res. of 9 Dec. 1969

2nd Arusha Conv : date of signature : 24 September 1969
expiry : 31 January 1975
entry into force : 1 January 1971
duration : five years

OJ L 282/70
EP Doc. 175/69
OJ C 2/70

Agrmt Art. 35
Agrmt Art. 1

Nature : an association agreement on trade alone between the EEC and
the three East African States (Kenya, Uganda and Tanzania).

C Reg. 240/75
of 30 Jan. 1975

Transitional measures to apply after 31 January 1975 (extension of system
in force).

OJ L 26/75

6.321 **Trade Cooperation**

Agrmt Art. 2 to 15

The trading arrangements comprised mechanisms closely modelled on
those of the 2nd Convention of Yaoundé (see 6.311).

Agrmt Prot. 1 and 2

There were exemptions in the agricultural sector for tinned pineapple,
unroasted coffee and cloves.

Special treatment for certain products originating in these three countries,
e.g. beef and veal, fruit and vegetables, raw tobacco, maize and products
processed from cereals and rice.

6.322 **Institutions**

Art. 22 to 29

The **Association Council** was composed of members of C and Comm. of the EEC, of the government of each East African State and representatives of the East African Community.

Powers : implementation and supervision of enforcement of the provisions of the agrmt.

The **Parliamentary Committee** was composed, on a basis of parity, of Members of EP and of the parliaments of the East African States concerned.

It met once a year to discuss matters concerning the Association.

EEC Tr. Art. 238

6.33 **LAGOS AGREEMENT WITH NIGERIA**

Date of signature : 16 July 1966 ; but did not enter into force, having failed to be ratified by all the EEC Member States (Biafran war).

EEC Tr. Art. 238

6.34 **CONVENTION OF LOMÉ**

C Reg. 199/76
of 30 Jan. 1976
EP Res.
of 16 Oct. 1975

6.340 **Background**

Signature : 28 February 1975

Entry into force : 1 April 1976

Expiry : 1 March 1980 (fixed term)

Opening of negotiations for renewal of Conv. : 18 months before expiry, i.e. July 1978 (see 6.342).

OJ L 26/76

Doc. 283/75

OJ C 257/75

Conv. Art. 87
Conv. Art. 91

6.340
(contd)

Participating States : The Nine of the EEC, the African countries listed in Prot. 22 of the Tr. of Accession, comprising the 19 AASM (see 6.31), the 3 East African States (see 6.32) and the African, Caribbean and Pacific developing countries with comparable economies ; initially 46, now 57 countries. In Africa : Benin, Botswana, Burundi, Cameroon, Cape Verde Islands, Central African Empire, Chad, Comoros, Congo, Ivory Coast, Djibouti, Equatorial Guinea, Ethiopia, Gabon, Gambia, Ghana, Guinea, Guinea Bissau, Kenya, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mauritius, Niger, Nigeria, Rwanda, Sao Tome and Principe, Senegal, Seychelles, Sierra Leone, Somalia, Sudan, Swaziland, Tanzania, Togo, Uganda, Upper Volta, Zaïre, Zambia.

In the Caribbean : Bahamas, Barbados, Dominica, Grenada, Guyana, Jamaica, Santa Lucia, Surinam, Trinidad and Tobago.

In the Pacific : Fiji, Papua-New Guinea, the Solomon Islands, Tonga, Tuvalu, Western Samoa.

ECSC 76/163

Parallel agreement with the ECSC : entered into force and expires at same time as Lomé Conv.

OJ L 25/76

C Dec. 1598
of 24 June 1975

Early implementation of the trade arrangements on 1 July 1975.

OJ L 166/75

C Dec. 240 of 30 Jan. 1975

Application of transitional measures to the AASM and East African countries after 31 January 1975.

OJ L 26/75

Conv. Preamble

Purpose : to establish a new model for relations between industrialized and developing countries compatible with aspirations of the international community towards a more just and more balanced economic order.

6.340
(*contd*)

Its main features are as follows :

- trade relations are no longer based on reciprocity of trade advantages, but entail additional advantages for the ACP (see 6.3410),
- creation of a system for stabilizing export earnings (STABEX) for certain ACP products (see 6.3411),
- technical and financial cooperation : ACP participate increasingly in implementation of programmes or projects. The EDF is main agency for these (see 6.3412),
- industrial cooperation : to develop and diversify industry (see 6.3413),
- special measures on behalf of least developed States within framework of STABEX and EDF,
- provisions relating to establishment, services, payments and capital movements : these safeguard equal treatment of companies and nationals of participating States,
- institutions direct and manage activities of Convention (see 6.3415).

Conv. Art. 65-68 incl.

6.341 **Provisions of the Convention of Lomé**

Art. 1-15
Prot. Nos. 1, 3, 6, 7

6.3410 *TRADE AND TRADE COOPERATION*

Art. 1

Aims : to promote trade, taking account of different levels of development, and in particular, of the need to secure additional benefits for the trade of ACP States.

6.340/6.3410

Art. 2—12

6.3410
(cont'd)

Trade arrangements: arrangements applicable to ACP products **imported** into the Community, duty-free access for virtually all products (99.2 %). These arrangements do not apply to certain agricultural products subject to market organization under the CAP; these receive preferential treatment, however. In addition, the EEC has relaxed its rules on the origin of products for ACP products, deeming these States to be a single territory for customs purposes.

Art. 9 and Prot. No 1

Safeguard clause provided.

Art. 10

Arrangements applicable to EEC products exported to the ACP countries: the principle of non-reciprocity of trade obligations. The only obligation incumbent on the ACP in its relations with the EEC is to apply the 'most-favoured-nation' clause and not to discriminate among the Member States of the EEC. In practice, most ACP States give the Community non-preferential treatment, while others accord it preferential treatment more favourable than the most-favoured-nation clause, e.g. Benin, Mauritania, Mauritius, Senegal, Tonga, and Upper Volta.

Special provisions are included for certain products of vital importance to the economy of particular ACP countries, for which the Community or certain of its Member States have been a traditional market. This applies in particular to sugar (see 6.34140), bananas (see 6.34141), rum (see 6.34142), beef and veal (see 6.34143) (Botswana, Kenya, Madagascar and Swaziland) and tomatoes (Senegal).

6.3410
(contd)

Trends in EEC-ACP trade

Trend in EEC-ACP trade (in million EUA)	1974	1975	1976	1977	1978
Imports to EEC from developing countries	61 379	54 976	69 865	75 137 ¹	71 154
of which ACP	10 491	8 697	10 474	12 460	11 865
Annual increase ACP	+ 70 %	— 17 %	+ 20 %	+ 19 %	— 4.8 %
ACP share in imports to EEC	8	6.9	6.5	7.3	8.4
Exports from EEC to developing countries	35 213	44 068	50 879	61 781 ¹	66 521
of which ACP	6 065	8 079	9 841	12 460	12 717
Annual increase ACP	+ 37 %	+ 33 %	+ 22 %	+ 27 %	+ 2.1 %
ACP share in exports from EEC	5.3	6.7	7	7.6	8.9
Balance of trade EEC-ACP	— 4 426	— 618	— 634	0	852

¹ Excluding Cuba.

Source : SOEC.

6.3410
(contd)

Trade promotion

Art. 12

Objectives : to help the contracting parties to derive maximum benefit from the trade arrangements ; to encourage more active participation by the ACP in the EEC market and in regional and international markets.

Art. 13

Various activities are proposed, including : improving the structure and working methods of organizations involved in trade promotion ; training trade experts ; participation by the ACP States in fairs or other international trade events ; improving cooperation between economic operators in the ACP and the EEC ; carrying out and making use of market research and marketing studies ; distributing trade information between the partners on a more regular basis.

To finance these activities, the ACP States may apply for aid from the EDF.

Conv. Art. 16—24

6.3411

STABILIZATION OF EXPORT EARNINGS (STABEX)

Art. 16

Purpose : The STABEX system is designed to compensate for any shortfall in the export earnings of the ACP States, by providing guaranteed cover for any decline in production resulting from natural or climatic circumstances, and in the case of countries whose exports are highly dependent on certain basic products, for any shortfall in sales resulting from economic fluctuations. STABEX does not affect prices but compensates for losses of earnings.

Art. 17, Par. 1

Products covered : initially, 12 commodities and certain by-products thereof (groundnuts, cocoa, coffee, cotton, coconut, palm, palmtree and kernel products, hide skins, and leather, wood, fresh bananas, tea, raw

Dec. of ACP-EEC
Council of Ministers,
14 April 1977

6.3411
(*cont'd*)

sisal and iron ore). The following products and by-products have since been added : vanilla, cloves, pyrethrum, mohair wool, gum arabic, ylang-ylang and, in 1979, sesame seed.

Compilation of texts
Vol. II, ACP-EEC
Council of Ministers

Art. 18

Operation : consists of an initial financial appropriation of 375 million u. a. for the duration of the Conv., divided into five annual instalments of 75 million u. a., any balance being carried forward automatically to the following year. By 30 April 1979, 172 772 million EUA had been paid out under STABEX.

Art. 21

The transfers are interest-free loans to be reimbursed by the recipient States when the trend of their export earnings so permits. For the 24 poorest countries, they are non-repayable.

Art. 19

A country is entitled to a transfer if its earnings from exports to the Community of one such product fall to a specified reference level (activating threshold — normally 7.5 %, but 5 % for sisal and 2.5 % in the case of the least developed, landlocked or island countries). These levels are calculated for each country and each product on the basis of average export earnings over the four years preceding the year of application.

A product may be considered if during the preceding year earnings from its export represented at least 7.5 % of total export earnings to all destinations (dependence threshold — 5 % for sisal and 2.5 % in the case of the least-developed landlocked or island countries).

C Reg. 158/76
of 20 Jan. 1976

1st. Reg. aims to guarantee stabilization of export earnings for certain commodities in favour of the ACP States and OCT associated to the Community (survey of imports received by the Member States).

OJ L 18/76

6.3411

Art. 40—61

6.3412 *FINANCIAL AND TECHNICAL COOPERATION*

Art. 40

Objectives : to correct the structural imbalances in the various sectors of the ACP States' economies. Projects and action programmes contribute to the economic and social development of these States.

Art. 42

Financial appropriation : from 1 April 1976 to 1 March 1980 : 3 390 million u. a. in all.

This comprises :

- 3 000 million u. a. from the European Development Fund (Fourth EDF), allocated as follows :
- 2 100 million u. a. in the form of grants,
- 430 million u. a. in the form of special loans,
- 95 million u. a. in the form of risk capital,
- 375 million u. a. through STABEX ;
- 390 million u. a. in the form of loans from the EIB, made from its own resources and supplemented as a general rule by a 3 % interest rate subsidy.

These amounts have been adjusted to make allowance for the accession to the Convention of new ACP States.

By 30 April 1979 a total of 1 600 538 million EUA had been committed for the ACP through the Fourth EDF. This figure does not, however, include all the EDF's activities, since regional aid (about 121 million EUA), non-allocated aid and frozen appropriations are not included.

The Fourth EDF is not financed by the Community budget, but by contributions from the Member States in the following proportions : France and Germany, 25.95 % ; United Kingdom, 18.75 % ; Italy, 12 % ; The

6.3412 Netherlands, 7.95 % ; Belgium, 6.25 % ; Denmark, 2.4 % ; Ireland,
(*cont'd*) 0.60 % ; Luxembourg, 0.20 %.

Art. 43—44

Methods of financing : (grants, normal loans, special loans, risk capital)
chosen jointly by the Community and the ACP States concerned.

Several methods of financing may be used in the implementation of one
project or action programme with the agreement of the ACP States
concerned. Financial aid may also take the form of co-financing with
participation by, in particular, credit and development agencies, firms,
Member States, ACP States, third countries or international financing
organizations.

Art. 49

Beneficiaries : The ACP States ; regional or interstate bodies to which the
ACP States belong and authorized by them to attain certain specific objec-
tives, notably in the field of industrial and trade cooperation ; certain
public or private agencies in agreement with the ACP country concerned.

Art. 46

Nature of projects/programmes financed :

- capital projects in the field of rural development, industrialization,
energy, mining, tourism and economic and social infrastructure ;
- schemes to improve the structure of agricultural production ;
- technical cooperation schemes, in particular in the fields of training
and technological adaption or innovation ;
- industrial information and promotion schemes ;
- marketing and sales promotion schemes ;
- special schemes to help small and medium-sized companies ;
- micro-projects for grass roots development, in particular in rural areas.

6.3412 Current administrative maintenance and operating expenses of the ACP
(*contd*) States are not covered by financial cooperation.

Art. 47 10 % of the total financial resources are reserved for financing regional projects.

Art. 48 Special attention is paid to the needs of the least developed ACP States mentioned in the Conv.; the list of such countries may be amended.

Art. 59 Exceptional aid may be granted to overcome serious difficulties resulting from natural disasters or comparable exceptional circumstances. The special appropriation laid down for this purpose is fixed at 50 million u. a. and is restored to its initial level at the end of each year. The total amount during the period of application of the Convention may not exceed 150 million u. a. . This aid is non-reimbursable and is allocated under an emergency procedure.

Art. 50—58 incl. Project management : Close cooperation between the ACP States and the EEC in each of the various stages of a project : aid programming (indicative programme for each country), submission (by the ACP States) and appraisal of projects or programmes, preparation of financing decisions, adoption of the projects or programmes, execution of the project or programme (for which ACP States are responsible) and final evaluation of the results when various activities are completed.

Art. 56. Participation in tendering procedures and the awarding of contracts is open on equal terms to all natural and legal persons of the EEC and the ACP, though companies are favoured in the latter.

Fin. Reg. EDF
647/76 EEC
of 27 July 1976

C Dec. 76/165
C Dec. 78/824
C Dec. 79/309
of 19 March 1979

6.3412
(contd)

Implementing measures :

Financial regulation applicable to the Fourth EDF.

Internal agreements on the financing and management of Community aid, amended to take account of the increase in the number of ACP States.

OJ L 229/76

OJ L 25/76
OJ L 287/78
OJ L 27/79

6.3413 *INDUSTRIAL COOPERATION*

Art. 26-39

Objectives : to promote the development, diversification and marketing of ACP industrial products ; to increase the links between industry and other sectors of the economy, particularly agriculture ; to facilitate the transfer of technology to the ACP States and the adaptation of such technology to specific needs ; to encourage the participation of smaller and medium-sized companies and Community commercial operators in the industrial development of the ACP countries.

Art. 28-32

Main areas of intervention : transport and communications, energy, research, industrial training, processing raw materials and manufacturing finished and semi-finished products (agro-industrial projects such as sugar refineries, oil mills and textile plants), construction (cement works), chemical works, mining and metallurgical industries, small and medium-sized businesses.

Art. 34

Operation : no specific appropriation has been set aside, but financing is carried out through the EDF and the EIB.

Agencies :

Art. 35
Dec. ACP-EEC Council of Minis.,
14 July 1976

Committee on industrial cooperation : set up at the end of 1976, being placed under the authority of the ACP-EEC Committee of Ambassadors (see 6.3415), this is a joint body responsible for ensuring that the provisions of the Convention relating to industrial cooperation are imple-

Compilation of texts,
1 April 1976 to 31 July 1976,
ACP-EEC Council of Minis.

6.3413
(cont'd)

mented. It is composed of representatives of the ACP States, the Member States of the Community, the Commission and the EIB. It guides, coordinates and controls the activities of the CID.

Art. 36
ACP-EEC Council of Minis.,
14 July 1976

Centre for industrial development (CID — 1977): an operational body with its seat in Brussels, its function is to organize exchanges of information and promote contacts between industrialists in the EEC and the ACP countries, and to carry out research on the industrial potential of the ACP countries. It also cooperates in the definition of action necessary to ensure the successful implementation and management of industrial projects.

Compilation of texts,
1 April 1976 to 31 July 1976,
ACP—EEC Council of Minis.

6.3414

*PROTOCOLS AND SPECIAL PROVISIONS
ON CERTAIN AGRICULTURAL PRODUCTS*

6.34140

PROTOCOL NO 3 ON ACP SUGAR

Conv. Art. 25
and Prot. No 3
Prot. Art. 1

Objective : to provide (raw or white) cane sugar-producing countries with a guarantee of sale at remunerative prices and the Community with a guarantee of supply. In practical terms this takes the form of an undertaking by the Community to purchase, and by the ACP countries to supply, certain agreed quantities of sugar at guaranteed prices partially indexed to Community producer prices.

Prot. Art. 2
Prot. Art. 10

Duration : an indefinite period, which may be reviewed before the seventh year of application. Two years' notice is required to denounce the Protocol, after expiry of the Convention.

ACP countries concerned : Barbados, Congo, Fiji, Guyana, Jamaica, Kenya, Madagascar, Malawi, Mauritius, Surinam, Swaziland, Tanzania, Trinidad and Tobago, Uganda.

Prot. Art. 3 to 7
Prot. Art. 5

6.34140
(cont'd)

Guaranteed price : ACP sugar is marketed on the Community market at prices freely negotiated between buyers and sellers. If certain quantities cannot be marketed at a price equivalent to, or in excess of, the guaranteed price, the Community undertakes to purchase them at the guaranteed price within the limit of the agreed quantity.

The guaranteed price is negotiated annually between the ACP countries and the EEC.

Prot. Annex
C Reg. 1746/78 of 24 July 1978

For the initial period of application (1 February 1975 to 30 June 1976), the guaranteed prices were : for raw sugar, 25.53 u.a. per 100 kg.; for white sugar, 31.72 u.a. per 100 kg.

Prot. Art. 3

For the period from 1 July 1978 to 30 June 1979, the guaranteed prices for 100 kg were 27.81 u.a. and 34.49 u.a. respectively

OJ L 203/78

The **guaranteed quantity** supplied is approximately 1.4 million tonnes of raw cane sugar, (i.e. about 1.225 million tonnes of white sugar). Supply quotas per country as laid down in the protocol are : Barbados, 49 300 tonnes ; Fiji, 163 600 tonnes ; Guyana, 157 700 tonnes ; Jamaica, 118 300 tonnes ; Kenya, 5 000 tonnes ; Madagascar, 10 000 tonnes ; Malawi, 20 000 tonnes ; Mauritius, 487 200 tonnes ; People's Republic of Congo, 10 000 tonnes ; Swaziland, 116 400 tonnes ; Tanzania, 10 000 tonnes ; Trinidad and Tobago, 69 000 tonnes ; Uganda, 5 000 tonnes ; Surinam, 4 000 tonnes.

OJ L 176/76

C Dec. of 29 June 1976

Prot. Art. 7

A **penalty** system is applied in the case of failure to deliver the agreed quantities (except in the event of *force majeure*): the agreed quantity is reduced by the undelivered quantity and the shortfall is re-allocated between the other countries.

Thus, pursuant to this rule, the quotas for the Congo, Kenya, Surinam and Uganda were reduced in 1979 following their failure to deliver the agreed quotas for the 1977/78 financial year.

6.34141 **PROTOCOL NO 6 ON BANANAS**

Prot. pt. 1

The Prot. provides the ACP countries with the guarantee that, in addition to duty-free access to the EEC for their banana exports, 'no ACP State shall be placed, as regards access to the markets and market advantages, in a less favourable situation than in the past or at present'; in addition, investment schemes are provided for at every stage from production to consumption to enable the ACP States, particularly Somalia, to increase their banana exports to their traditional Community markets (France, United Kingdom and Italy) and gain access to new Community markets.

A joint group has been set up to help attain these objectives. It is composed of representatives of the ACP producer countries, Member States and the Commission.

The main ACP suppliers of bananas to the Community are : Ivory Coast, Jamaica and Cameroon.

6.34142 **PROTOCOL NO 7 ON RUM**

Prot. pt. 1

Provides that, until the entry into force of a common organization of the market in spirits, products of tariff heading No 22.09 C.I. (rum, arrack and tafia) originating in the ACP States, are to be imported duty-free into the Community under conditions such as to permit the development of traditional trade flows between the ACP States and the Community, and between the Member States.

Prot. pt. 2

Each year the Community fixes the quantities which may be imported free of customs duties, on the basis of the largest annual quantities imported from the ACP States into the Community in the last three years

6.34142 for which statistics are available, increased by an annual growth rate of
(cont'd) 40 % on the market of the United Kingdom and 13 % on the other
markets of the European Economic Community.

C. Reg. 1127/78 of 6 June 1978

For the period 1 July 1978 to 30 June 1979, the overall quota for all the
ACP States is 161 807 hl of pure alcohol, allocated among the markets of
the Member States as follows: United Kingdom, 116 957 hl; Germany
24 706 hl; France, 9 022 hl; Benelux, 6 000 hl; Denmark, 3 698 hl;
Ireland, 1 000 hl; Italy, 424 hl.

OJ L 153/78

6.34143 BEEF AND VEAL

Special measures have been taken for beef and veal which constitute a
major element in the economies of Botswana, Kenya, Madagascar and
Swaziland. The Community has authorized imports from these four coun-
tries in quantities not exceeding those of traditional trade levels, and has
agreed not to impose the import duty provided these countries levy an
equivalent export tax.

C. Reg. 2993/78 of 19 Dec. 1978

The present arrangements affect the following quantities, expressed in
terms of boned meat:

OJ L 357/78

1 January 1979 — 31 December 1979: Botswana, 17 360 tonnes; Kenya,
130 tonnes; Madagascar, 6 956 tonnes; Swaziland, 3 086 tonnes (total:
27 532 tonnes).

1 January 1980 — 1 March 1980: Botswana, 2 895 tonnes; Kenya, 25
tonnes; Madagascar, 1 160 tonnes; Swaziland, 515 tonnes (total 4 595
tonnes).

The consequence for the Community will be non-imposition of part of
the duties which should have been credited to its budget, amounting to
about 33 million u.a. in 1979 and about 5.6 million EUA for 1980.

Conv. Lomé Title IV
Art. 69-81
Art. 69

6.3415

INSTITUTIONS

Composition : A council of Ministers, assisted by the Committee of Ambassadors ; Consultative Assembly assisted by the Joint Committee.

Art. 70-75

ACP-EEC Council of Ministers :

Composition : on the one hand, members of the Council of the European Communities and members of the Comm. and on the other, a member of the government of each ACP State. The office of President is held alternately by the ACP States and the Community.

Art. 74

Role : to define the broad outlines of the work to be undertaken ; review the results obtained and take such measures as may be necessary for the attainment of the objectives of the Conv. ; to formulate resolutions, recommendations or opinions ; to publish an annual report for submission to the ACP-EEC Consultative Assembly ; may encourage contacts, consultations, and cooperation between the economic and social sectors of the Member States and the ACP States ; may set up committees or *ad hoc* working groups ; may consider, at the request of the contracting parties, any problem arising from the application of the Conv. and questions having direct repercussions on the matters covered by the Conv. ; may delegate certain of its powers to the ACP-EEC Committee of Ambassadors.

Art. 74
Art. 70 par. 3
Art. 74 par. 3

Decision-making procedure : the Council of Ministers acts by mutual agreement between the Community on the one hand and the ACP States on the other ; its decisions are binding on the contracting parties ; its proceedings are valid only if half the members of the C, one member of the Comm. and two-thirds of the accredited members representing the governments of the ACP States are present ; any member of the Council of Ministers unable to attend may be represented and his representative exercises all the rights of the accredited member.

6.3415
(cont'd)

ACP—EEC Committee of Ambassadors :

Art. 76-79

Composition : one representative of each Member State ; one representative of the Comm. ; one representative of each ACP State. The office of Chairman is held alternately by the Community and ACP States.

Role : assists the ACP—EEC Council of Ministers and carries out any mandate entrusted to it by the latter ; keeps under review the functioning of the Conv. and the achievement of its objectives ; accounts to the ACP—EEC Council of Ministers for its action and may submit to it resolutions, recommendations or opinions ; supervises the work of all the standing or *ad hoc* committees, bodies or working groups.

ACP—EEC Consultative Assembly :

Art. 80

Composition : composed, on a basis of parity, of members of the EP and representatives designated by the ACP States (two for each State) ; ACP—EP co-presidents.

Cons. Ass.
Res. of 29 Sept. 1978

Role : annual consideration of the activity report submitted by the ACP-EEC Council of Ministers ; adoption of resolutions on matters concerning or covered by the Conv., may set up *ad hoc* advisory committees for special tasks.

Doc. ACP/EEC/10/78
OJ C 18/79

Method of voting : a motion put to the vote is adopted if it receives the support of the majority of votes cast by ACP representatives and the majority of votes cast by EP representatives. In the event of a tie the motion is rejected.

6.3415

Art. 80, par. 5

6.3415
(contd)

ACP-EEC Joint Committee :

Composition : composed, on a basis of parity, of one representative per ACP State and an equal number of EP representatives ; ACP-EP co-chairmanship.

Role : preparation of business for the ACP-EEC Assembly.

Art. 81

Settlement of disputes concerning the interpretation or application of the Conv. ; any dispute may be placed before the ACP-EEC Council of Ministers. If the latter fails to settle the dispute at its next meeting, three arbitrators (one for each party involved and one for the ACP-EEC Council of Ministers) are then appointed. The arbitrators' decisions are taken by a majority vote and each party to the dispute must take the measures required for the implementation of the arbitrators' decisions.

Art. 91
Conv.

6.342

Renewal of the Convention of Lomé

(principal new features)

6.3420

NEGOTIATIONS

- July 1978 : official opening
- September 1978 : beginning of operational phase of negotiations
- December 1978,
March 1979,
May 1979 : meetings of ACP/EEC C in Brussels, Freeport (Bahamas) and Brussels respectively
- 27 May 1979 : negotiations concluded in Brussels between the 57 ACP States (see 6.340) and the EEC on the renewal of the Convention of Lomé for five years (1.3.1980 — 1.3.1985)

6.3421 *TRADE AND TRADE COOPERATION*

(see 6.3410, 6.34142 and 6.34143)

Continued free access to EEC market for 99.5 % of ACP exports. For the remaining 0.5 %, new concessions have been made affecting tomatoes, carrots, onions, arrowroot, asparagus, passion fruit, guavas, and the other types of mushroom ; the annual import quota for rum has been increased, except for the United Kingdom, as has the beef and veal quota.

The promotion of trade has been given a broader definition and more precise derogation procedures established for the rules of origin (to help the least-developed ACP States).

Safeguard clause retained, but EEC undertakes not to use it to hamper structural development.

6.3422 *STABILIZATION OF EXPORT EARNINGS*

(see 6.3411)

The list of STABEX agricultural products has been extended to include rubber, cashew nuts, pepper, shrimps and squid, cotton seeds, leguminous vegetables, oil-cake. The dependence and trigger thresholds are reduced from 7.5 to 6.5 % (from 2.5 to 2 % for the least-developed, landlocked or island countries). For the replenishment or resources reimbursement (550 million EUA for five years) is to be spread over seven years, with a two-year period of deferment.

6.3422
(contd)

The system for mineral products (SYSMIN) is one of the principal innovations of the Conv. and is designed to meet the ACP States' desire to protect their export earnings from these products. The system comprises a total allocation of 280 million EUA in special loans, and covers copper, cobalt, phosphates, bauxite and alumina, manganese and tin (iron ore after a transitional period).

The dependence threshold is, as a rule, 15 % (10 % for the least-developed, landlocked or island countries) and the fluctuation threshold 10 %. The country concerned will be able to obtain an EEC contribution towards the financing of projects in the form of special loans at 1 % interest, refundable over 40 years, with a period of deferment of ten years.

This package is rounded off by a series of measures aimed at ensuring the development of the ACP States' mining and energy potential.

6.3423

FINANCIAL AND TECHNICAL COOPERATION

(see 6.3412)

Financial aid to be granted by the EEC over the next five years totals 5 600 million EUA, broken down as follows :

6.3423
(contd)

in million EUA

	EDF	EIB	Art. 18 EIB	EEC Budget	Total
Project aid	3 712	685	—	—	4 397 ¹
Mining and energy projects	—	—	200	—	200
STABEX	550	—	—	—	550
Mineral products	280	—	—	—	280
Delegations	—	—	—	180	180
Total	4 542	685	200	180	5 607

¹ Including 600 million EUA for regional cooperation.

The breakdown of the total volume of aid by method of financing is as follows :

in million EUA

	Subsidies	Transfers	Special loans	Risk capital	EIB loans with interest subsidy	EIB loans Art. 18	Total
Project aid	2 928	—	504	280	685	—	4 397
Mining and energy projects	—	—	—	—	—	200	200
200	—	550	—	—	—	—	550
STABEX	—	—	280	—	—	—	280
Mineral products	—	—	—	—	—	—	—
Delegations	180	—	—	—	—	—	180
Total	3 108	550	784	280	685	200	5 607

6.3423
(cont'd)

To this must be added the minimum commitment of 25 million EUA for NGO contributions and 300 million EUA for food aid, which brings the total to almost 6 000 million EUA.

Certain amounts (apart from the appropriations for STABEX and ores) have been specifically earmarked for regional cooperation (15 % of funds) and micro-projects.

80 % of the aid is non-refundable and the proportion of refundable aid granted in the form of risk capital has been increased.

Special measures have been taken for the least-developed, landlocked or island countries with regard to technical and financial cooperation (interest rates on special loans reduced) and the stabilization of export earnings.

An ACP/EEC committee will be instructed to consider action taken as part of technical and financial cooperation.

Regional cooperation :	600 million EUA
Emergency aid :	200 million EUA

6.3424

INDUSTRIAL COOPERATION

(see 6.3413)

Industrial development is to benefit from increased financial input, to be encouraged by measures to promote and protect Community investments in the ACP States.

6.3424
(cont'd)

Extra financial resources (in addition to those provided under the Convention) are also needed and, in this connection, a joint study will be undertaken and its results submitted to the ACP-EEC C within nine months.

Measures are to be taken to facilitate co-financing, promote financial and technical aid to SM and increase the effectiveness of the CID (increased budgetary resources and more precisely defined role).

A procedure will be introduced for consultations and exchanges of information on trends in industrial policies in the EEC, the ACP States, and the world at large.

6.3425

AGRICULTURAL COOPERATION

A special chapter is devoted to agricultural cooperation providing for the setting up of a Technical Centre for Agricultural and Rural Cooperation, responsible primarily for spreading technological innovations and know-how. A sub-committee will supervise the application of these provisions.

6.3426

FISHERIES AND SEA TRANSPORT

A joint declaration envisages the possible consideration of subjects of mutual interest in the field of sea transport ; the EEC states its willingness

6.3426
(contd)

to contribute to the development of this sector in any ACP States which so request.

The Conv. also contains a joint declaration on sea fishing. In addition to a reference to the possibilities of cooperation, the parties to the Conv. outline the framework for any bilateral fisheries agreements which might be concluded between the EEC and the ACP countries.

6.3427

MISCELLANEOUS

Lomé Convention II does not contain any reference to human rights or to respect for minimum standards with regard to working conditions.

The roles of the institutions (see 6.3415) are described in detail and consultations with the economic and social groups placed on an official footing.

A joint declaration guarantees nationals of ACP States residing legally in the EEC the same working conditions and pay and the same social security benefits as nationals of the EEC country in question. The ACP States have given a similar undertaking.

6.4 Overseas countries and territories (OCT)

6.40 OBJECTIVES

When it was decided in 1957 to create the EEC, the questions raised by the special relations existing between some of the six European States and the OCT could not be ignored.

EEC Preamble

Confirmation of solidarity with the OCT; development of their prosperity in accordance with the principles of the Charter of the United Nations.

EEC Art. 3 (k)
EEC Art. 131

Increase in trade with the OCT and promotion of their economic and social development; establishment of close economic relations between the OCT and the Community.

6.41 PROVISIONS OF THE TREATY OF ROME (first association)

EEC Part Four

6.410 General

EEC Art. 131

Creation of an association with the OCT.

EEC Art. 132

Objectives of the association.

EEC Art. 133-136
and Impl. Conv.

Implementing provisions :

Entry into force : 1.1.1958 (at the same time as the Treaty of Rome)

Duration : Five years

Expiry : 31.12.1962

EEC Treaty, Ann. IV

6.410
(contd)

Countries and territories concerned: French West Africa (FWA), comprising the eight territories of Senegal, Sudan, Guinea, Ivory Coast, Dahomey, Mauritania, Niger and Upper Volta; French Equatorial Africa (FEA), comprising the four territories of the Middle Congo, Ubangi-Shari, Chad and Gabon; the territories of Saint Pierre and Miquelon, the Comoro Archipelago, Madagascar and dependencies, French Somaliland, New Caledonia, Southern and Antarctic Territories; the autonomous Republic of Togoland, the trust territory of the Cameroons under French administration, the Belgian Congo and Ruanda-Urundi (trust territory), the trust territory of Somaliland under Italian administration, Netherlands New Guinea.

6.411

Trade

EEC Art. 132

OCT exports to Europe: the system applicable to be that laid down by the Treaty for trade between Member States, that is, progressive reduction in customs duties and quantitative restrictions leading to their abolition.

Impl. Conv.
Art. 12

Progressive increase in import quotas for OCT products and conversion into global quotas for the Six.

Impl. Conv.
Art. 15 and
Prot. ann.

However, progressively diminishing tariff quotas for imports of raw coffee (Italy and Benelux) and bananas (FRG) originating in third countries.

Impl. Conv.
Art. 11
EEC Art. 133

Exports from Europe to OCT: the system applicable at the end of the period to be that already applied to the European State with which each OCT has special relations (not necessarily total exemption, but preferential treatment granted without discrimination). Tariff variations and quantitative preferences existing between one or other of the Six to be progressively reduced.

Detailed rules for progressive increase in quotas for imports into OCT.

Safeguard clause

6.412 **Investments**

EEC Art. 132

Contribution by Member States to investments in OCT.

Impl. Conv.
Art. 3
Impl. Conv.
Art. 1

Creation of a European Development Fund (first EDF) to finance certain social investments (education, health) and economic investments of general interest. EDF allocation: 581.25 million u.a. for five years, financed by contributions from the six Member States (France and FRG: 200 million u.a. each.)

Impl. Conv.
Art. 2-8 incl.
Impl. Conv.
Art. 16

Detailed rules for implementation

The first EDF was also available to Algeria and to the French Overseas Departments (OD).

6.413 **Right of establishment and free movement of workers**

EEC Art. 132(5)

In relations between Member States and the OCT progressive abolition of restrictions on the right of establishment of nationals and companies.

EEC Art. 135

Free movement of workers between Member States and OCT to be settled at a later date.

EP Res. of 23 Jan. 1964
EEC Art. 136

6.42 **DECISION OF 25 FEBRUARY 1964
(second association)**

EP Doc. 120/63
OJ 24/64

6.420 **General**

C Dec. 349
25 Feb. 1964

Between the entry into force of the EEC Treaty and 1960-61, many OCT became independent and their relations with the EEC found new expression in the two Yaoundé Conventions (see 6.31) and the Lomé Convention (see 6.34).

OJ 93/64

6.412/6.420

6.420
(cont'd)

A new association had to be worked out for those countries which had not yet received independence.

EEC Art. 136

By 1. 1. 1963 C should have established provisions for a further period of association. The delay in reaching this decision was undoubtedly due to the negotiators' desire to base the OCT agreement on that with the AASM.

C Dec. of 25. 2. 1964 covered a five-year period and concerned the OCT (Saint Pierre and Miquelon, the Comoro Archipelago, French Somaliland, New Caledonia and Dependencies, Wallis and Futuna Islands, French Polynesia, Southern and Antarctic Territories, Surinam and the Netherlands Antilles); the OD (Guiana, Martinique, Guadeloupe, Reunion) also benefited, but only in respect of financial and technical cooperation.

Entry into force : 1.6.1964

Duration : Five years

Expiry : 1.6.1969

C Dec. Art. 37

Provision to be made for a further period after this date.

OJ 93/64

6.421

Trade

C Dec.
Art. 1-13 incl.

Provisions aimed at establishing a free trade area between EEC and OCT. Given their development requirements, the latter had option of retaining or establishing customs duties and charges having equivalent effect or, under certain conditions, quantitative restrictions on imports of products originating in Member States or the other OCT.

OJ 93/64

6.422 **FINANCIAL AND TECHNICAL COOPERATION**

C Dec.
Art. 14-25 incl.

EEC contributed towards measures aimed at promoting the economic and social development of the OCT.

OJ 93/64

Art. 15

A sum of 70 million u.a. was earmarked for the OCT and the OD, broken down as follows : 64 million u.a. under the second EDF including 60 million u.a. in the form of grants and 4 million u.a. in the form of loans on special terms ; in addition 6 million u.a. in EIB loans.

Half of this sum allocated to the French OCT and OD and half to the Netherlands OCT.

Greater scope for action than in EEC Treaty arrangements and local authorities in OCT enjoyed a greater share of responsibility in the submission and implementation of investment projects.

6.423 **Right of establishment, services,
payments and capital**

C Dec.
Art. 25-33 incl.

Any remaining discriminatory practices and restrictions on the movement of invisible and visible assets to be abolished.

OJ 93/64

6.422/6.423

EP Res. of 12 March 1970

6.43

**DECISION OF 29 SEPTEMBER 1970
(third association)**

Doc. 245/69
OJ C 40/70

EEC Art. 136

6.430

General

C Dec. 549
of 29 Sept. 1970

After expiry of 1964 Dec. on 1. 6. 1969, the C took a new decision, on 29.9.1970, relating to the OCT-EEC association.

OJ L 282/70

Interim measures introduced

OCT concerned : same as in 1964 (see 6.420).

Entry into force : 1.1.1971 (same time as Yaoundé II) (see 6.3)

Duration : five years

Expiry : 31.1.1975

Dec. accentuated certain earlier trends and also included a number of new guidelines, to take account in particular of the need to harmonize the EEC's general policy towards the developing countries and the regional policy it pursued under the association with the AASM, the OCT and OD.

6.431

Trade

C Dec.
Art. 2-15

Confirmation of free trade area ; EEC to give more favourable treatment to products subject to the CAP than to the same products originating in third countries.

Provision for safeguard clause.

C Dec. Art. 16-26	6.432	Technical and financial cooperation	Amounts allocated to OCT and OD total 82 million u.a., broken down as follows: 72 million u.a. under third EDF, including 62 million u.a. in form of grants and 10 million u.a. in loans on special terms and contributions to the formation of risk capital; in addition, 10 million u.a. in EIB loans.	EP Doc. 280/75 OJ C 257/75
EP Opinion of 16 Oct. 1975	6.44	DECISION OF 29 JUNE 1976 (fourth association)		
EEC Art. 136	6.440	General	Signed in Brussels on 22 January 1972, the Accession Treaty (Art. 24), concerning in particular the accession of the United Kingdom to the Community, provides for the association of the British OCT. In the meantime, <i>status quo</i> maintained for the British OCT and transitional measures taken for the French and Dutch OCT associated through the 1970 decision.	OJ L 176/76
C Dec. 568 of 29 June 1976 Acts of Accession IV Part Four, Title IV			<i>Entry into force</i> : 1. 4. 1976 (delayed so as to coincide with the Convention of Lomé) <i>Expiry</i> : 1. 3. 1980 (no extension possible) <i>Duration</i> : five years	
C Dec. Art 57			Provision to be made for a further period after this date.	OJ L 176/76
			<i>Countries and territories concerned</i> : the same as in the 1964 decision; the Comoros and Surinam covered only provisionally by 1976 decision. Since Mayotte has withdrawn from Comoro Archipelago, it benefits fully from decision. In addition, British OCT (Belize, Brunei, Associated States	

6.440
(cont'd)

in the Caribbean, Cayman Islands, Falkland Islands and Dependencies, Gilbert Islands, Solomon Islands, Turks and Caicos Islands, British Virgin Islands, Montserrat, Pitcairn, St. Helena and Dependencies, Seychelles, British Antarctic Territory, British Indian Ocean Territory, Tuvalu and the Anglo-French Condominium of the New Hebrides).

ECSC Dec. 570
of 20 Jan. 1976

Parallel decision for ECSC.

OJ L 176/76

6.441

Trade arrangements and trade cooperation

(see also 6.3410)

Art. 2-17

Nearly all products originating in the OCT have free access to the EEC, except for agricultural products subject to COMs, which are covered by special provisions. Reciprocal arrangements are not, however, compulsory; the OCT are required only to guarantee the Community most-favoured nation treatment and not to discriminate between Member States.

Art. 7-12

Provision for safeguard clause.

Art. 13 Conv.
and C Dec. 198
of 9 Feb. 1976

There are special provisions for rum, arrack and tafia, valid until 29.2.1980 (see 6.34142)

OJ L 37/76

Art. 14-17

Trade promotion (see 6.3410).

6.440/6.441

6.442 **Stabilization of export earnings (STABEX).**

(see 6.3411)

This system, like the one set up under the Convention of Lomé, protects poor countries against fluctuations in commodity prices.

Products covered by the system: the same as under the Convention of Lomé provided they account for a specific percentage of the OCT's export earnings. When an OCT's earnings from exports of one of these products to the EEC fall below an agreed reference level, it receives the difference from a sinking fund. The poorest countries are not required to reimburse the amounts paid. The system is subject to a 20 million u.a. ceiling for five years, divided into five equal annual instalments.

6.443 **Sugar**

C Dec.
Art. 27 and Ann. IV

The Community purchases and imports, at guaranteed prices, specific quantities of cane sugar, raw or white, which originate in the OCT and which the OCT deliver to it. Three OCT are concerned: Belize, with 39 400 tonnes per year; St. Kitts, Nevis and Anquilla: 14 800 tonnes; Surinam: provisionally 4 000 tonnes.

OJ L 176/76

C. Dec.
Annex to annex IV

For the first delivery period (1 February 1975 to 30 June 1976), the guaranteed prices were: for unrefined sugar: 25.53 u.a. per 100 kg; for refined sugar: 31.72 u.a. per 100 kg.

C. Reg. 1745
of 24 July 1978

For the period from 1 July 1978 to 30 June 1979 the guaranteed prices were 27.81 u.a. and 39.49 u.a. per 100 kg respectively.

OJ L 203/78

For special provisions, see 6.34140.

6.444 **Technical and financial cooperation**

(see 6.3412)

Art. 28 to 47

The amount of aid has been fixed at 160 million u.a., consisting of 150 million u.a. administered by the EDF and 10 million u.a. in EIB loans. The sums administered by the fourth EDF are broken down as follows: 65 million u.a. in grants, 40 million u.a. in special loans, 5 million u.a. in risk capital and 20 million u.a. in a reserve; in addition, 20 million u.a. for STABEX.

The amounts provided for in grants, special loans and the reserve are divided in three equal parts among the French OCT and OD, the Dutch OCT and the British OCT. Of the portion allocated to the French OCT and OD, an amount of 13 million u.a. has been blocked, 7.5 million u.a. are allocated to the OD and 2 million u.a. are allocated to financial aid to the least-favoured OCT.

Since the entry into force of the Decision of 29. 6. 1976, several OCT — the Comoros, Surinam, the Territory of the Afars and Issas (Djibouti), Seychelles, Dominica, St. Lucia, Solomon Islands, Tuvalu — have become independent and have requested and in some cases obtained, accession to the Convention of Lomé (see 6.34). The amounts originally allocated to these countries have therefore been deducted from aid granted to the OCT and added to aid to the ACP.

6.445 **Right of establishment, services, payments and capital**

6.5 **North America and Japan**

6.50 **UNITED STATES**

There are no trade agreements between the Communities and the United States except as regards fishing. There are, however, bilateral contacts and contacts within international organizations. A series of consultations at the highest level has been taking place every six months for eight years

Agreement concerning fisheries off the coasts of the United States signed 15 February 1977, came into force 9 June 1977, to last until 1 July 1984 ; may be extended

OJ L 141/77
EP Doc. 110/77
OJ C 133/77

EEC Art. 43
C Reg. 77/1220
of 3 June 1977
EP Resolution
of 13 May 1977

6.51 **CANADA**

Preferential framework agreement for commercial and economic cooperation signed 6 July 1976, came into force 1 October 1976, duration : minimum of five years.

OJ L 260/76
EP Doc. 287/76
OJ C 238/76

EEC Arts. 113, 235 and
EAEC Art. 101
C. Reg. 2300/76
of 20 Sept. 1976
EP Res. of 14 Sept. 1976

6.511 **Objectives**

Preamble

To complement and extend cooperation in the economic and nuclear fields ; to promote commercial and economic relations and to consolidate relations between Canada and the EEC. Evolutionary in character.

6.512 **Instrument**

Art. 4

Joint Committee to promote and keep under review the cooperation activities. Meeting at least once a year.

6.5/6.512

6.513 **Form of the Agreement**

Agrmt. Art. 3

Parallel system, each Member State retaining the power to undertake bilateral cooperative activities with Canada and to conclude cooperation agreements with Canada.

Agrmt. Art. 5

The provisions of the agreement shall prevail in the event of incompatibility, over those of the Euratom Agreement of 6 October 1959 and over those of cooperation agreements which may be concluded between a Member State and Canada.

6.514 **Commercial arrangements**

Agrmt. Arts. 1, 5

Adherence to the principles of GATT, particularly the most-favoured-nation clause.

6.515 **Cooperative arrangements**

Agrmt. Art. 2

Commercial cooperation at international and bilateral levels to resolve commercial problems of common interest, to facilitate transactions and discourage restrictions of competition.

Agrmt. Art. 3

Economic cooperation in science and technology; creation of markets, employment policy, regional policy, environment. To this end, organization of joint ventures, increased investment, technological and scientific exchanges, joint operations in third countries, exchange of industrial, agricultural and other information.

6.516 **ECSC Protocol**

ECSC Arts. 6 8
Comm. Dec. 76/754
ECSC of 17 Sept. 1976
EP Res. of 14 Sept. 1976

Non-preferential cooperation protocol signed 26 July 1976, came into force 18 September 1976, for a minimum of five years, applies the provisions of the EEC-Canada framework agreement to ECSC-Canada relations.

OJ L 260/76
EP Doc. 287/76
OJ C 238/76

6.517 **EAEC Agreement**

EAEC Art. 101

Agreement on cooperation in the peaceful uses of atomic energy, signed 6 October 1959, came into force 18 November 1959 for at least ten years; amended by exchange of letters on 16 January 1978.

OJ 60/59
of 24.11.1959
OJ L 65/78

6.518 **Objectives**

Preamble, Arts. 1, 2

To promote cooperation between the Communities and Canada, *inter alia* by:

- exchange of information and equipment,
- cooperation in the purchase and use of equipment,
- cooperation in joint research and development programme.

6.519 **Arrangements for the implementation of the forms of cooperation envisaged**

Arts. 3 to 13
Amendments of 16 Jan. 1978

Introduction of more stringent safeguards to allow the resumption of deliveries of Canadian uranium to the EEC, which had been interrupted since January 1977.

Proposal for an agreement on fisheries providing for reciprocal fishing rights submitted to the Council on 6 November 1978.

EP Doc. 643/78
EP Doc. 680/78

EP Res. of 15 March 1971

Arrangement on fisheries signed 29 November 1978 establishing catch quotas for 1979 (see also section on Fishing).

OJ C 93/79

6.517/6.519

JAPAN

No trade agreement between the Community and Japan but regular contacts either bilaterally or within international organizations, in particular GATT.

On 24 March 1978 a joint communiqué was signed regarding trade relations between the Community and Japan.

Bull. EC 3-1978
Points 1.1.4 to 1.1.9

The Japanese Government said it would increase its efforts to reduce the overall current-account surplus and would take all appropriate steps to increase imports of manufactures and intended to double its aid to the developing countries within five years.

The two sides agreed to :

- promote Community exports to Japan ;
- consider the possibility of effecting advance tariff reductions when the GATT negotiations were settled ;
- continue efforts to improve import testing systems on a reciprocal basis.

Developments in regard to Japan's overall surplus and the rate of economic growth would be examined regularly.

The study group to examine the trends and developments of the macro-economic situation met in June and October 1978.

Bull. EC 6-1978
Point 2.2.73
Bull. EC 10-1978
Point 2.2.53

In December 1978, the Council expressed its concern with regard to Japan. It stressed the importance it attached to the Japanese Government pursuing policies aimed at stepping up domestic demand and reducing the trade surplus, and drew attention to the need for additional efforts to be made to open up Japanese markets to imports, especially manufactures. The Commission was asked to continue pressing for specific measures to improve access to Japan for Community goods.

General Report
Point 499

6.6 **Latin America**

6.60 **GENERAL CHARACTERISTICS COMMON TO THE AGREEMENTS CONCLUDED WITH ARGENTINE, URUGUAY, BRAZIL**

EEC Arts. 113-114

Non-preferential commercial agreements for three years, renewable from year to year. No financial assistance. Agrmts provide for highest degree of freedom of imports and exports and non-discrimination.

Agrmt Art. 5

6.601 **Instrument**

Joint Committee consisting of representatives of the EEC and of the country concerned. Meets once a year. Examines means for economic and commercial cooperation.

Art. 3

6.602 **Agricultural cooperation**

Exchange of information on agricultural markets. Examination of the possibility of exports from third countries to alleviate shortages. Examination of difficulties caused by the application of measures relating to health or plant health.

Beef and veal

Levy on imports into the EEC of frozen beef and veal products does not exceed 55 % of the total levy.

Country concerned must comply with rate of delivery to the EEC. In event of disturbance of the Community market, the EEC may suspend the application of this provision. Community undertakes to examine the problem of tariff arrangements for the benefit of products from the countries concerned.

C Reg. 3019/77
of 30 Dec. 1977

6.603

Textiles

EEC has concluded an agreement on textile products with each of the three countries.

OJ L 357/77

C Reg. 2387/71
of 8 Nov. 1971
C Doc. 41/79
of 21 Dec. 1978

6.61

ARGENTINE

Agreement signed 8 November 1971, came into force 1 January 1972.

Extended by exchange of letters until 31 December 1979.

For all points see 6.60.

Particular provision :

For certain horse-meat products, freedom of imports into the EEC from 1 January to 30 June each year.

OJ L 249/71
EP Doc. 251/71
OJ C 19/72
OJ L 13/79

C Reg. 3260/73
of 6 Nov. 1973

6.62

URUGUAY

Agreement signed 2 April 1973, came into force 1 August 1974.

Extended until 1 August 1978.

On all points see 6.60.

OJ L 333/73

C Reg. 841/74
of 22 March 1974

6.63

BRAZIL

Agreement signed 19 December 1973, came into force 1 August 1974.

Extended until 1 August 1978.

Objectives, instruments, agricultural cooperation : see 6.60.

OJ L 102/74
EP Doc. 381/73
OJ C 40/74

6.63
(*contd*)

Specific provisions :

- cooperation in the marketing of cocoa butter and soluble coffee,
- rates applied on imports into the EEC are as follows : cocoa butter : 8 % soluble coffee, coffee extracts, coffee essence : 9 %
- imports within Community tariff quota limits increased each year : initial quota : 18 750 tonnes for soluble coffee.

If detrimental to EEC producers, CCT duties may be re-established.

- textile products : see 5.574.

OJ L 47/77

Agrmt. Art. 5.
Annex II

C Reg. 299/77
of 8 Feb. 1977

6.64

COLOMBIA

Only agreement on textile products extended to 31 December 1978 — see 5.574,

OJ L 47/77

EEC Art. 113
C Reg. 302/77
of 8 Feb. 1977

6.65

MEXICO

Non-preferential agrmt on economic and commercial cooperation signed 15 July 1975.

OJ L 247/75

Came into force 1 November 1975.

Duration : five years, renewable from year to year.

EEC Arts. 113-114

C Reg. 2411/75
of 16 Sept. 1975

6.650

Objectives :

Development of trade.

To establish and encourage commercial and economic cooperation.

Art. 1

6.63/6.650

Art. 2

6.650
(cont'd)

Parties agree to most-favoured-nation treatment.

Promotion, development and diversification of reciprocal trade.

Parties agree to promote contact and cooperation between their economic operators and institutions.

Art. 6

6.651

Instrument

Annex I

Joint Committee consisting of representatives of the EEC and of the United Mexican States, meets once a year.

6.652

Economic and commercial cooperation

Joint Committee will examine means of promoting cooperation and trade in items of interest to Mexico.

Annex II

EEC undertakes to include new products of interest to Mexico in the GSP with a view to broadening and strengthening trade relations.

6.7

Asia

6.70

ASEAN COUNTRIES

(see also 5.37)

Principal common features in these countries' relations with the EEC :

- no commercial cooperation agreement, but the EEC intends to start negotiations with a view to concluding such an agreement with the ASEAN itself ;

EEC Tr. Art. 113
Comm. Reg. 3019
of 30 Dec. 1977
Comm. Reg. 3059
of 21 Dec. 1978

6.70
(contd)

- however, all the countries are bound by agreements on trade in textile products (MFA) for a period of five years from 1 January 1978, the date of *de facto* entry into force of these agreements ;

OJ L 357/77
OJ L 365/78

For this type of agreement see 5.57.

- in addition to these two common features, the countries are bound to the EEC by either one or both of two types of agreement :

- agreement on trade in handwoven fabrics of silk and cotton ; indefinite duration.

Implementing Reg. for 1979.

OJ L 358/78

- agreement on trade in certain hand-made products ; indefinite duration.

Implementing Reg. for 1979.

OJ L 358/78

Within the framework of these two types of agreement, the Community declared its readiness to open annual duty-free Community tariff quotas up to a certain value for each. In addition, it guaranteed equal and continuous access to the quotas for all Community importers and the consistent application of the rate of levy for the quotas to all imports until the quotas are used up.

6.700

Malaysia

- Agreement on trade in textile products, see 5.57.
- Agreement on trade in certain hand-made products.
Entered into force on 1 January 1976 ; see also 6.70.

6.701

Thailand

- Agreement on trade in textile products, see 5.57.
- Agreement on trade in certain hand-made products.
Entered into force on 1 September 1971, see also 6.70.
- Agreement on trade in handwoven fabrics of silk and cotton.
Entered into force on 1 January 1973; see also 6.70.
- Exchange of letters on trade in jute products.
Entered into force on 1 January 1975.
- Duration: indefinite. Same type of agreement as with Bangladesh,
see 6.710.

not published

6.702

Singapore

Agreement on trade in textile products, see 5.57.

6.703

Indonesia

- Agreement on trade in textile products, see 5.57.
- Agreement on trade in handwoven fabrics of silk and cotton.
Entered into force on 1 January 1978; see also 6.70.
- Agreement on trade in certain hand-made products.
Entered into force on 1 September 1971; see also 6.70.

6.704

Philippines

- Agreement on trade in textile products, see 5.57.
- Agreement on trade in certain hand-made products.
Entered into force on 1 September 1971; see also 6.70.

OTHER ASIAN COUNTRIES

Types of agreement :

- same types of agreement (handwoven fabrics, hand-made products and trade in textile products) as with the ASEAN countries ;
- non-preferential commercial cooperation agreements with the EEC ;
main features of these agreements :
 - the two parties grant each other most-favoured-nation treatment in the tariff sphere ;
 - the achievement of non-discrimination in the liberalization of imports and exports ;
 - promotion of the development and diversification of trade ;
 - a joint cooperation commission is set up to discuss not only the elimination of various types of barriers to trade, but also the adoption of effective measures to increase exports from these countries such as market studies, sales promotion, the establishment of contacts between importers and producers, the provision of information to potential investors on the possibilities existing on the local market, and any other measure that may be required.
- Agreements on trade in jute and coir products.

The aim of these agreements is to ensure an increasing use of jute and coir products and the orderly development of trade in these products between the Community and the countries in question. Within the framework of these agreements, the Community applies, autonomously, to manufactured coir and jute products the duties of the CCT suspended in accordance with fixed rates and a fixed time-table. The

6.71
(cont'd)

Community shall not subject imports to new quantitative restrictions but shall aim at the gradual abolition of existing quantitative restrictions.

— Various agreements, such as an agreement on sugar.

6.710 **Bangladesh**

EEC Tr. Art. 113, 114

— Non-preferential commercial Cooperation Agreement signed on 19 October 1976.

OJ L 319/76

C Reg. 2785
of 16 Nov. 1976

Entered into force on 1 December 1976.

OJ L 329/76

Duration : five years, renewable.

Measures : see 6.71.

EEC Tr. Art. 113

— Agreement on trade in jute products concluded on 27 June 1977.

OJ L 158/77

C Reg. 1393
of 27 June 1977

Entered into force on 3 July 1977.

Duration : until 31 December 1979 ; retroactive from 1 January 1976.

Main feature : quantitative limits on imports of these products into the EEC (7 000 tonnes for 1976, 9 000 tonnes for 1979) ;

see also 6.71.

— Agreement on trade in handwoven fabrics of silk and cotton.

Entered into force on 1 November 1974 ; see also 6.70.

— Agreement on trade in certain hand-made products.

Entered into force on 1 November 1974 ; see also 6.70.

6.711 **China**

Non-preferential trade agreement

OJ L 123/78
EP Doc. 198/78
OJ C 239/78

Signed 3 April 1978, came into force 1 June 1978 ; duration : five years,
tacitly renewable each year : may be terminated at six months' notice.

EEC Art. 113
C Reg. 78/946
of 2 May 1978
EP Res. of 13 Sept. 1978
Art. 11

6.7110 *OBJECTIVES*

To develop economic relations and trade and give a new impetus to
China-EEC relations.

Preamble

6.7111 *INSTRUMENTS*

Joint Committee to monitor the functioning of the agreement and its
possible development. Annual meetings.

Art. 9

6.7112 *PROVISIONS*

Most-favoured-nation treatment in the matter of customs duties, customs
formalities, and the granting of licences.

Art. 3

China will give favourable consideration to EEC exports ; the EEC will
strive to liberalize imports from China.

Art. 4

Friendly consultations in the event of disturbances and promotion of
visits by both sides.

Arts. 5 and 6

Market-related prices and rates.

Art. 7

6.711/6.7112

6.712 **Hong Kong**

— Agreement on trade in textile products, see 5.57.

6.713 **India**

EEC Tr. Arts. 113, 114

— Non-preferential Commercial Cooperation Agreement signed on 17 December 1973. OJ L 82/74

C Reg. 654
of 21 March 1974

Entered into force on 1 April 1974.

Duration: five years, renewable; see also 6.71.

EEC Tr. Art. 113

— Agreement guaranteeing Indian exports of cane sugar in conjunction with Protocol No 3 on ACP sugar (see 6.3414). OJ L 190/75

C Dec. 456
of 15 July 1975

Entered into force on 18 July 1975.

Duration: indefinite; denunciation possible after five years following two years' notice.

Instrument: Joint Committee.

Measures: imports into the EEC at guaranteed prices. Tonnage for delivery: 25 000 tonnes per year. Purchase at the price guaranteed by the Community up to the agreed quantity.

EEC Tr. Art. 113

— Agreement on trade in coir products. OJ L 17/78

C Reg. 105
of 17 Jan. 1978

Entered into force on 1 February 1978.

Duration: until 31 December 1979.

Instrument: Joint Cooperation Committee; consultations in case of difficulties. Measures: suspension of customs duties on coir mats and matting, and tufted carpets, carpeting and rugs; see also 6.71.

EEC Tr. Art. 113
C Reg. 106
of 17 Jan. 1978

6.713
(contd)

— Agreement on trade in jute products.

OJ L 17/78

Applicable from 1 January 1976.

Duration : until 31 December 1979.

Instrument : Joint Cooperation Committee.

Measures : double checking system for the quantitative limits ; consultations in case of difficulties ; see also 6.71.

— Agreement on trade in textile products, see 5.57.

OJ L 153/68

— Agreement on trade in handwoven fabric of silk and cotton.

OJ L 176/70

Entered into force on 1 July 1968 ; see also 6.70.

— Agreement on trade in certain hand-made products.

OJ L 187/69

In force since 1 June 1969 ; see also 6.70.

C Reg. 864
of 28 June 1968

C Dec. 386
of 27 July 1970
C Reg. 1491
of 29 Aug. 1969

6.714

Sri Lanka

— Non-preferential Commercial Cooperation Agreement.

OJ L 247/75

Entered into force on 1 December 1975.

Duration : five years, renewable.

Measures : see 6.71.

— Exchange of letters on trade in coir products.

not published

Effective from : 1 January 1975.

Duration : indefinite.

Measures : see 6.71 and 6.713.

6.714
(cont'd)

- Agreement on trade in textile products, see 5.57.
- Agreement on trade in handwoven fabrics of silk and cotton.
Entered into force on 1 June 1975 ; see also 6.70.
- Agreement on trade in certain hand-made products.
Entered into force on 1 September 1971 ; see also 6.70.

6.715 **Pakistan**

C Reg. 1503
of 21 June 1976

- Non-preferential Commercial Cooperation Agreement.
Entered into force on 1 July 1976.
Duration : five years, renewable.
Measures : see 6.71 and 6.710.

OJ L 168/76

- Agreement on trade in textile products, see 5.57.
- Agreement on trade in handwoven fabrics of silk and cotton.
Signed on 20 June 1970 ; see also 6.70.

C Dec. 386
of 27 July 1970
C Reg. 1491
of 29 Aug. 1969

- Agreement on trade in certain hand-made products.
In force since 1 September 1969 ; see also 6.70.

OJ L 176/70

OJ L 187/69

6.716

Iran

— Agreement on trade in certain hand-made products.

Entered into force on 1 September 1971; see also 6.70.

6.717

Laos

— Agreement on trade in handwoven fabrics of silk and cotton.

Entered into force on 1 June 1975; see also 6.70.

— Agreement on trade in certain hand-made products.

Entered into force on 1 June 1975; see also 6.70.

6.718

South Korea

— Agreement on trade in textile products.

See 5.57.

6.719

Macao

— Agreement on trade in textile products.

See 5.57.

6.8 **Other countries**

6.80 **AUSTRALIA AND NEW ZEALAND**

No trade agreement between the EEC and Australia or between the EEC and New Zealand, but firm contacts are maintained by way of bilateral discussions and through multilateral negotiations.

Being aware of the mutual interests which bind them, the EEC, Australia and New Zealand are concerned to solve the difficulties which disturb their trade relations.

The EEC's interest is in obtaining right of access as unrestrictive as possible to the immense natural resources of Australia, principally uranium (20 % of world reserves) and in increasing its exports (hampered by average duties of 30 %) and its investments in these two countries in the search for a new economic upswing.

The interests of Australia and New Zealand lie in ensuring that their agricultural exports benefit from treatment as similar as possible to the extremely favourable treatment which they had from the United Kingdom before its accession to the EEC and its participation in the CAP.

New Zealand wants an extension of Protocol 18 of the Act of Accession of 1973, which guarantees imports into the United Kingdom of quantities of New Zealand butter and cheese for a period of five years. This period has been extended to 1980 for butter.

6.801 **EAEC Draft Agreement**

Discussions are taking place within the EEC on the role of the Commission, on the one hand, and the Council and Member States, on the other, in the negotiation of the EAEC agreements, which is preventing negotiations being opened on supplies of uranium from Australia.

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