

COUNCIL OF THE EUROPEAN COMMUNITIES

PRESS RELEASES

PRESIDENCY: UNITED KINGDOM

JULY-DECEMBER 1992

Meetings and press releases July 1992

| Meeting number | Subject | Date |
|--------------------|-------------------|-----------------|
| 1597 th | Economics/Finance | 13 July 1992 |
| 1598 th | Agriculture | 13-14 July 1992 |
| 1599 th | General Affairs | 20 July 1992 |
| 1600 th | Budget | 23 July 1992 |
| 1601 st | Economics/Finance | 27 July 1992 |

PRESS RELEASE

7671/92 (Presse 138)

1597th Council meeting

- ECONOMIC AND FINANCIAL QUESTIONS -

Brussels, 13 July 1992

President: Mr Norman LAMONT

Chancellor of the Exchequer
of the United Kingdom

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

Belgium:

Mr Philippe MAYSTADT Minister for Finance

Denmark:

Mr Jens THOMSON State Secretary for Economic
Affairs

Germany:

Mr Horst KÖHLER
State Secretary, Federal
Ministry of Finance

Greece:

Mr Stefanos MANOS Minister for Economic Affairs

Spain:

[illegible]

France:

Mr Michel SAPIN Minister for Economic and
Financial Affairs

Ireland:

Mr Bertie AHERN Minister for Finance

Italy:

Mr Piero BARUCCI Minister for the Treasury

Luxembourg:

Mr Jean-Claude JUNCKER Minister for Finance

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Netherlands:

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| Mr Wim KOK | Minister for Finance |
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Portugal:

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| Mr Jorge BRAGA DE MACEDO | Minister for Finance |
| Mr José BRAZ | State Secretary, Treasury |

United Kingdom:

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| Mr Norman LAMONT | Chancellor of the Exchequer |
| Sir John COPE | Paymaster General |

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Commission:

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| Mr Jacques DELORS | President |
| Mr Henning CHRISTOPHERSEN | Vice-President |
| Mr Peter SCHMIDHUBER | Member |

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The meeting was also attended by:

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| Mr Erik HOFFMEYER | Chairman of the Committee of Governors of the Central Banks |
| Mr José Juan RUIZ | Chairman of the Economic Policy Committee |
| Mr Jean-Claude TRICHET | Chairman of the Monetary Committee |

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MULTILATERAL SURVEILLANCE

Pursuant to the Decision of 12 March 1990 on the attainment of progressive convergence of economic policies and performance during stage one of economic and monetary union, the Council undertook multilateral surveillance of the economies of the Member States and of the economic situation in the Community.

CONCLUSIONS ON THE NETHERLANDS CONVERGENCE PROGRAMME

1. On 13 July 1992 the Council carried out an examination of the Netherlands programme of economic convergence for the period 1992-1994. The Council expressed its strong appreciation of the programme and its commitment to the process of convergence. The Dutch authorities' commendable past record, particularly in the areas of price and monetary stability, was also noted.
2. The Council expressed the view that, against the background of public sector debt ratio markedly above 60% of GDP and a deficit still above 3% of GDP, fiscal consolidation was the key requirement in the conduct of economic policy. The programme aims to reduce the general government deficit to 2,4% of GDP in 1994 and to place the debt ratio on a firm downward path. The Council welcomed the commitment of the Netherlands' authorities to take any further budgetary measures that might be necessary to achieve the targets set. This should include appropriate action if the rate of economic growth led to budgetary revenue shortfalls.

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3. Given the high level of the collective burden in the Netherlands, the Council strongly welcomed the strategy for fiscal consolidation to be achieved essentially by controlling expenditure through a planned package of structural reforms. The Council welcomed the emphasis on reductions in subsidies, improvements in public sector efficiency and the transfer of activities to the private sector where possible.
4. The Council expressed the view that a broad and comprehensive approach was necessary to enhance the excessively low labour participation and to tackle the high levels of transfers in the field of social protection. The Council noted the decision of the Netherlands authorities to begin the reform of the system of disability and sickness benefits. The Council considers that the effectiveness of these measures needs to be carefully monitored.
5. The Netherlands has had an exceptional record of price and exchange rate stability. Against this background, the Council was concerned that the recent acceleration of inflation should be reversed at the earliest opportunity. Particular caution is necessary to ensure that the present inflation rate is not translated into higher wages.
6. The Convergence programme only runs up to 1994, the end of the coalition government's term of office. In the view of the Council, however, it is essential that the processes of fiscal consolidation and structural reform are continued beyond 1994. The existing broad consensus on this matter in the Netherlands was welcomed.

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In this connection the Council heard a report from Mr BARUCCI, the new Italian Treasury Minister, on recent economic developments in Italy.

The Council applauded the significant measures undertaken by the Italian Government to contain the 1992 budget deficit and the new approach to step up the privatization process. They represented a first significant step in the convergence process towards a European Economic and Monetary Union.

At the press conference, the President of the Council stressed that the rapid approval by the Italian Parliament of the accompanying structural policy changes proposed by the Government remained essential to redress the disequilibria of the Italian economy.

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RELATIONS WITH EASTERN AND CENTRAL EUROPE AND THE FORMER
SOVIET UNION

- Emergency medical action for the CIS States
- Financial assistance to Albania

The Lisbon European Council had agreed that urgent action had to be initiated in order to provide emergency medical assistance for the CIS States by using a suitable part of the loan of ECU 1 250 million.

The European Council had also expressed its willingness, within the framework of the G-24, to pursue joint international action to assist the balance of payments of Albania, in particular, in view of the continued financing needs in that country which were covered neither by international financial institutions nor by public and private interventions.

Anxious to put such policy swiftly into action, the Council discussed both topics and recorded its agreement on the following conclusions:

A. Utilization of the loan of ECU 1 250 million to the former USSR

1. The Council takes note of the decision taken by the European Council in Lisbon to initiate emergency medical action to assist the independent States of the former Soviet Union, using an appropriate share of the loan of ECU 1 250 million.
2. It notes that nine of those States have satisfied the conditions for eligibility for the Community loan drawn up by the Council on 16 March 1992 and welcomes the signing of the contracts and Protocols of Agreement. The signing of these texts will allow the States in question to receive rapidly the product of the loan and in particular the share agreed upon for the importation of medical and pharmaceutical supplies.

3. The Council regrets that the negotiations with Russia on the guarantees to be supplied to ensure adequate legal security have not yet achieved their object. Russia may not therefore at this stage receive the part of the loan earmarked for it. The Council requests the Commission to continue its endeavours to reach a satisfactory outcome of the negotiations on this point and to report to it in good time before its meeting on 28 September.

However, in order to provide the people of Russia with emergency medical assistance, as the European Council in Lisbon wished, the Council requests the Commission to place a proportion of the amount of the loan earmarked for Russia at that country's disposal by means of a direct loan from the Community to the Vneshekonombank (VEB), under the Decision of 16 December 1991, drawing the Bank's attention to the need to be up-to-date with its debts repayments. The loan must be used solely for importing medical and pharmaceutical supplies. The grant of the loan must be carried out in accordance with that Decision and be accompanied by an adequate guarantee on the part of the Russian government. The maximum amount of the loan will be ECU 150 million; the exact amount will be determined by the Commission, after careful consideration of what is required and in liaison with the Committee set up by the Council Decision of 16 December 1991.

It is understood that this emergency measure is exceptional in nature and in no way prejudices the conditions attaching to any further loan to Russia under the Decision of 16 December 1991.

4. The Council requests the Commission to continue its talks with Azerbaijan and Uzbekistan with a view to persuading them to accept joint and several responsibility for the former Soviet debt. If this is not achieved swiftly, the

Commission will advise the Council of any initiatives to be taken.

B. Financial Assistance to Albania

The Council notes the request from Albania for G-24 financial assistance to fill the financing gap of \$165 million for the period July 1992 to June 1993 identified by the IMF.

The Council decides to provide financial assistance to Albania in the form of a grant. In the light of the advice of the Monetary Committee on the creditworthiness of Albania, it believes that this solution is more appropriate than a loan.

The grant will be of ECU 35 million, representing approximately 50% of the residual financing needs identified by the IMF for the period to the end of 1992. The grant will be provided once the stand-by arrangement between Albania and the IMF has been agreed.

The Council supports the intention of the Commission to finance the grant from the 1992 budget as follows:

- (a) ECU 10 million by increasing the EAGGF element of the ECU 120 million emergency aid package proposed for Yugoslavia, thus releasing an equivalent amount in the PHARE programme;
- (b) ECU 25 million pre-financed from the 1992 PHARE budget.

Decisions will be taken at a later stage on how best to replenish the ECU 25 million provided in the form of pre-financing before the end of the year. The Commission indicates

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that it intends to propose a reconstitution of the ECU 25 million pre-financed from the 1992 PHARE budget if necessary by increasing the PHARE budget accordingly, following a revision of the financial perspectives.

The Council will decide at a later stage on a further tranche of financial assistance from the 1993 Budget on the basis of a Commission report on Albania's progress in implementing the terms of the IMF stand-by arrangement and the advice of the Monetary Committee.

The Council urges the other G-24 member countries to provide adequate financing support for Albania.

DELORS II PACKAGE

The Council held a broad exchange of views based on a letter from the President and a Presidency note dealing with the main issues outstanding after the Lisbon European Council.

The Council called upon the Permanent Representatives Committee to continue work on the various aspects of the Delors II Package, and to submit a full report to it at its meeting on 28 September.

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MISCELLANEOUS DECISIONS

Relations with Hungary, Czechoslovakia and Poland

The Council adopted the Regulations implementing Protocol No 3 to the Interim Agreements concluded with the above States; the purpose of those Regulations is to implement for 1992 the reduction in the variable components for processed agricultural products as provided for in those Interim Agreements.

Coffee Agreement

The Council adopted the Decision concerning notification of the acceptance by the Community of the 1983 International Coffee Agreement, as extended to 30 September 1993.

Relations with the OCT: Rum

Pursuant to Decision 91/482/EEC on the association of the overseas countries and territories with the EEC, and in particular Annex V (Rum) thereto, the Council adopted a Regulation determining for 1992/1993 (1 July 1992 to 30 June 1993), a tariff quota free of customs duties for rum, arrack and tafia originating in those countries and territories, in respect of an amount of 15 000 hectolitres of pure alcohol.

Relations with the ACP States: STABEX transfers for 1991

The Council was informed by the Commission, which runs the STABEX system, that for 1991 the system's resources were insufficient to cover all transfer entitlements (shortfall of approximately ECU 640 million). It agreed to suggest to the ACP States that part of this shortfall should be made up by allocating to them a maximum additional amount of ECU 75 million. Such an amount would be made available by an exceptional drawing on

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the system's resources for 1993 and 1994.

The ACP-EEC Committee of Ambassadors would be asked to decide on this proposal on 16 July 1992.

Anti-dumping - Taiwan

The Council adopted the Regulation repealing Regulation No 2464/77 imposing a special duty on imports of certain nuts of iron or steel originating in Taiwan.

Turkey

The Council adopted the Regulation opening and providing for the administration of a zero-duty Community tariff quota for apricot pulp originating in Turkey. This quota is for 90 tonnes and covers the period from 1 July 1992 to 30 June 1993.

Andorra

The Council recorded its agreement to the draft Decision amending Decision No 7/91 of the EEC-Andorra Joint Committee. The purpose of this Decision is to extend the derogation provided for in Decision No 7/91 on products covered by CN Code 1704 90 51 (pastes, including marzipan) to products presented in packaging with a net content of less than 1 kg, which Andorra is interested in exporting. The annual quantity laid down for this derogation is maintained at 5 000 kg.

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Civil aircraft - Agreement between the European Economic Community
and the United States of America

The Council adopted the Decision on the conclusion of an Agreement between the European Economic Community and the United States of America on trade in large civil aircraft.

This Agreement broadly corresponds to the objectives set out in the negotiating directives which the Council had given the Commission in February 1991.

In particular, the scope of the Agreement is confined to large capacity civil aircraft. In addition, the Agreement defines the disciplines to be observed by both parties regarding both direct and indirect aid. The Agreement also provides for the transparency needed for its smooth operation, as well as measures to resolve disputes and trade conflicts. Lastly, both parties reaffirmed their wish for the GATT Agreement on Trade in Civil Aircraft to be revised in order to include similar disciplines to those stipulated in the EC-US Agreement.

Appointments

The Council replaced:

- an alternate member and
- three members

who had all resigned from the Advisory Committee on Vocational Training.

COUNCIL OF THE EUROPEAN COMMUNITIES
GENERAL SECRETARIAT

PRESS RELEASE

7672/92 (Presse 139)

1598th Council meeting

- AGRICULTURE -

Brussels, 13 and 14 July 1992

President: Mr John GUMMER

Minister of Agriculture,
Fisheries and Food of
the United Kingdom

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

Denmark:

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| Mr Laurits TOERNAES | Minister for Agriculture |
| Mr Nils BERNSTEIN | State Secretary for Agriculture |

Belgium:

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| Mr André BOURGEOIS | Minister for Agriculture |
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Greece:

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| Mr Sotirios HATZIGAKIS | Minister for Agriculture |
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Germany:

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| Mr Ignaz KIECHLE | Federal Minister for Food, Agriculture and Forestry |
| Mr WALTER KITTEL | State Secretary, Federal Ministry of Food, Agriculture and Forestry |

France:

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| Mr Louis MERMAZ | Minister for Agriculture |
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Spain:

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| Mr Pedro SOLBES MIRA | Minster for Agriculture |
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Italy:

Mr Giovanni FONTANA

Minister for Agriculture

Ireland:

Mr Joe WALSH

Minster for Agriculture

Netherlands:

Mr Piet BUKMAN

Minister for Agriculture, Nature
Conservation and FisheriesLuxembourg:

Mr René STEICHEN

Minister for Agriculture and
ViticultureUnited Kingdom:

Mr John GUMMER

Minister of Agriculture, Fisheries
and Food

Mr David CURRY

Minister of State

Lord HOWE

Parliamentary Secretary

Portugal:

Mr Arlindo CUNHA

Minister for Agriculture

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Commission:

Mr Ray MAC SHARRY

Member

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INTEGRATED ADMINISTRATION AND CONTROL SYSTEM FOR CERTAIN COMMUNITY AID SCHEMES

Pending receipt of the European Parliament's Opinion, the Council made an initial examination of the Commission proposal for establishing a common framework for the introduction in each Member State of an integrated administration and control system, which had been necessitated by the increase in the number of administration and control tasks caused by the reform of the CAP.

During the meeting the Council held a policy debate on certain key features of the proposal, namely the identification of agricultural parcels, the identification of livestock, an annual statement by farmers, the question of finance and the periods laid down for introducing the integrated system.

The Council instructed the SCA to continue the examination of the proposal taking into account the guidelines established during the debate. The Regulation had to be adopted as soon as the European Parliament's Opinion was received.

PROTECTION OF FORESTS

The Council agreed unanimously to the Regulations concerning the renewal for a five-year period (until the end of 1996) of the Community measures introduced in 1986 to protect forests against atmospheric pollution and against fire.

More specifically, this involved:

- as regards protection against atmospheric pollution: making amendments to Regulation No 3528/86 of 1986, which had expired in December 1991. Among other things, these amendments were designed to supplement the existing Community

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network of observation posts with a much more intensive surveillance network. This new measure should make it possible not only to improve knowledge of the interaction between forestry ecosystems and pollutants but also to help fulfil the commitments entered into in this respect by the countries of Europe and of the Community at the Ministerial Conference for the Protection of Forests held in Strasbourg in December 1990.

The overall budget for the five years to come is ECU 29,4 million, with a Community co-financing rate of 50%.

- as regards protection of forests against fire: revising the existing measures.

The aim of the revision is to:

- = focus Community efforts in the first instance on areas with a high fire risk;
- = increase the measures for analysing causes of forest fires, for prevention and for surveillance in the context of the zonal plans;
- = develop a system of information (databank) on forest fires.

The overall budget deemed necessary for this measure for the next five years is ECU 70 million. There will be co-financing at a rate which will vary according to the degree of fire risk in the region concerned (50% + 30%).

ORGANIC PRODUCTION

The Council adopted a Regulation amending Regulation No 2092/91 on organic production of agricultural products and indications referring thereto on agricultural products and foodstuffs.

The new Regulation is intended to relax the original transitional arrangement by allowing importers themselves to supply proof of the equivalence of the production and inspection standards to which the products they seek to import from third countries are subject. This involves a derogation until 31 July 1995.

QUALITY OF FOODSTUFFS

On the basis of compromise texts the Council adopted by a qualified majority two Regulations on the quality of foodstuffs.

These Regulations concern:

- Community protection of designations of origin and geographical indications for agricultural products and foodstuffs;
- the establishment of Community rules on certificates of specific character for agricultural products and foodstuffs, and lay down inter alia the rules for registering such products.

As regards the first Regulation:

- "protected designation of origin" (PDO) means the name of a region, a specific place or, in exceptional cases, a country, used to describe an agricultural product originating in that geographical area whose quality or characteristics

are essentially or exclusively due to a geographical environment with its inherent natural and human factors, and whose production, processing and preparation take place in the defined geographical area;

- "protected geographical indication" (PGI) means the name of a region, a specific place or, in exceptional cases, a country, used to describe an agricultural product or a foodstuff originating in that region, which possesses a specific quality, reputation or other characteristic attributable to that geographical origin and the production and/or processing and/or preparation of which take place in the defined geographical area.

The Regulation on specific character introduces a Community instrument for registering the name of products, thus enabling producers who so wish to certify the specific character of a foodstuff. To be registered, the name must be specific in itself or express the specific character of the agricultural product or the foodstuff.

"Specific character" means the feature or set of features by which an agricultural product is clearly distinguished from other similar products or foodstuffs belonging to the same category.

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To qualify for a protected designation of origin, a protected geographical indication or a certificate of specific character, an agricultural product or a foodstuff must comply with a product specification.

Guarantees are given to preserve the situation of foodstuffs marketed under generic names, of existing legally produced goods and of legally existing

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trade marks.

MILK QUOTAS IN ITALY

The Council began its consideration of the problem of applying the milk quota system in Italy by listening to information from the Italian Minister, Mr FONTANA, on the emergency measures which the Italian Government intended to take by 31 July 1992 to ensure that Community rules in this sector were fully effective. It then took note of the details provided by Commissioner MAC SHARRY concerning the framework within which any Commission proposals for adjusting milk quotas in Italy would be made.

FUTURE ARRANGEMENTS IN THE BANANA SECTOR

The Council held a policy debate on the future arrangements concerning the banana sector. With the completion of the internal market in prospect, common rules for the banana market will have to be drawn up. Existing national measures will have to be replaced by common measures to protect the legitimate interests of Community producers, subject to the Community's commitments to the ACP States and its international commitments (GATT), and with steps being taken to ensure a price and quality acceptable to Community consumers.

Pending the imminent submission of its proposals on the subject, the Commission is continuing its consultations with all the parties concerned.

This first debate gave delegations the opportunity to state their views on the future arrangements in the banana sector.

URUGUAY ROUND - AGRICULTURAL ASPECTS

The Council heard a Commission statement on the situation of the Uruguay Round following the Munich Summit. It stressed that during these negotiations the Community needed to give particular consideration to the agricultural aspects. On a general level, the Council reaffirmed the need to achieve a balanced solution based in particular on mutual concessions.

The Council agreed to review the situation again at its next meeting on 21 and 22 September 1992.

COMMUNITY MEASURES FOR THE CONTROL OF NEWCASTLE DISEASE

The Council unanimously adopted a Directive introducing Community measures for the control of Newcastle disease.

The aim of the measures is to eradicate Newcastle disease and prevent the spread of the disease when outbreaks occur, by means of systematic slaughter, with or without vaccination, and strict control of the movement of poultry.

To ensure that the measures are effective, the Directive requires Member States, among other things, to:

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- place holdings under surveillance when infection is suspected, and prohibit movements of poultry;
- destroy infected poultry carcasses when the disease is confirmed;
- establish protection zones (3 km) and surveillance zones (10 km) around infected holdings;
- set up laboratories to provide the technical assistance which is necessary if the control measures are to be properly applied.

IMPLEMENTATION OF DIRECTIVES TO ABOLISH VETERINARY CHECKS ON PRODUCTS OF ANIMAL ORIGIN AT INTERNAL BORDERS

The Council adopted by a qualified majority a Directive amending Directive 89/662/EEC concerning veterinary checks in intra-Community trade in products of animal origin.

Directive 89/662/EEC - like Directive 90/425/EEC governing trade in live animals, for which implementing measures were adopted at the last Council meeting on agriculture - sets out the rules for veterinary checks, i.e. the abolition of veterinary checks at internal borders as from 1 July 1992 and the strengthening of controls at origin with the possibility of maintaining until 31 December 1992 sample veterinary checks of a non-discriminatory nature carried out during transport on products trade in which has not yet been harmonized.

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Documentary checks can also be carried out during transport on all products, including those imported from third countries, until 31 December 1992.

OTHER DECISIONS CONCERNING AGRICULTURE

The Council adopted Regulations:

- on sparkling wines produced in the Community;
- laying down general rules for the description and presentation of sparkling wines and aerated sparkling wines.

This involves a consolidation of current rules, i.e. a grouping together of the existing texts.

The Council also adopted Regulations:

- opening and providing for the administration of a Community tariff quota for the period 1 July 1992 to 30 June 1993 with a 4% rate of duty for
 - = 42 600 head of heifers and cows, other than those intended for slaughter, of certain mountain breeds falling within headings ex 01 02 90 10, 01 02 90 31 and 01 02 90 33 of the Combined Nomenclature
 - = 5 000 head of bulls, cows and heifers, other than those intended for slaughter, of certain Alpine breeds falling within headings ex 01 02 90 10, 01 02 90 31, 01 02 90 33 and 01 02 90 35 of the Combined Nomenclature
- establishing a special scheme for raspberries intended for processing. This Regulation provides for specific aid to producers' organizations which meet certain conditions.

The Council adopted:

- a Directive laying down animal health requirements governing trade in and imports into the Community of animals, semen, ova and embryos not subject to animal health requirements laid down in specific Community rules referred to in Annex A(1) to Directive 90/425/EEC. A policy approach to this Directive emerged at the Council meeting on 15 and 16 June (see Press Release 7274/92 Presse 116).
- Decisions
 - = on computerization of veterinary import procedures (SHIFT project), amending Directives 90/675/EEC, 91/496/EEC and 91/628/EEC and Decision 90/424/EEC and repealing Decision 88/192/EEC. A policy approach to this Decision emerged at the Council meeting on 15 and 16 June (see Press Release 7274/92 Presse 116);
 - = on the equivalence of checks on practices for the maintenance of varieties carried out in third countries. The Decision grants certain third countries the equivalence of checks carried out within the Community and extends the equivalence already granted to other third countries.

The Council established directives to enable the Commission to negotiate the guaranteed prices applicable in the 1992/1993 delivery period to cane sugar originating in the ACP States referred to in Protocol No 8 annexed to the Fourth ACP-EEC Convention and in India.

MISCELLANEOUS DECISIONS

Council Regulation fixing the import quotas to be opened by Member States in respect of State-trading countries and amending Regulation (EEC) No 3420/83

With this Regulation the Council laid down for the current year the quotas applicable to products originating in State-trading countries, not liberalized at Community level.

The various measures adopted by the Community in favour of the countries of Central and Eastern Europe have led to a considerable relaxation of the Community's import arrangements vis-à-vis the eastern countries. The only remaining quotas under these unilateral arrangements are those for the East Asian State-trading countries and, as regards the European countries, those concerning textile products in outward processing traffic from Albania and products subject to non-specific quantitative restrictions from the States of the former USSR.

Mongolia - directives for negotiating a textiles agreement

The Council adopted directives authorizing the Commission to open negotiations for a textiles agreement between the Community and Mongolia.

It may be recalled that a trade and co-operation agreement between the Community and Mongolia was initialled on 19 December 1991.

Although trade in textiles with Mongolia remains at an insignificant level (owing to the very limited scope for access to the Community market under the unilateral arrangements), the Community has a definite interest in concluding

a textiles agreement with that country to replace the unilateral arrangements currently in force and enable the Community to integrate the trade in textile products originating in Mongolia into the framework of a coherent commercial policy.

Environment

Following the agreement in principle reached at its meeting on 23 March 1992, the Council adopted a common position on a Directive concerning the approximation of the laws of the Member States relating to the sulphur content of gas oil (see Press Release 5032/92 Presse 39).

The Council gave the Commission a negotiating mandate:

- for the conclusion of a Convention on the protection and use of the Danube;
- on revision of the Convention for the prevention of marine pollution from land-based sources (Paris Convention) and the Convention for the prevention of marine pollution by dumping from ships and aircraft (Oslo Convention).

Consumer protection

The Council adopted a Resolution on future priorities for developing consumer protection and information policy, the text of which is given in the Annex.

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Fisheries

The Council adopted a Regulation amending Regulation (EEC) No 2245/85 laying down certain technical measures for the conservation of fish stocks in the Antarctic.

ECSC

The Representatives of the Governments of the Member States of the European Coal and Steel Community, meeting within the Council, adopted a Decision on the opening of a zero-duty tariff quota for flat-rolled products of silicon-electrical steel for France.

The Council gave its assent, under Article 54(2) of the ECSC Treaty, to a loan to Istituto Mobiliare Italiano S.p.a., Italy.

Tourism

Following the agreement in principle reached at its meeting on 4 June 1992, the Council adopted a Decision on a Community action plan to assist tourism (see Press Release 6775/92 Presse 100).

**COUNCIL RESOLUTION
of**

**on future priorities for the development
of consumer protection policy**

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Whereas the improvement of the quality of life implies, inter alia, protecting the health, safety and economic interests of consumers and informing and educating them;

Whereas measures taken under Article 100a of the Treaty must provide for a high level of consumer protection, particularly in the case of consumer health and safety;

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Whereas, in addition, the Maastricht European Council considered that consumer protection should be included among the Community's policies;

Whereas a Resolution of the European Parliament on the need to enhance consumer and public health protection for the realization of the internal market was adopted on 11 March 1992;

Whereas the Council Resolution of 9 November 1989 set out future priorities for a relaunch of consumer protection policy which continue to be valid;

Whereas the Three Year Action Plan (1990-1992) of the Commission has been progressively implemented but not yet fully realized;

Whereas the Commission should be asked to draw up a further plan to address consumer protection policy issues in the years ahead taking account of the priority measures in the previous plans which have not yet been carried out, technological and socio-economic changes and the need to develop the European Community;

Whereas the goods and services supplied to consumers must not endanger or put at risk consumer health and safety;

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Whereas the consumer's freedom to choose from a diverse range of goods and services should be assured by improved information;

Whereas consumers' capacity to choose should be enhanced by fostering education programmes at the appropriate levels;

Whereas further measures to secure consumer confidence in the operation of the single market are required particularly in the areas of transparency, information, guarantees and warranties;

Whereas it is important to promote consumer redress within the meaning of the Resolution of 25 June 1987 on consumer redress ⁽¹⁾ and the Resolution of 9 November 1989 on future priorities for relaunching consumer protection policy ⁽²⁾;

Whereas it is important to ensure enforcement of Community legislation and constant monitoring of its effect on consumers;

Whereas the implementation of the single market will require greater attention to be paid to the quality of services and goods, in particular as regards foodstuffs;

Whereas it is necessary to take consumers' interests into account in the other Community policies and to have a thorough knowledge of the impact of the internal market on consumers;

(1) OJ No C 176, 4. 7.1987, p. 2.

(2) OJ No C 294, 22.11.1989, p. 1.

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Whereas consumers' capacity to defend their interests should be strengthened, in particular so as to settle transfrontier consumer disputes, including by the development of Transfrontier Information Centres;

Whereas consumers' capacity to benefit from the various possibilities of the single market should be enhanced by fostering the development of consumer associations;

INVITES the Commission to propose as soon as possible measures to create consumer confidence in the single market, in particular as regards greater transparency, information, health and safety and protection of the economic interests of consumers; also invites the Commission to look further into the question of unfair advertising with a view to submitting a relevant proposal to it;

INVITES the Commission, having regard to these priorities and those listed in the Annex to this Resolution, to present by 31 December 1992 at the latest a report assessing the current plan of action and, on that basis, a proposal for a further plan of action covering the period 1993-1997, designed to develop the consumer protection policy and to achieve these objectives;

AGREES to encourage the Commission to submit to it proposals to improve consumer information;

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INVITES the Member States also to promote consumer information and education campaigns;

NOTES the Commission's intention of examining the feasibility of a "European Year of the Consumer".

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COUNCIL OF THE EUROPEAN COMMUNITIES
GENERAL SECRETARIAT

PRESS RELEASE

7676/92 (Presse 143)

1599th Council meeting

- GENERAL AFFAIRS -

- POLITICAL CO-OPERATION -

Brussels, 20 July 1992

President: Mr Douglas HURD,

Secretary of State
for Foreign and Commonwealth Affairs
of the United Kingdom

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

Belgium:

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| Mr Willy CLAES | Deputy Prime Minister, Minister for Foreign Affairs |
| Mr Robert URBAIN | Minister for Foreign Trade and European Affairs |

Denmark:

| | |
|--------------------------|-------------------------------------|
| Mr Uffe ELLEMANN-JENSEN | Minister for Foreign Affairs |
| Mr Jorgen ØRSTRØM MØLLER | State Secretary for Foreign Affairs |

Germany:

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|---------------------------|--------------------------------------|
| Mr Klaus KINKEL | Federal Minister for Foreign Affairs |
| Mrs Ursula SEILER-ALBRING | Minister of State, Foreign Affairs |

Greece

| | |
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| Mr George PAPASTAMKOS | State Secretary for Foreign Affairs |
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Spain:

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| Mr Javier SOLANA MADARIAGA | Minister for Foreign Affairs |
| Mr Carlos WESTENDORP | State Secretary for Relations with the European Communities |

France:

| | |
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| Mr Roland DUMAS | Ministre d'Etat, Minister for Foreign Affairs |
| Mrs Elisabeth GUIGOU | Minister for European Affairs |

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Ireland:

Mr Tom KITT

Minister of State with Special
responsibility for European Affairs

Italy:

Mr Vincenzo SCHOTTI

Minister for Foreign Affairs

Luxembourg:

Mr Jacques F. POOS

Minister for Foreign Affairs

Netherlands:

Mr Piet DANKERT

State Secretary for Foreign Affairs

Portugal:

Mr Joao PINHEIRO

Minister for Foreign Affairs

Mr Vitor MARTINS

State Secretary for European Integration

United Kingdom:

Mr Douglas HURD

Secretary of State for Foreign and
Commonwealth Affairs

Mr Tristan GAREL-JONES

Minister of State, Foreign and
Commonwealth Office

o

o

o

Commission:

Mr Jacques DELORS

President

Mr F.H.J.J. ANDRIESEN

Vice-President

Sir Leon BRITTAN

Vice-President

Mr Abel MATUTES

Member

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FOLLOW-UP TO THE EUROPEAN COUNCIL

- DELORS II PACKAGE

The Council discussed the DELORS II package in the light of the outcome of the European Council in Lisbon and of the work programme of the UK Presidency, with a view to providing orientation for COREPER, which this week will begin its task of going through the package policy area by policy area. COREPER will draw up a report covering delegations' opinions with a view to a substantive discussion in the ECO/FIN Council on 28 September and in the General Affairs Council on 5 October.

The Council agreed that this analytical phase leading up to the October 5 Council will be followed by a negotiation phase leading up to the Edinburgh European Council.

All delegations approved the Presidency's determination to reach decisions on all the various components of the DELORS II package in Edinburgh. The ECO/FIN Council has an important role to play in this process without prejudice to the traditional central role of the General Affairs Council in this area and its general responsibility for the final preparation of the European Council.

The Council agreed that the negotiations should build on the important work carried out during the Portuguese Presidency.

The Council also took stock of the position of the European Parliament on the DELORS II package:

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- (i) The Council noted the European Parliament's Resolution of 10 June 1992 and agreed to take due account of the views expressed therein when examining the various components of the DELORS II package.
- (ii) The Council recognized the value of direct dialogue with the European Parliament on this subject. This dialogue should ensure that developments within the Council will be discussed in regular contacts between the Parliament, the Presidency and the Commission, and that the Council, for its part, will be able to take fully into account the Parliament's thinking.
- (iii) The Presidency will be responsible for pursuing this dialogue in the manner it considers most appropriate and will discuss with the Parliament the question of how it might best take place.

- ENLARGEMENT

1. The Council discussed the follow-up to the guidelines laid down by the European Council in Lisbon in the context of enlargement.;
2. With regard to the speeding up of preparatory work on enlargement negotiations with the EFTA countries seeking membership of the Union, the Council noted that the Commission will present on 31 July the opinion on Sweden and if possible before the end of September the opinion on the Finnish application.

The Council will examine these two opinions together with the opinion on Austria, which already exists, at its meeting in October on the process of preparing for the European Council in Edinburgh the Union's general negotiation framework under the conditions agreed in Lisbon.

The Council agreed that Ministers will discuss at its informal meeting on

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12 and 13 September the aspects of the membership applications relating to the Common Foreign and Security Policy.

3. With regard to the European Council's orientations on Turkey, Cyprus, Malta and Central and Eastern Europe, the Council:

- held a first discussion of its global relationship with Turkey and agreed that Foreign Ministers will return to this subject at their informal meeting on 12 and 13 September, including the question of political dialogue;
- invited the Commission to submit for the Council on 5 October initial suggestions on how the orientations of the European Council with regard to Eastern and Central Europe as well as with regard to Malta and Cyprus can be implemented;
- agreed to invite the Foreign Ministers of the Visegrad countries to a meeting in the margin of the 5 October General Affairs Council. It also noted that the dialogue with these countries will be pursued in a meeting between the President of the European Council and the Heads of Governments of the Visegrad countries on 28 October;
- hoped for a rapid conclusion of the European Association Agreements with Bulgaria and Romania. This will permit a similar intensification of the political dialogue also with these two countries.

- SUBSIDIARITY

Noting the conclusions of the Lisbon European Council inviting the Commission and the Council to undertake urgent work on the procedural

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and practical steps to implement the principle of subsidiarity, the Council:

- took note of a report by President Delors setting out his analysis of the criteria and considerations which should guide the effective application of the subsidiarity principle. It noted in particular that new Commission working procedures would be introduced from the autumn;
- called on the Permanent Representatives Committee to submit, if possible for consideration at the meeting of the General Affairs Council on 5 October, appropriate proposals for amending the Council's procedures;
- welcomed the intention of the Commission to re-examine existing Community rules, in order to adapt them to the principle of subsidiarity; noted that the Commission would welcome suggestions from Member States as to areas of legislation where considerations of subsidiarity might be particularly relevant; and looked forward to appropriate Council consideration;
- stressed the need for close co-operation between the Council and the Commission in pursuing the work requested by the European Council at Lisbon and in preparing the report commissioned by Heads of Government for the European Council in Edinburgh;
- invited the European Parliament similarly to consider the application of the subsidiarity principle to existing and future legislation.

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COURT OF FIRST INSTANCE OF THE EUROPEAN COMMUNITIES

In October 1988, the Council decided to establish a Court of First Instance to exercise at first instance the jurisdiction conferred on the Court of Justice by the Treaties establishing the Communities and by the Acts adopted in implementation thereof:

- in disputes between the Communities and their servants;
- in actions brought against an Institution of the Communities by natural or legal persons concerning implementation of the rules of competition applicable to undertakings;
- in actions brought against the Commission by undertakings or associations of undertakings in the field covered by the ECSC Treaty.

In October 1991, the Court of Justice requested the Council, by an amendment to its Decision of 24 October 1988, to extend the jurisdiction of the Court of First Instance. The amendments requested by the Court of Justice to the 1988 Decision would enable the jurisdiction of the Court of First Instance to be extended to all actions (annulment, failure to act and damages) brought by individuals, thus practically exhausting the field of possible extensions under the Treaties currently in force.

Following a discussion of the Court's request, which was attended by the Presidents of the Court and the Court of First Instance, the Permanent Representatives Committee was instructed to continue examining the Court's request on the basis of a compromise prepared by the Presidency.

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RELATIONS WITH THE CIS

The Council took note of Vice-President ANDRIESSEN's presentation of the Commission's recommendation to negotiate partnership and co-operation agreements with the independent States of the former Soviet Union.

It requested the Permanent Representatives Committee to examine the negotiating directives with a view to their adoption at the Council session in October.

EEC-ASEAN RELATIONS

The Council had an exchange of views on the draft negotiating directives for the revised EEC-ASEAN Co-operation Agreement.

The Council referred in this context to the current situation regarding human rights in East Timor.

The Council agreed to come back to this topic subsequently.

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EEC-JAPAN RELATIONS

President DELORS reported on the recent EEC-Japan Summit and noted that it had been a constructive meeting which would provide a good basis for future co-operation.

MUNICH ECONOMIC SUMMIT

The Council had an exchange of views on the Economic Summit, noting in particular progress on relations with the CIS, on Developing Country Debt, on humanitarian aid to the Republics of the former Yugoslavia, and on the follow-up to the Earth Summit in Rio.

It took note of the Commission's analysis of the situation in the Uruguay Round.

In this context, the Council welcomed the opening of GATT Article XXVIII negotiations on the EEC/US oilseeds dispute, and looked forward to concluding them on time. The Council called on its partners to continue to participate in the multilateral process now underway, and to avoid recourse to unilateral measures.

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AID TO SHIPBUILDING

Following the political agreement reached on 17 June 1992 (see Press Release 7275/92 Presse 117) and an examination of the Opinion of the European Parliament, the Council adopted by a qualified majority the Directive amending the Seventh Directive on 21 December 1990 on aid to shipbuilding.

This amendment defines the conditions in which the shipbuilding sector in the five new Länder of Germany may be granted a derogation from the Seventh Directive governing the level and terms of public aid authorized for the shipbuilding sector in the Community.

The Council also noted that, in response to the concerns expressed by certain Member States regarding the possible repercussions of these measures for competition, the Commission had confirmed its intention of carefully monitoring implementation of this derogation.

FORMER YUGOSLAVIA

The Community and its Member States adopted the declaration given in Annex I.

RELATIONS WITH BURMA

The Community and its Member States adopted the declaration given in Annex II on the detention of Mrs Aung San Suu Kyi.

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MISCELLANEOUS DECISIONS

Commodities: natural rubber

The Council adopted the Decision concerning approval by the European Economic Community of the 1987 International Natural Rubber Agreement. The Decision also lays down that the Community and its Member States should simultaneously and not later than 31 December 1992 deposit at the UN General Secretariat their respective instruments of ratification, acceptance or approval.

Relations with Slovenia

The Council adopted the negotiating directives for conclusion of a Trade and Co-operation Agreement between the Community and the Republic of Slovenia. The aim is to conclude an Agreement with contents similar to those of the Agreement signed on 2 April 1980 with the former Yugoslavia, which was denounced on 11 November 1991. Negotiations are to begin on 22 July 1992.

Relations with Egypt

The Council defined the Community's position for the 8th meeting of the EEC-Egypt Co-operation Council, which was held the same day (see Press Release 8131/92 Presse 144).

Relations with Serbia and Montenegro

The Council and the Representatives of the Member States meeting within the Council, adopted a Regulation (EEC) and a Decision (ECSC) amending Regulation (EEC) No 1432/92 and Decision (ECSC) No 285/92 respectively (these prohibit

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trade between the Community and Serbia and Montenegro) to permit exports of products to Serbia and Montenegro in response to essential humanitarian need, in accordance with Resolution No 760/92 adopted by the United Nations Security Council on 18 June 1992.

Relations with Albania

The Council adopted the following conclusions

- "1. The Council noted with concern the continuing serious economic situation in Albania and welcomed the fact that this would be addressed at a conference of G-24 donors organized by the Commission in Tirana on 22-23 July, which would be attended by Vice-President Andriessen.
2. The Council recalled the assistance which the Community had already extended to Albania: more than ECU 200 million over the past 12 months. The Council confirmed the Community's readiness to continue, with other donors, to extend assistance to Albania in support of the democratically elected Government's efforts to maintain stability and implement political reform, and economic reform in support of an IMF programme.
3. In this context, the Council recalled the request from Albania for G-24 financial assistance to fill the financing gap of \$165 million for the period July 1992 to June 1993 identified by the IMF. The Council recalled also the decision taken on 13 July to provide a Community balance of payments support grant of ECU 35 million for Albania in 1992 as part of a G-24 balance of

payments support operation. As also agreed on 13 July, the Council will decide at a later stage on a further tranche of financial assistance from the 1993 Budget on the basis of a Commission report on Albania's progress in implementing the terms of the IMF stand-by arrangement and the advice of the Monetary Committee.

4. The Council agreed in principle that the Community should in the coming year provide a substantial amount of food aid to Albania within the context of the overall effort made by the G-24. The Council requested the Commission to make proposals. The Council noted that Albania would benefit from PHARE technical assistance in 1992 and future years.
5. The Council agreed that the Community should work for the Tirana conference to send a decisive political signal of support from the international donor community to the Albanian people and its Government.
6. The Council urged the other G-24 member countries to provide adequate support for Albania."

Fisheries

The Council adopted the Decision concerning the provisional application of the Agreement on relations in the sea fisheries sector between the Community and Morocco initialled in Brussels on 15 May 1992, pending conclusion of the Agreement on the basis of Articles 43 and 113 of the Treaty.

The Agreement will last for four years from 1 May 1992 and generally maintains the level of fishing options granted to the Community.

It provides for the strengthening of conservation measures (henceforth applicable to all fleets present in Moroccan waters) and adjustment of the preferential trade arrangements for canned sardines.

The Agreement also provides for Community support for the development of Moroccan scientific research as well as other specific measures in the fisheries sector.

Community financial compensation is at an annual average of ECU 102,1 million to be paid from the Community budget.

The Council also adopted

- the Decision enabling the Community to maintain after 31 December 1991 its financial contribution towards expenditure incurred by Member States of the Mediterranean for the purpose of ensuring compliance with the system for the conservation and management of fishery resources, pending adoption of Community rules applicable to Mediterranean waters;
- the Regulations amending Regulation No 3882/91 fixing, for certain fish stocks and groups of fish stocks, the total allowable catches for 1992 and certain conditions under which they may be fished
 - = in the case of certain provisions for small-meshed nets,
 - = by increasing the TAC for common sole in the North Sea to 27 500 tonnes;
- the Regulation amending, in respect of conditions for the fishing of

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whiting, Regulation No 3094/86 laying down certain technical measures for the conservation of fishery resources.

Appointments

The Council replaced

- members and alternate members of the European Social Fund Committee;
 - an alternate member of the Advisory Committee on the Training of Dental Practitioners;
 - an alternate member of the Advisory Committee on Training in Nursing;
 - a full member of the Advisory Committee on Pharmaceutical Training.
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COOPERATION POLITIQUE EUROPEENNE

COMMUNICATION A LA PRESSE

P.76/92

Bruxelles, le 20 juillet 1992

DECLARATION SUR LA YUGOSLAVIE

La Communauté et ses Etats membres sont profondément préoccupés par le fait que l'accord entre les parties en Bosnie-Herzégovine, signé à Londres, le 17 juillet, sous l'égide de la Conférence sur la Yougoslavie, n'est pas encore entré en vigueur. Elles appellent toutes les parties à respecter pleinement et sans délai le cessez-le-feu et à l'observer scrupuleusement dans toute la Bosnie-Herzégovine. Ils se félicitent de l'action rapide du Conseil de Sécurité des Nations Unies, menée en coopération étroite avec la Conférence de la Communauté sur la Yougoslavie, pour mettre en place le contrôle de l'armement lourd comme prévu dans l'accord de Londres.

La Communauté et ses Etats membres confirment leur plein engagement dans les travaux de la Conférence sur la Yougoslavie présidée par Lord Carrington. C'est à elle que revient le rôle principal dans la recherche d'une solution politique équitable et durable aux problèmes de l'ancienne Yougoslavie, y compris en ce qui concerne les arrangements constitutionnels en Bosnie-Herzégovine. Ils sont en faveur de consultations étroites entre la Conférence patronnée par la Communauté, la CSCE et les Nations Unies en appui des efforts entrepris par la communauté internationale concernant la crise yougoslave. Ces consultations pourraient mener à un élargissement et à une intensification de la Conférence actuelle.

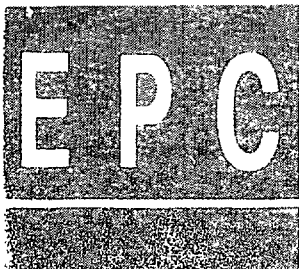
La Communauté et ses Etats membres condamnent toute forme de purification ethnique et d'expulsions forcées. Les attaques dirigées contre des civils non-armés, comme celles menées par des forces serbes à Sarajévo et à Gorazde, sont totalement contraire aux préceptes de base du droit humanitaire international. La Communauté et ses Etats membres ont l'intention de poursuivre vigoureusement dans le cadre de la CSCE la possibilité d'envoyer des missions d'enquête aux endroits où de telles attaques ont été rapportées.

Il est nécessaire d'affecter sans délai des ressources considérables pour venir en aide aux réfugiés, de préférence aussi prêt que possible de leur région d'origine. Le montant supplémentaire de 120 MECU d'aide d'urgence à fournir par la Communauté sera rendu disponible sans délai. Toute aide de ce genre, ainsi qu'un effort correspondant à organiser dans le cadre du G24, doit être dirigés, quel qu'en soit le but, là où, dans l'ancienne Yougoslavie, les besoins sont les plus grands. La Communauté et ses Etats membres se félicitent chaleureusement de la décision du HCR de convoquer, dans le proche avenir, une conférence sur l'exode de réfugiés dans l'ancienne Yougoslavie ou en provenance de cette dernière. Cette conférence devra aborder, de façon urgente, la question d'une solution équitable aux problèmes provoqués par l'arrivée de réfugiés dans les pays voisins. Ils s'engagent à coopérer pleinement à cet objectif, à assumer leurs responsabilités dans ce contexte et demandent aux ministres de l'Intérieur et de la Justice d'accorder une attention urgente à ce sujet. Ils lancent un appel à toutes les parties en vue de faciliter l'acheminement d'aide humanitaire, en particulier aux régions de Bosnie-Herzégovine qui en ont besoin urgent, y compris par l'établissement de corridors humanitaires.

La Communauté et ses Etats membres se félicitent de l'avis de la Commission d'Arbitrage de la Conférence sur la Yougoslavie, présidée par M. Badinter. Il revient à la Serbie et au Monténégro de décider de la constitution d'une nouvelle fédération. Mais cette nouvelle fédération ne saurait être acceptée comme le successeur unique de l'ancienne RFSY. A la lumière de ceci, la Communauté et ses Etats membres s'opposeront à la participation de la RFY aux travaux dans les enceintes internationales. La Présidence fera, dans les meilleurs délais, en sorte que les missions de la Communauté et de ses Etats membres auprès des organisations internationales fassent des propositions en vue de l'application de cette politique. Les sanctions de l'ONU à l'encontre de la Serbie et du Monténégro ainsi que toutes les résolutions devront être maintenues et strictement respectées. A cet égard, la Communauté et ses Etats membres se félicitent des décisions prises par la UEO et l'OTAN à propos de la surveillance de l'application des sanctions des Nations Unies en mer.

La Communauté et ses Etats membres ont été profondément impressionnés par le courage dont fait montre la Mission de Vérification ainsi que par les résultats concrets qu'elle a obtenus. Ils sont prêts à renforcer ces activités en concertation étroite avec la FORPRONU. La Mission de Vérification, conformément au mandat qu'elle a reçu de la CSCE, serait prête à étendre son travail d'observation aux territoires frontaliers les plus sensibles. La Présidence mènera des discussions avec les différentes parties à ce sujet.

La Communauté et ses Etats membres expriment leur tristesse suite à la récente mort en mission de deux membres français de la FORPRONU. Ils présentent leurs condoléances aux familles, au gouvernement et au peuple français.



EUROPEAN POLITICAL COOPERATION

PRESS RELEASE

P.76/92

Brussels, 20 July 1992

DECLARATION ON YUGOSLAVIA

The Community and its member States express their deep concern that the agreement between the parties in Bosnia and Hercegovina, signed at London on 17 July under the aegis of the EC Conference on Yugoslavia, has not yet come into effect. All parties must comply fully and immediately with it and scrupulously observe the ceasefire throughout Bosnia and Hercegovina. They welcome the prompt action by the UN Security Council, working in close cooperation with the EC Conference on Yugoslavia, to put into effect the supervision of the heavy weaponry specified in the London agreement.

The Community and its member States reaffirm their full commitment to the work of the EC Conference, chaired by Lord Carrington. It has the central role in the search for a fair and lasting political solution to the problems of the former Yugoslavia, including constitutional arrangements for Bosnia and Herzegovina. They favour close consultation between the EC Conference, the CSCE and the UN in support of the continuing efforts of the international community on the Yugoslav crisis. These consultations could lead to the broadening and intensification of the present Conference.

The Community and its member States condemn all policies of ethnic cleansing and forced expulsions. Attacks on unarmed civilians, such as those by Serb forces at Sarajevo and Gorazde, are wholly contrary to the basic precepts of international humanitarian law. The Community and its member States intend to pursue vigorously in the CSCE the possibility of sending rapporteur missions to places where attacks have been reported.

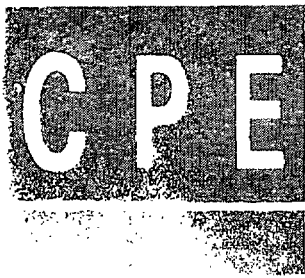
Considerable resources are urgently needed for refugee relief, preferably in areas closest to the original place of residence. An additional 120 mecu package of emergency assistance provided by the Community is being made available immediately. All aid of this kind and a corresponding effort to be organised in the G24 context must be directed to wherever and for whatever purpose it is most urgently needed in the former Yugoslavia. The Community and its member States warmly welcome the UNHCR's

decision to convene a conference in the immediate future on the flood of refugees in and from the former Yugoslavia, which will need to consider urgently an equitable solution to the problems caused by the potential in-flow of refugees into neighbouring countries. They commit themselves to cooperate wholeheartedly with this Conference, to assume their responsibilities in this context and to call upon Interior and Justice Ministers to give their urgent attention to this issue. They call on all parties to facilitate the provision of humanitarian aid in particular to areas of Bosnia and Hercegovina which remain in desperate need of assistance, including through the establishment of humanitarian corridors.

The Community and its member States welcome the advice of the Arbitration Commission of the Conference on Yugoslavia, chaired by M. Badinter. It is for Serbia and Montenegro to decide whether they wish to form a new Federation. But this new Federation cannot be accepted as the sole successor to the former Socialist Federal Republic of Yugoslavia. In the light of this, the Community and its member States will oppose the participation of Yugoslavia in international bodies. The Presidency will make early arrangements for the missions of the Community and its member States to the international organisations to prepare proposals to implement this policy. The UN sanctions against Serbia and Montenegro and all UN Resolutions should be maintained and strictly implemented. In this respect, the Community and its member States welcome the decisions taken by WEU and NATO to monitor the implementation of the UN sanctions at sea.

The Community and its member States are impressed by the courageous performance and the practical achievements of their monitoring mission. They are willing to reinforce these activities in close cooperation with UNPROFOR. The Monitoring Mission, acting under its remit from CSCE, would also be ready to monitor in particularly sensitive border areas in the region. Discussions on this with the various parties will be taken forward by the Presidency.

The Community and its member States express their sadness at the recent death on duty of two French members of UNPROFOR. They send their condolences to the men's families and to the Government and people of France.



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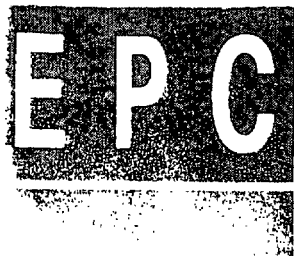
COMMUNICATION A LA PRESSE

P.75/92

Bruxelles, le 20 juillet 1992

DECLARATION SUR LA DETENTION DE MME AUNG SAN SUU KYI

La Communauté et ses Etats membres, rappelant que le 20 juillet marquera le troisième anniversaire de la détention de Mme Aung San Suu Kyi à Rangoon, appellent le Conseil d'Etat pour la Restauration de l'Ordre Public à lever immédiatement les restrictions imposées à Mme Aung San Suu Kyi, afin de lui permettre de quitter et de retourner en Birmanie, comme elle désire et lui donner ainsi l'occasion de participer au processus politique. Nous croyons que ceci ouvrira la voie vers une réconciliation nationale en Birmanie et vers la constitution rapide d'un gouvernement civil élu démocratiquement, reflétant les désirs du peuple birman tels qu'exprimés aux élections du mai 1990.



EUROPEAN POLITICAL COOPERATION

P.75/92

Brussels, 20 July 1992

DECLARATION ON THE DETENTION OF MRS AUNG SAN SUU KYI

The Community and its member States, recalling that 20 July is the third anniversary of Mrs Aung San Suu Kyi's detention in Rangoon, call on the State Law and Order Restoration Council immediately to lift the restrictions imposed on Mrs Aung San Suu Kyi to enable her to travel to and from Burma as she wishes and to allow her the opportunity to participate in the political process. We believe that this will open the way to national reconciliation in Burma and the early establishment of a democratically elected civilian government, reflecting the wishes of the Burmese people as expressed in the elections of May 1990.

COUNCIL OF THE EUROPEAN COMMUNITIES
GENERAL SECRETARIAT

PRESS RELEASE

8132/92 (Presse 145)

1600th Council meeting

- BUDGET -

Brussels, 23 July 1992

President: Sir John COPE,

Paymaster General,
United Kingdom

Minister for the Budget

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Netherlands

Mr Piet DANKERT

State Secretary for Foreign Affairs

Portugal

Mrs Maria Manuela FERREIRA-LEITE

State Secretary for the Budget

United Kingdom

Sir John COPE

Paymaster General

Mr Anthony NELSON

Economic Secretary to the Treasury

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Commission

Mr Peter SCHMIDHUBER

Member

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1992 BUDGET PROCEDURE

Before embarking on an examination of the preliminary draft general budget for 1993, the Council met a European Parliament delegation headed by the President of the European Parliament, Mr KLEPSCH, and comprising Mr SAMLAND, Rapporteur on Section III of the Budget, Mr PASTY, Rapporteur on the other Sections of the Budget, Mr DESAMA, Chairman of the Committee on Energy and Research, Mr PRICE, Chairman of the Committee on Budgetary Control, and Ms THEATO, Ms NAPOLITANO, Ms ISLER, Mr COLOM I NAVAL, Mr LANGES, Mr CORNELISSEN and Mr TOMLINSON, Members of the Committee on Budgets.

That meeting gave the Members of the European Parliament an opportunity to put forward their initial thoughts on the main issues arising from the budget for the financial year 1993 and to point to the European Parliament's own priorities.

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The Council went on to hold the first reading of the 1993 budget. Following its discussions, the Council established the draft budget for 1993, to be submitted to the European Parliament under the budget procedure.

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The main points in the draft are as follows:

AGGREGATE EXPENDITURE AS A RESULT OF THE COUNCIL'S DISCUSSIONS (ECU million - rounded figures)

| | |
|--------------------------------------|--------|
| Appropriations for commitments (C/A) | 65.704 |
| Appropriations for payments (P/A) | 62.926 |

| | |
|--|------------|
| including non-compulsory expenditure of: | C/A 29.245 |
| | P/A 26.520 |

The breakdown of appropriations is as follows (ECU million - rounded figures)

| | C/A | P/A |
|-----------------------------|----------|----------|
| Common agricultural policy | 33.285,0 | 33.285,0 |
| Other measures | 757,0 | 757,0 |
| Structural Funds | 19.763,0 | 18.590,8 |
| Other structural measures | 356,4 | 546,8 |
| Research | 2.137,5 | 2.015,9 |
| Other internal policies | 1.237,5 | 983,6 |
| External measures | 3.818,1 | 2.597,9 |
| including PHARE | 1.100,0 | 507,6 |
| Administrative expenditure: | | |
| - Commission | 2.241,5 | 2.241,5 |
| - Other institutions | 1.107,8 | 1.107,8 |
| Monetary reserve | 1.000,0 | 1.000,0 |

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The Council also decided to enter a negative reserve of ECU 200 million in p/a in Chapter B0-42 with respect to NCE in Part B of Section III of the general budget, excluding the Structural Funds (B2-1).

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As regards the Cohesion Fund, the Council approved a statement in its minutes.

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OTHER BUDGETARY DECISIONS

- Draft supplementary and amending budget No 3/92

The Council established draft supplementary and amending budget No 3 for 1992 with the aim, inter alia, of incorporating in the budget the payment appropriation factors underlying the decision concerning the financial perspective for 1992 which was approved by the European Parliament and the Council in July 1992. The draft thus provides for the entry of payment appropriations amounting to ECU 560 million for the Structural Funds (German Länder) and ECU 140 million for research (third framework programme).

It also makes provision for an ECU 2.782 million reduction in the appropriations entered in the 1992 budget for the EAGGF (Guarantee Section) to adjust the appropriations in this sector to the current estimate of requirements.

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Under DSAB 3/92, the total 1992 budget figure is reduced by ECU 2.781 million in appropriations for commitment and ECU 2.081 million in appropriations for payment.

- Emergency measures to help victims of the conflict in what was formerly Yugoslavia

In implementation of the Lisbon European Council's conclusions of 26 and 27 June 1992 and the resulting agreement reached in the General Affairs Council on 20 July 1992 on a programme of emergency aid totalling ECU 120 million, the Council adopted a Regulation on urgent action for the supply of agricultural products to the victims of the conflict in what was formerly Yugoslavia.

Expenditure on this measure amounts to ECU 35 million, using foodstuffs from intervention stocks.

It should be noted that the Commission has also submitted a wider proposal for a Regulation on urgent action to assist the victims of the conflict in what was formerly Yugoslavia, which would also allow recourse to the market for the supply of agricultural products. The Council will be examining this Regulation once it has received the European Parliament's Opinion. Draft supplementary and amending budget No 3 for 1992, which the Council established today (see previous point), includes the necessary budgetary arrangements to cover the ECU 72,5 million earmarked for the above two measures.

MISCELLANEOUS DECISIONS

Relations with Iceland

The Council adopted a Decision on the autonomous suspension of customs duties applicable to imports of ECSC products originating in Iceland. The Decision was adopted in response to a request made by Iceland which, having developed its own iron and steel industry, has invoked a provision of the 1973 EEC-Iceland Free-Trade Agreement to allow Icelandic iron and steel products to be imported into the Community free of customs duty as is already the case for Community exports to Iceland. This Decision is also motivated by the forthcoming entry into force of the Agreement on the European Economic Area, which resolves the question in the same way.

Relations with Austria and Finland

In view of the extension for an indefinite period of the simplified cumulation rules (with regard to rules of origin) agreed in 1988 for an experimental three-year period within the framework of the EEC-Austria and EEC-Finland Joint Committees, the Council adopted two Regulations extending the validity of Regulations No 4277/88 and No 4278/88 introducing a specific safeguard clause applicable to cases of injury which might result from application of the aforesaid rules.

Similar Regulations will be adopted in due course for the other EFTA countries.

Relations with the ACP and the OCT

The Council adopted a Regulation repealing Regulation No 1638/80 of 24 June 1980. For the purposes of managing STABEX, that Regulation made provision for a notification system whereby, before the end of each month, the Member States forwarded to the Commission a statement of all imports from the ACP States and the OCT. There is no longer any need for this notification system since Article 200(2) of the Fourth Lomé Convention and Article 126(2) of Decision 91/482/EEC on the association of the OCT provide that the statistics to be used to carry out the calculations required under the STABEX system are to be those calculated and published by the Statistical Office of the European Communities.

Relations with the OCT

The Council adopted a Decision on the amount of transfers to be paid to the OCT for the 1990 application year under the STABEX system. Pursuant to Decision 91/482/EEC on the association of the OCT with the Community, an amount of ECU 1.500.000 has been released to cover all commitments under STABEX for the year in question.

Social affairs - protection of pregnant workers

The Council agreed to ask the European Parliament for an extension of the period provided for in Article 149(2)(f) of the EEC Treaty in the case of the proposal for a Directive on the protection of pregnant workers.

Environment

Further to the agreement reached in the Environment Council on 12 December 1991 (see Press Release 9914/91 Presse 229) and following finalization of the texts, the Council:

- adopted a Regulation concerning Community export and import of certain dangerous chemicals;
- adopted its common position on the Regulation on the evaluation and control of environmental risks of existing substances.

The Council also decided that the Community should sign the Convention on the protection of the waters of the Oder which was to be opened for signature in Wroclaw in October 1992.

Transport

Following finalization of the texts, the Council adopted the third air transport liberalization package, on which political agreement had been reached in the Transport Council on 22 and 23 June 1992 (see Press Release 7281/92 Presse 123).

The package consists of three Regulations, which are due to enter into force on 1 January 1993 and which concern the licensing of air carriers, fares and rates for air services and access for air carriers to air routes.

In the context of the third package, the Council also adopted two Regulations on the competition rules applicable to air transport undertakings and on

certain categories of agreements and concerted practices in the air transport sector.

The first Regulation amends Regulation No 3975/87 by extending application of Community rules on competition (Articles 85 and 86 of the Treaty) to air transport operations carried out entirely within a Member State (at the moment the scope of Regulation No 3975/87 is confined to international air transport operations between Community airports).

The second Regulation covers the application of Article 85(3) to certain categories of agreements and concerted practices in the air transport sector (authorizing the Commission to grant block exemptions).

Moreover, further to the agreement reached in the Transport Council on 22 and 23 June 1992 (see Press Release 7281/92 Presse 123), the Council adopted by a qualified majority a Regulation laying down the conditions under which non-resident carriers may operate national road passenger services within a Member State (passenger cabotage).

Narcotic drugs and psychotropic substances

The Council adopted a common position on the Directive on the manufacture and the placing on the market of certain substances used in the illicit manufacture of narcotic drugs and psychotropic substances. The purpose of the Directive is to establish, within the framework of the internal market, intra-Community monitoring of certain substances frequently used for the illicit manufacture of narcotic drugs and psychotropic substances with a view to preventing their diversion.

Agriculture

The Council adopted Regulations on the protection of the Community's forests against:

- atmospheric pollution;
- fire.

At the last Agriculture Council meeting, Ministers recorded unanimous agreement on both these Regulations (see Press Release 7672/92 Presse 139).

The Council then adopted common positions on Regulations:

- amending Regulation No 1601/91 laying down general rules on the definition, description and presentation of aromatized wines, aromatized wine-based drinks and aromatized wine-product cocktails;
- amending Regulation No 1576/89 laying down general rules on the definition, description and presentation of spirit drinks.

The purpose of these Regulations is to prohibit the use of lead-based closing devices as from 1 January 1993, so as to prevent the risk of contamination and environmental pollution. However, a transition period is provided for during which stocks existing before 1 January 1993 may be used up.

The Council also adopted a Decision on the conclusion of an Agreement in the form of an Exchange of Letters between the European Economic Community and the

Republic of India on the guaranteed prices for cane sugar for the 1989/1990, 1990/1991 and 1991/1992 delivery periods. These prices correspond to the relevant prices applied to Community producers.

The Council also adopted:

- a Regulation on the financing of expenditure for the establishment and updating of the register of olive cultivation. For each marketing year between 1992/1993 and 1997/1998, the deduction from olive oil production aid intended to finance the establishment and updating of the register of olive cultivation is set at 2,4%;
- a Regulation determining the Community scale for the classification of carcasses of ovine animals and determining the Community standard quality of fresh or chilled sheep carcasses. These classification systems will be used in particular when Member States fix prices;
- a Regulation amending Regulation No 1411/71 laying down additional rules on the common market organization in milk and milk products for drinking milk. This amendment is essentially designed to remove the last remaining obstacles to the free movement of drinking milk within the Community (abolition of existing derogations as regards the import of drinking milk into the United Kingdom and Ireland).

Appointments

The Council agreed on the replacement of:

- two full members and one alternate member of the Advisory Committee on Vocational Training;
 - two full members and one alternate member of the Advisory Committee on Safety, Hygiene and Health Protection at Work.
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COUNCIL OF THE EUROPEAN COMMUNITIES
GENERAL SECRETARIAT

PRESS RELEASE

8134/92 (Presse 147)

1601st meeting of the Council

- ECONOMIC AND FINANCIAL QUESTIONS -

Brussels, 27 July 1992

President: Mr Norman LAMONT
Chancellor of the Exchequer,
United Kingdom

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

Belgium:

Mr Philippe MAYSTADT Minister for Finance

Denmark:

Mr Jens THOMSON State Secretary, Ministry of Finance

Germany:

Mr Franz-Christoph ZEITLER State Secretary for Finance

Greece:

Mr Ioannis PALAIOKRASSAS Minister for Finance

Spain:

Mr Antonio ZABALZA MARTI State Secretary for Finance

France:

Mr Michel CHARASSE Minister for the Budget

Ireland:

Mr Bertie AHERN Minister for Finance

Italy:

Mr Giovanni GORIA Minister for Finance

Luxembourg:

Mr Jean-Claude JUNCKER Minister for Finance

Netherlands:

Mr Marius VAN AMELSVOORT State Secretary for Finance

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Portugal:

Mr Jorge BRAGA DE MACEDO

Minister for Finance

United Kingdom:

Mr Norman LAMONT

Chancellor of the Exchequer

Sir John COPE

Paymaster General

o

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o

Commission:

Mrs Christiane SCRIVENER

Member

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ABOLITION OF FISCAL FRONTIERS

Following in-depth discussion on the basis of a compromise text from the Presidency, the Council reached agreement, subject to two provisional reservations, on all the questions still outstanding regarding the structures and rates of excise duties on cigarettes and other manufactured tobacco products, mineral oils, alcohol and other alcoholic beverages as well as on VAT rates.

This agreement is an essential element for completion of the Internal Market by 1 January 1993.

The discussions today essentially covered the following four topics:

1. Minimum rate of excise duty on spirit drinks

The minimum rate will be set at ECU 550 per hectolitre of pure alcohol.

A Member State applying a rate of duty exceeding ECU 1 000 may not reduce its national rate below ECU 1 000 and a Member State applying a rate of between ECU 550 and 1 000 may not reduce its national rate in force.

2. Minimum VAT rate

A legally binding Decision, valid for a period 4 years, sets the standard minimum VAT rate at 15%. Before 31 December 1995, the Council will decide unanimously on the rules to be applied after 31 December 1996 with respect to the standard minimum rate. The Council confirmed the political commitment entered into at the ECOFIN Council on 24 June 1991 on the principle of a minimum rate.

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3. VAT rules applicable to gold

The VAT rules applicable to gold will be the subject of an individual Directive to be adopted by the end of the year. Pending adoption of that Directive, Member States will apply their relevant national rules. In any event, the Member States stated their readiness to take any measure necessary to combat fraud after 1 January 1993.

4. VAT rates applicable to agricultural produce

Agricultural produce will not be covered by the list of reduced rates, which includes inter alia all foodstuffs in the broad sense of the term. This question will be the subject of a Directive to be adopted by the Council acting unanimously on the basis of a Commission proposal before the end of 1994. Until then, Member States applying a reduced rate may continue to do so and Member States applying the standard rate may not reduce it. Thus application of the standard rate to these products will be postponed by two years.

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Once the reservations have been withdrawn, the texts will be formally adopted following their legal/linguistic finalization.

MISCELLANEOUS DECISIONS

Capital adequacy of investment firms and credit institutions

Following the political agreement reached at the meeting on 29 June 1992, the Council formally adopted the common position on the Directive on capital adequacy of investment firms and credit institutions. This text will be forwarded to the European Parliament for a second reading. (See Press Release 7490/92 Presse 132).

Fisheries

The Council adopted a Decision on the provisional application of the Protocol establishing, for the period from 3 May 1992 to 2 May 1994, the fishing opportunities and financial compensation provided for in the Agreement between the European Economic Community and the Government of the People's Republic of Angola on fishing off Angola initialled on 12 June 1992.

The Agreement will be concluded once the European Parliament has delivered its Opinion..

Customs union

The Council adopted Regulations:

- opening, allocating and providing for the administration of a Community tariff quota (10 000 tonnes) for prepared or preserved sardines, originating in Morocco (CN code ex 1604 13 10 and ex 1604 20 50), for the period 1 May to 31 December 1992. The quota is divided into two parts: the first, totalling

2 000 tonnes, is allocated as follows: Benelux 183 t, Germany 432 t, Greece 22 t, France 840 t, Italy 111 t, United Kingdom 412 t; the second part of the quota, 8 000 tonnes, constitutes the Community reserve;

- establishing Community statistical surveillance for certain agricultural products originating in Cyprus, Egypt, Jordan, Israel, Tunisia, Syria, Malta, Morocco and Lebanon which are subject to reference quantities (1992);
- opening and providing for the administration of Community tariff quotas for certain agricultural products originating in Cyprus, Morocco, Israel, Tunisia and Egypt (1992/1993).

Social affairs

Following completion of the co-operation procedure with the European Parliament, the Council adopted the Regulation amending Part II of Regulation (EEC) No 1612/68 on freedom of movement for workers within the Community.

The present Regulation, based on Article 49 of the EEC Treaty, is further to the Commission action programme for the implementation of the Community Charter on the Fundamental Social Rights of Workers and is designed, in particular, to facilitate the movement of workers within the Community, to strengthen the System for Clearing of Vacancies and Applications for Employment (SEDOC) and to secure the greatest possible transparency on the Community labour market.

The Council also adopted Recommendations

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- concerning the promotion of participation by employed persons in profits and enterprise results (including equity participation);
- on the convergence of social protection objectives and policies.

The texts of these Recommendations are given in the Annexes hereto.

ANNEX I

COUNCIL RECOMMENDATION
of

concerning the promotion of participation by
employed persons in profits and enterprise results
(including equity participation)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 235 thereof,

Having regard to the proposal for a Recommendation from the Commission ⁽¹⁾,

Having regard to the Opinion of the European Parliament ⁽²⁾,

Having regard to the Opinion of the Economic and Social Committee ⁽³⁾,

(1) OJ No C 245, 20.9.1991, p. 12 and OJ No C 140, 3.6.1992, p. 5.

(2) Opinion delivered on 9 April 1992 (not yet published in the Official Journal).

(3) OJ No C 18, 21.4.1992, p. 40.

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Whereas in its communication concerning the Action Programme relating to the implementation of the Community Charter of the Fundamental Social Rights of Workers the Commission announced its intention to submit a Community instrument on equity sharing and financial participation by employed persons;

Whereas a report on the promotion of participation by employed persons in profits and enterprise results in the Member States has been prepared; whereas this report has established that there is a great variety in the types of scheme encountered in the Community, including cash payments, share-based and deferred profit-sharing schemes and various types of particular share-ownership schemes for employed persons;

Whereas encouragement of financial participation in enterprises by employed persons, without discrimination on grounds of sex or nationality, may be seen as a means of achieving a wider distribution of the wealth generated by enterprises which the employed persons have helped to produce; whereas, furthermore, the promotion of enterprise schemes for the financial participation of employed persons in enterprises encourages in particular greater involvement of employed persons in the progress of their companies;

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Whereas, while the body of empirical research into the effects of such schemes in practice does not yet provide overwhelming evidence of strong overall advantages, there are sufficient indications that such schemes produce a number of positive effects, particularly on the motivation and productivity of employed persons and on the competitiveness of enterprises;

Whereas it is appropriate to promote a wider spread of financial participation schemes within the Community, without seeking active harmonization or a reduction in the existing wide range of available schemes;

Whereas account should be taken of the important role and the extensive responsibilities of management and labour in this area; whereas the interest and active involvement of management and labour in this Community initiative are a pre-condition for its ultimate success;

Whereas the present action appears necessary to attain, in the course of the operation of the common market, one of the objectives of the Community,

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I. HEREBY INVITES THE MEMBER STATES:

1. to acknowledge the potential benefits of a wider use, individually or collectively, of a broad variety of schemes to increase the participation of employed persons in profits and enterprise results by means of profit-sharing, employee share-ownership or a combination of both;
2. to take account of the role and the responsibility of management and labour in this context, in accordance with national law and/or practice.

II. HEREBY RECOMMENDS THE MEMBER STATES TO:

1. ensure that legal structures are adequate to allow the introduction of the financial participation schemes referred to in this Recommendation;
2. consider the possibility of according incentives such as fiscal or other financial advantages to encourage the introduction of certain schemes;

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3. encourage the use of such schemes by facilitating the supply of adequate information to all relevant parties;
4. take account of experience gained in other Member States when deciding on which participation schemes to promote;
5. ensure that in the context of the laws, regulations and practice possibly existing in the Member States the parties concerned have a wide range of options or arrangements available, the implementation of which would, when suitable, be the subject of consultations between employers and employed persons or their representatives;
6. ensure that this choice can be made at a level which, taking account of national collective bargaining legislation and/or practices, is as close as possible to the employed person and the enterprise;
7. contemplate and/or encourage consideration of the points set out in the Annex when new financial participation schemes are being prepared or when existing schemes are being reviewed;

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8. examine, after a period of three years following the adoption of this Recommendation, the data available at a national level on the development of financial participation by employed persons and to communicate the results to the Commission;

9. enhance management and labour's awareness of the above matters.

III. NOTES THAT THE COMMISSION INTENDS:

to submit a report to the European Parliament, the Council and the Economic and Social Committee on the application of this Recommendation within four years of its adoption, on the basis of the information supplied to it by the Member States.

Annex to ANNEX I

Points referred to in section II, point 7

1. Regularity: the application of participation schemes on a regular basis and the granting of "bonuses" at least once a year.
2. Pre-determined formula: the definition, in a clear way and before the beginning of each reference period, of the formula for calculating the amounts allocated to employed persons.
3. Maintaining wage negotiations: the existence of financial participation schemes should not stand in the way of normal negotiations dealing with wages and conditions of employment or of setting wages and working conditions through such negotiations.

The question of the agreement on new provisions in the field of the financial participation of employed persons may be taken up in the normal negotiations dealing with wage-setting and working conditions, without replacing them.

4. Voluntary participation: the opportunity for both enterprises and employed persons of expressing a choice, within the framework of any laws, regulations or agreements which may exist in the Member States, on the adoption of a participation scheme or on the financial participation scheme or arrangements in which they wish to participate.

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5. Calculation of amounts allocated to employed persons: the amount of bonuses should not generally be fixed in advance, but determined on the basis of a pre-determined formula reflecting the enterprise's performance during a certain period (expressed in terms of profits or any other indicator) the performance measure(s) chosen to measure the performances being clearly specified.
6. Amounts: the formula for calculating bonuses should be such that it will produce the expected incentive, although it should not exceed a specific ceiling (in relative or absolute terms) in order to avoid wide fluctuations in income.
7. Risks: employees should be made aware of the risks inherent in financial participation schemes; apart from the risks of income fluctuation inherent in participation schemes, employed persons may be exposed to additional risk if their participation takes the form of investments that are relatively undiversified; in this context, the possibility of providing for mechanisms to protect against the risk of depreciation in the value of assets merits consideration.
8. Beneficiaries: beneficiaries are primarily employed persons, i.e. wage-earners covered by employment contracts; as far as possible, access to participation schemes should be open to all persons employed by the enterprise.

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More generally, workers in similar objective situations should have equal rights with regard to access to participation schemes.

9. Enterprise type: participation schemes may be instituted by both privately-owned firms and public enterprises, as long as suitable indicators of enterprise results or profits are, or can be, made available.
10. Size of enterprises:
 - (a) small and medium-sized enterprises should have adequate opportunities to be able to implement financial participation schemes; in particular, it is important to ensure that administrative constraints are few in number and that, if needed at all, minimum financial requirements are not too high;
 - (b) in larger enterprises, especially multinational companies, it may be useful to link all or part of employee benefits to the performance of a separate profit unit rather than to overall enterprise results;
 - (c) the size of enterprises may also affect the choice of the most appropriate scheme.

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11. Complexity: complex participation schemes should be avoided.
 12. Information and training: to ensure the success of any type of participation scheme, substantial efforts will be required to provide relevant information and, if need be, training for all employed persons concerned.
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ANNEX II

COUNCIL RECOMMENDATION
of

on the convergence of social protection objectives
and policies

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the treaty establishing the European Economic Community, and in particular Article 235 thereof,

Having regard to the proposal from the Commission ⁽¹⁾,

Having regard to the Opinion of the European Parliament ⁽²⁾,

Having regard to the Opinion of the Economic and Social Committee ⁽³⁾,

(1) OJ No C 194, 25.7.1991, p. 13.

(2) OJ No C 67, 16.3.1992, p. 206.

(3) OJ No C 40, 17.2.1992, p. 91.

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Whereas, under the terms of Article 118 of the Treaty, the Commission has as its task the promotion of close co-operation between Member States in the social field;

Whereas the Community Charter of the Fundamental Social Rights of Workers, adopted at the Strasbourg European Council on 9 December 1989 by the Heads of State or Government of eleven Member States, states in the 7th, 13th and 16th recitals and in points 10, 24 and 25:

"Whereas the completion of the internal market must offer improvements in the social field for workers of the European Community, especially in terms of [...] social protection [...];"

"Whereas (the) aim [of this Charter] is [...] to declare solemnly that the implementation of the Single European Act must take full account of the social dimension of the Community and that it is necessary in this context to ensure at appropriate levels the development of the social rights of workers of the European Community, especially employed workers and self-employed persons;"

"Whereas the solemn proclamation of fundamental social rights at European Community level may not, when implemented, provide grounds for any retrogression compared with the situation currently existing in each Member State;"

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"According to the arrangements applying in each country:

10. Every worker of the European Community shall have a right to adequate social protection and shall, whatever his status and whatever the size of the undertaking in which he is employed, enjoy an adequate level of social security benefits.

Persons who have been unable either to enter or to re-enter the labour market and have no means of subsistence must be able to receive sufficient resources and social assistance in keeping with their particular situation."

"According to the arrangements applying in each country:

24. Every worker of the European Community must, at the time of retirement, be able to enjoy resources affording him or her a decent standard of living.

25. Every person who has reached retirement age but who is not entitled to a pension or who does not have other means of subsistence must be entitled to sufficient resources and to medical and social assistance specifically suited to his needs.";

Whereas social protection is an essential instrument of solidarity among the inhabitants of each Member State, in the context of the general right of all to social protection;

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Whereas the Commission in its action programme relating to the implementation of the Community Charter of the Fundamental Social Rights of Workers noted that differences in social security cover might act as a serious brake on the free movement of workers and exacerbate regional imbalances, particularly between the north and the south of the Community; whereas, based on this, it has been proposed that a strategy be promoted for the convergence of Member States' policies in this field, underpinned by objectives established in common, making it possible to overcome such disadvantages;

Whereas, having noted that comparable trends in most of the Member States may lead to common problems (in particular the ageing of the population, changing family situations, a persistently high level of unemployment and the spread of poverty and forms of poverty), the Council proposed, at its meeting on 29 September 1989, that this de facto convergence should be further promoted by establishing common objectives as a guide for national policies;

Whereas the aim of this convergence strategy is to fix common objectives able to guide Member States' policies in order to permit the co-existence of different national systems and to enable them to progress in harmony with one another towards the fundamental objectives of the Community;

Whereas the specific common objectives must act as pointers to the way in which these systems are modified to take account of protection needs, particularly those resulting from changes in the labour market, family structures and demographic trends;

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Whereas this convergence seeks also to guarantee the continuation and stimulate the development of social protection within the context of the completion of the internal market; whereas this will facilitate the mobility of workers and their families within the Community and whereas steps should be taken to ensure that this mobility is not impeded by too great a disparity in levels of social protection;

Whereas, because of the diversity of the schemes and their roots in national cultures, it is for Member States to determine how their social protection schemes should be framed and the arrangements for financing and organizing them;

Whereas this Recommendation does not affect national and Community provisions on right of residence;

Whereas the social protection objectives laid down in this Recommendation are without prejudice to each Member State's option to establish the principles and organization of its health system;

Whereas this action appears necessary in order to achieve, as part of the operation of the common market, one of the aims of the Community,

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I . HEREBY RECOMMENDS THAT MEMBER STATES SHOULD:

A. Allow their general policy in the area of social protection, without prejudice to the powers of the Member States to establish the principles and organizations of their own systems in the sectors concerned, to be guided by the following principles:

1. Taking account of the availability of funds, of priorities and balances within social protection systems and according to those systems' own organizational and funding procedures, social protection should attempt to fulfil the following tasks:

- (a) in conformity with the principles enunciated in the Council Recommendation of 24 June 1992 on common criteria concerning sufficient resources and social assistance in social protection systems, to guarantee a level of resources in keeping with human dignity;
- (b) under conditions determined by each Member State, to give any person residing legally, within its territory, regardless of his or her resources, the chance to benefit from the system for the protection of human health existing in the Member State;
- (c) to help to further the social integration of all persons legally resident within the territory of the Member State and the integration into the labour market of those who are in a position to exercise a gainful activity;

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- (d) to provide employed workers who cease work at the end of their working lives or are forced to interrupt their careers owing to sickness, accident, maternity, invalidity or unemployment, with a replacement income, fixed either in the form of flat-rate benefits, or benefits calculated in relation to their earnings in their previous occupation, which will maintain their standard of living in a reasonable manner in accordance with their participation in appropriate social security schemes;
- (e) to examine the possibility of introducing and/or developing appropriate social protection for self-employed persons.

2. Social benefits should be granted in accordance with the following principles:

- (a) equal treatment in such a way as to avoid any discrimination based on nationality, race, sex, religion, customs or political opinion, provided that applicants fulfil the conditions regarding length of membership and/or residence required to be eligible for benefits;
- (b) fairness, so that beneficiaries of social benefits will receive their share from improvements in the standard of living of the population as a whole, while taking account of priorities set at national level.

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3. Social protection systems must endeavour to adapt to the development of behaviour and of family structures where this gives rise to the emergence of new social protection needs, related in particular to changes on the labour market and demographic changes.

4. Finally, social protection systems must be administered with maximum efficiency having regard to the rights, needs and situations of those concerned, and with maximum effectiveness in terms of organization and functioning.

B. Adapt and, where necessary, develop their social protection systems, without prejudice to the powers of the Member States to establish the principles and organization of their own systems in the sectors concerned in order progressively to attain the following aims and to take the necessary measures to this end:

1. Sickness

Organize the role of social protection in preventing illness and in treating and rehabilitating the persons concerned so as to meet the following objectives:

(a) under conditions determined by each Member State, to ensure for all persons legally resident within the territory of the Member State access to necessary health care as well as to facilities seeking to prevent illness;

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- (b) to maintain and, where necessary, develop a high-quality health-care system geared to the evolving needs of the population, and especially those arising from dependence of the elderly, to the development of pathologies and therapies and the need to step up prevention;
- (c) to organize where necessary the rehabilitation of convalescents, particularly following serious illness or an accident, and their subsequent return to work;
- (d) to provide employed persons forced to interrupt their work owing to sickness with either flat-rate benefits or benefits calculated in relation to their earnings in their previous occupation, which will maintain their standard of living in a reasonable manner in accordance with their participation in appropriate social security schemes.

2. Maternity

- (a) to organize for all women legally resident within the territory of the Member State coverage of the costs of treatment necessary due to pregnancy, childbirth and their consequences, subject to participation by the women concerned in appropriate social security schemes and/or subject to cover by social assistance;
- (b) to ensure that employed women who interrupt their work due to maternity enjoy appropriate social protection.

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3. Unemployment

- (a) in accordance with the provisions of the Recommendation of 24 June 1992 and subject to their active availability for work, to guarantee minimum means of subsistence for unemployed persons legally resident in the territory of the Member State;
- (b) to make available to the unemployed, particularly to young people arriving on the job market and to the long-term unemployed, a range of measures against exclusion, designed to foster their integration into the labour market, subject to their active availability for work or for vocational training with a view to obtaining employment;
- (c) to provide employed workers who have lost their jobs with either flat-rate benefits, or benefits calculated in relation to their earnings in their previous occupation, which will maintain their standard of living in a reasonable manner in accordance with their participation in appropriate social security schemes subject to their active availability for work or for vocational training with a view to obtaining employment.

4. Incapacity for work

- (a) in accordance with the provisions of the Recommendation of 24 June 1992, to guarantee minimum means of subsistence to disabled persons legally resident within the territory of the Member State;
- (b) to foster the social and economic integration of persons suffering from a chronic illness or from a disability;

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- (c) to provide employed workers forced to reduce or interrupt work due to invalidity with either flat-rate benefits, or benefits calculated in relation to their earnings in their previous occupation, adjusted where appropriate according to the degree of their incapacity, which will maintain their standard of living in a reasonable manner in accordance with their participation in appropriate social security schemes.

5. The elderly

- (a) in accordance with the provisions of the Recommendation of 24 June 1992, to guarantee minimum means of subsistence to elderly persons legally resident within the territory of the Member State;
- (b) to take appropriate social security measures, having regard to the specific needs of the elderly where they are dependent on care and services from outside;
- (c) to take steps to combat the social exclusion of the elderly;
- (d) having regard to specific national circumstances as regards unemployment and demographic conditions, to seek to remove obstacles to work for persons who have reached the minimum age at which entitlement to retirement pension begins;
- (e) to put in place mechanisms to enable former employed workers who have retired with no gap in their working lives to benefit from a reasonable replacement income throughout their retirement, taking into account, where appropriate, statutory and supplementary schemes, while maintaining a balance between the interests of the working population and those who have retired;

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- (f) for purposes of calculating pension rights, to reduce, in particular by opening up the possibility of voluntary contributions, the penalty for those workers who have gaps in their careers as a result of periods of illness, invalidity or long-term unemployment, and for those who gave up work temporarily to bring up their children or, where appropriate, in accordance with national legislation, other dependants;
- (g) to adapt pension schemes to the trend of behaviour and family structures;
- (h) to promote, where necessary, changes to the conditions governing the acquisition of retirement and, especially, supplementary pension rights with a view to eliminating obstacles to the mobility of employed workers;
- (i) in due course, to adapt pension schemes to demographic changes, while maintaining the basic role of statutory pension schemes.

6. Family

- (a) to develop benefits paid to:
 - families with the greatest child-related costs, for example because of the number of children,
 - and/or
 - the most disadvantaged families;

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(b) to contribute to fostering the integration of persons who, having brought up children, wish to enter the labour market;

(c) to help remove obstacles to occupational activity by parents through measures to reconcile family and professional responsibilities.

II. AND, TO THIS END, REQUESTS THE COMMISSION TO:

1. submit regular reports to the Council on progress achieved in relation to the objectives set out above and to determine and develop, in co-operation with the Member States, the use of appropriate criteria for that purpose;
 2. organize regular consultation with the Member States on the development of social protection policy.
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