

General Secretariat of the Council  
of the European Communities

# **THIRTY-FIRST REVIEW OF THE COUNCIL'S WORK**

1 JANUARY – 31 DECEMBER 1983





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## INTRODUCTION

*The international political climate and – despite certain signs of recovery – the world economic situation made 1983 another difficult year, while the Council was still faced with a number of internal problems. A large part of the year was thus taken up with long and detailed considerations of the financing of the Community budget, the adjustment of common policies and the launching of new projects. Adjustments to the common agricultural policy and the containment of related expenditure, the reform of the structural funds with a view to better integration and increased effectiveness, the launching of new policies to guide the restructuring of European industry and improve its international competitiveness, the creation of conditions in which Spain and Portugal could accede to the Community on the most satisfactory terms – these have been the main issues, the essential elements in the crucial debate on the future financing of the Community, the allocation of new resources, the strengthening of budgetary discipline and the correction of financial imbalances.*

*Much progress has been made, but the questions are complex and inter-dependent and it was difficult to reconcile all the different points of view, so that at the end of the year the Community had not been able to find solutions to all its problems to the satisfaction of all parties. Nevertheless, the fact that these questions were discussed in greater depth, particularly between the Stuttgart European Council in June and the Athens European Council in December, represented a substantial achievement. This, together with all the Member States' expressed determination to find a solution, meant that at the end of the year there was some hope of an early rapprochement between the various positions.*

*Structural questions undeniably acted as a catalyst for much of the political debate on the future of Community integration, but the prime importance of the progress which needs to be made regarding the institutional framework was also expressly stated in the 'Solemn Declaration on European Union' which was signed by the 10 Heads of State or Government in Stuttgart on 19 June 1983.*

*While 1983 seems to have marked the end of the recession in Europe, the first steps towards recovery have been slower than many could have*

wished. A slight rise in the rate of growth in GDP was accompanied by an easing of inflation rates and a trend towards more healthy balances of payments. However, unemployment has again increased, although at a lower rate than previously, and for the first time in 1983 exceeded 10% in the Community as a whole. Against this background and in an international economic climate which continues to suffer major imbalances and conflicts, the Community has continued its efforts to ensure more stable growth and achieve better coordination between the economic policies of its Member States.

The Stuttgart European Council stressed the need to reinforce the prospects for a sustained non-inflationary recovery. In authorizing at the same time an initial tranche of loans under NCI III (the New Community Instrument), the Council confirmed in a practical way the prime importance it attaches to a revival of private investment, particularly in small and medium-sized businesses, to consolidate the economic recovery.

The vitality of the European Monetary System and the will to strengthen it as an instrument for coordinating European monetary and budgetary policies were confirmed when the EMU currencies were realigned on 20 and 21 March 1983.

Regarding the strategy which the Community is endeavouring to develop to improve the competitiveness of businesses and respond to present and future technological challenges, progress has been made in particular on defining a common technical and legal environment and on improving the European dimension for productive activities. This is the aim of the standardization policy adopted by the Council and of the Directives adopted to remove technical barriers to trade and simplify certain administrative procedures relating to intra-Community trade. The 'Seventh Directive' on consolidated accounts, also adopted by the Council in 1983, forms part of this same strategy.

While work continued on restructuring the industrial sectors which have been in a state of structural crisis for years — particularly steel, ship-building and textiles — the Community also focused its attention on the rapidly expanding sectors in which it will be particularly vital over the next few years to ensure that Europe is a match for its international competitors, namely data processing, electronics, telecommunications and biotechnology.

The Council's subordinate bodies have begun considering what measures would be most appropriate for guiding industrial strategies in these fields and making them compatible. With regard more specifically to the Esprit programme on information technology, agreement was reached by the



*end of the year on the principle of the project, pending a final consensus on the question of finance.*

*In spite of budgetary difficulties, the year under review also saw important developments in the Community's research policy. For the first time a four-year framework programme was adopted to coordinate Community activities in the field of science and technology, and a number of measures were adopted to promote research and the application of research results. Among these, particular mention should be made of the new multiannual JRC programme, the second five-year programme for research on forecasting and assessment in science and technology, the experimental Community project to stimulate Europe's scientific and technical potential, and a plan for developing the supporting infrastructure for innovation and technology transfer.*

*In spite of the drop in oil prices in 1983 the Community, encouraged by its success over the past few years, continued its policy of encouraging the rational use of energy, the diversification of sources of supply and the reduction of the Community's dependence on oil. Among the acts adopted by the Council in this field mention should be made of two Regulations on financial support for projects concerned with alternative energy sources, energy saving, substitutes for hydrocarbon fuels and the gasification/liquefaction of solid fuels.*

*In pursuit of the objective set at the Stuttgart European Council of improving the effectiveness of the Community's structural funds, the Council's subordinate bodies turned their attention on several occasions to plans for reforming the Regional and Social Funds.*

*Agreement was reached by the end of the year on the new Regional Fund which, when implemented, will reinforce the role of the Community in the twofold task of furthering structural adjustments in less-favoured regions and promoting the redevelopment of industrial areas which are in decline. At the same time the new rules governing the tasks of the Social Fund, which were adopted by the Council in October, will enable this instrument to play a more effective role in employment policy, by virtue of the priority given to measures to assist young people and to alleviate situations where there is a high level of long-term unemployment. The essential role of vocational training in combating unemployment and retraining workers affected by industrial restructuring measures was confirmed by the adoption of two specific resolutions particularly concerned with young people, who continue to be the most severely affected by increasing unemployment.*

*A number of measures adopted by the Council in February in connection with the third multiannual action programme on the environment and others concerning the implementation of the second consumer protection*

*and information programme further extended Community policy in these fields. They concerned in particular the protection of the aquatic environment, the reduction of noise nuisance, the conservation of the natural heritage, and protection of consumers against hazardous products.*

*Conditions in agriculture in 1983 were less favourable than in the previous year, and overall production was slightly down on the high levels of 1982. This decrease mainly affected vegetable products. The upward trend in animal products — in particular milk — continued.*

*Following the annual negotiations which were completed in May, the increases in agricultural prices, expressed in ECU, were considerably more modest than in the previous year and averaged 4.2%. However, for products which tend to be in surplus — in particular milk — the price increases were much smaller (2.5% in terms of ECU). In this same context a further step was taken towards the elimination of monetary compensatory amounts, which were reduced in some countries and entirely abolished in others.*

*The Stuttgart European Council also set out the guidelines for a reform of the common agricultural policy with the objective of adapting this sector to economic trends and rationalizing the measures taken, in particular through stricter management of its financial resources. It was not possible to approve the overall package of measures proposed by the Commission concerning market organizations, monetary compensatory amounts, harmonization of agricultural legislation, and integrated development programmes for the Mediterranean regions. Agreement was reached, however, on specific provisions relating to fruit and vegetables and olive oil, which was an important factor in finalizing the Community's position for the decisive phase of the agricultural negotiations with the countries applying to join the Community.*

*The difficult negotiations which had for years been a feature of relations between the Ten regarding fisheries culminated successfully at the beginning of the year in an agreement which establishes for the first time a common policy. The pillars of 'blue Europe' are the principle of equal access to marine resources, compliance with a common policy for the conservation of resources, the fixing of total allowable catches and annual quotas, and the financing of measures to develop and modernize this sector.*

*The prospects for the accession of Spain and Portugal to the Community improved as a result of the position adopted by the European Council in Stuttgart, where for the first time there appeared to be a chance of completing the negotiations quickly and at the same time linking this objective to the question of solving the future financing of the Community.*

*With regard to the actual negotiations significant progress was made, with a start to negotiations on fisheries and — as regards Portugal — agriculture, and more detailed discussions on other topics which were already under negotiation.*

*With regard to international economic relations, the question of protectionism and measures to counter this tendency took up a large portion of the discussions within the main world bodies, such as the ministerial meeting of the OECD, the Western Summit at Williamsburg and the sixth Unctad Conference. It was in order to give effect to the commitments entered into in particular at Williamsburg that the Council declared its willingness to bring forward the tariff reductions agreed in the Tokyo Round and called for the active cooperation of all its major international trading partners in taking similar measures.*

*The differences between the Community and the United States regarding trade, in particular on agricultural and steel products, and between the Community and Japan regarding the opening of the Japanese market to imports of manufactured goods continued to be of concern to the Council.*

*The most important event of the year under review regarding relations between the Ten and the developing countries was undoubtedly the opening of negotiations to renew the Lomé Convention, which expires in February 1985. This will be an opportunity to reaffirm, with a framework of reciprocal commitments, the Community's solidarity with regard to the often extremely serious economic and social problems at present besetting most of the ACP States and the will to pursue the common interest by strengthening economic ties.*

*Lastly, 1983 was of particular importance to historians, since an initial section of the Community's historical archives, containing documents from 1952 and 1953, is now accessible to the public.*

*As in preceding years this review has been prepared by the General Secretariat of the Council and is intended purely as a work of reference for public use.*



## Chapter I: Work of the institutions

### A — COUNCIL

1. In the first half of 1983 the Presidency of the Council was held by the Federal Republic of Germany, and in the second by the Hellenic Republic.

The meetings in the first half of the year were chaired successively by:

Mr N. Blüm	Federal Minister for Labour and Social Affairs
Mr W. Dollinger	Federal Minister for Transport
Mr J. Ertl	Federal Minister for Food, Agriculture and Forestry
Mr H.D. Genscher	Federal Minister for Foreign Affairs
Mr I. Kiechle	Federal Minister for Food, Agriculture and Forestry
Mr V. Köhler	Under-Secretary at the Federal Ministry of Development Cooperation
Otto Graf Lambsdorf	Federal Minister for Economic Affairs
Mr H.W. Lautenschlager	Under-Secretary at the Federal Ministry of Foreign Affairs
Mr H. Riesenhuber	Federal Minister for Research and Technology
Mr H.J. Rohr	Under-Secretary at the Federal Ministry of Food, Agriculture and Forestry
Mr O. Schlecht	Under-Secretary at the Federal Ministry of Economic Affairs
Mr C.D. Spranger	Under-Secretary at the Federal Ministry of the Interior
Mr G. Stoltenberg	Federal Minister for Finance
Mr H. Tietmeyer	Under-Secretary at the Federal Ministry of Finance
Mr D. von Würzen	Under-Secretary at the Federal Ministry of Economic Affairs

Mrs D. Wilms	Federal Minister for Education and Science
Mr F. Zimmermann	Federal Minister for the Interior.

The meetings in the second half of the year were chaired successively by:

Mr N. Akritidis	Minister for Communications
Mr G. Arsenis	Minister for Economic Affairs
Mr I. Charalambopoulos	Minister for Foreign Affairs
Mr A. Georgiadis	Under-Secretary at the Ministry of Economic Affairs
Mr P. Katsaros	Under-Secretary at the Ministry of Agriculture
Mr G. Katsifaras	Minister for the Merchant Marine
Mr E. Kouloumbis	Minister for Energy and Natural Resources
Mr D. Koulourianos	Minister for Finance
Mr G. Lianis	Minister for Research and Technology
Mr G. Moraitis	Minister for Trade
Mr T. Pagalos	Under-Secretary at the Ministry of Trade
Mr K. Simitis	Minister for Agriculture
Mr A. Tritsis	Minister for Regional Planning and the Environment
Mr K. Vaitsos	Under-Secretary at the Ministry of Economic Affairs
Mr G. Varfis	Under-Secretary at the Ministry of Foreign Affairs
Mr E. Giannopoulos	Minister for Labour

The 83 meetings held during 1983 were devoted to the following topics:

- 14 Agriculture
- 12 External relations
- 9 Fisheries
- 8 Economic and financial problems
- 6 Problems of the internal market
- 5 Research
- 6 Iron and steel industry
- 4 Budget
- 4 Transport
- 3 Environment
- 3 Energy

- 3 Labour and social affairs<sup>1</sup>
- 2 Development cooperation
- 1 Education<sup>1</sup>
- 1 Industry
- 1 Consumer protection
- 1 Preparatory work for the ACP-EEC Council.

## **B — PARLIAMENTARY AFFAIRS**

### **Statements to the European Parliament on the programmes of the Presidency**

#### GERMAN PRESIDENCY

2. On 11 January 1983 Mr Genscher, President-in-Office of the Council, made a statement on the programme of the German Presidency.

He mentioned the following priority tasks:

- (i) measures to reduce unemployment;
- (ii) progress in developing the internal market;
- (iii) negotiations on the accession of Portugal and Spain to the European Community;
- (iv) the search for a long-term solution regarding own resources.

With reference to the joint initiative with Mr Colombo for the revival of European Union, Mr Genscher stressed the need to ensure that the idea of European Union did not fade from the public consciousness and said that in this respect the European Parliament had a special role to play.

He stressed that more depended on the success of the process of integration than just European living standards. 'Our basic political system is at stake - democracy, legality and the pluralistic society; our scope for political action in world politics, our independence, are at issue. It will depend on us whether the European model is followed throughout the world, whether a non-hegemonic fusion of equal free states, or other, less desirable forms of organizing international cooperation carry the day'.

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<sup>1</sup> Including one joint meeting on labour and social affairs with the Council and Ministers for Education.

## GREEK PRESIDENCY

3. On 4 July 1983 Mr Charalambopoulos presented the programme of the Greek Presidency.

He stated that the Greek Presidency would give priority 'to the work of reforming the Regional Fund in such a way as to concentrate its activities on the needs of the less-favoured areas' and to redefining structural policy with reference to the reformed CAP. Emphasizing the 'constantly increasing interdependence where even the strongest has need of the most weak and the richest has need of the poorest', Mr Charalambopoulos expressed the hope that the negotiations on renewing the second Lomé Convention would be undertaken, on both sides, in a spirit of mutual solidarity.

### **Review of the Presidency**

4. Reviewing the period of the German Presidency on 29 June, Mr Genscher expressed his particular satisfaction at various measures which could reduce unemployment in the future, especially amongst young people. He mentioned in this connection the reform of the Social Fund, measures which would contribute to economic recovery such as the increase in NCI III, and the proposed reduction in intra-Community frontier checks.

The President stressed the progress made by the signing of the Solemn Declaration on European Union, but also expressed his regret that the Solemn Declaration had fallen short of what had been intended, in particular with regard to the role of the European Parliament and the decision-making procedures within the Council.

On 13 December Mr Charalambopoulos reviewed the Greek Presidency and spoke of the difficult economic and political climate in which his country had assumed the Presidency following the European Council in Stuttgart.

Mr Charalambopoulos recalled the many efforts made in all the fields of Community policy, which were inspired by the aim of ensuring a balanced development of the EEC in the 1980s. He also underlined the major role and the responsibilities of the European Parliament in discussing the political, social and economic choices to be made.



## Statements on the work of the European Council

5. On 12 April Mr Genscher reported on the 25th European Council held on 21 and 22 March 1983 in Brussels. He stressed that the 'task of the European Council is not so much to take decisions of far-reaching importance for European integration or to cut Gordian knots, ...but above all to point the way for ...the Council'. In holding these discussions, and in particular in adjusting the central rates within the EMS, the Community survived 'a challenge to the solidarity of all the Member States ... An amalgam of financial, economic, foreign and security policy considerations culminated in the outcome', which represented 'a significant step towards greater convergence of economic policies and a strengthening of the economic situation on a basis conducive to stability... difficult times call not for individualistic national measures but for solidarity'.

On 30 June 1983 Mr Kohl, Chancellor of the Federal Republic of Germany and President-in-Office of the European Council, reported on the European Council held in Stuttgart from 17 to 19 June.

Mr Kohl referred to the fact that by dealing with all the main long-standing problems in the Community at the same time it had been possible to reach a stage where all the partners declared their willingness to negotiate in order to find an overall solution to the problems included in the Stuttgart 'package', viz.:

- (i) finance in the future;
- (ii) increasing budgetary discipline;
- (iii) eliminating budgetary imbalances;
- (iv) revision of existing common policies and the preparation of new policies and questions linked to the enlargement of the Community.

Mr Kohl stated that the signing of the Solem Declaration constituted a step along the road to European Union. This progress would continue if the major political parties managed to agree on a common conviction. He expressed his pleasure at the progress, modest though it was, in the institutional field, and at the fact that all the Member States had come out in favour of extending the policies and the powers of the Community of the Ten.

On 13 December 1983, Mr Papandreou, Prime Minister of the Hellenic Republic and President-in-Office of the European Council, reported on the European Council held in Athens on 4 and 5 December 1983. In his opinion the failure of this meeting was due firstly to 'a considerable dis-

parity between the objectives which were set and the willingness to make available the means necessary for attaining them', and secondly to each Member State's different perception regarding the Europe of tomorrow.

He spoke in favour of a 'transfer of resources from the richer to the poorer countries', of a substantial increase in the resources of the structural funds, of a Community industrial strategy and of rationalizing the CAP to the benefit of all regions.

## **Other debates**

### REGIONAL FUND

6. On 13 January 1983 Mr Schlecht, German Under-Secretary at the Ministry of Economic Affairs and President-in-Office of the Council, answered two oral questions relating to the revision of the ERDF regulations.

### FISHERIES

7. On 8 February 1983 Mr Genscher made a statement on the common fisheries policy.

### EEC-EFTA

8. On 10 February 1983 Mr Obert, Under-Secretary at the Ministry of Finance and President-in-Office of the Council, answered an oral question concerning EEC-EFTA relations.

### ELECTORAL PROCEDURE

9. On 8 March 1983 Mr Genscher spoke of the discussions in the Council on a uniform electoral procedure.

### EEC-YUGOSLAVIA

10. On 8 March 1983 Mr Genscher stressed the importance of the Cooperation Agreement between the EEC and Yugoslavia.

## CAP

11. On 8 March 1983 Mr Ertl spoke in the debate on farm prices and certain related measures.

## DRAFT EUROPEAN ACT

12. Presenting a progress report on the draft European Act following the initiative taken by the German and Italian Governments, on 12 April 1983 Mr Genscher said that at the present time even small steps forward, which were not satisfying in themselves, constituted progress along the road towards European union. Mr Colombo, the Italian Foreign Minister, also spoke in the debate on behalf of the Italian Government.

## TOXIC WASTE FROM SEVESO

13. On 14 April 1983 Mr Hartkopf, German Under-Secretary at the Ministry of the Interior and President-in-Office of the Council, took part in the topical and urgent debate on the disappearance of drums of dioxin from Seveso.

## PUBLIC HEALTH, CONSUMER PROTECTION

14. On 14 April 1983 Mr Chory, German Under-Secretary at the Ministry of Youth, Family Affairs and Health and President-in-Office of the Council, answered a question relating to public health. He also spoke in the debates on consumer protection and medicated feedingstuffs for animals.

## EMPLOYMENT SITUATION

15. During the extraordinary part-session held in Brussels on 27 and 28 April, Mr Blüm spoke in favour of reforming the Social Fund, in particular in order to create new jobs for young people.

## COMPETITIVENESS OF INDUSTRY

16. During the same extraordinary part-session Mr Schlecht drew attention to the objective set by the Council for improving the competitiveness of European industry.

## SOCIAL FUND

17. On 17 May 1983 Mr Vogt, Parliamentary Under-Secretary at the Ministry of Labour and Social Security and President-in-Office of the Council, stated that concentrating resources and simplifying the procedures of the Social Fund should help to make it more effective.

## RAILWAY TARIFFS

18. On 19 May 1983 Mr Schulte, Parliamentary Under-Secretary at the Ministry of Transport and President-in-Office of the Council, answered a question relating to railway tariffs.

## EUROPEAN FOUNDATION

19. On 7 June 1983 Mr Mertes, Minister of State for Foreign Affairs, answered a question on behalf of the Council relating to the setting up of a European Foundation.

## WITHDRAWAL OF GREENLAND FROM THE EEC

20. On the same day Mr Mertes spoke about the negotiations on the withdrawal of Greenland from the EEC and that country's application for a special association arrangement.

## EUROPEAN ELECTIONS IN 1984

21. On 7 June 1983 Mr Mertes also made a statement on behalf of the Council on the date of the elections for the European Parliament in 1984 and on voting rights.

## MEDITERRANEAN POLICY

22. On 5 July 1983 Mr Charalambopoulos answered several questions relating to the agreements and financial protocols negotiated with certain Mediterranean countries.

## PREPARATORY WORK FOR THE EUROPEAN COUNCIL

23. On 15 November 1983 Mr Charalambopoulos made a statement on the preparatory work for the European Council in Athens.

## ENLARGEMENT

24. On 15 November 1983 Mr Charalambopoulos answered several questions relating to the negotiations on the accession of Portugal and Spain to the Community.

### **Participation in the proceedings of the committees and other parliamentary bodies**

#### PARLIAMENTARY COMMITTEES

##### *Agriculture*

25. On 18 January 1983 Mr Ertl, Minister for Agriculture, held an exchange of views with the Committee of Agriculture.

Mr Kiechle, Minister for Agriculture, took part in a meeting of this Committee on 21 June. He also had a discussion with the chairman of the Committee on Agriculture on 16 May 1983.

Mr Rohr, Under-Secretary at the Ministry of Agriculture, spoke at the meeting of this Committee in Berlin on 27 January.

Mr Simitis, Minister for Agriculture, represented the Council at the meeting of the Subcommittee on Fisheries on 28 September 1983.

##### *Economic and Monetary Affairs*

26. On 8 March Mr Genscher, Foreign Minister, received a delegation from the Working Party on the Internal Market of the Committee on Economic and Monetary Affairs in Strasbourg.

On 20 June Mr Tietmayer, Under-Secretary at the Ministry of Finance and President-in-Office of the Council, held an exchange of views with this committee.

##### *Energy, Research and Technology*

27. On 18 January 1983 Mr Riesenhuber, Minister for Technology and Research and President-in-Office of the Council, held an exchange of views with this Committee on questions relating to a Community research policy.

On 27 January Mr von Würzen, Under-Secretary at the Ministry of Economic Affairs, represented the Council before this Committee on energy questions.

On 23 November 1983 Mr Kouloumbis, Minister for Energy and Natural Resources and President-in-Office of the Council, took part in a meeting of this Committee.

Mr Lianis, Minister for Research and Technology and President-in-Office of the Council, spoke at a meeting of this Committee on 1 December 1983.

#### *External Economic Relations*

28. On 23 June 1983 Mr Sprung, Under-Secretary at the Ministry of Economic Affairs and President-in-Office of the Council, took part in a meeting of this Committee.

On 23 November, Mr Vaitzos, Deputy Minister for Economic Affairs and President-in-Office of the Council, held an exchange of views with this Committee.

#### *Legal Affairs*

29. Mr Magakis, Minister for Justice and President-in-Office of the Council, represented the Council at a meeting of this Committee on 23 November in Luxembourg.

#### *Social Affairs and Employment*

30. On 18 January 1983 Mr Blüm, Minister for Labour and Social Security, took part in a meeting of this Committee.

On 14 June, Mr Vogt, Parliamentary Under-Secretary at the Ministry of Labour and Social Security, represented the Council at a meeting of this Committee.

Mr Giannopoulos, Minister for Labour and President-in-Office of the Council, spoke at a meeting of the Committee on 17 October 1983.

### *Regional Policy and Regional Planning*

31. On 28 January 1983 Mr Schlecht, Under-Secretary at the Ministry of Economic Affairs, represented the Council at a meeting of this Committee.

Mr Georgiadis, Under-Secretary at the Ministry of Economic Affairs and President-in-Office of the Council, spoke before the Committee on 24 November 1983.

### *Transport*

32. On 25 January 1983 Mr Dollinger, Minister for Transport and President-in-Office of the Council, took part in a meeting of this Committee.

On 18 October 1983 Mr Akritidis, Minister for Transport and Mr Katsifaras, Minister for the Merchant Navy, represented the Council at a meeting of this Committee.

### *Environment, Public Health, Consumer Protection*

33. For the first time a President-in-Office of the Council, Mr Spranger, Under-Secretary at the Ministry of the Interior, took part in a hearing organized by this Committee on acid rain, on 19 and 20 April.

Mr Spranger again represented the Council at a meeting of this Committee on 29 April 1983.

Mr Tritsis, Minister for Regional Planning and Science and President-in-Office of the Council, took part in a meeting of this Committee on 17 October 1983.

### *Youth, Culture, Education, Information and Sport*

34. Mrs Wilms, Minister for Education and Science and President-in-Office of the Council, took part in two meetings of this Committee, on 26 April in Brussels and on 23 June in Braunschweig.

Mr Kaklamanis, Minister for Education and Mrs Merkouri, Minister for Culture and Science, represented the Council at a meeting with the Bureau of this Committee and Mr Fanti, the rapporteur on Community activities in the cultural field.

## *Development and Cooperation*

35. On 20 April Mr Köhler, Parliamentary Under-Secretary at the Ministry of Economic Cooperation and President-in-Office of the Council, held an exchange of views with this Committee.

### COMMITTEES OF INQUIRY

#### *Committee of Inquiry into the Situation of Women in Europe*

36. Mrs Antoniou-Laiou, Chairman of the Greek National Equal Opportunity Council and adviser to the Prime Minister, represented the Council in an exchange of views with this Committee on 3 November 1983.

#### *Committee of Inquiry into the Treatment of Toxic and Dangerous Substances*

37. In response to invitations from this Committee of Inquiry, the Member States were represented by Mrs Bouchardeau, Under-Secretary of State to the Prime Minister responsible for the Environment and the Quality of Life, for the French Republic (at the meeting on 20 December in Paris), and by senior officials for the other countries (at the meetings on 24 and 25 November 1983).

Mr Nicoll, Director-General for budgetary and institutional matters in the General Secretariat of the Council, spoke on behalf of the Council on 28 November 1983.

### PARLIAMENTARY ASSOCIATION BODIES

38. On 22 February Mr Mertes, Minister for State at the Ministry of Foreign Affairs, represented the Council at the meeting of the Joint Committee of the ACP-EEC Consultative Assembly in Kingston, Jamaica.

On 20 September, Mr Papoulias, Under-Secretary at the Ministry of Foreign Affairs and President-in-Office of the Council, represented the Council at the meeting of the Joint Committee of the ACP-EEC Consultative Assembly in Berlin.



## PARLIAMENTARY CONFERENCES AND DELEGATIONS

39. On 13 January 1983 Mr Mertes held an exchange of views with a delegation from the Latin American and Andean Parliaments in Strasbourg.

On 7 June Mr Mertes received a delegation from the Indian Parliament in Strasbourg.

On 14 June Mr Mertes represented the Council at the Sixth Inter-parliamentary Conference between the European Parliament and the Latin American Parliament in Brussels.

On 11 October Mr Charalambopoulos, Foreign Minister, held an exchange of views with delegations from the National People's Congress of China and from the Australian Parliament.

On 13 December Mr Charalambopoulos held an exchange of views with a delegation from the Israeli Knesset.

## OTHER MATTERS

40. In the course of the Madrid Conference on Safety and Cooperation in Europe on 10 and 11 March the Presidency informed the Working Party on Human Rights attached to the Political Affairs Committee of the European Parliament of the content of the discussions.

The Presidency maintained close contacts with a delegation from the European Parliament which took part, with observer status, in the Sixth Unctad Conference held in Belgrade from 22 to 27 June.

On 21 January Count Otto Lambsdorff, Minister for Economic Affairs and President-in-Office of the Council, took part in a conference in Brussels organized by the Commission, the European Parliament and the ESC to inaugurate the European Year of Small and Medium-Sized Enterprises.

### **Procedures for informing the competent committees of the European Parliament on matters relating to association and trade agreements**

41. On 14 September in Strasbourg Mr Georgiadis informed the competent committees of the European Parliament of the substance of the EEC-Cyprus Trade Protocol for 1983 and of the second EEC-Cyprus Financial Protocol.

On 23 November Mr Vaitos informed the competent committees of the European Parliament of the substance of the EEC-Andean Pact Cooperation Agreement.

### **Questions**

42. During 1983 the Council answered 213 questions raised at Question Time.

It also received 193 written questions and 27 oral questions with or without debate during this period.

## **C — INSTITUTIONAL AFFAIRS**

### **Inter-institutional dialogue**

43. The Foreign Ministers exchanged views with the enlarged Bureau of the European Parliament on 24 January 1983 and with a delegation from the European Parliament on 25 April 1983 on relations between the Council and the European Parliament.

### **Uniform electoral procedure**

44. The Council examined the Resolution adopted by the European Parliament on 10 March 1982. At the end of its work on 24 May 1983 the Council adopted a statement of which paragraph 3 reads as follows:

‘As in the first elections held in 1979, nationals of the Member States of the Community will vote in accordance with democratic procedures adopted nationally. However, the task, defined in the Treaties establishing the European Communities, of laying down a uniform electoral procedure applicable in all the Member States remains essential. To this end the European Parliament has submitted a draft in accordance with the provisions of the Treaties. The Council will pursue its work on introducing a uniform electoral procedure for the elections which will take place in 1989’.

### **Right of abode**

45. The Council continued its examination of the proposal for a Council Directive relating to the right of abode of nationals of the Member States on the territory of another Member State.

### **Easing of frontier formalities**

46. The Council began its study of the draft Resolution on the easing of the formalities relating to checks on citizens of Member States at the Community's internal frontiers.

### **Role of Parliament**

47. On the basis of the proposals and the communication from the Commission, and in the light of the Solemn Declaration on European Union, the Council continued its examination of:

- (i) the conciliation procedure;
- (ii) the role of the European Parliament in drawing up and concluding international agreements and Accession Treaties.

### **European Convention on Human Rights**

48. The delegations are examining a proposal concerning the possible accession of the European Communities to the European Convention on Human Rights.

### **Court of Auditors**

49. After consulting the European Parliament the Council appointed six members of the Court of Auditors.

### **Historical archives**

50. The Council adopted a Regulation on the opening to the public of the historical archives of the Community.

## **D — COURT OF JUSTICE**

### **Matters concerning the operation of the Court**

51. On 16 February 1983 the Conference of Representatives of the Governments of the Member States decided to appoint Mr C. Kakouris as judge at the Court of Justice for the period from 16 February 1983 to 6 October 1985:

On 29 November 1983 the Conference nominated Mr C.O. Lenz as Advocate General at the Court of Justice for the period to 6 October 1985, with effect from 11 January 1984.

### **Cases brought before the Court**

52. During 1983 the Council appeared before the Court in 17 cases.

In two cases, private firms with registered offices within the Community brought proceedings under Article 173 of the EEC Treaty against the Council. In addition, a political party brought two actions under the same Article, firstly against the Council and secondly against the Council and the Commission. Similarly, a private firm brought proceedings under Article 215 of the Treaty against the Council and the Commission. In six cases officials brought proceedings against the Council, one action being against the Council and the Commission and another against the Council and the Economic and Social Committee.

The Council was involved in four cases relating to requests for a preliminary ruling within the meaning of Article 177 of the EEC Treaty and supported the Commission in one case brought by an official.

In addition, Parliament brought proceedings against the Council, under Article 175, for failure to introduce a common transport policy and to take decisions on a large number of proposals from the Commission for legal acts regarding transport policy.

### **E — ECONOMIC AND SOCIAL COMMITTEE**

53. During 1983 the Council was represented twice at meetings of the Economic and Social Committee.

On the occasion of the 25th anniversary of the Committee, on 31 May 1983, Mr Sprung, Under-Secretary at the Ministry of Economic Affairs of the Federal Republic of Germany, made a speech in the presence of His Majesty Prince Albert and an assembly of dignitaries and Members of the Committee. The main themes of this speech were the institutional role of the Committee, unemployment in the Community and problems relating to the internal market.

During the period of the first Greek Presidency, Mr Georgiadis, Under-Secretary at the Ministry of Economic Affairs, made a speech on

24 November 1983 devoted in particular to the integrated Mediterranean programmes then being examined by the Council.

The European Year of Small and Medium-Sized Enterprises was inaugurated, under the aegis of the Economic and Social Committee, in Brussels on 20 and 21 January 1983 in the presence of His Majesty the King of the Belgians, the Presidents of the Council, Parliament and the European Investment Bank, Members of the Commission and government representatives, at a conference organized jointly by Parliament, the Commission and the Economic and Social Committee.



## Chapter II: Freedom of movement and common rules

### **A — FREE MOVEMENT OF GOODS — CUSTOMS UNION — RULES OF COMPETITION — INDUSTRIAL POLICY AND APPROXIMATION OF LEGISLATION — IRON AND STEEL INDUSTRY**

54. Following the mandate from the European Council held in Copenhagen in December 1982, the Council made a particular effort to reinforce the Community's internal market and to step up action to eliminate practices which restrict trade.

At the six meetings on the internal market which it held during 1983 — on 1 February, 1 March, 26 May, 21 June, 26 October and 25 November — the Council paid particular attention to the elimination of technical barriers to trade, to standardization and to simplification of the formalities regarding trade within the Community.

#### **Customs union and industrial affairs**

##### **COMMON CUSTOMS TARIFF**

55. In 1983 the Council adopted two Regulations amending the Common Customs Tariff, as well as eight Regulations temporarily suspending the autonomous duties applicable under the Common Customs Tariff and 25 Regulations opening or increasing tariff quotas for certain products.

##### **CUSTOMS HARMONIZATION**

56. 1983 was a particularly successful year in this field. Much progress was made along the road to achieving complete customs union whereby all customs formalities for goods will be carried out in accordance with the same common rules throughout the Community.

57. On 7 February 1983 the Council adopted a Directive amending Directive 69/73/EEC on provisions in respect of inward processing.<sup>1</sup> This Directive will put an end to the current differences in tariff treatment in the Member States when secondary compensating products resulting from processing operations carried out under the inward processing system are put into free circulation.

58. On 28 March 1983 the Council adopted a Regulation setting up a Community system of reliefs from customs duty.<sup>2</sup> This Regulation constitutes an important stage on the road to customs union. It codifies the reliefs from import duty which may be granted in the Community and also covers certain exemptions from export duties. In addition it systematizes at Community level the cases in which reliefs were previously provided for by national legislation on the basis of various justifications such as the existence of international conventions or humanitarian considerations.

59. On 3 May 1983 the Council adopted a Directive amending Directive 75/349/EEC regarding detailed rules on equivalent compensation and prior exportation under inward processing arrangements.<sup>3</sup>

60. On 26 September 1983 the Council adopted a Regulation on arrangements permitting goods to be processed under customs control before being put into free circulation.<sup>4</sup> This Regulation rounds off the array of Community customs regulations of an economic nature. It provides for the processing in the Community, under customs control, of goods from third countries and for the payment of customs duties on the products resulting from the processing operation rather than on the original goods.

This Regulation thus provides an economic advantage when the amount of customs duty on a processed product is lower than that on the goods from third countries, which should make it possible to attract into the Community a number of economic activities which strict application of the Common Customs Tariff would tend to shift to third countries.

61. On 14 November 1983 the Council adopted a Regulation on the procedure to facilitate the issue of movement certificates EUR 1 and the

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<sup>1</sup> OJ L 59, 5.3.1983.

<sup>2</sup> OJ L 105, 23.4.1983.

<sup>3</sup> OJ L 127, 17.5.1983.

<sup>4</sup> OJ L 272, 5.10.1983.



making out of forms EUR 2 under the provisions governing preferential trade between the European Economic Community and certain countries.<sup>1</sup>

62. On 19 December 1983, the Council adopted a Regulation amending Regulation (EEC) No 616/78 on proof of origin for certain textile products falling within Chapter 51 or Chapters 53 to 62 of the Common Customs Tariff and imported into the Community and on the conditions for the acceptance of such proof.<sup>2</sup>

63. As part of the work of simplifying trade formalities within the Community, on 25 November the Council reached agreement and on 19 December 1983 adopted a Regulation introducing arrangements for movement within the Community of goods sent from one Member State for temporary use in one or more other Member States.<sup>3</sup> The arrangements instituted by this Regulation will allow a wide variety of professional people, craftsmen, journalists, engineers and lecturers to move about within the Community with the tools of their trade without lodging a guarantee, provided they are covered by a Community movement carnet issued by the customs authorities.

64. Also with a view to simplifying formalities, on 25 November 1983 the Council reached agreement on a reduced and harmonized list of the data which the Member States may require in respect of intra-Community trade and agreed to continue its work on the Commission proposal for the introduction of a single document for this trade, so as to be in a position to take a decision before the end of the first half of 1984.

The Council also agreed that a study should be undertaken to see whether it was possible to set up at Community level a computerized data system for use in trade between Member States.

#### INTERNATIONAL CONVENTIONS ON CUSTOMS MATTERS

65. The long negotiations on drawing up a harmonized system for describing and codifying goods were concluded in a satisfactory manner for the Community, so that it was able to approve the adoption in June 1983 by the Customs Cooperation Council of the Convention on the Harmonized System.

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<sup>1</sup> OJ L 339, 5.12.1983.

<sup>2</sup> OJ L 360, 23.12.1983.

<sup>3</sup> OJ L 2, 4.1.1984.

66. On 26 October 1983 the Council decided to sign, subject to ratification, the International Convention on the harmonization of frontier control of goods on behalf of the European Economic Community at the same time as the Member States.

### **Free movement of goods**

67. In connection with the elimination of technical barriers to trade in industrial products the Council, in response to the mandate from the European Council, endeavoured during the first half of 1983 to find a solution to the problem of access to the Community certification system for products originating in non-member countries. In view of the difficulties the Council agreed on 26 October 1983 to resume technical work on the proposals currently pending for Directives on harmonization, so that those which did not present difficulties connected with the 'non-member countries' aspect could be adopted as soon as possible. This work is in hand.

In addition, eight amendments to previous Directives were made during 1983.<sup>1</sup>

In the field of measuring instruments, on 28 March 1983 the Council adopted a Directive amending Directive 76/764/EEC on clinical mercury-in-glass maximum-reading thermometers<sup>2</sup> in order to provide for EEC pattern approval for these instruments. On 26 October 1983 the Council adopted a Directive amending Directive 71/316/EEC relating to common provisions for measuring instruments and methods of metrological control<sup>3</sup> which takes account of the experience acquired since the entry into force of the initial Directive.

In the field of dangerous substances, on 16 May 1983 the Council adopted a Directive amending Directive 77/728/EEC relating to the classification, packaging and labelling of paints, varnishes, printing inks, adhesives and similar products<sup>4</sup> with a view to updating this Directive to adapt it to recent amendments to the Directives on dangerous substances and solvents. On 16 May 1983 the Council also adopted a Directive amending Directive 76/769/EEC relating to restrictions on the marketing and use of certain dangerous substances and preparations.<sup>4</sup> This amend-

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<sup>1</sup> OJ L 263, 24.9.1983.

<sup>2</sup> OJ L 91, 9.4.1983.

<sup>3</sup> OJ L 332, 28.11.1983.

<sup>4</sup> OJ L 147, 6.6.1983.

ment provides for the prohibition of two chemical substances for fireproofing textile articles and the prohibition of certain dangerous substances used in jokes and hoaxes. On 19 September 1983 the Council adopted a fifth amendment to this same Directive 76/789/EEC which concerns the labelling of products containing asbestos and the prohibition, with some exemptions, of crocidolite and products containing it.

With regard to vehicles, on 26 May 1983 the Council adopted a Directive amending Directive 75/756/EEC concerning the installation of lighting and light signalling devices on motor vehicles and their trailers.<sup>1</sup>

In the field of cosmetic products, on 26 October 1983 the Council adopted a Directive amending Directive 76/768/EEC<sup>2</sup> with the main object of providing a positive list of ultraviolet filters which cosmetic products may contain.

In the field of textile names, the Council adopted on 25 November 1983 a Directive amending Directive 71/307/EEC.<sup>3</sup> This amendment takes account of new production techniques and the marketing of new textile products. It also eliminates the differences which had grown up in the interpretation and application of the 1971 Directive.

68. In the field of standardization, the Council approved on 1 March and adopted on 28 March 1983 a Directive laying down a procedure for the provision of information in the field of technical standards and regulations.<sup>4</sup> This aims at avoiding the creation of barriers to the free movement of goods by introducing new standards and national technical regulations. As regards standards, the Directive provides for a system for notifying the annual programmes of work and the draft standards drawn up by the standards institutions. With regard to technical regulations, the Member States must communicate draft regulations regarding all industrial products at a stage in their preparation which still allows substantial amendments to be made.

In addition the Council held two policy discussions, on 26 October and 25 November 1983, regarding the approach suggested by the Commission on standardization with a view in particular to improving the inter-

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<sup>1</sup> OJ L 151, 9.6.1983.

<sup>2</sup> OJ L 332, 28.11.1983.

<sup>3</sup> OJ L 353, 15.12.1983.

<sup>4</sup> OJ L 109, 26.4.1983.

national competitiveness of European undertakings. A broad measure of agreement emerged on the contribution which standardization could make to the freedom of movement of industrial products, to the creation of a uniform technical environment and to strengthening industrial competitiveness, in particular in the new technologies. With this in mind there was general approval for certain principles on which a European standardization policy might be based, i.e. constant re-appraisal of existing standards in order to weed out those which are not justified, mutual recognition of certificates of conformity, extension of the practice of referring to standards in definitions of the technical characteristics of products wherever the necessary conditions obtain, in particular as regards safety and health protection, and reinforcement of the capacity to standardize at European level, in particular in the high technology sectors.

69. In the field of proprietary medicinal products, on 26 October 1983 the Council adopted a Directive amending Directives 65/65/EEC, 75/318/EEC and 75/319/EEC concerning proprietary medicinal products.<sup>1</sup> This Directive reinforces and supplements several important aspects of Community legislation in this field. A summary of the characteristics of each product is to be drawn up by the competent authorities when the marketing authorization is granted, the labelling of proprietary medicinal products is to be supplemented in the interest of the patient, the quality standards in manufacture are to be tightened up, and the procedure of the Committee for Proprietary Medicinal Products is to be improved. On 26 October the Council also adopted a recommendation concerning the carrying out of tests relating to the placing on the market of proprietary medicinal products<sup>1</sup> which provides a uniform and detailed interpretation of five aspects of Directive 75/318/EEC, i.e. tests for chronic toxicology, carcinogenesis tests, reproduction studies, pharmacokinetic tests on animals and the criteria to be applied to medicines containing several active ingredients.

### **Specific activities**

#### INNOVATION AND TECHNOLOGY TRANSFER

70. On 25 November 1983 the Council adopted a Decision concerning a plan for the transnational development of the supporting infrastructure

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<sup>1</sup> OJ L 332, 28.11.1983.

for innovation and technology transfer.<sup>1</sup> This triennial plan covers the period 1983-1985 and is aimed at improving the competitiveness of Community businesses by providing for better exploitation of the possibilities offered by the common market. It lays down a series of measures for developing trade in new technologies and their exploitation in the Community, in particular in favour of small and medium-sized businesses. Initially this action will cover the venture capital sectors, local authorities as users of new products and associations of industrial information consultants.

#### TELECOMMUNICATIONS – BIOTECHNOLOGY

71. On 4 November 1983, in response to the request made by the special Council meeting in October, the Council held an exchange of views, involving the ministers responsible for industry, on the industrial aspects of the Commission's communications on biotechnology and telecommunications. With regard to the latter field, the Council noted that it was a key sector for maintaining and developing the competitiveness of industry in the Community and stressed the importance and the urgency of fixing options and priorities for Community action.

The discussions covered in particular the opening up of markets, problems of standardization, and balanced industrial development in this sector. The Council asked the Commission to arrange meetings with senior officials close to the Ministers for Industry in order to determine, in conjunction with the sectors of industry concerned and the postal and telecommunications authorities, a basis for the early presentation of an action programme to develop this sector.

With regard to biotechnology, the Council noted that it was an innovation sector *par excellence* with major development prospects. The Council considered the four topics raised by the Commission, i.e. access to raw materials, the establishment of standards, training of future research workers and technicians, and aspects of intellectual property and dissemination of knowledge.

#### DATA PROCESSING

72. On 25 November and 13 December 1983 the Council discussed the Commission proposal aimed at increasing the means for and ex-

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<sup>1</sup> OJ L 353, 15.12.1983.

tending the second part of the multiannual data-processing programme adopted on 11 September 1979. Agreement was reached on the principle of this extension and on the content of this programme but the question of financing the programme is still under discussion.

#### STEEL INDUSTRY

73. Throughout 1983 the Council followed developments in the steel sector with particular interest.

74. With regard to the production quota system under Article 58 of the ECSC Treaty, the Commission informed the Council in April 1983 of its intention of extending the system beyond 30 June 1983 to the end of 1985, to coincide with completion of the restructuring plans.

On 25 April 1983, after discussing the state of the steel market, with particular reference to prices, and progress made in restructuring the industry, the Council considered this extension. It asked the Commission to present before 25 May proposals for extending the system provided for in Article 58, taking into account the restructuring measures implemented under the programmes adopted by the Commission and the aid granted.

On 21 June 1983 the Council took note that the Commission intended to take its decisions on the restructuring plans by 30 June, and that it was maintaining its proposal to extend the production quota system under Article 58 until the end of 1985. It felt, however, that it still did not have all the information it needed to give its assent to this extension. It deferred its decision until 25 July, but in order to avoid any hiatus gave its assent to an extension of the production quota system until 31 July 1983.<sup>1</sup>

On 25 July 1983, after a discussion in depth, the Council noted that all the Member States recognized that it was essential to maintain the Article 58 system for two and a half years as an adjunct to the implementation of the restructuring programme decided upon by the Commission on 29 June 1983. The Council gave the Commission its assent to the operation of the Article 58 system until 31 January 1984<sup>2</sup> and undertook to give by the date its assent to the application of Article 58 for the remainder of the period in question.

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<sup>1</sup> OJ C 182, 8.7.1983.

<sup>2</sup> OJ C 226, 14.8.1983.

75. With regard to the stepping up of the anti-crisis measures, the Commission was obliged, in view of developments in the steel sector, to consider additional emergency measures for:

the introduction of a minimum system for flat products and heavy sections, for which prices had dropped considerably;

the introduction of a production certificate and an accompanying document for deliveries of certain steel products to give a better check on delivery patterns, in particular transborder deliveries within the Community;

the introduction of a guarantee system for certain steel products in order to ensure the prompt application of sanctions in the event of non-adherence to the prescribed minimum prices or quotas.

On 29 November 1983 the Council endorsed the general pattern of the measures proposed by the Commission, on which it had to give an opinion in accordance with Article 61 of the ECSC Treaty concerning the minimum prices and its assent in accordance with Article 95 of the ECSC Treaty for the other two measures. On 14 December 1983 the Council reached broad agreement on minimum prices and the guarantee system and came substantially closer to agreement on the accompanying document. On 22 December 1983 the Council gave the opinion and assents requested.<sup>1</sup>

In connection with the strengthening of the anti-crisis arrangements, the Council also gave its assent on 24 and 25 January 1983 to the extension of Annex I to the ECSC Treaty to cover cold-rolled plate of a thickness of 3 mm or more, and the formal Decision was adopted by the Council on 21 February 1983.<sup>2</sup>

76. The situation on the scrap market, and in particular the question of scrap exports to third countries, occupied the Council in December 1983. The Member States took note of the Commission's intention to gather before the end of January 1984 all the information it needed to present proposals on the matter in the near future.

77. In connection with the social aspects, on 25 July 1983 the Council took note of the Commission proposal concerning a contribution to the

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<sup>1</sup> OJ C 25, 31.1.1984.

<sup>2</sup> OJ L 56, 3.3.1983.

ECSC from the general budget of the Communities in connection with the social measures accompanying the restructuring of the steel industry. The Council stressed the importance of social measures to accompany the restructuring and instructed the Permanent Representatives Committee to examine the Commission's proposal as soon as possible.

78. Lastly, during the year the Council gave its assent to a number of projects:

under Article 54(2) of the Treaty

- (i) for the part-financing of the acquisition of wagons for transporting steel products, ore and coal,<sup>1</sup>
- (ii) for financing the installation by the Compagnie Française des Aciers spéciaux of a new axle forge in the Usine des Dunes (Dunkirk);<sup>2</sup>

under Article 55(2)(c) of the Treaty

- (i) to obtain financial assistance for the implementation of two iron and steel research programmes.<sup>3</sup>

## **B — RIGHT OF ESTABLISHMENT AND FREEDOM TO PROVIDE SERVICES**

### **Financial institutions**

#### **DIRECTIVE ADOPTED**

79. On 13 June 1983 the Council adopted the Directive on the supervision of credit institutions on a consolidated basis.<sup>4</sup> This Directive will enable the competent authorities in the Member States to make more soundly based judgements about the financial situation of credit institutions and their parent partly- or wholly- owned subsidiaries. The Directive provides for cooperation between the authorities concerned in different countries.

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<sup>1</sup> OJ C 265, 5.10.1983.

<sup>2</sup> OJ C 275, 14.10.1983.

<sup>3</sup> OJ C 166, 25.6.1983.

<sup>4</sup> OJ L 193, 18.7.1983.



In addition, the Member States must eliminate any legal barriers which might hinder the flow of information for the purpose of consolidating the subsidiary with the parent institution.

#### WORK IN PROGRESS

*Proposal for a Council Directive for the coordination of laws, regulations and administrative provisions concerning collective investment undertakings for transferable securities.*

80. Work on the proposal for a Directive continued in the subordinate bodies of the Council, and the number of outstanding problems was reduced. Confining the field of application of the Directive to organizations which invest all of their funds in transferable securities led to a certain consensus among the delegations, so that work may now be expected to go ahead smoothly.

#### *Prospectuses*

Work on the proposal for a Directive was continued by the subordinate bodies of the Council.

#### **Liberal and craft professions**

##### ARCHITECTS, ENGINEERS AND PHARMACISTS

81. At its meeting on 25 November 1983 the Council discussed the possibility of resuming work on the proposals regarding architects and engineers. It took note of an amended proposal, forwarded by the Commission after consulting Parliament and the Economic and Social Committee, on pharmacists.

##### COMMERCIAL AGENTS

82. The Working Party, which since 1979 has devoted a large number of meetings to drawing up the proposal, submitted a report to Coreper and asked it to decide on a number of points of a fundamental nature, such as the very principle of the Directive, the termination of contract indemnity, and application of the Directive to existing contracts.

## Insurance

### ADOPTED DIRECTIVE

83. On 30 December 1983 the Council adopted by written procedure a second Directive on the approximation of the laws of the Member States relating to insurance against civil liability in respect of the use of motor vehicles. This Directive continues the work on the approximation of laws in this field begun with the first Directive, 72/166/EEC, as amended by Directive 72/430/EEC.<sup>1</sup>

This second Directive extends the obligation to insure against civil liability in respect of the use of motor vehicles to cover damage to property and lays down minimum amounts for insurance against both personal injury and damage to property, so as to guarantee victims adequate compensation in whatever Member State the accident may occur.

The Directive lays down a number of other measures to help victims, in particular:

- (i) in each Member State an organization (a 'guarantee fund') will guarantee compensation for the victims in the case of accidents caused by unidentified or uninsured vehicles;
- (ii) certain statutory or contractual clauses contained in an insurance policy which excludes cover in the event of non-observance of certain obligations on the part of the insured will no longer be valid in respect of claims by third parties;
- (iii) the members of the family of a person who is liable under civil law in the event of an accident will enjoy protection comparable to that enjoyed by third parties, at least as regards personal injuries.

### WORK IN PROGRESS

#### *Provision of services — insurance other than life insurance*

84. The Council continued its work on this topic, which still presents many problems.

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<sup>1</sup> See 20th Review, paragraph 2.

### *Legal protection*

85. The technical examination of this file began in July. It raises questions of principle which must be resolved before work can advance to any significant degree.

### *Insurance contract*

86. Work continued on this proposal for a Directive and the Council's subordinate bodies finished their initial examination at the technical level.

### *Tourist assistance*

87. The examination of this proposal at the technical level was completed. The field of application of the Directive still has to be defined before final decisions can be reached on the other outstanding points.

### WORK TO BE UNDERTAKEN

#### *Credit insurance*

88. Because of the amount of work before the Council in the whole sphere of insurance, its examination of the proposal for a Directive on credit insurance was deferred to a later date.

#### *Agreement with the Swiss Confederation on insurance other than life insurance*

89. The Commission concluded its negotiations with the Swiss Confederation and presented to the Council a proposal for a Decision and a proposal for a Directive.

The Economic and Social Committee gave its opinion on 27 October 1983 and the Council's subordinate bodies will begin their examination of this matter once the opinion of Parliament has been received.

### **Company law**

90. The Council, recognizing the importance of company law for the operation of the internal market in general and more particularly for the investment climate and transborder cooperation, intensified its work in this field.

## DIRECTIVES ADOPTED

91. At its 854th meeting on 13 June 1983, the Council adopted the seventh Directive on the preparation and auditing of consolidated accounts and annual reports.<sup>1</sup> This Directive supplements the fourth Directive of 25 July 1978 on the annual accounts of companies with share capital.<sup>2</sup> These two Directives will be supplemented by Directives on the accounts of banks and insurance companies once the Council has received the Commission's proposals.

These Directives provide for the transparency needed for the correct operation of the capital market and close cooperation between undertakings in different Member States. Their importance for the development of the internal market lies *inter alia* in the fact that they apply to more than two million companies with share capital.

## WORK IN PROGRESS

### *Statutory auditing of accounts*

92. Except for one question outstanding, the Council's subordinate bodies completed their work on the eighth. Directive, which lays down the level of qualifications required for accountants authorized to carry out the statutory audit laid down by the above-mentioned Directives.

### *European cooperation grouping*

93. The amended proposal for a Council Regulation for the institution of a European cooperation grouping raises specific problems relating to the novelty, in Community law, of an instrument of this kind providing for cooperation between companies. If it is adopted it should prove particularly useful to small and medium-sized businesses. The problems arise from the direct applicability of this instrument and its relationship with the various national legal systems.

### *Structure of public limited-liability companies*

94. Work was begun on examining the amended proposal for a fifth Council Directive on the structure of public limited-liability companies

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<sup>1</sup> OJ L 193, 18.7.1983.

<sup>2</sup> OJ L 222, 14.8.1978.

and the powers and obligations of their governing bodies. This Directive will complete the basic provisions on the coordination of company law. It aims at introducing at the same time a minimum level of worker participation in the decision-making process in public limited-liability companies.

### *Bankruptcy convention*

95. Work continued on the draft convention on bankruptcy, legal settlements and similar procedures. This convention is intended to supplement the Convention on Jurisdiction and the Enforcement of Judgements in Civil and Commercial Matters.<sup>1</sup> However, it presents numerous legal difficulties and it is not certain at this stage that all the Member States will be prepared to sign and ratify this convention.

## **C — INTELLECTUAL PROPERTY**

### **Patent law**

96. At the instigation of the Commission there was an exchange of views on progress towards ratification of the Luxembourg Convention by the Member States when the Council held a meeting on matters relating to the internal market.

The Interim Committee for the Community Patent held its ninth meeting on 21 April 1983, during which it also took stock of the progress made towards ratification of the Luxembourg Convention on the Community Patent, and of the contacts made by the Presidency of the Committee with the representatives of those signatory States where the parliamentary ratification procedures have not yet been completed.

97. Working Party III (on infringements) of the Interim Committee continued its work on drawing up a Protocol on disputes relating to the Community patent. It is expected that the draft will be presented to the Interim Committee during the first half of 1984, so that it can deal with all the outstanding questions and consult the parties concerned during the second half of the year. The Protocol should then be finalized by the Interim Committee with a view to its formal conclusion in 1985.

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<sup>1</sup> OJ L 304, 30.10.1978.

98. The Working Party on Intellectual Property carried out an initial examination of the transitional measures requested by the Greek Government with regard to the Munich Convention on the European patent and the Luxembourg Convention. The Greek Government is making its ratification of the Munich Convention and its accession to the Luxembourg Convention conditional on its acceptance of these measures.

99. In connection with the negotiations for the accession of Spain to the European Communities, negotiations continued on the subject of patents. These covered in particular the period requested by Spain for implementing the reversal of the burden of proof for patents applied for before accession, and also the length of the derogation from the provisions concerning freedom of movement for chemical, pharmaceutical and plant protection products.

100. As part of the negotiations for the accession of Portugal to the European Communities, the Community finalized its position on the subject of patents. In particular it asked Portugal to adapt its national legislation with a view to becoming a party to the Luxembourg Convention on the Community patent and to accede to the Munich Convention on the European Patent, which was an essential preliminary to becoming a party to the Luxembourg Convention. The Community also indicated under what conditions it might consider a derogation with regard to the patentability of food, chemical and pharmaceutical products in Portugal during the years leading up to Portugal's accession to the Luxembourg Convention.

### **Trade-mark law**

101. The Working Party on Intellectual Property (trade-marks) continued its first reading of the proposal for a Regulation on the Community trade-mark.

### **Union of Paris Convention for the protection of industrial property**

102. The Member States of the Community and the Commission coordinated their positions in the Working Party on Intellectual Property and within Group B in preparation for the fourth session of the diplomatic conference for the revision of the Paris Convention, to be held in February and March 1984.

**D — HARMONIZATION OF LEGISLATION IN THE FIELD OF CIVIL  
AND COMMERCIAL LAW**

**Liability for defective products**

103. The Council and the Permanent Representatives Committee continued their examination of the amended proposal for a Directive on the approximation of the legislation, regulations and administrative provisions of the Member States regarding liability for defective products.





## Chapter III: Economic and social policy

### A — ECONOMIC, FINANCIAL AND FISCAL QUESTIONS AND EXPORT CREDITS

#### **Economic and financial questions**

The Council devoted seven meetings to examining economic and financial questions.

#### COORDINATION OF THE ECONOMIC POLICIES OF THE MEMBER STATES

104. After three years of severe economic recession there was a slight upturn in industrial activity in 1983. There was a slight growth in gross domestic product, inflation decreased appreciably, the balance of payments on current account gradually returned to a state of equilibrium and lastly public sector deficits, while remaining at high levels, tended to stabilize.

This recovery was nevertheless rather modest compared to that of other economic areas, and it was unequally distributed among the Member States, some of which once again had negative growth rates in 1983. Unemployment remained at very high levels and will constitute the main problem facing the Community in the future.

105. The Council of Ministers for Economic Affairs and Finance regularly made joint assessments of the economic situation in the Member States and coordinated the economic and monetary policy measures proposed by the governments of the Member States. This coordination was pursued in particular on the occasion of the three annual reviews of the economic situation laid down in the Decision of 18 February 1974 on the attainment of a high degree of convergence between the economic policies of the Member States.<sup>1</sup>

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<sup>1</sup> OJ L 63. 5.3.1974.

On the occasion of its first examination, on 18 April 1983, the Council confirmed the economic policy guidelines for 1983, adopted on 17 December 1982.<sup>1</sup> The second examination, on 11 July 1983, was mainly concerned with the budgetary policies of the Member States and the quantitative guidelines for the 1984 national budgets. At its third examination, on 10 December 1983, the Council adopted the annual report on the economic situation in the Community and laid down the guidelines to be followed by each Member State in its economic policy for 1984.<sup>2</sup>

#### RENEWAL OF THE NEW COMMUNITY INSTRUMENT (NCI)

106. In 1983 the Community stepped up its borrowing and lending operations for productive investments, mainly by means of the New Community Instrument. On 19 April 1983 the Council again renewed this instrument and set a new ceiling for its loans and borrowings of 3 000 million ECU.<sup>3</sup> An initial tranche of 1 500 million ECU was authorized on 13 June 1983 for investment projects in the energy and infrastructure sectors, and projects involving small and medium-sized businesses which are designed in particular to promote the dissemination of innovation and new techniques.<sup>4</sup>

#### EUROPEAN MONETARY SYSTEM (EMS)

107. The EMS continued to be a powerful force for economic and monetary cohesion. It contributed to monetary stability inside the Community and in the world at large. On 21 March 1983 it became necessary to realign the currencies in the system and several Member States adopted new policies of internal adjustment to accompany this decision. The adjustments made to the pivot rates were as follows: DM + 5.5%, HFL + 3.5%, DKR + 2.5%, BFR and LFR + 1.5%, FF and LIT - 2.5%, IRL - 3.5%.

#### COMMUNITY LOAN MECHANISM DESIGNED TO SUPPORT THE BALANCE OF PAYMENTS OF MEMBER STATES

108. The Community loan mechanism<sup>5</sup> was brought into operation for France on 16 May 1983.<sup>6</sup> A loan of 4 000 million ECU was granted to

<sup>1</sup> OJ L 386, 31.12.1982.

<sup>2</sup> OJ L 378, 31.12.1983.

<sup>3</sup> OJ L 112, 28.4.1983.

<sup>4</sup> OJ L 164, 23.6.1983.

<sup>5</sup> OJ L 73, 19.3.1981.

<sup>6</sup> OJ L 153, 11.6.1983.

assist in the process of adjusting the French economy, taking into account the adjustment programme presented by the French Government following the monetary realignment in March 1983.

#### OWN RESOURCES FROM VAT

109. Pending the introduction of a uniform system for collecting VAT, on 19 December 1983 the Council adopted a Regulation amending Regulation (EEC) No 2892/77 in order to adapt the legislation currently in force and thus to take account of the experience acquired since the entry into force of the basic Regulation. The amendments concerned, *inter alia*, the calculation of the weighted average rate and the establishment of the annual summary account of VAT.<sup>1</sup>

#### COMPENSATORY PAYMENTS TO THE UNITED KINGDOM FOR 1982

110. The Foreign Ministers had reached agreement on the compensatory payments to the United Kingdom for 1982 on 26 October 1982.

In implementation of this agreement, on 15 March 1983 the Council adopted two Regulations:<sup>2</sup>

- (i) one providing for supplementary measures for investment programmes in the United Kingdom,
- (ii) the other instituting special measures for energy programmes in the United Kingdom and in the Federal Republic of Germany.

The appropriations set aside for these measures, out of the 1983 budget, were 1 400 million ECU for the United Kingdom and 272 million ECU for the Federal Republic of Germany.

#### INTERNATIONAL ECONOMIC AND MONETARY PROBLEMS

111. The Council worked out the Community's position on the main economic and monetary problems under discussion at international level.

Thus the Community played a very active role in the decisions taken concerning the IMF at the beginning of the year to increase the ability of

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<sup>1</sup> OJ L 360, 23.12.1983.

<sup>2</sup> OJ L 73, 19.3.1983.

that institution to take action. The Fund's quotas were increased by 50% to 90 000 million SDR, and the credit limits of the General Borrowing Agreements rose from 6 000 to 17 000 million SDR.

At the Western Economic Summit in Williamsburg the Community stated its concern regarding the international economic and monetary situation, and more particularly regarding developments in exchange rates and interest rates.

Lastly, the Community intends to play a full part in the discussions of the Group of Ten on the operation of the international monetary system.

### **Tax harmonization**

112. On 28 March 1983 the Council adopted two Directives aimed at removing certain obstacles of a fiscal nature to the free movement of goods and persons within the Community.

The first of these Directives concerns tax exemptions on the temporary importation of certain means of transport used for either private or business purposes. In addition it provides for certain specific cases, such as that of students abroad who will be able to use a vehicle registered in their country of normal residence for the effective duration of their studies, and the use by frontier workers of their private cars to go to their place of work in another Member State.

The second Directive is intended to enable private individuals to move their personal property without paying taxes when they transfer their place of residence from one Member State to another, and also in certain particular cases such as inheritance, marriage or furnishing a secondary residence.

113. In December 1983 the Council extended until 1 January 1986 the time limit set for the Hellenic Republic to apply the common VAT system and also authorized Ireland to exclude goods with a unit value higher than 77 ECU from the tax-free allowance for travellers until 30 June 1984.

### **Credit insurance, credit guarantees and financial credit**

114. During the period under review the revision of the Arrangement concerning the guidelines for export credits supported from public funds constituted the main work at Community level and in general for the parties to the Arrangement.

The major amendments made to the Arrangement in 1982<sup>1</sup> were due to expire after one year, i.e. on 1 May 1983. For this reason negotiations between the parties started in spring 1983, and the Community took part in them on the basis of the negotiating guidelines laid down by the Council in its Decision of 25 April 1983.<sup>2</sup>

In view of the widely divergent positions of the parties to the Arrangement, these negotiations were long and difficult and it was not until October 1983 that an agreement was reached. Meanwhile the Council had extended<sup>3</sup> the validity of the 1982 Arrangement.

The agreement reached by the parties to the Arrangement with effect from 15 October 1983 was formalized at Community level by the Council Decision of 26 October 1983.

The revised Arrangement comprises in particular the following amendments:

- (i) adjustment to the minimum interest rates for credits supported from public funds;
- (ii) introduction of a system of automatic six-monthly adjustments to the above-mentioned minimum rates, based on the weighted average of the interest rates for the currencies constituting the SDRs (special drawing rights);
- (iii) laying down of guidelines for funding operations supported from public funds in currencies with an interest rate lower than minimum rates in the Arrangement; these guidelines specify 'reference rates', which are the minimum rates at which the above-mentioned funds can be granted.

Finally, the parties confirmed their commitment to refrain from invoking the derogation procedures in the Arrangement, either for the maximum credit periods or for minimum interest rates.

115. The parties to the Arrangement also started to examine the guidelines with a view to the conclusion of agreements on credit terms applicable to certain sectors at present not covered by the Arrangement.

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<sup>1</sup> See 30th Review, paragraph 123.

<sup>2</sup> None of the Decisions mentioned in this paragraph was published in the OJ.

<sup>3</sup> Decisions of 16 May 1983 and 9 August 1983.

This concerns in particular nuclear power stations and agricultural products.

116. With regard to the OECD Arrangement on export credits for ships, there were no further developments in relation to the position reached in 1982<sup>1</sup> on the question of revising some of its provisions. Accordingly, by its Decisions of 1 February 1983 and 18 July 1983 the Council extended until 31 January 1984 the Decision of 28 April 1981 on implementation by the Community of the OECD Arrangement.

117. Within the Community, as in the past there were regular consultations, in accordance with Decision 73/391/EEC,<sup>2</sup> on all operations planned over more than five years and exchanges of views on developments regarding risks in various purchaser countries.

Work continues on improving cooperation on export credit insurance between the competent bodies of the Member States.

## **B — SOCIAL POLICY**

### **General remarks**

118. The employment situation in the Community continued to be the Council's main concern in 1983. Particular attention was paid to the problems of unemployment among young people, in accordance with the appeal addressed to the European Institutions by the European Council.

Accordingly the Council's efforts were mainly directed at the revision of the European Social Fund, with the main aim of making this instrument more dynamic and better adapted to the new employment situation, and concentrating its resources more on action to help young people, who constitute the major proportion of the unemployed in the Community.

The problem of unemployment among young people and the effects on the employment situation of possible measures to adjust working hours were also central topics at two informal meetings of the Ministers for Labour of the Member States (in Bonn on 21 and 22 February and in Athens on 29 and 30 September 1983).

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<sup>1</sup> See 30th Review, paragraph 124.

<sup>2</sup> OJ L 346, 17.12.1973.

A joint meeting of the Council attended by the Ministers for Labour and for Education was held on 3 June 1983; its object was to examine *inter alia* the vocational training policies which should be pursued by the Member States in the 1980s. At this meeting the Council adopted a resolution which lays down the main guidelines to be followed at national and Community level as regards vocational training policy and contains the commitment by the Member States to provide young people with professional training at the end of their compulsory schooling.

In addition, the Ministers for Social Security, at an informal meeting in Athens on 7 November 1983, held an exchange of views on the memorandum from the Commission on social security problems. The aim of this discussion was to determine the points of common interest in the context of the difficulties currently facing the Member States with regard to social security and to agree on a procedure whereby these points could be studied more thoroughly at Community level.

Lastly, the dialogue with the two sides of industry was actively continued by the Standing Committee on Employment, which held two meetings during the year.

## **Employment and vocational training**

### EUROPEAN SOCIAL FUND

#### *Review of the Fund*

119. Further to the work started in the latter months of 1982 on the basis of the Commission's communication on the review of the European Social Fund,<sup>1</sup> the Council completed this review in 1983.

Initially, at its meeting on Labour and Social Affairs on 2 June, it adopted a common guideline on the new provisions to govern the Fund.

Later, following an initial attempt at a meeting held on 19 September 1983, the conciliation procedure requested by Parliament was concluded by an agreement which involved:

- (i) a joint statement containing certain comments and clarifying certain interpretations and guidelines,

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<sup>1</sup> See 30th Review, paragraph 130.

- (ii) an amendment to the draft basic instrument allowing Parliament to present comments on the annual guidelines to be adopted for managing the Fund, and also a statement by the Commission on this latter point.

On this basis the Council adopted these provisions on 17 October 1983 and they entered into force on the date of their publication, 22 October 1983.<sup>1</sup> They replace all the former provisions and comprise:

- (i) a Council Decision on the tasks of the European Social Fund,<sup>2</sup> which lays down in particular the aims and fields of action of the Fund, the status of the implementing agencies, the types of project eligible for aid and the general conditions for granting aid from the Fund, the categories of recipients, the financial conditions and also certain provisions relating to the distribution of the available appropriations and the guidelines for managing the Fund;
- (ii) a Regulation — No 2950/83 — implementing the above Decision,<sup>3</sup> which specifies *inter alia* the types of expenditure eligible, the conditions for and scope of certain types of aid (e.g. flat-rate amounts or increased rates in certain areas) and conditions relating to the submission and approval of applications, to payment of the aid, and to administrative and financial control;
- (iii) a Decision on the rules of the Committee of the European Social Fund.<sup>4</sup>

120. The main features of these new provisions, which are applicable, in view of the transitional arrangements involved, to applications submitted in 1984 and are designed to allow the operation of the Fund to adapt to the employment situation in the Community, are as follows:

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<sup>1</sup> OJ L 289, 22.10.1983.

<sup>2</sup> Decision 83/517/EEC of 17 October 1983 (OJ L 289, 22.10.1983), which repeals Decision 71/66/EEC (OJ L 28, 4.2.1971) as amended by Decision 77/801/EEC (OJ L 337, 27.12.1977) and the various Decisions taken under the terms of Article 4 of that Decision.

<sup>3</sup> OJ L 289, 22.10.1983. This Regulation repeals Regulation (EEC) No 2396/71 (OJ L 249, 10.11.1971), as amended by Regulation (EEC) No 2893/77 (OJ L 337, 27.12.1977), and Regulation (EEC) No 858/72 of 24.4.1972 (OJ L 101, 28.4.1972), as amended by Regulation (EEC) No 2894/77 (OJ L 337).

<sup>4</sup> Decision 83/517/EEC, OJ L 289, 22.10.1983. This Decision repeals that of 25 April 1960, OJ 56, 31.8.1960.



- (i) Priority is given, in accordance with the repeated appeals of the European Council, to projects to encourage the employment of young people under the age of 25, and in particular aid from the Fund for projects for this purpose must not be less, on an annual basis, than 75% of the total appropriations available.
- (ii) Unemployed persons will also be eligible to benefit from the Fund, in particular the long-term unemployed, women wishing to return to work, handicapped persons, migrant workers, persons employed in small and medium-sized businesses and also persons particularly concerned with vocational guidance and placement.
- (iii) 40% of the appropriations available for the projects carried out within the framework of the Member States' labour market policy — which constitute the major part of the Fund's operations — will be for projects aimed at promoting employment in Greenland, Greece, the French overseas departments, Ireland, the Mezzogiorno and Northern Ireland, and these regions will continue to be eligible for assistance at a rate 10% higher than the normal rate.

The remaining appropriations will be concentrated on measures to increase employment in the other areas of high and long-term unemployment and/or industrial and sectoral restructuring.

On the basis of appropriate proposals, the Council is to take a decision at a later date, in the course of 1984, on the possibility of introducing a classification of regions in the light of statistics which the Commission is invited to elucidate and amplify.

Assistance from the Fund may also be granted for specific operations for implementing innovatory projects or for examining the effectiveness of projects. In this context the Commission confirmed its intention to continue to promote in particular measures relating to the reorganization and reduction of working time.

The appropriations for this type of operation will be a maximum 5% of the total appropriations available.

As in previous years, in this connection the Commission is to adopt each year, for the following three years, the Fund management guidelines establishing the criteria for selecting those applications which reflect Community priorities as laid down by the Council. These guidelines are drawn up in consultation with the Member States, taking account of any views expressed by Parliament.

Lastly, the Council, when adopting the Decision on the rules of the Committee of the Social Fund, noted that the Member States would endeavour to involve workers and employers in the examination of the problems which may be raised by applications for assistance from the Fund.

### *Eleventh report on the European Social Fund*

121. At its meeting on 8 December the Council took note of the eleventh report presented by the Commission on the activities of the European Social Fund, covering the financial year 1982, and of the comments made by the delegations.

### *Vocational training policies in the European Community in the 1980s*

122. On 11 July 1983 the Council adopted a resolution on this matter,<sup>1</sup> which constitutes a very important aspect of labour market policy.<sup>2</sup> This resolution lays down measures to be taken by the Member States and also activities to be undertaken by the Commission to supplement and back up national projects.

The resolution comprises in particular specific measures to help young people with the aim of ensuring that during the next five years all young people who so wish can receive, for a period of at least six months and if possible a year following their compulsory schooling, basic training and/or initial work experience to prepare them for an occupation.

These specific measures also imply efforts to provide young people without sufficient qualifications with adequate opportunity for vocational training to improve their skills and qualifications.

### *Promotion of employment for young people*

123. The Council, on the basis of a Commission communication presented on 25 April which contained a draft resolution concerning the promotion of employment for young people, gave its assent at its meeting of 8 December 1983 to the text of this resolution, thus enabling its formal adoption in the near future.

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<sup>1</sup> OJ C 193, 20.7.1983.

<sup>2</sup> Cf Council resolution of 27.6.1980 on guidelines for a Community labour market policy, OJ C 168, 8.7.1980.

Like the resolution of 11 July 1983 on vocational training mentioned above,<sup>1</sup> this resolution is further to the conclusions of the European Council, arrived at in particular at its meetings in June and December 1982 and March 1983, of the joint meeting of the Council and of the Standing Committee on Employment in November 1982, on the urgent need to combat unemployment among young people and to create new employment opportunities for them. It thus constitutes a further stage in giving effect to these conclusions. The draft Resolution affirms the commitment to devote increased efforts in the five next years to creating additional employment opportunities in order steadily and significantly to reduce unemployment among young people. It lays down certain general guidelines and the scope of the measures to be taken into account in the Member States for this purpose, and also, at Community level, specifies the contribution to be made by the European Social Fund in this field, in particular by supporting the implementation of demonstration projects.

#### *Reorganization of working time*

124. On 23 September 1983 the Council received the proposal for a Council Recommendation on the reduction and the reorganization of working time. At its meeting of 8 December 1983, it held a policy discussion on this proposal at which each delegation was able to give its views on the subject.

The Council expressed the hope of resolving this matter at the next meeting on labour and social affairs.

#### *Aid to Greece in the social field*

125. In connection with its examination of the specific proposal presented by the Commission in response to the Greek memorandum, the Council had to take a decision on a proposal for a Regulation relating to special financial assistance for Greece in the social field. The main aim of this proposal is to give Greece greater access to assistance from the European Social Fund.

At its meeting of 8 December 1983 the Council, following a detailed examination of this question, reached an agreement on the text of this Regulation, which can be formally adopted once the funding of the measures it contains is ensured. In this context the question was raised

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<sup>1</sup> OJ C 193, 20.7.1983.

of examining the problem of this funding in conjunction with all the measures to be taken further to the Greek memorandum.

On the basis of this Regulation it will be possible to grant Greece Community funding for up to 55% of eligible public expenditure during the period 1984 to 1988, for the construction, fitting out and equipping of vocational training centres (in Athens and Thessaloniki) and of rehabilitation centres throughout Greece for the mentally ill and mentally handicapped with a view to their professional rehabilitation. According to the Commission's estimates 60 million ECU will be needed to fund each category of project.

## **Social security**

### MEMORANDUM ON SOCIAL SECURITY PROBLEMS

126. Discussions on social security problems in all the Member States have concentrated for many years on the major financial difficulties confronting the various national systems. These problems arise from the general economic situation, with poor economic growth and widespread unemployment, and also have their specific causes in certain structural trends behind the way in which the social security systems have developed: the demographic problem in Europe (with an ageing population and a falling birth rate), the improvement of social security benefits, and the rapid growth in health expenditure. In view of this the Commission, in its memorandum to the Council on social security problems, considered it desirable to compare the experiences of different States and to promote an exchange of ideas on the search for solutions. Thus, while not wishing to call into question the social advances made through the social security systems, it decided to stimulate a wide-ranging discussion on the controlled increase of social expenditure, the re-examination of funding methods and ways of increasing the social effectiveness of social security systems.

It was on this basis that the Ministers for Social Security, at their informal meeting in Athens on 7 November 1983, held an initial exchange of views on this subject. What emerged from this discussion was a common desire to tackle the major problems facing the social security systems in the Member States. The Commission was asked to draw up an inventory of these problems, taking account of the outcome of the above-mentioned ministerial meeting, in order to continue the study of this subject at Community level.

## COORDINATION OF THE SOCIAL SECURITY SCHEMES APPLICABLE TO MIGRANT WORKERS

127. Another field in which Community activity continued in 1983 is that of adapting the social security regulations applicable to workers and members of their families moving about within the Community.

Thus the Council, by means of Regulation (EEC) No 2000/83 of 2 June 1983,<sup>1</sup> made a number of amendments with regard in particular to benefits following accidents at work and occupational diseases. Furthermore Regulation (EEC) No 2001/83 of 2 June 1983 updated in a single text all the provisions of Regulations (EEC) No 1408/71 and (EEC) No 574/72 which were in force on 1 July 1982, the date on which the extension of social security schemes to self-employed persons came in force.

Looking ahead, in the next few months the Commission is expected to make new proposals for adapting the existing social security regulations following recent Court decisions in various fields, i.e. pensions and non-contributory benefits of the mixed kind.

### **Improvement of living and working conditions**

#### **ACTION PROGRAMME ON SAFETY AND HEALTH AT WORK**

128. On 4 November 1982 the Council received a proposal for a resolution concerning a second programme of action of the European Communities on safety and health at work.

This new programme would follow on from the first action programme, approved by the Council in 1978<sup>2</sup> and covers the period 1983-88. Although the work completed under the first programme up to the end of 1982 is certainly considerable, much still remains to be done after that date. Thus it should be pointed out that none of the 14 actions in the first programme was completed entirely and that other projects, by their very nature, imply continuing activity. For this reason in the new programme the Commission makes a point of updating and extending the work already begun under the first programme. It also plans a number of new activities. Some amendments were necessary, according to the Commission, to the structure of the programme to reflect the priority

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<sup>1</sup> OJ L 230, 22.8.1983.

<sup>2</sup> See 26th Review, paragraph 109.

given to the activities relating to the dissemination of information to workers and to the organization of projects for the protection of health at the workplace.

At its meeting of 2 June 1983 the Council arrived at a common position on the body of the draft resolution, which it agreed to adopt at a later meeting after taking note of the opinion of Parliament.

#### PROTECTION OF WORKERS FROM THE RISKS RELATED TO EXPOSURE TO ASBESTOS

129. As may be seen from its various decisions in previous years, the Council attaches great importance to the protection of workers against substances and processes which are recognized as dangerous and which can have very harmful effects on health.

Accordingly, following a final discussion on this point on 2 June 1983, on 19 September 1983<sup>1</sup> the Council adopted the Directive on the protection of workers from the risks related to exposure to asbestos at work. This is the second individual Directive within the meaning of the framework Directive of 27 November 1982<sup>2</sup> on the protection of workers from the risks related to harmful exposure to chemical, physical and biological agents at work.

The importance of the new text for workers lies in particular in the provisions concerning:

- (i) the threshold level above which the provisions of importance for the protection of workers exposed to asbestos come into play, which was fixed at 0.25 fibres/cm<sup>3</sup> at the place of work;
- (ii) the exposure limit values, i.e. the concentrations of asbestos in the air at the place of work which must not be exceeded.

These limit values were fixed as follows:

- (i) for asbestos fibres other than crocidolite: 1 fibre per cm<sup>3</sup>;
- (ii) where crocidolite is present in pure form: 0.5 fibres per cm<sup>3</sup>;

<sup>1</sup> OJ L 263, 24.9.1983.

<sup>2</sup> OJ L 327, 3.12.1980, see also 30th Review, paragraph 137.

- (iii) in the case of a mixture containing crocidolite and other asbestos fibres: at a level calculated on the basis of the above values and the proportions involved.

There are also a number of technical measures which must be taken for the protection of workers, whereby work processes must be designed so that the release of asbestos dust into the air is at as low a level as is reasonably practicable.

All the provisions of this Directive will enter into force on 1 January 1987. This date will be deferred to 1 January 1990 for asbestos-mining activities.

#### PROTECTION OF WORKERS AGAINST NOISE AT THE PLACE OF WORK

130. Lastly, in the field of safety and health at work mention should be made of the fact that the Council's subordinate bodies began work on the proposal for a Directive on the protection of workers against noise at the place of work.<sup>1</sup> Although not specifically provided for in the above-mentioned framework Directive, this proposal is a logical continuation of it and will contribute to the same objective since it provides for checks on noise levels at the place of work, measures for the protection of workers and also health surveillance.

#### INFORMATION AND CONSULTATION OF EMPLOYEES

131. On 13 July 1983 the Council received the amended proposal for a Directive on procedures for informing and consulting employees. At its meeting on 8 December 1983 it held a policy discussion on the matter during which the delegations were able to state their general position on this proposal.

The Council agreed that the Commission's proposal should be examined thoroughly and in a constructive spirit.

#### ECSC aid

##### AID FOR THE CONVERSION OF INDUSTRY

132. Under the terms of Article 56 (2) (a) of the ECSC Treaty the Council received from the Commission some 20 requests for its assent to

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<sup>1</sup> OJ C 289, 5.11.1982.

enable the Commission to arrange for the productive re-employment of ECSC workers who were unemployed or threatened with redundancy by granting loans either to undertakings for conversion purposes or to financial bodies in the form of global loans.

The Council agreed to these requests and authorized loans ranging from 2.13 to 37.65 million ECU.

#### AID FOR SOCIAL RESEARCH WORK

133. On 19 September 1983 the Council gave its assent, in accordance with Article 55 (2) (c) of the ECSC Treaty, for the Commission to implement a research programme on industrial hygiene in mines.

#### **Other matters**

##### INFORMATION INSTRUMENTS

134. On 4 November 1983 the Council adopted the Regulation relating to the organization of a survey of labour costs in industry, wholesale and retail distribution, banking and insurance.

In addition, on 19 July 1983 the Council received a proposal for a Regulation relating to the organization of a labour force survey in spring 1984.

##### MATTERS CONNECTED WITH THE ILO

135. The usual coordination between the Ten and the Commission representatives this year covered the following technical questions on the agenda of the sessions of the International Labour Conference: vocational retraining, social security of migrant workers, employment policy, social aspects of industrialization, industrial medicine services and social statistics.

##### RELATIONS WITH MANAGEMENT AND LABOUR ORGANIZATIONS

136. The Standing Committee on Employment held its 25th meeting, devoted to the employment of young people and working time, on 20 May 1983. The 26th meeting on 22 November 1983 was devoted to unemployment among women.



## C — REGIONAL AND STRUCTURAL POLICIES

### Increased effectiveness of the structural funds

137. At its meeting in Stuttgart from 17 to 19 June 1983 the European Council asked the Commission to present a report by 1 August with proposals for increasing the effectiveness of the Community's three structural funds (the Regional Fund, the Social Fund and the Guidance Section of the EAGGF). On the basis of this report, which was to concentrate on more consistent coordination of policies, the policies were to be re-examined and priorities laid down.

On 29 July 1983 the Commission presented the report and the proposals as requested. The report first specifies the general conditions to be met with regard to the effectiveness of the Community, then goes on to examine the three Funds. With regard to the EAGGF (Guidance Section), the report notes that, while it meets most of the criteria for Community effectiveness, it should concentrate its efforts on a few priority tasks. Proposals for this will be put forward shortly when the agriculture structural policy is reviewed.<sup>1</sup>

With regard to the Social Fund, the common guidelines adopted by the Council on 2 June 1983<sup>2</sup> are directed at increasing Community effectiveness and achieving better results by concentrating on a few objectives.

On the other hand, the Council has not taken a decision on the proposals presented in October 1981 by the Commission on the revision of the ERDF.<sup>3</sup> While a certain amount of progress has been made, the negotiations so far have foundered on the question of concentrating the 'quota' section, the size of the 'non-quota' section and certain questions connected, for example, with the qualitative concentration of the aid granted (contribution rates).

Consequently, in this report the Commission proposes a new eight-point policy with the basic principle that in the long term financing should be based entirely on programmes and the distinction between quota and non-quota sections should disappear. This should be seen in the context of the Commission's other proposal for doubling the funds for the structural instruments.

<sup>1</sup> See paragraph 460 *et. seq.* of this Review.

<sup>2</sup> See paragraph 119 *et. seq.* of this Review.

<sup>3</sup> See paragraph 138 of this Review.

Under the special procedure set up by the Council to prepare for the European Council in Athens, an *ad hoc* working party was formed to deal with the Commission report. It arrived at the same conclusions as the Commission with regard to the Guidance Section of the EAGGF and the Social Fund.

With regard to the ERDF, discussions continued at all levels of the special procedure, i.e. the *ad hoc* working party, Single Preparatory Working Party and the Special Council. Without arriving at any conclusions, these negotiations established guidelines which the Commission considered sufficient for presenting its new proposal for a revision of the ERDF regulation.<sup>1</sup>

### **Revision of the ERDF regulation**

138. In the presence of the President-in-Office of the Council, on 14 January 1983 the European Parliament adopted a resolution<sup>2</sup> calling on the Council to break the deadlock regarding the revision of the ERDF regulation,<sup>3</sup> and to submit as soon as possible its 'joint guidelines' on the matter.

The Council's subordinate bodies resumed their examination of this question and on 25 April 1983 the Council was in a position to look further into the main problems arising, namely the coordination of Community and national policies, the concentration of aid to help the Member States considered to be the least prosperous, the relationship between the quota and non-quota sections, the gradual changeover on an experimental basis to programme financing while still maintaining project financing, the exploitation of the internal development potential, the promotion of integrated projects and the categories of infrastructure eligible for aid.

The Council resumed its examination of this complex matter at its meetings on 25 May, 21 June and 18 July 1983.

It reached agreement on most of the items under discussion but was unable to finalize its discussions — which were based on compromise proposals made by the Presidency which reduced the number of working hypotheses on the central question of quotas and provided for a tran-

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<sup>1</sup> See paragraph 138 of this Review.

<sup>2</sup> OJ C 42, 14.2.1983.

<sup>3</sup> See 30th Review, paragraph 138.

sitional solution limited to one or two years — on the two major problems, namely the allocation of ERDF resources (quotas) and, linked with this, the relationship between the quota and non-quota sections.

Noting the stage these negotiations had reached, the Stuttgart European Council broadened the discussion and requested the Commission to present a report with proposals for improving the effectiveness of the structural Funds of the Community.<sup>1</sup>

It was in this general context that on 18 November 1983 the Commission presented to the Council an amended proposal for a Regulation revising the ERDF. This proposal incorporates features already agreed on by the Council and also a number of new points arising from the work done on improving the effectiveness of the existing structural Funds.

Work on this amended proposal was started in December 1983 and will be continued early in 1984.

### **Decision to exceed the 70% limit for ERDF aid to infrastructure projects**

139. Article 4 (1) (b) of the ERDF Regulation provides that the proportion of the total Fund allocated to infrastructure investment projects may not exceed 70% over a three-year period. This percentage may, however, be exceeded following a decision by the Council (acting by a simple majority) on a proposal from the Commission.<sup>2</sup>

The Commission presented to the Council a draft Decision to this effect on 19 September 1983. Parliament gave a favourable opinion on 17 and 18 November 1983.

On 29 November 1983 the Council adopted this Decision,<sup>3</sup> nine Member States being in favour and one against.

### **Eighth annual report on the ERDF**

140. On 6 October 1983 the Commission presented to the Council the eighth annual report for 1982 on the activities of the ERDF. Like the

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<sup>1</sup> See paragraph 137 of this Review.

<sup>2</sup> OJ L 35, 9.2.1979.

<sup>3</sup> OJ L 340, 6.12.1983.

preceding reports, this report contains a review of developments in regional policy in 1982 and an analysis of the various activities of the ERDF, which is the main instrument for this policy.

With regard to the development of regional policy, it should be emphasized that, while negotiations were continuing on the revision of the ERDF, 1982 saw the implementation of the first of the specific regional development measures, known as 'non-quota measures', which were adopted by the Council in October 1980.<sup>1</sup> Also, in November 1982 proposals were presented for the implementation of a second series of non-quota measures.<sup>2</sup>

With regard to ERDF aid, the appropriations available for the quota section were committed virtually in their entirety, i.e. 1 812.1 million ECU, and payments totalled 950.7 million ECU i.e. 92.2% of the appropriations available.

For the non-quota section the commitment appropriations totalled 151.2 million ECU and payments 22.42 million ECU out of the 62.22 million ECU available.

### **Specific community regional development measures**

141. At the beginning of 1983 the Council's subordinate bodies started their examination of the Commission's communication on a second series of specific Community regional development measures,<sup>3</sup> comprising six proposals for Regulations,<sup>4</sup> on enlargement (Italy and France), enlargement (Greece), the steel industry, shipbuilding, energy (including Greece), and the textile and clothing industry, which provided for a total allocation of 710 million ECU over 5 years.<sup>5</sup>

Parliament and the Economic and Social Committee were consulted by the Council and gave their opinions on 10 June<sup>6</sup> and 23 March 1983.<sup>7</sup>

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<sup>1</sup> See 28th Review, paragraph 129.

<sup>2</sup> See paragraph 141 of this Review.

<sup>3</sup> The first series comprises five Regulations adopted in 1980 regarding enlargement, the iron and steel industry, shipbuilding, Irish border areas and new forms of energy (OJ L 271, 15.10.1980) (28th Review, paragraph 129).

<sup>4</sup> See 30th Review, paragraph 152.

<sup>5</sup> OJ L 27, 31.1.1984.

<sup>6</sup> OJ C 184, 11.7.1983.

<sup>7</sup> OJ C 124, 9.5.1983.

The examination of this matter showed immediately the complexity of the difficulties involved. Firstly, the funding raised problems in the context of the financial situation of the Community. In addition, these proposals were considered to be linked to the proposal for a revised ERDF Regulation, with regard not only to the distribution between the Member States of the aid provided for but also to the decision-making procedure and the technical financial aspects (advances etc.).<sup>1</sup> Lastly, these proposals raised a number of technical problems, in particular that of the selection criteria for the regions, on which Parliament had laid particular emphasis in its opinion.

These questions came before the Council on 19 and 22 December 1983, when progress was made on resolving almost all the problems involved. It was agreed to submit all six Regulations for adoption by written procedure by 13 January 1984.

### **Exceptional measure for Northern Ireland**

142. In November 1981 the Commission had already presented to the Council a proposal for instituting a specific measure on housing in Northern Ireland as part of an integrated operation in Belfast.<sup>2</sup> This proposal constituted an initial reaction by the Commission to the European Parliament's resolution of 19 June 1981 on the Community's regional policy and Northern Ireland.<sup>3</sup> The Council, however, was not able to reach a decision on this first proposal owing to the reservations expressed by certain Member States concerning the financing of housing by the Community.

Accordingly the Commission had to look for an alternative solution while keeping the same aim, i.e. to reinforce Community aid to a Community region suffering from serious social and economic problems.

This alternative solution was embodied in a new proposal, which was presented to the Council by the Commission on 8 April 1983,<sup>4</sup> for instituting a specific Community measure to promote urban renewal in Northern Ireland. This proposal provides for the funding, jointly with the national and local authorities, of an exceptional measure going beyond the possibilities of the existing financial instruments of the Community,

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<sup>1</sup> See paragraph 138 of this Review.

<sup>2</sup> See 30th Review, paragraph 153.

<sup>3</sup> OJ C 172, 13.7.1981.

<sup>4</sup> OJ C 138, 26.5.1983.

in order to contribute to the urban renewal of Belfast and thus play a more significant part in gradually resolving the social and economic problems in Northern Ireland. The Community's contribution was estimated at 100 million ECU over the period 1983-85.

At its meeting of 21 June 1983 the Council adopted this Regulation, under which infrastructure projects which the Community may help to finance are chosen by the Commission from a list to be presented each year by the United Kingdom, accompanied by all the information necessary for assessing each project.<sup>1</sup>

### **Integrated Mediterranean programmes**

143. On 24 March 1983 the Council received a communication from the Commission and 23 August 1983 a proposal for a Regulation instituting integrated Mediterranean programmes (IMP).<sup>2</sup> This was supplemented on 3 November 1983 with regard to fishing and the financial aspects.

The IMPs were presented by the Commission as an initial attempt at a large-scale integrated approach and are intended as a whole to increase the coordination of Community policies and the cohesiveness of the Community. In practical terms, they are intended to increase incomes and improve the employment situation in these rural areas by implementing a number of integrated measures which involve both agriculture and fishing (reactivating and extending a large number of structural policy measures) and the non-agricultural sector (making use of certain measures from the ERDF non-quota section and the Social Fund).

The total funding envisaged over six years (1985-90) is very substantial (6 628 million ECU) and would lead the Community to exceed the ceiling of own resources as estimated at the time these proposals were presented.

The Council's subordinate bodies carried out an initial general examination and a second more detailed examination of this proposal and its financial implications.

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<sup>1</sup> OJ L 171, 29.6.1983.

<sup>2</sup> OJ C 251, 19.9.1983.

(million ECU)

	Greece	Italy	France	Total
Agriculture + forestry	1 335	1 131	556	3 042
Fishing	139	153	60	352
Increasing market value of products	172	235	63	470
Non-agricultural measures	330	740	336	1 406
Infrastructure	283	376	50	709
Back-up measures	263	316	70	649
Total	2 542 (38.4%)	2 951 (44.5%)	1 135 (17.1%)	6 628

On 14 December 1983 the Permanent Representatives Committee received a report listing the problems raised by the various aspects of this proposal, namely aims and principles, scope, decision-making procedure, agricultural and non-agricultural specific measures, and funding.

Work will continue on this proposal in the early part of 1984.

### **Greek memorandum**

144. On 19 March 1982 the Greek Government presented a memorandum setting out the main problems which Greece must resolve in order to integrate successfully with the European Communities. These arise mainly from structural weaknesses and the disparities and imbalances between its economy and those of the other Member States.

In this memorandum the Greek Government explained the special provisions which it considered necessary to provide Greece with the support it needed in order to integrate successfully.

The Commission presented to the Council two communications concerning the Greek memorandum, the first on 14 June 1982 and the second on 29 March 1983, with proposals for Community action in response to the memorandum.

At its meeting in Stuttgart on 17-19 June 1983 the European Council emphasized the special importance which it attached to the specific

proposals to be submitted by the Commission in the various sectors and invited the Council to examine these proposals in order to arrive at concrete decisions.

In order to put into effect the wishes of the European Council, the Permanent Representatives Committee instituted an *ad hoc* 'Greek memorandum' working party which noted that the response to the Greek memorandum proposed by the Commission fell into three parts, viz:

- (i) specific proposals (on social affairs, agriculture and transport),
- (ii) day to day management of the existing Community instruments,
- (iii) integrated Mediterranean programmes (IMP),

and presented a progress report to the Council on this work.

The Council considered this matter at its meeting on 29 November 1983 and held an exchange of views on the current position.

## **D — DEVELOPMENT OF A COMMUNITY ENERGY POLICY**

### **Energy supply situation**

145. At its meeting on 21 and 22 March 1983 the European Council examined the progress made in implementing the Community's comprehensive strategy for restoring stability and real economic growth. With regard to energy, it considered that the fall in oil prices constituted a positive contribution to world economic recovery, provided that this development and its consequences were kept under control. It stressed that it was also important that steps were taken to ensure that this development did not jeopardize the success of further efforts to achieve energy savings and to develop sources of energy.

### **ENERGY STRATEGY**

146. On 7 June 1983 the Commission presented to the Council a communication on developments and new lines of action in this sector and also a communication on a five-year action programme for energy and energy research and the financing of this programme.

The Council examined these two communications at its 865th meeting on 12 July 1983.



While reaffirming the '1990 objectives', in order to ensure the necessary continuity and cohesion for further Community action on energy the Council agreed to update the Community's energy strategy, with particular regard to the action to be taken over the five next years. It instructed the competent bodies to continue their work on the action plan, the aim being to continue the Council's deliberations on this matter at subsequent meetings on energy matters.

At the same time, the Council stressed that this updating should take account of the principles laid down by the Stuttgart European Council whereby every possible effort must be made to use the Community's resources effectively. It also emphasized the need to coordinate Community policy and national policies in the field of energy.

#### ROLE OF ENERGY POLICY WITHIN THE GENERAL POLICY OF THE COMMUNITY

147. At its 880th meeting on 4 November 1983 the Council adopted a communication on this matter for the special Council meeting from 9 to 11 November 1983. This communication stresses the considerable improvements in the Community structures since 1973 with regard to supplies and which are the result to a great extent of market forces. It also stresses the measures which should be taken even after 1990 at national and Community levels to ensure self-sufficiency and security of supplies and also the Community's competitiveness and solidarity.

A large number of the essential measures should, in the opinion of the Council, be undertaken at national level. The role of the Community, in this context, is primarily to coordinate and monitor the measures taken at national level. The Council also considers that the Community can make a major contribution to supporting national measures and supplementing them by implementing its own Community programmes, which should concentrate on projects or measures which could be carried out more effectively at Community level.

#### DEMONSTRATION PROJECTS

148. At its 864th meeting on 11 July 1983, following completion of a conciliation procedure with the European Parliament, which narrowed the gap between the views of the two institutions, the Council adopted two Regulations on:

- (i) the granting of financial support for demonstration projects relating to the exploitation of alternative energy sources, energy saving and the substitution of hydrocarbons;
- (ii) the granting of financial support for industrial pilot projects and demonstration projects relating to the liquefaction and gasification of solid fuels.

These two Regulations, which run until the end of 1983, are a follow-up to the programme on energy saving and alternative energy sources launched in 1978. They form part of a multiannual programme, the need for which the Council recognized on 14 March although certain information was still needed to give an overall picture, as exact and detailed as possible, of the framework in which a multiannual programme of this kind should be set.

#### PRICES AND TARIFFS FOR NATURAL GAS

149. At its 839th meeting, on 21 April 1983, the Council adopted a recommendation on the methods of fixing the prices and tariffs for natural gas in the Community.

#### **Problems specific to the various energy sectors**

##### SOLID FUELS

##### *Increased use*

150. In order to support efforts to promote the increased use of solid fuels, at its 845th meeting on 24 and 25 May 1983 the Council adopted two recommendations to the Member States concerning the encouragement of investment in the use of solid fuels in industry on the one hand and in public buildings and district heating on the other.

##### *Aid for investment in production*

151. At its 880th meeting on 4 November 1983 the Council held an initial discussion on this matter on the basis of a Commission proposal for a Regulation.

Recalling that solid fuels constituted an essential ingredient in the Community's energy strategy, it agreed, with a view to drawing the necessary

practical conclusions, to work out projected market needs compared with other sources of energy, and stated that on the basis of this analysis the Community and the Member States would together seek suitable measures to encourage the consumption of solid fuels, taking particular account of environmental problems, and Community production in competition with imported coal and other energy sources.

In addition, the Council declared that the possible social and economic repercussions of such measures would be examined sympathetically and in a spirit of Community solidarity.

#### *Aid for the restructuring of the coal industry*

152. On 11 October 1983 the Commission presented to the Council a proposal for a Decision on a contribution to the European Coal and Steel Community from the general budget of the Communities.

At its 880th meeting on 4 November 1983 the Council recognized the major social and economic consequences of the efforts to restructure and modernize the coal industry and also the importance of Community solidarity in this matter. It agreed to carry out a thorough examination of these questions in connection with the problems relating to solid fuels in general.

#### *Investment aid under Article 54, second paragraph, of the ECSC Treaty*

153. On 1 March 1983 the Council gave its unanimous assent as requested by the Commission to the:

- (i) financing of a power generating unit in Carling, France;
- (ii) co-financing of the coal-fired Reuter West base-load power station, Berlin.

On 19 September 1983 the Council gave its unanimous assent as requested by the Commission to allow it to grant global loans:

- (i) to Industriekreditbank AG – Deutsche Industriebank, Dusseldorf;
- (ii) to Bayerische Landesanstalt für Aufbaufinanzierung, Munich.

Lastly, on 17 and 18 October 1983 the Council gave its unanimous assent as requested by the Commission to allow it to cofinance a project to

convert seven factories belonging to Dunlop Ltd from oil- or gas-fired heating to coal-fired heating.

### *Coking coals*

154. On 5 April 1983 the Commission presented to the Council a communication concerning new regulations on coking coal and coke for the Community's iron and steel industry, together with two proposals, i.e.:

- (i) a proposal for a Decision on coking coal and coke for the iron and steel industry in the Community;
- (ii) a proposal for a Council Regulation (EEC) establishing a Community contribution for sales aids in respect of intra-Community trade in coking coal and coke for the iron and steel industry in the Community.

At its 880th meeting on 4 November 1983 the Council found that it could not reach agreement on the texts presented and took note of the Commission's intention of simply presenting for its assent a proposal for an ECSC Decision on arrangements for a further period of 3 years, based essentially on the provisions already in force, apart from a few technical amendments. On 2 December 1983 the Commission presented this new proposal to the Council, which is studying it.

## OIL AND GAS

### *Oil imports*

155. On 17 January 1983 the Council adopted Regulation (EEC) No 110/83,<sup>1</sup> amending Regulations (EEC) Nos 1893/79 and 2592/79 introducing registration for crude oil imports in the Community, so as to extend these Regulations until 31 December 1985.

### *Support for Community projects in the hydrocarbons sector*

156. At its 885th meeting on 22 and 23 November 1983 the Council adopted the Decision on the granting of support for Community projects in the hydrocarbons sector for 1983.

### *Oil-refining industry in the Community*

157. On 7 June 1983 the Commission presented to the Council a communication on the oil-refining industry in the Community.

At its 865th meeting on 12 July 1983 the Council took note of this communication.

It stressed the need to continue the Community's present policy in the refining sector, which aims at solving problems by means of measures adopted by the undertakings themselves, under permanent monitoring by the Commission in liaison with the undertakings and governments. It stated that it expected the undertakings:

- (i) to make further efforts to reduce the Community's refining capacity and to concentrate activity in fewer but more complex refineries;
- (ii) to take security of supplies into account when taking their decisions.

#### NUCLEAR ENERGY

158. On 8 December 1982 the Commission forwarded to the Council a proposal for a Decision adopting new provisions relating to Chapter VI, on supplies, of the Treaty establishing the EAEC.

This proposal is being studied by the Council.

#### **External relations in the field of energy**

##### EURATOM/CANADA RELATIONS

159. At its 826th meeting on 8 February 1983, the Council adopted a Decision adopting directives to the Commission for the negotiation with the Government of Canada of appropriate adjustments to the Euratom-Canada Agreement.

#### **E — TRANSPORT**

160. In 1983 the Council held four meetings on transport matters, on 23 February, 7 June, 1 and 20 December 1983.

The Ministers for Transport also held an informal meeting in Athens on 6 and 7 October 1983.

The Council devoted much of its time to thorough discussion of the relaunching and further development of the common transport policy. It was agreed to continue this discussion in 1984.

In addition the Council continued its work on several matters concerning the different sectors and modes of transport.

The main decisions taken by the Council concern the fields mentioned below.

## **Road transport**

### **FREIGHT HAULAGE**

#### *Fixing of rates*

161. On 1 December 1983 the Council adopted the Regulation on the fixing of rates for the carriage of goods by road between Member States.<sup>1</sup>

This Regulation replaces Council Regulation (EEC) 2831/77, which expired on 31 December 1983, and will also be valid for a period of five years.

The new Regulation provides for the application, as a general rule, of the reference tariffs system, leaving the final decision on the fixing of the prices to the transport undertakings. However the Regulation allows two or more Member States to decide, by mutual agreement, to apply compulsory bracket tariffs to transport between their countries. Thus, Germany, France and Italy have undertaken to apply compulsory tariffs to transport between those countries and also between those countries and Belgium, Luxembourg and the Netherlands. These last three countries have also undertaken to apply compulsory tariffs to transport between their respective countries and Germany, France and Italy. The new Regulation provides wider brackets (30% instead of 22%).

In addition, it makes it possible by way of derogation, not to fix reference tariffs for routes with a low traffic density.

#### *Removals*

162. On 26 October 1983 the Council adopted Directive 83/572/EEC amending Directive 65/269/EEC concerning the standardization of certain rules relating to authorizations for the carriage of goods by road

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<sup>1</sup> OJ L 359. 22.12.1983.

between Member States, and the first Council Directive of 23 July 1962 on the establishment of common rules for certain types of carriage of goods by road between Member States.<sup>1</sup>

This Directive aims at simplifying the administrative formalities for removals within the Community. It provides for a multilateral authorization for intra-Community removals carriage by road. Such transport must not be subject to a quota system.

### *Community quota*

163. At its meetings on 1 and 20 December 1983 the Council held preliminary exchanges of views on the Commission's proposal of 15 June 1983<sup>2</sup> for a new system concerning the capacity of road haulage services between Member States, to replace the current Community quota system.<sup>3</sup>

While certain Member States welcomed this proposal, others had very strong objections to it. Accordingly the examination of the proposal will be continued by the Council's subordinate bodies. However, it is expected that it may appear on the Council's agenda in May 1984.

### *Adaptation of the first Directive following the accession of Greece*

164. At its meetings on 1 and 20 December 1983 the Council examined the Commission's proposal to adapt the provisions liberalizing the carriage of goods by road in border areas, as laid down in Annex I (1) and Annex II (1) to the first Council Directive of 23 July 1962, to take account of the geographical situation of Greece.

The Council's work produced an agreement on transfrontier transport by sea between Greece and Italy where this is carried out by boats providing a regular service. However, there is still some disagreement on the question of whether the Directive should cover transfrontier transport between Greece and Germany or Italy which passes in transit through the territory of a third country.

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<sup>1</sup> OJ L 332, 28.11.1983.

<sup>2</sup> OJ C 179, 6.7.1983.

<sup>3</sup> Regulation (EEC) No 3164/76, OJ L 357, 29.12.1976.

## WEIGHT AND DIMENSIONS OF COMMERCIAL ROAD VEHICLES

165. With regard to the question of the weight and dimensions of commercial road vehicles, at several of its meetings and in particular that of 20 December 1983 the Council explored the possibility of devising an arrangement which would open the way to adopting the Directive despite the fact that a number of major problems concerning weight standards could not be resolved in the short term. These mainly concern the Commission's proposals to fix at 11 tonnes the maximum weight per driving axle and at 40 tonnes the maximum weight authorized for vehicles with 5 or 6 axles.

The Council's subordinate bodies were instructed to continue their work, taking account of the various aspects of such an arrangement, in order to submit a draft text to the Council at its meeting in May 1984.

## HARMONIZATION OF TAX MEASURES

166. On 28 March 1983 the Council adopted Directive 83/127/EEC amending Directive 68/297/EEC on the standardization of provisions regarding the duty-free admission of fuel contained in the tanks of commercial motor vehicles.<sup>1</sup>

With effect from 1 July 1984 this Directive increases the minimum duty-free allowance in traffic between the Member States from 50 to 200 litres of fuel.

## HARMONIZATION OF SOCIAL LEGISLATION (AETR)

167. Since the first amendments to the European agreement concerning the work of crews of vehicles engaged in international road transport (AETR) entered into force on 2 August 1983,<sup>2</sup> the Council, jointly with the Commission, addressed a letter to the Executive Secretary of the Economic Commission for Europe regarding the amendments to be made to this agreement in order to make it possible for the Community to accede to it.

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<sup>1</sup> OJ L 91, 9.4.1983.

<sup>2</sup> See 30th Review, paragraph 180.



## **Rail transport**

### INTERNATIONAL COOPERATION

168. In accordance with the mandate given to it by the Council,<sup>1</sup> in 1983 the Commission transmitted to the Council four proposals for recommendations regarding international railway cooperation. Under the terms of these proposals, the railway undertakings would be invited to cooperate still more closely than at present in order to pursue a dynamic and effective trading policy based on their common interests. At its meeting on 20 December 1983 the Council took note of an interim report on the progress of the work on these proposals.

### FIXING OF RATES

169. On 25 July 1983 the Council adopted Decision 83/418/EEC on the commercial independence of the railways in the management of their international passenger and luggage traffic.<sup>2</sup>

This Decision extends to international passenger traffic the commercial independence which the railway undertakings already enjoy in respect of international goods traffic.<sup>3</sup> The railways will thus be able to offer generalized or individual prices without having to follow procedures which are sometimes cumbersome and complex.

## **Transport infrastructure**

170. The deliberations of the Council at its meetings on 1 and 20 December 1983 on the participation of the Community in the financing of transport infrastructure projects of Community interest were held on the basis of the proposal for a Regulation presented by the Commission on 9 August 1983 on the granting of financial support under a multiannual transport infrastructure programme.

The Council's work produced a promising measure of agreement regarding the projects which might be eligible, under a global agreement, for financial support from the Community (appropriations worth 15

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<sup>1</sup> See 30th Review, paragraph 181.

<sup>2</sup> OJ L 237, 26.8.1983.

<sup>3</sup> Decision 82/529/EEC of 19 July 1982, OJ L 234, 9.8.1982.

million ECU being available from the 1983 budget), and positions regarding the criteria for selecting the projects came somewhat closer together.

Since the Council did not consider it appropriate to split the Commission's proposal by adopting, as for 1982, a Regulation covering only one year<sup>1</sup> and did not have sufficient information to take a decision on the list of projects eligible for financial support from the 1984 budget, for which 80 million ECU are available, it agreed to defer its decision on this proposal until its next meeting, to be held in May 1984.

## **Maritime transport**

### CODE OF CONDUCT FOR LINER CONFERENCES

171. The United Nations Convention on a Code of Conduct for Liner Conferences entered into force on 6 October 1983, following ratification and accession on the part of two Member States (Germany and the Netherlands).<sup>2</sup> At its meetings on 6 June and 20 December 1983 the Council took note of interim progress reports from the Commission on the procedures in the other Member States for ratifying or acceding to this Convention.

The Council's subordinate bodies have also continued preparatory work for the negotiations between the United States and a number of members of the OECD — including in particular the Community and several Member States — regarding the implementation of the Code of Conduct.

### COUNTER-MEASURES IN THE FIELD OF LINER TRAFFIC

172. In view of certain results from the collection of information on carriers engaged in liner traffic between the Member States and Eastern Africa, Central America and the Far East, on 26 October 1983, acting on a proposal from the Commission, the Council adopted Decision 83/573/EEC concerning counter-measures in the field of international merchant shipping.<sup>3</sup>

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<sup>1</sup> Regulation (EEC) No 3600/82 of 31.12.1982, OJ L 376, 31.12.1982. See 30th Review, paragraph 186.

<sup>2</sup> See 30th Review, paragraph 187.

<sup>3</sup> OJ L 332, 28.11.1983.

This Decision provides for a consultation procedure between the Member States in order to enable them to coordinate more closely any counter-measures they take with regard to third countries which practise unfair competition.

#### MARITIME SEARCH AND RESCUE

173. On 25 July 1983 the Council adopted Recommendation 83/419/EEC on the ratification of or accession to the 1979 International Convention on Maritime Search and Rescue (SAR).<sup>1</sup>

Since it was in the Community's interests that this convention should enter into force without delay, the Council considered that the Member States should ratify or accede to the Convention as soon as possible.

#### RULES OF COMPETITION

174. At its meeting on 20 December 1983 the Council took note of a progress report by the Presidency on the examination of the Commission's proposal for a Regulation laying down rules for the application to maritime transport of Articles 85 and 86 of the Treaty.<sup>2</sup>

#### SHIPPING LINKS WITH THIRD COUNTRIES

175. On 20 December 1983 the Council held a policy discussion on the draft Resolution — submitted by the Greek delegation — on shipping links between Member States and third countries. This draft Resolution concerns in particular the problem of the bilateral agreements on traffic governed by the United Nations Convention on a Code of Conduct for Liner Conferences, the status of non-conference shipping lines and competition in bulk trade.

#### **Air transport**

#### SCHEDULED INTER-REGIONAL SERVICES

176. On 25 July 1983 the Council adopted Directive 83/416/EEC concerning the authorization of scheduled inter-regional air services for the transport of passengers, mail and cargo between Member States.<sup>3</sup>

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<sup>1</sup> OJ L 237, 26.8.1983.

<sup>2</sup> See 30th Review, paragraph 189.

<sup>3</sup> OJ L 237, 26.8.1983.

This Directive introduces a new system for authorizing certain air services between airports situated in different regions of the Member States. Authorization of a new service approved by the State in which the operator is established may not be refused, unless for a number of reasons specified in the Directive. However, the Directive does not affect existing inter-regional services and does not apply to the main airports handling intercontinental traffic.

#### AIR FARES

177. At its meeting on 20 December 1983 the Council took note of a statement by the Commission representative to the effect that the Commission intended, in view in particular of the opinions given by Parliament and the Economic and Social Committee, to modify its proposal for a Directive on fares for scheduled air services between the Member States.

#### NOISE EMISSIONS FROM PLANES

178. On 21 April 1983 the Council adopted Council Directive 83/206/EEC amending Directive 80/51/EEC on the limitation of noise emissions from subsonic aircraft.<sup>1</sup>

This Directive is intended firstly to bring Community legislation into line with the latest amendments to Annex 16 to the Chicago Convention adopted by the International Civil Aviation Organization, and secondly to extend the application of this legislation to planes registered abroad which use Community airports.

#### **General questions**

##### EASING OF INSPECTIONS AND FORMALITIES IN RESPECT OF THE CARRIAGE OF GOODS BETWEEN MEMBER STATES

179. On 1 December 1983 the Council adopted Directive 83/643/EEC on the facilitation of physical inspections and administrative formalities in respect of the carriage of goods between Member States.<sup>2</sup>

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<sup>1</sup> OJ L 117, 4.5.1983.

<sup>2</sup> OJ L 359, 22.12.1983.

This Directive fits into both the common transport policy and the policy of reinforcing the internal market, the European Council having considered, in June 1981 and March 1982, that easing formalities and inspections at the Community's internal frontiers would help to strengthen and develop the Community's internal market.

The Directive concerns the carriage of goods between Member States, irrespective of the means or method of transport used. It applies to physical inspections and administrative formalities in respect of any traffic between the Member States, including traffic involving transit through a third country.

The Directive will not apply to the external frontiers of the Community, which will be governed by the International Convention on the Harmonization of Goods Inspections at Frontiers. The Community, as well as the Member States, is a Contracting Party to this Convention.

In order to ensure that inspections and formalities are carried out quickly and simultaneously the Directive provides that the different inspections shall be carried out at the same place, preferably the place of departure or destination of the goods. In addition, inspections are to be carried out by means of spot checks, except in duly justified circumstances.

The mutual recognition of inspections carried out in other Member States constitutes another very important feature of the Directive. In practice and under normal circumstances, when an inspection has been carried out in one Member State the goods will be allowed into the importing Member State on the basis of the inspection carried out and of the documents issued by the exporting Member State. However, the possibility still remains of carrying out spot checks. In addition the Member States will cooperate to combat any fraudulent practices and the forgery of certificates. In general the mutual recognition of inspections and documents will call for very close cooperation between the Member States and the Commission.

Another major part of the Directive concerns the opening hours of frontier posts. The Directive provides that when the traffic warrants it vehicles travelling unladen or in transit must be able to cross frontiers 24 hours a day. Ordinary crossing should be possible during an uninterrupted period of 10 hours during the week and six hours on Saturdays. Exceptionally, it will also be possible to carry out ordinary inspections and formalities outside these hours, on request and, where relevant, on making payment for the services rendered.

The Member States are required to organize the business hours of the departments concerned so that the inspections and formalities carried out do not take any longer than is necessary for their proper completion.

Lastly, the Member States must endeavour to provide express lanes for vehicles which are empty or in transit.

The Directive lays down the Member States must take the necessary measures for its implementation by 31 December 1984 at the latest. However, it allows Member States who so wish to postpone for two years implementation of the provisions relating to the business hours of frontier posts.

#### NEGOTIATIONS WITH AUSTRIA

180. The first stage of the negotiations with the Republic of Austria in the field of inland transport, which began in April 1982,<sup>1</sup> was completed in April 1983. At its meeting on 7 June 1983 the Council took note of the Commission's report on the outcome of these negotiations.

Subsequently, at its meeting on 20 December 1983 the Council emphasized its resolve to continue the negotiations and set out, in the form of an interpretation of the negotiating directives of 15 December 1981, the various points required for the resumption of these negotiations. The next stage of the negotiations should make it possible to draw up a comparative balance sheet of traffic and road transport charges between the Community and Austria — taking account of all the economic and financial aspects — and to work out, if need be, a better balance between the two parties.

#### COMMON TRANSPORT POLICY

181. The Council devoted its meeting on 23 February 1983 to an in-depth discussion on the current position regarding the common transport policy and its development.

The Council took note in particular of the Commission's communication of 9 February 1983, which suggests a new approach to the problem of the common policy for inland transport, and noted the various ideas put forward by the Member States for the harmonious development of the common transport policy.

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<sup>1</sup> See 30th Review, paragraph 197.

At its meetings on 1 and 20 December 1983 the Council continued on this basis its work on a draft Resolution concerning the implementation, in stages, of a series of measures in the field of inland transport.

Although much progress was made on the majority of the points in the draft, it was not possible to reach agreement on this resolution. The Council consequently agreed to continue its examination of this draft text at a later date.

## **F — RESEARCH**

### **Science and technology**

#### **Development of a common policy in the Community**

182. The Council held five meetings on research in 1983, on 8 February, 10 March, 28 June, 26 October — continued on 5 November — and 13 December.

183. At its meetings in 1983, the Scientific and Technical Research Committee (Crest) delivered opinions on the programmes proposed to the Council by the Commission in the following fields:

- (i) research programme on forecasting and assessment in science and technology (FAST),
- (ii) framework programme of Community scientific and technical activities,
- (iii) Community R&D programme in the field of information technologies (Esprit),
- (iv) multiannual EEC research and training programme in the field of biomolecular engineering,
- (v) promotion and use of the results of R&D financed by the Community,
- (vi) R&D programme in the fields of basic research and the applications of new technologies,
- (vii) action programme for research in the field of non-nuclear energy,
- (viii) concerted research project on the effect of processing and distribution on the quality and nutritive value of food,

- (ix) revision of the sectoral R&D programme in the field of the environment (environmental protection and climatology), 1981-85.

## Research programmes

### NUCLEAR AND NON-NUCLEAR PROGRAMMES

184. In 1983 the Council adopted six multiannual research programmes, to which a total of 722.5 million ECU was allocated in commitment appropriations.

185. Following the accession of Greece to the European Communities, the Council approved, by its Decision of 14 June 1983, amendments to the Statutes of the Joint European Torus (JET) Joint Undertaking.<sup>1</sup>

186. On 12 December 1983 the Council also adopted a Decision amending Decision 82/402/EEC adopting a research and development programme in the raw materials sector.<sup>2</sup>

**Table of research programmes adopted by the Council during 1982**

Field	Date of decision	Expenditure (million ECU)	Staff	Duration (years)	OJ reference
1. Stimulation of the effectiveness of S&T potential	28.6.1983	7	3	2	L 181 6.7.1983
2. Evaluation of R&D programmes	28.6.1983	—	—	—	C 213 9.8.1983
3. Framework Programme	25.7.1983			4	C 208 4.8.1983
4. Forecasting and assessment in S&T	17.10.1983	8.5	12	5	L 293 25.10.1983
5. Biomolecular engineering (stage 2)	27.10.1983	7	2	2 1/4	L 305 8.11.1983
6. JRC	22.12.1983	700	2 260	4	L 3 5.1.1984

<sup>1</sup> OJ L 164, 23.6.1983.

<sup>2</sup> OJ L 357, 21.12.1983.



## ECSC

187. In order to encourage technical and economic research aimed at improving methods for the production, beneficiation and utilization of coal in the Community, on 1 February 1983<sup>1</sup> the Council gave its assent as requested by the Commission under the terms of Article 55 (2) (c) of the ECSC Treaty to the allocation of financial aid, out of funds derived from the levies for the financial year 1982, amounting to 3 million ECU for a supplementary research programme on mining engineering and the preparation and beneficiation of coal. The total cost of this programme is approximately 4.9 million ECU.

Assent was given on 24 May 1983<sup>2</sup> for the financial aid for the financial year 1983, amounting to 21 584 100 ECU, to a research programme on mining engineering, product beneficiation, dissemination of results and the abstraction and translation of the technical literature on coal of certain countries. The total cost of this programme is approximately 35.97 million ECU.

## FOREIGN RELATIONS

### *European Cooperation in the field of Scientific and Technical Research (COST)*

188. On the basis of the COST cooperation arrangements, on 28 March 1983 the Council approved the conclusion of a Community-COST concertation agreement<sup>3</sup> in the field of shore-based marine navigation aid systems (COST 301).

On 18 April 1983 the Council adopted the Decisions on the conclusion of agreements between the Community and the Swiss Confederation on concerted action projects in the fields of:

- (i) cellular ageing,
- (ii) registration of congenital abnormalities (medical and public health research).

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<sup>1</sup> OJ C 40, 11.2.1983.

<sup>2</sup> OJ C 163, 22.6.1983.

<sup>3</sup> OJ L 84, 30.3.1983.

On 14 June 1983 the Council decided to conclude the cooperation agreement between the Community and the Kingdom of Sweden on a European programme of research and development in the field of wood as a renewable raw material.

On 16 December 1983 the Council adopted a decision on the conclusion of the Agreement extending and amending the cooperation agreement between the Community and the Kingdom of Sweden on a European research and development programme in the field of the recycling of urban and industrial waste.

#### *EAEC-Spain cooperation agreement*

189. On 25 July 1983 the Council approved the extension of the cooperation agreement between the EAEC and the Kingdom of Spain in the field of controlled thermonuclear fusion.

#### *EAEC-USA cooperation agreement*

190. On 19 September 1983 the Council adopted the Decision relating to the negotiation by the Commission of the agreement between the EECA and the United States on cooperation in the field of controlled thermonuclear fusion.

### **G — ENVIRONMENT**

#### **Texts adopted by the Council**

191. During 1983 the Council adopted several acts regarding the environment, either at or following the specific meetings which the Council holds twice yearly on environmental problems.

192. On 5 January 1983 the Council and the representatives of the governments of the Member States, meeting within the Council, adopted a Resolution with regard to seal pups.<sup>1</sup>

This resolution calls on the Commission to examine further, in collaboration with the countries concerned (Canada and Norway) the methods and circumstances of the killing of harp and hooded seal pups. It also

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<sup>1</sup> OJ C 14, 18.1.1983.

calls on the Commission to submit a report to the Council before 1 March 1983 in order to enable it to take all suitable measures before the beginning of the 1983 hunting season. Pending implementation of these Community measures, the Member States undertake to take national measures to prevent imports into their territory of skins and furs of the pups of harp and hooded seals.

193. On 7 February 1983, the Council and the Representatives of the Governments of the Member States, meeting within the Council, adopted a resolution on the continuation and implementation of a European Community policy and action programme on the environment.<sup>1</sup>

This third action programme, which covers the period up to 1986, emphasizes for the first time the multisectoral nature of environment policy and the need for better integration of the 'environmental' dimension into the other policies of the Community, in particular that of cooperation with the developing countries.

In addition, the third programme lays down for the first time a number of priority areas for action. These priorities concern in particular:

- (i) procedures for environmental impact assessment,
- (ii) the reduction, if possible at source, of pollution and nuisances in the air (NO<sub>x</sub>, heavy metals and SO<sub>2</sub>) and in fresh water and sea water,
- (iii) dangerous chemicals,
- (iv) the treatment and transport of waste.

In addition to these priorities of a general nature, the programme also lays down that Community specific action must be taken:

- (i) to protect the environment in the Mediterranean region,
- (ii) to combat transboundary pollution,
- (iii) to encourage the development of clean technologies,
- (iv) to protect ecologically sensitive areas.

194. On 7 February 1983, the Council also adopted a resolution on the combating of water pollution.<sup>1</sup>

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<sup>1</sup> OJ C 14, 18.1.1983.

This Resolution lays down general guidelines to speed up the work of implementing Directive 76/464/EEC,<sup>1</sup> more particularly in respect of the 129 substances on the 'black list'<sup>2</sup> of this Directive drawn up by the Commission. These guidelines provide in particular for the identification of substances which should receive priority attention and also for increased collaboration between the Commission and the Member States, by making available to the Commission information held by the Member States on these 129 substances.

195. On 28 March 1983 the Council adopted a Directive concerning the importation into the Member States of skins of certain seal pups and products derived therefrom.<sup>3</sup>

This Directive forms part of the follow-up to the resolution adopted on 5 January 1983 as mentioned above. It entered into force on 1 October 1983, and prohibits the importation for commercial purposes into the territory of the Member States of skins and products made from harp and hooded seal pups. The prohibition will apply until 1 October 1985. This import ban does not apply to products resulting from the traditional hunting practices of the Eskimo peoples.

196. On 26 September 1983 the Council adopted a Directive on limit values and quality objectives for cadmium discharges in the aquatic environment.<sup>4</sup>

This constitutes the second Directive implementing the framework Directive 76/464/EEC, which was adopted by the Council in 1976 to combat the pollution caused by dangerous substances discharged into the aquatic environment of the Community (fresh and sea water). Owing to its toxicity, its persistence and its bio-accumulation in the environment, cadmium is one of the substances in List I of Directive 76/464/EEC (the list of particularly dangerous substances).

The Directive on cadmium applies mainly to industries in the primary metallurgy sector (extraction and refining of lead and zinc) and the secondary metallurgy sector (manufacture of stabilizers and batteries).

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<sup>1</sup> OJ L 129, 18.5.1976.

<sup>2</sup> The 'black list' or 'List I' of Directive 76/464/EEC is a list of families and groups of particularly toxic substances which are persistent and bio-accumulable in the environment.

<sup>3</sup> OJ L 91, 9.4.1983.

<sup>4</sup> OJ L 291, 24.10.1983.

It lays down the limit values for cadmium discharges to be complied with as from 1 January 1986, together with various monitoring procedures. These limit values will become stricter as from 1 January 1989. A Member State may issue a discharge authorization to an industrial plant only if the effluents from the plant are within the limit values laid down by the Directive. The Directive also lays down quality objectives to be complied with by the Member States which avail themselves of the exception provided for in Article 6 (3) of the basic Directive 76/464/EEC.

### **Meetings of the Council on the environment**

197. In 1983 the Council held three meetings devoted to matters concerning environmental protection.

198. On 28 February 1983 the Council held a meeting mainly devoted to examining the problems involved in the hunting of seal pups. At this meeting it adopted the Directive mentioned in paragraph 195.

199. At its 856th meeting on 16 June 1983, the Council approved the proposal for a Directive on cadmium discharges in the aquatic environment of the Community (see paragraph 196).

It also held a policy discussion on the proposal for a Directive on containers of liquids for human consumption.

In addition the Council discussed problems arising from lead in petrol on the basis of a joint memorandum from the British, Danish, Dutch and German delegations. In this connection it noted that the Commission would present proposals in the first half of 1984.

200. At its 887th meeting on 28 November and 16 December 1983 the Council agreed to a proposal for a Directive on the disposal into the aquatic environment of mercury from industrial sectors other than the chlor-alkali electrolysis industry. The text of this proposal will be finally adopted by the Council at the beginning of 1984.

In addition it held an initial policy discussion on the proposal for a Directive on harmonizing programmes for the reduction of pollution caused by titanium dioxide.

201. At the two meetings mentioned in paragraphs 199 and 200 above, the Council also carried out a thorough examination of the problems arising in connection with the following proposals:

- (i) proposal for a Directive on assessing the environmental effects of certain public and private projects,
- (ii) proposal for a Directive on combating air pollution from industrial plant,
- (iii) proposal for a Regulation on the financing of action by the Community relating to the environment,
- (iv) proposal relating to the monitoring and the control of transfrontier movement of hazardous waste.

### **International matters**

#### TEXTS ADOPTED BY THE COUNCIL

202. On 28 February 1983 the Council adopted the Decision concluding the Protocol to the Barcelona Convention for the protection of the Mediterranean Sea against pollution from land-based sources.<sup>1</sup>

In March 1983 the Council authorized the signing by the Community of the Protocol to the Barcelona Convention relating to the specially protected areas of the Mediterranean and also the Convention for the Protection and Development of the Marine Environment in the Caribbean Region.

#### OTHER WORK AT INTERNATIONAL LEVEL

203. In accordance with the action programmes on the environment, the Member States and the Commission representatives acted together during 1983 on the work undertaken by international organizations regarding environmental matters. In this respect, mention should be made in particular of the work carried out under the United Nations Environment Programme (UNEP), in the Organization for Economic Cooperation and Development (OECD), and in the United Nations Economic Commission for Europe (ECE-Geneva).

#### *United Nations Environment Programme (UNEP)*

##### **Eleventh meeting of the UNEP Administrative Council**

204. In May 1983 the 11th session of the Governing Council of the United Nations Environment Programme was held in Nairobi. The Com-

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<sup>1</sup> OJ L 67, 12.3.1983.

munity took part in the work of this 11th session, which followed the celebration in May 1982 of the 10th anniversary of the 'Stockholm Declaration' on the protection of the environment on a world scale.<sup>1</sup>

The priorities adopted in 1983 by the Governing Council cover regional seas, combating the spread of deserts and projects relating to arid and semi-arid land. For the implementation of these projects the particular importance was recognized of cooperation at regional level.

The Governing Council also approved the setting up of a special commission of leading personalities, which was to draw up guidelines in respect of the environment up to the year 2000 and beyond and propose strategies for lasting development.

The ecological problems facing the developing countries and ways of providing additional resources to cope with these problems were also examined at the 11th session of the Governing Council.

#### **Fourth conference of the parties to the Washington Convention on International Trade in Endangered Species of Wild Fauna and Flora**

205. The fourth conference of the parties to the Washington Convention was held in Gaborone (Botswana) in April 1983 under the auspices of the United Nations Environment Programme.

Because on the one hand of its importance in world trade and on the other of the measures which it has adopted in recent years to protect fauna and flora,<sup>2</sup> the Community played a very active part in the work of this conference. In this respect, it should be noted that the fourth conference adopted an amendment to the Convention which should enable the Community to become a contracting party to the Washington Convention at a later date.

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<sup>1</sup> See 30th Review, paragraph 232.

<sup>2</sup> It will be recalled that the Council adopted:

- (i) in 1981, a Regulation prohibiting the importation for commercial purposes of products derived from whales (OJ C 39, 12.2.1981);
- (ii) in 1982, a Regulation harmonizing the rules implementing the Washington Convention (OJ L 384, 31.12.1982, page 1) and also, in 1983 a Regulation amending this Regulation (OJ L 367, 28.12.1983);
- (iii) in 1983, a Directive prohibiting importation for commercial purposes of products derived from seal pups (OJ L 91, 9.4.1983).

*Organization for Economic Cooperation and Development (OECD)*

206. The Community took part in the work of the OECD on the environment, in particular at the two meetings during the year of its Committee on the Environment.

In 1983 the activities of the OECD mainly concerned:

- (i) preparatory work for the Conference on 'Economy and Environment' to be held in 1984;
- (ii) certain topical questions such as movement of dangerous wastes and air pollution from coal:
- (iii) better coordination of environment policy and development aid policy.

*United Nations Economic Commission for Europe (EEC-Geneva)*

**Eleventh meeting of the Principal Government Advisers  
on environmental problems**

207. In February 1983 the Community took part in the work of the 11th meeting of the Principal Government Advisers on environmental problems, which is the main body responsible for environmental questions in the United Nations Economic Commission for Europe. At this meeting the advisers held a general discussion on the programmes for combating environmental pollution in the 34 Member States of the Economic Commission for Europe. In addition the advisers held an exchange of views on the conservation and long-term use of natural resources and on the problems of environmental impact studies.

**First meeting of the Executive Body of the Geneva Convention  
on Long-range Transboundary Air Pollution**

208. Since the Convention on Long-range Transboundary Air Pollution entered into force on 16 March 1983, the Executive Body of the Convention held its first meeting in June 1983.

The Community, as a contracting party, played an active part in the work of this meeting. With regard to sulphur compounds, the parties recognized in particular the need to make an effective reduction by 1993 in their annual total emissions of SO<sub>2</sub> in comparison with the 1980 emission levels.



## **H — OTHER MATTERS**

### **Education**

209. The Council and the Ministers for Education meeting within the Council held their ninth meeting in Luxembourg on 2 June 1983. The main items on the agenda were as follows:

#### **INTRODUCTION OF NEW INFORMATION TECHNOLOGY IN EDUCATION**

210. The Council and the Ministers for Education meeting within the Council approved a resolution<sup>1</sup> on measures relating to the introduction of new information technology in education.

According to this resolution:

- (i) The Member States note that it is more and more important 'for school to familiarize young people with new information technology in order to provide better chances for future generations'.
- (ii) At Community level, and in order to supplement and support the action of the Member States, a number of initiatives to be implemented during the period up to 31 December 1987 have been adopted.
- (iii) The Education Committee will monitor implementation of the programme on the basis of regular progress reports from the Commission. It will draw up an overall report by 30 June 1988 on the outcome of initiatives taken at Community level and in the Member States.

#### **PROMOTION OF MOBILITY IN HIGHER EDUCATION**

211. The Council and the Ministers for Education meeting within the Council approved the text of conclusions listing measures:

- (i) to provide more information in this field;
- (ii) to promote study visits abroad of limited duration, without precluding the possibility of taking a complete course of study in another Member State;

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<sup>1</sup> OJ C 256, 24.9.1983.

- (iii) to continue the joint study programmes, which have proved to be particularly effective in overcoming obstacles to mobility;
- (iv) to encourage more twinning arrangements between higher educational establishments;
- (v) to examine ways of alleviating the financial difficulties connected with mobility;
- (vi) to enable students and teaching staff intending to study or teach in another Member State to obtain as far as possible the foreign language ability necessary for them to gain maximum benefit from their period abroad;
- (vii) to enable students studying temporarily in a higher education institution in another Member State to obtain leave of absence, thereby remaining registered and (where applicable) insured at the home institution, so that they can retain their student place there;
- (viii) to waive or relax restrictive admission Regulations where they exist, especially for students studying abroad for a limited period;
- (ix) to take due account of the different character of postgraduate studies and the specific needs of postgraduate students; measures to provide complete courses of study should be taken where necessary so as to promote mobility in this field;
- (x) to improve the comparative statistical data on the various types of study abroad within the Community so as to allow developments in mobility to be followed more closely and information about study and living conditions of students abroad to be improved.

#### EDUCATION OF MIGRANT WORKERS' CHILDREN

212. The Council asked the Commission to submit without delay its reports on the progress of a series of pilot projects launched on the basis of the resolution of 9 February 1976 and on the implementation of the Directive of 25 July 1977.

#### PROBLEMS OF TEACHER EMPLOYMENT

213. Following an exchange of views on the basis of a communication from the Presidency, the Council and the Ministers for Education meeting within the Council agreed to instruct the Education Committee, in conjunction with the Commission, to examine this subject in greater detail, with a view to a resumption of discussions at a forthcoming ministerial meeting.

## PARLIAMENT RESOLUTION OF 11 MARCH 1982

214. The Council and the Ministers for Education meeting within the Council adopted a statement of the Council's position on certain elements of Parliament's resolution of 11 March 1982 on a Community programme in the field of education. This statement mainly concerned mobility in higher education within the European Community, the introduction of new information technology into education, teaching about the European Community and Europe, the development of modern language teaching and the transition of young people from education to adult and working life.

### TRANSITION OF YOUNG PEOPLE FROM EDUCATION TO ADULT AND WORKING LIFE

215. The joint meeting of the Council (Labour and Social Affairs) and the Council and the Ministers for Education meeting within the Council, which was held in Luxembourg on 3 June 1983, reached agreement on a number of conclusions which may be summarized as follows:

- (i) the need to prepare young people, as from the final years of compulsory schooling, for the difficulties of the transitional phase, in the light of a comprehensive strategy for education and vocational training policies;
- (ii) closer cooperation among all the bodies responsible for the process of transition in connection with the policy decisions to be taken by the Member States at the various levels (national, regional and local);
- (iii) a wide range of options to meet the different training needs of young people, in particular by providing training outside the school environment, while strengthening the links between schools and local industry and commerce;
- (iv) broadening the scope of information services, which should cover not only careers and vocational guidance, but also the transitional period (from secondary education to training and the initial phase of working life) and be closely interwoven with the whole of the school curriculum;
- (v) special attention to be given to the specific needs of girls;

- (vi) exploration of the various possibilities for stimulating the most disadvantaged young people and of motivating under-achievers in order to equip them too to receive useful vocational training;
- (vii) stronger emphasis in teacher training courses on improving teachers' ability to introduce young people to the social and vocational aspects of their transition to adult and working life and to cooperate with instructors, experts in the working world and the staff of employment centres.

In addition, the joint meeting approved the arrangements made for launching the second series of pilot projects provided for under the resolution of 12 July 1982 so that they could be put into effect by the end of 1983.

#### FUTURE ROLE OF THE COMMUNITY IN YOUTH EXCHANGE PROGRAMMES

216. Lastly, the joint meeting took note of a communication from Mr Richard on the future role of the Community in youth exchange programmes. On this basis the Commission intends to present new projects to the Council in time for the implementation of an intensified programme starting in 1985, which is to be International Youth Year.

### **Culture**

#### EUROPEAN FOUNDATION

217. The Council continued its work on the system of privileges and immunities to be granted to the Foundation, its members and its staff, in the light of the operational needs and interests of the Foundation and of its independent nature. Since no solution has yet been reached, work is continuing at present within the Council's subordinate bodies.

#### INFORMAL MEETING OF THE MINISTERS FOR CULTURE

218. For the first time since the establishment of the Community, on the initiative of the Greek Presidency an informal meeting was held in Athens on 28 November 1983 of the Ministers for Culture of the Member States of the Community, in which Mr Pisani, Member of the Commission, took part.

The discussion on the work of the meeting covered three topics:

- (i) increased Community action in the cultural sector;
- (ii) cultural aspects of the solemn declaration on European Union;
- (iii) cultural, economic and social effects of the boom in audio-visual media.

At the end of the meeting the French Presidency agreed to call a ministerial meeting during the first half of 1984 to discuss cultural matters.

### **Consumer protection and information**

219. In 1983, for the first time since the adoption in 1975 of the first Community consumer protection and information programme,<sup>1</sup> the Council held a meeting specifically devoted to consumer protection and information policy.

At this meeting, which was held on 12 December 1983, the Council carried out a general review of Community policy with regard to consumers. It also approved a Decision introducing a system for the rapid exchange of information on dangers arising from the use of consumer products.

Lastly, the Council carried out a detailed examination of the outstanding problems in connection with the following proposals for Directives:

- (i) proposal for a Directive to protect the consumer in respect of contracts negotiated away from business premises, in particular with regard to door-to-door sales;<sup>2</sup>
- (ii) proposal for a Directive relating to the approximation of the laws, regulations and administrative provisions of the Member States concerning misleading and unfair advertising;<sup>3</sup>
- (iii) proposal for a Directive relating to the approximation of the laws, regulations and administrative provisions of the Member States concerning liability for defective products.<sup>4</sup>

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<sup>1</sup> OJ C 92, 25.4.1975.

<sup>2</sup> OJ C 22, 29.1.1977.

<sup>3</sup> OJ C 70, 21.3.1978.

<sup>4</sup> OJ C 241, 14.10.1976.

The Council agreed to continue its examination of the proposals remaining in abeyance during the first half of 1984.

### **Rome Convention on the law on contractual obligations**

220. The Greek Government signified its wish to accede formally to the above Convention.

Following the deliberations of the Ministers for Justice on 25 October 1982, the Committee of Permanent Representatives continued its examination of a draft protocol on conferring on the Court of Justice the power to interpret the Rome Convention.

### **Common rules for the legal protection of the financial interests of the European Communities and on penalties for infringements of Community legislation**

221. The Council's subordinate bodies continued their work on the basis of an overall solution on the contents of this draft legislation. The remaining reservations regarding the overall agreement and also the question of the legal form of the instrument were referred to the Permanent Representatives Committee for further study.

## Chapter IV: External relations and relations with the associated States

### A — ENLARGEMENT OF THE COMMUNITY

#### Portugal

222. The Conference between the European Communities and Portugal reached agreement at the end of first half of the year on two topics, namely on the approximation of laws, and on the environment and consumer protection, thus bringing to 12 the number of topics in the negotiations which were practically settled.

It also discussed some of the outstanding questions in connection with the topics dealt with in 1982, in particular those concerning the industrial sector and with regard to Euratom, where it laid down the content of the protocol to be inserted into the instruments of accession concerning exchange of information in the field of nuclear energy.

Otherwise the work of the Conference centred on three topics. Firstly fishing, on the subject of which both parties made significant contributions to identifying the problems to be solved, thus laying the basis for the future negotiations on this topic. On the question of agriculture the parties exchanged declarations at the beginning of the year.

Once the results were known of the Council's work regarding the Mediterranean *acquis communautaire*, which was finalized on 18 October 1983, at the end of November the Community was able to present a substantive declaration based on the major analysis of Portuguese agriculture which the Commission presented to the Council at the end of July. Lastly, at the end of the year the Community also defined its position on the majority of the problems regarding social affairs.

During 1983 the Conference held four meetings at deputy minister level, on 4 March, 29 April, 27 June and 5 October, and also five meetings at ministerial level, on 25 January, 15 March, 25 May, 18 July and 29 November.

## **Spain**

223. The Conference between the European Communities and Spain reached agreement on taxation in June and on Euratom in December, so that these two topics in the negotiations may be regarded as practically settled. These are in addition to the six topics settled in 1982.

During 1983 the work of the Conference concentrated primarily on the industrial sector. At the ministerial meetings in June, October and December, this led to agreement on a number of points which were still outstanding in this sector, such as the customs union and the free movement of goods, the ECSC, and external relations. With regard to the customs union, the only major outstanding problem concerns the length of time during which the transitional measures should apply.

Statements were made by both parties on patents, but their positions remain some distance apart on a number of points.

The work of the Conference also covered two other topics, namely social affairs, on which both parties defined their positions, and fishing, where both sides contributed to identifying the problems to be solved.

Lastly, as regards agriculture, the results of the Council's work, finalized on 18 October 1983, regarding the Mediterranean *acquis communautaire* enabled the work on determining the Community's position to be started on a solid foundation, in the light of the major analysis of Spanish agriculture which the Commission presented to the Council at the end of July.

The Conference continued its work at five meetings at deputy minister level, on 28 January, 25 March, 17 May, 15 July and 18 November, and also at five meetings at ministerial level, on 22 February, 26 April, 21 June, 18 October and 19 December 1983.

## **B — COMMERCIAL POLICY**

### **General commercial policy**

#### COMMERCIAL POLICY REGULATIONS

##### *Regulations governing imports*

224. With a view to simplifying the commercial regulations which the Community currently applies to State-trading countries and thus making



them easier to understand, particularly for the world of business, on 14 November 1983 the Council adopted three Regulations which codify and update a series of existing acts concerning the import arrangements which apply to China, Romania and the other State-trading countries respectively. With regard to the last of these, the new Regulation (EEC) No 3420/83,<sup>1</sup> which replaces Regulation (EEC) No 3286/80 of 4 December 1980,<sup>2</sup> gives a complete review of current restrictions in the Member States with regard to the various State-trading countries.

In addition, at its meeting on 19 December 1983 the Council adopted the import quotas to be opened by the Member States in 1984 with regard to the State-trading countries. Several of these quotas were increased over 1983 levels.

### *Regulations on exports*

225. By its Regulation (EEC) No 3300/83 of 22 November 1983,<sup>3</sup> the Council confirmed the provisions of Commission Regulation (EEC) No 2822/83 of 6 October 1983<sup>4</sup> suspending the issuing of export licences for aluminium waste and scrap until 31 December 1983.

In accordance with the provisions of the basic Regulation (EEC) No 2603/69 establishing common arrangements for exports,<sup>5</sup> by its Regulation (EEC) No 3685/83 of 22 December 1983<sup>6</sup> the Council laid down for 1984 the arrangements for exports of certain non-ferrous waste and scrap, with provisions for the monitoring of exports of aluminium and lead waste and scrap, and the fixing of quotas for exports of copper ash and residues and copper waste and scrap.

### *Protection against dumped or subsidized imports*

226. In implementation of the basic anti-dumping Regulation (EEC) No 3017/79 of 20 December 1979,<sup>7</sup> the Council, acting on proposals from the Commission, adopted 24 Regulations or Decisions imposing definitive anti-dumping duties or terminating anti-dumping procedures.

<sup>1</sup> OJ L 346, 8.12.1983.

<sup>2</sup> OJ L 353, 29.12.1980.

<sup>3</sup> OJ L 327, 24.11.1983.

<sup>4</sup> OJ L 278, 11.10.1983.

<sup>5</sup> OJ L 324, 27.12.1969.

<sup>6</sup> OJ L 368, 29.12.1983.

<sup>7</sup> OJ L 339, 31.12.1979.

In addition, in September 1983 the Commission presented the first annual report on the action taken by the Community against dumping and subsidies. This report covers the three years (1980, 1981 and 1982) during which the current Community provisions on the matter were put into effect. Thus 58 procedures were initiated in 1982 compared with 48 in 1981 and 25 in 1980. Many of these procedures applied to chemicals as well as to products of the mechanical engineering and steel sectors.

#### *Extension or automatic renewal of trade agreements*

227. Council Decision 69/494/EEC of 16 December 1969 on the progressive standardization of agreements concerning trade between the Member States and third countries and the negotiation of Community agreements,<sup>1</sup> and in particular Article 3 thereof, provides that any extension or renewal requires a preliminary authorization.

In this connection the Council, acting on proposals from the Commission, adopted Decisions on 24 January, 24 May, 14 June, 9 August, and on 4 and 29 November 1983, authorizing the extension of a number of friendship, trade and navigation treaties and similar agreements concluded by the Member States with third countries.

#### *Fairs and exhibitions*

228. As usual, the Council's subordinate bodies examined the programme for the participation of the Commission and the Member States in fairs and exhibitions in non-member countries, the aim being to improve the Community's image at these events.

Moreover, acting on proposals from the Commission, the Council gave its assent to the participation of the Community in the New Orleans International Exhibition in the United States in 1984, and has already given its assent in principle to the participation of the Community in the Tsukuba International Exhibition in Japan in 1985.

#### DEVELOPMENT OF THE COMMON COMMERCIAL POLICY

229. In accordance with the guidelines laid down by the European Council in June 1982, the Council's subordinate bodies continued

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<sup>1</sup> OJ L 326, 29.12.1969.

throughout 1983 their detailed discussion of ways and means of ensuring greater effectiveness and speed of action as regards the protection of trade. In particular the Council received in March 1983 a proposal from the Commission for the creation of a new instrument for the protection of trade which would supplement the instruments currently available to the Community (procedures for protection against dumping and subsidized imports, and monitoring and safeguard mechanisms). In the Commission's view, the main aim of such an instrument would be to counter any illicit commercial practice imputable to a third country which damages or threatens to damage the Community's industries, either in the Community market or in other markets.

The main innovation in this proposal, apart from a formal investigation procedure to be conducted by the Commission and the granting to Community industries of the right to complain about any violation of the GATT arrangements which might affect them, is the decision-making mechanism proposed by the Commission, under which the Commission would decide to take action after consulting the Member States through a Consultative Committee made up of representatives of the Member States and chaired by the Commission.

The discussions within the Council at its meetings on both general affairs and the internal market encountered a great number of problems relating to the general pattern of commercial policy and to certain technical questions. They showed that the main question — the solution to which will determine the position of the delegations on the other aspects which are still unresolved, in particular on the basic desirability of a new instrument — remains that of the above-mentioned decision-making mechanism.

Despite the efforts made, in particular during the last quarter of 1983, to seek compromise formulae, it has not yet been possible to bring the divergent positions any closer together.

#### WORK IN CONNECTION WITH THE OECD

230. As in previous years, the Community played an active role in the work of the OECD aimed at promoting economic recovery and ensuring a transition to sustained growth and higher employment levels, while avoiding the dangers of renewed inflation.

Thus at the annual meeting of the OECD at ministerial level in May 1983 the Community subscribed to the political commitment of the

governments of all the Member States of this organization, a commitment which is based on the realization that the reinforcement of an open multilateral trading system is essential for economic recovery and sustained growth. In this context the ministers considered that economic recovery, as it becomes more firmly established, creates favourable conditions which the Member States should individually and collectively take advantage of to discard protectionist tendencies.

## GATT

231. With regard to the work of GATT to provide a general framework for the system of international trade, the meeting at ministerial level of the contracting parties to GATT in November 1982 adopted a complete programme of work which covers all the major sectors of trade relations such as agriculture, agricultural products, textiles, services, the use of non-tariff measures etc.

The particular concerns of the developing countries are central to this programme, which also provides for special measures to promote exports from the least-developed countries. The main part of this programme should be put into effect at the 40th meeting of the contracting parties in 1984.

Consequently all the GATT bodies concentrated throughout 1983 on this priority task and the regular meeting of the contracting parties in November 1983 was an opportunity to check the progress made without intervening directly in the work in hand, which will enter its practical phase in 1984.

232. Work was also done on negotiating a new system of safeguards to supplement that laid down in Article XIX of the General Agreement and adapt it to current trade conditions. While the main trade partners are unanimous that international trade can prosper only in an orderly climate of security and stability, and that consequently multilateral rules should be established so that any essential safeguards may be provided, there are major differences of opinion between the trading partners when it comes to specifying the various safeguard measures. However, during 1983 the intensive consultations and negotiations held within GATT gave each party the opportunity to explain its main concerns, which helped towards a better definition and understanding of the field covered by the negotiations. At the meeting of the contracting parties in November 1983 it was agreed to continue this work with a view to achieving definite results in 1984.

COMMERCIAL POLICY MEASURES IN ACCORDANCE WITH THE  
CONCLUSIONS OF THE OECD MINISTERS AND THE  
WILLIAMSBURG DECLARATION

233. On a number of occasions the main trading partners have affirmed their political will to resist protectionist tendencies. The conclusions of the OECD ministerial meeting of 15 May 1983,<sup>1</sup> the Williamsburg Summit declaration of 25 May 1983, in which the participants committed themselves in particular to halt protectionism and, as recovery proceeded, reverse it by dismantling trade barriers, and also the commitments entered into at Unctad VI in Belgrade in June 1983, are all on these lines.

With a view to taking action on these commitments, reinforcing the confidence of business in the economic revival and contributing to the further freeing of international trade, at its meeting on 19 and 20 December 1983 the Council, in an appeal to all the major international trading partners for their active cooperation, adopted the following declaration:

'Having regard to the forecasts of economic growth of the Community in 1985, which are at present of the order of 2%, and subject to the forecasts of these economic trends being confirmed in the course of 1984, the EEC will on 1 January 1985 accelerate the Tokyo Round tariff reduction by one step, provided that its principal trading partners in the OECD do likewise.

The Council will decide on the implementation of this declaration on the basis of a Commission proposal at the beginning of autumn 1984.

In parallel, the Council will eliminate to the maximum possible extent quantitative restrictions on imports from the least-developed countries.'

### **Sectoral problems**

#### **STEEL INDUSTRY**

234. In view of the absence of any real prospects of improvement in the situation in the steel market, the Commission proposed that the external measures in force in 1983 should be continued in 1984.

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<sup>1</sup> See paragraph 230 of this Review.

The examination of these proposals within the Council proved rather difficult. Firstly, implementation of the arrangements for 1983 had raised specific problems which could not be overlooked in the context of laying down provisions for 1984, and secondly the measures of unprecedented severity which the Commission was considering for the internal market were liable to put Community production at a disadvantage *vis-à-vis* imports from non-member countries. Thus the Council was faced with the twofold requirement of introducing arrangements which would take account of the efforts being made within the Community to avoid a further deterioration in the steel market and at the same time not penalizing non-member countries which were exercising restraint in their exports of steel to the Community. Thus the 'External measures - Steel' for 1984 adopted by the Council on 29 November 1983 take in the essential features of the provisions agreed on for 1983, but also contain new provisions to ensure strict compliance with the arrangements. In this respect, attention was given in particular to compliance with the clauses designed to avoid too great a concentration of imports in a single period of the year, on a specific product or in a particular region of the Community.

#### TEXTILES

235. Implementation of the textiles policy laid down by the Council in 1981-82 in respect of the countries supplying low-priced textiles was already completed for the most part during 1982. There remained the negotiations with China on its textile agreement with the Community. These negotiations were opened on 21 November 1983 but were not completed by the end of the year.

### **C — RELATIONS WITH THE INDUSTRIALIZED COUNTRIES AND THE STATE-TRADING COUNTRIES**

#### **Relations with the EFTA countries**

236. The EFTA countries continue to be the Community's most important trading partners. It should also be noted that there will be full free trade in industrial products between the Community and its trading partners in EFTA, as planned, from 1 January 1984.

During 1983 the Community contributed to the smooth working of the Free Trade Agreements which it has with each of these countries. It also began its examination of the list of sectors — drawn up by the Commission further to the declaration adopted by the Council of the 10th an-

niversary of the signing of the Free Trade Agreements and the resolution of the European Parliament of 11 February 1983 — in which further cooperation with these countries might be appropriate and possible.

Most of the Joint Committees met twice during the period covered by this report.

It should also be mentioned that a number of agreements were reached and unilateral decisions taken by the Community as part of the process of administering the EEC/EFTA Free Trade Agreements, namely:

- (i) the amendments made by the Joint Committees to Protocols 3 of the Agreements concerning the definition of the concept of originating products and methods of administrative cooperation, which were implemented at Community level by Council Regulations;<sup>1</sup>
- (ii) the Agreement in the form of an exchange of letters between the Community and Switzerland amending Table II annexed to Protocol 2 of the EEC-Switzerland Agreement;<sup>2</sup>
- (iii) the Agreement in the form of an exchange of letters with Finland amending certain zero-duty tariff quotas opened by the United Kingdom for 1983 in accordance with Protocol 1 of the EEC-Finland Agreement;<sup>3</sup>
- (iv) the Council Regulations opening, allocating and providing for the administration of tariff quotas for certain wines originating in Portugal (Verde, Dão, Setubal muscatel, Port and Madeira wines);<sup>4</sup>
- (v) the Regulation on the conclusion of the Agreement in the form of an exchange of letters between the Community and Portugal with regard to prepared or preserved tomatoes falling within subheading 20.02 c of the Common Customs Tariff.<sup>5</sup>

237. Lastly, the EEC-Austria and EEC-Switzerland Agreements on Community transit also operated satisfactorily. The two Joint Committees met in October and made certain technical amendments to these Agreements which were implemented by Council Regulations.<sup>6</sup>

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<sup>1</sup> OJ L 174, 30.6.1983, rectified by OJ L 190, 14.7.1983.

<sup>2</sup> OJ L 337, 2.12.1983.

<sup>3</sup> OJ L 165, 24.6.1983.

<sup>4</sup> OJ L 138, 27.5.1983 and OJ L 151, 9.6.1983.

<sup>5</sup> OJ not yet published.

<sup>6</sup> OJ L 339, 5.12.1983.

## **Non-European industrialized countries**

### UNITED STATES

238. Relations with the United States improved following the conclusion, in the second half of 1982, of the steel arrangement, the decision by the United States to lift the sanctions imposed against European firms in connection with the Siberian gas pipeline, and the opening of high-level consultations on agricultural questions. Nevertheless, certain issues remain in dispute.

239. In accordance with the conclusions reached in December 1982 on the occasion of the visit to the Commission of an American ministerial delegation headed by the Secretary of State, Mr Shultz, a series of intensive bilateral talks took place on the subject of trade in agricultural products. The aim of these talks was not to negotiate but — while respecting each side's agricultural policies — to examine the existing divergences and, as far as possible, seek pragmatic ways of overcoming them. Thanks to these talks, which were held in four rounds between January and June, the problems were clarified and a better understanding of the other party's position was reached on both sides. The conclusions primarily concerned procedure and opened the way to pursuing the bilateral dialogue on the central question of export subsidies, with a view to the work to be done through GATT to clarify and define the existing arrangements more precisely and thus achieve better discipline on the part of all countries.

With regard to this fundamental problem, it should be stressed that certain subsidized sales of agricultural products (wheat flour and milk and milk products) completed by the United States during this period in traditional Community markets, such as Egypt, were the cause of major concern to the Council. The latter gave its full support to the Commission, which reacted vigorously both at the bilateral meetings and in the appropriate international forums, in particular GATT and the International Dairy Council.

In the industrial field, steel continued to be a source of problems for the Community. During the summer the United States adopted protective measures against imports of special steel, in particular from European countries, since the arrangement concluded with the Community in 1982 covered only ordinary steels.



Faced with these measures,<sup>1</sup> which had a serious effect on Community exports, the Council expressed its extreme displeasure and questioned whether they were really justified, since the difficulties of the American steel industry could not be blamed on imports. While maintaining this position in principle, the Council authorized the Commission to enter into consultations with the United States in accordance with Article XIX of the GATT with a view to obtaining compensation for the loss incurred. In view of the inadequacy of the compensation offered, the Council found itself obliged to adopt, on 29 November 1983, a list of 'compensatory withdrawals' with regard to exports of certain American products,<sup>2</sup> on the understanding that this would be lodged with GATT if by 15 January 1984 the United States had not made acceptable proposals.

240. A third source of difficulties with the United States in the commercial fields arose from certain aspects of American legislation — either currently in force or being drawn up — with extra-territorial effects, on which the Community did not fail to express its concern. These include the renewal of the Trade Administration Act, which would permit sanctions against foreign companies which violated a trade embargo imposed by the United States against a third country. There is also the system of taxation in force in a number of American states which tax companies (including foreign companies) on the basis of their total profits worldwide (unitary tax).

## JAPAN

241. Relations with Japan continued to occupy the Council throughout 1983. Its conclusions formed the basis for the action taken by the Commission, which held intensive consultations with the Japanese authorities with a view to their taking measures which in the long term would make it possible to restore the trade balance between the Community and Japan. As a result of this, at the beginning of 1983 the Japanese Government adopted measures which would on the one hand improve access to its domestic market and on the other ensure a certain moderation in Japanese exports of sensitive products to the Community.

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<sup>1</sup> Depending on the products, these measures — which are valid for four years — consist either of raising the customs duties or of applying quotas.

<sup>2</sup> This list covers chemicals for the plastics industry, weapons for hunting and shooting, and sports goods.

242. With regard to the opening up of the Japanese market, on 1 April 1983 Japan implemented the decisions to reduce or abolish customs duties reached in January 1983 and also those previously announced in May 1982. These concessions cover approximately 11% of the Japanese imports subject to duty (excluding oil) and extend to both industrial products (in particular tractors and other agricultural machinery) and agricultural or food products (in particular cognac, biscuits, cigarettes, products containing chocolate etc.) of which the Community is a major supplier. These measures were accompanied, as regards non-tariff matters, by a revision by the Japanese Diet of a series of technical and administrative standards and regulations relating to import procedures. Basically, the legislative improvements are intended to ensure non-discrimination between national and foreign products and to simplify standards and customs clearance procedures and make them more transparent, in particular as regards systems of standards and certification.

243. As regards the reduction of Japanese exports to the Community, assurances were given by the Japanese for 1983 on a number of sensitive products, on which the Community also maintained a monitoring system.

The sectors concerned are those in which Japan has acquired a dominant share of the market, namely video recorders, motor vehicles, colour television sets and tubes, numerically controlled machine tools, light commercial vehicles, fork lift trucks, motor cycles, quartz watches, hi-fi equipment etc. In November these assurances were repeated for 1984.

244. These decisions reflect Japan's realization at political level of the need to make a serious effort to restore the trade balance. The Community nevertheless considers that these measures are not sufficient to eliminate the persistent trading imbalance in favour of Japan. The Council again discussed bilateral relations with Japan at its meetings in October and November. In addition to the need to keep a close watch on the implementation of the assurances of moderation, the Council stressed in particular that Japan must adopt measures capable of producing in the near future tangible and significant improvements for Community exporters, i.e. a massive and visible increase in Japanese imports of manufactured products. Accordingly, having taken note of the economic measures announced by the Japanese Government on 21 October, the Council asked the Commission to continue to defend with vigour the Community's interests *vis-à-vis* the Japanese authorities. In addition, the Council also showed its interest in developing balanced cooperation with Japan in the industrial sector.

## OTHER COUNTRIES

245. Bilateral relations with Canada and Australia are maintained in particular through regular high-level consultations,<sup>1</sup> as well as through contacts on the occasion of visits by leading political figures. Solutions were found or are in sight for certain bilateral difficulties with Australia.

Relations with Canada are more complex and there are also difficulties in sectors which do not strictly come under the heading of commerce. With regard to trade, the Council had occasion to express its concern over certain measures of a protectionist nature taken by the Canadian Government.

### **Relations with State-trading countries**

#### POLAND

246. On the basis of the Council Decision of January 1982, humanitarian aid from the Community, which is distributed directly to the most needy sections of the Polish people, continued in 1983 through non-governmental organizations. Including the allocation of additional aid worth 14 million ECU in 1983, the total value of this aid for the period 1982-83 is 41 million ECU. It consists mainly of milk and milk products, cereals, oils and fats, and health products and medical supplies.

#### SOVIET UNION

247. Council Regulation (EEC) No 596/82 of 15 March 1982,<sup>2</sup> which, following the events in Poland, restricted imports into the Community of certain products originating in the Soviet Union, and which had been extended on 23 December 1982,<sup>3</sup> remained in force during 1983. It expired on 31 December 1983, as the Community considers that these measures, which in 1982 were a political gesture indicating its disapproval of the imposition of martial law in Poland, were no longer a necessary part of the response of the Ten to the situation in that country.

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<sup>1</sup> With regard to Canada, these consultations take place twice-yearly through the Joint Cooperation Committee set up under the Agreement which was signed on 6 July 1976.

<sup>2</sup> OJ L 72, 16.3.1982.

<sup>3</sup> Regulation (EEC) No 3482/82 of 23.12.1982, OJ L 365, 24.12.1982.

## CHINA

248. Work was done within the Council on laying down general guidelines for the Community delegation at the meetings of the Joint Committees with China and Romania. The fifth meeting of the EEC-China Joint Committee was held in Peking in November 1983. It was devoted on the one hand to reviewing the main developments concerning trade between the EEC and China during the past five years, and on the other to studying means of developing and diversifying economic and commercial relations. The fifth meeting of the Joint Committee was held in a more favourable atmosphere than in recent years, owing to the revival of Community exports to China. This change follows the practical measures taken by the Chinese authorities to increase imports from the Community, in accordance with the provisions of the agreement on favourable treatment to be given to exports from the Community. In addition, both parties agreed to renew the 1978 Trade Agreement for a further period of one year, i.e. until 31 May 1985. This date will mark the 10th anniversary of the establishment of relations between the EEC and China.

## ROMANIA

249. The third meeting of the EEC-Romania Joint Committee took place in Brussels in December 1983 and provided an opportunity to examine the whole spectrum of relations between the Community and Romania and the operation of the various agreements governing trade between them. The Community for its part drew the attention of the Romanians particularly to the persistent deterioration of its trade balance with Romania. It should be pointed out that trade between Romania and the Community increased steadily until 1979, when the Community accounted for 25% of Romania's imports and 21% of its exports.

The Community's balance of trade with Romania was generally in the Community's favour, but the situation changed in 1980, when the Community was in deficit. Since then this deficit has worsened owing to the decline in exports from the Community. It totalled 710 million ECU in 1982 and 419 million ECU for the first six months of 1983.

## INTERNATIONAL ORGANIZATIONS AND CONFERENCES

250. As for the previous meetings of the United Nations Economic Commission for Europe, the Council's subordinate bodies laid down general guidelines for the position to be adopted by the Community on the problems of a political nature on the agenda of 38th annual meeting

of the ECE in Geneva from 12 to 23 April 1983. In view of the fact that the political situation regarding East-West relations which forms the background to the work of the ECE had not changed fundamentally since the 37th annual meeting, at this year's meeting the Community adopted a cautious approach broadly similar to that adopted in 1982, which essentially meant continuing work of a technical nature within the ECE.

251. With regard to the CSCE, it should be noted that the 'Final Document' was signed in Madrid in September 1983. The chapter headed 'Cooperation in the fields of economics, science and technology and the environment' (Basket II) contains a series of texts (declarations, recommendations etc.) on subjects falling within the Community's competence, such as trade cooperation, the environment and so on.

## **D — NORTH-SOUTH DIALOGUE**

### **Unctad VI<sup>1</sup>**

252. Unctad VI, which was held in Belgrade from 6 June to 2 July 1983, constituted the main occasion for continuing the North-South Dialogue during 1983.

The agenda of the Conference was extremely wide-ranging and covered most of the major North-South questions. At the beginning work was organized around three main committees dealing with commodities, trade, and monetary and financial questions respectively. During the Conference other negotiating groups were added to discuss other problems on the agenda, namely the least developed countries, the world economic situation and 'other questions'. Lastly, in the final stage of the Conference negotiations were carried on by small groups of coordinators set up by the President of the Conference to enable the conference to break the deadlock and reach a final consensus.

Unctad VI was held against a difficult economic background, characterized by the persistent world economic crisis, even though encouraging signs of recovery were starting to appear in certain industrialized countries. These circumstances made it necessary, but at the same time difficult, to seek concerted solutions which could contribute to both world economic recovery and further development.

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<sup>1</sup> See also the January 1984 report of the Permanent Representatives of the Ten at the United Nations on the activities of the Community during the 38th United Nations General Assembly.

253. At its meeting on 24 and 25 January 1983 the Council had given an initial impulse to Community work in preparation for the Belgrade Conference, noting the special political importance of Unctad VI as a major event in the North-South Dialogue during 1983 and emphasizing the need for adequate Community preparation for this Conference so that, on the basis of a joint position, the Community could play as constructive a role as possible in the preparatory work and at the Conference itself.

On this basis the broad outline of the Community's approach for Unctad VI was quickly determined and this was communicated to the Community's partners in the early months of 1983, mainly at the OECD meetings and at the 12th extraordinary meeting of the Unctad Council for Trade and Development.

Work by the Community subsequently intensified on the basis of proposals from the Commission, and its meeting on 24 and 25 May 1983 the Council laid down the joint Community guidelines for the Community spokesmen in Belgrade, on the understanding that these guidelines would be supplemented by Community coordination on the spot as the negotiations progressed.

Lastly, it should be noted that the Stuttgart European Council in June 1983 stressed the importance of Unctad VI for the North-South Dialogue and confirmed that the Community would make a constructive contribution to this Conference.

254. The Community therefore approached Unctad VI in a positive, constructive and pragmatic spirit, as Mr Lambsdorff, speaking in his capacity as President of the Council, stressed in his opening address in Belgrade on behalf of the Community and its Member States. He said that the Community wanted Unctad VI to provide a strong stimulus to the process of recovery and specify ways and means of ensuring that this process was beneficial for both the developing countries and the industrialized countries. The Community, conscious of the increasing interdependence of North and South, considered that there could be no lasting recovery unless the process of development was resumed and there could be no revival of the process of development without real economic recovery.

In this spirit the Community endeavoured to play an active role throughout the Conference on the basis of the joint guidelines adopted by the Council. In particular, within the industrialized countries group (Group B) the Community acted as a mediator between the sometimes

widely different points of view expressed. Thus the majority of the texts lodged on behalf of the countries in Group B in response to the proposals in the 'Buenos Aires platform' for Unctad VI worked out by the developing countries (the Group of 77) were lodged on the basis of drafts originating with the Community.

The presence in Belgrade of a large number of Ministers from the Member States at the beginning and in the closing days of the Conference undoubtedly helped in ironing out difficulties and contributed to the emergence of a final consensus.

It should be noted finally that the meetings organized on the fringe of the Conference between the Community and the ACP countries on the one hand and the Asean countries on the other certainly produced a better understanding of the respective positions and helped in the search for solutions to the outstanding problems.

255. It is difficult at this stage to make a detailed and final assessment of the results of the Belgrade Conference. These must be seen as part of a continuous long-term process, and their subsequent implementation.

At the end of the Conference some 20 resolutions were adopted on the main topics discussed — six on commodities, one on trade, five on monetary and financial questions and one on the least developed countries. In certain cases (e.g. government aid for development) these resolutions confirm previous commitments. In others they constitute an advance on the previous position — for example with regard to the LDCs, the implementation of the Common Fund or the progressive elimination of restrictions on trade.

These results certainly fall short of what the developing countries expected of Unctad VI, and in particular of the demands in the Buenos Aires platform. It will be noted above all that the Belgrade Conference was not able to draw up a real concerted programme for world economic recovery and development (the 'Belgrade Declaration'), owing to the substantially divergent views which were expressed by the countries of the North and the South with regard to the origins of the world crisis and the means of dealing with it.

Taken as a whole however, the results of Unctad VI are far from negligible. This was the tenor of the assessment made by the Presidency of the Council, in particular at the 38th session of the General Assembly of the United Nations. The outcome of the Belgrade Conference may indeed be considered as relatively satisfactory if certain considerations are taken

into account, such as the general economic situation, which limited the real possibilities of making progress, the differences in approach between Group B and the Group of 77 which emerged in particular over the attempts to draw up a 'Belgrade Declaration', the sometimes differing political interests and attitudes within Group B, and finally the Unctad negotiation procedure which is based on negotiations between blocs and is thus excessively rigid.

Finally, Unctad VI was held in a climate of non-confrontation based on acceptance of the fact that the increasing interdependence between economies and the links between the various economic sectors made it necessary to continue an active dialogue of which Unctad VI will ultimately prove to have constituted only one stage.

### **Global negotiations**

256. There were no significant developments on this matter during 1983.

The Community remains in favour of making an actual start with the North-South global negotiations provided for in Resolution 34/138 of the United Nations General Assembly. It reiterated this at the meeting of the Council on 24 and 25 January 1983.

With this in mind the Community took an active part in the recent exploratory contacts between the Group of 77 and the industrialized countries at the 38th United Nations General Assembly. These contacts did not, however, produce any prospects for overcoming the obstacles which prevent the global negotiations from actually getting under way.

Accordingly the 38th General Assembly decided, before suspending its work for Christmas, that these contacts would continue and that an assessment would be carried out in March 1984.

### **Multilateral development organizations**

257. The Community has often stated its support for increasing the resources of the multilateral development organizations, and stressed their central role. For this reason it expressed its particular concern during 1983 at the funding difficulties with which the International Development Association (IDA) and the International Fund for Agricultural Development (IFAD) continue to be faced.



In view of its desire to see these organizations fulfilling their role in promoting development, in March and December 1983 the Presidency, on behalf of the Community and its Member States, made a fresh approach to the American Administration in an attempt to persuade it to adopt a more constructive attitude on payment of the American contribution to the ID and the IFAD.

## Commodities

258. Commodities attracted particular interest this year owing to the central place which this topic occupied at Unctad VI.<sup>1</sup>

Apart from this major event, the dialogue between producer and consumer countries continued within the framework of the existing international commodity agreements (on sugar, wheat, olive oil, coffee, cocoa, rubber and tin) or those in the process of being renegotiated (coffee, sugar and cocoa) and in the preparatory meetings in connection with the Unctad integrated programme on products not yet governed by international agreements, e.g. tea, cotton and bauxite.

259. Two new Agreements were added to the list of existing agreements in 1983: the International Agreement on Jute and Jute Products and the International Agreement on Tropical Timber.

As regards the Jute Agreement, which is an agreement of the 'second window' type under the Common Fund (without the price stabilization mechanism), it will be recalled that the negotiations had been completed in 1982. The Agreement provides expressly in Article 5 for the participation of the EEC. In June 1983 the Community and its Member States signed this Agreement and lodged notification of its provisional application. However, since the number of signatories was insufficient, the Agreement could not enter into force, as initially envisaged, on 1 July. Nevertheless the prospects are good for its entry into force at the beginning of 1984, subject to a decision which the signatory countries are expected to adopt at a special meeting in Dhaka, Bangladesh, the seat of the future organization, under the terms of Article 40(3) of the Agreement.

When the common position regarding this meeting was drawn up it was agreed that the Community would make a statement in Dhaka in favour of the entry into force of this Agreement on a provisional basis.

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<sup>1</sup> See paragraph 252 *et seq.* of this Review.

With regard to tropical timber, two successive conferences – in March and November – finalized the text of a new Agreement. As in the case of jute, this is an agreement of the ‘second window’ type under the Common Fund aimed at improving international cooperation in this sector. This Agreement gives particular attention to the following four fields: research and development, improvement of information, local processing and reforestation.

The text of the Agreement is open for signature until October 1984 and at the appropriate time the Commission will present a recommendation to the Council regarding the signing and notification of provisional application of the Agreement by the Community and its Member States.

260. Renegotiations or exploratory talks were started on three agricultural products (coffee, cocoa and sugar) with a view to obtaining more effective agreements.

261. With regard to coffee, this meant renegotiating the 1976 Agreement, which was due to expire on 30 September. This Agreement, which was based on a system of export quotas, had proved its worth and it was a question only of making the amendments considered to be desirable by the contracting parties. The Community and its Member States signed the new 1983 Coffee Agreement in June and on 30 September lodged with the United Nations notification of its provisional application. The new Agreement entered into force on a provisional basis on 1 October.

262. In view of the expiry in 1984 of the 1980 Cocoa Agreement, the Council’s subordinate bodies continued their work internally regarding the future of this Agreement, which in the opinion of the Community does not function satisfactorily. Externally, preparatory work was started by the Cocoa Organization in London with a view to laying the foundations for a new Agreement. The Community and its Member States took part in these exploratory talks and the Council will be called on at the beginning of 1984 to adopt negotiating guidelines for the Cocoa Conference planned for May 1984.

263. In view on the one hand of the Council Decision of 27 October 1981 instructing the Commission to seek a basis for cooperation with the International Sugar Council with a view to the possible accession of the Community to an improved international Agreement,<sup>1</sup> and on the other

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<sup>1</sup> See 29th Review, paragraph 271.

of the decision taken by the International Sugar Council in November 1982 to press on with the negotiations on drawing up such an Agreement, during the period under review the Community played an active part in the discussions on the content of a new International Sugar Agreement. It did so on the basis of the negotiating directives adopted by the Council on 14 March 1983. Broadly speaking, in order to regularize the sugar market this mandate proposes the division of the exporting countries into three categories. The major exporters would have to operate, as the regulating mechanism of the Agreement, a system of storage accompanied by other measures if necessary. The industrialized importing countries would also have to assume a number of obligations.

Although the negotiations between the interested parties had not produced an Agreement by the end of 1983, preparatory consultations are continuing with a view to the conclusion of these negotiations during the first half of 1984.

264. Lastly, it should be noted that the Member States and the representatives of the Community have, as in the past, taken an active part in the work of other specialized organizations concerned with commodities, such as the FAO and the World Food Council, which met at ministerial level in New York in June.

## **E — DEVELOPMENT COOPERATION**

### **General Community policy on development cooperation**

265. The Council of Ministers for Development Cooperation held two meetings during 1983, on 14 June and 15 November. In addition, the Ministers held an informal meeting in Bonn on 3 March 1983 to exchange views on questions concerning the Community's development policy.

Among the main topics regarding development cooperation discussed during the year, the following should be mentioned:

#### **SUPPORT FOR FOOD STRATEGIES IN CERTAIN DEVELOPING COUNTRIES**

266. In 1982 the Council had decided to give a favourable reply to requests from Mali, Kenya, Zambia and Rwanda for support their food strategies. This entailed coordinated support by the Community, the Member States and other donors for a food strategy drawn up by the

recipient country in consultation with the donors. The aim is, by giving coordinated aid at each stage of the production process as part of a concerted strategy, to help the recipient countries to progress towards increased self-sufficiency in food and autonomous and self-sustaining economic development, in particular by reinforcing their agricultural food production.

At its two meetings in 1983, the Council took stock of the progress made in implementing the food strategies in the four countries. In the view of the Commission this approach could in the long term become the Community's normal method of promoting self-reliant development and self-sufficiency in food. The Council took note of the Commission's intention of presenting in 1984 a report on the situation in each country concerned and, as far as possible, of drawing conclusions from the exercise.

#### SPECIAL PROGRAMME TO COMBAT HUNGER IN THE WORLD

267. In January 1983 the Commission forwarded to the Council a proposal for a Regulation implementing the special programme to combat hunger in the world, which had an appropriation of 50 million ECU in the 1983 budget (Article 958). After a thorough examination by the Council's subordinate bodies and a discussion at the meeting of the Council (on Development) on 14 June 1983, the Regulation<sup>1</sup> was adopted by the Council on 11 July 1983.

The programme, which is experimental, is intended to support or stimulate the recipient countries' own efforts. Two forms of aid are provided for:

- (i) firstly, support measures for recipient countries which have undertaken to increase their level of self-reliance in food.  
This aid is to support consistent measures undertaken in the rural sector by the recipient countries at the stages relating to the production, marketing, storage and transport of agricultural products;
- (ii) secondly, measures — known as 'thematic measures' — to protect natural resources and improve the way in which they are utilized.  
These thematic measures may relate to reafforestation and com-

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<sup>1</sup> OJ L 196, 20.7.1983.

bating desertification, better use of water resources at village level and efficient management of wild or domestic livestock.

The Regulation provides that the decisions granting aid shall be taken by the Commission after a Management Committee, composed of representatives of the Member States, has given its opinion. The aid is intended for the ACP States and for non-associated countries. The relevant decisions were taken by the Commission, on the basis of the opinion delivered by the Committee, on 14 December 1983.

#### OTHER SPECIFIC DEVELOPMENT COOPERATION MATTERS

268. The Commission sent the Council a communication concerning general concepts with regard to the 'thematic measures' which were first put into practice in 1983, (cf. the special programme to combat hunger in the world referred to above).

269. At the meeting of the Council on 15 November it also presented a communication on promoting trade with the developing countries. The examination of this, as in the case of the preceding communication, will be continued in 1984.

270. The Development Council agreed to hold a discussion in 1984, on the basis of a methodological document which the Commission proposes to draw up, on the question of coordinating and harmonizing the aid given by the Community and the Member States.

271. In addition it instructed the relevant bodies to keep a careful watch on the implementation of the New Substantial Action Programme adopted at the Paris Conference to help the least advanced countries (with regard in particular to stabilizing the export earnings of these countries). In this context preparations will have to be made at a meeting of the Council on development in the near future for the re-examination of this programme at the half-way stage.

272. The Council's subordinate bodies also held an exchange of views on the development aspects of a proposal from the Commission relating to the reinforcement of native resources with regard to scientific and technical research in the developing countries.

#### **Food aid**

##### FOOD AID FOR DEVELOPMENT

273. In March 1983 the Commission put before the Council a communication entitled: 'Food aid for development'. This communication

concerns the guidelines to be followed with regard to the Community's food aid policy and was the subject of an initial debate at the meeting of the Council on development on 14 June 1983. The next meeting of the Council on development, on 15 November 1983, held a wide-ranging debate on the importance, the utility and the role of food aid and adopted a resolution comprising guidelines which stress in particular:

- (i) the provisional nature of food aid and the need to use it to encourage the recipient countries' own efforts in order to increase their self-sufficiency in food;
- (ii) the importance of integrating food aid, for example by establishing a dialogue, into the development policy of the recipient country;
- (iii) the possibility, under certain circumstances, of arranging multianual food-aid programmes;
- (iv) the usefulness of the role played by international and non-governmental organizations (NGO);
- (v) the advantages of 'triangular operations' (the purchase of foodstuffs in a developing country which has products available for export to a country in deficit);
- (vi) the use of counterpart funds, which must not, however, be the primary justification for food aid to support a policy of self-sufficiency in food.

#### FOOD AID PROGRAMMES FOR 1983

274. Following the adoption by the Council in December 1982 of the Regulation on food-aid policy and management<sup>1</sup> (which lays down, *inter alia*, the procedures for implementing the Community's food-aid measures, and specifies in particular the respective responsibilities of the Council and the Commission in this matter), the Council determined for 1983 the products to be supplied as food aid, the total quantities and the recipient countries and organizations.<sup>2</sup>

<sup>1</sup> Regulation (EEC) No 3331/82, OJ L 352, 14.12.1982.

<sup>2</sup> Regulation (EEC) No 1992/83, OJ L 196, 20.7.1983.

Cereals: an initial tranche of 927 663 tonnes, followed by a second tranche of up to 115 706 tonnes;

skimmed-milk powder: a maximum of 150 000 tonnes;

butteroil: a maximum of 36 500 tonnes;

sugar: a maximum of 16 086 tonnes;

vegetable oil and olive oil: a maximum of 6 150 tonnes;

other products (fish, dried vegetables and flour of dried vegetables, etc): quantities equivalent to a maximum of 147 436 tonnes of cereals.

#### EMERGENCY FOOD AID

275. The Council's subordinate bodies, in close cooperation with the Commission, decided on specific emergency food aid measures. In 1983 the main recipients of emergency food aid in the form of cereals, milk and milk products and other products were:

- (i) firstly, (through international or non-governmental organizations) refugees or displaced persons (Palestinian refugees in Lebanon, Ghanaian repatriates from Nigeria and Ethiopian refugees in Somalia);
- (ii) secondly, countries faced with either sudden and unforeseeable natural disasters or comparable circumstances (Bolivia, the Comoros, Ecuador, Ethiopia, Mauritania, Mozambique and Zimbabwe).

With regard to emergency food aid in 'other products' (such as vegetable oil, sugar, beans, dried fish etc.), at its meeting of 16 and 17 May 1983 the Council decided to extend once again (until 30 June 1983) its decision of 25 and 26 October 1982 concerning the supply of these products as food aid.

As from the entry into force (on 23 July 1983) of Regulation (EEC) No 1992/83, the provisions of Regulation No 3331/82 are valid in respect of emergency food aid.

#### FOOD AID CONVENTION

276. Acting on a proposal from the Commission, on 28 April 1983 the Council gave its assent to the signing of the 1983 Protocols and on 21

June 1983 to the signing and lodging of the declaration of provisional application of these Protocols, which extend until 30 June 1986 the Wheat Trade Convention of 1971 and the 1980 Food Aid Convention, which together constitute the International Wheat Agreement.

Under the Food Aid Convention the Community and its Member States undertake to provide 1 650 000 tonnes of cereals annually. This quantity is currently shared between the Community and the Member States in the ratio 56:44. The apportionment of national measures for the period from 1 July 1982 to 30 June 1983 was approved by the Council's subordinate bodies on 29 March 1983; it corresponds to that proposed by the Commission on 24 February 1983.

With regard to the period starting on 1 July 1983, on 18 November 1983 the Commission presented a proposal concerning the apportionment of food aid measures. This proposal, which was still being examined at the end of the year by the Council's competent bodies, covers the period from 1 July 1983 to 30 June 1986 for which the 1980 Food Aid Convention was extended.

#### EEC-UNRWA CONVENTION

277. This Convention, which was concluded for a period of three years as from 1 January 1981,<sup>1</sup> provides for aid to refugees from Middle East countries in the form of food aid. In 1983, as in 1982,<sup>2</sup> the Council made a decision on a proposal from the Commission<sup>3</sup> providing for some of the food aid granted to this organization to be replaced by a financial contribution to its education programme (16 million ECU). Parliament delivered its opinion on 16 September 1983, and by its Decision of 17 October 1983<sup>4</sup> the Council gave its assent to the Commission's proposal. A supplementary Convention between the Community and UNRWA covering 1983 was drawn up, and signed on 20 October 1983.

#### **Financial and technical aid to non-associated developing countries**

278. At its meeting on 19 December 1983 the Council approved the Decision laying down the general guidelines for 1984 concerning finan-

<sup>1</sup> OJ L 392, 31.12.1981.

<sup>2</sup> OJ L 371, 30.12.1982.

<sup>3</sup> OJ C 192, 19.7.1983.

<sup>4</sup> OJ L 293, 15.10.1983.



cial and technical aid to non-associated developing countries. These guidelines stipulate that the requirements of the poorest countries and of the most needy sections of the population must form the basis for Community action, that the granting of aid must take into account the conclusions of the Paris Conference on the least developed countries, and that priority must continue to be given to the rural sector, in particular to projects to improve the food situation.

In accordance with this Decision, the Commission and the Member States must continue to make serious efforts to increase the amount of co-financing.

The geographical distribution of the appropriations will be the same as in 1983, i.e. Asia 75%, Latin America 20% and Africa 5%.

279. Without prejudice to subsequent decisions on Community aid to China and without deciding on the addition of that country to the list of non-associated developing countries, on 4 November 1983 the Council granted China exceptional aid of 6 million ECU to be used exclusively for technical assistance and the transfer of technology for agriculture and agricultural processing industries.

280. On receiving the Commission's sixth report (covering 1982) on the implementation of the programme of financial and technical aid to the non-associated developing countries, the Council's subordinate bodies stressed the importance of evaluating this aid, a point which was recognized by the Commission. The Commission pointed out, however, the particular features of cooperation with the non-associated developing countries, in particular the fact that it does not have an infrastructure such as exists, for example, for ACP-EEC cooperation.

### **Cooperation with European non-governmental organizations**

281. Following the Commission's annual report on cooperation with NGOs concerned with development, in particular in the field of cofinancing (1982 budget), the Council's subordinate bodies stressed the important and positive role of the NGOs and gave their attention to various questions regarding NGO-EEC cofinancing for projects in developing countries, such as the geographical distribution and the implementation of aid, and projects for educating European public opinion on development problems.

In particular the discussions covered the question of aid to refugees and displaced persons, especially the financing of the 'subsistence phase', the sometimes lengthy period during which the refugees and displaced persons are waiting for a long-term solution.

### **Generalized preferences**

282. In the light of the opinions of Parliament and of the Economic and Social Committee, at the end of November 1983 the Council approved in principle the new scheme of generalized Community preferences for 1984, which it formally adopted in December. In adopting its Decision the Council followed the guidelines it had laid down in 1980. These aim at achieving, in a gradual and progressive manner, a degree of differentiation in favour of those countries which have most need of generalized preferences, in particular the least developed countries.

The list of countries benefiting from the GSP in 1984 comprises 127 countries following the addition of St Christopher and Nevis, which became independent in 1983.

The system of generalized preferences for 1984 may be summarized as follows.

For iron and steel products the 1983 system is renewed unchanged.

For industrial products the 1984 GSP, as in 1983, provides for their duty-free importation, subject to quotas or ceilings for certain sensitive products.

A number of products were transferred from the category of sensitive products to that of non-sensitive products and vice versa. Moreover, in revising the list of sensitive products the Council introduced additional quotas for certain countries. In addition, in several cases it replaced the quotas by the more flexible system of ceilings.

The total quotas for certain products were increased by approximately 5 to 10%, while the ceilings were raised in general by approximately 5 to 15%. For non-sensitive products the Council agreed to an increase of 8.6%.

With regard to MFA textile products, the Council felt that an improvement could be made in the 1984 GSP by taking 1981 (instead of 1977) as the base year for determining the duty-free preferential volume. However, the 1983 offer is maintained unchanged for the countries

regarded as dominant suppliers, as well as for all the countries whose exports to the Community had stagnated or decreased.

The Council reduced the number of ceilings allocated among the Member States, and replaced them by the more flexible mechanism of non-allocated Community ceilings.

For non-MFA textiles the Council also agreed to maintain the 1983 arrangements, as well as the arrangements for jute and coconut fibre products.

Lastly, the Council agreed to add Honduras to the list of beneficiary countries in respect of the GSP on textiles.

With regard to agricultural products, the Council agreed to improve the preferential margins for all the beneficiary countries for several products which had already been incorporated into the Community's GSP. This measure affects *inter alia* certain shellfish, certain cut flowers, dried bananas, fresh bilberries and papaws, certain fruit juices, cinnamon, banana flour, stearic acid, chewing gum, white chocolate, crispbread, gingerbread, fruit purées and pastes, extracts of other roasted coffee substitutes, certain cereals in grain form and manufactured tobaccos.

The Council maintained the 1983 GSP arrangements for the products subject to quotas or ceilings, namely cocoa butter, soluble coffee, raw tobaccos and pineapples, subject to a change in the allocation of the quota for sliced pineapples.

The Council agreed to grant concessions to the least developed countries on a number of products, i.e. melon and watermelon juices.

For two State-trading countries which are beneficiaries of the GSP scheme, namely China and Romania, the Council renewed the current arrangements, apart from adding in the case of China certain fruit juices and two industrial products.

## **F — RELATION WITH THE ACP STATES AND THE OVERSEAS COUNTRIES AND TERRITORIES**

### **Relations with the ACP States**

283. 1983 saw on the one hand the continued implementation of the second ACP-EEC Convention, which entered into force on 1 January 1981, and on the other the start of the negotiations for the next Conven-

tion, which is to govern ACP-EEC relations after the expiry of the current Convention on 28 February 1985.

#### NEGOTIATIONS FOR THE RENEWAL OF THE CONVENTION

284. Further to the general memorandum on the Community's development policy, which it presented in autumn 1982, on 24 March 1983 the Commission forwarded to the Council a communication on the guidelines for the forthcoming negotiations with the ACP States. The debate on this communication — which covered in particular the need to promote the self-reliant development of the ACP countries and to improve the quality of Community aid — was used as a basis for the work of drawing up the mandate for the Commission. This culminated, on 19 September 1983, in the adoption by the Council of the negotiating directives.

On 6 and 7 October 1983 the formal inaugural session of the negotiations to renew the ACP-EEC Convention was held in Luxembourg.

The opening speeches were made by Mr Archibald Mogwe, Minister for Foreign Affairs of Botswana and President-in-Office of the ACP Council of Ministers, Mr Iannis Charalambopoulos, Minister for Foreign Affairs of the Hellenic Republic and President-in-Office of the Council of the European Communities, and by Mr Edgard Pisani, Member of the Commission responsible for Development (see the texts in Press Release No 161 of 7 October 1983).

The negotiations themselves started in Brussels in October.

#### CONTINUED IMPLEMENTATION OF THE SECOND ACP-EEC LOMÉ CONVENTION

285. The ACP-EEC Council of Ministers held a double session in 1983.

An extraordinary meeting of the ACP-EEC Council, held on 19 May 1983, was devoted to the Stabex system. Although it revealed some differences of opinion and attitude concerning certain aspects of the operation of Stabex, this meeting stressed once again the attachment of both parties to this fundamental instrument of the Convention.

286. On 19 and 20 May the ACP-EEC Council held its eighth regular meeting — the third since Lomé II entered into force — which was

devoted to a wide-ranging exchange of views on various questions concerning the implementation of the Convention, trade patterns, arrangements for the import of certain ACP agricultural products into the Community, the Sugar Protocol, implementation of the provisions relating to Stabex and Sysmin, and ACP-EEC cooperation in the industrial, agricultural, financial and technical fields.

At this meeting the Council, at the request of the ACP States, also discussed the question of ACP students and nationals in the Member States of the Community. For its part, the Community took the view that this question was the sole responsibility of the Member States involved and on this point it could not go beyond the statement it had previously made at the meeting of the ACP-EEC Council on 13 and 14 May 1982 in Libreville.

Alongside the work of the Council the situation in southern Africa was also discussed.

287. The Article 108 Committee, whose task it is to study measures to improve the implementation of financial and technical cooperation, met at ministerial level in Brussels on 18 May 1983. It drew up a draft resolution which expands on and supplements the Libreville resolution.<sup>1</sup> This was subsequently adopted by the ACP-EEC Council of Ministers on 20 May 1983.

288. Preparatory work for the meeting of the ACP-EEC Council was done by the ACP-EEC Committee of Ambassadors at its 14th and 15th meetings on 1 February and 4 May 1983, and work on implementing the current Convention was continued at the 16th meeting of the Committee on 16 December 1983.

289. The Joint ACP-EEC Committee met twice during the year, from 21 to 24 February in Kingston, Jamaica, and from 19 to 21 September in Berlin, to prepare for the work of the Consultative Assembly, which held its annual meeting in Berlin from 21 to 23 September 1983. On this occasion the Assembly adopted several resolutions, among which mention should be made of those relating to the negotiations to renew the ACP-EEC Convention. The President-in-Office of the Council took part in the meetings in Kingston and Berlin.

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<sup>1</sup> See 30th Review, paragraph 366.

290. The representatives of labour and management in the ACP States and the Community met a delegation from the Joint ACP-EEC Committee in Geneva on 4 June to discuss the promotion of vocational training and the question of ACP migrant workers and their families resident in the Community.

*Trade cooperation.*

291. At its meeting in May 1983 the ACP-EEC Council of Ministers took note of the progress made on work relating to various questions in the field of trade.

292. With regard to trade patterns, the Council examined an interim report drawn up by the ACP-EEC working party which it had instructed at its meeting in Libreville in 1982 to study the question. This report revealed an increase of almost 20% in ACP exports to the EEC over the period 1970-80, owing to the almost complete and non-reciprocal opening of the Community market. Nevertheless, this increase was less than that in exports to the Community from all the developing countries. The Council therefore instructed the working party to continue its work as a matter of urgency, in particular with a view to explaining the rigidity in patterns of ACP-EEC trade, and to present a final report so that a thorough examination of the question could be made at its next meeting.

293. The ACP-EEC Council of Ministers also took note of the work of the working party which it had instructed to examine the question of access for ACP States to the agricultural products available in the Community, following the ACP request for a medium-term supply of agricultural products on favourable terms. The Community announced its intention of continuing to consider this question, which also arises in connection with the negotiations for the new ACP-EEC Convention.

294. With regard to the arrangements for importing certain ACP products into the Community, viz. yams, and wheat bran and residues, the ACP-EEC Council was informed of the measures taken by the EEC Council in this respect in February and March 1983 to meet the wishes of the ACP States. The Community also stated that it was actively pursuing its examination of the ACP request for concessions in respect of strawberries.

295. The ACP-EEC Council of Ministers adopted a joint statement on the implementation of Article 13 of the Lomé Convention with regard to safeguard measures.

296. At this same meeting the Council took note of a statement by the Community regarding progress in the negotiations on the accession of Spain and Portugal. In this statement the Community reaffirmed its readiness to keep its ACP partners informed of the progress of these negotiations, which it again showed in a practical way at the meeting of the ACP-EEC Committee of Ambassadors in December when it again reported on the situation, and summarized developments in the negotiations since May.

297. On 14 June 1983 the EEC Council adopted a Regulation opening, allocating and providing for the administration of a Community tariff quota for rum for the period from 1 July 1983 to 30 June 1984, the aim of which is to implement Protocol 5 to the second ACP-EEC Convention.<sup>1</sup>

298. In accordance with the usual procedure, the ACP States were informed of the Commission's proposals on the Community's generalized scheme of preferences for 1984 and they presented a memorandum on this subject concerning in particular the agricultural sector. This memorandum was communicated to the EEC Council in the course of its internal work on the scheme, which it adopted on 16 December 1983.<sup>2</sup>

299. On 26 September the EEC Council adopted the Regulation<sup>3</sup> extending the arrangements applicable to trade between Greece and the ACP States. This extended autonomously until 28 February 1985 at the latest — the expiry date of the present ACP-EEC Convention — these trade arrangements, which were drawn up at the time of Greece's accession to the Community.

### *Customs cooperation*

300. With regard to derogations from the rules of origin, the Community and the ACP States adopted decisions exempting Kenya and Malawi from these rules in respect of artificial fishing flies<sup>4</sup> and Mauritius in respect of assembled fishing lines.<sup>5</sup>

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<sup>1</sup> Regulation (EEC) No 1624/83, OJ L 160, 18.6.1983.

<sup>2</sup> OJ L 372, 31.12.1983.

<sup>3</sup> Regulation (EEC) No 2695/83, OJ L 267, 29.9.1983.

<sup>4</sup> OJ L 213, 4.8.1983.

<sup>5</sup> OJ L 18, 21.1.1984.

301. At its meeting in May the ACP-EEC Council of Ministers took note that the group of experts on the origin of fishery products had completed its technical examination of this matter (Annex XXI to the Final Act). The Community stated that it was ready to examine any specific proposal which the ACP States might put forward on the matter at a later date.

302. At this same meeting the ACP-EEC Council of Ministers adopted the Decision replacing the European unit of account by the ECU in Protocol 1 to the second ACP-EEC Convention concerning the definition of the concept of 'originating products' and methods of administrative cooperation.

### *Industrial cooperation*

303. At its meeting on 19 and 20 May 1983 the ACP Council of Ministers noted the progress made in the work on complementary funding of industrial cooperation, in the light of the report produced in 1981 by the group of experts chaired by Professor Onitri. This study revealed both convergences and divergences in the views of the Community and the ACP States on this matter. Accordingly the Council instructed the Committee on Industrial Cooperation to submit the joint report provided for in Annex X to the Convention in time for a discussion to be held at its regular meeting in 1984.

304. At its meeting in May the ACP-EEC Council of Ministers also held an exchange of views on the implementation of the provisions of Title V of the Convention on Industrial Cooperation. On this occasion it took note in particular of the progress made by the Committee on Industrial Cooperation on choosing a topic for discussion, which was 'Light industries and agricultural processing industries — opportunities for ACP-EEC industrial cooperation', and of the request of the ACP States that the discussion within the Committee should take place in the light of the industrial restructuring and redeployment desired by these States.

305. At its 29th meeting, held at expert level on 22 July 1983, the ACP-EEC Committee on Industrial Cooperation gave its assent in particular to the annual report of the Centre for Industrial Development (CID) for 1982. At its 30th meeting, held at ambassador level on 4 November, it adopted the budget of the CID for 1984, and appointed the 16 members of the Advisory Council of the CID. At this meeting the Community suggested that the number of members of the Advisory



Council could usefully be increased to 20 to take better account on the one hand of the number of Member States in the Community and on the other of the growing number of ACP States which were signatories to the Convention.

At this meeting the Committee also made provision for the examination of the reports of the Centre's auditors for 1981-82, so that decisions on giving a discharge could be taken by the Committee at a later date.

### *Agricultural cooperation*

306. In the field of agricultural cooperation 1983 will be remembered in particular for the setting up of the Technical Centre for Agricultural and Rural Cooperation (TCA), which was approved at the meeting of the ACP Council of Ministers in Libreville the previous year.

The Director of the TCA, Mr Daniel Assoumoumba, was appointed by the ACP-EEC Committee of Ambassadors in June 1983. He in turn appointed the Assistant Director, Mr Werner Treitz. The Rules of Procedure, Financial Regulation and Staff Regulations were adopted on the same occasion. At its meeting on 16 December 1983 the Committee adopted the Centre's budget and its programme of work for 1984 and approved the salary scales for the staff of the Centre. It also took note of the practical arrangements for the installation of the Centre in Wageningen (in the Netherlands) with a branch office in Brussels.

307. Other aspects of agricultural and rural cooperation to which the Council gave its attention during the year, in particular the question of Community support for the food strategies of various ACP countries as part of the campaign against hunger in the world, are reported on under 'Development cooperation'.<sup>1</sup>

### *Stabilization of export earnings (Stabex)*

308. The first extraordinary meeting of the ACP-EEC Council of Ministers, which was held in Brussels on 19 May 1983, was convened as a result of the difficulties which the Stabex system experienced during 1980 and 1981 because the requests for transfers exceeded the resources available. In the light of this, the ACP States called into question the

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<sup>1</sup> See paragraph 267 of this Review.

whole system, whereas the Community considered that the system had functioned well and that these difficulties were due to exceptional circumstances. It argued that the main cause of the exceptionally high level of requests for transfers was the alteration in exchange rates in 1977/78, which, through the four-year moving averages used as reference levels, had had its full effect in 1980 and 1981. A second major cause was the reduction in the share of ACP exports in world markets.

Although at the end of this extraordinary meeting there were still major differences of opinion on this central problem of the operation of the system, nevertheless the discussions enabled each party to gain a better understanding of the other's concerns, particularly with a view to the negotiations for a new Convention.

Otherwise, it appeared that at the end of 1983 the accounts for the year of application 1982 were in balance.

309. The discussions at the eighth regular meeting of the ACP-EEC Council of Ministers on 19 and 20 May 1983 regarding the Stabex system concentrated on certain technical problems and the requests of the ACP States both for derogations from the system and for the inclusion of new products. On this latter subject, the Community replied that it did not see any real prospect of adding new products before the expiry of the Convention, owing to the fact that increasing the scope of the system would involve the danger of both a deterioration in critical sectors and an increase in the number of the requests for transfers.

With regard to the other problems, the Council of Ministers adopted procedural decisions, relating in particular to:

- (i) the interpretation of the provisions governing the admissibility and examination of requests for transfers;
- (ii) certain cases of replenishment of resources;
- (iii) certain specific requests from Niger and Fiji.

These decisions concerned in particular the delegation of powers to the ACP-EEC Committee of Ambassadors, which at its 16th meeting on 16 December 1983 noted the progress made on these various matters.

### *Sugar*

310. The fixing of the guaranteed prices for 1983/84 delivery year was considerably delayed owing to the fact that the Community's proposal

for an increase in this price of 4% over that for 1982/83 was not accepted by the ACP States which are parties to the Protocol. They considered that in limiting its offer to the level of its floor prices (intervention prices) for Community sugar the Community was not complying with the provisions of the Sugar Protocol, which stipulated that the guaranteed price was to be negotiated annually within the range of the prices obtained in the Community. They also maintained that under the Protocol major economic factors, such as the cost of sea freight, should be taken into account. The Community, for its part, argued that if the price level for ACP sugar were above the intervention price this sugar could not be marketed in the Community, and that with regard to freight the Protocol itself provided for delivery cif European Community ports.

The negotiations were finally concluded on 14 December 1983 with an agreement on the prices as offered by the Community, together with certain special provisions which take account of the concerns of both parties.

311. At the end of the year the ACP-EEC Sub-Committee on Sugar was still working on the re-examination of the conditions for implementing the Sugar Protocol guarantee (as provided for in Article 2). The Committee hopes to conclude this its examination as soon as possible with a joint statement.

312. Two requests for accession to the Sugar Protocol were lodged in 1982 and 1983 by the Ivory Coast and St Christopher and Nevis (a former OCT which has also requested accession to the Convention) respectively. The Community agreed in principle to these requests.

313. The request from Zimbabwe for an increase in its quantity of exportable sugar was being examined by the Community at the end of the year.

### *Sysmin*

314. At its meeting on 19 and 20 May 1983 the ACP-EEC Council took stock of the progress made on establishing Sysmin and noted that further requests (from Rwanda for tin, Guyana for white bauxite and Zambia for copper and cobalt) were in the process of being examined. During the discussion the ACP States expressed their desire to see the procedures for the system improved and streamlined and drew attention to their declaration in Appendix XLII to the Final Act of the Convention, in which they request the Community to re-examine the entire

system with a view to improving it and widening its provisions to take account of the effects on the producing States of instability in the export earnings from mineral products.

#### *Financial and technical cooperation*

315. The Article 108 Committee held two meetings at delegation level, on 27 April and 6 May 1983 in Brussels, and one meeting at ministerial level, on 18 May 1983, also in Brussels.

The Committee examined the Commission's report on the management of financial and technical cooperation in 1982 (the 'Article 119' report) and took note of a document entitled 'Specific cases of typical difficulties' presented by the Community. The Committee noted that no procedure had yet been established for examining and following up the various cases with regard to evaluation (*ex post*), and agreed to deal systematically in future with all matters relating to *ex post* evaluation.

In the discussions held by the Committee on 18 May particular interest was shown in regional cooperation, the problem of maintaining projects, and the energy and training sectors.

316. The ACP-EEC Council of Ministers at its meeting on 20 May 1983 adopted a report from the Committee together with a draft Resolution on financial and technical cooperation. Following the ACP-EEC Council resolution of 14 May 1982, this resolution amplifies certain specific provisions of the Convention, regarding the least developed, land-locked and insular ACP States, regional cooperation, cofinancing and microprojects, deals with a number of important technical points to improve and streamline the implementation of financial and technical cooperation, stresses a number of sectoral aspects, and finally lays down a programme of work for the Committee.

317. After receiving the Commission's report on improving the conditions of competition, based on Article 43 of the Financial Regulation of the 4th EDF, the Council's subordinate bodies examined the effects of the guidelines agreed on in 1980 and the place of competition. Long discussions were held subsequently on the question of the apportionment between Member States of the contracts for services financed by the EDF.

318. As usual, the Council gave careful consideration to the report of the Court of Auditors. After examining the sections relating to the European Development Fund and taking into consideration the management

accounts and the balance sheets for the operations of the various Funds as at 31 December 1981, the Council gave discharges to the Commission in respect of operations under the 1st, 2nd and 3rd EDFs and recommended to the European Parliament that it should give discharges in respect of the operations under the 4th and 5th EDFs.<sup>1</sup>

319. The Council's subordinate bodies had occasion to examine problems relating to the implementation of Protocol 6, with regard in particular to the application of tax legislation in Ethiopia to contracts financed by the Community.

320. In 1982 the Council had received a proposal from the Commission based on Article 19 of the Internal Financial Agreement of 1979, and on 28 March 1983 it adopted a Decision on the financing by the EDF of a project for the supply of pharmaceutical and medical goods to Madagascar.

321. As in previous years, when the Commission forwarded the preliminary draft budget for 1984, presented to the Council a document containing certain financial information relating to the European Development Fund. The Council annexed this text to the draft budget for 1984.

322. By its Decision 83/369/EEC, adopted on 25 July 1983,<sup>2</sup> the Council adjusted the amounts made available to the 5th EDF for the ACP States and for the overseas countries and territories, to take account of the fact that Belize and Antigua and Barbuda, which were formerly OCTs, had become contracting parties to the second Lomé Convention.

323. By its Decision of 22 December 1983, the Council laid down the timetable for the collection of contributions from the Member States for the 5th EDF for 1984.

#### *Provisions concerning the least developed, landlocked and island ACP States*

324. In spring 1983 the Council's subordinate bodies completed their systematic study of the implementation of the specific provisions in the

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<sup>1</sup> OJ L 109, 26.4.1983.

<sup>2</sup> OJ L 204, 28.7.1983.

Lomé Convention regarding the least developed, landlocked and island ACP States.

### *New accession to the Convention*

325. In October the ACP-EEC Council received an application for accession from St Christopher and Nevis, a former OCT which had recently become independent. The EEC Council gave its assent to this application at its meeting on 22 December 1983.

### **Relations with the overseas countries and territories**

326. During the past year relations with the overseas countries and territories did not raise any particular problems.

As mentioned above, St Christopher and Nevis lodged its application for accession to the ACP-EEC Convention following its independence.

In addition the Council, as in the past, adopted for the coming year (1983/84) a Regulation opening, allocating and providing for the administration of a Community tariff quota for rum, arrack and tafia, falling within subheading 22.09 C I of the Common Customs Tariff and originating in the overseas countries and territories associated with the European Economic Community.<sup>1</sup>

## **G — MEDITERRANEAN COUNTRIES — EURO-ARAB DIALOGUE — GULF STATES**

### **Mediterranean policy**

327. On the basis of the communication which the Commission presented to the Council in June 1982 on the implementation of a Mediterranean policy for the enlarged Community, work is in hand within the Council on a detailed analysis of trade patterns between the Community and the Mediterranean countries concerned, in order to determine the implications of the accession of Spain and Portugal to the Communities.

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<sup>1</sup> Council Regulation (EEC) No 1625/83 of 14 June 1983, OJ L 160, 18.6.1983.

The framework for this examination is the procedural decision taken by the Council at the beginning of 1983 specifying that the exploratory talks between the Commission and these countries would have to be stepped up with a view to examining the difficulties for them which might arise from enlargement and noting any points they might wish to make.

These talks were to proceed simultaneously with the enlargement negotiations, so that before the conclusion of these the Council, on the basis of specific proposals from the Commission and in consultation with the applicant countries, would have an overall picture of the problems encountered and the measures which might be considered for resolving them with a view to determining any political guidelines and decisions on amending the Cooperation or Association Agreements which might appear necessary.

### **Implementation of existing agreements with Mediterranean countries**

#### **ASSOCIATION AGREEMENTS**

##### *Turkey*

328. In 1983 work under the EEC-Turkey Association was limited to the administration of the Ankara Agreement. The Association Committee did not meet. The single meeting of the Association Council held at ambassador level on 28 March 1983 was devoted to examining the difficulties which had arisen regarding trade between the Community and Turkey, in particular certain problems arising in the textile sector. Owing to the pattern of Turkish exports of certain particularly sensitive products the Commission had been obliged to take safeguard measures in respect of these under Article 60 of the Additional Protocol. The Community took the opportunity at this meeting to reiterate its protests against the introduction of a surcharge of 15% on the importation into Turkey of 45 Community products, mainly in the iron and steel sector, and also against the maintenance of certain barriers to imports into Turkey of products from one EEC Member State.<sup>1</sup>

329. Trade in both directions between Greece and Turkey continued to be governed by the arrangements applicable to countries enjoying most-favoured-nation status, since during 1983 it was not possible to resume

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<sup>1</sup> See 30th Review, paragraph 375.

the negotiations on the conclusion of a Protocol of adaptation to the Association Agreement following the accession of Greece.

### *Malta*

330. After several discussions at plenary level, at its meeting on 17 October 1983 the Council agreed on the guidelines to the Commission for negotiating with Malta a second Financial Protocol to take the place of the first Protocol, which expired at the end of October 1983. The Council took the view that the Community's offer for the second Financial Protocol, which takes account to a great extent of the fact that Malta is a special case, should have made it possible for the relations between the Community and Malta to emerge from the stalemate in which they have been for some time.

However, at the end of 1983 negotiations with Malta on the conclusion of this second Financial Protocol had still not begun, since the Maltese authorities considered the Community's offer inadequate.

331. Since it had been unable to restore contractual trade relations with Malta in time, the Council adopted Regulations on 30 June and 19 December 1983<sup>1</sup> extending unilaterally, in each case for a period of six months, the arrangements previously applicable to trade with Malta.

332. Trade in both directions between Greece and Malta continued to be governed by the arrangements applicable to countries enjoying most-favoured-nation status, since it had not been possible to complete the negotiations on the conclusion of a Protocol of adaptation to the EEC-Malta Association Agreement following the accession of Greece.

### *Cyprus*

333. Negotiations with Cyprus on the Protocol relating to the trade arrangements to be applied during 1983, in the framework of the decision adopted on 24 November 1980 by the EEC-Cyprus Association Council on the process of transition to the second stage of the Association Agreement, were concluded on 27 May 1983 on the basis of the

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<sup>1</sup> OJ L 180, 5.7.1983 and L 366, 28.12.1983.



guidelines adopted by the Council on 25 October 1982.<sup>1</sup> This Protocol, which in the case of a few products provides for slightly more favourable arrangements than those previously in force, was signed on 26 July 1983. It entered into force, after the European Parliament had delivered a favourable opinion on 18 November 1983, on 1 December 1983.<sup>2</sup>

On a unilateral basis,<sup>3</sup> the Community already applied the trade arrangements laid down in the above-mentioned Protocol as from 1 July 1983. These arrangements were extended until 30 June 1984 by an autonomous Council Regulation adopted on 22 December 1983,<sup>4</sup> pending negotiations on proceeding to the second stage of the Agreement as provided for in the above-mentioned decision of November 1980.

334. On the basis of a recommendation from the Commission forwarded at the end of February 1983, on 30 June 1983 the Council adopted the guidelines for negotiating a new Financial Protocol with Cyprus. These negotiations took place on 4 July and the Protocol was signed on 20 December 1983. It will enter into force on the completion by both parties of certain procedures, involving in particular, as far as the Community is concerned, consultation of the European Parliament.

The second EEC-Cyprus Financial Protocol, the successor to the First Protocol which expired on 31 December 1983, provides for the period to the end of 1988 for a total of 44 million ECU, of which 28 million ECU will be loans from the EIB's own resources on ordinary market terms and 16 million will be charged to the Community budget (6 million ECU in the form of loans on special terms and 10 million earmarked for grants and for interest rebates in respect of certain ordinary EIB loans). It should be noted that the Community reiterated that, as in the case of the First Protocol, this second EEC-Cyprus Financial Protocol is intended to benefit the whole population of the island.

335. On 17 October 1983 the ninth meeting of the EEC-Cyprus Association Council was held at ministerial level in Luxembourg, under the chairmanship of Mr G. Varfis, Under-Secretary of State at the Ministry of Foreign Affairs of the Hellenic Republic and President-in-Office of the Council of the European Communities. The Cypriot delegation was headed by the Minister for Foreign Affairs, Mr G. Iacovou. At

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<sup>1</sup> See 30th Review, paragraphs 381 and 382.

<sup>2</sup> OJ L 353, 15.12.1983.

<sup>3</sup> OJ L 191, 15.7.1983.

<sup>4</sup> OJ L 369, 30.12.1983.

this meeting the two delegations gave their assessment of developments in trade between Cyprus and the Community and noted with satisfaction that a second Financial Protocol had been initialled in July 1983. However, the main item for discussion by the Ministers was the Cypriot request for an early start on the negotiations provided for in the decision of the Association Council of 24 November 1980 concerning the process of transition to the second stage of the Agreement. For its part, the Community recalled its earlier declarations regarding the problems confronting the Community, not only internally but also with regard to the negotiations on enlargement and to current work on the effects of enlargement on the countries around the Mediterranean.

At the same time, the Community assured the Cypriot delegation that it was fully aware of the provisions of the EEC-Cyprus Agreement and the obligations arising from it and that it was with all these considerations in mind that it had begun the necessary preparatory work, both within the Community and through exploratory talks with the Cypriot Government, with a view to beginning the negotiations agreed on in the decision of November 1980 as soon as possible.

During the second half of 1983 the competent working party of the Council made a definite effort to move ahead with this preparatory work.

336. The unilateral declaration of independence of the 'Turkish Republic of Northern Cyprus' on 15 November 1983 was deplored by the Ten, who stressed the fact that it ran counter to all the United Nations resolutions on Cyprus. At the same time they reiterated their unconditional support for the independence, sovereignty, territorial integrity and unity of the Republic of Cyprus, and their view that Mr Kyprianou's government remained the only legitimate authority in the country.

In this context, after discussing this question at its meetings on 29 November and 19 December 1983, the Council took note of the information provided by the Commission on the procedures for the rapid implementation of Community measures in response to the communication presented on 28 November 1983 by the Government of Cyprus concerning trade formalities in the light of the new situation in Cyprus.

## OTHER MEDITERRANEAN AGREEMENTS

### *Maghreb countries*

Protocols of adaptation to the Cooperation Agreements following the accession of the Hellenic Republic to the European Communities

337. These Protocols of adaptation to the Cooperation Agreements following the accession of the Hellenic Republic to the European Communities were signed by the EEC and ECSC Member States on the one hand and Tunisia and Algeria on the other, on 20 July and 7 November 1983 respectively.

The Council adopted unilateral measures to implement these Protocols with Tunisia on 18 April 1983<sup>1</sup> and Algeria on 17 December 1982,<sup>2</sup> pending their ratification by the Member States and the Mediterranean partners and their conclusion by the Community.

### *Administration of the Agreements*

338. In implementation of the Financial Protocols which entered into force on 1 November 1978 (first Financial Protocols), 1 January 1983 (second Financial Protocols with Algeria and Morocco) and 1 June 1983 (second Financial Protocol with Tunisia), a number of funding schemes were adopted in accordance with the *ad hoc* examination procedure agreed upon within the Council.

In this connection commitments were approved for grants and/or special loans out of the funds for the second Financial Protocols to finance in particular the following out of the Community budget:

*Tunisia:* a scientific and technical cooperation project for the national research programme on maritime sciences;

*Algeria:* advanced training for technicians in rural development and water management;

*Morocco:* construction of an earth-fill dam at Aït Chouarit to provide water to irrigate the peripheral areas of the Haouz region and drinking water for the town of Marrakesh and to operate a hydro-electric power station.

For the construction of this dam the European Investment Bank granted a loan from its own resources with an interest rebate of 2%.

In addition, in the course of administering the Cooperation Agreements with the Maghreb countries the Council, as in previous years, concluded

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<sup>1</sup> OJ L 120, 6.5.1983.

<sup>2</sup> OJ L 364, 23.12.1982.

a number of Agreements in the form of exchanges of letters on detailed rules for applying the concessions laid down in the Agreements with regard to certain primary or processed agricultural products.

### *Israel*

339. With regard to the administration of the Agreement, the Israeli authorities requested the Community's assent, in accordance with the provisions of Article 3 of Protocol 2 (on the protection of new industries), to the introduction of customs duties on two products (dried milk for children and offset printing plate). The Council gave its assent to these requests on 22 July and 30 November.

340. In addition, the Council adopted two Regulations on the application of two decisions adopted, by written procedure, by the EEC-Israel Cooperation Council concerning:

- (i) deferment for two years of implementation of a provision in the customs arrangements laid down in Article 30 of Protocol 3 to the EEC-Israel Agreement (prohibition on any customs duty drawback in respect of non-originating products used in manufacturing originating products);<sup>1</sup>
- (ii) a further adjustment of the amounts expressed in ECU appearing in the 'Origins' Protocol to the EEC-Israel Agreement.<sup>2</sup>

### *Yugoslavia*

341. 1983 was an important year for EEC-Yugoslavia relations. The Cooperation Agreement signed in Belgrade on 2 April 1980 entered into force on 1 April 1983, after completion of the requisite procedures on both sides. The Cooperation Council held its first meeting in Brussels on 24 May 1983 with Mr Lazar Mojsov, the Yugoslavian Federal Secretary for Foreign Affairs, in the chair. At this meeting the Cooperation Council adopted a decision laying down the guidelines for cooperation between the Community and Yugoslavia. This decision sets out a number of objectives as general guidelines for cooperation between the EEC and Yugoslavia, as well as a programme of measures designed to implement

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<sup>1</sup> OJ L 360, 23.12.1983.

<sup>2</sup> OJ L 23, 28.1.1984.

this cooperation in a practical way in the industrial, agricultural and scientific and technical fields.

With regard to trade, the Cooperation Council noted that the application in advance, as from 1 July 1980, of the commercial provisions of the Agreement had already produced a better trade balance between the Community and Yugoslavia.

The Cooperation Council also welcomed the fact that financial cooperation with Yugoslavia was now operating in an entirely satisfactory way. In July 1983 the EIB granted Yugoslavia a second loan of 67 million ECU for the construction of five sections, totalling 38 km, of the trans-Yugoslavian motorway. At the end of the year most of the preparatory work had been completed for the granting of a third loan.

### **Financial Protocols (second generation) with the Mediterranean countries**

342. As already reported in the previous Review, four Protocols entered into force on 1 January 1983, with Algeria, Egypt, Jordan and Morocco. The Protocol with Syria entered into force on 1 February and that with Lebanon on 1 March.

The Protocol with Tunisia entered into force on 1 June 1983 and that with Israel will enter into force on 1 January 1984.

### **FINANCIAL REGULATION RELATING TO THE APPLICATION OF THE FINANCIAL PROTOCOLS WITH THE MEDITERRANEAN COUNTRIES**

343. On the basis of the joint guidelines it had adopted on 25 July 1978, the Council resumed its work — which had been suspended since 1978 — on a Regulation on the application of the provisions of the Financial Protocols concluded with the Mediterranean countries.

It was not possible to reach agreement and the provisional procedure for the examination, by an *ad hoc* Council working party, of funding schemes drawn up either by the European Investment Bank or by the Commission continued to apply in respect of the implementation of the Mediterranean Financial Protocols.

IMPLEMENTATION OF THE FINANCIAL PROTOCOLS AND  
PRE-ACCESSION AID TO PORTUGAL

344. As part of the implementation of the Financial Protocols and of pre-accession aid to Portugal, the following funding schemes were adopted.

*Funding schemes presented by the Commission*

345. Financial Protocols

*Egypt:* Egyptian Organization for the Development of Renewable Energy Sources

EEC contribution: 7.7 million ECU

*Tunisia:* scientific and technical cooperation project for the national research programme on marine sciences.

EEC contribution: 240 000 ECU

*Morocco:* Aït Chouarit dam

EEC contribution: 35 million ECU

*Algeria:* advanced training for technicians in rural development and water management

EEC contribution: 1 440 000 ECU

*Mashreq countries:* funding of programmes for participation in international trade fairs in 1983 and 1984, for each country

EEC contribution: 200 000 ECU

*Jordan:* multiannual training programme

EEC contribution: 600 000 ECU

*Jordan:* technical secondary school in Madaba

EEC contribution: 1 600 000 ECU.

346. Pre-accession aid to Portugal

Fattening of bovine animals using locally produced maize silage

EEC contribution: 165 486 ECU

Creation of 11 industrial estates in Portugal

EEC contribution: 4 320 000 ECU

Reconstruction of the Oporto-Bragança national highway  
EEC contribution: 3.0 million ECU

Production and marketing programme for horticultural products and citrus fruit grown in the Algarve  
EEC contribution: 1 605 000 ECU

Project to construct access roads in the autonomous region of the Azores  
EEC contribution: 684 000 ECU

Afforestation project in the autonomous region of the Azores  
EEC contribution: 100 000 ECU.

### *Funding schemes presented by the EIB*

#### 347. Financial Protocols

*Jordan:* JEPSCO Project II  
EEC contribution: 6.5 million ECU (with interest rebate)

*Egypt:* interconnection project at Shoubrach El Kheima  
EEC contribution: 40 million ECU (with interest rebate)

*Egypt:* construction materials project  
EEC contribution: 25 million ECU (with interest rebate)

*Morocco:* Hydroelectric project at Aït Chouarit Amougezz  
EEC contribution: 52 million ECU (with interest rebate)

*Jordan:* Agricultural Credit Corporation (ACC)  
EEC contribution: 1.5 million ECU (ordinary loan)  
1.5 million ECU (special loan)

*Jordan:* Jordan Cooperative Organization (JCO)  
EEC contribution: 1.5 million ECU (ordinary loan)  
1.5 million ECU (special loan)

*Syria:* Damascus-Jordanian border motorway project  
EEC contribution: 18.3 million ECU.

#### 348. Pre-accession aid to Portugal

Global loan to the Sociedade Portuguesa de Investimentos (SPI)  
EEC contribution: 5 million ECU

Global loan to Caixa Geral de Depositos (CGD) II  
EEC contribution: 20 million ECU.

#### EXCEPTIONAL AID TO LEBANON

349. At its meeting on 14 March 1983 the Council decided to grant exceptional Community aid of 20 million ECU to Lebanon for an investment project for the supply of drinking water to the city of Beirut.

#### **Euro-Arab Dialogue**

350. The work done by the Council made it possible in particular to lay down certain guidelines of a general and sectoral nature on the position to be adopted by the European side on the economic, financial, social and cultural aspects of the dialogue at the fifth meeting of the General Committee of the Euro-Arab Dialogue which was held in Athens on 14 December 1983.

In accordance with these guidelines, the Community:

- (i) stressed the importance it attached to reviving the dialogue and its will to take an active and constructive part in it, in order to strengthen the cooperation between the Community, its Member States and the Arab world in the economic, financial, social and cultural fields, particularly in view of the mutual interests and the interdependence of the two regions and the links between them;
- (ii) stressed the desirability of reviving the dialogue on new updated bases, so as to concentrate the joint efforts of both parties on carrying out a maximum number of priority projects or schemes, on the one hand those of common regional interest or of general interest for the Arab side on which concrete results might be achieved, and on the other schemes to increase Euro-Arab trade.

351. In addition, the Community suggested that the Working Committees of the dialogue should be encouraged, and where necessary instructed, to complete their work on certain priority cooperation subjects on which some progress had already been made, and to broaden the field of application on the dialogue to include other priority cooperation matters in the interests of both parties.

352. The communiqué released by the Presidency at the end of the fifth meeting of the above-mentioned General Committee of the Euro-Arab Dialogue in Athens on 15 December 1983 stated:



'The two sides have had a prolonged and detailed exchange of views on the different aspects of the Euro-Arab dialogue, political, economic, cultural and social. This exchange of views, which provided the opportunity to set forth a wide spectrum of common positions, has proved very useful. The two parties congratulate themselves upon the attitudes which prevailed during the aforesaid exchange of views. They intend to pursue them within the framework of the next meeting of the General Committee of the Euro-Arab Dialogue, and, in a general way, to intensify diplomatic contacts they hold as regards subjects of mutual interest'.

### **Gulf States and North Yemen**

353. With regard to the Community's relations with the Yemen Arab Republic (YAR), following the exploratory contacts made by the Commission with the Yemen authorities in 1980 and 1983, the Yemen Delegation to the Communities confirmed by a Note Verbale of 1 March 1983 that its country was interested in concluding a Cooperation Agreement with the Community.

In November the Commission sent the Council a communication proposing the conclusion of a Cooperation Agreement between the EEC and North Yemen. This communication is currently being studied within the Council.

With regard to relations between the Community and the Gulf States, the Commission informed the Council's subordinate bodies of the outcome of the visit made by Commission representatives in March 1983 to the Secretariat-General of the Gulf Cooperation Council (GCC) in Riyadh.

## **H — ASIA**

### **Asean**

354. The impetus given to cooperation between the Community and the Asean countries, in particular by the Cooperation Agreement which has linked them since 1980 was further reinforced by the fourth EEC-Asean meeting, held at ministerial level in Bangkok in March 1983, when both parties reaffirmed their firm political will to ensure that the progress already made would be maintained and extended, in particular by seeking new sectors of common interest where fruitful cooperation might be possible.

This political will was confirmed at the fourth meeting of the Joint Committee, held in Brussels on 5 and 6 October 1983, at the end of which it was apparent that overall relations between both the two parties were developing in a satisfactory way.

Mention should also be made of the setting up, at the end of 1983, of the EEC-Asean Business Council, the purpose of which is to contribute to developing cooperation between the business sectors in the two regions.

### **Indian sub-continent**

355. The Community continued to make every effort to develop and increase cooperation with the four countries of the Indian sub-continent, viz. India, Pakistan, Bangladesh and Sri Lanka, by ensuring in particular that the existing Cooperation Agreements operated as smoothly as possible.

Each of the four Joint Committees provided for in the Agreements in question met once in 1983 (Bangladesh on 22 and 23 January; Sri Lanka from 25 to 27 January; Pakistan on 14 and 15 April and India on 30 and 31 May). It emerged from these various meetings that both sides regarded developments in relations between the Community and these countries as on the whole very positive.

## **I — LATIN AMERICA**

356. The development of closer relations with the countries of Latin America with a view to greater cooperation with this area, was among the Community's priority tasks. In this context, the following points should be stressed.

357. On the overall level of relations between the regions, the Community, which attaches great importance to the resumption of the institutionalized dialogue with Latin America, took note with interest of the political will expressed by the Member States of the LAES, at its meeting at ministerial level in September 1983, to resume the dialogue between the two regions.

With a view to this resumption the two parties started preliminary discussions which are still continuing.

358. On 17 December 1983 in Cartagena (Colombia) the Community signed a Cooperation Agreement with the countries of the Andean Pact and a Protocol extending this cooperation to the fields covered by the ECSC. This Cooperation Agreement is the first to be concluded between the Community and a sub-regional group of Latin American States. It is an open-ended Framework Agreement which lays down the objectives and procedures for action in the fields of economic, development and trade cooperation.

The concluding of this Agreement marked, after the meeting at ministerial level in Brussels in 1980, a very significant new stage in the strengthening of relations between the Community and the Andean Pact, since it gave a new dimension to these relations.

359. Lastly, it was in this same spirit that the Community endeavoured to ensure that the Cooperation Agreements with Brazil and Mexico produced results commensurate with the importance which the Community attaches to its relations with these two major Latin American countries. The fourth meeting of the EEC-Mexico Committee, which was held in Brussels after a long interval on 16, 17 and 18 November 1983, revived cooperation between the two parties. In addition, preparatory work is in hand for the first meeting of the Joint EEC-Brazil Committee, scheduled for early 1984.



## Chapter V: Agriculture

### **A — PROBLEMS CONCERNING ALL THE SECTORS COVERED BY THE COMMON AGRICULTURAL POLICY**

#### **1983/84 farm prices and related measures**

360. On 4 January 1983 the Commission forwarded to the Council a set of proposals for fixing the prices for certain agricultural products and various related measures for the 1983/84 marketing year.

In the light of the opinions of the European Parliament (which considered the proposals quite inadequate) and the Economic and Social Committee, which were delivered in March 1983, the Council held a wide-ranging discussion on the whole subject on a number of occasions in the course of several meetings spread over April and May 1983.

Compromise proposals were made which culminated in an overall compromise package — drafted by the Commission — in the form of amendments to its proposals on prices, to which the Council gave its assent on 17 May 1983.

At the same time the Council accepted the amendment to the value of the ECU which was under consideration, so that the value of the pound sterling on 13 May 1983 could be taken into account.

This compromise solution calls for certain objective remarks. On the one hand, the Council accepted in general the common price levels originally proposed by the Commission but with certain adjustments. In addition, the Council adopted the Commission's proposals regarding the principle of production or guarantee thresholds for milk, cereals and colza, with correlatively appropriate measures at a later date, i.e. price reductions, if the thresholds were exceeded. Lastly, a stage in the process of dismantling the compensatory amounts was begun.

In brief, for the farmers the average price increase is more than 4% in terms of the ECU and nearly 7% on average in terms of national currencies. The effect of a devaluation of the green rates for Greece, France, Ireland and Italy, will be to increase the prices adopted for these countries.

A slightly greater increase than the general average was adopted for various Mediterranean products.

In addition, various structural measures were adopted in particular in the form of aid to certain countries with high inflation rates.

The impact of these decisions on foodstuff prices at consumer level will in fact be modest and should not exceed 2.8% on retail prices in the long term.

Lastly, in the Commission's view the prices agreed should have little effect on the Community budget, since they will involve the additional expenditure of approximately 435 million ECU in 1983 and 745 million ECU in 1984.

Some of the related measures were:

(i) in the cereals sector:

- (a) the guarantee threshold for cereals was fixed at 120.5 million tonnes for 1983/84;
- (b) an improvement in the minimum quality of the wheat of bread-making quality;
- (c) 2 to 3 million tonnes of cereals were made available for animal feedingstuffs;

(ii) in the fruit and vegetable sector:

- (a) a differentiated increase in prices for certain fruit and vegetables (tomatoes, apples and pears: 3.5%; other products: 6.5%);

(iii) in the dairy sector:

- (a) a guarantee threshold for milk for 1983 at 100.5% of the 1982 production figure;
- (b) the co-responsibility levy was held at 2% as well as the aid of 120 million ECU for small milk producers;

- (c) lastly, arrangements for marketing stocks and the aid to promote butter consumption were continued.

The details of the various agreements mentioned above are given in this chapter.

### **Repercussions of the monetary situation on the operation of the common agricultural policy**

361. On 17 January 1983 the Council decided to extend once again — until 31 December 1983 — Regulation (EEC) No 652/79 on the impact of the EMS on the common agricultural policy,<sup>1</sup> which was due to expire on 31 January 1983, so that the ECU could continue to be used for the common agricultural policy.

Later, on 19 December 1983, the Council extended the period of validity of Regulation (EEC) No 652/79 until 31 December 1984.<sup>2</sup>

362. On 17 January 1983 the Council extended until 31 December 1983 Regulation (EEC) No 3439/82 which amends Article 4 of Regulation (EEC) No 974/71 in respect of the method of calculating the monetary compensatory amounts in the wine sector.

363. Also on 17 January 1983 the Council extended until 31 December 1983 Regulation (EEC) No 3437/82, which expired on 31 January 1983 and which provided for an amendment to Article 5 of Regulation (EEC) No 878/77, which provides for the possibility, following an amendment to the representative rates, of adjusting the amounts fixed in ECU and not linked to the fixing of the prices in particular under the structural policy, beyond the previously authorized level of 2%.

This facility was subsequently incorporated without time limit under Regulation (EEC) No 1223/83.<sup>3</sup>

364. This Regulation, which was adopted by the Council on 20 May 1983 when the farm prices for 1983/84 were fixed, lays down in its annexes the new green rates for all the Member States and replaces finally Regulation (EEC) No 878/77 (the annexes to which concerning Belgium,

<sup>1</sup> Regulation (EEC) No 108/84, OJ L 16, 20.1.1983.

<sup>2</sup> Regulation (EEC) No 3604/83, OJ L 358, 22.12.1983.

<sup>3</sup> Regulation (EEC) No 1223/83, OJ L 132, 21.5.1983.

Greece and Luxembourg had meanwhile been amended on 26 January 1983 and 30 March 1983 by Regulations (EEC) Nos 221/83<sup>1</sup> and 781/83<sup>2</sup>).

After fixing the farm prices the Council amended this latter Regulation twice, on 14 June 1983 and 8 July 1983, as follows:

- (i) the first time, by adopting Regulation (EEC) No 1626/83 of 14 June 1983,<sup>3</sup> which amended the representative rates for Belgium and Luxembourg, France and Ireland;
- (ii) the second time, by adopting Regulation (EEC) No 1877/83 of 8 July 1983,<sup>4</sup> which amended the representative rates for Greece.

365. Lastly, on 18 July 1983 the Council adopted Regulation (EEC) No 2025/83,<sup>5</sup> amending Regulation (EEC) No 974/71 with regard to the calculation of the monetary compensatory amounts in the pigmeat sector.

### **International agreements**

#### **SUGAR<sup>6</sup>**

366. With a view to its possible accession to a future international agreement on sugar, during 1983 the Community took an active part in the negotiations on drawing up such an agreement. These negotiations were conducted on behalf of Community by the Commission on the basis of guidelines adopted by the Council in March 1983, and took place at two meetings of the United Nations Conference on sugar and also at the consultative meetings attended by the main exporting countries and world importers. It is planned to continue these consultations at the beginning of 1984 in order to prepare for the third meeting of the United Nations Conference, which in principle will be devoted to finalizing the new agreement.

<sup>1</sup> Regulation (EEC) No 221/83, OJ 27, 29.1.1983.

<sup>2</sup> Regulation (EEC) No 781/83, OJ L 87, 1.4.1983.

<sup>3</sup> Regulation (EEC) No 1626/83, OJ L 160, 18.6.1983.

<sup>4</sup> Regulation (EEC) No 1877/83, OJ L 186, 9.7.1983.

<sup>5</sup> Regulation (EEC) No 2025/83, OJ L 199, 22.7.1983.

<sup>6</sup> See also paragraph 263 of this Review.



## OLIVE OIL

367. Arising from the Community's participation in both meetings of the International Olive Oil Council (the IOOC) in 1983, the question of extending the International Agreement of 1979 on olive oil – which expires on 31 December 1984 – was the subject of an initial examination, which it was planned to continue in 1984 in anticipation of the deliberations to be held on the matter by the IOC at its meeting in May 1984.

The aim of the extension under discussion is to take account of the effects of the possible enlargement of the Community to incorporate two major olive-growing countries, i.e. Spain and Portugal.

### **General review of the common agricultural policy**

#### POLICY ON OILS AND FATS

368. In 1983 the Council examined the Commission's proposal for a Regulation to introduce a tax on oils and fats of vegetable or animal origin, except for those intended for non-food uses or for butter.

The proposed amount of the tax is 7.5 ECU per 100 kg of product.

#### ADJUSTMENT OF THE *ACQUIS COMMUNAUTAIRE* FOR MEDITERRANEAN PRODUCTS

369. With regard to the olive oil sector, the Council Decisions covered three aspects:

- (i) active study of the proposals forwarded by the Commission with a view in particular to improving the management and monitoring of the system of production aid, since the Council was to make a Decision on the matter in good time for these provisions to be implemented at the start of the 1984/85 marketing year;<sup>1</sup>
- (ii) specification of a number of principles to be included in the negotiating brief with Spain and Portugal regarding the organization of the transitional period in respect of the vegetable oils and fats sector;

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<sup>1</sup> See paragraph 327 *et seq.* of this Review.

- (iii) indication of the essential objectives to be adopted as part of the proposals which the Commission will present to the Council in accordance with the guidelines which it presented for the general reform of the common agricultural policy.

## **B — DRAFTING OF AND ESSENTIAL AMENDMENTS TO REGULATIONS GOVERNING THE COMMON ORGANIZATION OF MARKETS**

### **Drafting of new basic regulations**

#### **ETHYL ALCOHOL OF AGRICULTURAL ORIGIN**

370. In accordance with a Council Decision of December 1969, in March 1972 the Commission had approached the Council concerning a proposal instituting a common organization of the market in ethyl alcohol of agricultural origin.<sup>1</sup> Taking into account the situation of the enlarged Community and market trends in alcohol, in December 1976 the Commission had presented to the Council an amended proposal on the matter.<sup>2</sup> In June 1983 Parliament delivered its opinion on this text as amended in May 1979.<sup>3</sup> On the basis of this opinion and pursuant to Article 149 of the Treaty, on 25 July 1983 the Commission approached the Council concerning a new amended proposal for a Regulation instituting a common organization of the market in this sector. This proposal differs from the previous texts in particular in that:

- (i) it abandons the idea of reserved sectors which would guarantee outlets for ethyl alcohol of agricultural origin;
- (ii) it provides for the introduction of a system of aid in order to bring the price of a limited volume of certain alcohols into line with the Community price level for alcohol of molasses, without providing for direct intervention on the market;
- (iii) it dispenses with the rules relating to spirituous beverages, these being the subject of a separate proposal;

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<sup>1</sup> See 20th Review, paragraph 106.

<sup>2</sup> See 24th Review, paragraph 277.

<sup>3</sup> See 27th Review, paragraph 338.

- (iv) it contains no specific arrangements for alcohol from third countries.

It is currently being examined by the Council's subordinate bodies.

### **Adjustments or amendments to the basic regulations**

#### **RICE**

371. As part of its proposals on farm prices and related measures, the Commission proposed a number of technical amendments to the basic Regulation on rice.<sup>1</sup>

In adopting this amendment<sup>2</sup> the Council made it obligatory for producers of rice to make harvest and stock declarations every year. These declarations distinguish between round grained and long grained rice and identify quantities of stocks and harvests. A similar obligation is imposed on rice mills. In this way the Commission will be in a position to have a better knowledge of the market and to ensure its more effective management.

#### **WINE**

372. Since a major revision of the common organization of the market in wine had been carried out in 1982,<sup>3</sup> in 1983 the Council, acting on a proposal from the Commission and after having, where necessary, received the opinion of Parliament, had to intervene only on specific points regarding the above-mentioned common organization or the structural action plan adopted in 1980.<sup>4</sup>

In this connection, by adopting its Regulation No 1595/83<sup>5</sup> it amended the basic Regulation on wine on two points, namely:

- (i) the dates of the wine-growing year, which now runs from 1 September to 31 August in respect of both marketing the products

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<sup>1</sup> Regulation (EEC) No 1418/76, OJ L 166, 25.6.1976.

<sup>2</sup> Regulation (EEC) No 1566/83, OJ L 153, 22.6.1983.

<sup>3</sup> See 30th Review, paragraph 444.

<sup>4</sup> See 28th Review, paragraph 371 *et seq.*

<sup>5</sup> OJ L 163, 22.6.1983.

and also the application of the various prices fixed at Community level. This measure will take effect on 1 September 1984;

- (ii) the search for new outlets in order to facilitate the absorption of surpluses — campaigns to provide information and promote sales of table wines on the Community's domestic and external markets may now be considered; the financing of these measure would be met, wholly or in part, by the EAGGF.

373. In addition, on 30 November 1983 the Commission approached the Council concerning a proposal, under the general heading of the revision of the common agricultural policy,<sup>1</sup> to amend basic Regulation (EEC) No 337/79 primarily as regards certain rules of production, viz. the use of saccharose, an increase in the minimum natural alcohol content, and also certain intervention measures, such as aid for storage, compulsory distillation etc.

With regard to structural matters, Regulation (EEC) No 1597/83 of 14 June 1983<sup>2</sup> provides for an amendment to Regulation (EEC) No 456/80<sup>3</sup> relating to abandonment premiums for areas under vines, which would also allow these premiums to be granted for areas under vines in the Charentes region which were governed by Directive 79/359/EEC<sup>4</sup> on the conversion of the areas under vines referred to above.

Since this Directive expired on 31 August 1982, the amendment referred to above will enable these structural measures to be changed. The date for the entry into force of Regulation (EEC) No 1597/83 was fixed, retrospectively, at 1 September 1983.

374. Another aspect of the 1980 action plan concerns projects for the collective restructuring of vineyards, which is governed by Regulation (EEC) No 458/80.<sup>2</sup>

This Regulation was amended in 1983 by the Council in order to circumscribe more appropriately, taking account of the experience gained, the areas eligible for the restructuring measures.<sup>5</sup> For this purpose a

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<sup>1</sup> See paragraph 360 of this Review.

<sup>2</sup> OJ L 163, 22.6.1983.

<sup>3</sup> See 28th Review, paragraph 373.

<sup>4</sup> See 27th Review, paragraph 344.

<sup>5</sup> Regulation (EEC) No 1598/83 of 14 June 1983, OJ L 163, 22.6.1983.

maximum of 45 800 ha of land under vines to be restructured for areas to produce quality wine psr were recorded in the register, and also their allocation among the Member States concerned. Moreover, in view of the particular difficulties of the Charentes region, appropriate provisions were adopted so that the area under vines in the Charentes region could be restructured to produce table wines or quality wines psr.

## FRESH FRUIT AND VEGETABLES

### *Amendment of the acquis communautaire*

375. After spending two years on negotiating an overall compromise solution on amending the *acquis communautaire* in respect of Mediterranean products, on 14 November 1983 the Council adopted the two Regulations on the review of the common organization of the market in fruit and vegetables.<sup>1, 2</sup> These Regulations will be implemented as soon as the negotiations with Spain and Portugal on fruit and vegetables begin, on the understanding that these will begin with the Community presenting to the applicant countries its declaration relating to the accession negotiations on fruit and vegetables.

These Regulations provided for the following adjustments to the common organization of the market in fruit and vegetables:

### *Internal aspects*

#### **Aid for setting up producers' organizations**

376. Arrangements currently in force with regard to aid for setting up producers' organizations will remain valid until 1 July 1988 alongside the proposed new system, which provides for a decreasing amount of aid to be granted based on the value of the production marketed by the producers' organization, but limited to the actual administrative expenses of setting up the organizations and operating them. After this date only the new system will be applicable.

<sup>1</sup> Regulation (EEC) No 3284/83; OJ L 325, 22.11.1983.

<sup>2</sup> Regulation (EEC) No 3285/83; OJ L 325, 22.11.1983.

### **Extension of the disciplinary rules to non-member producers**

377. Once the amended Regulation comes into force certain rules drawn up by the producers' organizations performing in a given economic district may apply to all the producers in that district, subject to the following conditions:<sup>1</sup>

- (i) for the first three years, when the organization accounts for more than 50% of the production and more than 50% of the producers are members of the organization, and unless at least one third of all the producers (members and non-members) are not in favour;
- (ii) for subsequent years, when at least two thirds of the production is accounted for by the organization and two thirds of the producers are members of the organization.

The application of these new rules is subject to the supervisory powers of the Commission. This body must give its assent to any extension of the marketing rules. It must take care, in addition, that any extensions do not affect freedom of trade and competition. If necessary, it will rescind the authorizations granted.

Three years after the entry into force of this Decision to extend the rules to producers who are not members, the Commission will present a report so that a decision may be taken on whether to maintain or abolish it.

The extension of the disciplinary rules also applies to the rules governing withdrawal from the market.

### **Identification of a serious crisis**

378. The Council agreed on supplementary consultation procedures for declaring a serious crisis in respect of the more typically Mediterranean products such as peaches, summer pears, apricots, aubergines and tomatoes. These procedures require the producer Member States to make purchases with public funds in the event of a serious crisis, unless they have been exempted by the Commission. This exemption may be granted:

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<sup>1</sup> Regulation (EEC) No 3285/83, OJ L 325, 22.11.1983.

- (i) if in that Member State at least two thirds of the national production of the product in question is marketed through producers' organizations;
- (ii) or if in that Member State national production of the product in question is less than 8% of the average Community production figure for the product, on the understanding that if a Member State so requests this percentage may rise to 12% for pears.

When the representative markets for production in a given Member State do not enable the price level to be determined, the existence of a serious crisis may be declared on the basis of the wholesale prices recorded on the most representative markets in the country concerned.

#### **Extension of intervention measures beyond the current marketing year**

Intervention measures beyond the current marketing year are prohibited except under abnormal circumstances, in which it may be decided to extend the intervention measures in accordance with the Management Committee procedure.

#### *External aspects*

##### **Calculation of the reference price**

###### *In general*

379. The increase in the reference price produced by the new method of calculation proposed by the Commission will be subject to a ceiling taking into account the producer prices recorded in each Member State.

With regard to products of Greek origin within the meaning of Article 75 of the Act of Accession, the reference prices thus calculated must not produce Community offer prices which are less favourable than those which would have been in force if this change in the method of calculating the reference prices had not been made.

The Council noted the Commission's measure to extend the list of products to which the reference prices apply to include apricots, artichokes, lettuces and endives.

## Reference prices for citrus fruits

380. The aim of changing the method of calculating the reference price for citrus fruits is to make good the loss of Community preference arising from the existing correlation between the trends in the basic price and the purchase price, the monetary compensatory amount and the reference price.

With regard to oranges and small citrus fruits other than clementines, it aims to establish this correlation in actual figures instead of expressing it as a percentage.

To prevent this measure from causing too steep a rise in the reference prices, the Council restricted the increase to a maximum of 15% distributed uniformly over two years (1984/85 and 1985/86).

As part of the overall compromise solution, the Council also asked the Commission to present proposals for monitoring certain rules governing the recording of prices of imported products and the application of the common quality standards, in order to calculate afresh the entry price for products with a reference price.

## PROCESSED FRUIT AND VEGETABLES

381. With a view to revising the arrangements for production aid for processed fruit and vegetables, the Council made an initial examination of the proposals for Regulations<sup>1</sup> which the Commission had presented in order to meet the requirement under Article 3 (a) of Regulation (EEC) No 516/77 to review this system of aid.<sup>2</sup>

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### <sup>1</sup> Regulations:

- (i) Proposal for a Council Regulation amending Council Regulation (EEC) No 516/77 on the common organization of the market in products processed from fruit and vegetables amending Regulation (EEC) No 950/68 relating to the CCT;
- (ii) Proposal for a Council Regulation amending certain procedures contained in the Act of Accession 1979 following an amendment to Community rules in the sector of products processed from fruit and vegetables.
- (iii) Proposal for a Council Regulation fixing guarantee thresholds for certain products processed from fruit and vegetables;
- (iv) Proposal for a Council Regulation amending Regulation (EEC) No 516/77 on the common organization of the market in products processed from fruit and vegetables.

<sup>2</sup> Commission Report to the Council – Doc. 5950/83 (COM(83) 92 final).



These proposals contain the following amendments to the current system contained in Regulation (EEC) No 516/77:

- (i) a direct link between the minimum price level to be paid to the producer and the basic price of the fresh product, by applying a coefficient fixed by the Council;
- (ii) the effective application of quantity restrictions in the form of guarantee or quota thresholds for certain products;
- (iii) calculation of the production aid on the basis of raw material instead of on the basis of the gross weight of the finished product;
- (iv) with regard to dried grapes, the abolition of the storage agencies, as well as introduction of a minimum price for imports and a guarantee threshold.

The Council will continue its work on these proposals in 1984.

#### OLIVE OIL

382. As part of a coordinated series of proposals which were presented by the Commission in order to provide more effective controls in the olive oil sector, in 1983 the Council had to consider questions relating to specific amendments to the basic Regulation on oils and fats and to the introduction of certain special measures as regards controls.

In particular the aim of this latter proposal is to provide for the setting up in the olive oil producing Member States of autonomous monitoring agencies under the responsibility of the Member State in question, and also the implementation of a Community system of sanctions in the event of infringements of the system of aid for olive oil.

All these measures are to take effect on 1 November 1984.

On the same occasion the Commission also proposed to defer until this date the entry into force of the adjustments introduced in 1982 to the provisions of the basic Regulation governing producers' organizations and associations thereof.

The Council received Parliament's opinion and made a decision on this matter which was embodied in Regulation (EEC) No 2892/83 of 17 October 1983.<sup>1</sup>

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<sup>1</sup> OJ L 285, 18.10.1983.

The other points in the above-mentioned proposals will be discussed by the Council probably during the first quarter of 1984.

In addition, in 1983 the Council also received a proposal aimed at incorporating into the common organization for oils and fats the rules and the procedures relating to the mobilization of vegetable oils for food aid. The Council's discussions on the matter require the opinion of Parliament beforehand.

## C — MANAGEMENT OF THE COMMON ORGANIZATION OF THE MARKETS

### Cereals

#### CEREAL PRICES FOR THE 1983/84 MARKETING YEAR

383. The increases in the cereal prices for the 1983/84 marketing year made by the Council followed overall the Commission's proposals.

The Council fixed the following prices:

Product	Type of price or amount	1982/83 ECU/tonne	1983/84 ECU/tonne	%
1	2	3	4	5
Durum wheat	Target price	339.20	355.42	+4.8
	Single intervention price	298.36	312.08	+4.6
	Aid (restricted to certain regions)	92.85 ECU/ha	99.81 ECU/ha	+7.5
Common wheat	Target price	250.61	261.41	+4.3
	Reference price for wheat of bread-making quality <sup>1</sup>	209.10	215.29	+3
Common wheat, maize, barley and rye	Single common intervention price	179.27	184.58	+3
Barley, rye and maize	Target price	228.27	238.17	+4.3

<sup>1</sup> This price is reduced by 11.62 ECU/tonne when special intervention measures are applied in respect of the minimum bread-making quality.

In making this decision on the prices<sup>1</sup> the Council took account of the need to reduce budgetary costs and entered on a second stage of reducing the discrepancy between the Community price and the prices applied by the main third countries which are exporters of cereals.

In accordance with the Commission's proposal, the Council reduced by 1% the increase in the guaranteed prices for cereals in implementation of the provisions of the basic Regulation on cereals, since the 1982/83 harvest exceeded the production threshold of 119.5 million tonnes by more than one million tonnes.<sup>2</sup>

By the same Regulation on prices the Council altered the guarantee threshold for the 1983/84 marketing year to 120.56 million tonnes for all cereals except durum wheat, so as to comply with the medium-term production target which it set at 126 million tonnes for the 1988/89 marketing year.

Owing to the disparity between the quality and quantities produced of common wheat of minimum bread-making quality, the reference price for this wheat was fixed so as to reduce the gap between the single common intervention price for all feed-grains.

This variation is 10.3% for the 1983/84 marketing year compared with 10.8% for the 1982/83 marketing year.

#### PRODUCTION AID FOR DURUM WHEAT

384. In order to take into account the objectives of the aid for durum wheat and, in particular, to guarantee an equitable standard of living for the farmers in those areas of the Community where this product traditionally forms a part of the agricultural production, the Council increased the production aid for durum wheat by 5.5% to 99.81 ECU/ha.<sup>3</sup>

For the regions in Greece which before accession received government aid an amount of 77.36 ECU/ha was adopted, while those areas of the regions in Greece which had not received government aid were granted aid at the rate of 57.26 ECU/ha.

<sup>1</sup> Regulation (EEC) No 1564/83, OJ L 163, 22.6.1983.

<sup>2</sup> Cf. Article 3 bis of Regulation (EEC) No 2727/75, OJ L 281, 1.11.1975.

<sup>3</sup> Regulation (EEC) No 1821/83, OJ L 180, 5.7.1983.

## MONTHLY INCREASES

385. For the 1983/84 marketing year the Council raised the monthly increases by 5.3%. These apply to cereals, wheat and rye flour and also wheat groats and meal, and were adopted in the light of the aims laid down by the basic Regulation on cereals in order to take into account the storage costs and financing charges for storing cereals in the Community and to ensure that the disposal of stocks did not disturb the market.<sup>1</sup>

## CARRY-OVER PAYMENT AT THE END OF THE MARKETING YEAR

386. The Council decided to grant a carry-over payment at the end of the marketing year for common wheat, rye and maize.<sup>2</sup> This measure proved necessary in order to prevent a large quantity of cereals from the 1982/83 harvest from going to intervention as soon as the monthly increases in the intervention price came to an end and also because of the market situation regarding these cereals.

In contrast to the compensatory payment for the end of the 1981/82 marketing year, the Council also granted a compensatory payment for maize harvested in the Community and in storage in the over-produced areas of the Community at the end of the 1982/83 marketing year.

Despite an overall shortfall in maize in the Community this measure was necessary to prevent purchases for intervention in a few areas of surplus during the last months of the year.

## **Amendments to the import and export regulations governing products processed from cereals and rice**

387. In order to provide better protection for the Community industry which produces bran, sharps and other residues of milling, the Council<sup>3</sup> introduced a fixed component into the method of calculating the import levies on certain types of bran and sharps, and reduced the corresponding variable component.

## **Importation arrangements for manioc**

388. The Council decided to restrict the 6% *ad valorem* levy on manioc imported under the quotas provided for in the agreements bet-

<sup>1</sup> Regulation (EEC) No 1565/83, OJ L 163, 22.6.1983.

<sup>2</sup> Regulation (EEC) No 1602/83, OJ L 159, 17.6.1983.

<sup>3</sup> Regulation (EEC) No 1414/83, OJ L 151, 24.2.1983.

ween the Community and Thailand, on the one hand, and Indonesia and Brazil, who are contracting parties to GATT, on the other hand.<sup>1</sup> Apart from these agreements, a quota of 370 000 tonnes was set for 1983 for third countries other than Thailand and contracting parties to GATT for 1984/85/86. The Council reserved the right to fix annually the quotas for these latter countries.

For 1984, the Council decided<sup>2</sup> to renew the quota of 370 000 tonnes for manioc imports from third countries which are not members of GATT.

### **Storage of cereals**

389. To prevent disruption of the intervention procedures through lack of storage capacity in the Member States when the 1983/84 cereals crop was harvested and, consequently, to help in the absorption of stocks from the 1982/83 marketing year, the Council decided<sup>3</sup> to mitigate the shortages in feed-grains in certain areas of Italy, the United Kingdom and Ireland by transferring common wheat of bread-making quality. It provided for a transfer from the French and German intervention agencies (450 000 and 100 000 tonnes respectively), the Italian intervention agency receiving 450 000 tonnes of common wheat, and the United Kingdom and Ireland 50 000 tonnes each.

### **Rice**

390. In the rice sector the Council also followed the Commission's proposals on prices. The guide price for husked rice was thus fixed at 523.16 ECU/tonne, an increase of 5.3%. The intervention price for paddy rice was increased by a similar percentage resulting in a figure of 306.53 ECU/tonne for the 1983/84 marketing year.<sup>4</sup>

Just as in the cereals sector, the monthly increases were raised by 5.5%.<sup>5</sup>

### **Starch products**

391. Production refunds for starch products containing cereals and rice, on the one hand, and potato starch, on the other hand, were increased by the Council for 1983/84 by approximately 4% over the 1982/83 level.<sup>6</sup>

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<sup>1</sup> Regulation (EEC) No 604/83, OJ L 72, 18.3.1983.

<sup>2</sup> Regulation (EEC) No 3683/83, OJ L 368, 29.12.1983.

<sup>3</sup> Regulation (EEC) No 1322/83, OJ L 138, 27.5.1983.

<sup>4</sup> Regulation (EEC) No 1567/83, OJ L 163, 22.6.1983.

<sup>5</sup> Regulation (EEC) No 1568/83, OJ L 163, 22.6.1983.

<sup>6</sup> Regulation (EEC) No 1569/83, OJ L 163, 22.6.1983.

At the same time the Council extended the granting of a premium for potato starch producers, which had been payable only until the end of the 1982/83 marketing year. This measure was accompanied by a rise in the minimum price payable to potato producers by starch producers.

## **Beef and veal**

### **PRICES**

392. On successive occasions, i.e. on 28 March,<sup>1</sup> 20 April<sup>2</sup> and 28 April 1983,<sup>3</sup> the Council extended the 1982/83 marketing year.

On 17 May 1983<sup>4</sup> it fixed the guide and intervention prices for adult bovine animals for the 1983/84 marketing year as follows:

- (i) a guide price of 207.09 ECU/100 kg live weight;
- (ii) an intervention price of 186.38 ECU/100 kg live weight.

At the same time, owing to the market situation the Council extended the rules governing the triggering and suspension of intervention measures, thus derogating from the principle of permanent intervention.

On this occasion the Council also extended for a further marketing year the granting of an additional premium for maintaining suckler cows in Ireland and Northern Ireland,<sup>5</sup> the system of premiums for the slaughter of certain adult bovine animals in the United Kingdom<sup>6</sup> and the premium for the birth of calves in Greece, Ireland and Northern Ireland.<sup>7</sup>

Lastly, it made provision<sup>8</sup> for authorization of the Member States to maintain for a further year the application of the dual price recording system, provided for by Regulation (EEC) No 1202/82,<sup>9</sup> parallel with the method which they currently use, for recording rates on the basis of the Community scale for the classification of carcasses as established by Regulation (EEC) No 1208/81.<sup>3</sup>

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<sup>1</sup> Regulation (EEC) No 727/83, OJ L 85, 31.3.1983.

<sup>2</sup> Regulation (EEC) No 959/83, OJ L 106, 23.4.1983.

<sup>3</sup> Regulation (EEC) No 1024/83, OJ L 116, 30.4.1983.

<sup>4</sup> Regulation (EEC) No 1213/83, OJ L 132, 21.5.1983.

<sup>5</sup> Regulation (EEC) No 1216/83, OJ L 132, 21.5.1983.

<sup>6</sup> Regulation (EEC) No 1217/83, OJ L 132, 21.5.1983.

<sup>7</sup> Regulation (EEC) No 1215/83, OJ L 132, 21.5.1983.

<sup>8</sup> Regulation (EEC) No 1214/83, OJ L 132, 21.5.1983.

<sup>9</sup> Regulation (EEC) No 1202/83, OJ L 140, 20.5.1982.

## IMPORT REGULATIONS

393. Acting on a proposal from the Commission, on 19 December 1983 the Council opened for 1984 an annual tariff quota at a duty of 20% totalling 50 000 tonnes of boneless meat.

This total of 50 000 tonnes is subdivided into two parts, one of 33 500 tonnes, the other of 16 500 tonnes, allocated as follows:

	From the part totalling 33 500 tonnes	From the part totalling 16 500 tonnes
Benelux	3 189	1 571
Denmark	157	78
Germany	6 020	2 965
Greece	1 710	840
France	3 343	1 647
Ireland	3	2
Italy	9 658	4 757
United kingdom	9 420	4 640

Under the GATT agreements (multilateral trade negotiations), on 26 September 1983 the Council decided to open a tariff quota for the importation, at a duty of 20% totalling 29 800 tonnes of high quality beef and veal, fresh, cooled or frozen, falling within subheadings 02.01 A II a) and 02.01 A II b) of the CCT<sup>1</sup> (known as 'Hilton beef') and another quota of 2 250 tonnes of buffalo meat falling within subheading 02.01 A II b) 4 bb) 33 of the CCT.<sup>2</sup>

As in previous years, on 14 June 1983 the Council decided to open a tariff quota for 38 000 head of heifers and cows, other than those intended for slaughter, of certain mountain breeds, falling within subheading ex 01.02 A II b) 2 of the CCT (Austrian quota)<sup>3</sup> and for 5 000 head of bulls, cows and heifers, other than those intended for slaughter, of certain Alpine breeds falling within subheading ex 01.02 A II b) 2 of the CCT (Swiss quota).<sup>4</sup>

<sup>1</sup> Regulation (EEC) No 2693/83, OJ L 267, 29.9.1983.

<sup>2</sup> Regulation (EEC) No 2694/83, OJ L 267, 29.9.1983.

<sup>3</sup> Regulation (EEC) No 1548/83, OJ L 158, 16.6.1983.

<sup>4</sup> Regulation (EEC) No 1549/83, OJ L 158, 16.6.1983.

## Sheepmeat sector

394. On 28 March 1983,<sup>1</sup> 20 April 1983<sup>2</sup> and 28 April 1983,<sup>3</sup> the Council extended the 1981/82 marketing year in the sheepmeat sector.

On 17 May 1983,<sup>4</sup> the Council fixed the basic price, the intervention prices and the reference in the sheepmeat sector at the following levels:

- (i) basic price: 432.36 ECU/100 kg
- (ii) intervention prices: 367.51 ECU/100 kg
- (iii) reference prices (ECU/100 kg):

### Sheepmeat: Proposed prices for marketing year 1983/84

#### I - REFERENCE PRICE

(ECU/100 kg)

Region	Reference price 1982/83	Difference between (a) and central price	Convergence in 1983	(a) + (c)	Percentage increase in reference prices	Reference price 1983/84	Change (f)/(a) (%)
	a	b	c	d	e	f	g
Italy	427.64	-17.82	- 8.91	418.73	+5.5%	441.76	+3.30
France	409.82	—	—	409.82	+5.5%	432.36	+5.50
Denmark							
Benelux							
Germany	392.00	+17.82	+ 8.91	400.91	+5.5%	422.96	+7.90
Ireland	389.04	+20.78	+10.39	399.43	+5.5%	421.40	+8.32
United Kingdom	378.94	+30.88	+15.44	394.38	+5.5%	416.07	+9.80
Northern Ireland	378.94	+30.88	+15.44	394.38	+5.5%	416.07	+9.80
Greece	427.64	-17.82	- 8.91	418.73	+5.5%	441.76	+3.30

#### II - BASE PRICE AND INTERVENTION PRICE

1. Base price :  $409.82^{(4)} \times 1,055 = 432.36$
2. Intervention price :  $432.36 \times \frac{85}{100} = 367.51$
3. Derived intervention price :  $329.57^{(5)} \times 1,055 = 347.70$

<sup>1</sup> Region 2.

<sup>2</sup> Application of Article 3 (4) indent b of Regulation (EEC) No 1837/80 (half of the difference under b).

<sup>3</sup> Application of Article 3 (4) indent b of Regulation (EEC) No 1837/80, taking account of the criteria under (2) of the same article.

<sup>4</sup> Base price fixed for marketing year 1982-83.

<sup>5</sup> Derived intervention price fixed for marketing year 1982-83.

<sup>1</sup> Regulation (EEC) No 726/83, OJ L 85, 31.3.1983.

<sup>2</sup> Regulation (EEC) No 958/83, OJ L 106, 23.4.1983.

<sup>3</sup> Regulation (EEC) No 1023/83, OJ L 116, 30.4.1983.

<sup>4</sup> Regulation (EEC) No 1218/83, OJ L 132, 21.5.1983.



## **Pigmeat sector**

### PRICES

395. As part of the work of fixing the related prices and measures for the marketing year 1983/84, on 14 June 1983 the Council adopted Regulation (EEC) No 1599/83<sup>1</sup> fixing for the period 1 November 1983 to 31 October 1984 the basic price and the standard quality for slaughtered pigs. This price — 2 053.87 ECU/tonne — constitutes an increase over that for the preceding year of 5.5%.

### OTHER MEASURES

396. The Council carried out in two stages the adaptation of Regulations (EEC) No 2766/75 and No 2767/75 relating respectively, on the one hand, to the list of the products for which sluice-gate prices are fixed and the rules for fixing the sluice-gate prices for pig carcasses<sup>2</sup> and, in addition, the general rules relating to the system of 'pilot products and derived products' enabling additional amounts to be fixed for pigmeat.<sup>2</sup>

Initially, in view of the urgency, the Council adopted the first part of these amendments which comprised only a formal amendment which was to enter into force on 1 February 1983.<sup>3</sup>

At a later stage the Council adopted the second part of these amendments, which, on the one hand, added to the list of products for which sluice-gate prices are fixed and, in addition, limited at the same time the application of the system of 'pilot products and derivatives' to a smaller number of products.<sup>4</sup>

## **Eggs and poultry**

397. The Community arrangements in the egg and poultry sector consist of relatively limited support measures for market prices, in the form of export refunds and sluice-gate prices. This system has been found in

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<sup>1</sup> OJ L 163, 22.6.1983.

<sup>2</sup> OJ L 282, 1.11.1975; last amendment: OJ L 27, 29.1.1983.

<sup>3</sup> OJ L 27, 29.1.1983 (Regulations (EEC) Nos 219/83 and 220/85 of 25 January 1983).

<sup>4</sup> OJ L 190, 14.7.1983 (Regulations (EEC) Nos 1905/83 and 1906/83 of 11 July 1983).

practice to contribute to the self-regulation of the market, in that the prices produce a broad balance between supply and demand in the medium-term. However, during the period under review the Council continued its work on the Commission's proposal amending Regulation (EEC) No 2772/75<sup>1</sup> on marketing standards for eggs. This proposal was discussed on several occasions by the Council's subordinate bodies, but although some progress was made no final agreement was reached.

## **Milk and milk products**

### MARKET SITUATION

398. Whereas the market situation had been relatively favourable in 1981, the existence of large stocks of milk and milk products held by Community producers and the difficult financial situation of a number of potential purchasers greatly affected the world market during 1982.

At the same time milk production in the Community continued to increase in 1982 (by 3.5% on average), owing in particular to excellent weather conditions and the increased output per cow, whereas the level of consumption in the butter sector in the Community continued to fall (by 1.8%).

If this trend were to continue, coupled with a levelling off or even a reduction in the number of outlets on the Community's domestic market together with relatively limited export outlets, there would be a danger of creating a serious imbalance on the market and also a major build-up of stocks.

Consequently, in order to produce a better balance of milk and milk products on the market, measures had to be taken to reduce the volume of production in the dairy sector.

### PRICES

399. Since the Council was not in a position to act by the due date, i.e. 1 April 1983, on the 'prices and related measures' package for the marketing year 1983/84, it had to extend the current year on several occasions.<sup>2</sup> On 17 May 1983 the Council finally adopted the following prices, involving the increases shown below.<sup>3</sup>

<sup>1</sup> OJ L 282, 1.11.1975.

<sup>2</sup> Cf. Regulations (EEC) Nos: 725/83 of 28 March 1983, OJ L 85, 31.3.1983; 957/83 of 20 April 1983, OJ L 106, 23.4.1983; 1022/83 of 28 April 1983, OJ L 116, 30.4.1983.

<sup>3</sup> Regulation (EEC) No 1205/83 of 17 May 1983, OJ L 132, 21.5.1983.

	1982/83 marketing year		1983/84 marketing year	
	ECU/tonne	%	ECU/tonne	%
Target price for milk	268.10	10.5	274.30	2.33
Intervention prices				
– butter	3 497.00	10.0	3 578.60	2.33
– skimmed-milk powder	1 462.30	10.4	1 496.40	10.4
– cheeses				
● Grana-Padano 30-60 days	3 530.40	11.3	3 612.80	2.33
● Grana-Padano 6 months	4 295.10	11.8	4 395.30	2.33
● Parmigiano-Reggiano 6 months	4 693.00	12.0	4 802.60	2.33

At the same time the Council decided, on the one hand, to bring into line with the new prices the threshold prices for certain milk and milk products<sup>1</sup> and also the special levy on imports of New Zealand butter into the United Kingdom<sup>2</sup> and, on the other hand, to amend Regulation (EEC) No 2915/79<sup>3</sup> with regard to the imposition of a reduced levy on certain cheeses.<sup>4</sup>

#### MEASUREMENT TO ENSURE THE GRADUAL RESTORATION OF MARKET EQUILIBRIUM

##### *Co-responsibility levy*

400. The Council decided, on the one hand, to maintain for the 1983/84 marketing year the rate of the co-responsibility levy payable by the producers at its current level of 2%, and, on the other hand, to extend the application of this levy to the 1984/85 marketing year.<sup>5</sup> As during the preceding year, exemptions were granted to Greece, the Mezzogiorno in Italy and the mountain areas.

<sup>1</sup> Regulation (EEC) No 1207/83 of 17.5.1983, OJ L 132, 21.5.1983.

<sup>2</sup> Regulation (EEC) No 1212/83 of 17.5.1983, OJ L 132, 21.5.1983.

<sup>3</sup> OJ L 329, 24.12.1979.

<sup>4</sup> Regulation (EEC) No 1206/83 of 17.5.1983, OJ L 132, 21.5.1983.

<sup>5</sup> Regulation (EEC) No 1209/83 of 17.5.1983, OJ L 132, 21.5.1983.

### *Production thresholds*

401. As part of the 'prices and related measures' package, and so as to exercise stricter control over the increase in production in the dairy sector, the Council decided to reinforce the provisions establishing production thresholds.

To this end, for the calendar year 1983 the Council fixed the guarantee threshold for milk referred to in Article 5 of Regulation (EEC) No 804/68<sup>1</sup> at the level of the quantity of milk delivered to the undertakings treating or processing milk during the calendar year 1981, plus 1%.<sup>2</sup> In the event of deliveries during 1983 exceeding this guarantee threshold the Council would adopt appropriate measures to compensate for the additional marketing costs.

### *Aid to promote butter consumption*

402. Taking into account the situation of the butter market, the Council agreed to continue measures to reduce the price of butter to the private final consumer.

To this end, for the marketing year 1983/84 the Council decided to fix at 51.0 ECU/100 kg the maximum amount of the Community contribution to the marketing subsidies for butter for direct consumption under Regulation (EEC) No 1269/79.<sup>3</sup>

### *School milk*

403. In order to promote consumption of milk and milk products in schools, the Council decided to extend for a period of five years, starting at the beginning of the 1983/84 marketing year, the minimum period for which the Community contribution to the financing of the school-milk programme is to be maintained.<sup>4</sup>

<sup>1</sup> OJ L 148, 28.6.1968.

<sup>2</sup> Regulation (EEC) No 1205/83 of 17 May 1983, OJ L 132, 21.5.1983.

<sup>3</sup> OJ L 161, 29.6.1979, Regulation (EEC) No 1208/83 of 17 May 1983, OJ L 132, 21.5.1983.

<sup>4</sup> Regulation (EEC) No 1211/83 of 17 May 1983, OJ L 132, 21.5.1983.

404. The Council also decided to grant Community aid for the provision to pupils in schools of certain processed products containing milk falling under headings 04.01 or 04.04 or subheading 22.02 B or yoghurt falling under subheadings 04.02 B, 18.06 D and 21.07 D of the Common Customs Tariff and for which, in addition to Community aid, the Member States may grant national aid.<sup>1</sup>

405. In addition, the Council adopted the general rules relating to the system of aid and fixed Community aid for whole milk at 125% of the guide price of milk for the marketing year concerned.<sup>2</sup>

#### OTHER MEASURES

##### *Support for the incomes of small producers*

406. The Council agreed to extend for the marketing year 1983/84 measures to provide support for the incomes of small milk producers.<sup>3</sup> To this end the Council decided to distribute an amount of 120 million ECU among the Member States, taking into account the quantities of milk delivered in 1981 up to a maximum of 60 000 kg per producer. The following allocation was made among the Member States:

Member State	million ECU
Belgium	4.7
Denmark	4.8
Germany	34.9
France	39.6
Greece	0.8
Ireland	6.5
Italy	13.4
Luxembourg	0.3
Netherlands	8.0
United Kingdom	7.0
	<b>Total 120.0</b>

<sup>1</sup> Regulation (EEC) No 1600/83 of 14 June 1983, OJ L 163, 22.6.1983.

<sup>2</sup> Regulation (EEC) No 1842/83 of 30 June 1983, OJ L 183, 7.7.1983.

<sup>3</sup> Regulation (EEC) No 1210/83 of 17 May 1983, OJ L 132, 21.5.1983.

### *EEC Agreement with Norway concerning cheese*

407. Further to the Agreement between EEC and Norway on trade in cheese<sup>1</sup> which was due to enter into force on 1 January 1983, on 15 November 1982 the Council adopted Regulation (EEC) No 3042/82<sup>2</sup> amending Regulation (EEC) No 2915/79 of 18 December 1979<sup>3</sup> with regard to a reduced levy on imports of certain cheeses. To take into account the difficulties which prevented Norway from implementing the temporary arrangement of concerted restraint concerning trade in cheese in both directions as from 1 January 1983, the Council, adopted Regulation (EEC) No 3534/82 of 23 December 1982,<sup>4</sup> temporarily suspending certain provisions of Regulation (EEC) No 2915/79 which was previously amended. Since these difficulties had meanwhile been resolved, the Agreement with Norway — approved by the Council on 15 November 1982 (Council Decision 82/821/EEC)<sup>1</sup> — having been formally signed on 11 April 1983, the Council decided to rescind Regulation (EEC) No 3534/82, so that the arrangement could enter into force.<sup>5</sup>

### *EEC agreement with Australia and New Zealand concerning cheese*

408. To enable the Community to comply with its commitments with regard to the obligation to import the quantities of cheese laid down in the Agreements between the Community on the one hand and Australia and New Zealand<sup>6</sup> on the other hand, and under which it undertook that the minimum price would be adjusted by as much as was necessary so as to ensure that the quotas of these third countries out of the permitted annual total quantity of imports of Cheddar cheese could in fact be met, the Council, noting that Australia and New Zealand were having difficulty in meeting the quotas allocated to them, owing to the fact that Community market prices were too low compared with the prices to be applied for Australian and New Zealand cheddar, decided to amend until 31 December 1983 the provisions relating to fixing the free-frontier values applicable to imports into the Community of certain cheeses.<sup>7</sup>

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<sup>1</sup> OJ L 345, 6.12.1982.

<sup>2</sup> OJ L 322, 18.11.1982.

<sup>3</sup> OJ L 329, 24.12.1979.

<sup>4</sup> OJ L 371, 30.12.1982.

<sup>5</sup> Regulation (EEC) No 919/83 of 18 April 1983, OJ L 102, 21.4.1983.

<sup>6</sup> OJ L 71, 17.3.1980.

<sup>7</sup> Regulation (EEC) No 2692/83 of 26 September 1983; OJ L 267, 29.9.1983.

### *EEC agreement with Finland concerning cheese*

409. With the aim of developing their reciprocal trade, on 11 May 1983 the Community and Finland agreed to increase, for 1983 and 1984, the quantities provided for in the temporary system of concerted restraint concerning trade in cheese in both directions.

In order to enable the Community to meet its commitments with regard to the admission of the quantities laid down for the quota of Emmental cheese for 1983 and 1984, the Council, notwithstanding Annex II to Regulation (EEC) No 2915/79,<sup>1</sup> decided to increase, for 1983 and 1984, from 2 950 tonnes to 3 250 tonnes the quantity of cheese originating in Finland shown in (c) first indent under (b) of the Regulation referred to above.<sup>2</sup>

### *Transfer of skimmed-milk powder to Italy*

410. Since Italy, because of the specific characteristics of its dairy production, did not have any stocks of skimmed-milk powder whereas some other Member States had a surplus of this product the Council, in order to resolve certain supply difficulties in the sector of milk and milk products in Italy, adopted on 30 June 1983 Regulation (EEC) No 1822/83<sup>3</sup> relating to the transfer of 50 000 tonnes skimmed-milk powder intended for use as animal feed to the Italian intervention agency by the intervention agencies of other Member States.

### *Guideline figure for standardized whole milk imported into Ireland and the United Kingdom.*

411. On 12 December 1983 the Council adopted Regulation (EEC) No 3520/83 fixing for the 1984/85 milk year the guideline figure for the fat content of standardized whole milk imported into Ireland and the United Kingdom from other Community Member States.<sup>4</sup> The rates fixed were 3.54% for Ireland and 3.89% for the United Kingdom.

### *Classification of butter and cream*

412. Regulation (EEC) No 985/68 of 15 July 1968<sup>5</sup> provides that the

<sup>1</sup> OJ L 329, 24.12.1979.

<sup>2</sup> Regulation (EEC) No 3148/83 of 4 November 1983, OJ L 309, 10.11.1983.

<sup>3</sup> OJ L 180, 5.7.1983.

<sup>4</sup> OJ L 352, 15.12.1983.

<sup>5</sup> OJ L 169, 18.7.1968.

butter bought by the intervention agencies must be classified as quality in the Member State where it is produced.

Since the denomination for Dutch butter of first quality had been amended in the national legislation, the Council, by Regulation (EEC) No 3521/83 of 12 December 1983,<sup>1</sup> decided to bring the denomination for this butter into line with Article 1 of Regulation (EEC) No 985/68.

### *New Zealand butter*

#### **Arrangements for 1983**

413. At its meeting on 18 and 19 October 1982 the Council had given its assent in principle to a figure of 87 000 tonnes of New Zealand butter which the United Kingdom was authorized to import under special conditions during 1983 (involving a special levy of 84.36 ECU/100 kg which could be adjusted in accordance with the intervention price for the marketing year 1983/84). However, taking into account the fact that certain Member States had made their final agreement dependent on measures which would be taken by the Community concerning the overall marketing pattern of quantities of Community butter both within and outside the Community, this assent in principle could not formally enter into force on 1 January 1983. For this reason the Council fixed on a provisional basis the quantity of butter which the United Kingdom was authorized to import for the period from 1 January to 31 March 1983, viz. 7 250 tonnes for each of these three months.<sup>2</sup>

414. Lastly, the Council, by Regulation (EEC) No 642/83 of 15 March 1983,<sup>3</sup> decided to fix at 65 250 tonnes the quantity of New Zealand butter which the United Kingdom is authorized to import under special conditions for the period between 1 April 1983 and 31 December 1983.

#### **Arrangements for 1984**

415. Since it was not in a position to give a favourable Decision by 31 December 1983 on the quinquennial decreasing arrangement recommen-

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<sup>1</sup> OJ L 352, 15.12.1983.

<sup>2</sup> Regulation (EEC) No 3499/82, OJ L 368, 28.12.1982 (1 to 31 January 1983); Regulation (EEC) No 125/83, OJ L 17, 21.1.1983 (1 to 28 February 1983); Regulation (EEC) No 344/83, OJ L 40, 12.2.1983 (1 to 31 March 1983).

<sup>3</sup> OJ L 76, 22.3.1983.



ded by the Commission (covering the period between 1 January 1984 and 31 December 1988), the Council, without prejudice to an overall agreement on import Regulations for New Zealand butter under special conditions after 31 December 1983, decided to fix at 13 833 tonnes the quantity of butter which New Zealand was authorized to export to the United Kingdom for the period from 1 January to 29 February 1984 with a special levy of 87.28 ECU/100 kg which could be adjusted in accordance with the Community intervention price for butter.<sup>1</sup>

## Sugar

416. As part of its overall Decision on farm prices and related measures, the Council decided to grant an increase of 4% over the preceding year in the prices of sugar for the marketing year 1983/84,<sup>2</sup> which gave the following prices:

	ECU/100 kg
Target price for white sugar	56.28
Intervention price for white sugar	53.47
Derived intervention price for white sugar for Italy	55.41
Derived intervention price for white sugar for Ireland and the United Kingdom	54.68
Intervention price for raw sugar	44.34
Minimum price for beet	4.089
Threshold price for white sugar	66.33
Threshold price for raw sugar	56.90
Threshold price for molasses	6.90

This same increase was included in the mandate given by the Council on 25 May 1983 to the Commission on the negotiations with the ACP States regarding guaranteed prices for preferential sugar exported to the Community during the 1983/84 delivery period under the ACP-EEC Convention.<sup>3</sup>

417. In the 1982/83 marketing year the total cost of marketing the surplus sugar in the Community once again exceeded the yield of the production levy and in consequence the Council had to apply the provisions of Article 5 of the basic Regulation on sugar. On 14 June 1983, it

<sup>1</sup> Regulation (EEC) No 3667/83 of 19 December 1983, OJ L 366, 28.12.1983.

<sup>2</sup> Regulations (EEC) No 1585/83 and No 1586/83, OJ L 163, 22.6.1983.

<sup>3</sup> See paragraph 310 of this Review.

revised for the marketing year 1983/84 the maximum ceiling for the production levy on B sugar by increasing it to the upper limit of 37.5% of the intervention price for white sugar.<sup>1</sup>

## **Wine**

### **MONITORING OF THE MARKET SITUATION**

418. The Commission's report for 1983 on trends in vine planting and replanting in the Community and the ratio between production and consumption in the wine sector was approved by the Council at its meeting on 12 December 1983.

At the same meeting the Council took note of the final estimates of the market situation at the end of the 1981/82 marketing year. These estimates are provided annually by the Commission in accordance with Article 5 (3) of Regulation (EEC) No 337/79.

### **PRICES**

419. In 1983 the guide prices in the wine sector were fixed for the period from 16 December 1983 to 31 August 1984, following the amendment to the basic Regulation in respect of the wine-growing year.<sup>2</sup>

By its Regulation (EEC) No 1596/83 of 14 June 1983<sup>3</sup> the Council adopted for the period referred to above an increase in 5.5% over the preceding year, although the increase for A I white wine was 6%, which took into account the current and foreseeable market situation regarding this product.

420. As regards the second category of prices relating to the wine sector, i.e. the minimum activating prices which bring the intervention mechanism into operation, the Council adopted Regulation (EEC) No 3517/83 of 12 December 1983<sup>4</sup> to maintain the pattern of rates of increase according to the type of wine which is used for guide prices.

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<sup>1</sup> Regulation (EEC) No 1587/83, OJ L 163, 22.6.1983.

<sup>2</sup> See paragraph 372 this Review.

<sup>3</sup> OJ L 163, 22.6.1983.

<sup>4</sup> OJ L 351, 14.12.1983.

## INTERVENTION SYSTEM

421. Following the exceptional imbalance between supply and demand on the market in particular with regard to some white quality wines psr in certain northerly areas of the Community, the Council, acting on a proposal from the Commission, adopted appropriate measures on the basis of Article 57 (2) of Regulation (EEC) No 337/79, in order to avoid any adverse effect on the market in table wines.

Regulation (EEC) No 1356/83 of 25 May 1983<sup>1</sup> consequently provided for the granting of aid for storage of white quality wines psr from wine-growing zone A; the amount of this aid was fixed at 0.074 ECU per hectolitre and per day.

On the basis of the proposal which the Commission had forwarded in December 1982<sup>2</sup> the Council adopted Regulation (EEC) No 2179/83 of 25 July 1983,<sup>3</sup> which contains the new general framework for the technical and administrative provisions concerning all the distillation measures in the wine sector.

The new text codifies and updates the rules adopted on this matter since 1979, and amends the content of these following the admendments made to the basic Regulation on wine in 1982.<sup>4</sup>

Since the new Regulation applies to voluntary and also to mandatory distillation, Regulations (EEC) Nos 343/79 and 349/79 were repealed with effect from 1-September 1983.

## PRODUCTION ARRANGEMENTS

422. At this stage, in the absence of a common organization for alcohol<sup>5</sup> or of provisions governing the production of flavoured wines, by its Regulation of 12 December 1983<sup>6</sup> the Council extended until 31 December 1984 the provisions of Regulation (EEC) No 351/79 regarding authorization, by way of derogation from Article 69 of the basic Regulation on wine, to add alcohol to grape musts and wines intended for the production of flavoured wines.

<sup>1</sup> OJ L 140, 31.5.1983.

<sup>2</sup> See 30th Review, paragraph 485.

<sup>3</sup> OJ L 212, 3.8.1983.

<sup>4</sup> See 30th Review, paragraph 444.

<sup>5</sup> See paragraph 370 of this Review.

<sup>6</sup> OJ L 352, 15.12.1983.

With regard to sparkling wines, the Council's subordinate bodies started their technical examination of a proposal presented by the Commission for drawing up a list of the Italian sparkling wines which, as from 1 September 1983, fall within the derogating provision in Article 12 (5) of Regulation (EEC) No 338/79, which concerns the length of time taken to produce the wines in question.

This proposal should be discussed by the Council in 1984, without prejudice to the adoption, on a proposal from the Commission, of conservation measures aimed at avoiding any difficulties for the producers which the deadline of 1 September 1983 referred to above might cause.

#### DESIGNATION AND PRESENTATION OF PRODUCTS

423. In 1983 the main event in this connection was the presentation of two proposals by the Commission to regulate at Community level the labelling of sparkling wine and aerated sparkling wine originating in the Community or imported from third countries.

The first of these proposals comprises the abrogation of Article 8 of Regulation (EEC) No 358/79 which concerns the descriptions 'brut', 'sec' etc, so as to combine the rules on the designation and presentation of wine referred to above in a single Council Regulation.

The second proposal contains all the rules in question. It makes it mandatory to provide certain data which seem to be essential in particular for giving consumers correct information. It also provides for the selection of certain optional items of information, and lays down a few general rules to avoid abuses. Lastly, it contains specific provisions on indicating certain regions, the varieties of vine, and a few other items of information usually given on the labels of sparkling wines.

The Council's subordinate bodies have started their examination of these provisions, with a view to reaching a Decision on this complex and important matter as soon as possible in the course of 1984.

424. In addition, in 1983 the Council received proposals from the Commission concerning:

- (i) on the one hand, amendment of the rules governing the designation of wines in general and of grape musts referred to in Regulation (EEC) No 355/79, with a view in particular to making it mandatory to show the ingredients used during the production process and also the alcoholic strength;

- (ii) in addition, the adoption of a specific Regulation concerning the designation of certain special wines (liqueur wines, semi-sparkling wines and aerated semi-sparkling wines) with a view in particular to extending to these products the rules on showing the contents and the actual alcoholic strength.

This subject will be examined by the Council's subordinate bodies in 1984.

#### TRADE ARRANGEMENTS

425. In implementation of the rules of the 1979 Act of Accession, on a proposal from the Commission and after receiving the opinion of Parliament, the Council decided to discontinue the accession compensatory amount on the Greek liqueur wines exported to the other Member States as from 16 December 1983.<sup>1</sup>

This measure was adopted taking into account in particular the considerable reduction (approximately 60%) in exports of Greek liqueur wines to the Community since accession, and also the fact that the offer prices for these wines on the Community market was higher than the reference prices fixed for imported liqueur wines.

#### LUXEMBOURG PROTOCOL

426. Harmonization of taxes on wines in the Community had not been achieved by 31 December 1983, and the application of the specific provisions of the Convention on the Belgium-Luxembourg Economic Union in favour of Luxembourg wines continued to be of some importance for the agricultural income of the Grand Duchy of Luxembourg. In its Regulation (EEC) No 3606/83 of 19 December 1983<sup>2</sup> the Council therefore extended for a further year the applicability of the provisions of the second subparagraph of Article 1 (2) of the Protocol on the Grand Duchy of Luxembourg, which thus remains applicable until the entry into force of provisions relating to the harmonization of excise duties on wine in the Community, or until 31 December 1984 at the latest.

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<sup>1</sup> Regulation (EEC) No 3033/83 of 26 October 1983, OJ L 297, 29.10.1983.

<sup>2</sup> OJ L 358, 22.12.1983.

## **Fresh fruit and vegetables**

### PRICES AND MARKETING PREMIUMS FOR THE 1982/83 MARKETING YEAR

#### *Prices*

427. In fixing the prices for agricultural products for the year, on 17 May 1983 the Council fixed<sup>1</sup> the basic and buying-in prices for the 11 species of fruit and vegetables covered by the single price system.

Following the Council's general policy of ensuring a fair standard of living for the farming population, and of guaranteeing security of supply and ensuring reasonable prices for supplies to consumers, these prices were increased by 6.5% over those for the previous year, except for mandarins, apples, pears and tomatoes, for which the prices were increased by 5.5%, 3.5%, 3.5% and 3.5% respectively.

#### *Premiums*

428. By the same Regulation (EEC) No 1219/83 the Council decided to increase the financial compensation for the 1983/84 marketing year by some 15.5% for oranges and 18% for mandarins, and to reduce it by 4% for clementines. The abolition of the marketing premium for lemons was deferred for one marketing year.<sup>2</sup>

## **Processed fruit and vegetables**

### AID FOR THE PRODUCERS OF TINNED PINEAPPLES

429. On 18 July 1983<sup>3</sup> the Council fixed the aid payable to producers of tinned pineapples for the 1983/84 marketing year at 52.46 ECU/100 kg. This aid is intended to compensate for the difference between the Community offer price and the prices charged by non-member countries. The minimum price to be paid to producers of fresh pineapples was fixed at 28.052 ECU/100 kg.

<sup>1</sup> Regulation (EEC) No 1219/83, OJ L 132, 21.5.1983.

<sup>2</sup> Regulation (EEC) No 2005/83, OJ L 198, 21.7.1983 in connection with the amendment of Regulation (EEC) No 2511/69 by Regulation (EEC) No 2004/83, OJ L 198, 21.7.1983.

<sup>3</sup> Regulation (EEC) No 2007/83, OJ L 198, 21.7.1983.

## GENERAL RULES FOR THE SYSTEM OF PRODUCTION AID FOR DRIED GRAPES AND DRIED FIGS

430. Since there were large quantities of dry grapes and dried figs from the 1981 harvest still in stock — these having been bought by the storage agencies in accordance with Article 3 of Regulation (EEC) No 2194/81 — which were likely to affect the market equilibrium, on 14 June 1983 the Council, acting on a proposal from the Commission, decided<sup>1</sup> to allow the storage agencies to sell the products in question to specified processing industries under certain conditions.

431. Since the Council had not yet completed, as part of its general review of the system of aid for processed fruit and vegetables, its examination of the operation of the system of production aid for dried grapes and dried figs, the general rules for which were laid down in Regulation (EEC) No 2194/81, on 26 October 1983 it decided<sup>2</sup> to extend the period of validity of this Regulation for a further year.

### Vegetable oils

#### LINSEED

432. On 14 June 1983 the Council fixed the guide price for linseed for the 1983/84 marketing year at 54.59 ECU/100 kg, an increase of 6%.<sup>3</sup>

#### CASTOR SEED

433. On 14 June 1983 the Council fixed the guide price for castor seed for the 1983/84 marketing year at 66.39 ECU/100 kg,<sup>4</sup> and the minimum price at 63.23 ECU/100 kg, which means no increase over the previous year.<sup>5</sup>

The supplementary aid for castor seed provided for by Regulation (EEC) No 1610/79 was extended for the marketing years 1982/83 and 1983/84 by Regulation (EEC) No 1426/82.<sup>6</sup>

<sup>1</sup> Regulation (EEC) No 1603/83, O. J. L 159, 17.6.1983.

<sup>2</sup> Regulation (EEC) No 3009/83, O. J. L 296, 28.10.1983.

<sup>3</sup> Regulation (EEC) No 1573/83, O. J. L 163, 22.6.1983.

<sup>4</sup> Regulation (EEC) No 1574/83, O. J. L 163, 22.6.1983.

<sup>5</sup> Regulation (EEC) No 1575/83, O. J. L 163, 22.6.1983.

<sup>6</sup> Regulation (EEC) No 1426/82, O. J. L 162, 12.6.1982.

## COLZA, RAPE SEED AND SUNFLOWER SEEDS

434. In accordance with its overall Decision on farm prices for the 1983/84 marketing year, on 14 June 1983 the Council:

- (i) adopted the Regulation fixing the prices and monthly increases for all the products in this sector;<sup>1</sup>
- (ii) fixed the guarantee threshold for colza and rape seed fixed at 2.29 million tonnes.<sup>2</sup> If Community production exceeded this amount during the 1983/84 marketing year the target and intervention prices were to be reduced for the following year by 1% for each 50 000 tonnes in excess of the threshold, up to a maximum of 5%;
- (iii) adopted an amendment to Regulation (EEC) No 2114/71 on the subsidy for the oil seeds, in order to take into account on the one hand amendments made since 1971, and on the other hand of the Council's Decision to extend the system of Community aid to colza and rape seed incorporated directly into animal feedingstuffs.<sup>3</sup>

435. At its meeting on 18 and 19 July 1983 the Council decided to amend, for a period not exceeding one year, Regulation (EEC) No 1569/72 laying down special measures for colza, rape and sunflower seeds.<sup>4</sup> The aim of this amendment is to produce more equitable competition between the undertakings located in the various Member States by providing for the possibility of taking into account the possible variations between the forward and spot market exchange rates when calculating the differential amount in cases where the aid is fixed in advance.

## OLIVE OIL

436. With regard to the various rules implementing the basic Regulation on oils and fats, in 1983 the Council adopted an instrument to interpret and complement the 'stand still' clause in Article 5 of the basic Regulation. This rule provides that the production aid for areas under olives may not be granted after the reference dates, viz. 31 October 1978 and, for Greece, 1 January 1981.

<sup>1</sup> Regulations (EEC) No 1591/83 and No 1592/83, OJ L 163, 22.6.1983.

<sup>2</sup> Regulation (EEC) No 1593/83, OJ L 163, 22.6.1983.

<sup>3</sup> Regulation (EEC) No 1594/83, OJ L 163, 22.6.1983.

<sup>4</sup> Regulation (EEC) No 2027/83, OJ L 199, 22.7.1983.



The new instrument<sup>1</sup> contains administrative and technical rules to ensure compliance with the clause referred to above, while safeguarding the reorganization requirements in the olive oil sector.

As part of the 'package' presented by the Commission for improving the Community arrangements for olive oil, in particular with regard to controls,<sup>2</sup> in 1983 the Council's subordinate bodies started their examination of a proposal to lay down new general rules for the system of production aid and also for producers' organizations and associations thereof.

Pending a decision on the matter, the Council agreed to extend for one year the validity of the current general rules, and accordingly adopted Regulations (EEC) Nos 2892/83<sup>3</sup> and 2893/83.<sup>4</sup>

437. With regard to the prices for the marketing year 1983/84, acting on a proposal of the Commission the Council adopted a series of Regulations fixing in particular:

- (i) the production target price, the level of production aid and the intervention price for olive oil,<sup>5</sup> including a specific production aid figure for Greece;
- (ii) the representative market price and the threshold price;<sup>6</sup>
- (iii) the monthly increases in the representative market price, the intervention price and the threshold price for olive oil.<sup>7</sup>

The table below gives the levels for the main components of the pricing system in the olive oil sector for the 1983/84 marketing year.

438. It should be noted that, following the difficulties encountered in fixing certain components of the price arrangements, the Council, acting on a proposal from the Commission, was obliged to extend the 1982/83 marketing year for olive oil until 21 November 1983.<sup>8</sup>

Consequently the prices and aid for the marketing year 1983/84 are to apply during the period from 21 November 1983 to 31 October 1984.

<sup>1</sup> Regulation (EEC) No 1590/83 of 14 June 1983, OJ L 163, 22.6.1983.

<sup>2</sup> See paragraph 382 of this Review.

<sup>3</sup> See also paragraph 382 of this Review.

<sup>4</sup> These two Regulations are published in OJ L 285 of 18.10.1983.

<sup>5</sup> Regulation (EEC) No 1588/83 of 14 June 1983, OJ L 163 of 22.6.1983.

<sup>6</sup> Regulation (EEC) No 3243/83 of 15 November 1983, OJ L 321 of 18.11.1983.

<sup>7</sup> Regulation (EEC) No 1589/83 of 14 June 1983, OJ L 163 of 22.6.1983.

<sup>8</sup> Regulation (EEC) No 3034/83 of 27 October 1983, OJ L 297, 29.10.1983.

	ECU/100 kg
Production target price	319.42
Representative market price	196.87
Intervention price	229.92
Threshold price	193.25
Production aid	70.26
Production aid for Greece	40.52
Consumption aid	52.29
Consumption aid for Greece	36.98

439. In view of certain problems encountered in the management of the market for olive oil, the Council, acting on a proposal from the Commission, and after receiving Parliament's opinion, was obliged to establish a legal basis to allow the implementation of the necessary control measures regarding acid oils from refining of by-products of olive oil, falling within tariff subheading 15.10 C.<sup>1</sup> The measures which may be implemented in this respect will ensure that the aid for olive oil consumption is not wrongly paid in respect of esterified acid oils obtained from acid oil.

## **Soya beans**

### **GUIDE PRICE AND MINIMUM PRICE**

440. The Council fixed the guide price and the minimum price for soya beans for the 1983/84 marketing year at 56.17 ECU/100 kg<sup>2</sup> and 49.43 ECU/100 kg<sup>3</sup> respectively (an increase of 6.5% in both cases).

### **AMENDMENT OF THE GENERAL RULES RELATING TO THE SPECIAL MEASURES**

441. On 18 July 1983 the Council decided<sup>4</sup> to extend for a further one year the general rules concerning aid for soya seeds harvested in 1980, 1981 and 1982, since the experience gained during these years was insufficient for assessing the effectiveness of these measures.

## **Dried fodder**

442. The fixed-rate production aid for dried fodder was fixed by the

<sup>1</sup> Regulation (EEC) No 3519/83 of 12 December 1983, OJ L 352, 15.12.1983.

<sup>2</sup> Regulation (EEC) No 1572/83, OJ L 163, 22.6.1983.

<sup>3</sup> Regulation (EEC) No 1573/83, OJ L 163, 22.6.1983.

<sup>4</sup> Regulation (EEC) No 2251/83, OJ L 216, 6.8.1983.

Council<sup>1</sup> at 8.49 ECU/tonne, which represents an increase of approximately 6%. A similar percentage increase was adopted by the Council for the norm prices for the products covered by the basic Regulation on dried fodder. This price was increased to 178.94 ECU/tonne. The figure for the fixed-rate aid and also the guide price for Greece was fixed by the Council by the same Regulation in accordance with the provisions of the Act of Accession.

443. Owing to the need to review all the problems involved in fixing farm prices, and since it was unable to complete its discussions before the end of the dried fodder marketing year (31 March 1983), the Council extended the validity of the prices for the 1982/83 marketing year in this sector on a number of occasions — and finally until 22 May 1983.<sup>2, 3, 4</sup>

### **Peas and field beans**

444. In making its decisions on farm prices the Council fixed the activating price for aid for peas and field beans at 51.76 ECU/100 kg, an increase of 8.7%.

The minimum purchase price for these products was fixed at 29.19 ECU/100 kg, which represents an increase of 6.5%.

The guide price for peas and field beans for human consumption was increased by 6.5% over the 1982/83 price, and is now 33.44 ECU/100 kg.<sup>5</sup> At the same time the Council adopted the general rules<sup>6</sup> which are necessary following the amending of the conditions for entitlement to Community aid in the peas and field beans sector introduced by Regulation (EEC) No 1225/83.

### **Hops**

445. In view of the trends in the level of producers' incomes, the Council fixed the aid in the hop sector in respect of the 1982 harvest at a level which was 50% higher than for the 1981 harvest for aromatic and other varieties and some 40% higher for bitter varieties.

Currently this aid is 300 ECU/ha for the aromatic and other varieties and 250 ECU/ha for the bitter varieties.

<sup>1</sup> Regulation (EEC) No 1025/83, OJ L 116, 30.4.1983.

<sup>2</sup> Regulation (EEC) No 728/83, OJ L 85, 31.3.1983.

<sup>3</sup> Regulation (EEC) No 960/83, OJ L 106, 23.4.1983.

<sup>4</sup> Regulation (EEC) No 1025/83, OJ L 116, 30.4.1983.

<sup>5</sup> Regulation (EEC) No 1576/83, OJ L 163, 22.6.1983.

<sup>6</sup> Regulation (EEC) No 1601/83, OJ L 159, 17.6.1983.

Aid for producers of hops in Greece were also fixed in accordance with the provisions of the Act of Accession.<sup>1</sup>

## Tobacco

### PRICES AND PREMIUMS FOR THE 1983 HARVEST

446. On 21 June 1983 the Council fixed<sup>2</sup> for the 1983 harvest the guide price, the intervention price and the premiums for leaf tobacco, and the derived intervention price for baled tobacco. These prices and premiums are given in following table:

**Norm prices, intervention prices and premiums for leaf tobacco for the 1982 crop  
Derived intervention prices for baled tobacco of the 1982 harvest**

<i>(ECU/kg)</i>					
Serial No	Varieties	Norm Price	Intervention price	Pre-miums	Derived intervention prices
1	Badischer Geudcrtheimer	3.759	3.195	2.613	4.764
2	Badischer Burley E	4.514	3.837	2.820	5.428
3	Virgin D	4.403	3.743	2.653	4.969
4	(a) Paraguay and its hybrids (b) Dragon vert and its hybrids, Philippin, Petit Grammont (Flobecq), Semois, Appelterre	3.507	2.981	2.426	—
5	Nijkerk	3.463	2.944	2.199	—
6	(a) Misionero and its hybrids (b) Rio Grande and its hybrids	3.227	2.743	2.227	—
7	Bright	3.874	3.293	2.230	4.577
8	Burley I	2.849	2.422	1.574	3.566
9	Maryland	3.248	2.761	1.749	3.951

<sup>1</sup> Regulation (EEC) No 3242/83, OJ L 321, 18.11.1983.

<sup>2</sup> Regulation (EEC) No 1677/83, OJ L 170, 28.6.1983.

(ECU/kg)

Serial No	Varieties	Norm Price	Inter-vention price	Pre-miums	Derived inter-vention prices
10	(a) Kentucky and its hybrids (b) Moro di Cori (c) Salento	2.741	2.193 <sup>1</sup>	1.713	3.138
11	(a) Forchheimer Havanna II c (b) Nostrano del Brenta (c) Resistente 142 (d) Gojano	3.521	2.993	2.469	4.458
12	(a) Beneventano (b) Brasile Selvaggio and similar varieties	1.901	1.616	1.394	2.436
13	Xanti-Yakà	3.645	2.916 <sup>1</sup>	2.685	4.691
14	(a) Perustitza (b) Samsun	3.452 3.452	2.762 <sup>1</sup> 2.934	2.556 2.488	4.087 4.308
15	Erzegovina and similar varieties	3.101	2.481 <sup>1</sup>	2.302	3.685
16	(a) Round Tip (b) Scafati (c) Sumatra 1	16.410	13.949	9.912	21.273
17	Basmas	5.503	4.678	2.785	6.362
18	Katerini and similar varieties	4.673	3.972	2.477	5.803
19	Kaba-Koulak classic	4.145	3.523	2.190	5.042
20	(a) Kaba-Koulak non-classic (b) Elassona, Myrodata Smyrne, Trapezous and Phi 1	3.240	2.754	1.593	4.179
21	Myrodata Agrinion	4.160	3.536	2.256	4.993
22	Zichnomyrodata	4.285	3.642	2.332	5.175
23	Tsebelia	4.114	3.497	3.319	5.013
24	Mavra	4.015	3.413	2.713	4.918
25	Burley GR	2.173	1.847	0.943	2.950
26	Virginia GR	3.321	2.823	1.681	4.002

<sup>1</sup> Pursuant to Regulation (EEC) No 1535/81 of 19 May 1981 laying down special measures for certain varieties of raw tobacco from the 1982 and 1983 harvests.

SPECIAL AID IN THE RAW TOBACCO SECTOR FOLLOWING  
THE EARTHQUAKE IN ITALY IN NOVEMBER 1980

447. To help the tobacco growers and processors in the Campania region and the immediate vicinity who were affected by the earthquake in November 1980, on 25 February 1982 the Council had decided<sup>1</sup> not to apply Article 12 (a) of Regulation (EEC) No 727/70 in this region and to grant special aid to the tobacco growers and the undertakings engaged in first processing. Community finance for these measures was to be provided under Chapter 69 of the Community budget (aid to disaster victims in the Community). Since owing to the extent of the damage the number of applications for special aid was greater than could have initially been foreseen, on 4 November 1983 the Council<sup>2</sup> decided to increase the Community funds necessary to ensure the effectiveness of the measures referred to above by 20 million ECU and to extend the deadline for the special aid until 30 June 1984.

AMENDMENT TO THE BASIC REGULATION (EEC) NO 727/70

448. To alleviate the heavy burden which arises in particular from the large surpluses of tobacco, on 18 May 1982<sup>3</sup> the Council had agreed to reduce the existing ratio between the intervention price and the guide price from 90% to 85%. On 14 June 1983 the Council decided<sup>4</sup> to extend this measure to the 1983 harvest.

**Seeds**

449. In order to take into account the requirements of the system for fixing production aid in the seed sector two years in advance, the Council made certain adjustments to the amounts of aid to be given to Greece.

In fact it appeared that previously the Council had used a method for calculating aid to Greece which made it impossible to ensure that the amounts of aid fixed for Greece moved towards alignment with those for the other Member States, as intended under the Act of Accession.<sup>5</sup>

<sup>1</sup> Regulation (EEC) No 482/82, OJ L 58, 2.3.1982.

<sup>2</sup> Regulation (EEC) No 3116/83, OJ L 303, 5.11.1983.

<sup>3</sup> Regulation (EEC) No 1461/82, OJ L 164, 14.6.1982.

<sup>4</sup> Regulation (EEC) No 1570/83, OJ L 163, 22.6.1983.

<sup>5</sup> Regulation (EEC) No 1582/83, OJ L 163, 22.6.1983.

Since, by Regulation (EEC) No 1581/83,<sup>1</sup> the Council extended the list of products which are eligible for the production aid for grasses and legumes, it also considered it useful to amend or fix the amounts of aid granted in the seeds sector for the 1982/83 and 1983/84 marketing years for these newly introduced species.

With regard to the amounts of aid granted in this sector for the 1984/85 and 1985/86 marketing years, the Council made increases species by species. Overall, these increases raise the levels of aid by approximately 10% for these two years.

## **Textile fibres and silkworms**

### **COTTON**

450. On 14 June 1983 the Council fixed the guide price for the 1983/84 marketing year for unginning cotton at 92.75 ECU/100 kg,<sup>2</sup> and the minimum price at 88.12 ECU/100 kg,<sup>3</sup> an increase of 8% in both cases.

The production aid is granted to ginning undertakings provided that they pay the minimum price to the producer. The amount is derived from the difference between the guide price and the world price for unginning cotton. For the 1983/84 marketing year the quantity of cotton for which aid may be granted in full is limited to 450 000 tonnes.<sup>4</sup>

### **AMENDMENT TO THE GENERAL RULES FOR THE SYSTEM OF AID FOR COTTON**

451. The price of cotton seed is a major factor in determining the world price for unginning cotton.

With a view to determining this price and ensuring correct implementation of the aid system, the Council had decided in 1982<sup>4</sup> to take into account the offers and quotations recorded at the principal markets in Greece for the marketing years 1982/83 and 1983/84.

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<sup>1</sup> Regulation (EEC) No 1581/83, OJ L 163, 22.6.1983.

<sup>2</sup> Regulation (EEC) No 1579/83, OJ L 163, 22.6.1983.

<sup>3</sup> Regulation (EEC) No 1580/83, OJ L 163, 22.6.1983.

<sup>4</sup> Regulation (EEC) No 1982/82, OJ L 215, 23.7.1982.

## FLAX AND HEMP

452. The Council fixed the amounts of aid for the 1983/84 marketing year in the flax and hemp sector as follows:<sup>1</sup>

- (i) flax: 118.37 ECU/ha for Greece and 355.12 ECU/ha for the other Member States — an increase of 6%;
- (ii) hemp: 107.51 ECU/ha for Greece and 322.52 ECU/ha for the other Member States — an increase of 6%.

## SILKWORMS

453. The amount of aid for silkworms for the 1983/84 rearing year was fixed by the Council<sup>2</sup> at 84.01 ECU for Greece and 106.00 ECU for the other Member States per box of silkworm eggs used — an increase of 6%.

## MEASURES TO PROMOTE THE USE OF FIBRE FLAX

454. In 1982 the Council had adopted Community measures to encourage the use of fibre flax for the marketing years from 1982/83 to 1986/87.<sup>3</sup> These measures concern information campaigns and the search for new outlets. They are financed by withholding part of the aid for fibre flax. For the 1983/84 marketing year these sums are 7.69 ECU per hectare for Greece and 23.08 ECU per hectare for the other Member States.<sup>4</sup>

## RESTRICTIVE MEASURES CONCERNING HEMP AND HEMP SEED TO PROTECT HUMAN HEALTH

455. In view of the inherent technical difficulties of implementing certain measures laid down in Regulation (EEC) No 1430/82 the Council decided<sup>5, 6</sup> to defer the date on which this Regulation would enter into force to 1 August 1984.

<sup>1</sup> Regulation (EEC) No 1578/83, OJ L 163, 22.6.1983.

<sup>2</sup> Regulation (EEC) No 1222/83, OJ L 132, 21.5.1983.

<sup>3</sup> Regulation (EEC) No 1423/82, OJ L 162, 12.6.1982.

<sup>4</sup> Regulation (EEC) No 1578/83, OJ L 163, 22.6.1983.

<sup>5</sup> Regulation (EEC) No 201/83, OJ L 26, 28.1.1983.

<sup>6</sup> Regulation (EEC) No 2910/83, OJ L 287, 20.10.1983.



## **Bee-keeping sector**

456. For the third and last years for implementing the system of aid for bee-keeping introduced by Regulation (EEC) No 1196/81<sup>1</sup>, on 28 June 1983 the Council decided that up to 100% of the aid, i.e. 1 ECU/hive, could be used for the purchase of feeding sugar during the marketing year 1983/84.<sup>2</sup>

In addition, on 11 July 1983 the Council, after consulting Parliament, decided to increase by 0.07 ECU/hive the amount of this aid on the understanding that this supplement would be used to finance a Community research programme on the disease caused by the Acarida Varroa Jacobsoni, which has affected several Member States and which could have serious effects on apiculture throughout Europe.<sup>3</sup>

At its meeting on 14 and 15 November 1983 the Council took note of a communication from the Commission concerning the research programme under consideration.

## **D — TRADE ARRANGEMENTS**

### **Goods not covered by Annex II to the Treaty and resulting from the processing of agricultural products**

457. The Council took two decisions concerning this sector during the period under review.

458. In 1981 the Council amended Regulation (EEC) No 3035/80 so as to make it possible during the 1981/82 marketing year to vary the amounts of the export refund for products used in the manufacture of goods falling within subheadings 18.06 D II c) or 21.07 G VII to IX of the Common Customs Tariff.<sup>4</sup> These were mixtures with a high content of butter, a product for which this variation of the refund is already laid down in the event of its being exported without further processing. This measure remained in force during the 1982/83 marketing year<sup>5</sup> and was extended by the Council on 27 April 1983 until 30 June 1983.<sup>6</sup>

<sup>1</sup> See 29th Review, paragraph 388.

<sup>2</sup> Regulation (EEC) No 1806/83, OJ L 177, 1.7.1983.

<sup>3</sup> Regulation (EEC) No 1994/83, OJ L 196, 20.7.1983.

<sup>4</sup> See 29th Review, paragraph 477.

<sup>5</sup> See 30th Review, paragraph 522.

<sup>6</sup> Regulation (EEC) No 1028/83, OJ L 116, 30.4.1983.

459. In addition, on 18 July 1983 the Council amended Regulation (EEC) No 565/80 on the advance payment of export refunds in respect of agricultural products.<sup>1</sup> The aim of this amendment was on the one hand to allow advance payment of export refunds also on goods not covered by Annex II intended for calculating the yield rates for the various basic products.

## **E — STRUCTURAL POLICY**

460. During 1983 the Council adopted a number of specific measures to help various Member States. In addition it examined proposals relating to extending the Community lists of underprivileged mountain zones and also a proposal to extend a measure for accelerating agricultural development which was already in force in certain areas in Greece. Lastly, in October the Council received two proposals from the Commission comprising a major review of Community policy on agricultural structures.

### **Measures adopted**

461. The Council adopted the following measures:

- (i) Regulation (EEC) No 2119/83 of 25 July 1983, increasing by 25% the limits for the amount of work to be done as set out in Article 11 (2) of Regulation (EEC) No 269/79 establishing a common measure for forestry in certain Mediterranean zones of the Community.<sup>2</sup>

The aim of this Regulation is to increase by 25% the limits for the amount of work to be done in respect of forestry as set out in Regulation (EEC) No 269/79. With regard to finance, this measure comprises the additional expenditure of 46 million ECU to be charged to the EAGGF (Guidance Section), the total cost of the measure being increased from 184 to 230 million ECU;

- (ii) Regulation (EEC) No 1820/83 of 28 June 1983 amending Regulation (EEC) No 1362/78 relating to the programme for the acceleration of collective irrigation works in the Mezzogiorno;<sup>3</sup>

<sup>1</sup> Regulation (EEC) No 2026/83, OJ L 199, 22.7.1983.

<sup>2</sup> OJ L 205, 29.7.1983.

<sup>3</sup> OJ L 180, 5.7.1983.

- (iii) Regulation (EEC) No 2003/83 of 18 July 1983 amending Regulation (EEC) No 1760/78 relating to the common measure for improving the infrastructure in certain rural areas;<sup>1</sup>
- (iv) Directive 83/362/EEC of 18 July 1984 amending Directive 78/627/EEC on the programme to accelerate the restructuring and conversion of vinyards in certain Mediterranean regions of France.<sup>2</sup>

Since the experience gained in implementing the various structural common measures had shown that several months of preparation were needed to set up the framework programmes involved in these actions, the Council adopted these measures, which amend the provisions of three texts adopted in 1978 in order to ensure that the period under consideration for completing the project starts on the date when the programmes are approved. These measures do not involve any increase in the costs but only a rescheduling of the initial estimate.

- (v) Regulation (EEC) No 2966/83 of 19 October 1983 on the development of agricultural advisory services in Greece.<sup>3</sup>

With a view to developing the agricultural advisory services in Greece, this measure comprises in particular the setting up of training centres for agricultural advisers, specialist training of teaching staff, and the training and employment of agricultural advisers. The total cost of the measure to be charged to the EAGGF (Guidance Section) is 4 million ECU for one year;

- (vi) Regulation (EEC) No 2968/83 of 19 October 1983 instituting a common action for the acceleration of collective irrigation operations in Greece.<sup>3</sup>

The aim of this measure is to develop irrigation in Greece by implementing one or more special programmes comprising collective irrigation operations on the basis of existing resources including necessary additional drainage work. The irrigation programmes must promote improved orientation of production to meet market requirements. Particular attention is given to fodder crops and stock-raising. The cost of the measure to be charged to the EAGGF (Guidance Section) is 8 million ECU for one year;

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<sup>1</sup> OJ L 198, 21.7.1983.

<sup>2</sup> OJ L 202, 26.7.1983.

<sup>3</sup> OJ L 293, 25.10.1983.

- (vii) Regulation (EEC) No 2967/83 of 19 October 1983 amending Regulation No 1054/81 establishing a common measure for the development of beef cattle production in Ireland and Northern Ireland.<sup>1</sup>

In order to consolidate the progress made so far under the development programme for the production of beef cattle implemented by Ireland and the United Kingdom with regard to Northern Ireland, the Council agreed to extend the period of validity of the majority of the measures under consideration until 30 April 1984 and to increase the maximum amounts of expenditure eligible for some of these measures. The total cost of the measure to be charged to the Community budget was increased from 27.5 to 37.5 million ECU;

- (viii) Regulation (EEC) No 2969/83 of 19 October 1983 establishing a special emergency measure to assist stock farming in Italy.

In order to facilitate implementation of the measures provided for by Council Regulation (EEC) No 1944/81 establishing a common measure for the adaptation and modernization of the structure of production of beef and veal, sheepmeat and goatmeat in Italy, the Council decided to grant aid to farmers in this country who were engaged in stock breeding, with a view to converting the short-term loans contracted by these farmers to medium-term loans. The Community's contribution to the expenditure in respect of the implementation of this measure is 60 million ECU.

### **Other proposals under study**

462. During July the Council received three proposals containing amendments to the Community list of less-favoured agricultural zones within the meaning of Directive 75/268/EEC concerning Italy, the Netherlands and the United Kingdom. The Council discussed the problems relating to these proposals which, with regard to Italy and the United Kingdom, involve major changes in the current delimitation of the less-favoured zones.

463. In addition the Council studied a proposal concerning Greece to extend the common measure provided for by Council Regulation (EEC)

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<sup>1</sup> OJ L 293, 25.10.1983.

No 1975/82 on the acceleration of agricultural development in certain regions of this country. The aim of this proposal is to allow, until the Mediterranean integrated programmes are in force, implementation in all the Greek rural areas of measures regarding the infrastructure, irrigation and forestry which are already in force in certain areas in this country.

464. In October the Council's subordinate bodies started their study of two proposals from the Commission. One comprises a detailed review of policy on improving the structures of the farms and the other contains major amendments to Community measures in respect of marketing and processing of agricultural products.

With regard to structural improvements, the Commission proposes making the conditions of eligibility for Community aid more flexible by taking into consideration improvement plans for the holdings which are more flexible than the development plans referred to in Directive 82/159/EEC.

In particular, under this new approach the pursuit of comparable income is no longer the objective of these plans. In addition, the Commission makes provision for particular processes for the surplus products with a view to taking better account of the link between structural policy and marketing policy and also, *inter alia*, regional modulation of the aid, special measures to assist young farmers and an important measure in respect of forestry.

With regard to the marketing and processing of agricultural products, the aim in particular of the amendments proposed is to emphasize the products intended for new outlets and new technologies. In addition, specific needs of the regions are particularly taken into account.

## **F — HARMONIZATION OF PROVISIONS LAID DOWN BY LAW, REGULATION AND ADMINISTRATIVE ACTION**

### **Veterinary legislation**

465. On 7 February 1983 the Council adopted two Directives which amend the medical rules applicable, on the one hand, to intra-Community trade in fresh meat governed by Directive 64/433/EEC,<sup>1</sup> and, on the

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<sup>1</sup> Directive 83/90/EEC, OJ L 59, 5.3.1983.

other hand, imports of animals and fresh meat from third countries, in accordance with Directive 72/462/EEC,<sup>1</sup> so as to bring up to date certain technical provisions in these Directives.

In general the aim of this Decision is to standardize the texts governing intra-Community trade and imports from third countries, taking into account in particular the experience gained when Community checks are carried out in third countries.

With regard more particularly to intra-Community trade, the Directive lays down the general principles relating to the checking of residues by random sampling and provides for the introduction of a Community inspection system for approved establishments for intra-Community trade.

With regard to the problems arising from intra-Community health checks at the border, non-discriminatory random sampling checks are maintained in order to monitor compliance with the requirements of this Directive while checks at the point of departure have not have been harmonized. These must be harmonized on a proposal from the Commission before the date for the implementation of the Directive, which is set at 1 January 1985.

466. On 25 May 1983 the Council amended:

- (i) Directive 8/400/EEC amending Directive 77/391/EEC and introducing a supplementary Community measure for the eradication of brucellosis, tuberculosis and leucosis in cattle,<sup>2</sup>
- (ii) Decision 80/1096/EEC introducing Community financial measures for the eradication of classical swine fever,<sup>3</sup> and Decision 80/1097/EEC on financial aid from the Community for the eradication of African swine fever in Sardinia.<sup>4</sup>

By this Decision the Council grouped all the expenditure relating to the various measures carried out by the Community in the veterinary field in the chapter for expenditure arising from agriculture, in order to make the allocation of the appropriations clearer.

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<sup>1</sup> Directive 83/91/EEC, OJ L 59, 5.3.1983.

<sup>2</sup> Directive 83/253/EEC, OJ L 143, 2.6.1983.

<sup>3</sup> Directive 83/254/EEC, OJ L 143, 2.6.1983.

<sup>4</sup> Directive 83/255/EEC, OJ L 143, 2.6.1983.

467. On 31 August 1983<sup>1</sup> the Council adopted various protective measures against classical swine fever in certain areas in Belgium, Germany, Italy and the Netherlands, after the Commission had, in accordance with the procedure of the Standing Veterinary Committee, forwarded measures to the Council which had not received the qualified majority necessary for them to be adopted by this Committee.

468. On 12 December 1983<sup>2</sup> the Council once again extended, until 31 December 1985, the validity of the provisions of Article 7 (1) C and E of Directive 64/432/EEC which lay down that a recipient Member State may grant to a consignor Member State derogations from the provisions of the Directive in connection with tuberculosis and brucellosis.

469. On 13 December 1983<sup>3</sup> it also renewed for six months (until 30 June 1984) the exemptions in respect of foot-and-mouth disease laid down in Directives 64/432/EEC and 72/461/EEC for Denmark, Ireland and the United Kingdom as regards trade in live animals of the bovine species and fresh meat.

470. Lastly, on 19 December 1983<sup>4</sup> — following the conclusion of a technical cooperation agreement between the Foot-and-mouth Disease Institute of Ankara and an Italian animal health institute — the Council decided to make a further financial contribution to the institute in Ankara in respect of the 1983, 1984 and 1985 financial years.

### **Animal husbandry**

471. During the period under review the Council's subordinate bodies continued their work on the Commission proposal relating to animal husbandry standards for breeding animals of the porcine species. It was still not possible to reach final agreement at this stage since the Commission had been instructed to make a more detailed technical study of certain aspects of its proposal.

#### **PROTECTION OF BREEDING ANIMALS — POULTRY**

472. During 1983 the Council continued its work on the Commission's proposal for establishing minimum standards for the protection of laying

<sup>1</sup> Decision 83/453/EEC, OJ L 249, 9.9.1983.

<sup>2</sup> Decision 83/642/EEC, OJ L 358, 22.12.1983.

<sup>3</sup> Directive 83/646/EEC, OJ L 360, 23.12.1983.

<sup>4</sup> Directive 83/650/EEC, OJ L 370, 31.12.1983.

battery hens. Although this matter was examined on several occasions, both by technical experts and at ministerial level, a final decision could not be taken in 1983 because of the concern of certain delegations regarding the possible economic and financial effects of adopting legislation on this matter. Consequently, at its meeting on 13 and 14 June 1983 the Council requested the Commission to present a report by 1 January 1985 at the latest on the research work carried out in the Community on the well-being of laying hens in various breeding systems and also on the possible economic and financial consequences of adopting minimum Community standards for laying hens, so that it could take a decision on the matter.

## **Legislation on foodstuffs**

### GENERAL PROVISIONS

#### *Amendments to existing rules*

473. Work continued but was not concluded at this stage with regard to the 17th amendment to Directive 64/54/EEC on preservatives, the aim of which is firstly to authorize on a final basis thiabendazole for the surface treatment of citrus fruits and bananas, and secondly to add to the list of authorized preservatives potassium sulphite acid (for wine-making) and natamycine for the surface treatment of sausages and cheeses. The last remaining difficulties concern the authorization of the last-mentioned substance.

In the absence of a decision the Council twice took measures to preserve the *status quo* and extended until 15 December 1983, and later until 15 February 1984, the authorization to use thiabendazole, so as to avoid any interruption in the freedom of movement of citrus fruits and bananas in the Community.<sup>1</sup>

#### *New Directives*

474. The Council's subordinate bodies continued their examination of three proposals forwarded in 1980 and 1981.

- (i) The first concerns flavouring agents authorized for use in foodstuffs and the basic materials for their production. This raises difficulties regarding the lists of permitted flavouring agents other

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<sup>1</sup> Directive 83/636/EEC of 13.12.1983, OJ L 375, 21.12.1983.



than natural agents (artificial flavouring agents and flavouring agents identical to natural agents).

- (ii) The object of the second is to prohibit or limit the making of certain claims in the labelling and presentation of foodstuffs intended for the final consumer and to control the advertising of these foodstuffs. Work on this proposal revealed divergences on the actual principle of a list of prohibitions.
- (iii) The third concerns a Decision on the general principles to be followed with regard to the establishment of microbiological criteria applying to foodstuffs for human and animal consumption, including the conditions under which they are produced. At this stage it was not possible to reach a consensus on either the form of the act (Resolution or Directive) or the field of application (animal feedingstuffs, stage of production etc.).

475. In addition it was agreed to begin the examination of a proposal for amending the basic Directive 79/112/EEC concerning the labelling and presentation of foodstuffs. Its purpose is to lay down rules for labelling the ingredients and the alcohol content for beverages containing more than 1.2% of alcohol, and must be studied in conjunction with the rules on labelling which are being examined with regard to other sectors, such as that of spirituous beverages and sparkling wines.

476. Lastly, on 28 October 1983, the Council received a new proposal concerning extraction solvents used in the manufacture of foodstuffs and their ingredients. The opinions of Parliament and the Economic and Social Committee were requested.

#### SPECIFIC OR INDIVIDUAL PROVISIONS

##### *Amendment to existing Regulations*

477. On 13 December 1983 the Council adopted a Directive amending for the second time Directive 76/118/EEC<sup>1</sup> on the approximation of the laws of the Member States relating to certain partly or wholly dehydrated preserved milk for human consumption.

The aim of this is:

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<sup>1</sup> OJ L 33, 8.2.1979.

- (i) on the one hand, to regulate more precisely the question of the names for these products which may be used in the Community, in particular in Belgium, France, Luxembourg and the Netherlands;
- (ii) and in addition to adapt to the general provisions of Directive 79/112/EEC<sup>1</sup> the specific labelling rules applicable to partly or wholly dehydrated preserved milk.

Thus in addition to the information required under the general Directive on labelling the products concerned will have to make particular mention of:

- (i) the percentage of fatty matter,
- (ii) the method of dilution or reconstitution used,
- (iii) the abbreviation UHT.

In addition, in certain cases the Member States will be able to make it mandatory to show the vitamins added and also to make a specific recommendation concerning the use of wholly dehydrated products for infants.

These provisions thus amended will be applicable finally on 1 January 1987.

### *Implementing directives*

During the year under review the Council took two new major decisions in this field.

478. On 25 April 1983 it adopted Directive 83/229/EEC on materials and articles made of regenerated cellulose film intended to come into contact with foodstuffs.<sup>2</sup>

The main aim of these regulations, which implement the basic Directive 76/893/EEC, is to lay down an exclusive list of substances which may be used in the manufacture of regenerated cellulose film under the conditions which are specified therein.

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<sup>1</sup> OJ L 24, 30.1.1976.

<sup>2</sup> OJ L 123, 11.5.1983.

However, these regulations are not applicable to colouring matters, pigments or adhesives provided that no trace of migration of these substances into foodstuffs can be detected.

In addition the question of phthalates is left to the discretion of the national authorities, while the Council undertook to decide on the status of these substances by 1 July 1986.

This Directive will enter into force on 1 January 1986.

479. On 25 July 1983 the Council adopted Directive 83/417/EEC on the approximation of the laws of the Member States relating to certain lactoproteins (caseins and caseinates) intended for human consumption.<sup>1</sup>

The aim of this Directive is to lay down the rules for marketing lactoproteins which, with very few exceptions, are products which are not intended for the final consumer.

To this end, it basically provides for:

- (i) rules on the definition and composition of these products, the designations laid down being both mandatory and exclusive to the products concerned;
- (ii) rules on labelling covering designation, composition, net quantities, personal or business name and address of the manufacturer, country of origin and date of manufacture or identification of the batch.

Methods of analysis and sampling methods will be adopted in accordance with the procedure of the Standing Committee for Foodstuffs.

The Regulation also contains a safeguard clause.

It will come into force on 2 August 1986.

### **Legislation on animal feedingstuffs**

480. During the year under review the Council made some important additions to its Regulation on bioproteins.

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<sup>1</sup> OJ L 237, 26.8.1983.

When it adopted Directive 82/471/EEC on certain products used in animal feedingstuffs<sup>1</sup> it laid down that any Community decision regarding these substances should be taken in the light of the scientific reports sent to the Member States and the Commission and drawn up in accordance with its 'guidelines', and the Council adopted these guidelines in its Directive 83/228/EEC of 18 April 1983.<sup>2</sup>

This is a major step towards establishing a full set of regulations on bioproteins, substances which in the future could partly replace the traditional sources of proteins used in feeding animals.

These 'guidelines' constitute a general guide for determining the extent of the studies necessary to evaluate the properties of the various products and their effects. These studies must cover in particular the micro-organisms used, the nutritional properties of the products, the biological effects of using them for feeding animals and, where appropriate, the potential risks involved in using them.

It is expected that these guidelines can be adapted in the future to developments in scientific and technical training in this field.

Both Directives will enter into force simultaneously on 13 July 1984.

481. During the same period the Council's subordinate bodies continued their examination of:

- (i) a proposal to make an addition to Directive 74/63/EEC<sup>3</sup> on undesirable substances in feedingstuffs, by fixing maximum permitted values for pesticide residues. This matter — like others concerning pesticide residues in human consumption — raises difficulties inherent in the actual principle of mandatory maximum limits throughout the Community;
- (ii) a proposal to amend Directive 70/452/EEC<sup>4</sup> on additives. It is intended on the one hand to adapt the basic Directive to recent developments by laying down certain definitions (in particular for pre-mixes) and certain rules on labelling (to provide the purchaser with better information) and in addition to set up a procedure for the approval and use of additives or preparations of additives. Views continue to differ on this last point.

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<sup>1</sup> OJ L 213, 21.7.1982.

<sup>2</sup> OJ L 126, 13.5.1983.

<sup>3</sup> OJ L 38, 11.2.1974.

<sup>4</sup> OJ L 270, 14.12.1970.

## Legislation on plant health

### PROTECTIVE MEASURES AGAINST THE INTRODUCTION INTO THE MEMBER STATES OF ORGANISMS HARMFUL TO PLANTS OR PLANT PRODUCTS

482. The Council adopted the following:

- (i) Council Decision of 12 December 1983<sup>1</sup> approving derogations provided for by Italy from certain provisions of Directive 77/93/EEC in respect of seed potatoes originating in Canada;
- (ii) Council Decision of 12 December 1983<sup>1</sup> approving derogations provided for by Italy from certain provisions of Directive 77/93/EEC in respect of seed potatoes originating in Poland.

The aim of these two Decisions, in conformity with the Commission's proposals, is to approve the derogations, provided for by Italy in respect of the importation of seed potatoes originating in Canada or Poland, from certain provisions of Directive 77/93/EEC on protective measures against the introduction into the Member States of organisms harmful to plants or plant products, given that these derogations are based on the results of the examination of the plant health situation in these two countries and involve compliance with a number of special technical conditions.

The two Decisions concerned were adopted by the Council by a qualified majority, in accordance with the procedure laid down in Article 16 of Directive 77/93/EEC, i.e. the procedure of the Standing Committee on Plant Health.

483. In this same field, the Council's subordinate bodies also continued their examination of a proposal for a Directive amending the annexes to Directive 77/93/EEC on protective measures against the introduction into the Member States of organisms harmful to plants or plant products, which is intended to adapt the basic Directive to developments in scientific and technical training in the field of plant protection.

### PESTICIDE RESIDUES

484. The Council's subordinate bodies continued their examination of the proposals for Directives on fixing maximum levels for pesticide residues:

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<sup>1</sup> OJ L 358, 22.12.1983.

- (i) on and in cereals intended for human consumption;
- (ii) on and in foodstuffs of animal origin.

These proposals give rise to a major problem concerning the actual principle of fixing a mandatory maximum level throughout the Community and the adoption of these two texts depends on the resolution of this problem.

485. In addition, work continued on the following proposals which still present technical difficulties:

- (i) proposal for a Directive amending Directive 76/895/EEC relating to the fixing of maximum levels for pesticide residues in and on fruit and vegetables (second series of amendments).

Directive 82/528/EEC,<sup>1</sup> adopted by the Council on 19 July 1982, concerns only the first part of the amendments proposed by the Commission and the other amendments proposed still have to be examined.

- (ii) proposal for a Directive amending Annex II to Directive 76/895/EEC relating to the fixing of maximum levels for pesticide residues in and on fruit and vegetables, which concerns ethoxy-quine and diphenylamine.

#### PLANT PROTECTION PRODUCTS

486. With regard to the proposal for a Directive concerning the marketing of EEC-approved plant protection products, the Council is still encountering difficulties regarding the type approval procedure to be adopted, so that it has not yet reached a consensus.

487. The proposal for a Directive amending Directive 79/117/EEC prohibiting the placing on the market and use of plant protection products containing certain active substances is intended to prohibit the use of ethylene oxide in plant protection products, and differences of opinion arose on the appropriateness of this measure.

488. On 31 October 1983 the Commission forwarded to the Council an opinion from the Consumers Consultative Committee concerning 2,

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<sup>1</sup> OJ L 234, 9.8.1982.

4, 5-T, which will enable the Council's subordinate bodies to resume its examination of the Commission's communication concerning the marketing and use of the plant protection products containing this substance which proposes a number of measures for the controlled use of this weedkiller, so as to avoid any hazard to human or animal health or to the environment.

#### LEGISLATION ON SEEDS AND SEEDLINGS

489. The Council, adapted existing Community legislation by adopting, on 26 September 1983, Decision 83/495/EEC<sup>1</sup> amending Decision 78/476/EEC on the equivalence of checks on practices for the maintenance of varieties carried out in non-member countries.

It should be recalled that under Community legislation a variety of agricultural plant or vegetable species which originates in a non-member country and in respect of which practices for the maintenance of varieties are carried out in that country, may not be marketed in the Community unless the practices can be controlled officially in the same way as those established in the Community.

The aim of this Decision, in accordance with the Commission's proposal, is to add Japan to the list of non-member countries for which equivalence is recognized with regard to the varieties of certain vegetable species.

490. In addition, on 29 September 1983 the Council received the following two proposals:

- (i) proposal for a Council Decision amending Decision 80/817/EEC on the equivalence of field inspections carried out in non-member countries on seed-producing crops;
- (ii) proposal for a Council Decision amending Decision 80/818/EEC on the equivalence of seed produced in non-member countries.

The purpose of these is to extend until 30 June 1984 the validity of the certifications of equivalence under Council Decisions 80/817/EEC and 80/818/EEC.

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<sup>1</sup> OJ L 275, 8.10.1983.

**Coordination of the positions of the Member States  
with regard to the laws of non-member countries and work on  
certain matters at international level**

**CODEX ALIMENTARIUS**

491. During the period under review a number of Codex Alimentarius standards (under the joint FAO/WHO programme) reached advanced draft stages.

To the extent that these standards involve matters on which harmonization work was in hand or had already been completed in the Community, the Member States and the representatives of the Commission coordinated their position through the work of the Codex Alimentarius Commission which met in Rome from 4 to 15 July 1983, and also in the various Codex Alimentarius committees, and generally reached a common position on the various questions under consideration.

**WORLD HEALTH ORGANIZATION (WHO)**

492. At the 33rd meeting of the European Regional Committee of the World Health Organization, which was held in Madrid from 20 to 24 September 1983, the question of implementing the marketing code for substitutes for mother's milk was mentioned.

When coordinating their positions in this matter the representatives of the Member States and the Commission recalled that several of the aims pursued by the Code had already been achieved and that with regard to other items in the Code the Community and its Member States would endeavour to put into practice the principles and aims expressed, with due regard to the constitutional and legislative position and the social structure in each case.

**UNITED NATIONS ORGANIZATIONS FOR FOOD AND AGRICULTURE**

493. The 22nd meeting of the FAO Conference was held in Rome from 5 to 24 November 1983.

Its agenda included several items directly or indirectly concerning the activities of the Community. Consequently the position of the Member States and of the Commission was coordinated continuously throughout the Conference in accordance with the usual procedure.

The Conference covered in particular the following questions:



- (i) the situation regarding food and agriculture;
- (ii) progress on the action programme to enhance the security of world food supplies;
- (iii) international adjustments in agriculture – revision and updating of guidelines;
- (iv) draft international undertaking on phylogenetic resources.

#### THE COUNCIL OF EUROPE

494. Under the aegis of the Council of Europe a draft European Convention on the protection of vertebrate animals used for experimental or other scientific purposes is at present being drafted.

The Member States and the Commission, recognizing the importance and usefulness of this Convention for the protection of animals, but also considering the possible consequences for scientific research and the possible implications for testing procedures laid down by Community legislation in various fields, agreed to play an attentive part in the work of the Council of Europe on this matter without prejudice to the need to adopt at a later date a common position on the possibility of the accession of the Communities as such to the Convention.

#### INTERNATIONAL WINE OFFICE

495. In this field the Council followed attentively the work of the Office, in particular the proceedings of its 63rd General Assembly from 24 to 28 October 1983 and the 18th International Wine Congress which was held on this occasion.

The work mainly concerned problems relating to vine-growing, oenology and the economy. In connection with this last point problems regarding the link between the soil and quality, the information and education of the consumer, and also the removal of obstacles to international trade, such as traffic, transport and distribution in particular were discussed.

#### WINE SECTOR

496. In 1983 work by the Council's subordinate bodies covered, with regard to the wine sector:

- (i) the establishment of a coordinated position of the Member States and the Commission representative at the fourth meeting of the FAO Intergovernmental Working Party on Wine Products, which was held in Rome from 5 to 8 April 1983;

- (ii) the establishment of a similar coordinated position at the 63rd General Assembly of the International Vine and Wine Office, which was held in Capetown (South Africa) from 24 to 28 October 1983;
- (iii) completion of the technical examination of the questions concerning oenological processes in particular, as part of the consultations between EEC and the United States.<sup>1</sup>

#### OLIVE OIL AND TABLE OLIVES

497. In this sector work on coordination was carried out in 1983 with a view to the two meetings of the International Olive Oil Council (IOOC), held in Madrid on 23 and 24 May and 21 and 25 November 1983 respectively, at which, in addition to the question relating to the extension of the 1979 International Agreement on olive oil, the following topics were discussed in particular:<sup>2</sup>

- (i) measures relating to the (IOOC) Resolution of 28 November 1980 on the uniform quality standard applicable to table olives in international trade;
- (ii) draft amendments to the standard recommended for table olives in the Codex Alimentarius.

#### G — COMMON FISHERIES POLICY

498. 'Blue Europe' finally became a reality when, on 25 January 1983, the Council could overcome the last obstacles which had hitherto prevented an agreement in particular on arrangements governing access to the fishing zones and also on the allocation of fisheries resources.

This agreement made it possible to adapt the common fisheries policy — the origins of which (common organization of the markets and structural measures) go back to 1970<sup>3</sup> — to the new situation, created in 1976, by the introduction of exclusive fishing zones of 200 miles in the North Atlantic and the North Sea. Thus this new policy has a double aim, i.e. to stabilize fishing activities and also to secure supplies for the Community as a whole.

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<sup>1</sup> See 30th Review, paragraph 559.

<sup>2</sup> See paragraph 367 of this Review.

<sup>3</sup> Regulations (EEC) Nos 100/76 and 101/76, OJ L 20, 28.1.1976, which had replaced Regulations (EEC) Nos 2141/70 and 2142/70, OJ L 236, 27.10.1970.

Consequently, the instruments provided for range from the regulations on stock management and conservation of Community resources to fishing agreements giving access to the resources in the waters of non-member countries, the whole being supplemented by a more effective policy as regards structures and by the new machinery of the common organization of the market which was introduced on 1 June 1982.<sup>1</sup>

### **Community arrangements governing stock management and conservation**

499. This aspect of the common fisheries policy comprises four types of measures relating to access to fishing zones, the allocation of the annual resources available among Member States (TAC and quotas), technical measures for the conservation of resources and also monitoring.

The very particular importance of the decisions taken on 25 January by the Council, acting on a proposal from the Commission, and following long discussions held at both the technical and political level throughout 1982,<sup>2</sup> lies in the fact that the solution adopted regarding access to fishing zones and also the allocation of resources will be valid for a period of ten years. The Commission was instructed to present a report by 31 December 1991 on the situation in the fisheries sector, the development of coastal areas and also foreseeable trends regarding resources. This report will guide the Council in assessing whether it needs to make any adjustments to its decisions of 25 January 1983.

The Decision taken on 25 January 1983 on the allocation of the TAC which related to 1982 constitutes the basis for the allocation of resources for future years and thus guarantees relative stability in annual fishing activities.

For 1982, the Community share of TAC fixed for the seven main species (cod, haddock, coalfish, whiting, plaice, rosefish and mackerel) totalled 1 120 000 tonnes, allocated as follows

Denmark:	24.3%	Belgium:	1.9%
Germany:	12.1%	United Kingdom:	37.6%
France:	11.7%	Ireland:	4.7%
Netherlands:	7.8%		

<sup>1</sup> See 30th Review, paragraph 415.

<sup>2</sup> See 30th Review, paragraph 414 and Regulations (EEC) Nos 170/83, 171/83 and 173/83, OJ L 24, 27.1.1983.

Although this Decision remained valid beyond 1982, the allocation of TAC for 1983 was only adopted in December 1983. The main reason was the difficulty in fixing the allocation for North Sea herring. This had not been laid down in the agreement of 25 January 1983, since in the North Sea the fishing of herring had been completely prohibited since 1977 in order to allow reconstitution of the stock, the survival of which had been endangered because of over-fishing in previous years. It was only in May 1983 that the Commission, on the basis of the scientific opinion of the International Council for the Exploration of the Sea (ICES), proposed authorizing the resumption of herring fishing in the North Sea within certain limits.

Owing to the extreme economic importance of the resumption of herring fishing at a time when, for conservation reasons, the fishing of mackerel in the North Sea had to be prohibited (except for one Member State), the Council did not simply confine itself to fixing the allocation of TAC for herring in the North Sea for 1983 in accordance with an *ad hoc* formula,<sup>1</sup> but at the same time sought a valid solution for the longer term which would guarantee the herring fishermen relative stability in the pursuit of their activities.

Thus, as part of an overall compromise covering both the fixing of TAC and 1983 quotas, for species other than North Sea herring,<sup>2</sup> on 14 December 1983 the Council adopted the following percentage allocation:<sup>3</sup>

	(%)					
North Sea herring	Federal Republic of Germany	France	Netherlands	Belgium	United Kingdom	Denmark
For a Community share of 155 000 tonnes	13.3	13.8	27.6	7 100 tonnes	24.15	21.15
For a Community share of 251 000 tonnes	15.0	12.0	27.0	6 000 tonnes + 1%	23.0	22.0
Allocation of quantities above 251 000 tonnes	17.5	8.5	20.5	1.0	17.5	35.0

For Community shares between 155 000 and 251 000 tonnes, allocation would be carried out in accordance with the points on corresponding straight-line graphs.

<sup>1</sup> Regulation (EEC) No 1353/83 — OJ L 139, 28.5.1983 and Regulation (EEC) No 3220/83, OJ L 318, 16.11.1983.

<sup>2</sup> Regulation (EEC) No 3624/83, OJ L 365, 27.12.1983.

<sup>3</sup> Decision No 83/653/EEC, OJ L 371, 31.12.1983.

Owing to the delay in fixing the TAC and quotas for 1983 fishing activities during this year had been governed by Regulation (EEC) No 198/83,<sup>1</sup> which provided that in pursuing their fishing activities the Member States should comply with the TAC and quotas for 1982 until the Council took a Decision on TAC and quotas for 1983.

On 14 December 1983 the Council and the Commission undertook however to do their utmost to see that the TAC and quotas were fixed in future at the latest at the beginning of the year to which they related, subject to reviewing them during that year on the basis of either further scientific opinions or the outcome of consultations with the non-member countries linked to the Community by fishing agreements. This undertaking was complied with for 1984, when the Council decided, acting on a proposal from the Commission, on the TAC and quotas for 1984 at its meeting on 31 January 1984.<sup>2</sup> Fishing activities in January were carried out in accordance with the usual seasonal cycles and in compliance with the Regulation on TAC and quotas for 1983.<sup>3</sup>

With regard to conservation of resources by means of "technical measures" (regulations concerning fishing equipment and, in particular, minimum mesh sizes, minimum sizes of fish, prohibited zones and dates for fishing etc.), the Council amended Regulation (EEC) No 171/83, which it had adopted on 25 January 1983, in order to take account of the most recent scientific opinions and thus to protect stocks more effectively in the medium and long-term interests of the fishermen themselves.<sup>4</sup>

### *Structural measures*

500. The Council, under its agreement of 25 January 1983, had agreed to supplement the rules on the conservation and management of resources by specific measures designed to adjust production capacities to available resources and to increase productivity in the fisheries sector.<sup>5</sup>

Following this undertaking, on 4 October 1983 the Council, acting on a proposal from the Commission, adopted two Regulations concerning the restructuring, modernization and development of the fisheries sector, and

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<sup>1</sup> OJ L 025, 27.1.1983.

<sup>2</sup> Regulation (EEC) No 320/84, OJ L 37, 8.2.1984.

<sup>3</sup> Regulation (EEC) No 362/84, OJ L 365, 27.12.1983.

<sup>4</sup> Regulation (EEC) No 2931/83, OJ L 288, 21.10.1983.

<sup>5</sup> Resolution of 25.1.1983, OJ L 28, 3.2.1983.

the development of aquaculture,<sup>1</sup> and on measures to encourage exploratory fishing and cooperation with non-member countries through joint ventures in the fishing sector<sup>2</sup> respectively.

The third measure, which was also adopted on 4 October 1983, concerns adjustments to capacity in the fisheries sector by the temporary or permanent laying up of fishing vessels.<sup>3</sup>

The Community will make a contribution to financing all these measures for a three-year period. The foreseeable expenditure to be charged to the Community budget or, where applicable, the EAGGF (Guidance Section) totals 250 million ECU.

Community aid	Total Expenditure (million ECU)	Maximum Community contribution
1. Regulation on a common measure for restructuring, modernizing and developing aquaculture		
(a) Construction and modernization of fishing vessels	118	25% <sup>1</sup>
(b) Aquaculture	34	25% <sup>1</sup>
(c) Artificial structures	4	50%
Aid to be financed by the EAGGF (Guidance Section)		
Total	156	
2. Regulation on exploratory fishing and ventures		
(a) Exploratory fishing	11	50%
(b) Joint ventures	7	50%
Aid to be financed from the Budget		
Total	18	
3. Directive on adjusting capacity		
(a) Temporary laying-up	44	50%
(b) Permanent laying-up	32	50%
Aid to be financed from the Budget		
Total	76	

<sup>1</sup> Except in Greenland, Greece, Ireland, Northern Ireland, in the Mezzogiorno and the French overseas countries and territories, where the rate may be as high as 50%.

<sup>1</sup> Regulation (EEC) No 2908/83, OJ L 290, 22.10.1983.

<sup>2</sup> Regulation (EEC) No 2909/83, OJ L 290, 22.10.1983.

<sup>3</sup> Directive 83/515/EEC, OJ L 290, 22.10.1983.

## Common organization of the market in the sector of fisheries products

501. The prices applicable in the fisheries sector for the year 1 January to 31 December 1984 were laid down by the Council, acting on a proposal from the Commission, on 12 December 1983. The prices for fresh or refrigerated products (see Annex I A and D of Regulation (EEC) No 3796/81<sup>1</sup>) were increased from the 1983 prices at rates varying between 0% (herrings and Atlantic sardines) and 7% (plaice).<sup>2</sup>

The following table shows the price increases for each species.

Species (fresh or refrigerated)	Recommended price (ECU)		Increase (%)
	1983	1984	
Herring	336	336	0
Sardines ( <i>Sardina Pilchardus</i> ):			
– Atlantic	537	537	0
– Mediterranean	408	428	5
Dog fish ( <i>Squalus acanthias</i> )	820	836	2
Red dog fish ( <i>Scylliorhinus sp. p.</i> )	790	806	2
Atlantic redfish ( <i>Sébastes sp.p.</i> )	752	782	4
Cod	993	1 053	6
Black Pollocks	583	606	4
Haddock	743	788	6
Whiting	690	725	5
Ling	850	867	2
Mackerel	272	277	2
Anchovies	509	540	6
Plaice or flounder			
– 1.1.-30.4.84	708	722	2
– 1.5.-31.12.84	912	976	7
Hake ( <i>Merluccius Merluccius</i> )	2 185	2 316	6
Shrimps (grey)	1 374	1 401	2

As regards frozen products (Annex II of Regulations (EEC) No 3796/81), on 12 December 1983 the Council increased the guide prices

<sup>1</sup> OJ L 379, 31.12.1982.

<sup>2</sup> Regulation (EEC) No 3572/83, OJ L 356, 20.12.1983.

by amounts also ranging from 0% (sardines) and 7% (prawns).<sup>1</sup> At the same time the producer price for tuna intended for the canning industry was increased from 1.338 ECU/tonne to 1.351 ECU/tonne - an increase of 1%.<sup>2</sup>

Lastly, acting on a proposal from the Commission, the Council introduced a minimum permitted size for grey shrimps intended for human consumption<sup>3</sup> by amending Regulation (EEC) No 104/76.<sup>4</sup>

## **Relations on fisheries matters between the Community and non-member countries**

### **SCANDINAVIAN COUNTRIES**

502. The Council approved the bilateral arrangements made between the EEC and Norway, Sweden and the Faeroe Islands respectively<sup>5</sup> and also the trilateral arrangement between the EEC, Norway and Sweden relating to fishing activities in the Skagerrak and the Kattegat<sup>6</sup> for 1983.

In addition, at its meeting on 14 December 1983 the Council approved the bilateral arrangements for 1984 between the Community and Norway and the Faeroe Islands respectively,<sup>7</sup> although at the end of 1983 consultations were still being held by the parties concerned concerning the Skagerrak and the Kattegat.

The catch quotas obtained by the Community for the waters of Norway and the Faeroe Islands under the above-mentioned arrangements were allocated among the Member States under Regulations which were adopted by the Council.<sup>8</sup>

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<sup>1</sup> Regulation (EEC) No 3573/83, OJ L 356, 20.12.1983.

<sup>2</sup> Regulation (EEC) No 3574/83, OJ L 356, 20.12.1983.

<sup>3</sup> Regulation (EEC) No 3575/83, OJ L 356, 20.12.1983.

<sup>4</sup> OJ L 20, 28.1.1976.

<sup>5</sup> Regulation (EEC) No 1009/83, OJ L 115, 30.4.1983, Regulation (EEC) No 1010/83, OJ L 115, 30.4.1983, Regulation (EEC) No 1008/83, OJ L 115, 30.4.1983.

<sup>6</sup> Regulation (EEC) No 623/84, OJ L 73, 19.3.1983.

<sup>7</sup> Regulation (EEC) No 3746/83, OJ L 371, 31.12.1983, Regulation (EEC) No 3760/83, OJ L 374, 31.12.1983.

<sup>8</sup> For 1983: Regulations (EEC) Nos 1725/83, 1726/83 and 1727/83, OJ L 169, 28.6.1983; for 1984: Regulation (EEC) No 3747/83, OJ L 371, 31.12.1983 and Regulation (EEC) No 3759/83, OJ L 374, 31.12.1983.



A fisheries agreement was signed with Finland on 11 July 1983.<sup>1</sup> Under this framework agreement, which entered into force on 5 January 1984, each party authorizes the fishing vessels of the other party to fish in its fishing zone, on condition that certain conditions are complied with, and the two parties consult each other on the volume of the catch which they allow each other each year.

#### CANADA

503. At the end of 1982, the first year in which the fisheries agreement between the EEC and Canada was implemented,<sup>2</sup> the two parties were forced to recognize that the operation of this agreement left something to be desired and that they should examine jointly the reasons for the difficulties which had arisen and also means of restoring equilibrium between the rights and obligations arising from this agreement. Following the consultations which were held on several occasions throughout 1983, on 20 December 1983<sup>3</sup> the Council decided to conclude with Canada an agreement supplementing and amending the provisions of the first fisheries agreement concluded in 1981, and in particular those relating to the tariff concessions granted to Canada in return for the fishing rights which Community fishermen enjoy in Canadian waters and also those regarding the management by the Canadian authorities of the fishing rights granted to the Community.

In order to implement the above-mentioned tariff concessions, on 22 December 1983, acting on a proposal by the Commission, the Council adopted Regulation (EEC) No 3748/83 opening, allocating and providing for the administration of Community tariff quotas for certain fisheries products.<sup>4</sup>

#### UNITED STATES

504. As in previous years the American authorities took the necessary measures to allow Community fishermen to pursue their activities in the exclusive economic zone in the North-West Atlantic, in accordance with Article VI of the Fisheries Agreement concluded with the United States in 1977.<sup>5</sup> The Council provided for the continued application of the

<sup>1</sup> Regulation (EEC) No 1948/83, OJ L 192, 16.7.1983.

<sup>2</sup> Decision 81/1053/EEC, OJ L 379, 31.12.1981.

<sup>3</sup> Decision 83/652/EEC, OJ L 371, 31.12.1983.

<sup>4</sup> OJ L 371, 31.12.1983.

<sup>5</sup> OJ L 141, 9.6.1977.

fisheries arrangements for the vessels belonging to the United States and other non-member countries in the 200-mile zone off the coast of the French department of Guiana.<sup>1</sup>

#### AFRICAN COUNTRIES

505. The Fishing Agreement concluded with Guinea-Bissau in 1980 was amended in 1983 by a new Protocol which will allow Community fishermen to pursue their activities in the waters of this non-member country until 1986.<sup>2</sup>

In addition, new fishing rights were granted to Community fishermen in the waters off the west coasts of Africa under fishing agreements concluded with the People's Revolutionary Republic of Guinea,<sup>3</sup> Equatorial Guinea,<sup>4</sup> and the Democratic Republic of Sao Tome e Principe.<sup>5</sup> The fishing agreements with the two latter countries are at present the subject of a provisional application pending completion of the procedure for their ratification which is in hand.

#### SPAIN

506. In implementation of the framework fishing agreement concluded with Spain in 1980, as in previous years the Council adopted a Regulation laying down the conditions under which Spanish vessels may fish in Community waters.<sup>6</sup>

#### **International organizations**

507. Since the Community had been invited by the signatory States to accede to the Convention on Fishing and the Conservation of Living Species in the Baltic Sea,<sup>7</sup> on 25 July 1983 the Council, acting on a proposal from the Commission, adopted a Decision on the accession of the Community to this Convention.<sup>8</sup> The Community will become a Contracting Party to the Convention in 1984, on completion of the rele-

<sup>1</sup> Regulation (EEC) No 708/83, OJ L 83, 30.3.1983.

<sup>2</sup> Regulation (EEC) No 707/83, OJ L 84, 30.3.1983.

<sup>3</sup> Regulation (EEC) No 971/83, OJ L 111, 27.4.1983.

<sup>4</sup> Decision 83/415/EEC, OJ L 237, 26.8.1983.

<sup>5</sup> Decision 83/503/EEC, OJ L 282, 14.10.1983.

<sup>6</sup> Regulation (EEC) No 709, OJ L 83, 30.3.1983.

<sup>7</sup> See 30th Review, paragraph 426.

<sup>8</sup> OJ L 237, 26.8.1983.

vant procedures laid down in the Convention. The Convention for the Conservation of Salmon in the North Atlantic Ocean<sup>1</sup> which was signed at a Diplomatic Conference in Reykjavik in January 1982, entered into force on 1 October 1983 in respect of the following signatories: Canada, Denmark in respect of the Faeroe Islands, the EEC, Iceland, Norway and the United States. The Community played an active part in the two meetings held in 1983 in Edinburgh — the seat of the organization of this Convention — to prepare for the inaugural meeting (in January 1984) of the Council and the three Regional Commissions provided for under this new International Convention.

Lastly, as in previous years the Community took part in the work done in respect of the Convention on the Conservation of Antarctic Marine Living Resources<sup>2</sup> and also the work of a number of international organizations concerned with fisheries, such as the NEAFC, NAFO, OECD, ICSEAF, and the ICCAT.<sup>3</sup>

## **H — AGRICULTURAL RESEARCH**

508. On 12 December 1983 the Council adopted Decision 83/641/EEC adopting coordination programmes in agricultural research.<sup>4</sup> These programmes involve the conservation and use of agricultural resources, structural problems and the improvement of animal and vegetable productivity.

These programmes are foreseen for a period of five years from 1 January 1984; the anticipated cost of the programmes over this period is seen as 30 million ECUs.

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<sup>1</sup> OJ L 378, 31.12.1982.

<sup>2</sup> OJ L 252, 5.9.1981.

<sup>3</sup> See 30th Review, paragraph 427.

<sup>4</sup> OJ L 358, 22.12.1983.



## CHAPTER VI: Administrative matters — miscellaneous

### A — BUDGETARY MATTERS

#### 1983 budget

##### AMENDING AND SUPPLEMENTARY BUDGET No 1 TO THE GENERAL BUDGET OF THE EUROPEAN COMMUNITIES FOR 1983

509. Following the rejection of the Amending and supplementary budget No 2 for 1982, and further to the commitments entered into at the Council meeting on 17 December 1982, on 19 January the Commission forwarded to the Council the preliminary draft Amending and supplementary budget No 1 for 1983.

This preliminary draft Amending and supplementary budget concerns primarily the supplementary measures to compensate the United Kingdom and the special measures of Community interest relating to energy strategy.

Overall the proposals presented by the Commission in the preliminary draft Amending and supplementary budget No 1 give an increase in the 1983 budget of:

- (i) 1 337 370 000 ECU in commitment appropriations and
- (ii) 1 337 370 000 ECU in payment appropriations.

510. At its meeting on 1 February 1983 the Council established the draft Amending and supplementary budget No 1/83 on the basis of the preliminary draft Amending and supplementary budget No 1/83 which the Commission had presented.

In taking this decision the Council relied, in view of its various consultations with Parliament, on the reasonable expectation that the figure of 610 million ECU provided for in Article 707 would remain unchanged and that for the 1984 budget no account would be taken of this amount in calculating and applying the rates of increase provided for in Article 203 (9) of the Treaty.

The new rates applicable to non-compulsory expenditure for 1983 were increased to 28.72% for commitment appropriations and to 33.25% for payment appropriations.

This draft Amending and supplementary budget No 1 was forwarded to Parliament on 2 February 1983.

511. At its sitting of 10 February 1983 Parliament approved on first reading the draft Amending and supplementary budget No 1 for 1983. The President of Parliament then declared that Amending and supplementary budget No 1 of the European Communities for 1983 had been finally adopted.

Amending and supplementary budget No 1 of the European Communities for 1983 was published in the *Official Journal of the European Communities*.<sup>1</sup>

#### AMENDING AND SUPPLEMENTARY BUDGET No 2 TO THE GENERAL BUDGET OF THE EUROPEAN COMMUNITIES FOR 1983

512. On 7 July 1983 the Commission forwarded to the Council the preliminary draft Amending and supplementary budget No 2 to the general budget of the European Communities for 1983.

This preliminary draft provided for additional expenditure of 2 441 703 286 ECU, of which 1 811 283 566 ECU was for the EAGGF (Guarantee Section).

On 22 July 1983 the Council was advised orally by the Commission of a letter of amendment to the preliminary draft, to take account on the one hand of the adjustment to the actual figure of the amounts provided for in respect of the inclusion in the budget of the VAT balance for the financial year 1982 and adjustments to the balances for the financial years 1979, 1980 and 1981, and on the other of the resulting automatic adjustment to Article 860 (Refunds to Greece).

513. At its meeting on 22 July 1983 the Council established the draft Amending and supplementary budget No 2/1983 on the basis of the preliminary draft and the letter of amendment mentioned above.

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<sup>1</sup> OJ L 60, 7.3.1983.

This draft budget finally provides for an increase in the general budget of 2 203.2 million ECU in commitment appropriations and 2 096.4 million ECU in payment appropriations, together with downward adjustments in revenue forecasts. It almost completely exhausts the Community's own resources. The appropriations provided for imply the collection of VAT at a rate of 0.94%.

This draft Amending and supplementary budget No 2/1983 mainly comprises the following increases in appropriations:

- (i) increase in agricultural expenditure: 1 761 million ECU
- (ii) additional compensation to the United Kingdom and reduction in the German contribution to this compensation: 370 million ECU

514. At its meeting on 17 and 18 October 1983 the Council decided not to alter the two amendments to this draft Amending and supplementary budget which Parliament had adopted at its sitting on 12 October 1983.

515. On 24 October 1983 the President of the European Parliament declared that Amending and supplementary budget No 2 of the European Communities for 1983 had been finally adopted.

The amending and supplementary budget No 2 for 1983 was published in the *Official Journal of the European Communities*.<sup>1</sup>

#### 1984 BUDGET

Establishment of the draft general budget of the European Communities for 1984.

516. By letter dated 10 June 1983 the Commission forwarded to the Council the preliminary draft general budget of the European Communities for 1984.

517. Knowing Parliament's point of view, and after consulting the Commission, the Court of Justice and the Court of Auditors, on 22 July 1983 the Council established the draft general budget of the European Communities for 1984.

The payment appropriations entered in the draft general budget of the European Communities for 1984 as established on first reading by the Council total 24 848 457 985 ECU. They comprise:

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<sup>1</sup> OJ L 331, 28.11.1983.

## Appropriations for commitments\*

		1983 budget <sup>1</sup>		1984 preliminary draft budget		Council draft 21 and 22.7.1983		Change (3/2)	
		1	%	2	%	3	%	4	%
<b>I. Section III/B – Commission</b> (Operating appropriations)									
<i>A. Agricultural market guarantees</i>									
● EAGGF Guarantee (Ch. 10 to 29)	Total A	14 050 000 000	57.76	16 500 000 000	57.65	16 500 000 000	62.04	–	–
<i>B. Agricultural structures</i>									
● EAGGF Guidance (Ch. 30 to 33)		759 400 000	3.12	733 500 000	2.56	723 500 000	2.72	– 10 000 000	– 1.36
● Specific measures (Ch. 38)		55 129 950	0.23	56 258 000	0.20	80 475 000	0.30	+ 24 217 000	+ 43.05
	Total B	814 529 950	3.35	789 758 000	2.76	803 975 000	3.02	+ 14 217 000	+ 1.80
<i>C. Fisheries (Ch. 40 to 46)</i>									
	Total C	91 792 000	0.38	171 494 000	0.60	136 357 000	0.51	– 35 137 000	– 20.49
<i>D. Regional policy</i>									
● Regional Fund (Ch. 50 and 51)		2 010 000 000	8.26	2 500 000 000	8.74	2 000 000 000	7.52	– 500 000 000	– 20.00
● EMS (Ch. 52)		200 000 000	0.82	200 000 000	0.70	token entry	–	– 200 000 000	–100.00
● Supplementary measures (UK) (Ch. 53)		692 000 000	2.84	–	–	token entry	–	token entry	–
● Miscellaneous (Ch. 54 and 55)		26 800 000	0.11	45 850 000	0.16	38 200 000	0.14	– 7 650 000	– 16.68
	Total D	2 928 800 000	12.04	2 745 850 000	9.59	2 038 200 000	7.66	– 707 650 000	– 25.77
<i>E. Social policy</i>									
● Social Fund (Ch. 60 and 61)		1 696 500 000	6.97	2 400 000 000	8.39	1 700 000 000	6.39	– 700 000 000	– 29.17
● Miscellaneous (Ch. 64, 65, 68 and 69)		95 455 000	0.39	171 772 000	0.60	372 505 000	1.40	+ 200 733 000	+116.86
● Education and culture (Ch. 63 and 67)		16 341 000	0.07	19 022 000	0.07	16 080 000	0.06	– 2 942 000	– 15.47
● Environment and consumers (Ch. 66)		12 690 000	0.05	21 064 000	0.07	10 055 000	0.04	– 11 009 000	– 52.26
	Total E	1 820 986 000	7.49	2 611 858 000	9.13	2 008 640 000	7.89	– 513 218 000	– 19.65



*F. Research, energy, industry, transport*

● Energy policy (Ch. 70 and 71)

● Research and investment (Ch. 72 and 73)

● Information and innovation (Ch. 75)

● Industry and internal market (Ch. 77)

● Transport (Ch. 78)

	723 835 000	2.98	772 585 000	2.70	599 435 000 <sup>1</sup>	2.25	- 173 150 000	- 22.41
	436 053 000	1.79	1 056 582 000	3.69	604 107 000	2.27	- 452 475 000	- 42.82
	12 510 000	0.05	38 760 000	0.14	25 935 000	0.10	- 12 825 000	- 33.09
	39 406 000	0.16	69 223 000	0.24	57 906 000	0.22	- 11 317 000	- 16.35
	16 450 000	0.07	106 950 000	0.37	532 100 000	2.00	+ 425 150 000	+497.52
<b>Total F</b>	<b>1 228 254 000</b>	<b>5.05</b>	<b>2 044 100 000</b>	<b>7.14</b>	<b>1 819 483 000</b>	<b>6.84</b>	<b>- 224 617 000</b>	<b>- 10.99</b>

*G. Repayments and reserves*

● Repayments to the Member States (Ch. 80)

● Others repayments (Ch. 82 and 86)

● Financial mechanism (Ch. 81)

● Miscellaneous (Ch. 79, 83, 84 and 85)

● Reserves (Ch. 101 and 102)

	1 014 622 000	4.17	1 074 468 000	3.75	1 057 343 000	3.98	- 17 125 000	- 1.59
	108 681 757	0.45	69 105 794	0.24	44 538 328	0.17	- 24 567 466	- 35.55
	token entry	-	token entry	-	-	-	-	-
	token entry	-	token entry	-	token entry	-	-	-
	5 000 000	0.02	5 000 000	0.02	5 000 000	0.02	-	-
<b>Total G</b>	<b>1 128 303 757</b>	<b>4.64</b>	<b>1 148 573 749</b>	<b>4.01</b>	<b>1 106 881 328</b>	<b>4.16</b>	<b>- 41 692 466</b>	<b>- 3.63</b>

*H. Development cooperation and non-member countries*

● EDF (Ch. 90 and 91)

● Food aid (Ch. 92)

● Non-associated developing countries (Ch. 93)

● Specific and exceptional measures (Ch. 94 and 95)

● Cooperation with Mediterranean countries (Ch. 96)

● Miscellaneous (Ch. 97, 98 and 99)

	token entry	-	token entry	-	-	-	-	-
	557 950 000	2.29	569 000 000	1.99	453 700 000	1.71	- 115 300 000	- 20.26
	248 935 000	1.01	323 532 000	1.13	214 750 000	0.81	- 108 782 000	- 33.62
	92 045 000	0.39	167 470 000	0.59	40 150 000	0.15	- 127 320 000	- 76.03
	160 512 000	0.66	192 000 000	0.67	108 000 000	0.41	- 84 000 000	- 43.75
	50 125 900	0.21	59 060 000	0.21	52 500 000	0.20	- 6 560 000	- 11.11
<b>Total H</b>	<b>1 109 567 900</b>	<b>4.56</b>	<b>1 311 062 000</b>	<b>4.58</b>	<b>869 100 000</b>	<b>3.27</b>	<b>- 441 962 000</b>	<b>- 33.71</b>

**Total Section III/B** 23 172 233 607 95.26 27 322 695 794 95.46 25 372 636 328 95.40 - 1 950 059 466 - 7.14

**II. Section III/A — Commission**

(Staff and administrative appropriations)

	748 554 800	3.08	860 097 570	3.01	796 638 355	3.00	- 63 459 215	- 7.38
<b>Commission total</b>	<b>23 920 788 407</b>	<b>98.34</b>	<b>28 182 793 364</b>	<b>98.47</b>	<b>26 169 274 683</b>	<b>98.40</b>	<b>- 2 013 518 681</b>	<b>- 7.14</b>

**III. Section I, II, IV and V — Other Institutions**

	404 814 778	1.66	437 052 024	1.53	425 416 775	1.60	- 11 635 249	- 2.66
<b>Grand total</b>	<b>24 325 603 185</b>	<b>100.00</b>	<b>28 619 845 388</b>	<b>100.00</b>	<b>26 594 691 458</b>	<b>100.00</b>	<b>- 2 025 153 930</b>	<b>- 7.08</b>

<sup>1</sup> Including amending and supplementary budget No 1/1983.

<sup>2</sup> Including the general reserve of 30 million ECU for allocation among Chapters 70, 75, 77 and 78.

\* Bull. EC 7/8-1983, pp. 82 and 83.

## Appropriations for payments\*

		1983 budget <sup>1</sup>		1984 preliminary draft budget		Council draft 21 and 22.7.1983		Change (3/2)	
		1	%	2	%	3	%	4	%
<b>I. Section III/B – Commission</b> (Operating appropriations)									
<i>A. Agricultural market guarantees</i>									
● EAGGF Guarantee (Ch. 10 to 29)	Total A	14 050 000 000	61.36	16 500 000 000	64.63	16 500 000 000	66.40	–	–
<i>B. Agricultural structures</i>									
● EAGGF Guidance (Ch. 30 to 33)		597 120 000	2.61	647 810 000	2.54	595 610 000	2.40	– 52 200 000	– 8.06
● Specific measures (Ch. 38)		54 062 950	0.24	49 812 370	0.19	73 435 000	0.30	+ 23 622 630	+ 47.42
	Total B	651 182 950	2.84	697 622 370	2.73	669 045 000	2.69	+ 28 577 370	+ 4.10
<i>C. Fisheries (Ch. 40 to 46)</i>									
	Total C	84 392 000	0.37	116 994 000	0.46	105 707 000	0.43	– 11 287 000	– 9.65
<i>D. Regional policy</i>									
● Regional Fund (Ch. 50 and 51)		1 259 000 000	5.50	1 500 000 000	5.88	1 300 000 000	5.23	– 200 000 000	– 13.33
● EMS (Ch. 52)		200 000 000	0.87	200 000 000	0.78	token entry	–	– 200 000 000	–100.00
● Supplementary measures (UK) (Ch. 53)		692 000 000	3.02	–	–	token entry	–	token entry	–
● Miscellaneous (Ch. 54 and 55)		26 800 000	0.12	42 450 000	0.17	34 800 000	0.14	– 7 650 000	– 18.02
	Total D	2 177 800 000	9.51	1 742 450 000	6.83	1 334 800 000	5.37	– 407 650 000	– 23.40
<i>E. Social policy</i>									
● Social Fund (Ch. 60 and 61)		1 350 000 000	5.90	1 550 000 000	6.07	1 100 000 000	4.43	– 450 000 000	– 29.03
● Miscellaneous (Ch. 64, 65, 68 and 69)		95 175 000	0.42	171 086 000	0.67	372 038 527	1.50	+ 200 952 527	+117.46
● Education and culture (Ch. 63 and 67)		16 341 000	0.07	19 022 000	0.07	16 080 000	0.06	– 2 942 000	– 15.47
● Environment and consumers (Ch. 66)		13 590 000	0.06	15 914 000	0.06	9 405 000	0.04	– 6 509 000	– 40.90
	Total E	1 475 106 000	6.44	1 756 022 000	6.88	1 497 523 527	6.03	– 258 498 473	– 14.72

**F. Research, energy, industry, transport**

● Energy policy (Ch. 70 and 71)	711 658 000	3.11	385 900 000	1.51	554 050 000 <sup>2</sup>	2.23	+ 168 150 000	- 43.57
● Research and investment (Ch. 72 and 73)	415 631 000	1.82	594 695 000	2.33	496 877 000	2.00	- 97 818 000	- 16.45
● Information and innovation (Ch. 75)	11 360 000	0.05	34 175 000	0.13	22 685 000	0.09	- 11 490 000	- 33.62
● Industry and internal market (Ch. 77)	45 156 000	0.20	66 953 000	0.26	57 406 000	0.23	- 9 547 000	- 14.26
● Transport (Ch. 78)	14 450 000	0.06	33 950 000	0.13	503 100 000	2.02	+ 469 150 000	+ 13.82

**Total F** 1 198 255 000 5.23 1 115 673 000 4.37 1 634 118 000 6.58 + 518 445 000 + 46.47

**G. Repayments and reserves**

● Repayments to the Member States (Ch. 80)	1 014 622 000	4.43	1 074 468 000	4.21	1 057 343 000	4.26	- 17 125 000	- 1.59
● Others repayments (Ch. 82 and 86)	108 681 757	0.47	69 105 794	0.27	44 538 328	0.18	- 24 567 466	- 35.55
● Financial mechanism (Ch. 81)	token entry	-	token entry	-	-	-	-	-
● Miscellaneous (Ch. 79, 83, 84 and 85)	token entry	-	token entry	-	token entry	-	-	-
● Reserves (Ch. 101 and 102)	5 000 000	0.02	5 000 000	0.02	5 000 000	0.02	-	-

**Total G** 1 128 303 757 4.93 1 148 573 749 4.50 1 106 881 328 4.45 - 41 692 466 - 3.63

**H. Development cooperation and non-member countries**

● EDF (Ch. 90 and 91)	token entry	-	token entry	-	-	-	-	-
● Food aid (Ch. 92)	557 950 000	2.44	569 000 000	2.23	453 700 000	1.83	- 115 300 000	- 20.26
● Non-associated developing countries (Ch. 93)	143 935 000	0.62	196 132 000	0.77	128 905 000	0.52	- 67 227 000	- 34.28
● Specific and exceptional measures (Ch. 94 and 95)	89 045 000	0.39	164 170 000	0.64	37 150 000	0.15	- 127 020 000	- 77.37
● Cooperation with Mediterranean countries (Ch. 96)	136 457 000	0.60	165 573 000	0.65	106 073 000	0.43	- 59 500 000	- 35.94
● Miscellaneous (Ch. 97, 98 and 99)	50 125 900	0.22	59 060 000	0.23	52 500 000	0.21	- 6 560 000	- 11.11

**Total H** 977 512 900 4.27 1 153 935 000 4.52 778 328 000 3.13 - 375 607 000 - 32.55

**Total Sectio III/B** 21 742 552 607 94.96 24 231 270 164 94.92 23 626 402 855 95.08 - 604 867 309 - 2.50

**II. Section III/A - Commission**

(Staff and administrative appropriations)

748 554 800 3.27 860 097 570 3.37 796 638 355 3.21 - 63 459 215 - 7.38

**Commission total** 22 491 107 407 98.23 25 091 367 734 98.29 24 423 041 210 98.29 - 668 326 524 - 2.66

**III. Section I, II, IV and V - Other institutions**

404 814 778 1.77 437 052 024 1.71 425 416 775 1.71 - 11 635 249 - 2.66

**Grand total** 22 895 922 185 100.00 25 528 419 758 100.00 24 848 457 985 100.00 - 679 961 773 - 2.66

<sup>1</sup> Including amending and supplementary budget No 1/1983.

<sup>2</sup> Including the general reserve of 24.6 million ECU for allocation among Chapters 70, 75, 77 and 78.

The estimated operating appropriations are broken down among the institutions as follows:

*ECU*

Institutions and other bodies	1983 budget	Draft 1984 budget
Parliament	228 018 110	239 127 804
Council (own expenditure)	106 857 200	112 138 420
Economic and Social Committee	23 669 200	24 910 300
Commission	748 554 800 <sup>1</sup>	796 638 355
Court of Justice	29 038 620	31 333 251
Court of Auditors	17 231 648	17 907 000
Total	1 153 369 578	1 222 055 130

Staff authorized for each institution under the draft budget for 1984 are as follows:

	Permanent posts	Temporary posts
Parliament	2 635	323
Council	1 790	2
Economic and Social Committee	398	—
Commission		
Administration	9 492	360
Research and investment	2 550	175
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518. By letter dated 5 October 1983 the Commission sent to the Council a letter of amendment to the preliminary draft budget of the European Communities for 1984. The aim of this letter of amendment was to make provision in Section V (Court of Auditors) of the general budget for 1984 for the appropriations required to cover the temporary allowances due to the Members of the Court of Auditors whose terms of office, which expired on 17 October 1983, were not to be renewed.

On the basis of this letter, on 10 October 1983 the Council established a letter of amendment to the draft budget for 1984.

<sup>1</sup> Including amending and supplementary budget No 1/83.

519. In its budget part-session on 27 October Parliament adopted amendments and proposed modifications to the draft general budget of the European Communities for 1984. By letter dated 8 November 1983 Parliament forwarded to the Council the draft general budget for 1984 thus amended, accompanied by proposals for modifications.

520. Before taking decisions on this draft budget, on 22 and 23 November 1983 the Council held an exchange of views with a delegation from Parliament concerning in particular Parliament's priorities as expressed in the budgetary debates, and the general problems raised by this draft.

The Council then took decisions on each of Parliament's amendments and proposed modifications, under the conditions laid down in Article 203 (5) of the Treaty establishing the European Economic Community, taking into account the considerations and observations expressed during this exchange of views.

With regard to non-compulsory expenditure, the Council decided to increase the commitment appropriations by 466 867 200 ECU and the payment appropriations by 377 117 200 ECU, adopting in particular the following priorities among those proposed by Parliament:

NCE	Commitments	Payments
	— 22 800	— 22 800
Part A Other Institutions	+ 154 000	+ 154 000
Title 3 Administration	+ 2 085 000	+ 2 085 000
Title 4 Agriculture	+ 15 501 000	+ 1 401 000
50-51 Fisheries	+ 100 000 000	+ 112 500 000
55 Regional Fund	+ 2 000 000	+ 2 000 000
60-61-62 Mediterranean programmes	+ 110 000 000	+ 120 000 000
63 Social Fund	+ 600 000	+ 600 000
64 Education	+ 1 500 000	+ 1 350 000
65 Other social measures	+ 12 500 000	+ 12 500 000
66 ECSC contribution	+ 200 000	+ 200 000
70 Consumers	+ 25 000 000	+ 25 000 000
70 Solid fuels	+ 30 000 000	+ 30 000 000
70 Energy (other)	+ 74 300 000	+ 4 300 000
72-73 Research/investment	+ 1 500 000	+ 500 000
75 Innovation	+ 300 000	+ 300 000
77 Industry/internal market	+ 10 200 000	+ 1 200 000
78 Transport	+ 27 000 000	+ 27 000 000
92 Food aid		
93 Cooperation with non-associated developing countries	+ 10 000 000	—
94 Specific measures	+ 2 050 000	+ 50 000
95 Special programme to combat hunger	+ 42 000 000	+ 42 000 000
<b>Total NCE</b>	<b>+ 466 867 200</b>	<b>+ 377 117 200</b>

The Council also decided to create a new budgetary heading to finance Community intervention for the development of a European industrial area, endorsed 'token entry'.

It agreed to initiate with Parliament the procedure laid down in Article 203 (9) fifth subparagraph, and proposed that the new rate should be 14.91% for commitment appropriations.

For its part the Council adhered to the classification in the annex to the joint declaration of 30 June 1982.

Parliament was informed of the result of the Council's deliberations in a letter dated 1 December 1983.

521. Before Parliament's second reading a meeting of the Presidents of Parliament, the Commission and the Council took place on 9 December 1983 to discuss the provisional classification of certain budgetary items and other questions concerning the budgetary procedure for 1984.

522. In the light of this tripartite meeting and of the work on the second reading done by Parliament's Committee on Budgets, on 13 December 1983 the Council again discussed the draft general budget for 1984.

On the same day the Council met a delegation from Parliament led by its President, Mr Dankert.

The discussion concentrated on the main questions still unresolved between the two arms of the budgetary authority, in particular those concerning the EAGGF (Guarantee Section), the budgetary compensation for Germany and the United Kingdom, the amounts of payment and commitment appropriations and the European industrial area.

However, this meeting did not produce an agreement between the two arms of the budgetary authority.

523. In view of the amendments voted by Parliament on 15 December 1983, the Council considered it appropriate to draw the attention of the President of Parliament to the legal situation arising from this vote.

The Council pointed out that it had not given its assent in accordance with the provisions of Article 203 (9) of the EEC Treaty, to the fixing of new rates and noted moreover that there were still differences of opinion between the two arms of the budgetary authority, especially regarding the classification of certain items of expenditure, particularly the compensatory payments to two Member States.

524. In a letter dated 20 December 1983 the President of Parliament informed the Council that he had declared the final adoption of the general budget of the European Communities for 1984.

The general budget for 1984 was published in the *Official Journal of the European Communities*.<sup>1</sup>

### **Other budgetary matters**

#### **TRANSFERS OF APPROPRIATIONS BETWEEN CHAPTERS WITHIN THE BUDGET ESTIMATES OF THE INSTITUTIONS FOR 1983.**

525. The Council approved various requests for transfers of appropriations between chapters relating to compulsory expenditure forwarded by the Commission under the second sub-paragraph of Article 21 (2) of the Financial Regulation.

The Council was consulted by Parliament on several other requests for transfers relating to non-compulsory expenditure under the third-paragraph of Article 21 (2) of the Financial Regulation.

#### **CARRY-OVER OF APPROPRIATIONS FROM THE FINANCIAL YEAR 1982 TO THE FINANCIAL YEAR 1983**

526. At its meeting on 26 May 1983 the Council decided not to take a contrary decision on the list of appropriations which the Commission had requested to be transferred from the financial year 1982 to the financial year 1983 in respect of the Guidance Section of the EAGGF. This list was established under the transitional arrangements provided for in Article 108 (3) (b) of the Financial Regulation.

At its meeting on 16 and 17 May 1983 the Council decided to take a contrary decision on the requests for the non-automatic carry-over of appropriations from the financial year 1982 to the financial year 1983 presented by the Court of Auditors under the provisions of Article 6 (3) of the Financial Regulation.

In addition, on 14 June 1983 the Commission presented to the Council, for its information, in accordance with Article 6 (7) of the Financial Regulation,<sup>2</sup> a list of the appropriations carried over automatically from the financial year 1982 to the financial year 1983.

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<sup>1</sup> OJ L 12, 16.1.1984.

<sup>2</sup> Article 6 (7) of the Financial Regulation stipulates that 'The European Parliament and the Council shall be provided, for their information, before 1 April, with a list of the automatic carry-overs'.

*Discharge given to the Commission in respect of the implementation of the 1981 budget*

527. At its meeting on 14, 15 and 16 March 1983 the Council recommended Parliament to give a discharge to the Commission in respect of the implementation of the budget and the Amending and supplementary budgets of the European Communities for the financial year 1981.

This recommendation was forwarded to Parliament in a letter dated 18 March 1983.

*Special reports from the Court of Auditors*

528. The Council held an exchange of views on the main points in certain special reports from the Court of Auditors.

**FINANCIAL REGULATIONS**

529. Preliminary work was carried out by the Council's subordinate bodies on the revision of the Financial Regulation of 21 December 1977.

**B — STAFF REGULATIONS**

**Matters concerning salaries**

530. In accordance with the provisions of the new method of adjusting remunerations and those relating to the introduction of an exceptional crisis levy, adopted jointly by the Council on 15 December 1981, the Council adjusted salaries as follows:

- (i) at its meeting on 21 February 1983 it adopted Regulation (EEC) No 440/83<sup>1</sup> adjusting the remunerations of officials and other servants for the period from 1 July 1981 to 30 June 1982;
- (ii) likewise, at its meeting on 19 December 1983 it adopted Regulation (EEC) No 3647/83<sup>2</sup> adjusting remunerations for the period from 1 July 1982 to 30 June 1983.

<sup>1</sup> OJ L 53, 26.2.1983.

<sup>2</sup> OJ L 361, 24.12.1983.



531. By Regulation (EEC) No 2022/83 of 18 July 1983<sup>1</sup> the Council also adapted the weightings applicable to the remunerations and pensions of officials and other servants of the Communities to take account of the trends in the cost of living recorded in the various countries of employment during the second half of 1982.

In accordance with the provisions of the above-mentioned method, a provisional deduction of 1% was made from each cost-of-living index for the reference period. This percentage corresponded to half of the anticipated decline in the purchasing power of national civil servants during the period from 1 July 1982 to 30 June 1983.

### **Revision of the staff regulations**

532. At its meeting on 21 July 1983 the Council adopted Regulation (EEC) No 2074/83<sup>2</sup> amending the Staff Regulations of officials and the conditions of employment of other servants, which concerns *inter alia* the following points:

- (i) officials may be seconded on request to organizations devoted to furthering the Community's interests;
- (ii) the ex-spouse of an official, a child who ceases to be an official's dependant, or a person who ceases to be treated as a dependent child, may continue to be covered for one year by the Community sickness insurance scheme if the person concerned cannot meanwhile obtain cover under another national scheme;
- (iii) family allowances (household, dependent child and education allowances) may be paid to the person who has custody of the child.

### **Other matters**

Adjustment of the daily subsistence allowances for officials on missions.

533. By Regulation (EEC) No 1819/83<sup>3</sup> the Council adjusted the rates of allowances for officials on mission in Community countries.

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<sup>1</sup> OJ L 199, 22.7.1983.

<sup>2</sup> OJ L 203, 27.7.1983.

<sup>3</sup> OJ L 180, 5.7.1983.







Table 1

NUMBER OF DAYS SPENT ON COUNCIL MEETINGS AND MEETINGS OF PREPARATORY BODIES

Year	Ministers	Ambassadors and ministerial delegations	Committees and working parties
	EEC/EAEC/ECSC	EEC/EAEC/ECSC	EEC/EAEC/ECSC
1958	21	39	302
1959	21	71	325
1960	44	97	505
1961	46	108	655
1962	80	128	783
1963	63 $\frac{1}{2}$	146 $\frac{1}{2}$	744 $\frac{1}{2}$
1964	102 $\frac{1}{2}$	229 $\frac{1}{2}$	1 002 $\frac{1}{2}$
1965	35	105 $\frac{1}{2}$	760 $\frac{1}{2}$
1966	70 $\frac{1}{2}$	112 $\frac{1}{2}$	952 $\frac{1}{2}$
1967	75 $\frac{1}{2}$	134	1 233
1968	61	132	1 253
1969	69	129	1 412 $\frac{1}{2}$
1970	81	154	1 403
1971	75 $\frac{1}{2}$	127 $\frac{1}{2}$	1 439
1972	73	159	2 135
1973	79 $\frac{1}{2}$	148	1 820
1974	66	114 $\frac{1}{2}$	1 999 $\frac{1}{2}$
1975	67 $\frac{1}{2}$	118	2 079 $\frac{1}{2}$
1976	65 $\frac{1}{2}$	108 $\frac{1}{2}$	2 130
1977	71	122	2 108 $\frac{1}{2}$
1978	76 $\frac{1}{2}$	104 $\frac{1}{2}$	2 090
1979	59	107 $\frac{1}{2}$	2 000
1980	83	106 $\frac{1}{2}$	2 078 $\frac{1}{2}$
1981	83	110	1 976
1982	86	107	1 885
1983	121 $\frac{1}{2}$	105 $\frac{1}{2}$	1 912 $\frac{1}{2}$

Table 2

INTERIM COMMITTEE FOR THE COMMUNITY PATENT

Period	Plenary	Groups
1979	1	11
1980	2	4
1981	—	2
1982	1	2
1983	1	4

# LIST OF ABBREVIATIONS

## — A —

ACP  
African, Caribbean and Pacific States  
AETR  
European agreement concerning the work of crews of vehicles engaged in international road transport  
Asean  
Association of South-East Asian Nations

## — C —

CAP  
Common agricultural policy  
CFPE  
Community financing projects for the environment  
cif  
cost, insurance and freight  
CIUTS  
Collective investment undertaking for transferable securities  
COST  
European Cooperation in the field of Scientific and Technical Research  
CREST  
Scientific and Technical Research Committee

## — E —

EAEC  
European Atomic Energy Community  
EAGGF  
European Agricultural Guidance and Guarantee Fund

ECE  
Economic Commission for Europe  
ECSC  
European Coal and Steel Community  
EDF  
European Development Fund  
EEC  
European Economic Community  
EFTA  
European Free Trade Association  
EIB  
European Investment Bank  
EMS  
European Monetary System  
ERDF  
European Regional Development Fund  
ESC  
Economic and Social Committee

## — F —

FAO  
Food and Agriculture Organization  
FAST  
Forecasting and assessment in the field of science and technology

## — G —

GATT  
General Agreement on Tariffs and Trade  
GCC  
Gulf Cooperation Council

— I —

IADF  
International Agricultural Development  
Fund  
ICCAT  
International Commission for the Conser-  
vation of Atlantic Tuna  
ICES  
International Council for the Exploration  
of the Sea  
ICSEAF  
International Commission for South  
East Atlantic Fisheries  
IDA  
International Development Association  
IDC  
Industrial Development Centre  
ILO  
International Labour Organization  
IMF  
International Monetary Fund  
IMP  
Integrated Mediterranean programmes  
IOOC  
International Olive Oil Council  
IWO  
International Wine Office

— J —

JET  
Joint European Torus  
JRC  
Joint Research Centre

— L —

LAES  
Latin-American Economic System  
LDC  
Least developed countries

— M —

MCA  
Monetary compensatory amount  
MFA  
Multifibre Arrangement

— N —

NAFO  
North-West Atlantic Fisheries Organiza-  
tion  
NCI  
New Community Instrument  
NEAFC  
North-East Atlantic Fisheries Commis-  
sion  
NGO  
Non-governmental organization

— O —

OCT  
Overseas countries and territories  
OECD  
Organization for Economic Cooperation  
and Development

— P —

psr  
produced in specific regions (quality win-  
es)

— R —

R&D  
Research and development

— S —

SDR  
Special drawing rights  
SRS  
Search and rescue services



— T —

**TCA**

**Technical centre for agricultural and rural aid**

— U —

**Unctad**

**United Nations Conference on Trade and Development**

**UNEP**

**United Nations Environment Programme**

**UNRWA**

**United Nations Relief Works Agency**

— W —

**WHO**

**World Health Organization**

— Y —

**YAR**

**Yemeni Arab Republic**



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