

COUNCIL OF THE EUROPEAN COMMUNITIES

PRESS RELEASES

PRESIDENCY: DENMARK

JANUARY-JUNE 1978

Meetings and press releases May 1978

| Meeting number | Subject | Date |
|-----------------------|-------------------|---------------|
| 515 th | Foreign Affairs | 2 May 1978 |
| 516 th | Agriculture | 8-12 May 1978 |
| 517 th | Economics/Finance | 22 May 1978 |
| 518 th | Environment | 30 May 1978 |
| 519 th | Energy | 30 May 1978 |



COUNCIL OF THE EUROPEAN COMMUNITIES
GENERAL SECRETARIAT



PRESS RELEASE

515th meeting of the Council

- Foreign Affairs-

Brussels, 2 May 1978

President: Mr K.B. ANDERSEN

Minister for Foreign Affairs
of the Kingdom of Denmark

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

Belgium:

Mr Henri SIMONET Minister for Foreign Affairs

Denmark:

Mr K.B. ANDERSEN Minister for Foreign Affairs

Mr Niels ERSBØLL State Secretary,
Ministry of Foreign Affairs

Germany:

Mr Hans-Dietrich GENSCHER Federal Minister for Foreign Affairs

Otto Graf LAMBSDORFF Federal Minister for Economic
Affairs

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

France:

Mr Louis de GUIRINGAUD Minister for Foreign Affairs

Mr Jean-François DENIAU Minister for Foreign Trade

Mr Olivier STIRN State Secretary,
Ministry of Foreign Affairs

Ireland:

Mr Michael O'KENNEDY Minister for Foreign Affairs

Mr Ray BURKE Minister of State,
Ministry of Industry, Commerce
and Energy

Italy:

Mr Angelo SANZA Deputy State Secretary,
Ministry of Foreign Affairs

Luxembourg:

Mr Gaston THORN

President of the Government,
Minister for Foreign AffairsNetherlands:

Mr C.A. van der KLAAUW

Minister for Foreign Affairs

Mr D.F. van der MEI

State Secretary,
Ministry of Foreign Affairs

Mr K.H. BEYEN

State Secretary for Economic
AffairsUnited Kingdom:

Mr David OWEN

Secretary of State for Foreign
and Commonwealth AffairsCommission:

Mr Roy JENKINS

President

Mr François-Xavier ORTOLI

Vice-President

Mr Wilhelm HAFERKAMP

Vice-President

Mr Lorenzo NATALI

Vice-President

Mr Etienne DAVIGNON

Member

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ECONOMIC AND SOCIAL SITUATION

The Council took note of a progress report from the Presidency on the preparation of a common strategy to deal with the economic and social situation in the Community. It will be recalled that at its April 1978 meeting in Copenhagen the European Council agreed to elaborate this common strategy over the following three months with a view to finalizing it at its meeting in July.

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In this context the Council also took note of the report on the main problems under examination by the Council meeting other than as a Foreign Affairs Council.

COMMON COMMERCIAL POLICY -- FOOTWEAR SECTOR

Following an Irish request for the introduction of quantitative restrictions on imports into Ireland of certain categories of footwear, the Council encouraged the Commission to continue its talks with the main supplier countries and agreed to re-examine this request in the light of the outcome of the talks and to take any appropriate action.

As regards the German request for an end to the Community system of prior surveillance of footwear imports, the Council noted that the purpose of the prior automatic licences system was purely statistical, that its application should have neutral effect as regards patterns of trade and that the Commission would seek, within its sphere of competence, to curb any abuses in this connection. It also noted that the Commission would shortly put forward a system, in place of the present one, which would provide statistical data of the same quality but would not be based on a prior automatic licences system; the Council agreed to state its views on this new system at its meeting in July. It accordingly agreed to the retention of the present system of surveillance, pending its replacement by the new one.

Finally, the Council heard a statement by the German delegation on the Community's industrial structure policy. This statement was followed by a discussion in the course of which the various delegations gave their initial reactions and underscored in particular the links between this subject and the common strategy on the economic and social situation. The Council instructed the Permanent Representatives Committee to prepare, in the light of its discussion and the documents announced by the Commission, especially on the policy regarding aid granted by the Member States and regarding advanced technology industries, a general debate to be held at its meeting in June and which would form part of the preparation for the European Council in Bremen and the Western Summit in Bonn.

GENERAL CONSIDERATIONS ON THE PROBLEMS OF ENLARGEMENT

The Council heard a statement by the President of the Commission who introduced the recent communication containing the Commission's general considerations on the problems of enlargement. Following this statement the Council held an initial exchange of views on this communication, during which the different delegations gave their general reactions to the Commission's communication.

After confirming the political will which it had already expressed in favour of the accession of Greece, Portugal and Spain, the Council instructed the Permanent Representatives Committee to make a more detailed examination, with the Commission, of the Commission's communication so as to enable it to give further thought to the joint consideration of the problems of enlargement.

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The Council also took note of the Commission's intention of submitting its opinion on Portugal's application for accession before the end of May, and agreed to state its position on this issue at its meeting on 6 June.

IRON AND STEEL PROBLEMS

- External aspects

The Council heard a report by the Commissioner, Viscount DAVIGNON, on the negotiations with third countries which the Commission had conducted since the last Council meeting in the context of the anti-crisis arrangements decided on by the Council last December, and also on the current multilateral talks. This statement was followed by a short discussion during which the delegations expressed their comments.

- Internal aspects

The Council also noted a statement by Viscount DAVIGNON on the measures which the Commission had taken and would be taking in regard to the operation of the internal steel market and the schedule of work proposed by the Commission for restructuring the iron and steel industry. After he had given this information, several delegations expressed their views on the questions raised.

MARINE POLLUTION

Having received communications from the French, German and Danish delegations, and recently also from the Commission, containing proposals and suggestions for combatting marine pollution by hydrocarbons, the Council referred again to its determination to take all the necessary steps to cope with this threat.

It agreed to continue its examination of these problems at its meetings on 30 May (Environment), 12 June (Transport) and 27 June (Foreign Affairs); the Permanent Representatives Committee was instructed to continue with the relevant technical preparations.

HARMONIZATION OF COMPANY LAW

The Council held a discussion on the proposal for a 4th Directive on the harmonization of company law (annual accounts) in connection with which it dealt with four specific problems, namely

- the mandatory character of the layouts of the balance sheet and the profit and loss accounts
- the criteria for defining small and medium-sized companies
- valuation systems not based on historical costs
- the application of the Directive to "holding companies".

After noting that further consideration would be required to resolve the complex issues arising in this area, the Council agreed to instruct the Permanent Representatives Committee to examine all these matters in greater detail in the light of the day's discussion so that the Council could discuss them at a forthcoming meeting.

GATT MULTILATERAL TRADE NEGOTIATIONS

The Council took note of a progress report by the Vice-President, Mr HAFERKAMP, on the GATT multilateral trade negotiations and held a discussion on the subject during which members of the Council assessed what had been achieved in the various sectors of the negotiations and stated their views.

The Council agreed that it would discuss the matter further at its meeting on 6 June next, in preparation for the final stage of the negotiations.

MISCELLANEOUS DECISIONS

Relations with Cyprus

The Council decided to proceed with the signing of the supplementary Protocol to the Agreement establishing an Association between the European Economic Community and the Republic of Cyprus and the Protocol laying down certain provisions relating to trade in agricultural products between the European Economic Community and the Republic of Cyprus.

These two Protocols lay down the arrangements for trade in the agricultural sector between the two partners until the end of the first stage of the Association Agreement (31 December 1979) and certain supplementary but degressive measures for 1978 and 1979 in the same sector.

The signing of these two Protocols is currently scheduled to take place on 11 May 1978 in Brussels.

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The Council also adopted, in the official languages of the Communities, the regulations

- opening, allocating and providing for the administration of a Community tariff quota for liqueur wines falling within heading No ex 22.05 of the Common Customs Tariff, originating in Cyprus (1 May - 30 June 1978);
- opening, allocating and providing for the administration of Community tariff quotas for sherry falling within heading No ex 22.05 of the Common Customs Tariff, originating in Spain (1 May - 31 December 1978).

Trade Agreement with China

The Council adopted, in the official languages of the Communities, the Regulation concluding the Trade Agreement between the European Economic Community and the People's Republic of China signed in Brussels on 3 April 1978 (¹).

Emergency aid for Vietnam

The Council agreed on emergency aid of 100,000 EUA for Vietnam, to be charged to Article 950 of the Budget.

This aid, to be put into effect through the Food and Agriculture Organization, is for the purchase and transport of fungicides, insecticides and sprays to cope with the damage done to the rice fields by a large scale plague of insects.

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The Council adopted, in the official languages of the Communities, the Directive amending the Second Directive 75/319/EEC on the approximation of provisions laid down by law, regulation or administrative action relating to proprietary medicinal products.

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(¹) See Press Release No 432/78 (Presse 40) of 3 April 1978

The Council adopted, in the official languages of the Communities, the Regulation fixing for 1978 Community quantitative export quotas for certain types of copper ash and residues and for certain types of copper, aluminium and lead waste and scrap.

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PRESS RELEASE

516th meeting of the Council

- Agriculture -

Brussels, 8, 9, 10, 11 and 12 May 1978

President: Mr Paul DALSAGER,
Minister for Agriculture
of the Kingdom of Denmark

Luxembourg:

Mr Jean HAMILIUS

Minister for Agriculture and
Viticulture

Mr Albert BERCHEM

State Secretary,
Minister of Agriculture

Netherlands:

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

Minister for Agriculture and
Fisheries

United Kingdom:

Mr John SILKIN

Minister of Agriculture, Fisheries
and Food

Mr Gavin STRANG

Parliamentary Secretary of State,
Ministry of Agriculture, Fisheries
and Food

Commission:

Mr Finn Olav GUNDELACH

Vice-President

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1978/1979 AGRICULTURAL PRICES

The Council arrived at overall agreement on the following points at the close of its discussions on the Commission proposals on the fixing of agricultural prices and related measures for the 1978/1979 marketing year, especially agri-monetary measures, and measures for the development of the Mediterranean regions of the Community. The Italian delegation, however, entered a reservation and will announce its Government's position by 17 May at the latest.

Agri-monetary measures

The Council decided

to fix as its objective steady progress towards the abolition of existing monetary compensatory amounts in the light of a satisfactory price policy and the development of a more stable relationship between the currencies of the Member States of the Community.

The representative rates are changed as follows:

| | | |
|--|---------|------------------|
| + 0.3% for Germany | 1 | DM = 0.293912 UA |
| - 3.6% for France for the marketing year 1978/1979 | 1 | FF = 0.160639 UA |
| - 3.6% for France for the marketing year 1979/1980 | 1 | FF = 0.154856 UA |
| - 6% for Ireland | 1 £ IRL | = 1.27079 UA |
| - 5% for Italy | 100 LIT | = 0.0866551 UA. |

These representative rates will apply in principle either from the beginning of each marketing year, or from the time the Regulation enters into force. However, some exceptions are being made for certain products and certain currencies; as regards pigmeat in particular, the representative rate of 1 French franc = 0.154856 units of account will apply from 17 May 1978. This Regulation is being adopted in the official languages of the Communities as the Italian reservation does not apply to it.

CEREALS

The reference price for bread-making wheat for the marketing year 1978/1979 relates to wheat of minimum bread-making quality (established by the existing machinability text and by the further criterion of the Hagberg falling number of 160). The reference price for the marketing year 1978/1979 is set at 136.96 UA per tonne.

The Council took note of the Commission's intention to apply special intervention measures for bread-making wheat for at least three months from 1 August 1978; these will take the form of the purchase at the reference price of any common wheat offered to the intervention agencies which meets the minimum requirements for bread-making.

The target price for durum wheat is set at 224.27 UA per tonne and the intervention price at 203.01 UA per tonne. The aid is set at 63 UA per hectare and applies to the Mezzogiorno, the regions of Lazio, Toscana and Marche, to the mountain and less favoured areas of Italy, the French regions of Marseille and Toulouse and the "départements" of Ardèche and Drôme.

The target price for rye is set at 155.12 UA per tonne and the intervention price at 130.25 UA per tonne. The premium for bread-making rye is set at 4.50 UA per tonne.

The Council agreed to decide, on the basis of a Commission proposal, to maintain the abatement of the levy on feed grains imported by sea into Italy at 3 UA per tonne for the marketing year 1978/1979.

The Council noted the Commission's intention to accelerate its study of "cereal substitutes", including manioc, with a view to an early decision on any necessary measures, if appropriate.

RICE

The intervention price is increased by 2% to 174.98 UA per tonne.

The target price is set at 301.26 UA per tonne.

STARCH PRODUCTS

Production refunds for maize groats and meal and broken rice used for brewing and for quellmehl used in baking are reintroduced with effect from 19 October 1977 at the request of the interested party until the end of the marketing year 1978/1979. The same time limit is applicable to the production refund for any starch products used for brewing beer.

The Council agreed to take a decision on all the measures concerning starch products before 1 January 1979.

SUGAR

The Council decided to increase common prices in the sugar sector by 2% by fixing

- the minimum price for beet at 25.94 UA/tonne
- the intervention price for white sugar at 33.49 UA/100 kg
- the target price for white sugar at 35.25 UA/100 kg.

The other prices will be adjusted accordingly.

The maximum quota for the 1978/1979 marketing year is fixed at 127.5% of the basic quota.

The special maximum quota (SMQ) is fixed at 227.5% of the basic quota for the 1978/1979 and 1979/1980 marketing years.

National aid in Italy will amount to 11 UA per tonne of beet. The quantity of beet to which this amount will apply may not exceed the quantity required to produce 1.4 million tonnes of white sugar.

Quality premium

The Council took note of the Commission's intention to maintain for the 1978/1979 marketing year a quality premium of 0.60 UA per 100 kg of raw sugar expressed as white sugar, including sugar from the FOD, on the same conditions as in the 1977/1978 marketing year.

Isoglucose

The Council agreed on the amendment to Regulation (EEC) No 1111/77 laying down common provisions for isoglucose in order to maintain the production levy at 5 UA/100 kg until the end of the 1979/1980 marketing year.

Guaranteed prices for preferential sugar

The Council will shortly adopt the Commission brief for the annual negotiation of the guaranteed prices for deliveries of sugar to be made during the 1978/1979 marketing year from the ACP countries in accordance with Protocol No 3 to the Lomé Convention. Preferential sugar from India is also affected by this decision.

MILK AND MILK PRODUCTS

Prices

The Council agreed to the following prices:

| | |
|---|----------------------|
| Target price for milk: | 17.70 UA per 100 kg |
| Intervention prices: | |
| - butter | 235.72 UA per 100 kg |
| - skimmed milk powder | 95.78 UA per 100 kg |
| - Italian cheeses (in the light of the higher manufacturing margins) | |
| - Grana Padano (30-60 days) | 231.13 UA per 100 kg |
| - Grana Padano (6 months) | 280.48 UA per 100 kg |
| - Parmigiano Reggiano (6 months) | 306.03 UA per 100 kg |

The threshold prices for milk products will be adjusted accordingly.

The Council also agreed that, after receiving the Opinion of the European Parliament, it would introduce aid for private storage of Provolone cheese at least three months old.

Skimmed milk powder

The Council, recognizing the problems which continued to prevent the return to a balanced market for milk and milk products,

- decided to review the problems in the milk sector before 1 October 1978
- asked the Commission to submit a full report on these problems by 1 August 1978, accompanied by proposals for Regulations, if appropriate. When considering this report and any other proposals, the Council would take a decision on the Commission proposal for the suspension of intervention for skimmed milk powder and on the level of the co-responsibility levy to apply from 1 October 1978.

Meanwhile, the Council decided to fix the co-responsibility levy for the 1978/1979 marketing year at 0.5% to apply retrospectively with effect from 1 May 1978.

Non-marketing and beef conversion premiums

The Council agreed to the following adjustments:

- the upper limit of 120,000 kg of milk to be abolished;
- the aid for amounts in excess of 120,000 kg to be set at 11 UA/100 kg for both premiums;
- the conversion premium to be fixed at 17.5 UA/100 kg for amounts of less than 120,000 kg.

These premiums will be applicable with effect from the beginning of the marketing year 1978/1979 and the increases will apply to payments made thereafter under the non-marketing/beef conversion premium scheme already in force.

Between now and 1 February 1979 the Commission will draw up a report on the results of premium allocation and may propose a further extension if premiums have not been granted for more than 1.3 million head of cattle, this being the Commission's original estimate, by that date. At the same time, the Council will review the amount of aid.

Premiums will be financed solely from EAGGF resources and the proceeds of the co-responsibility levy will not be used for the purpose.

School milk

The Council agreed to aid at the rate of 13 UA/100 kg for school milk but left the method of financing (EAGGF/co-responsibility levy) to be decided on by Management Committee procedure.

It also agreed to include buttermilk, unprocessed cheese and skimmed milk in the list of products eligible for Community financing.

Butter consumption aid

The Council

- decided to abolish the limit of 56 UA/100 kg on aid for the consumption of butter in Member States with effect from 1 January 1978;
- decided that Community financing of aid for butter consumption in the United Kingdom for the period from 22 May to 30 June 1978 would be 100% for the proportion of aid not exceeding 28 UA/100 kg and 25% for the proportion of aid in excess of this amount, that for the period from 1 July to 31 December 1978 it would be 100% for the proportion of aid not exceeding 23 UA/100 kg and 25% for the proportion of aid in excess of this amount, and that for the period from 1 January to 31 March 1979 it would be 100% for the proportion of aid not exceeding 18 UA/100 kg and 25% for the proportion of aid in excess of this amount;
- agreed that the scheme for reduced price butter sales to special categories of consumers (social butter) should be re-introduced, aid being fixed at 50 UA/100 kg. It asked the Commission to submit a proposal to it to this effect;

- approved the Commission's proposal for making available an additional 50 MUA to finance further measures to encourage butter consumption within the Community in the marketing year 1978/1979.

It therefore took note of the Commission's intention to grant aid for second-quality butter from intervention stocks at the rate of 24 UA/100 kg for the 1978/1979 marketing year, and to give the Member States the alternative of disposing of butter from intervention stocks and stocks receiving aid for private storage at a rate of 75 UA/100 kg during the 1978/1979 marketing year subject to the fixing of a quantitative limit.

Investment aid

The Council also agreed to continue examination of the Commission proposal to suspend aid for investment in the milk production sector.

Milk Marketing Boards

The Council decided that, after consulting the European Parliament it would adopt the Commission proposals for authorizing the United Kingdom to keep the Milk Marketing Boards in being under a general body of rules, provided that certain conditions designed to prevent distortion of competition were fulfilled.

Harmonization of standards for milk

The Council agreed to take a decision in the near future on the harmonization of quality and health standards in order to ensure free trade in fresh milk intended for consumption.

Intervention stocks of skimmed milk powder

The Council agreed to decide to transfer 100,000 tonnes of skimmed milk powder from intervention stocks elsewhere in the Community to Italy. This would be used in animal feed.

BEEF AND VEAL

The Council agreed on the following prices, which represent an increase of 2.5%:

| | |
|---|-----------------------|
| Guide price for adult bovines (live weight): | 1,259.70 UA per tonne |
| Intervention price for adult bovines (live weight): | 1,133.70 UA per tonne |

These prices reflect the maintenance, by way of derogation from the basic Regulation, of the 90% ratio between the intervention prices and the guide price adopted for the previous three marketing years.

The Council also agreed to a relaxation of the conditions governing admission to intervention, or even to the total suspension of intervention purchases, in a Member State or region of that Member State when the market price for a specific quality or qualities rose above the maximum purchase price.

The Council noted a Commission statement that, in view of the low average price level in Ireland, the Commission did not plan to suspend intervention for certain categories of beef and veal in Ireland as long as the average price level in that Member State remained below 85% of the guide price.

The system of premiums for the birth of calves and the conditions for the application thereof laid down in Regulation No 620/76 were extended to the 1978/1979 marketing year. The premium was fixed at 35 UA per calf.

The Council also agreed to continue during the 1978/1979 marketing year with existing arrangements for the variable premium for the slaughter of certain adult bovine animals.

PIGMEAT

The Council decided to fix the basic price at 1,226.04 UA/tonne, representing an increase of 2%.

The Council

- agreed, on a proposal from the Commission, and after obtaining the Opinion of the European Parliament, to reduce the minimum buying-in price for pig carcasses from 85% to 78%;
- noted the Commission's intention of duly calculating the monetary compensatory amounts in the pigmeat sector on the basis of 78% of the basic price.

MUTTON AND LAMB

The Council agreed on the need to set up an organization of the market in mutton and lamb. It intends to speed up the examination of the Commission proposal and to study the appropriate policy to be pursued at an early date.

WINE

The Council agreed on the following guide prices for the various types of table wine for the period 16 December 1978 to 15 December 1979:

| Type of wine | 1978/1979 |
|----------------|-----------|
| R I (UA/°/hl) | 2.07 |
| R II (UA/°/hl) | 2.07 |
| R III (UA/hl) | 32.28 |
| A I (UA/°/hl) | 1.94 |
| A II (UA/hl) | 43.02 |
| A III (UA/hl) | 49.12 |

The Council

- agreed that there was a clear link between the improvement of structures in the wine sector and the need for a more efficient market régime;
- agreed on the need to **strengthen market procedures in the event of surplus production** by, inter alia, the balanced implementation of compulsory distillation, taking into account the volume of alcohol thus produced.

- decided that, if the representative market price for a type of table wine remained below 85% of the guide price for three consecutive weeks, the Council and the Commission would adopt the measures necessary to ensure that the market price was quickly established at the level corresponding to, or greater than, the trigger price; to this end, it would take all necessary action to free the market: refunds in respect of exports to third countries, aid for processing and storing musts and grape juice and, if appropriate, a floor price coupled with distillation (wines benefiting from this last operation must comply with quality criteria at least comparable to those adopted for admission under long-term storage contracts). If such distillation was decided on the Council would fix the share of expenditure devolving on intervention agencies which would be financed by the EAGGF;

- noted that the Commission proposals in R/402/70 were withdrawn, except Article 6 of the proposal amending Regulation (EEC) No 816/70;

- asked the Commission to reconsider the problems of market arrangements and to submit further proposals for structural measures not later than 1 August 1978;

- noted the Commission's intention of considering appropriate ways of increasing outlets for wine inside and outside the Community.

FRUIT AND VEGETABLES

(a) Prices for fresh fruit and vegetables

The Council agree to a 2% increase in the intervention prices for cauliflowers, tomatoes, peaches, lemons, pears, table grapes, apples (except cider apples), mandarins and sweet oranges for the 1978/1979 marketing year, and to the amounts of the marketing premiums for oranges, mandarins, clementines and lemons, a product for which this premium was introduced permanently.

The Council agreed, after obtaining the Opinion of the European Parliament, to adopt the Commission proposal establishing on a permanent basis the system of premiums for the processing of lemons into juices and for the sale to the processing industry of blood oranges withdrawn from the market.

(b) Producer groups

Additional measures to encourage the formation of producer groups in this sector will be applicable for a period of seven years. The application of these measures will essentially involve aid which will decrease in relation to the value of the marketed production covered by the producer group measure in question.

(c) Special measures

The Council agreed to strengthen the existing measures in respect of peaches and pears in order to avoid disruption of the market. It therefore agreed to modify the system of specific criteria enabling the Commission to declare a serious crisis situation on the market and to invoke safeguard measures and the Member States with an important production interest to proceed with the compulsory buying-in of the products concerned.

These arrangements will apply to peaches throughout the marketing year and to summer pears from 1 July to 31 August.

(d) Processed fruit and vegetables

The Council agreed to the grant of a processing aid for peeled tomatoes, tomato concentrates, tomato juices, peaches and prunes.

The amount of this aid will be fixed in such a way as to cover the difference between the levels of the prices of the preserves produced in the Community and of those manufactured in third countries, and will be paid to the processor provided that he pays a minimum price to be determined to the producer of the raw materials.

The Council will review before 1 October 1982 the operation of this system on the basis of a report drawn up by the Commission and will decide on the future policy to be pursued as regards the aid and protection to be accorded these products.

PEAS, BROAD BEANS AND FIELD BEANS

The Council agreed on the Regulation laying down special measures for peas, broad beans and field beans used in the feeding of animals.

These measures include the annual fixing of a threshold activating price for aid for a standard quality of peas, excluding chick peas (subheading 07.05 B I of the CCT) and for broad beans and field beans (subheading 07.05 B III).

When the average world market price for soya cake is lower than the activating price, aid is granted for peas, broad beans and field beans harvested in the Community and used in the manufacture of animal feedingstuffs. This aid is equal to 45% of the difference between these two prices.

The minimum price contained in contracts between manufacturers and producers is fixed at a level which, taking into account market fluctuations and the transport costs for the products in question from the production areas to the processing areas, enables producers to obtain a fair return. This price is fixed at the same time and under the same procedure as the activating price.

For the 1978/1979 marketing year, the Council agreed to:

- a guaranteed minimum price of 17.5 UA/100 kg for peas, broad beans and field beans;
- a threshold activating price of 28.5 UA/100 kg. This price refers to soya cake with a protein content of 44% and a moisture content of 11%.

In this connection, the Council noted the Commission's intention of:

- monitoring the effects of this Regulation on the sector of peas for human consumption and, if it finds that competition is distorted considering what measures might be taken to correct this and if need be, making appropriate proposals to the Council;
- considering whether provision should be made in this sector for monetary measures and for the possibility of setting the amount of aid in advance and, if need be, of submitting to the Council by 31 December 1978, on the basis of experience, appropriate proposals for the 1979/1980 marketing year.

DRIED FODDER

The Council adopted the Regulation on the common organization of the market in dried fodder. This new Regulation in part supersedes Regulation No 1067/74 concerning dehydrated fodder, and applies to the following products:

- Lucerne, sainfoin, clover, lupines, vetches and similar fodder products, artificially heat-dried, except hay and fodder kale and products containing hay; lucerne, sainfoin, clover, lupines and vetches otherwise dried and ground; (ex 12.10 B); protein concentrates obtained from lucerne juice and from grass juice (ex 23.07 C);
- Dehydrated potatoes (ex 07.04 B) and flour, meal and flakes of potato, unfit for human consumption (ex 11.05) are also covered by this Regulation for the 1978/1979 marketing year.

The main features of this market organization are:

- lump-sum aid, uniform in amount throughout the Community, fixed before 1 August for the marketing year beginning the following year with the aim of improving the supply of protein products to the Community;
- a norm price for artificially heat-dried fodder fixed at the same time at a level that is fair to producers;
- additional aid granted for products produced from fodder plants harvested in the Community when the norm price for a marketing year is higher than the average world market price for artificially heat-dried fodder, determined on the basis of the most favourable purchasing conditions on the world market and corrected if necessary for the standard quality.

This additional aid is equal to a percentage to be determined of the difference between these two prices. The percentage will be fixed by the Council at the same time as the norm price and using the same procedure. The amount of the additional aid will be fixed by the Commission periodically.

In this context, the Council recorded its agreement on the following prices:

- | | |
|---|---|
| - norm price | 103 UA/t |
| - amount of the lump-sum aid | 5 UA/t |
| - percentage to be used to calculate the additional aid | 70% for heat-dried products; 40% for sun-dried products |
| - lump-sum aid for dehydrated potatoes | 9.55 UA/t |

Potatoes

The Council agreed to take an early decision on the introduction of a new market organization for potatoes, which would also include measures for new potatoes.

OLIVE OIL

The Council agreed on the new arrangements for olive oil comprising the following main features:

- application of twofold aid arrangements (production and consumer aid);
- maintenance of the system of production target prices, intervention prices and fixing of a threshold price in order to guarantee Community preference;
- application of a system of import levies either of the conventional type or under a tendering procedure;
- imposition of administrative sanctions for failure to comply with the provisions;
- recognition of producers' groups and their participation in market management.

With a view to its being applied as from 1 November 1978, the Council agreed on a 2% increase in prices in this sector, fixing them as follows:

| | |
|---------------------------|------------------|
| - production target price | 191.54 UA/100 kg |
| - production aid | 43.11 " " " |
| - intervention price | 141.14 " " " |

The number of monthly increases is fixed at 7.

The Commission will submit to the Council, by 31 October 1980, a report on the application of the new arrangements for the common organization of the market in olive oil.

The Council also agreed to apply the criteria for the fixing of production aid in such a way that the aid in question would cover the major part of the difference between the production target price and the representative market price and it agreed to ensure that the production aid granted up to 1981/1982 was not less, in terms of Italian lire, than that adopted for the 1978/1979 marketing year, should the market situation remain unchanged over the next three marketing years.

OIL SEEDS

Colza, rape and sunflower

The Council agreed on the following prices:

Colza and rape

| | | |
|----------------------------|-------|-----------------|
| - Target price | 29.67 | UA/100 kg (+4%) |
| - Basic intervention price | 28.82 | UA/100 kg (+4%) |
| - Monthly increases | 0.310 | UA/100 kg (2%) |

Sunflower

| | | |
|----------------------------|-------|-----------------|
| - Target price | 32.32 | UA/100 kg (+5%) |
| - Basic intervention price | 31.38 | UA/100 kg (+5%) |
| - Monthly increases | 0.362 | UA/100 kg (+2%) |

On this occasion, the Commission stated that:

- colza oil can be considered for the food aid programme, subject to the needs of the recipient countries and to the requirements of the Community's development policy;
- recent developments in research into varieties of colza seed with a low erucic acid and glucosinolate content and a high protein content were being studied;
- it intended to examine the possibility of laying down in due course rules for the application of Article 3(6) of Regulation No 136/66/EEC to oil-cake;
- it intended to study the possibility of granting aid for the degermination of maize, excluding degermination within the framework of the starch industry and to make proposals to the Council, if possible before 1 July 1978.

SOYA BEANS AND CASTOR SEED

The Council recorded its agreement on the following prices:

Castor seed:

- guide price 42 UA/100 kg
- minimum price 40 UA/100 kg

Soya beans:

- guide price 32.17 UA/100 kg

The Commission said that during the 1978/1979 marketing year it would make a survey of the effects of application of the current system of semi-flat-rate aid on soya production in the Community; if in the light of this survey changes in the aid system proved necessary, the Commission would take account of the fact when drawing up its proposals for the 1979/1980 marketing year.

COTTON

The Council recorded its agreement on annual aid of 108.70 UA/ha for cotton seed.

LINSEED

The Council recorded its agreement on a guide price of 32.43 UA/100 kg for linseed.

SILKWORMS

The Council recorded its agreement on annual aid of 55 UA per box of seed used.

TEXTILE FLAX AND HEMP

The Council agreed on aid amounting to 202.55 UA/ha for textile flax and 183.96 UA/ha for hemp.

On this occasion it took note of the statements by the Commission, which undertook to carry out a detailed study of the advisability of measures to encourage Community flax production and to promote the use of Community-produced textile flax by the textile industry, and would examine in the light of the experience gained the effects of the present aid systems on production of textile flax and the questions arising as a result of the combination of aids in the linseed sector.

SEEDS

The Council recorded its agreement on the following prices:

| Common Customs Tariff Heading No | Description of goods | Amount of aid UA/100 kg |
|----------------------------------|--|-------------------------|
| ex 12.01 A | Linum usitatissimum L. partim (textile flax) | 14.5 |
| | Linum usitatissimum L. partim (linseed) | 11.5 |
| | Cannabis sativa (L. monoica) | 10.5 |
| | 1. GRAMINEAE | |
| ex 12.03 C | Arrhenatherum elatius (L) J. and C. Presl. | 33 |
| | Dactylis glomerata L. | 28 |
| | Festuca arundinacea Schreb. | 29 |
| | Festuca ovina L. | 21 |
| | Festuca pratensis Huds. | 22 |
| | Festuca rubra L. | 19 |
| | Lolium multiflorum Lam. | 11 |
| | Lolium perenne L. | |
| | - of high persistence, late or medium late | 18 |
| | - new varieties and others | 14 |
| | - of low persistence, medium late, medium early or early | 10 |
| | Lolium x Hybridum Hausskn. | 11 |
| | Phleum pratense L. | 38 |
| | Poa nemoralis L. | 20 |
| | Poa pratensis L. | 20 |
| | Poa trivialis L. | 20 |
| | 2. LEGUMINOSAE | |
| ex 07.05 A I | Pisum arvense L. | 4 |
| ex 07.05 A III | Vicia faba L. ssp. faba var. equina Pers. | 5 |
| | Vicia faba L. var. minor (Peterm.) bull | 5 |
| ex 12.03 C | Medicago sativa L. (ecotypes) | 10 |
| | Medicago sativa L. (varieties) | 18 |
| | Trifolium pratense L. | 26 |
| | Trifolium repens L. | 28 |
| | Trifolium repens L. var. giganteum | 28 |
| | Vicia sativa L. | 16 |

TOBACCO

The Council recorded its agreement on the following norm prices, intervention prices and premiums:

| Serial No | V a r i e t i e s | Norm Price | Inter-vention Price | Premium |
|-----------|-------------------------|------------|---------------------|---------|
| 1 | Badischer Geudertheimer | 2.362 | 2.126 | 1.617 |
| 2 | Badischer Burley | 2.823 | 2.541 | 1.658 |
| 3 | Virgin D | 2.741 | 2.467 | 1.631 |
| 4 | Paraguay | 2.101 | 1.891 | 1.315 |
| 5 | Nijkerk | 2.047 | 1.842 | 1.270 |
| 6 | Burley (B + B) | 2.251 | 2.026 | 1.098 |
| 7 | Misionero | 1.899 | 1.709 | 1.315 |
| 8 | Philippin | 1.662 | 1.496 | 0.961 |
| 9 | Semois | 1.992 | 1.793 | 1.141 |
| 10 | Bright | 2.302 | 2.072 | 1.327 |
| 11 a | Burley I | 1.684 | 1.516 | 0.828 |
| 11 b | Maryland | 1.974 | 1.777 | 1.039 |
| 12 | Kentucky | 1.754 | 1.579 | 0.813 |
| 13 | Nostrano | 1.676 | 1.508 | 1.232 |
| 14 | Beneventano | 1.295 | 1.036 | 0.904 |
| 15 | Xanti Yaka | 2.434 | 2.191 | 1.494 |
| 16 | Perustiza | 2.305 | 2.075 | 1.419 |
| 17 | Erzegovina | 2.070 | 1.863 | 1.254 |
| 18 | Round Tip | 10.856 | 9.770 | 5.500 |
| 19 | Brasile | 1.147 | 1.032 | 0.400 |

STRUCTURAL POLICY MEASURES

Processing and marketing of agricultural products

The Council approved certain amendments to the rules for the implementation in the Italian Mezzogiorno and the South of France of Regulation No 355/77 on the improvement of the conditions under which agricultural products are processed and marketed.

The aim of the Regulation is to give particular **impetus** to the achievement of the aims of the Regulation, essential for these regions, by granting higher aids and a higher EAGGF participation level, since the normal conditions laid down in the light of the situation throughout the Community do not enable the serious obstacles to any economic initiative in these regions to be adequately overcome.

The Regulation provides that in the case of projects carried out in the Mezzogiorno the financial contribution of the beneficiary must be at least 25% and EAGGF aid must not exceed 50%. In the case of projects carried out in Languedoc-Roussillon the financial contribution of the beneficiary must be at least 35% with the aid granted by the EAGGF not exceeding 35%.

In the case of wine projects in the Vaucluse, Bouches-du-Rhône, Var, Ardèche and Drôme departments they shall be dealt with in the same way as projects in Languedoc-Roussillon.

The estimated cost of the common measure of Regulation No 355/77 to be borne by the EAGGF shall be adjusted accordingly; it will thus be 610 MUA, i.e. 122 MUA per annum, which represents an increase of 210 MUA over the amount initially provided for in Regulation No 355/77.

Furthermore, in connection with the implementation of Regulation No 355/77, the Commission stated that it would pay special attention to the programmes and projects submitted by the Benelux **countries** to meet the particular needs which have arisen there.

Conversion of vineyards in the Languedoc-Roussillon region

The Council recorded its agreement to the Directive on the programme to accelerate the restructuring and conversion of vineyards in the Languedoc-Roussillon region and in the Ardèche, Bouches-du-Rhône, Vaucluse and Var Departments.

The aim of the Directive is to increase agricultural incomes in the Languedoc-Roussillon region and certain other neighbouring departments with similar characteristics through the collective improvement of the basic structures of the areas under vine and the vine-growing areas to be converted, thus contributing to the modernization of farms. This action is intended to encourage better quality in the areas under vines remaining and to convert areas which are not clearly suited to vine-growing to other crops; the Directive lays down the technical criteria for such action.

To this end, financial aid with the participation of the Guidance Section of the EAGGF is envisaged. Restructuring will involve aid of 2,600 UA per hectare, 35% of which will be borne by the EAGGF, and affect 66,000 hectares, 44,000 of which are in Languedoc-Roussillon. The conversion project involves 33,000 hectares, of which 22,000 are in Languedoc-Roussillon. The EAGGF will reimburse 35% of the necessary cost of collective irrigation works.

Provision is also made for payment of a gradually decreasing conversion premium, for which EAGGF participation may attain 50%. For both these operations the amount of expenditure eligible for aid may not exceed 2,000 UA per irrigated hectare.

The total estimated cost of the common measure to be borne by the EAGGF amounts to 105 MUA over the 5-year period.

Irrigation in the Mezzogiorno

The Council recorded its agreement to the Regulation on the programme for the acceleration and qualitative guidance of collective irrigation works in the Mezzogiorno.

The aim of the Regulation is to increase agricultural incomes in the Mezzogiorno and improve basic agricultural structures, thus contributing to the modernization of farms through a framework programme and special programmes for collective irrigation works using reservoirs and main channels and introducing development plans in the irrigated areas, while re-orientating production to market requirements.

EAGGF assistance shall consist of a capital contribution of 50% of the cost of carrying out the public hydraulic works within an area not exceeding 200,000 irrigable hectares and of costs per irrigated hectare not exceeding 3,000 UA.

The EAGGF will also make a 50% contribution to the payment of the advisory officers responsible for advising farmers on the transition from dry cultivation to irrigated cultivation not exceeding 12,000 UA per officer.

The estimated cost of the action to the EAGGF is 260 MUA over 5 years.

Infrastructure in certain rural areas

The Council approved the Regulation on a common measure to improve public facilities in certain rural areas, intended to promote electrification and the provision of drinking water and the setting up of a farm road network through Community aid.

Such aid can be given to regions within the meaning of the Directive on mountain and hill farming and to other less-favoured areas in Italy, particularly the Mezzogiorno, and in the South of France.

The level of Community participation will be the same as that decided for the infrastructure measures financed under the Regulation on the European Regional Fund.

Agricultural Advisory Service and Afforestation

The Council took note of the Commission proposal on the afforestation of dry Mediterranean areas with estimated costs for the Community of 230 million EUA over 5 years and of the Commission's intention to submit a proposal on the establishment of Agricultural Advisory Services in Italy with estimated costs for the Community of 79 million EUA over 13 years. The Council agreed to take a decision on these proposals as part of the Mediterranean package before 30 September 1978.

PRODUCER GROUPS AND ASSOCIATIONS THEREOF

The Council approved the Regulation concerning producer groups and associations thereof which is aimed at remedying structural deficiencies as regards the supply and placing on the market of agricultural products in certain regions. To this end, the purpose of the Regulation is to encourage the formation of producer groups and associations thereof by granting aid towards formation and operation expenses.

The Regulation applies to the whole of Italy, the French regions of Languedoc-Roussillon, Provence-Côte d'Azur, Midi-Pyrénées, Corsica, Drôme and Ardèche and the FOD, and the whole of Belgium. However, as regards the various products covered by the Regulation - i.e. all agricultural products and certain processed agricultural products - there is some differentiation between the various regions concerned. Thus, for Italy, the Regulation applies to all the products listed which are produced in that country; in the case of the various French regions, specific provision is made for certain Mediterranean products, particularly in the South of France, and covers tropical fruit and beef and veal in the case of the FOD; cereals, bovine animals, piglets and lucerne are covered in the case of Belgium.

The Regulation lays down detailed rules for the formation, recognition and operation of producer groups and associations thereof.

The amount of aid granted to producer groups will be 3% for the first year, 2% for the second year and 1% for the third year of the value of the products placed on the market. It may not exceed 60, 40 and 20% of the actual formation and operation expenses and may not exceed a total of 50,000 UA. However, larger amounts may be fixed temporarily by the Council for certain regions and products

where there are particular difficulties in adjusting to the economic conditions and consequences of the common agricultural policy.

The EAGGF Guidance Section will refund 25% of the eligible expenditure to the Member States. However, the Council may decide on Community participation of more than 25% and up to 50% in the chargeable expenditure incurred by the Member States where two-thirds of the members of the group or association are located in regions experiencing particular difficulties in adjusting to the common agricultural policy.

The estimated total cost to be borne by the EAGGF Guidance Section is 24 MUA for five years.

It should be noted that provision is made for special measures to encourage the creation of producer groups in the fruit and vegetables sector (see under that sector).

DRAINAGE IN WESTERN IRELAND AND NORTHERN IRELAND

The Council approved the Directive concerning a drainage programme in disadvantaged areas in the West of Ireland. The aim of this Directive is to use Community aid to accelerate drainage work designed to improve agricultural productivity in these areas, thereby increasing farm incomes.

The EAGGF, Guidance Section, will meet 50% of eligible expenditure. The estimated total cost is 26 MUA over a period of 5 years.

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The Council took note of the Commission's intention of submitting a proposal on common measures consisting of a joint programme for the arterial drainage of cross-border catchment areas between Ireland and Northern Ireland, comprising conditions of financing equivalent in the main to those decided on for arterial drainage in the programme for drainage in the West of Ireland, and foreseeing the participation of the Guidance Section of the EAGGF in the financing of this programme up to an amount not exceeding 8 million UA over a period of five years.

FURTHER STRUCTURAL MEASURES IN IRELAND

The Council took note of the Commission's intention of submitting other proposals, at the earliest opportunity for common measures to improve the structural situation of agriculture in regions in the West of Ireland.

FLOOD PREVENTION IN HERAULT

The Council noted the Commission's intention to propose common measures involving flood prevention measures in Bas-Hérault, with the participation of the Guidance Section of the EAGGF in the financing of these measures up to an amount not exceeding 10 million UA over a period of five years, and agreed to decide on this proposal at an early date.

IRRIGATION IN CORSICA

The Council noted the Commission's intention to propose common measures consisting of a programme for the acceleration of irrigation work in Corsica, comprising conditions of financing equivalent in the main to those decided on for the programme for the acceleration of irrigation work in the Mezzogiorno, considering that this programme would be restricted to an area of 15,000 hectares and that the participation of the Guidance Section of the EAGGF in the financing of this programme would not exceed 15 million UA over a period of five years. It agreed to decide on this proposal at an early date.

REVISION OF THE SOCIO-STRUCTURAL DIRECTIVES

The Council agreed on the need to take a decision at the earliest opportunity on the Commission proposals concerning the revision of the socio-structural Directives, in order to achieve greater flexibility and effectiveness in the light of the **experience** gained.

FINANCIAL QUESTIONS

The Council noted that the cost of the price changes and market organization measures resulting from its decisions and chargeable to the EAGGF, Guarantee Section, would amount to 209 MEUA for the financial year 1978.

The Commission would in due course submit to the Budget Authority the necessary adaptations to the 1978 budget, taking account at the same time of developments in the short-term economic situation.

As the total estimated cost of the structural measures adopted at the same time as the 1978/1979 price decisions amounted to 910 MEUA over a five-year period, the Council acknowledged the need to make available to the EAGGF Guidance Section additional finance over and above the annual amount of 325 MEUA provided for in Article 6(5) of Regulation No 729/70. Taking into account the availability of the reserve in Chapter 88 of the EEC Budget, this additional finance would be required from 1980 onwards.

The Council therefore invited the Commission to submit a proposal as soon as possible for increasing the annual appropriation for the Guidance Section of the EAGGF.

CONTINUATION OF THE FINANCING OF CERTAIN INDIVIDUAL PROJECTS

The Council invited the Commission to take the necessary steps to enable measures in the field of production structures to be financed in 1978 and 1979 under Regulation (EEC) No 17/64 or under complementary provisions yet to be proposed, and in the case of the former to accept the submission of individual projects by Member States until 1 October 1978. By way of derogation from Article 6 of Regulation No 729/70, financing will have to be effected by recourse to the reserves entered in Chapter 88 of the Budget (MANS HOLD reserve); the amount to be used for such purposes may not exceed 70 MEUA.

Special measures for Belgium, Luxembourg and the Netherlands

In the context of and complementary to the arrangements under Regulation No 355/77 in favour of the Benelux countries, the Council noted the Commission's intention to propose certain complements to its existing provisions in order to be in a better position to take account of the particular needs of Belgian, Luxembourg and Netherlands agriculture and, when taking the decision to grant EAGGF assistance to these projects, to take particular account of the importance of the problems encountered by agriculture in these Member States.

Other agricultural questions

The Council adopted, in the official languages of the Communities,

- a Regulation on statistical surveys of areas under vines;
- a Decision on the financing of the surveys to be carried out by the Member States on bovine livestock.

MISCELLANEOUS DECISIONS

The Council adopted, in the official languages of the Communities, Regulations

- on the opening, allocation and administration of a Community tariff quota for certain eels falling within subheading ex 03.01 A II of the Common Customs Tariff (1 July 1978 - 30 June 1979);
 - temporarily suspending the autonomous Common Customs Tariff duties on certain agricultural products.
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PRESS RELEASE

517th meeting of the Council

- Economic Affairs/Finance -

Brussels, 22 May 1978

President: Mr Knud HEINESEN,

Minister for Finance
of the Kingdom of Denmark

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

Belgium:

Mr Gaston GEENS Minister of Finance

Denmark:

Mr Knud HEINESEN Minister of Finance
Mr Kurt HANSEN State Secretary,
Ministry of Economic Affairs

Germany:

Mr Otto SCHLECHT State Secretary,
Federal Ministry of Economics

France:

Mr René MONORY Minister for Economic Affairs
and Finance

Ireland:

Mr Tom FITZPATRICK Minister of State,
Ministry of Post and Telegraphs

Italy:

Mr Filippo PANDOLFI Minister of the Treasury

COMMON STRATEGY ON THE ECONOMIC AND SOCIAL SITUATION

The Council had an exchange of views on the development of a common economic policy strategy for the Community in the light of the conclusions of the European Council meeting in Copenhagen in April and with a view to the European Council to be held in Bremen in July.

Ministers noted that economic prospects on present policies in the Community as a whole are less dynamic than would be necessary to improve the employment situation. While the constraints limiting economic policy measures are in all countries severe, it was agreed that these constraints would be eased by a common strategy. The value of concerted action is that it increases substantially the final multiplier effects of individual measures and substantially alleviates the balance of payments and public finance constraints. The Council instructed its appropriate bodies to continue their work in order that the next meeting of Finance Ministers in June may arrive at policy recommendations to be submitted to the European Council.

LOANS FOR THE PURPOSE OF PROMOTING INVESTMENT WITHIN THE
COMMUNITY

Further to the decision of principle taken by the European Council on 5 and 6 December 1977 on the creation, on an experimental basis, of a new loan instrument with a view to promoting investment within the Community, the Council examined the proposal for a Decision empowering the Commission to issue such loans and evolved a common position on this matter.

This common position will be forwarded to the European Parliament in accordance with the provisions on the conciliation procedure in order to enable the latter to state whether it requests application of that procedure to this text.

ADJUSTMENT OF THE MACHINERY FOR COMMUNITY LOANS

After taking note of a report from the Monetary Committee on the adjustment of the machinery for Community loans which was set up by decision of the Council on 17 February 1975, the Council agreed to discuss this matter at its next meeting on 19 June.

DATE OF APPLICATION OF THE SIXTH VAT DIRECTIVE

The Council was informed by the Commission of the latter's intention of submitting to the Council very shortly a proposal derogating from the sixth VAT Directive as regards its date of application.

MISCELLANEOUS DECISIONS

Agricultural questions

The Council adopted, in the official languages of the Communities, the Regulations

- amending the Annex to Regulation (EEC) No 804/68 on the common organization of the market in milk and milk products;
- amending Regulation (EEC) No 804/68 concerning aid for the supply of milk products to school children;
- amending Regulation (EEC) No 1080/77 concerning the supply of milk and certain milk products at reduced prices to school children;
- amending Regulation (EEC) No 880/77 on the granting of a consumer subsidy for butter;
- amending Regulation (EEC) No 1078/77 introducing a system of premiums for the non-marketing of milk and milk products and for the conversion of dairy herds;
- amending Regulation (EEC) No 986/78 laying down general rules for granting aid for skimmed milk and skimmed-milk powder for use as feedingstuffs;
- fixing the basic price and the standard quality for slaughtered pigs for the period 1 November 1978 to 31 October 1979;
- on the common organization of the market in dried fodder;
- fixing the flat-rate production aid and the guide price for dried fodder for the 1978/1979 marketing year;

- fixing the amount of aid in respect of silkworms for the 1978/1979 rearing year;
- laying down special measures for peas and field beans used in the feeding of animals;
- fixing for the 1978/1979 marketing year, the activating price for aid for peas and field beans and the minimum price for these products;
- fixing certain prices and other amounts applicable in the fruit and vegetables sector for the 1978/1979 marketing year
- amending Regulation (EEC) No 2511/69 laying down special measures for improving the production and marketing of Community citrus fruit and Regulation (EEC) No 1035/72 on the common organization of the market in fruit and vegetables;
- amending Regulation (EEC) No 2727/75 on the common organization of the market in cereals;
- amending Regulation (EEC) No 1418/76 on the common organization of the market in rice;
- amending Regulation (EEC) No 2742/75 on production refunds in the cereals and rice sectors.

Preferential sugar

The Council adopted the negotiating directives to be issued to the Commission for negotiation of the guaranteed prices for deliveries of sugar to be made during the 1978/1979 marketing year (1 July 1978 to 30 June 1979) by the ACP States in accordance with Protocol No 3 to the Lomé Convention and by India in accordance with the agreement on sugar concluded with that country.

Relations with Mediterranean countries

The Council adopted the Regulation concluding an Agreement with Spain concerning certain cheeses (amending the Agreement of 5 June 1970).

The Council adopted in the official languages of the Communities the Regulations

- amending Regulation (EEC) No 471/76 as regards the period of suspension of the application of the condition on prices governing the importation into the Community of fresh lemons originating in certain Mediterranean countries;
- opening, allocating and providing for the administration of Community tariff quotas for certain wines having a registered designation of origin, falling within subheading ex 22.05 C of the Common Customs Tariff, originating in Algeria (1978/1979);
- on the allocation of a Community quota for wine of fresh grapes, intended to be fortified for distillation, originating in Algeria (1978/1979);
- opening, allocating and providing for the administration of a Community tariff quota for apricot pulp falling within subheading ex 20.06 B II c) 1 aa) of the Common Customs Tariff, originating in Turkey.

The Council also adopted, in the official languages of the Communities, the Regulation on the conclusion of the Additional Protocol to the Agreement establishing an Association between the European Economic Community and Greece consequent on the accession of new Member States to the Community.

In addition, the Council adopted the Decision authorizing the Commission to open negotiations for the conclusion of agreements extending the Interim Agreements between the European Economic Community and the Maghreb and Mashreq countries.

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The Council adopted in the official languages of the Communities, the Directive on the harmonization of provisions laid down by law, regulation or administrative action concerning deferred payment of import duties or export duties.

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Acting on a proposal from the German Government, the Council appointed Mr SCHOLZ, Ministerialrat in the Ministry of the Interior of the State of Bavaria, alternate member of the Advisory Committee on Medical Training to replace Mr EGGSTEIN, alternate member, from 1 July 1978 for the remainder of the latter's term of office, i.e. until 5 April 1979.

PRESS RELEASE

518th meeting of the Council

- Environment -

Brussels, 30 May 1978

President: Mr Niels MATTHIASSEN,
Minister for the Environment
and Cultural Affairs
of the Kingdom of Denmark

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

Belgium:

Mr Luc DHOORE Minister for Health and the Environment

Denmark

Mr Niels MATTHIASSEN Minister for the Environment and Cultural Affairs

Mr Holger LAVESSEN State Secretary, Ministry of the Environment

Germany

Mr Günter HARTKOPF State Secretary, Federal Ministry of the Interior

France

Mr Michel D'ORNANO Minister for the Environment and the Quality of Life

Mr François DEIMAS State Secretary to the Minister for the Environment and the Quality of Life

Ireland

Mr Sylvester BARRETT Minister for the Environment

Italy

Mr Dario ANTONIOZZI Minister for the Environment

Mr Giorgio POSTAL Deputy State Secretary, Ministry of Scientific Research

Luxembourg:

Mr Josy BARTHEL

Minister for the Environment

Netherlands:

Mr L. GIRJAAR

Minister for Health and the
Environment

Mr D.F. van der MEI

State Secretary for
Foreign Affairs

United Kingdom:

Mr Kenneth MARKS

Parliamentary Under-Secretary
of State at the Department
of the Environment

Commission:

Mr Lorenzo NATALI

Vice-President

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FLUOROCARBONS IN THE ENVIRONMENT

The Council signified its agreement on the following Resolution on fluorocarbons in the environment:

"The problems of the effects of fluorocarbons on the ozone layer and of ultraviolet radiation on health cannot be ignored. Insofar as Member States are carrying out research on these problems nationally, it is desirable that they should co-operate on a Community basis in planning this research and in making available and interpreting the results. The Community of course recognizes the overall co-ordinating role of UNEP (United Nations Environment Programme) in relation to research.

Immediate steps should be taken to encourage all the aerosol and plastic foam industries using chlorofluorocarbons F-11 (CCl_3F) and F-12 (CCl_2F_2) to intensify research into alternative products and to promote the development of alternative methods of application.

Immediate steps should be taken to encourage the manufacturers and users of equipment containing chlorofluorocarbons F-11 and F-12 to eliminate the discharge of these compounds.

All appropriate measures should be taken to ensure that the industry situated within the Community does not increase its production capacity in respect of chlorofluorocarbons F-11 and F-12.

In the second half of 1978 the effect of fluorocarbons on the environment will be re-examined in the light of the information then available with a view to arriving at a Community policy."

SULPHUR DIOXIDE (SO₂)

After taking note of a progress report on the proposal for a Directive on air pollution caused by sulphur dioxide and suspended particulate matter, the Council resumed its discussion of 12 December and concentrated on defining the main questions still to be resolved.

In closing the discussion, during which the delegations were able to voice their concern as regards both the public health aspects of this proposal and its effects as far as industry was concerned, the Chairman stressed the importance and urgency of an appropriate solution being found to the problems of air pollution caused by sulphur dioxide. He instructed the Permanent Representatives Committee to endeavour to arrive at a consensus in the light of the opinions expressed during this day's discussions.

UNITED STATES TOXIC SUBSTANCES CONTROL ACT

The Council authorized the Commission to begin negotiations with the United States of America in an effort to find ways of reaching agreement on the methods of applying the Toxic Substances Control Act to products from the Community, and adopted the negotiating directives required for this purpose.

STATEMENT BY THE FRENCH DELEGATION

The Council took note of a statement by Mr D'ORNANO, Head of the French delegation, regarding detailed examination of the Community environment policy.

After referring to his communication of 12 December 1977, which stressed the advisability, in view of the increasing importance of environmental protection, of holding more frequent, less formal and more political meetings, of strengthening co-operation in matters of prevention, and of drawing up European conventions on the quality of life, the Minister outlined the essential features of a European policy on the environment and framework of life.

His statement, which emphasized the political aspects of the environment, covered the prevention of the degradation and the management of natural resources in the Community, in particular with a view to elaborating an overall policy which would satisfy the requirements manifesting themselves amongst the peoples of the Member States, while taking account of both environmental and economic needs.

Following an exchange of views on this initiative, the President-in-Office invited the next Presidency to decide, in the light of the opinions expressed by the delegations during the exchange of views, on the most appropriate way for the Council to discuss this subject at its next meeting scheduled for December 1978.

POLLUTION OF THE SEA BY HYDROCARBONS

The Council,

Referring to the declaration of the European Council of 7 and 8 April 1978, dealing with marine pollution, in particular by hydrocarbons, and the need to combat this pollution;

Considering that the European Communities' Action Programmes on the Environment underline the necessity of the protection of marine waters to ensure that the indispensable ecological balances are preserved;

Conscious that marine pollution by hydrocarbons exposes the human environment to extraordinary dangers;

Considering that serious damage was caused to the marine environment by the Ekofisk blow out and by the wreck of the Amoco Cadiz;

Conscious of the need to reinforce the efforts undertaken in the Member States in order to prevent the accidents to which tankers and artificial offshore structures are exposed, and to combat the consequences of such accidents;

Conscious that it is particularly difficult to control the consequences of these accidents;

- Is of the opinion that collaboration with a view to overcoming these difficulties is a national, international and Community-level task.
- Is of the opinion that one of the aims of the Community in relation to environmental protection and the quality of life can be achieved by a Community contribution to the efforts made by the Member States to prevent and control marine pollution, in particular by oil.
- States that the Community is ready to support the co-ordination and co-operation between Member States initiated under existing Conventions.
- Considers that the establishment of the Action Programme of the European Communities to control and combat marine pollution caused by oil, submitted to the Council for decision, is an effective way of limiting considerably the above-mentioned dangers to the marine environment.
- Considers that the Commission should accordingly submit a periodic report to the Council and the European Parliament on the level of coastal pollution of Member States caused by accidental oil-spills. This report should contain mapping documentation on the endangered areas which require special protection. It should also contain information on the measures which have been taken.

Consequently the Council agreed in principle to the broad lines of a Resolution regarding an action programme of the European Communities on the control and reduction of pollution caused by oil spills at sea.

The Council also instructed the Permanent Representatives Committee to pursue examination of the Commission proposals for

- a decision concluding the Protocol to the Barcelona Convention for the protection of the Mediterranean Sea against pollution, of 16 February 1976, concerning co-operation in combating pollution by oil and other harmful substances in cases of emergency;
- a Recommendation concerning negotiations by the European Economic Community with a view to its accession to the Bonn Agreement of 9 June 1969 on co-operation in dealing with pollution of the North Sea by oil.

The Council instructed the Permanent Representatives Committee to finalize these three proposals in the light of the discussions at the present session of the Environment Council and taking into consideration the Opinions expressed by the European Parliament and the Economic and Social Committee with a view to the adoption of these texts at the Foreign Affairs Council on 26 and 27 June 1978.

WATERS CAPABLE OF SUPPORTING FRESHWATER FISH

The Council signified its agreement on the Directive on the quality requirements for waters capable of supporting freshwater fish.

The Directive is intended to protect or improve freshwaters in which fish of the Salmonid and Cyprinid species can live or might, under certain conditions, be able to live.

To this end, Member States will designate the waters to which the Directive applies and will fix limit values as regards certain parameters for those waters - e.g. for the temperature, dissolved oxygen, ammonium, phosphorus, nitrites, chlorine, zinc and copper. When fixing the values on a national basis, Member States will have to comply with the mandatory values and endeavour to respect the guide values given in the Directive.

Taking as a basis the values thus fixed Member States will draw up programmes to reduce pollution of the designated waters within a given period. Subsequently, the results of the sampling, the methods of which will be settled in detail, will indicate whether the values fixed nationally are actually respected; if they are not, Member States will have to take appropriate measures.

LEAD CONTENT OF PETROL

The Council agreed to the Directive on the approximation of the laws of the Member States relating to the composition of petrol with regard to the lead content.

This Directive fixes, with effect from 1 January 1981, the maximum permitted lead compound content of petrol placed on the market at 0.40 g/l. Member States may set a limit lower than 0.40 g/l but not lower than 0.15 g/l.

However, provision is made for derogations:

- in the case of Ireland, which is authorized to place on the market petrol with a lead content greater than 0.40 g/l, without however exceeding the current figure of 0.64 g/l, for a five-year period commencing on 1 January 1981;

- in the event of a sudden change in the supply of crude oil or petroleum products making it difficult for the Member States to apply the limits set in the Directive. Any Member State which has recourse to this derogation will have to inform the Commission.

The Directive furthermore provides that Member States shall supply the Commission with information on:

- developments as regards systems to reduce the emission of lead and of any polluting substitutes in exhaust gases;
- developments in the concentration of lead and polluting substitutes in the atmosphere of European cities and their effect on public health;
- the effects on energy policy of the various possible ways of reducing pollution caused by lead emission in exhaust gases.

The Commission will make a report on the information obtained and, in the light of the data collected, will make suitable proposals where Community policy on the composition of petrol has to be supplemented as a result.

BIRD CONSERVATION

Following a wide-ranging discussion of the proposal for a Directive on bird conservation, there was broad agreement within the Council on almost all the points which remained to be considered after the Council's proceedings on 12 December 1977.

Having nevertheless established that a final period of time for thought might lead to a solution to the few outstanding problems - in particular that posed by the list of species for which marketing may be permitted - the Council agreed to instruct the Permanent Representatives Committee to examine the proposal further in an attempt to reach a decision in three weeks' time.

COUNCIL OF THE EUROPEAN COMMUNITIES
GENERAL SECRETARIAT

PRESS RELEASE

519th Council meeting

- ENERGY -

Brussels, 30 May 1978

President: Mr Ivar NØRGAARD

Minister of Commerce of
the Kingdom of Denmark

Netherlands:

Mr G.M.V. van AARDENNE Minister for Economic Affairs

United Kingdom:

Mr Tony BENN Minister for Energy

Mr Dickson MABON Minister of State for Energy

Commission:

Mr Guido BRUNNER Member

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ENERGY SAVING

The Council agreed to the Regulation concerning the granting of financial aid for energy-saving demonstration projects.

The object of this Regulation is to provide the Community with an instrument to encourage - by the granting of financial aid - the realization of demonstration projects which offer a substantial improvement in the efficiency of energy used and which may thus be of interest to the whole of the Community.

Decisions to grant aid will be taken by the Commission; however, at the request of a Member State the Council shall act on the Commission decision providing for the granting of aid and shall do so unanimously in the case of the first series of projects and by a qualified majority in the case of subsequent projects.

The Regulation will come into force when the decision has been taken by the Commission or, in the case of an appeal, by the Council, on the first series of projects and following adoption of the Regulation which fixes, unanimously, the maximum amount of aid to be granted under the Regulation and in the light of an analysis of projects in this field.

The Council agreed to consider these aspects of the matter at its meeting in December 1978; it noted that the Commission would submit the necessary proposals in time to enable it to do so.

ALTERNATIVE ENERGY SOURCES

The Council agreed to the framework Regulation on the granting of financial support for projects to exploit alternative energy sources.

The Regulation is aimed at reducing dependence and diversifying the Community's energy supplies. It will thus be possible for financial support to be granted for demonstration projects ("Community projects") to exploit alternative energy sources in the Community which can be used as a reference and which have prospects of industrial and commercial viability that have been proven by preliminary studies and research. These projects may cover, for example, geothermal fields, liquefaction and gasification of solid fuels, solar energy, wave energy, tidal energy and wind energy.

The framework Regulation will enter into force when the Council has decided on the first series of projects and has adopted the Regulation laying down, unanimously, the maximum amount for which provision is made under the relevant implementing Regulations and the corresponding projects or programmes.

The Council agreed that at its meeting in December 1978 it would discuss the implementing Regulations already before it concerning the geothermal sector and the liquefaction and gasification of solid fuels, and other implementing Regulations on solar energy, wave energy, tidal energy and wind energy, the first series of projects under those Regulations and the Regulation laying down the maximum amount of aid. The Commission will submit the necessary proposals in due course.

ENERGY POLICY

The Council made a thorough examination of the issues arising with regard to the introduction of a system of Community aid for intra-Community trade in power-station coal, the definition of a Community approach in the refining sector and the introduction of support for joint hydrocarbon-exploration projects; the deliberations on these matters will be continued at future meetings of the Energy Council, on the understanding that the problems will be examined in more detail in the meantime in the Council's preparatory bodies.

ENERGY OBJECTIVES FOR 1985

After examining certain aspects of the preparation of a Resolution on energy policy objectives for 1985, the Council agreed that work on this subject would be continued in the Permanent Representatives Committee in the light of today's discussions and on the basis of new information to be submitted by certain delegations, the aim being to complete the work as soon as possible.

JET PROJECT

The Council adopted the decision on the establishment of the "Joint European Torus (JET) Joint Undertaking". At the same time it adopted the amendment to the research and training programme (1976 to 1980) for the European Atomic Energy Community in the field of fusion and plasma physics so as to include in it the JET project.

The project is of the greatest importance in terms of long-term energy supply. The object of the Joint Undertaking is the construction, operation and exploitation, as part of the Community fusion programme and for the benefit of the participants in this programme, of a large torus facility of Tokamak type and its auxiliary facilities in order to extend the parameter range applicable to controlled thermonuclear fusion experiments up to the conditions close to those needed in a thermonuclear reactor.

JET will be constructed at the seat of the Joint Undertaking in the United Kingdom of Great Britain and Northern Ireland at Culham, Oxfordshire.

The financial commitment necessary for the realization - of the first half of the construction phase - of the JET project has been fixed at 102.4 MUA for the Community, with the host country and bodies associated with the Fusion Programme each bearing 10% of the expenditure.

The number of staff necessary for the construction phase has been put at approximately 350, 150 of whom will have Euratom status, thus underlining the Community nature of the Project.

The decisions adopted today will allow the statutory bodies of the Joint Undertaking to take up their duties and the project to enter its operational phase accordingly.

NUCLEAR ENERGY

On the basis of Commission communications, the Council held a general exchange of views on nuclear energy, turning its attention in particular to the reprocessing of nuclear materials, radioactive waste and fast breeder reactors.

Discussion revealed the importance which the Community attached to these matters, particularly with a view to reducing the Community's dependence in terms of energy supply.

The Council instructed its preparatory bodies to proceed with an examination of the relevant Commission communications in the light of discussions at the meeting.

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The Council took note of a Commission statement on the Community's relations with developing countries on energy matters and agreed to consider this point at a forthcoming Council meeting.

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Following a statement by the Netherlands delegation on the fixing of energy prices in the Community, the Council took note of information from the Commission that studies on the electricity and gas sectors are in progress, the results of which could be made known to the Council for its meeting scheduled for October.

VARIOUS DECISIONS

Agriculture

The Council adopted in the official languages of the Communities

- the Regulations
 - amending Regulation (EEC) No 2517/69 laying down certain measures for re-organizing Community fruit production;
 - amending Regulation (EEC) No 1035/72 on the common organization of the market in fruit and vegetables and Regulation (EEC) No 2601/69 laying down special measures to encourage the processing of certain varieties of oranges;
 - amending Regulation (EEC) No 516/77 on the common organization of the market in products processed from fruit and vegetables;
 - amending Regulation (EEC) No 508/78 extending the system of aid for the production of dehydrated fodder;
 - amending for the fifth time Regulation (EEC) No 1163/76 on the granting of a conversion premium in the wine sector;
- the Resolution on the programme of work to be carried out in the veterinary, zootechnical and animal protection spheres and the staff required for such work.

The Council also adopted in the official languages of the Communities, as regards seeds and seedlings, the Decision on the equivalence of the checks on practices for the maintenance of varieties carried out in third countries.

Fisheries

As regards fisheries, the Council adopted in the official languages of the Communities the Regulations

- laying down certain interim measures for the conservation and management of fishery resources applicable to vessels flying the flag of certain non-member countries in the 200 nautical mile zone off the coast of the French department of Guyana for the period 1 June to 31 December 1978;
- extending certain interim measures for the conservation and management of fishery resources applicable to vessels flying the flag of Spain, to 24 June 1978.

It also agreed to the extension of the fishing arrangements applicable to ships registered in the Faroe Islands or flying the flag of Norway or Sweden, to 22 June 1978.

Accession of Djibouti to the Lomé Convention

The Republic of Djibouti deposited its instrument of accession to the Lomé Convention on 2 February 1978, thereby acceding to the Convention. The Council accordingly adopted the texts necessary to take account of this accession, both for the purposes of applying the Convention to the new member and for the consequent adjustment of the Decision on the association of the overseas countries and territories.

Community co-insurance

The Council adopted in the official languages of the Communities the Directive on the co-ordination of laws, regulations and administrative provisions relating to Community co-insurance, the substance of which was approved on 17 April last.

The Directive is concerned with operations which by their nature or size require the participation of several insurers if they are to be guaranteed. It opens up a greater choice of possible participants in a co-insurance operation by regulating the conditions and procedures by which such operations - where the risk is located within the Community - may be carried out by insurance undertakings in the Community. The Directive governs a number of matters relating to technical reserves, the obligation to provide statistics on Community co-insurance operations and the co-operation of the Member States' supervisory authorities.

The Directive provides for some exceptions - damage arising from nuclear sources or from medicinal products - although damage arising from the latter will be examined by the Council within five years in the light of the experience gained in the implementation of the Directive.

Textile products

The Council adopted in the official languages of the Communities the Regulation opening, allocating and providing for the administration of Community tariff preferences for textile products originating in developing countries and territories.

This Regulation extends for a period of six months from 1 July 1978 the existing arrangements already applicable during the first half of 1978.

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The Council adopted in the official languages of the Communities the Regulation temporarily suspending the autonomous Common Customs Tariff duty for mechanically propelled aircraft of an unladen weight exceeding 15,000 kg falling within subheading ex 88.02 B II c).

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Appointments

The Council appointed, on a proposal from the Italian Government, Mr Guiseppe FABRETTI, Ufficio Internazionale UIL, as Alternate Member of the Advisory Committee on Social Security for Migrant Workers in place of Mr G. FERIOLI, Alternate Member, who has resigned, for the remainder of the latter's term of office, which runs until 7 February 1979.

The Council also appointed, on a proposal from the Italian Government, Mr Antonio GUTTADAURO as Member of the Advisory Committee on Freedom of Movement for Workers in place of Mr G. FERIOLI, Member, who has resigned, for the remainder of the latter's term of office, which runs until 10 October 1979.
