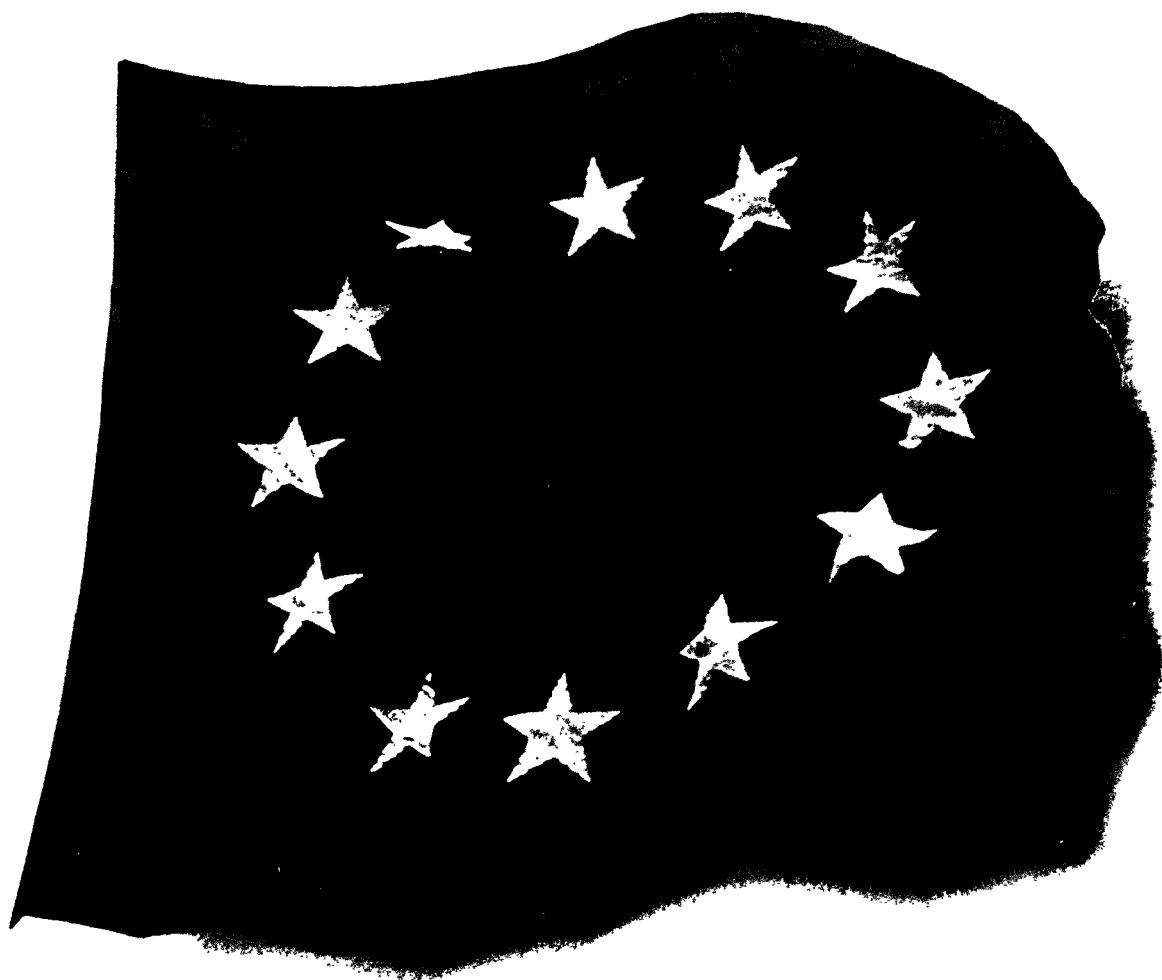


# Bulletin of the European Communities

Commission



No 4 1987 Volume 20

The Bulletin of the European Communities reports on the activities of the Commission and the other Community institutions. It is edited by the Secretariat-General of the Commission (rue de la Loi 200, B-1049 Brussels) and published eleven times a year (one issue covers July and August) in the official Community languages.

Reproduction is authorized provided the source is acknowledged.

The following reference system is used: the first digit indicates the part number, the second digit the chapter number and the subsequent digit or digits the point number. Citations should therefore read as follows: Bull. EC 1-1987, point 1.1.3 or 2.2.36.

*Supplements to the Bulletin are published in a separate series at irregular intervals. They contain official Commission material (e.g. communications to the Council, programmes, reports and proposals).*

# Bulletin of the European Communities

Commission

ECSC — EEC — EAEC

Commission of the European Communities

Secretariat-General

Brussels

No 4 1987 Volume 20

Sent to press in July 1987

---

# contents

---

## **PART ONE**      **SPECIAL FEATURES**

1. 'Efficiency, stability and equity: A strategy for the evolution of the economic system of the European Community' 7
2. Agriculture: Income aid and incentives to cease farming 9
3. Turkey's application for accession to the European Communities 11

## **PART TWO**      **ACTIVITIES IN APRIL 1987**

1. Building the Community 14
  - Economic and monetary policy 14
  - Internal market and industrial affairs 15
  - Businesses 17
  - Steel 18
  - Research and technology 21
  - Telecommunications, information technology and innovation 23
  - Customs union and indirect taxation 24
  - Competition 26
  - Financial institutions and company law 29
  - Employment, education and social policy 30
  - Culture 32
  - Regional policy 32
  - Coordination of structural instruments 33
  - Environment and consumers 35
  - Agriculture 37
  - Fisheries 42
  - Transport 45
  - Energy 46
  - Nuclear safety 46

2. External relations	48
— New round of multilateral trade negotiations	48
— Commercial policy	48
— Relations with industrialized countries	51
— Relations with other countries and regions	52
• Mediterranean countries	52
• Asia	53
• State-trading countries	54
— Development	54
— International organizations and conferences	58
— Diplomatic relations	59
3. Financing Community activities	60
— Budgets	60
— Financial operations	61
4. Political and institutional matters	62
— European political cooperation	62
— Other intergovernmental cooperation	62
— European policy and relations between the institutions	63
— Institutions and organs of the Communities	64
• Parliament	64
• Council	71
• Commission	72
• Court of Justice	72
• Economic and Social Committee	83
• European Investment Bank	86

## **PART THREE      DOCUMENTATION**

1. ECU	90
2. Additional references in the Official Journal	91
3. Infringement procedures	92

## Supplements 1987

1/87 The Single Act: A new frontier—Programme of the Commission for 1987

PART ONE

**SPECIAL FEATURES**

## Bulletin information service

Readers can obtain information on developments since this issue went to press (date of adoption of instruments by the Council, of opinions given by Parliament or the Economic and Social Committee, of publication in the Official Journal, etc.) by telephoning the document services of the Information Offices at the following numbers:

London	222 8122
Belfast	240708
Cardiff	371631
Edinburgh	225 2058
Dublin	712244

Mme Teirlinck  
M. Clairet

## References in text and footnotes

References to other parts of the same issue of the Bulletin are given in parentheses in text, thus (→ point 2.1.53).

References to other issues of the Bulletin, to a Bulletin Supplement, to an Official Journal etc. are given in footnotes.

Standardized abbreviations for the designation of certain monetary units in the different languages of the Community

ECU	=	European currency unit
BFR	=	Belgische frank / Franc belge
DKR	=	Dansk krone
DM	=	Deutsche Mark
DR	=	Greek drachma
ESC	=	Escudo
FF	=	Franc français
HFL	=	Nederlandse gulden (Hollandse florijn)
IRL	=	Irish pound / punt
LFR	=	Franc luxembourgeois
LIT	=	Lira italiana
PTA	=	Peseta
UKL	=	Pound sterling
USD	=	United States dollar



# 1. 'Efficiency, stability and equity: A strategy for the evolution of the economic system of the European Community'

1.1.1. In April 1986 the Commission asked a Group of independent experts<sup>1</sup> to investigate the economic consequences of the two decisions taken in 1985 to enlarge the Community to include Spain and Portugal and to create by 1992 a market without internal frontiers. The Group was invited to identify the problems that could arise in implementing those decisions and to suggest solutions. Its work is set out in a report entitled 'Efficiency, stability and equity: A strategy for the evolution of the economic system of the European Community', presented to the press on 23 April by its Chairman, Mr Tommaso Padoa-Schioppa, Deputy Director-General of the Banca d'Italia and former Director-General for Economic and Financial Affairs in the Commission.

Mr Delors was present at the press conference and stated that he was in agreement with the thrust of the report. He also announced that the Commission would be holding a seminar on the matter and that, in the autumn, a symposium would be held bringing together leading personalities from the world of politics, the business world and academia, in order to ensure that the matter was discussed publicly and that the ideas developed at the symposium were widely disseminated.

## Central proposition

1.1.2. The report deals with many aspects of the Community's present policies, reflecting the Group's philosophy that the Community system should be considered in its entirety and that future policy actions should be defined as interrelated parts of a single strategy.

Its central proposition is that essential interactions exist between the Community's resources allocation function (completion of the internal market), stabilization func-

tion (the EMS and macroeconomic coordination) and distribution function (regional policies, structural Funds and Community budget). If these interactions are overlooked, the establishment of an internal market in the Community by 1992 might run into difficulties that would deprive the Community of a major source of additional economic welfare.

To avoid this, the Group considers it crucial that, at this early stage in the process, the internal market initiative should be integrated into a balanced programme based on the abovementioned functions.

## Internal market

1.1.3. The Group supports the 1985 decision to create a single market without internal frontiers but points to a significant delay in the implementing the White Paper.<sup>2</sup> It is necessary, therefore, to consider the priority areas. Recent trends also reveal mounting problems of compliance with the provisions adopted, and this calls for systemic reforms entailing greater decentralization of Community policies. With this in mind, the Group is strongly in favour of wide-ranging application of the new

<sup>1</sup> Composition of the Group: Chairman: Tommaso Padoa-Schioppa, Deputy Director-General of the Banca d'Italia; Members: Prof. Mervyn King, London, School of Economics and Political Science; Prof. Jean-H.P. Paelinck, Netherlands Economic Institute and Erasmus University, Rotterdam; Prof. Lucas D. Papademos, Economic Adviser, Bank of Greece; Prof. Alfredo Pastor, President, Empresa Nacional Hidro-electrica del Ribagorzana, Barcelona; Prof. Fritz W. Scharpf, Director, Max-Planck-Institut für Gesellschaftsforschung, Cologne; Rapporteur: Michael Emerson, Commission of the European Communities.

Jean-Claude Milleron, Directeur de la Prévision, Ministère de l'économie, des finances et de la privatisation, Paris, contributed as a member of the Group to the preparation of the report but did not share in all its final conclusions.

<sup>2</sup> Bull. EC 6-1985, point 1.3.1 *et seq.*

approach towards harmonizing technical rules and regulations, which draws on the mutual recognition principle.<sup>1</sup>

With the completion of the internal market, the effectiveness of competition policy and the disciplinary effects exerted over certain types of State aid will become more important for the Community. Community powers to police mergers will become increasingly necessary. The major economic benefits to be gained from opening up markets will depend on the confidence that the private sector has in the effectiveness of Community discipline with regard to the State aids that have an important impact on competition; without such confidence, firms will be reluctant to adopt Community-wide market strategies.

### **EMS and economic policy coordination**

1.1.4. Completion of a unified internal market will have profound consequences for the Community. Full liberalization of capital movements is inconsistent with the present combination of exchange rate stability and broad autonomy in the national monetary policies. To preserve exchange rate stability under those conditions, national monetary policies will have to be much more closely unified, and this raises crucial questions as to how coordination is to be organized and institutionalized.

With this in mind, the Group has unveiled its design for a 'Stage Two' EMS, and its proposals for bolstering monetary cooperation in Europe range from closer coordination and joint management of monetary policy, through a strengthening of the EMS mechanisms to a well-structured presence of the Community on the international monetary scene.

The strengthening of monetary cooperation in the Community will also make it necessary to review the role of the Community bodies responsible for the EMS and to develop further use of the ECU.

### **Regional policy, structural Funds and the Community budget**

1.1.5. Complete opening-up of the market in an enlarged Community will have distributive effects that are likely to be stronger and more disruptive than in the 1960s, when trade integration took place among less heterogeneous countries in a context of faster economic growth.

As some regions may experience difficulties in adapting to fully competitive market conditions, adequate policy instruments must be available to counter the acute problems of regional divergence.

The Group supports the proposal for concentrating the resources of the Community's structural Funds on the least-favoured and often peripheral regions and on the old industrial regions facing economic decline. The structural Funds would offer to such regions incentives to build up or restore a high level of physical and human capital endowment, in order that the faster growth of output and employment could be sustained. The Group recommends predominant use of a programme financing approach as this can, to a large extent, function in a decentralized manner.

1.1.6. The financing of the Community budget, which would combine all the traditional own resources (customs duties, agricultural levies and VAT), would also have to feature a normal degree of fiscal progressivity. Alongside implementation of the recommendations for the structural Funds and the reform of the common agricultural policy, there should be a reduced need for budgetary compensation mechanisms, the negotiation of which has been very costly in political terms. However, the Group envisages a safeguard mechanism for settling problems of budgetary inequity in an objective and permanent way. This would allow the political negotiations on the allocative measures to concentrate more on considerations of efficiency and to leave aside distributive considerations.

---

<sup>1</sup> OJ C 136, 4.6.1985; Bull. EC 5-1985, point 1.3.1 *et seq.*

## Major policy recommendations

1.1.7. The Group's recommendations can be summarized as follows:

(i) implementation of the programme for completing the internal market within the deadline set requires stronger reliance on the principle of the mutual recognition of national rules and regulations, a more selective choice of priority areas, less complex Community legislation and effective solutions for the serious problem that is emerging with regard to compliance with Community law; under no circumstances should the 1992 deadline be shifted;

(ii) monetary policy coordination and the mechanisms of the EMS will have to be significantly strengthened if the freedom of capital movements and exchange rate discipline are to survive and coexist;

(iii) in a larger and more differentiated Community, redistributive functions performed through the budget and through the Community's lending instruments should be considerably developed in size and made more effective in their purpose and design;

(iv) a stepping-up of the growth rate observed in recent years will be necessary if the enlargement and the completion of the internal market are to be successful; this speeding-up should result from both the market-opening process and a cooperative growth strategy such as has been proposed by the Commission to the Council.<sup>1</sup>

<sup>1</sup> OJ L 377, 31.12.1985; Bull. EC 10-1985, point 1.3.1 *et seq.*, OJ L 385, 31.12.1986; Bull. EC 10-1986, point 1.1.1 *et seq.*

## 2. Agriculture: Income aid and incentives to cease farming

### The background to the Commission proposals

1.2.1. Following up its Communication on the implementation of the Single European Act, entitled 'Making a success of the Single European Act — A new frontier for Europe',<sup>2</sup> the Commission laid before the Council, on 15 April,<sup>3</sup> proposals relating to the support of agricultural incomes. Two of these concern income aid as such (Community aid and a framework for national aid), while the third offers incentives to farmers to leave the land.

The background to these proposals is the need for gradual adjustment of the farm sector in order to restore equilibrium on the markets.

A large number of proposals laid before the Council since 1984 have given practical

expression to these guidelines, and the measures already adopted, notably those enacted in March,<sup>4</sup> are the first in the new process of adjustment. However, when it submitted to the Council its proposals for prices and certain related measures for 1987/88,<sup>5</sup> the Commission stated that it was well aware that the adjustments that must be made to the CAP relate to agricultural, natural and structural circumstances which, in a 12 country Community, are extremely diversified. And the adjustments

<sup>2</sup> Supplement 1/87 — Bull. EC; Bull. EC 2-1987, point 1.1.1 *et seq.*

<sup>3</sup> COM(87) 166 final.

<sup>4</sup> OJ C 273, 29.10.1986; Bull. EC 4-1986, point 1.3.1 *et seq.*; Bull. EC 12-1986, point 2.1.244; Bull. EC 3-1987, point 2.1.176.

<sup>5</sup> OJ C 83, 3.4.1987; Bull. EC 2-1987, points 1.2.1 *et seq.* and 2.1.105.

are bound to impact more heavily on the economically and structurally weaker farms. In particular, what is needed is support for family farms which potentially can operate soundly and efficiently and which should therefore be helped through the period of adaptation.

But the Commission still believes that only improvements to structures can strike at the roots of the problem by gradually narrowing down certain disparities in Community agriculture. This is the objective of the schemes already activated in the field, which have been supplemented by a group of measures (incentives to the 'extensification' of farming and better compensation for farmers in areas where nature is hostile) approved in March<sup>1</sup> by the Council. Of their nature, these measures can only give results in the medium term. The Commission takes the view that Community action would be all the more effective and consistent if it were also supported by instruments allowing direct but selective support of incomes, without this entailing blanket production incentives for all the farmers in any given region or for any given product.

The Regulations proposed have an optional character, in that the Member States will be free to implement them in part or in their entirety; the EAGGF co-financing rate would be variable so that the effort required can be balanced in terms of regional and budgetary possibilities. The Member States would also enjoy some latitude in the choice, organization and intensity of action planned with a view to ensuring that the budget funds allocated are used as effectively as possible.

### **Community income aid system**

1.2.2. The purpose of the Community income aid system is to facilitate transition for 'main occupation' farms threatened by current adjustments to policy on the markets but which are in fact potentially viable. These are farms which, once equilibrium on the Community market has been restored,

could fend for themselves. The scheme would be for five years. The aid, scaled down over that period, may not raise the income of any beneficiary beyond 125% of the average agricultural income for the region (though a national corrective could be applied). The scheme in question would be co-financed from the Community budget, the funds being drawn entirely from the EAGGF Guarantee Section appropriations. It would be modulated to allow for uneven concentration of problems and the differing ability to pay of the various Member States.

### **A framework for national income aid**

1.2.3. The main purpose of the Community framework for national aid to agricultural incomes is to provide a fuller and clearer picture overall of the way national income support schemes operate. The relevant Regulation defines the scope of action of the Member States by derogation from the requirements of Articles 92 to 94 of the Treaty. A rigorous definition of potential beneficiaries and aid grant procedures should prevent inconsistencies between the national schemes and Community objectives, particularly in connection with efforts to restore sound conditions on the markets. To avoid any significant incentive to increase production, aid granted may not bring the income of any beneficiary beyond the average agricultural income of the region, with a limit of 80% of the average national income. Thus, the scope of the schemes operated by the governments must remain social in character.

### **Incentives to leave the land**

1.2.4. When the Council adopted the Commission's proposals on agricultural

---

<sup>1</sup> OJ C 273, 29.10.1986; Bull. EC 4-1986, point 1.3.1 *et seq.*; Bull. EC 12-1986, point 2.1.244; Bull. EC 3-1987, point 2.1.176.

structures in March,<sup>1</sup> the Commission, having failed to elicit Council endorsement, withdrew its proposal on a 'pre-pension' scheme.<sup>2</sup> The present proposal on arrangements for encouraging cessation of farming is a revised version of the latter. Its aim is, in the first place, to support the incomes of a class of farmer—elderly farmers—hurt most by the crisis as these are the farmers least well equipped to react and adapt their operations to changed market conditions. It will also contribute to restoring sound conditions on the market where the 'pre-pension' is combined with set-aside of land released and (alternatively) to the structural development of farms where land released by outgoers would be assigned to the restructuring of farms which could, in this way, rise to the viability threshold.

If the Member State decides to use this scheme, it will be free to choose itself between the alternative 'set-aside of released land' and the alternative 'assignment to restructuring', or to set up a scheme offering both alternatives together, the beneficiary being free to choose. Where the 'pre-pension' is combined with set-aside, EAGGF co-financing will be uniform

throughout the Community; where the 'pre-pension' is combined with restructuring, co-financing will be varied on the basis of levels of development and the proportion of farmers and farm workers in the workforce of the region.

\*

1.2.5. Once the schemes proposed, as combined, are implemented, Community support for the markets and support for incomes will be better balanced and the component parts better related. This improved pattern should be fairer in its effect for the various classes of farmer. In this respect, it should make an important contribution to the social and economic cohesion of the Community.

Overall cohesion and equilibrium are requirements that must be complied with at all times when the various schemes—both those concerning prices and markets and those in the socio-structural field—are being adopted and implemented.

<sup>1</sup> Bull. EC 3-1987, point 2.1.176.

<sup>2</sup> OJ C 273, 29.10.1986; Bull. EC 4-1986, point 1.3.2.

### 3. Turkey's application for accession to the European Communities

1.3.1. On 14 April 1987 the Government of the Republic of Turkey submitted to Mr Tindemans, Belgium's Foreign Minister and President-in-Office of the Council of the European Communities, Turkey's applications for accession pursuant to Article 237 of the EEC Treaty, Article 205 of the Euratom Treaty and Article 98 of the ECSC Treaty.

The three letters applying for accession, signed by Mr Turgut Özal, the Turkish

Prime Minister, were handed to Mr Tindemans on the morning of 14 April by Mr Ali Bozer, Minister of State responsible for European Affairs.

Mr Bozer declared that it was a solemn and historic moment for Turkey. He took the opportunity to reaffirm his government's determination to secure Turkey's accession and the Turkish people's willingness to link their destiny to that of the European Communities.

Mr Tindemans expressed his honour at receiving the application on behalf of the Communities and declared his intention to inform the Members of the Council immediately and to propose implementation of the procedures provided for by the Treaties.

1.3.2. The Council meeting (General Affairs) in Luxembourg on 27 April examined the Turkish application for accession.

The Council decided to acknowledge receipt of the letters in which Mr Turgut Özal, Prime Minister of the Government of the Republic of Turkey, applied on 14 April

1987 for the accession of his country to the European Communities.

On the same occasion, the Council decided to implement the procedure provided for by the Treaties in this respect, while bearing in mind the amendments agreed upon by the Luxembourg Conference on the Single European Act.<sup>1</sup>

---

<sup>1</sup> Supplement 2/86 — Bull. EC: Article 8 of the Single European Act, which amends Article 237 of the EEC Treaty, provides for the assent of the European Parliament by an absolute majority of its Members.

PART TWO

**ACTIVITIES  
IN APRIL 1987**

# 1. Building the Community

## Economic and monetary policy

### A strategy for the evolution of the economic system of the European Community

2.1.1. At the end of April, a report prepared at the Commission's request by a Group of independent experts chaired by Mr Padoa-Schioppa was presented to the press. This report, entitled 'Efficiency, stability and equity: A strategy for the evolution of the economic system of the European Community', examines the implications of the two decisions taken in 1985 to enlarge the Community to include Spain and Portugal and to create, by 1992 at the latest, a market without internal frontiers (→ point 1.1.1 *et seq.*).

### Economic Policy Committee

2.1.2. The Economic Policy Committee, at its 178th meeting on 8 April in Brussels, in its 'budgets' composition, looked in particular at national approaches and priorities in public finance and discussed the case of Denmark in more detail.

### Monetary meetings in connection with the annual meeting of the IMF and the World Bank

#### IMF Interim Committee and World Bank Development Committee

2.1.3. On 9 and 10 April Washington DC hosted the half-yearly meetings of the IMF Interim Committee and the World Bank Development Committee,<sup>1</sup> preceded by the preliminary meeting of the Group of Seven (which had been set up by the Western Economic Summit in Tokyo).<sup>2</sup>

The main subjects under discussion were the world economic situation, the problem of indebtedness and the development of international trade.

Although the strategy implemented over the last 18 months in order to defuse the crisis

threatened by the excessive indebtedness of certain developing countries has on the whole been effective, the Interim Committee nevertheless recognized the persistence of serious difficulties which have, for longer than expected, prevented these countries from gaining fresh access to normal borrowing conditions. However, the Committee stated that it was absolutely necessary for these countries to continue their economic adjustment policies. At the same time, it stressed the need for open international trade in agricultural products, without obstacles, and for a reduction in State aid for farmers in the industrialized countries. The Committee also pointed out that protectionist agricultural policies have contributed to the fall in international commodity prices and to overproduction, while burdening national budgets.

Mr Mark Eyskens, Belgian Finance Minister and President of the Council, made a statement to the Committee on behalf of the Community. He stressed the need for international cooperation between the major industrialized countries to ensure sufficient world growth in production and employment. In his view the undertaking by the United States to reduce its budget deficit in 1988 was an essential contribution to economic recovery; in order to be effective, however, it had to be accompanied by major measures on the part of the Japanese Government to increase domestic demand and open up the Japanese market. On the subject of developing countries' debt, Mr Eyskens argued for a differentiated approach which would make allowances for the individual situation of each country. While declaring himself in favour of maintaining an adequate flow of public and private capital to developing countries, he stressed the latter's obligation to continue their attempts at economic adjustment in

<sup>1</sup> Bull. EC 9-1986, points 2.1.3 to 2.1.5.

<sup>2</sup> Bull. EC 5-1986, points 1.3.2 and 3.4.1. In Tokyo the decision was taken to extend the group of Finance Ministers of the Five (United States, Japan, Federal Republic of Germany, France, United Kingdom) to include Italy and Canada.



order to restore the confidence necessary for obtaining additional loans: with this in view, he recalled that the Community was prepared to contribute towards a substantial increase in the World Bank's capital. Finally, he made clear his opposition to protectionism which, he said, is responsible for major imbalances and is particularly harmful to Third World countries.

## Internal market and industrial affairs

### Completing the internal market

#### Council

2.1.4. The Council failed to make progress on a people's Europe at its meeting on the internal market on 7 April. Three issues fundamental to the attainment of a unified market were on the agenda: border controls, right of residence and mutual recognition of diplomas.

The Council resumed its discussions on the series of questions arising in connection with the easing of border controls.<sup>1</sup>

The Council continued its discussions on the right of residence, devoting particular attention to sickness insurance schemes, the level of resources required for students and beneficiaries of the right of residence.<sup>2</sup>

Finally, the Council held an initial detailed discussion of the proposal for a Directive on a general system for the recognition of higher education diplomas awarded on completion of vocational courses of at least three years' duration.<sup>3</sup> The debate focused on two key aspects of the proposal, namely the status and nature of the ability test as an alternative to the period of supervised practice, and the scope of the Directive.

### A people's Europe

#### Civil protection

2.1.5. On 9 April the Commission sent the Council a Communication and a draft

Resolution of the Council and the Representatives of the Governments of the Member States meeting within the Council on the introduction of Community cooperation on civil protection.<sup>4</sup> This matter has been the subject of intergovernmental discussions between the Member States since 1985 but organized cooperation should improve both the prevention of disasters — natural, technological or man-made<sup>5</sup> — and the capacity to react.

The first batch of measures proposed by the Commission, which are on the agenda for the meeting of the Ministers responsible for civil protection on 5 May, include:

- (i) adoption of a guide to civil protection with information on existing bilateral and multilateral agreements, national relief plans, resources available, etc;
- (ii) creation of a permanent network of civil protection liaison officers to enable the prompt exchange of information;
- (iii) disaster simulation;
- (iv) public information.

### Free movement of persons Freedom to provide services

#### *Mutual recognition of diplomas* *Access to occupations*

#### Nurses

2.1.6. At its meeting on 28 and 29 April, the Advisory Committee on Training in

<sup>1</sup> OJ C 47, 19.2.1985; Bull. EC 12-1984, point 2.1.9; OJ C 131, 30.5.1985; Bull. EC 5-1985, point 2.1.9.

<sup>2</sup> OJ C 207, 17.8.1979; Bull. EC 7/8-1979, point 2.1.14; OJ C 188, 25.7.1980; OJ C 171, 10.7.1985; Bull. EC 6-1985, point 2.1.15.

<sup>3</sup> Supplement 8/85 — Bull. EC; OJ C 21, 28.8.1985; Bull. EC 7/8-1985, point 1.4.1 *et seq.*; OJ C 143, 10.6.1986; Bull. EC 5-1986, point 2.1.96.

<sup>4</sup> COM(87) 161 final.

<sup>5</sup> The Communication does not deal with nuclear accidents, chemical accidents, marine and freshwater pollution, terrorism or mass epidemics, which are already covered by other procedures.

Nursing continued its work in preparation for the symposium to be held in October on changes in health care and the training of nurses in the 21st century. It also discussed the initial results of the work on training in the care of cancer patients which it has undertaken under the Commission action programme on the fight against cancer.<sup>1</sup> Finally, the Committee heard and discussed a number of statements on the monitoring and assessment of the basic training of nurses in various Member States.

## Free movement of goods

### *Removal of technical and administrative barriers to trade*

2.1.7. On 8 April the European Parliament passed a Resolution on technical harmonization and standards in the European Community (→ point 2.4.17).<sup>2</sup>

### Industrial products

2.1.8. On 3 April the Commission sent the Council<sup>3</sup> a proposal to amend the Council Directive of 6 February 1970 on the EEC type-approval of motor vehicles.<sup>4</sup> This amendment introduces a common definition of 'off-road vehicles'.

2.1.9. On 30 April the Commission approved, for transmission to the Council, a proposal for a Directive on the approximation of the laws of the Member States relating to certain components and characteristics of wheeled agricultural or forestry tractors.<sup>5</sup> The aim of this proposal is to supplement existing Community regulations and thereby enable a manufacturer to obtain full EEC approval for a type of tractor. This is a major milestone marking the culmination of work that started in the 1960s and has led so far to the adoption of 22 Directives and six amendments to some of them.

2.1.10. On 24 April the Commission approved,<sup>6</sup> for transmission to the Council,

the report on the Community's accession to the European Agreement limiting the use of certain detergents in washing and cleaning products; this report is consequent upon the Council Decision of December 1985<sup>7</sup> authorizing the Commission to conduct negotiations designed to enable the Community to become a Contracting Party to that Agreement.

In the report the Commission concludes that it is not advisable to continue these negotiations, since the Member States of the Council of Europe that are not Community Member States have not, with the exception of Switzerland, shown any interest in the Agreement or the Protocol.

2.1.11. On 10 April the European Parliament endorsed<sup>8</sup> the proposal to amend the Council Directive of 18 December 1975 in respect of fluid fertilizers.<sup>9</sup>

2.1.12. During its April session the Economic and Social Committee delivered Opinions on four Commission proposals forwarded to the Council on 25 November.<sup>10</sup> These concern the distinguishing numbers and letters assigned to the Member States; the form and dimensions of the distinguishing letters on measuring instruments; the making-up by volume of certain prepackaged liquids and the ranges of nominal quantities and nominal capacities permitted for certain prepackaged products (→ point 2.4.40).

### Foodstuffs

2.1.13. On 15 April the Commission adopted a Directive<sup>11</sup> on the indication of alcoholic strength by volume, rendered

<sup>1</sup> Bull. EC 12-1986, point 1.4.1 *et seq.*

<sup>2</sup> OJ C 125, 11.5.1987.

<sup>3</sup> OJ C 108, 23.4.1987; COM(87) 109 final.

<sup>4</sup> OJ L 42, 23.2.1970.

<sup>5</sup> COM(87) 194.

<sup>6</sup> COM(87) 181.

<sup>7</sup> Bull. EC 12-1985, point 2.1.14.

<sup>8</sup> OJ C 125, 11.5.1987.

<sup>9</sup> OJ C 12, 16.1.1987; Bull. EC 12-1986, point 2.1.23.

<sup>10</sup> OJ C 317, 10.12.1986; Bull. EC 12-1986, point 2.1.21.

<sup>11</sup> OJ L 113, 30.4.1987.

mandatory by the Council Directive of 26 May 1986,<sup>1</sup> in the labelling of alcoholic beverages, other than wines and musts, for sale to the ultimate consumer.

2.1.14. In accordance with the Council Directive of 15 July 1980 on the exploitation and marketing of natural mineral waters,<sup>2</sup> which entered into force on 17 July 1984, the Commission was informed by the Netherlands of a new list of mineral waters recognized there.<sup>3</sup>

2.1.15. On 14 April the Economic and Social Committee delivered an Opinion on the proposal for a Directive amending for the third time the Council Directive on the approximation of the laws of the Member States concerning fruit juices (→ point 2.4.41).<sup>4</sup>

## Businesses

### Improving the business environment

2.1.16. On 27 April the Commission convened a meeting of the Business Environment Subcommittee<sup>5</sup> of the Committee of Heads of Industrial Policy Departments. The new system of impact statements,<sup>6</sup> which enables the Commission to assess the effects of proposed measures on businesses, was discussed. A number of suggestions for improvements to the systems were made.

The Subcommittee also discussed the action taken by the Member States to simplify administrative procedures for SMEs, in keeping with the Council Resolution of 20 October 1986<sup>7</sup> and with the wishes of the European Council;<sup>8</sup> a summary paper is being prepared with the aid of the national administrations.

### Intellectual property

#### *Original topographies of semiconductor products*

2.1.17. Following the adoption by the Council on 16 December 1986<sup>9</sup> of the

Directive on the legal protection of topographies of semiconductor products, the Commission presented the Community's standpoint at the third meeting of the Committee of Experts on Intellectual Property with regard to Integrated Circuits, held by the World Intellectual Property Organization in Geneva from 27 to 30 April.

## Business flexibility

### Centres for European Business Information

2.1.18. On 22 April the Commission sent a Communication to the Council in the context of the action programme for small and medium-sized businesses<sup>10</sup> on progress with the pilot phase of the Centres for European Business Information.<sup>11</sup> These Centres will be decentralized information offices on the premises of existing organizations specializing in advice to businesses. Their purpose is to improve communications between businesses in the Member States and the Commission by enabling businessmen to obtain ready answers to their questions on Community policies, such as completion of the internal market, to access European data bases with the aid of a specially adapted computer system and to obtain advice on projects eligible for Community financial support. These structures will also promote communication in the opposite direction, keeping the Commission in constant touch with the concerns of small businesses so that greater account can be taken of their aspirations in the formulation of policies.

<sup>1</sup> OJ L 144, 29.5.1986.

<sup>2</sup> OJ L 229, 30.8.1980.

<sup>3</sup> OJ C 103, 16.4.1987; OJ C 96, 24.4.1986.

<sup>4</sup> OJ C 24, 31.1.1987; Bull. EC 12-1986, point 2.1.27.

<sup>5</sup> Bull. EC 2-1987, point 2.1.13.

<sup>6</sup> Bull. EC 11-1986, point 2.1.22.

<sup>7</sup> Bull. EC 10-1986, point 1.3.1.

<sup>8</sup> Bull. EC 12-1986, point 1.1.8.

<sup>9</sup> OJ L 24, 27.1.1987; Bull. EC 12-1986, point 2.1.33.

<sup>10</sup> Bull. EC 10-1986, point 1.3.1.

<sup>11</sup> COM(87) 152 final.

The Commission has published a first invitation to submit proposals for 28 'Centres for European Business Information';<sup>1</sup> the first Centres are scheduled to open in September.

## Steel

### Community steel industry

#### *Market management*

#### Crisis measures

#### *Organization of the steel market*

2.1.19. The Commission's position before the Council meeting (Industry) on 19 March was determined by an analysis of the situation and prospects of the Community's steel industry.<sup>2</sup> This analysis can be summarized as follows:

The monetary fluctuations in recent years and the signs of continuous erosion of the position of industrialized countries on the world markets confirm the viewpoint that the Community's trade balance in steel is very vulnerable. Consequently, the report balance recorded in 1985 was wholly exceptional, and it has been obvious since 1986 that the situation is developing more and more towards the pessimistic scenario in the general objectives for 1990,<sup>3</sup> to the point where recent trends indicate a sagging trade balance in processed products, which, in turn, will have a negative effect on our domestic demand for steel. There is thus a need to be cautious and to adopt as a reference the low hypothesis of the general objectives for production when defining a strategy for the future.

Even though reduced by over 30 million tonnes, surplus capacity is still at about the same level. This is too high for healthy competition, thus making continued restructuring inevitable if the sector wishes

to become profitable and able to finance its investments in advanced technology.

On the other hand, improvements, often unspectacular, in operating methods and sustained efforts to raise productivity result at most Community producers in capacity increases which, although barely significant individually, tend cumulatively to increase overall existing capacity quite considerably. Sooner or later this can only worsen the imbalance.

The sector must therefore make a determined effort to channel its energies into restructuring. This effort must match the scale of the problem, since anything less than 100% will only offer a short-term solution for some companies and not have a beneficial effect on the balance of the industry as a whole.

2.1.20. Mr Narjes, Vice-President of the Commission responsible for industrial policy, took stock of this situation before the European Parliament at its April session. He confirmed that major adjustments were indispensable and that to put an end to the chaos the Council must soon come up with decisions based on a realistic appraisal of the situation which takes account of:

- (i) structural surplus capacity, estimated at 30 million tonnes in 1990;
- (ii) reduced consumption, put at 2% a year and even more in some sectors, such as the car industry;
- (iii) contraction of large-scale export markets due to the emergence of competition and to the limited access to the American market;
- (iv) the fact that the commercial policy of the United States might well lead it to become a net exporter.

In Mr Narjes' view the system of quotas cannot, either from an economic or from an industrial angle, be a permanent solution since it only piles up the problems, creates

<sup>1</sup> OJ S 53/66, 17.3.1987.

<sup>2</sup> Bull. EC 3-1987, point 2.1.20 *et seq.*

<sup>3</sup> Bull. EC 10-1986, point 2.1.25.

obstacles, reduces competitiveness and restricts the potential of steel products in the face of substitute products.

In view of the fairly gloomy prospects and the need to press on with restructuring, it is essential that social measures be implemented, and Mr Narjes declared: 'The Commission wants the Community governments to undertake to grant steelworkers whose jobs come under threat in the next few years a range of social measures comparable to those carried out in 1981-85; the Commission will not swerve from this target'.

### Production quotas

#### Penalties

2.1.21. On 15 April the Commission adopted five Decisions<sup>1</sup> to impose penalties for infringement of the quota system.<sup>2</sup> The total amount of fines for exceeding production quotas and/or parts of these quotas that can be delivered on the common market comes to around 900 000 ECU.

#### Accession-related measures

2.1.22. The Commission decided on 7 April to amend,<sup>3</sup> for Spain and Portugal,

the questionnaires annexed to the Decisions regarding the system of monitoring and production quotas and their requirement to declare their deliveries of certain steel products.<sup>4</sup> These amendments were made necessary by virtue of the fact that steel undertakings in these Member States are not subject to the system of quotas and the questionnaires did not permit full, accurate and consistent recording of the production and deliveries of these undertakings.

### Situation in the sector

2.1.23. Crude steel production in the Community of Ten—i.e. excluding Greece and Ireland—was practically stagnant in March 1987 compared with March 1986. The results of the first quarter of 1987 show that with the exception of the United Kingdom, Denmark and Portugal steel production in the other Member States dropped overall by more than 6% compared with the corresponding period the previous year.

Table 1 illustrates these two trends:

<sup>1</sup> OJ C 123, 9.5.1987.

<sup>2</sup> OJ L 29, 1.2.1984; Bull. EC 1-1984, point 1.2.1 *et seq.*

<sup>3</sup> OJ L 101, 11.4.1987.

<sup>4</sup> OJ L 370, 29.12.1982; OJ L 348, 10.12.1984; OJ L 340, 18.12.1985; OJ L 351, 28.12.1985.

Table 1 — *Trend in the production of crude steel in the Community from March 1986 to March 1987*

	March 1987	% change March 1987/1986	First quarter		% change
			1 000 tonnes and %		
			1987	1986	
Belgium	852	- 5.0	2 209	2 593	- 14.8
Denmark	64	+ 14.3	170	169	+ 0.6
Germany (FR)	3 302	- 0.5	9 004	9 794	- 8.1
Spain	1 010	+ 6.9	2 960	3 289	- 10.0
France	1 637	+ 0.4	4 469	4 577	- 2.4
Italy	2 041	+ 0.1	5 643	5 993	- 5.8
Luxembourg	314	- 8.2	890	1 011	- 12.0
Netherlands	435	- 11.9	1 231	1 396	- 11.8
Portugal	61	+ 7.0	185	168	+ 10.0
United Kingdom	1 536	+ 4.9	4 191	3 934	+ 6.5
Total	11 252	+ 0.1	30 952	32 924	- 6.4

2.1.24. At world level a further decline was registered in March. In the first quarter production dropped by 14.3% in the United States, 7.7% in Japan and 6.5% for all the countries covered by the International Iron and Steel Institute (IISI),

which is equivalent to the Community downswing.

2.1.25. Recent figures published by Eurostat showing the Community's external trade in steel in 1986 indicate the balance shown in Table 2.

Table 2 — *The Community's external trade balance in steel, 1985 and 1986*

	EUR 10 <sup>1</sup>		EUR 12	
	Tonnage	Crude steel	Tonnage	Crude steel
1985	16.4	19.2	21.8	25.4
1986	11.9	13.8	13.6	15.8
Change	- 4.5	- 5.3	- 8.2	- 9.6

million tonnes

<sup>1</sup> Spain and Portugal considered as non-member countries in 1986.

2.1.26. At 13.6 million tonnes, external trade in steel of the Community of Twelve in 1986 approached the lower limit of the scale in the general objectives for 1990 of 12.3 million tonnes. The decline in the production of crude steel of 10 million tonnes recorded by the Twelve in 1986 in comparison with 1985 is due entirely to the export balance, internal demand having remained practically constant. The figures also show a distinct reduction in Spain's export balance from one year to the next on account of imports from the Community of Ten, which exceeded 2 million tonnes in 1986.

## Trade with non-member countries

### Imports

#### Autonomous measures

2.1.27. The Council adopted on 7 April a Decision concerning the opening, for the period from 1 January to 30 June 1987, a zero-duty tariff quota for 500 tonnes of laser-irradiated, grain-oriented magnetic sheet and plate.

2.1.28. Following the accession of Greece the Commission sent the Council in April,

as part of the Association Agreement between the European Economic Community and Turkey, a draft Protocol on ECSC products.<sup>1</sup> The Protocol had been initialled by the Commission and the Turkish Government on 6 March.

2.1.29. On 29 April the Commission approved a Communication amending the basic import prices for certain steel products to bring them into line with changes in the rates of exchange. These prices form an integral part of the external protection measures against imports which amount to dumping or are subsidized.

Initially only the prices for products in ordinary steel will be changed. Prices concerning special steels, pig iron and ferromanganese will be published later.

2.1.30. The Commission also approved on 15 April a Decision prohibiting alignment of offers of steel products originating in certain non-member countries.<sup>2</sup> The aim was to avoid a situation where, by aligning offers of Community producers on offers

<sup>1</sup> COM(87) 140.

<sup>2</sup> OJ L 104, 16.4.1987.

from non-member countries with which the Community has renewed arrangements for 1987, the advantage of the penetration margin granted in return for quantitative commitments is lost. The list of steel products covered by arrangements has been adopted by Bulgaria, Hungary, Poland, Romania, Czechoslovakia, Venezuela, South Korea and Brazil, and alignment on offers of steel products originating in these countries is prohibited.

2.1.31. The Commission adopted on 27 April a Recommendation on Community surveillance of imports of certain products originating in non-member countries,<sup>1</sup> which contains certain innovations on the previous surveillance system,<sup>2</sup> in particular with regard to the information to be provided by importers. The number of products subject to an import licence will also now correspond exactly to the list in the arrangements. The aim is to facilitate the administration of arrangements concluded with a number of countries and the surveillance of imports from any other non-member country.

2.1.32. Spain has taken protective measures against certain non-Community countries. Since there has been considerable pressure from imports in the initial months of 1987 the Spanish Government has asked for authorization to adopt protective measures against imports of hot-rolled or cold-rolled products, wire rod and galvanized sheet originating in non-Community countries which have not concluded an arrangement with the Community. These measures will be notified to GATT.

## Research and technology

### Community R&D policy

#### *Framework programme*

#### **New framework programme (1987-91)**

2.1.33. On 9 April the European Parliament passed another Resolution<sup>3</sup> on the

deadlock in the discussions in the Council concerning the framework programme on research and technological development (1987-91) (→ point 2.4.17).<sup>4</sup>

#### *Coordination of national policies*

2.1.34. At its meeting in Brussels on 23 April the Scientific and Technical Research Committee (CREST) reviewed the status of research programmes under the plan to stimulate European scientific and technical cooperation and interchange<sup>5</sup> and Eurotra (machine translation system of advanced design).<sup>6</sup> It welcomed the progress made and results obtained under the stimulation plan, but regretted that industry had not been more closely involved in the current projects. It also expressed the desire that the negotiations with Switzerland be brought to a rapid conclusion so as to enable that country, which is noted for its expertise in the field of computer-aided translation, to be associated with the Eurotra programme.

The Committee also held a detailed discussion on Japan's proposal for international scientific and technical cooperation in its 'Human frontier' biological research programme.<sup>7</sup> It called for more information on this proposal and on the research being conducted in Europe in the relevant areas.

#### *International cooperation*

#### **COST**

2.1.35. At its meeting in Brussels on 2 and 3 April, the COST Committee of Senior Officials examined a Commission working document on procedures for scientific and

<sup>1</sup> OJ L 112, 29.4.1987.

<sup>2</sup> OJ L 348, 24.12.1985; Bull. EC 12-1985, point 2.1.38.

<sup>3</sup> OJ C 46, 23.2.1987; Bull. EC 1-1987, point 2.4.9.

<sup>4</sup> OJ C 125, 11.5.1987.

<sup>5</sup> OJ L 83 25.3.1985; Bull. EC 12-1984, points 1.7.1 and 1.7.2.

<sup>6</sup> OJ L 317, 31.12.1982, Bull. EC 11-1982, point 2.1.25; OJ L 341, 4.12.1987; Bull. EC 11-1986, point 2.1.64.

<sup>7</sup> Bull. EC 2-1987, point 2.1.31.

technical cooperation both within COST and under bilateral cooperation agreements. It asked for a detailed comparison to be drawn up of the respective advantages and disadvantages of the two types of cooperation. It also set up a Working Party, which will meet in Brussels on 21 May, with the task of preparing a document summarizing the whole procedure for the preparatory and approval phases of COST projects.

The Committee also examined a proposal for a new COST project entitled 'Definition of a methodology and thermodynamic data bank for the development of new light alloys', in which it expressed an interest.

2.1.36. In addition, Memoranda of Understanding concerning the following COST projects were signed in April: COST 506 'Industrial applications of light alloys', signed on 2 April by the United Kingdom; COST 306 'Electronic transmission of transport information', signed on 21 April by Norway; COST 218 'Reliability and technology of optical fibres and cables'; COST 309 'Improving weather forecasting for traffic conditions and road maintenance'; COST 506 'Industrial applications of light alloys', signed by Switzerland on 29 April and COST 307 'Implementation of a European research project on the rational use of energy in inter-regional transport'.

## Sectoral R&D activities

### Energy

#### Nuclear energy

2.1.37. ON 7 April the Commission sent the Council a proposal for a Decision<sup>1</sup> approving the third amendment<sup>2</sup> to the Statutes of the Joint European Torus (JET) Joint Undertakings.<sup>3</sup> This amendment, made necessary by the accession of Spain and Portugal to the Community, associates the following establishments with the JET Joint Undertaking (which currently comprises bodies from the Member States of the Community as constituted prior to 1

January 1986, plus Sweden and Switzerland): for Spain, the 'Centro de Investigaciones Energéticas Medioambientales y Tecnológicas'; for Portugal, the 'Junta Nacional de Investigação Científica e Tecnológica'.

### Raw materials

2.1.38. On 14 and 15 April the Commission held a seminar in Munich on wood technologies in order to disseminate the results obtained in the subprogramme 'Wood as a renewable raw material' under the research and development programme in the raw materials sector (1982-85).<sup>4</sup> The research work presented at this seminar related to the technological properties of wood and wood-based materials and to methods of processing and treating wood and wood products. The aim of this work was to promote the wider use of wood from trees grown in the Community, optimize the use of wood in construction, reduce waste during processing and improve the quality of the finished products. Research into silviculture and the use of wood in the form of fibres for paper manufacture and as a source of chemicals is also being carried out under the wood subprogramme of the materials research programme (1986-89).<sup>5</sup>

### Agriculture and fisheries

2.1.39. On 7 April the Commission amended,<sup>6</sup> following the Opinion of the European Parliament,<sup>7</sup> its proposal for a Decision adopting Community research and research coordination programmes in the fisheries sector (1985-89).<sup>8</sup>

### Development aid

2.1.40. On 14 April the Economic and Social Committee delivered an Opinion

<sup>1</sup> COM(87) 145 final.

<sup>2</sup> OJ L 213, 21.8.1979; OJ L 164, 23.6.1983.

<sup>3</sup> OJ L 151, 7.6.1978; Bull. EC 5-1978, point 2.1.109.

<sup>4</sup> OJ L 174, 21.6.1982; Bull. EC 5-1982, point 2.1.151.

<sup>5</sup> OJ L 159, 14.6.1986; Bull. EC 6-1986, point 2.1.65.

<sup>6</sup> OJ C 111, 25.4.1987; COM(87) 144 final.

<sup>7</sup> OJ C 255, 13.10.1986; Bull. EC 9-1986, point 2.1.40.

<sup>8</sup> Bull. EC 11-1985, point 2.1.197.



(→ point 2.4.42), on the proposal for a Regulation concerning a new multiannual research programme in the field of science and technology for development (1987-90).<sup>1</sup>

## Telecommunications, information technology and innovation

### Telecommunications

#### Public pan-European digital mobile communications

2.1.41. On 10 April, the European Parliament approved,<sup>2</sup> subject to technical amendments, the proposals<sup>3</sup> transmitted by the Commission to the Council on 9 February for a Recommendation on the coordinated introduction of public pan-European digital mobile communications in the Community and for a Directive on the frequency bands to be made available for that purpose.

#### Information technology

2.1.42. On 30 April, in accordance with the Council Decision<sup>4</sup> of 11 September 1979, the Commission approved, for transmission to the Council, a report<sup>5</sup> describing the main activities carried out in 1985 in connection with the multiannual data-processing programme.

#### Combined use of information and telecommunications technologies in general areas

2.1.43. The European Parliament and the Economic and Social Committee (→ point 2.4.43) approved,<sup>6</sup> on 10 April and 14 April respectively, the proposal<sup>7</sup> for a Decision extending the period of validity of the Council Decisions of 26 March 1985<sup>8</sup> and 4 February 1986<sup>9</sup> concerning, on the one hand, cooperation in automation of data

and documentation for imports/exports and for the management of the agricultural markets (Caddia) and, on the other hand, the coordinated development of computerized administrative procedures (CD project).

### Utilization of research results

2.1.44. A total of 20 recent inventions arising from Community R&D programmes were exhibited at the Hanover Fair (1 to 8 April), the International Pollution Abatement Fair (Birmingham, 6 to 9 April, in conjunction with the Commission departments concerned) and the Milan Fair (4 to 12 April, in conjunction with the JRC, Ispra).

### Innovation

2.1.45. On 27 April the Commission amended,<sup>10</sup> following the Opinion<sup>11</sup> delivered by Parliament, its proposal<sup>12</sup> for a Decision amending the Council Decision<sup>13</sup> of 25 November 1983 concerning a plan for the transnational development of the supporting infrastructure for innovation and technology transfer (Sprint programme).

### Information services

#### Overcoming language barriers

2.1.46. On 8 April, in accordance with the Council Decision<sup>14</sup> of 4 November 1982

<sup>1</sup> OJ C 24, 31.1.1987; Bull. EC 10-1986, point 2.1.50

<sup>2</sup> OJ C 125, 11.5.1987.

<sup>3</sup> OJ C 69, 17.3.1987; Bull. EC 2-1987, point 2.1.38.

<sup>4</sup> OJ L 231, 13.9.1979.

<sup>5</sup> COM(87) 195.

<sup>6</sup> OJ C 125, 11.5.1987.

<sup>7</sup> OJ C 55, 3.3.1987, Bull. EC 2-1987, point 2.1.40.

<sup>8</sup> OJ L 96, 3.4.1985; Bull. EC 3-1985, point 2.1.23.

<sup>9</sup> OJ L 33, 8.2.1986; Bull. EC 2-1986, point 2.1.45.

<sup>10</sup> COM(87) 202 final.

<sup>11</sup> OJ C 125, 11.5.1987.

<sup>12</sup> OJ C 335, 30.12.1986; Bull. EC 10-1986, point 2.1.153.

<sup>13</sup> OJ L 353, 15.12.1983, Bull. EC 10-1986, point 2.1.32.

<sup>14</sup> OJ L 317, 13.11.1982; Bull. EC 11-1982, point 2.1.25.

adopting a Community R&D programme relating to a machine translation system of advanced design, the Commission transmitted to the Council and Parliament the third annual report<sup>1</sup> on Eurotra. This report covers the first year of the second phase of the programme and reflects the situation at 31 December 1985.

There has been considerable scientific progress, resulting in a revised and more advanced design of system architecture. Although administrative problems at the national level and budgetary restrictions have delayed the work on the various languages there is growing general interest in Eurotra, both from the new Member States — which have asked to be included in the project — and from countries such as Switzerland, the United States, Canada and Japan — which are exploring the possibility of cooperating with the Community in this area.

## Customs union and indirect taxation

### Customs union

#### *Simplification of customs formalities*

##### Single administrative document

2.1.47. On 28 April the Council adopted on a proposal from the Commission<sup>2</sup> a Decision concluding a Convention between the Community and the EFTA countries on the simplification of formalities in trade in goods. This Convention, which will lead to the introduction from 1 January 1988 of a single administrative document in place of current declarations in trade between the Community and the EFTA countries — and among the EFTA countries themselves — forms part of the follow-up to the Luxembourg Joint Declaration of 9 April 1984,<sup>3</sup> in which Ministers from Community Member States and EFTA countries and the Commission expressed their political resolve to

promote further cooperation between the Community and EFTA countries by creating a dynamic European economic area profitable to their countries.

#### Introduction of common border posts

2.1.48. On 14 April the Economic and Social Committee delivered an Opinion on the proposal for a Regulation on the abolition of exit formalities at internal Community frontiers — introduction of common border posts (→ point 2.4.39).<sup>4</sup>

#### *Common Customs Tariff*

##### Nomenclature

2.1.49. On 7 April the Council adopted on a proposal from the Commission<sup>5</sup> a Decision concerning the conclusion of the International Convention on the Harmonized Commodity Description and Coding System.<sup>6</sup>

This Convention, which will replace the Customs Cooperation Council Nomenclature, should enter into force at the beginning of next year, provided that at least 17 of the 50 signatories to the Convention ratify it by 30 September. Nine participants have already ratified the Convention; the Community alone would account for 13 (i.e. the 12 Member States and the Community as such).

From 1 January 1988 the harmonized System will provide the basis for the Community's new Common Customs Tariff which will for the first time integrate in a single instrument the tariff and statistical nomenclature (Combined Nomenclature). It will also provide the basis for the Integrated Community Tariff (Taric).

---

<sup>1</sup> COM(87) 143 final.

<sup>2</sup> Bull. EC 3-1987, point 2.1.59.

<sup>3</sup> Bull. EC 4-1984, point 1.2.1 *et seq.*

<sup>4</sup> OJ C 282, 8.11.1986; Bull. EC 10-1986, point 2.1.56.

<sup>5</sup> OJ C 120, 5.4.1984; Bull. EC 4-1984, point 2.1.31; Bull. EC 2-1987, point 2.1.47.

<sup>6</sup> Bull. EC 6-1985, point 2.1.44.

2.1.50. For the purpose of ensuring uniform application of the CCT nomenclature the Committee on Common Customs Tariff Nomenclature decided on a number of tariff measures — in the form of a tariff classification slip, an explanatory note or an agreement on the classification of goods — concerning the following subheadings: 61.02 B II e) 9 cc), 60.05 A II b) 4 mm) 44, 61.02 B II e) 9 dd); 97.03 B, 85.15 A III b) 2 bb), A III b) 2 cc) and 85.15 A III b) 2 dd), 85.21 A III, 84.22 B IV, 84.23 A I c), 69.13 C, 70.19 C, 71.16 B, 73.13, 84.59 E II, 85.21 D II; 90.19 B II.

### *Economic tariff matters*

#### **Suspensions**

2.1.51. On 10 April<sup>4</sup> the Commission transmitted to the Council a proposal for a Regulation temporarily suspending the autonomous Common Customs Tariff duties on a number of industrial products.

2.1.52. In addition, the Commission adopted on 30 April,<sup>5</sup> with a view to its transmission to the Council, a proposal for a Regulation temporarily suspending the autonomous Common Customs Tariff duties on a number of agricultural products.

#### **Tariff quotas<sup>6</sup>**

2.1.53. On 27 March<sup>7</sup> the Council adopted a Regulation opening, allocating and providing for the administration of a Community tariff quota for new potatoes falling within subheading 07.01 A II b) of the Common Customs Tariff originating in Cyprus (1987).

### **Indirect taxes**

#### *Turnover taxes*

2.1.54. On 11 April the Council authorized a derogation measure<sup>8</sup> requested by the United Kingdom, pursuant to the Sixth

Council Directive of 17 May 1977 on value-added tax.<sup>9</sup>

The request concerned anti-avoidance measures to prevent taxable persons artificially reducing the price of supplies or imports of goods or of supplies of services to totally or partially exempt persons, with whom they have certain family, legal or business ties, specified in national legislation. The free market value may be taken as the consideration for the transaction, irrespective of whether the latter is actually taxed or not, where otherwise there would be loss of tax.

The Commission had informed the other Member States of the request in a letter dated 10 February 1987. As neither the Commission nor any Member State requested that the matter be raised by the Council within two months of that date, the Council's decision was deemed to have been adopted on 11 April.

2.1.55. On 6 April Parliament gave its Opinion on the proposals<sup>10</sup> from the Commission to the Council for an Eighteenth and a Nineteenth Directive on the harmonization of the laws of the Member States relating to turnover taxes.

The proposal for an Eighteenth Directive concerned the removal of certain derogations provided for in Article 28(3) of the Council Directive of 17 May 1977 on a common system of VAT.<sup>11</sup>

For its part, Parliament thought that certain proposals for derogations should be amended to avoid distortions of competition between public and private enter-

<sup>1</sup> OJ C 95, 8.4.1987.

<sup>2</sup> OJ C 102, 15.4.1987.

<sup>3</sup> OJ C 103, 16.4.1987.

<sup>4</sup> COM(87) 138 final.

<sup>5</sup> COM(87) 171.

<sup>6</sup> For steel products, see point 2.1.27.

<sup>7</sup> OJ L 112, 29.4.1987.

<sup>8</sup> OJ L 132, 21.5.1987.

<sup>9</sup> OJ L 145, 13.6.1977; Bull. EC 5-1977, points 1.3.1 to 1.3.4.

<sup>10</sup> OJ C 125, 11.5.1987.

<sup>11</sup> OJ C 347, 29.12.1984; Bull. EC 12-1984, points 2.1.77 and 2.1.78.

prises and to facilitate the development of amateur sport in particular. It considered that the transitional period provided for in the Sixth VAT Directive had expired on 1 January 1983 and, consequently, invited the Commission to put forward a proposal for a Council Directive abolishing all transitional provisions from 1 January 1990 (from 1 January 1992 in the case of Spain and Portugal).

Parliament approved, subject to amendments, the proposal for a Nineteenth Directive, which, like the Eighteenth, amends certain provisions of the Council Directive of 17 May 1977.<sup>1</sup> It stressed, however, that there was a need to adapt the latter to the computerization of transactions and to adopt the deferred payment arrangements (proposal for a Fourteenth VAT Directive).<sup>2</sup> It also invited the Commission to draw up proposals concerning the approximation of VAT rates to make it possible to introduce a clearing system, and invited the Council to adopt the proposal for a Seventh VAT Directive.<sup>3</sup>

### *Tax exemptions*

#### **Tax exemptions applicable to imports of personal goods**

2.1.56. On 14 April, the Economic and Social Committee adopted an Opinion on a proposal amending the Council Directive of 28 March 1983 on tax exemptions applicable to removals (→ point 2.4.45).<sup>4</sup>

## Competition

### **Restrictive practices, mergers and dominant positions: specific cases**

#### **Prohibited horizontal agreements**

##### *Airlines*

2.1.57. Alitalia, Lufthansa and Olympic Airways recently confirmed to the Com-

mission<sup>5</sup> that they are ready to introduce without delay into the agreements and restrictive practices they maintain with other Community airlines the amendments necessary to eliminate, in an initial stage and in accordance with Community requirements, the most serious distortions of competition created by those agreements.

In the coming weeks the Commission will intensify its discussions with the 10 airlines (Sabena, SAS, Lufthansa, Olympic Airways, Air France, Aer Lingus, Alitalia, KLM, British Airways and British Caledonian) so as to determine precisely what modifications each of them must introduce into these agreements and practices. More precisely, the Commission expects them to amend their agreements substantially so as to impose clear limits on the possibility of pooling their revenues, to eliminate all arrangements regarding capacity sharing and to enable the companies to adjust flexibly to demand and to abandon agreements concerning the categories and level of fares. The Commission reserves the possibility of reopening the proceedings under Article 89 of the EEC Treaty, particularly by taking reasoned Decisions, if it appears that the airlines are refusing to introduce the necessary amendments of their own volition.

#### **Mergers and takeovers**

*British Steel Corporation — Van der Vliet and de Jonge BV and Feyen Staal Service BV*

2.1.58. Under the competition rules of the ECSC Treaty the Commission on 28 April authorized the British Steel Corporation (BSC) to acquire a majority holding in Van der Vliet and de Jonge BV, Nieuwegein (Vlietjonge) a steel stockholding company and the whole of the share capital of Feyen

<sup>1</sup> OJ L 145, 13.6.1977, Bull. EC 5-1977, points 1.3.1 to 1.3.4.

<sup>2</sup> OJ C 203, 6.8.1982; Bull. EC 6-1982, point 2.1.57.

<sup>3</sup> OJ C 26, 1.2.1978; Bull. EC 12-1977, point 2.1.65; OJ C 136, 31.5.1979; Bull. EC 5-1979, point 2.1.45.

<sup>4</sup> OJ C 5, 9.1.1987; Bull. EC 12-1986, point 2.1.162.

<sup>5</sup> Bull. EC 3-1987, point 2.1.70.

Staal Service BV, Maastricht (Feyen), which is also a steel stockholder but whose main activity is the processing of steel products under contract.

Vlietjonge supplies the Netherlands market where it is in competition with other larger stockholding companies, and in association with two other companies holds a 7% share of the total market in ECSC steel products in the Netherlands.

The market supplied by Feyen is in the Netherlands, Belgium and Northern Germany. Feyen carries on processing work (uncoiling and cutting of steel strip and plates), where its market share is modest since there are numerous competitors, steel producers and other processing and stockholding companies.

After examination and in accordance with Article 66(2) of the ECSC Treaty the Commission has granted authorization for the two operations envisaged.

## State aid

### General aid

#### *Aid to craft industries*

##### Italy

2.1.59. On 8 April the Commission decided not to raise any objection to an aid scheme of the Basilicata region designed to promote the grant of loans to craft industries.

In 1986 the annual budget allocated amounted to 4.3 million ECU.

#### *Aid for technological innovation*

##### Italy

2.1.60. On 8 April the Commission decided to authorize the refinancing for the years 1987 to 1989 of the technological innovation fund created by Italian Law No 46/82. The budget provided for is 1 500 mil-

liard lire (about 1 000 million ECU). The implementing rules remain unchanged: the loan covers up to 55% of the cost of the project, at a rate of 15% for the first five years and 60% of the reference rate (at present 12.6%) published by the Italian Ministry for the Treasury for the 10 following years. The only novelty lies in the possibility of an intervention by the Fund to assist Eureka projects: in this case the intervention may, on the same conditions as indicated above, cover up to 80% of the cost of the project. As provided in the Community framework for State aids for R&D,<sup>1</sup> all the Eureka projects whose total cost exceeds 20 million ECU will be notified to the Commission.

## Regional aid

### *Regional aid in the least-developed Community regions under Article 92(3)(a)*

2.1.61. At its meeting on 29 April 1987, the Commission approved a method for the application of Article 92(3)(a) to national regional aid. Article 92(3)(a) provides that State aid to promote the economic development of areas where the standard of living is abnormally low or where there is serious underemployment may be considered to be compatible with the common market. Under the method these areas are defined in principle as those regions where GDP, measured in purchasing power standards, is at least 25% below the Community average. These regions, which cover approximately 20% of the Community population, are: Greece, Ireland, Portugal, parts of Italy and Spain, Northern Ireland and the French overseas departments.

In addition to the choice of criteria for the selection of such regions, the method also establishes ceilings on aid intensity equal to 75% net grant equivalent of initial investment or 13 000 ECU per job created. This corresponds to the highest permitted aid intensity in the 1979 principles of coordi-

<sup>1</sup> OJ C 83, 11.4.1986.

nation.<sup>1</sup> Furthermore, given the significant disparities in living standards and underemployment within certain Member States, the principle of regional differentiation in aid intensity according to the socio-economic situation will be implemented. Stringent conditions are also established under which certain other types of aid, not linked to initial investment, may be accepted in order to enable these regions to overcome their structural handicaps and thus catch up with the more developed regions in the Community.

The choice of regions and the type and intensity of aid are in accord with the new impetus to be given to cohesion as a consequence of Article 130A<sup>2</sup> of the EEC Treaty, introduced by the Single European Act, and with the recent Commission Communication entitled 'Making a success of the Single Act'<sup>3</sup> (COM(87) 100), where particular importance is attached to enabling the least-developed regions to catch up.

### Italy

2.1.62. Applying these new guidelines for the first time, the Commission studied the proposals for a new system of aid for regional development in the Mezzogiorno (Law No 64 of 1 March 1986 providing for exceptional intervention for the benefit of the Mezzogiorno).

This Law, which is to remain in force for nine years (1985-93), involves the allocation of 120 000 milliard lire for the financing of aid for the creation, extension and modernization of industrial installations, and the promotion of services, innovation and research; other measures are also provided for (relief from VAT, State guarantees, subsidies on bond issues, etc.).

The Commission decided to limit the grant of these aids in the provinces of Frosinone (Lazio), Pescara and Chieti (Abruzzo) to a maximum of 30% net grant equivalent and to prohibit them in the provinces of Ascoli-Piceno (Marche), Rieti, Rome, Latina (Lazio), L'Aquila, Teramo (Abruzzo), which by virtue of the new method of apply-

ing Article 92(3)(a) of the EEC Treaty no longer have an abnormally low standard of living or serious underemployment.

As regards the other provinces of the Mezzogiorno the Commission accepted the implementation of the aid concerned, with the exception of three provisions (the subsidiary guarantee provided for the recovery of debts resulting from the export of products or the carrying out of work abroad; the preferential rates for carriage by rail of agricultural products; the relief from social security charges in the agri-foodstuffs industry), in respect of which the Commission therefore also initiated the procedure provided for in Article 93(2) of the EEC Treaty.

### Sectoral aid

#### *Synthetic fibres*

2.1.63. Having carried out a review of the situation of the synthetic fibres industry, the Commission decided on 8 April to extend the system of control set up in 1977<sup>4</sup> for a further two-year period ending on 19 July 1989.

Under Article 93(1), it told Member States that it would continue to view with disfavour any aids proposed by Member States, be they industry aids, regional aids, or general aids, which had the effect of increasing individual firms' net production capacity in the synthetic fibres industry (which for this purpose is defined as including the production of acrylic, polyester, polypropylene and polyamide fibres and yarns and the texturization of these yarns).

The Commission reminded Member States that it must be notified of any plan to grant aid of whatsoever type to firms in the synthetic fibres industry.

<sup>1</sup> OJ C 31, 3.2.1979.

<sup>2</sup> Supplement 2/86 — Bull. EC.

<sup>3</sup> Supplement 1/87 — Bull. EC; Bull. EC 2-1987, point 1.1.8.

<sup>4</sup> Bull. EC 7/8-1977, point 1.5.3; Bull. EC 11-1977, point 2.1.47; OJ C 171 of 10.7.1985; Bull. EC 5-1085, point 2.1.35.

The Commission reiterated that it would continue to give sympathetic consideration only to Member States' plans to grant aid for the purpose of solving serious social or regional problems by speeding up or facilitating conversion out of synthetic fibres into other activities or by restructuring leading to reductions in capacity.

### *Tourism*

#### **Portugal**

2.1.64. On 8 April the Commission decided not to raise any objection to an existing scheme for assisting investments in tourism in Portugal or to a draft aid scheme repealing the existing one.

This scheme involves loans totalling ESC 1 585 million (10 million ECU), with interest subsidies covering up to 60% of the cost of the investment with a ceiling of ESC 100 million (62 700 ECU) intended to encourage investments concerning establishments and facilities for tourism.

The Commission also decided not to raise any objection to aid granted by the autonomous government of the Azores totalling ESC 575 million (3.6 million ECU for 1987) consisting in interest-free loans, repayable in 12 years, with a view to financing investments in tourism.

## **Financial institutions and company law**

### **Financial institutions**

#### *Stock exchanges and transferable securities*

2.1.65. On 28 April the Commission adopted a proposal for a Directive coordinating regulations on insider trading<sup>1</sup> with a view to its submission to the Council. Insider trading consists in the use of privileged information which certain individuals

can obtain, enabling them to make gains at the expense of other investors.

In order that an undistorted Community-wide financial market may be brought into being, the Commission considers that it is necessary to harmonize certain rules governing the conduct of those authorized to act on behalf of others so that investors may be afforded the same degree of protection everywhere.

In this context, therefore, the proposal aims to establish a uniform basis within the Community for combating such operations. It should, moreover, help to secure increasingly extensive interpenetration of the Community's financial centres and enable the Community to discharge its responsibilities at international level, having regard to the increasing internationalization of markets in transferable securities.

2.1.66. On 9 April Parliament delivered an Opinion<sup>2</sup> on the proposal for a Council Directive on information to be published when major holdings in the capital of a listed company are acquired or disposed of.<sup>3</sup> Parliament approved the proposal subject to certain amendments which it has requested the Commission to adopt.

2.1.67. On 10 April it also delivered an Opinion<sup>4</sup> on the proposal for the amendment of the Council Directive of 20 December 1985<sup>5</sup> on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (Ucits) as far as concerns the investment policy of certain Ucits.<sup>6</sup> While Parliament welcomed this new proposal by the Commission, it attaches paramount importance to ensuring that the new provisions in the proposal guarantee investors a level of protection equivalent to that offered by the original Directive. It has asked the Com-

<sup>1</sup> COM(87) 111.

<sup>2</sup> OJ C 125, 11.5.1987.

<sup>3</sup> OJ C 351, 31.12.1985; Bull. EC 12-1985, point 2.1.83.

<sup>4</sup> OJ C 125, 11.5.1987.

<sup>5</sup> OJ L 375, 31.12.1985.

<sup>6</sup> OJ C 155, 21.6.1986; Bull. EC 5-1986, point 2.1.61.

mission to adopt the amendments it proposes to Article 26a.

2.1.68. On the same day Parliament delivered an Opinion<sup>1</sup> on the proposal for the amendment of the Council Directive of 17 March 1980<sup>2</sup> coordinating the requirements for the drawing up, scrutiny and distribution of the listing particulars to be published for the admission of securities to official stock exchange listing.<sup>3</sup> Parliament approves the legal basis proposed, subject to the amendments which it adopted and which it requests the Commission and Council to adopt also.

2.1.69. At its April session the Economic and Social Committee adopted an Opinion on this proposal.<sup>3</sup> (→ point 2.4.46).

## **Company law, company taxation and capital movements**

### *Taxation of transactions in securities*

2.1.70. On 14 April the Commission sent to the Council an amended proposal<sup>4</sup> for a Council Directive relating to indirect taxes on transactions in securities.<sup>5</sup> This proposal aims at abolishing indirect taxes on such transactions and should be viewed from the standpoint of establishing a European capital market. Since the amendments in question are substantial, the Commission considers that further consultation of Parliament and the Economic and Social Committee is necessary. The proposal Opinions were delivered in October 1976<sup>6</sup> on the original proposal.<sup>5</sup>

### *Accounting standards*

2.1.71. On 9 April Parliament adopted an Opinion<sup>7</sup> on the proposal for the amendment of the Council Directives of 25 July 1978<sup>8</sup> on annual accounts and of 13 June 1983<sup>9</sup> on consolidated accounts as regards the scope of those Directives.<sup>10</sup> Noting that the proposal is not aimed at small or med-

ium-sized undertakings, Parliament calls for the necessary concessions for them to be specified, particularly with regard to the disclosure requirement. It calls on the Commission to examine, after completion of the internal market, whether the implementation of the two abovementioned Directives leads to distortion of competition, and then to draw up the relevant proposals.

## **Employment, education and social policy**

### **Employment**

#### **Employment and the labour market**

##### *Labour force survey*

2.1.72. On 14 April<sup>11</sup> the Commission forwarded a proposal for a Regulation on the organization of a labour force sample survey in spring of 1988. The series of labour force sample surveys carried out since 1973 is currently the sole source of statistics on the structure and development of employment and unemployment compiled by uniform methods and based on common definitions. The results of the surveys make a considerable contribution to statistical documentation requirements for social, economic, regional, industrial and agricultural policies, as well as for education and environmental policy.

##### *Meeting of the Heads of employment policy departments*

2.1.73. The Heads of employment policy departments in the Member States met on

---

<sup>1</sup> OJ C 125, 11.5.1987.

<sup>2</sup> OJ L 100, 17.4.1980.

<sup>3</sup> OJ C 110, 24.4.1987; Bull. EC 3-1987, point 2.1.88.

<sup>4</sup> OJ C 115, 30.4.1987; COM(87) 139 final.

<sup>5</sup> OJ C 133, 14.6.1976; Bull. EC 4-1976, point 2.1.15.

<sup>6</sup> OJ C 259, 4.11.1976; OJ C 297, 16.12.1976.

<sup>7</sup> OJ C 125, 11.5.1987.

<sup>8</sup> OJ L 222, 14.8.1978.

<sup>9</sup> OJ L 193, 18.7.1983.

<sup>10</sup> Bull. EC 5-1986, points 2.1.19 and 2.1.60.

<sup>11</sup> COM(87) 149 final.



29 and 30 April. The questions tackled included preparation of a report on the implementation of the Council Resolution of 22 December 1986 on an action programme on employment growth,<sup>1</sup> long-term unemployment and women's unemployment. The internal and external adaptation of firms to new conditions in the marketplace and on the labour market will have a significant impact in terms of better mobilization of human resources.

Long-term unemployment, which has grown rapidly and become widespread for some years continues to give cause for serious concern in all the countries affected.

The other items on the agenda concerned extension of the Misep system (Mutual information system on employment policies in Europe), the progress of research on the invisible economy, and lastly the social dialogue.

## Financial instruments

### European Social Fund

2.1.74. Having received the European Parliament's Opinion<sup>2</sup> on 29 April, the Commission adopted the guidelines for the management of the European Social Fund in the financial years 1988-90. The guidelines take account of the reform of the structural Funds proposed by the Commission (→ point 2.1.90) and emphasize long-term unemployment. Thus, compared with the previous year,<sup>3</sup> the selection criteria have been amended; they extend to young people under 25 vocational training operations which formerly applied only to workers unemployed for over 12 months.

Most of the exceptions granted to Spain in 1986 and 1987 have not been continued. The new guidelines eliminate the possibilities of assistance for recruitment incentives for local employment initiatives. As regards geographical concentration, 50% of the working population in the Community will have priority compared with 56.5% in 1987.

## Education and vocational training

### Education

2.1.75. The European Parliament expressed its views in two Resolutions on the European Schools and on the use of subsidies accorded by the Community (→ point 2.4.17).<sup>4</sup>

### Education of the children of migrant workers

2.1.76. On 10 April the European Parliament adopted a Resolution<sup>4</sup> on the application of the Directive of 25 July 1977 on the education of the children of migrant workers (→ point 2.4.17).

## Living and working conditions and social protection

### Equal opportunities for women and men

2.1.77. A seminar on the application of the Community equality Directives was held in Killarney, Ireland, from 10 to 12 April,<sup>5</sup> the third national seminar to follow up the Community-level seminar held at Louvain-la-Neuve in May 1985.<sup>6</sup> Senior members of the legal profession representing the Bench, solicitors, the Bar and the universities, together with members of the Labour Court and industrial relations experts, discussed the application and interpretation of the equality Directives in Ireland.

2.1.78. The Expert Network on the Application of the Equality Directives<sup>7</sup> met in Brussels on 9 April. The Group mainly considered the problem of the reversal of the burden of proof in equality cases. Over the

<sup>1</sup> OJ C 340, 31.12.1986; Bull. EC 12-1986, point 2.1.138.

<sup>2</sup> OJ C 99, 13.4.1987; Bull. EC 3 1987, point 2.1.94.

<sup>3</sup> OJ L 153, 7.6.1986; Bull. EC 4-1986, point 2.1.64.

<sup>4</sup> OJ C 125, 11.5.1987.

<sup>5</sup> OJ L 45, 19.2.1975; OJ L 39, 14.2.1976 and OJ L 6, 10.1.1979.

<sup>6</sup> Bull. EC 5-1985, point 2.1.50.

<sup>7</sup> OJ L 45, 19.2.1975; OJ L 39, 14.2.1976 and OJ L 6, 10.1.1979.

rest of the year, the Group will concentrate its attention on indirect discrimination, the legal aspects of positive action, collective agreements and equal value.

2.1.79. The Expert Network on Women in the Labour Force met on 3 April. It discussed its ongoing work (on migrant women and the coherence between national economic and equality policies) and its further work (a typical form of employment for women and sectoral analysis of business creation by women).

### Family policy

2.1.80. On 8 April the second meeting was held in Brussels of the European Child Care Network<sup>1</sup> which reviewed the progress of work on drafting its first report examining the Member States' policies and making recommendations for action at Community level.

### Health and safety

#### Health and safety at work

2.1.81. On 8 and 9 April a meeting took place of the *ad hoc* Working Party of the Advisory Committee on Safety, Hygiene and Health Protection at Work which had been assigned the task of formulating a proposal on health supervision at the workplace. Two documents were prepared: the first, which concerns the operational aspects, was drawn up as a definitive text for approval by the Committee; the second, which deals with the organizational aspects, will be discussed at the plenary meeting of the Committee in July.

#### Health and safety (Euratom)

2.1.82. On 11 April the Commission adopted, for transmission to the Council, a Communication, accompanied by a proposal for a Decision, concerning a Community system for the rapid exchange of information in cases of abnormal radioac-

tivity levels or in the event of a nuclear accident (→ point 2.1.148).

2.1.83. On 14 April the Commission sent the Council a report on the implementation of the latter's Resolution of 25 July concerning technological problems of nuclear safety (→ point 2.1.149).

2.1.84. From 27 to 30 April the Commission held a scientific symposium in Luxembourg on radioactive contamination of foodstuffs (→ point 2.1.150).

### Culture

#### European architectural heritage

2.1.85. On 11 April the Commission published an invitation<sup>2</sup> asking for pilot projects for the conservation of monuments and sites of European renown which illustrate some aspect of the national or regional architectural heritage of the Community to be submitted by 1 June.<sup>3</sup> A decision on whether to provide financial support for the 15 projects declared eligible by 31 July will be taken by 15 October.

### Regional policy

#### Coordination and programmes

##### Regional development programmes and Regional Policy Committee

2.1.86. The Regional Policy Committee, which met on 9 April under the chairmanship of Mr Sallois, considered the draft third report on the social and economic situation and development of the regions. Its Opinion will be annexed to the report in the form of a statement.

---

<sup>1</sup> Bull. EC 1-1987, point 2.1.63.

<sup>2</sup> OJ C 98, 11.4.1987.

<sup>3</sup> OJ C 320, 13.12.1986; Bull. EC 11-1986, point 2.1.128.

## Assessment of the regional impact of other Community policies and regional development studies

2.1.87. On 7 April, the Commission decided to grant 117 000 ECU to contribute to financing three studies closely related to Fund operations, as follows:

- (i) a study on the promotion of new technologies in the County of Århus (Denmark): 38 000 ECU;
- (ii) a study on the need for an environment institute (Denmark): 38 000 ECU;
- (iii) a study on potential investment projects in the East Durham coal-mining area (United Kingdom): 41 000 ECU.

## Financial instruments

### *Business and innovation centres*

2.1.88. On 22 April the Commission decided to make a financial contribution under Item 543 of the 1987 budget to three projects for redeveloping areas affected by industrial decline:

Dunkirk (France)	135 000 ECU
Toulon (France)	130 000 ECU
Cloppenburg (Germany)	150 000 ECU

The conversion projects are intended to finance measures to facilitate the promotion and development of a network of business and innovation centres, managed on commercial lines with the intention that they will eventually be profitable. The measures proposed are to prepare for, establish or complete three business and innovation centres designed to provide a full range of support services for small and medium-sized firms or to promote new activities in the areas of Dunkirk and Toulon in France, and Cloppenburg in Germany.

## Coordination of structural instruments

### Integrated Mediterranean programmes

#### *Approval by Commission of draft IMPs*

2.1.89. On 14 April the Commission approved the four draft French IMPs for the regions of Corsica and Provence-Alpes-Côte d'Azur and the departments of Ardèche and Drôme. These programmes complete the series of seven IMPs presented by France, all of which have now been adopted.<sup>1</sup>

Like the first three French IMPs, the projects for Corsica, Provence-Alpes-Côte d'Azur, Ardèche and Drôme cover the first period, 1986-88, in parallel with the multi-annual planning arrangements in France (ninth plan).

The four regions and departments concerned should receive approximately 135.5 million ECU in grants for the period 1986-88. The amount of loans to be granted from EIB own resources and NCI resources during the same reference period will be decided on during the consultation which the Commission must hold with the Advisory Committee on IMPs under Article 7 of the Regulation on IMPs.<sup>2</sup> The Commission will be able to give its final approval only when the Advisory Committee on IMPs has delivered its Opinion.

On 27 April the Advisory Committee delivered a favourable Opinion on the IMPs for Aquitaine, Languedoc-Roussillon and Midi-Pyrénées, which were approved by the Commission on 4 February.<sup>3</sup>

### Reform of structural Funds

2.1.90. On 29 April in accordance with Article 130 D of the Single European Act,<sup>4</sup>

<sup>1</sup> Bull. EC 3-1986, point 2.1.96.

<sup>2</sup> OJ L 197, 27.7.1985; Bull. EC 7/8-1985, point 2.1.106.

<sup>3</sup> Bull. EC 2-1987, point 2.1.81.

<sup>4</sup> Supplement 2/86 — Bull. EC.

the Commission adopted for transmission to the Council a preliminary draft Regulation on the tasks of the structural Funds and their effectiveness and on coordination of operations between them and with operations under the EIB and the other financial instruments.<sup>1</sup>

As a follow up to its Communication entitled 'Making a success of the Single Act: A new frontier for Europe',<sup>2</sup> the Commission confirms in this preliminary draft that Community structural operations will now be centred around five priority objectives:

- (i) securing the growth and adjustment of the structurally least-developed regional economies;
- (ii) converting the declining industrial regions by helping them to develop new activities;
- (iii) combating long-term unemployment;
- (iv) facilitating the occupational integration of young people;
- (v) speeding up the adjustment of agricultural structures and encouraging rural development in keeping with the European Community model of society, with a view to reform of the common agricultural policy.

In order to demonstrate the importance it attaches to the development of the least prosperous regions (Greece, Ireland, Portugal, certain regions of Spain and Italy, Northern Ireland and the French Overseas Departments), the Commission proposes making a major effort to concentrate budgetary resources on this objective by assigning to it at least 80% of ERDF resources and involving the ESF and EAGGF Guidance Section. In addition, the annual increase in the commitment appropriations concerned will be at least equivalent to the aggregate annual increase in the commitment appropriations of the structural Funds. An amount equal to 75% of the budgetary resources assigned by the Funds will be shared out by the Commission at the beginning of each year between the eligible Member States on the basis of socio-economic criteria and will constitute for

them a guaranteed annual minimum. The conversion of declining industrial regions will be financed by the ERDF and ESF while operations to combat long-term unemployment and promote the occupational integration of young people will fall within the scope of the ESF. The EAGGF Guidance Section will support objectives connected with the adjustment of agricultural structures and the EIB and other financial instruments will participate in attaining these objectives.

In addition, the Commission is proposing a new system for managing structural policy which will enable the Community to give preference to financing operational programmes drawn up in close cooperation with the national, regional or local authorities. The Commission thus intends to establish each year, in parallel with the operational programmes, five-year budgetary forecasts for the three Funds, accompanied by an indicative breakdown of resources between the five priority objectives.

The Commission is already proposing that commitment appropriations for all the structural Funds be doubled in real terms between 1987 and 1992.

Assistance under the Community's structural Funds may assume the following forms:

- (i) part-financing of operational programmes;
- (ii) part-financing of national structural assistance;
- (iii) provision of general grants managed by an intermediary on behalf of two or more economic agents;
- (iv) part-financing of major projects;
- (v) technical assistance and studies in preparation for operations.

The EIB and other financial instruments will provide assistance in the form of global loans, financing of investment projects and

<sup>1</sup> COM(87) 167.

<sup>2</sup> Supplement 1/87 — Bull. EC; Bull. EC 2-1987, points 1.1.8 to 1.1.11.

part-financing of studies and technical assistance.

Provision is also made for the Community to be able to vary the rate of its assistance in the light of a number of criteria: seriousness of the problems to be tackled, particularly at regional level; financing capacity of the Member State concerned; importance from a Community point of view; importance from a regional or sectoral point of view; characteristics of the operation in question.

As soon as the Single European Act comes into force, a formal proposal for a framework Regulation will be presented to the Council. The guidelines set out in this framework Regulation will be given concrete form in the specific Regulations on the individual structural Funds and in the Regulation on coordination of the Funds' financing techniques on the basis of proposals to be submitted to the Council by the Commission.

## Environment and consumers

### Environment

#### *Prevention and reduction of pollution and nuisance*

#### Protection of the aquatic environment

##### *Pollution by oil and other harmful substances*

2.1.91. On 2 April the Commission put to the Council a proposal<sup>1</sup> to amend the Decision of 6 March 1986 establishing a Community information system for the control and reduction of pollution caused by the spillage of oil and other harmful substances at sea in order to extend the system to inland waterways.<sup>2</sup>

#### Noise abatement

##### *Lawnmowers*

2.1.92. On 10 April the Commission sent the Council a proposal<sup>3</sup> for an amendment

to add cylinder lawnmowers to the Directive of 17 September 1984 on the approximation of the laws of the Member States relating to the permissible sound power level of lawnmowers<sup>4</sup>

2.1.93. In addition, on 7 April the Commission adapted to technical progress<sup>5</sup> the Council Directive of 17 September 1984<sup>4</sup> by adding provisions on artificial flooring and the requisite technical rules on conducting tests on this surface.

### Control of chemicals, industrial hazards and biotechnology

#### *Cadmium*

2.1.94. On 23 April the Commission submitted to the Council a Communication proposing an action programme to combat environmental pollution by cadmium<sup>6</sup>. After reviewing the current situation as regards cadmium pollution in the Community (exposure, effects, sources and pathways), the Communication proposes a Community-wide control strategy to ensure that as little cadmium as possible escapes to pollute the environment.

#### *Dangerous substances*

2.1.95. On 23 April<sup>7</sup> the Commission approved for submission to the Council a proposal for a Directive adapting to technical progress for the eighth time the Council Directive of 27 June 1967 on the approximation of laws, regulations and administrative provisions relating to the classification, packaging and labelling of dangerous substances.<sup>8</sup>

The main purpose of this proposal is to add 29 carcinogenic substances to the list of

<sup>1</sup> OJ C 108, 23.4.1987, COM(87) 120 final.

<sup>2</sup> OJ L 77, 22.3.1986; Bull. EC 3-1986, point 2.1.103.

<sup>3</sup> OJ C 113, 28.4.1987; COM(87) 133 final.

<sup>4</sup> OJ L 300, 19.11.1984; Bull. EC 9-1984, point 2.1.70.

<sup>5</sup> OJ L 117, 5.5.1987.

<sup>6</sup> COM(87) 165 final.

<sup>7</sup> COM(87) 179.

<sup>8</sup> OJ 196, 16.8.1967.

dangerous substances, together with details of their classification and labelling.

### *Scientific Advisory Committee*

2.1.96. The Scientific Advisory Committee to examine the toxicity and ecotoxicity of chemical compounds met in Brussels from 28 to 30 April to debate, amongst other things, the presence of certain pesticides in drinking water, with particular reference to the urgent situation in Italy.

## **Consumers**

### **Council**

2.1.97. The Consumer Affairs Ministers met on 7 April. Pending receipt of the European Parliament's Opinion, the Council held a policy debate on the proposal for a Directive on the harmonization of legislation on products which, appearing to be other than they are, endanger the health or safety of consumers (dangerous imitations of consumer products).<sup>1</sup> It also held an initial exchange of views on the proposal for a Directive on the harmonization of legislation on toy safety.<sup>2</sup>

### *Physical protection and product safety*

#### **Safety of consumer products**

2.1.98. From 2 to 4 April, a Workshop on the safety of consumer products and consumer protection in the European Community was held in Bremen (Federal Republic of Germany). An initiative of this kind was promised in the Communication from the Commission to the Council in July 1985 on a new impetus for consumer protection policy in the Community, which was the subject of a Council Resolution adopted on 23 June 1986.<sup>3</sup>

The Workshop was attended by 30 or so experts from university, government and business circles and was held to discuss the basis and the principles for a Community

initiative in the area of general legislation on the safety of consumers *vis-à-vis* consumer products.

The importance of such an initiative lies in the fact that at the present time several Community Member States are about to adopt general legislation on consumer safety, following the example of other Member States which already have such legislation.

Harmonization of this kind should, on the one hand, supplement the Directive on product liability<sup>4</sup> and the new approach to technical harmonization and standards<sup>5</sup> and, on the other, ensure the health and safety of consumers in respect of consumer products moving freely within the Community, without hindering the completion of the internal market by 1992.<sup>6</sup>

2.1.99. On 14 April, the Economic and Social Committee adopted an Opinion (→ point 2.4.44) on the proposal for a Directive on the harmonization of legislation on products which, appearing to be other than they are, endanger the health or safety of consumers.<sup>7</sup>

### **Cosmetics**

2.1.100. On 14 April,<sup>8</sup> the Commission transmitted to the Council a proposal for a Directive adapting to technical progress Annex III to Council Directive of 27 July 1976<sup>9</sup> on the approximation of the laws of the Member States relating to cosmetic products.

The aim of the proposal is to authorize, under certain conditions and subject to certain restrictions, the use of benzoyl peroxide

<sup>1</sup> OJ C 272, 28.10.1987; Bull. EC 9-1986, point 2.1.97.

<sup>2</sup> OJ C 282, 8.11.1986; Bull. EC 10-1986, point 2.1.128.

<sup>3</sup> Supplement 6/86 — Bull. EC and Bull. EC 5-1986, point 2.1.117.

<sup>4</sup> OJ L 210, 7.8.1985; Bull. EC 7/8-1985, point 1.5.1.

<sup>5</sup> OJ C 136, 4.6.1985; Bull. EC 5-1985, point 1.3.1.

<sup>6</sup> Bull. EC 6-1985, point 1.3.1 *et seq.*

<sup>7</sup> OJ C 272, 28.10.1986; Bull. EC 9-1986, point 2.1.97.

<sup>8</sup> COM(87) 156 final.

<sup>9</sup> OJ L 262, 27.9.1976; OJ L 149, 3.6.1986.

in lotions, creams and gels for cleaning and improving the appearance of greasy skin.

### Poisoning of consumers

2.1.101. On 8 April, the European Parliament adopted a Resolution on the problem of the contamination of foodstuffs following the Chernobyl disaster (→ point 2.4.17).<sup>1</sup>

### Consumer information education and representation

#### Price indication

2.1.102. On 23 April,<sup>2</sup> the Commission once again amended its proposals for Directives on the indication of prices for foodstuffs<sup>3</sup> and non-food products<sup>4</sup> respectively.

## Agriculture

### Council

2.1.103. The Council met to discuss agriculture from 27 to 29 April. It continued<sup>5</sup> its discussions on the fixing of agricultural prices and on certain related measures for the 1987/88 marketing year,<sup>6</sup> entering into the negotiating phase proper. It devoted its proceedings mainly to the following four sectors: cereals, vegetable oils and fats, fruit and vegetables, and agri-monetary measures. Winding up its discussions, the Council agreed to continue work on this subject at its next meeting on 18 and 19 May on the basis of guidelines to be submitted by the Presidency.

\*

The Council was unable to act on the Commission proposals regarding cauliflowers and dried fodder, the marketing year for which ends on 30 April, as Parliament's Opinion had not been received. Consequently the Commission took<sup>7</sup> the interim protective measures that were essential for

ensuring continuity in the operation of the market organization.

### Agricultural prices and related measures for 1987/88

2.1.104. On 14 April (→ point 2.4.47) the Economic and Social Committee adopted an Opinion on the proposals on the prices for agricultural products and on related measures for 1987/88.<sup>6</sup>

## Market organizations

### Cereals

2.1.105. When the prices for 1986/87 were fixed<sup>8</sup> the Council asked the Commission for a study on the quality criteria for durum wheat to assist it in deciding which measures should be adopted as part of a quality policy for cereals which had already begun to be applied in the case of common bread-making wheat. The Commission has therefore sent the Council a report<sup>9</sup> in which it proposes tightening up the existing physical criteria and introducing technological criteria in order to determine durum wheat's suitability for pasta-making.

2.1.106. On 30 April<sup>10</sup> the Commission adopted a Regulation applying a special intervention measure for maize in France and Spain at the end of the 1986/87 marketing year. This is a management measure

<sup>1</sup> OJ C 125, 11.5.1987.

<sup>2</sup> OJ C 121, 7.5.1987; COM(87) 160 final.

<sup>3</sup> OJ C 53, 25.2.1984; Bull. EC 1-1984, point 2.1.66; OJ C 205, 14.8.1985; Bull. EC 7/8-1985, point 2.1.134; OJ C 103, 30.4.1986; Bull. EC 3-1986, point 2.1.114.

<sup>4</sup> OJ C 8, 13.1.1984; Bull. EC 12-1983, point 2.1.131; OJ C 205, 14.8.1985; Bull. EC 7/8-1985, point 2.1.134; OJ C 103, 30.4.1986; Bull. EC 3-1986, point 2.1.114.

<sup>5</sup> Bull. EC 3-1987, point 2.1.143.

<sup>6</sup> OJ C 83, 3.4.1987; Bull. EC 2-1987, point 1.2.1 *et seq.* and point 2.1.105.

<sup>7</sup> OJ L 115, 1.5.1987.

<sup>8</sup> OJ L 119, 8.5.1986; OJ L 133, 21.5.1986; OJ L 139, 24.5.1986; Bull. EC 4-1986, point 1.4.1 *et seq.* and point 2.1.106 *et seq.*

<sup>9</sup> COM(87) 125 final.

<sup>10</sup> OJ L 115, 1.5.1987.

intended to prevent large quantities of maize from being offered for intervention at the end of April as the result, among other things, of uncertainty regarding the effects of the agreement concluded with the United States concerning imports of maize and sorghum with a reduced levy.<sup>1</sup>

### *Milk and milk products*

2.1.107. As part of the special measures to dispose of butter surpluses the Commission introduced the possibility of selling the oldest intervention butter at a reduced price for the purpose of experimental industrial utilization.<sup>2</sup> In view of the wide range of processes by which butter can be used for non-food purposes in this way, it is expected that around 100 000 tonnes will be disposed of.

2.1.108. By the expiry of the Community measure to assist the victims of the cold spell (31 March),<sup>3</sup> deliveries of milk products to charitable organizations for free distribution to the persons most in need had reached the following levels: about 22 000 tonnes of butter, 25 850 tonnes of milk, 10 750 tonnes of cheese and 1 024 tonnes of yoghurt.

### **Market situation<sup>4</sup>**

2.1.109. As regards the application of the milk quota system, provisional figures for deliveries of milk to purchasers in the third period for which the additional levy applied (1 April 1986 to 31 March 1987) show that the overall guaranteed quantity was exceeded by about one million tonnes in the Community of Ten.

In 1986, in the Community of Ten, milk deliveries and the production of butter, skimmed-milk powder and cheese increased as follows compared with 1985: milk deliveries by 1.5 million tonnes (1.5%), butter by 155 000 tonnes (7.8%), skimmed-milk powder by 197 000 tonnes (10.3%) and cheese by 52 000 tonnes (1.3%). This big increase was followed by a sharp drop in the first few months of 1987, largely with a

view to reducing the quantity by which the milk quotas were exceeded.

At the end of April intervention stocks amounted to 1 203 872 tonnes of butter (1 139 393 tonnes in April 1986), 793 147 tonnes of skimmed-milk powder (704 298 tonnes in 1986) and 96 683 tonnes of cheese (89 393 tonnes in 1986).

### *Beef/veal*

2.1.110. On 2 April<sup>5</sup> the Commission adopted a Regulation amending the monetary compensatory amounts (MCAs) in the beef/veal sector and its Regulation of 11 November 1985<sup>6</sup> laying down detailed rules for the calculation of MCAs.

This Regulation adjusts the method of calculating MCAs following the introduction of the new intervention mechanism.<sup>7</sup>

2.1.111. On 24 April<sup>8</sup> the Commission adopted a Regulation introducing the buying-in of beef in respect of certain Member States and qualities and fixing the buying-in prices for beef. This was the first time buying-in prices and eligible qualities had been fixed after the transitional period under the new intervention arrangements.<sup>7</sup>

2.1.112. On 23 April<sup>9</sup> the Commission amended its Regulations of 24 March 1977<sup>10</sup> and 8 June 1979<sup>11</sup> as regards the release of the security for certain special import arrangements in the beef/veal sector.

The purpose of the amendment is to introduce a degree of proportionality into the rules concerning the release of the security

<sup>1</sup> OJ L 98, 10.4.1987; Bull. EC 1-1987, points 1.2.1 and 1.2.2.

<sup>2</sup> OJ L 106, 22.4.1987.

<sup>3</sup> OJ L 17, 20.1.1987; OJ L 25, 28.1.1987; Bull. EC 1-1987, points 2.1.85; Bull. EC 2-1987, point 2.1.106.

<sup>4</sup> Bull. EC 2-1987, points 2.1.114 and 2.1.115.

<sup>5</sup> OJ L 91, 3.4.1987.

<sup>6</sup> OJ L 310, 21.11.1985.

<sup>7</sup> OJ L 80, 24.3.1987.

<sup>8</sup> OJ L 111, 28.4.1987.

<sup>9</sup> OJ L 109, 24.4.1987.

<sup>10</sup> OJ L 77, 25.3.1977.

<sup>11</sup> OJ L 141, 9.6.1979.



in the case of imports effected under the 'beef estimate' arrangements.

### *Wine*

2.1.113. On 15 April<sup>1</sup> the Commission extended certain deadlines imposed on Greece for determining the percentage of table wine production to be delivered for compulsory distillation in the current marketing year by each producer liable. Greece had been unable to meet the deadlines because of the delay in publishing the criteria on which the determination had to be based.

2.1.114. On the same date<sup>1</sup> the Commission also extended the deadline by which producers have to present to the intervention agencies for approval their contracts or declarations in respect of the delivery of table wines for the 'support' distillation accompanying compulsory distillation. This measure was necessary in order to get round the administrative difficulties which had delayed diffusion of the necessary national provisions in one Member State and were preventing the producers concerned from taking advantage of the measure.

2.1.115. The Council having decided on 6 May 1986<sup>2</sup> that the alcoholic strength should be given on the label of liqueur wines, sparkling wines and aerated sparkling wines, on 15 April<sup>1</sup> the Commission adopted detailed rules for applying this measure which were based largely on the rules applicable to other products in the wine sector (units of percentage by volume, tolerances, nature of the indications on the labels).

### *Tobacco*

2.1.116. After inviting tenders for five lots of Burley tobacco harvested in Greece in 1985<sup>3</sup> the Commission awarded<sup>4</sup> four of the lots, totalling 4 152 184 kg of tobacco, to successful tenderers.

## **Structures**

### **Income aid and incentives to cease farming**

2.1.117. On 15 April the Commission sent the Council three proposals for Regulations on income aid and incentives to cease farming (→ point 1.2.1 *et seq.*).

## **Legislation**

### **Veterinary and animal husbandry legislation**

2.1.118. On 7 April,<sup>5</sup> acting on a proposal from the Commission,<sup>6</sup> the Council adopted two Decisions extending for one year the duration of the Community financial measure to eradicate classical swine fever and the guarantees which may be required in trade in pigs and pigmeat by Member States which are officially free of this disease.

These Decisions were needed in order to prevent a break in the continuity of the measure. The Council has undertaken to reach a decision before 1 November on the implementation of a supplementary measure to eradicate classical swine fever implying a stepping-up of control measures.

2.1.119. On 14 April (→ point 2.4.48) the Economic and Social Committee delivered an Opinion on the proposal for an amendment<sup>7</sup> to the Directive of 22 January 1980<sup>8</sup> on animal health problems affecting intra-Community trade in meat products.

### **Competition**

2.1.120. Under the terms of Articles 92 to 94 of the EEC Treaty, the Commission

<sup>1</sup> OJ L 104, 16.4.1987.

<sup>2</sup> OJ L 144, 29.5.1986; Bull. EC 5-1986, point 2.1.130.

<sup>3</sup> OJ L 7, 9.1.1987; OJ C 17, 23.1.1987; Bull. EC 1-1987, point 2.1.100.

<sup>4</sup> OJ C 97, 10.4.1987.

<sup>5</sup> OJ L 99, 11.4.1987.

<sup>6</sup> OJ C 295, 21.11.1986; Bull. EC 11-1986, point 2.1.198.

<sup>7</sup> OJ C 55, 3.3.1987; Bull. EC 2-1987, point 2.1.138.

<sup>8</sup> OJ L 47, 21.2.1980; Bull. EC 1-1980, point 2.1.46.

decided to make no comment on the introduction of the following proposed schemes, which had been duly notified.

### *Germany*

Aid for a pilot plant manufacturing agricultural ethanol.

### *Bavaria*

Aid for farmers taking part in measures to protect nature and the countryside.

Aid for a dairy to be transferred without increasing its milk-using capacity.

### *Rhineland-Platinat*

Aid for vineyards situated on steep slopes, in order to safeguard the landscape; the aid presupposes the use of particular cultivation methods.

Aid for wine-growing and horticultural holdings with a shortage of liquid assets.

### *Hesse*

Aid in the form of a State guarantee on short-term loans for producers of Rheingauer Riesling.

### *Denmark*

Aid for developing the production and processing of agricultural produce.

Aid for developing agricultural production.

The Commission will adopt a position on these two Danish measures when it has received the drafts of the implementing measures.

Aid for investments in environmental protection, which are to be examined in the light of Regulation (EEC) No 797/85 of 12 March 1985.<sup>1</sup>

### *Greece*

National aid for stockfarmers following the accident at Chernobyl.

### *France*

Measures proposed at the Annual Agricultural Conference:

(i) aid for beef/veal and sheepmeat producers whose holdings are in difficulty;

(ii) aid in the horsemeat sector;

(iii) technical support (advisory services) for producers;

(iv) relieving of the financial burden on young farmers;

(v) social security cover for farmers in difficulty;

(vi) restructuring programme in the milk sector.

### *Ireland*

Aid for vegetable processors for setting up two cold chains.

### *Italy*

### *Umbria*

Bill applying Regulation (EEC) NO 797/85 of 12 March 1985<sup>1</sup> (aid for the installation of young farmers).

### *Netherlands*

Aid to make up for the losses resulting from the Chernobyl disaster (sheep rearing and spinach growing).

### *United Kingdom*

Milk Marketing Board (aid financed by parafiscal charges for the collection, distribution and preparation of milk and milk products, provided for in the Community provisions on market organization).

Aid for farmers in the framework of measures to protect the environment.

2.1.121. Under the same terms, the Commission addressed a negative Recommendation.

---

<sup>1</sup> OJ L 93, 30.3.1985; Bull. EC 3-1985, point 2.1.111 *et seq.*

dation to Germany concerning measures in Lower Saxony to promote the processing of raw materials into bioethanol in collaboration with a sugar refinery and to France concerning premiums per head for the production of horsemeat (aid for placing animals in lots and for echography).

2.1.122. The Commission decided to initiate the Article 93(2) procedure in respect of the following aid schemes.

### *Germany*

#### North Rhine — Westphalia

Aid per hectare for the production of flax fibre.

### *Belgium*

Fund to promote poultry farming, the rearing of small livestock and fruit and vegetable growing (aid financed by parafiscal charges).

### *Denmark*

Aids and parafiscal charges in the poultry sector (Decree No 666 of the Ministry of Agriculture of 1 October 1986 on taxes on egg and poultry production).

### *Italy*

#### Sicily

Measures concerning water and other legislation relating to agriculture. Regional Act No 24 of 15 May 1986 (funding of medium-term loans for farms in difficulty and request for information concerning the payment of LIT 15 000 million to the Ente di Sviluppo agricolo to assist undertakings processing agricultural produce).

The procedure was also initiated in respect of aid granted in France, Italy and the Netherlands towards hail insurance premiums or to make up for the damage caused by hail.

2.1.123. The Commission decided to terminate the Article 93(2) procedure in respect of the following aid schemes.

### *Greece*

Interest-free loans for nine months to semolina manufacturers to enable them to buy wheat for pasta-making;<sup>1</sup> the Greek authorities stated that this measure had never existed.

### *Italy*

#### Calabria

Regional Act No 23 of 3 June 1975 on the development of cooperation in agriculture, as amended by Regional Act No 17 of 31 July 1976<sup>2</sup> (aid for investments in processing undertakings). The Italian authorities had complied with the Commission's requests.

The Commission also decided to close the file on Italian measures to assist the distillation of table wines and aid for the storage of quality wines, as a Council Decision of 9 December 1986<sup>3</sup> had recognized these measures as being compatible with the common market.

## **European Agricultural Guidance and Guarantee Fund**

### **Guarantee Section**

2.1.124. The Commission has adopted the provisional accounts of EAGGF Guarantee Section payments for 1986. Payments amounted, fishery sector products included, to 22 137.4 million ECU (appropriations for financial year: 22 153.3 million ECU), an increase of some 12.1% on 1985 (19 744.2 million ECU).

Expenditure is broken down as follows:

<sup>1</sup> Bull. EC 9-1985, point 2.1.99.

<sup>2</sup> Bull. EC 7/8-1984, point 2.1.140.

<sup>3</sup> OJ L 352, 13.12.1986; Bull. EC 12-1986, point 2.1.230.

(million ECU)

	1985		1986	
	million ECU	%	million ECU	%
Cereals and rice	2 360.3	11.9	3 484.9	15.7
Milk products	5 933.2	30.1	5 405.8	24.4
Olive oil and oilseeds	1 802.9	9.1	2 631.8	11.9
Sugar	1 804.5	9.1	1 725.6	7.8
Beef/veal, pigmeat, sheepmeat and goatmeat, eggs and poultry	3 476.7	17.6	4 348.2	19.6
Fruit and vegetables, wine, tobacco	3 014.9	15.3	2 399.0	10.9
Other products	1 124.7	5.7	1 602.2	7.2
<b>Total agricultural products</b>	<b>19 517.2</b>	<b>98.8</b>	<b>21 597.5</b>	<b>97.5</b>
'Accession' compensatory amounts	0.2	0.0	5.8	0.0
Monetary compensatory amounts	189.6	1.0	475.9	2.2
Clearance of previous years' accounts	- 99.2	- 0.5	- 55.3	- 0.2
Community compensation measures	136.4	0.7	113.5	0.5
<b>Grand total</b>	<b>19 744.2</b>	<b>100.0</b>	<b>22 137.4</b>	<b>100.0</b>

2.1.125. On 7 April Parliament adopted a Resolution on the possibilities for improving the Guarantee Section's financing system and control mechanisms (→ *point 2.4.17*).<sup>1</sup>

catch quotas among Member States for vessels fishing in Swedish waters.<sup>4</sup>

2.1.127. On 13 April the Commission sent to the Council two proposals<sup>5</sup> amending:

(i) the Regulation of 16 February 1987 fixing catch possibilities for 1987 for certain fish stocks and groups of fish stocks in the Regulatory Area as defined in the NAFO Convention<sup>6</sup> and

(ii) the Regulation of 22 December 1986 fixing, for certain fish stocks and groups of fish stocks, the total allowable catches for 1987 and certain conditions under which they may be fished (Spitzbergen and Bear Island (Svalbard)).<sup>7</sup>

## Fisheries<sup>2</sup>

### Resources

#### *Internal aspects*

#### Community measures

#### *TACs and quotas*

2.1.126. On 28 April the Council, acting on a proposal from the Commission,<sup>3</sup> adopted a Regulation allocating additional

<sup>1</sup> OJ C 125, 11.5.1987.

<sup>2</sup> For fisheries research, see point 2.1.39.

<sup>3</sup> Bull. EC 3-1987, point 2.1.183.

<sup>4</sup> OJ L 113, 30.4.1987.

<sup>5</sup> COM(87) 141 final.

<sup>6</sup> OJ L 51, 20.2.1987; Bull. EC 2-1987, point 2.1.152.

<sup>7</sup> OJ L 376, 31.12.1986; Bull. EC 12-1986, point 2.1.252.

*Control measures*

2.1.128. On 10 April Parliament adopted two Opinions<sup>1</sup> on the proposals for Council Decisions on the Community's financial contribution towards the monitoring and supervision of fishing activities, one relating solely to Portugal<sup>2</sup> and the other to all Member States.<sup>3</sup>

Parliament approved the Commission proposals, subject to an increase in the Community's financial contribution.

*Technical measures*

2.1.129. On 6 April the Commission sent to the Council a proposal<sup>4</sup> for a Regulation fixing the minimum mesh size for pelagic trawls used in fishing for blue whiting in that part of the area covered by the Convention on Future Multilateral Cooperation in the North-East Atlantic Fisheries<sup>5</sup> which extends beyond the maritime waters falling within the fisheries jurisdiction of Contracting parties to the Convention.

*Prohibition measures*

2.1.130. On 17 April, on the basis of information supplied by the national authorities on the exhaustion of certain quotas the Commission prohibited<sup>6</sup> United Kingdom vessels from fishing for saithe in the Irish Sea, West Ireland and Porcupine Bank, South Ireland, the Bristol Channel, the English Channel, the Bay of Biscay, Portuguese waters, the Azores and off the Moroccan coast (ICES subareas VII, VIII, IX and X, CECAF 34.1.1 (EC zone)).

**National measures***Protection of local stocks*

2.1.131. On 8 April the Commission, acting under Article 14 of Council Regulation 3094/86 of 7 October 1986,<sup>7</sup> took note of a draft United Kingdom by-law, the provisions of which apply to the waters

under the management of the Southern Water Authority.

*Measures stricter than Community rules*

2.1.132. On 6 April the Commission took note of a draft French Decree placing certain restrictions on leisure fishing from sea-going vessels. The Commission found that the draft legislation, inasmuch as it applied to French fishermen, was compatible with Article 14(1)(b) of Council Regulation 3094/86 of 7 October 1986.<sup>7</sup>

*Implementation of Community rules*

2.1.133. On 15 April the Commission took note of three Dutch measures, namely a Decision of 28 December 1984 on quotas for sole and plaice in the North Sea during 1985, an Order of 29 March 1985 amending this Decision and a Decision of 30 December 1985 on quotas for sole and plaice in the North Sea during 1986. The Commission found these three measures, which laid down rules for the management of the Dutch sole and plaice quotas in ICES division IIa and subarea IV in 1985 and 1986, to be compatible with Article 5(2) of Regulation (EEC) No 170/83,<sup>8</sup> and Article 14(1) of the Regulation of 29 June 1982.<sup>9</sup>

*External aspects***Bilateral relations***Guinea-Bissau*

2.1.134. On 28 April the Council, acting on a proposal from the Commission,<sup>10</sup>

<sup>1</sup> OJ C 125, 11.5.1987.

<sup>2</sup> OJ C 323, 16.12.1986; Bull. EC 12-1986, point 2.1.256.

<sup>3</sup> OJ C 336, 31.12.1986; Bull. EC 12-1986, point 2.1.256.

<sup>4</sup> COM(87) 128 final.

<sup>5</sup> OJ L 378, 30.12.1978.

<sup>6</sup> OJ L 90, 2.4.1987.

<sup>7</sup> OJ L 288, 11.10.1986; Bull. EC 10-1986, point 2.1.174.

<sup>8</sup> OJ L 24, 27.1.1983.

<sup>9</sup> OJ L 220, 29.7.1982; Bull. EC 6-1982, point 2.1.128.

<sup>10</sup> OJ C 197, 6.8.1986; Bull. EC 7/8-1986, point 2.1.188.

adopted a Regulation<sup>1</sup> on the conclusion of the Agreement amending for the second time the Agreement between the European Economic Community and the Government of the Republic of Guinea-Bissau on fishing off the coast of that country.<sup>2</sup> This Agreement had been initialled on 22 May 1986.<sup>3</sup>

### Angola

2.1.135. A fisheries Agreement between the Community and Angola was initialled in Brussels on 30 April, to run for an initial period of three years with the possibility of renewal for additional two-year periods. The implementing Protocol annexed to the Agreement provides for fishing authorizations for tuna boats and shrimp boats for a two-year period starting on 3 May. In return Angola will receive financial compensation from the Community, the financing of a scientific programme, study and training grants and fees chargeable to the ship-owners.

### Canada

2.1.136. Consultations between the Community and Canada were held in Ottawa from 8 to 10 April concerning the reciprocal fishing arrangements which will apply as from 1 January 1988.

## Multilateral relations

### *International Council for the Exploration of the Sea*

2.1.137. On 29 April the Commission approved, on behalf of the Community, the draft Cooperation Agreement in the form of an exchange of letters between the Community and the International Council for the Exploration of the Sea (ICES).

The purpose of this draft Agreement is to formalize relations between the Community and the ICES, particularly with a view to scientific cooperation. The Community will have observer status at the meetings of the

ICES Advisory Committee on Fishery Management.

## Markets and structures

### *Markets organization*

2.1.138. On 15 April the Commission presented to the Council a Communication concerning Community fishery product supplies.<sup>4</sup> This report draws attention to the considerable increase in the Community's supply deficit for 1987, as a result of the steady growth in demand and the drop in Community production.

Given the need to ensure that supplies reach the Community market on terms which safeguard the competitiveness of Community undertakings, the report recommends appropriate temporary changes in the customs tariff.

2.1.139. On 30 April the Commission adopted, for transmission to the Council, a proposal<sup>5</sup> to amend the Regulation of 29 December 1981 on the common organization of the market in fishery products<sup>6</sup> with a view to establishing an intervention scheme for certain species which are not yet eligible under the Community arrangements but which account for a substantial proportion of certain member States' production, adjusting the private storage aid arrangements for the products listed in Annex II to the basic Regulation<sup>6</sup> in line with the general principles governing other Community intervention schemes in the fisheries sector, and reforming the Community intervention scheme for tuna, this having become necessary following changes in tuna production and trade structures.

<sup>1</sup> OJ L 113, 30.4.1987.

<sup>2</sup> OJ L 84, 30.3.1983; Bull. EC 3-1983, point 2.1.132.

<sup>3</sup> Bull. EC 5-1986, point 2.1.152.

<sup>4</sup> COM(87) 153 final.

<sup>5</sup> COM(87) 112.

<sup>6</sup> OJ L 379, 31.12.1986; Bull. EC 12-1981, point 2.1.140.

## Structures

### State aid

2.1.140. The Commission raised no objection to the following State aid:

(i) an aid scheme for the salmon industry in Scotland, namely the salmon product development scheme which comprises two types of measure: the encouragement of contacts between producers and marketing specialists and the granting of subsidies towards promotion schemes for the products concerned, covering up to 50% of costs within a budget of UKL 30 000 for the period 1986-87;

(ii) investment aid to improve processing and marketing structures for fishery products in Portugal. A subsidy is to cover 35% of eligible investment costs subject to an overall budget of ESC 240 million for projects which meet the criteria laid down in Article 2 of the Regulation of 15 February 1977 on common measures to improve the conditions under which agricultural and fishery products are processed and marketed.<sup>1</sup>

## Transport

### Infrastructure

2.1.141. On 6 April Parliament endorsed<sup>2</sup> the proposal for a Council Regulation on financial support within the framework of a medium-term transport infrastructure programme and on the further development of the European Community's transport infrastructure policy.<sup>3</sup> Parliament put the emphasis on integration of outlying regions with poor communications, on the elimination of bottlenecks and on embarking on large-scale projects to improve cohesion in the Community. It defined a number of priorities which it called on the Commission to take into account when implementing the medium-term programme. In addition,

Parliament stressed the importance of establishing a coordinated European high-speed train network. It protested at the slowness with which decisions are reached on the implementation of infrastructure projects which are important to the Community; this has a particularly adverse effect on the effort to ensure sound management of funds.

In addition, Parliament called on the Commission to send it a report each year on the list of projects considered eligible.

Finally, Parliament deplored the lack of coordination between the Community and neighbouring third countries, not only on infrastructure matters but also in connection with the establishment of certain rules.

### Inland transport

#### Road transport

#### Social conditions

2.1.142. The United Kingdom Government consulted the Commission with a view to being exempted from some of the provisions of the Council Regulations of 20 December 1985 on the harmonization of certain social legislation relating to road transport and on the use of recording equipment (tachograph).<sup>4</sup> Since the exemptions requested were compatible with the Community legislation, on 6 April the Commission gave its approval.

### International cooperation

#### Occasional passenger services (ASOR)

2.1.143. On 7 April the Commission submitted to the Council a proposal<sup>5</sup> for a

<sup>1</sup> OJ L 51, 23.2.1977; OJ L 53, 25.2.1977.

<sup>2</sup> OJ C 125, 11.5.1987.

<sup>3</sup> OJ C 288, 15.11.1986; Bull. EC 6-1986, point 2.1.221.

<sup>4</sup> OJ L 370, 31.12.1985; Bull. EC 12-1985, point 2.1.124.

<sup>5</sup> OJ C 113, 28.4.1987; COM(87) 151 final.

Decision to bring forward, in line with the request from Switzerland, the date of entry into force of the provisions set out in Sections II and III of the Agreement on the International Carriage of Passengers by Road by means of Occasional Coach and Bus Services (ASOR).<sup>1</sup>

## Energy

### Formulating and implementing a Community energy policy

2.1.144. On 8 April Parliament adopted a Resolution on the energy objectives for 1995 (→ point 2.4.17).<sup>2</sup>

### Specific problems

#### Solid fuels

2.1.145. On 7 April the Commission took two Decisions<sup>3</sup> in conformity with its Decision of 30 June 1986 establishing Community rules for State aid to the coal industry,<sup>4</sup> approving aid not exceeding BFR 15 588 600 000 in Belgium and aid not exceeding FF 2 970 000 000 in France (including FF 110 000 000 to the Centre d'études et de recherche des charbonnages de France) to the respective coal industries during 1987.

#### Oil and gas

2.1.146. On 10 April Parliament adopted a Resolution on the consequences of the sharp decline of oil prices in the Community and its Member States (→ point 2.4.17).<sup>2</sup>

#### Nuclear energy

2.1.147. On 8 April Parliament adopted a Resolution on the future of nuclear energy (→ point 2.4.17).<sup>2</sup>

## Nuclear safety

### Radiation protection

#### Basic standards

2.1.148. On 1 April the Commission adopted<sup>5</sup> a Communication, accompanied by a proposal for a Decision, relating to a Community system for the rapid exchange of information in cases of abnormally high radiation levels or in the event of a nuclear accident.

The system proposed by the Commission is intended to supplement and broaden the scope of that to be set up under the Convention on Early Notification of a Nuclear Accident, which was adopted at Vienna in 1986 under the aegis of the IAEA.<sup>6</sup> The Commission proposal envisages that detailed information will be notified, as a matter of urgency, to the Commission and the other Member States whenever a Member State takes or considers taking emergency measures to protect the public either in the event of a nuclear accident or following the measurement of abnormally high radioactivity levels.

An earlier draft of the proposal had been transmitted to the Council in the form of an annex to the Commission's outline Communication of July 1986 on the consequences of the Chernobyl accident.<sup>7</sup> The definitive version was drawn up following delivery of the Opinion of the Committee of Experts provided for by Article 31 of the Euratom Treaty, rendered on 17 December 1986, and that of the Economic and Social Committee, rendered on 25 February 1987.<sup>8</sup>

---

<sup>1</sup> OJ L 230, 5.8.1982; Bull. EC 7/8-1982, point 2.1.165.

<sup>2</sup> OJ C 125, 11.5.1987.

<sup>3</sup> OJ L 110, 25.4.1987.

<sup>4</sup> OJ L 177, 1.7.1986; Bull. EC 6-1986, point 2.1.236.

<sup>5</sup> COM(87) 135 final.

<sup>6</sup> Bull. EC 9-1986, point 2.1.161; Bull. EC 1-1987, point 2.1.128.

<sup>7</sup> OJ C 237, 19.9.1986; Bull. EC 7/8-1986, point 2.1.231.

<sup>8</sup> OJ C 105, 21.4.1987; Bull. EC 2-1987, point 2.4.30.



2.1.149. From 27 to 30 April the Commission held a scientific symposium in Luxembourg on radioactive contamination of foodstuffs.

The aim of the symposium was to reach a scientific consensus concerning an approach to the setting of internationally acceptable contamination levels for foodstuffs and drinking water following a nuclear accident.

The symposium was attended by experts from some 30 countries all over the world and from international organizations working in this field, such as WHO, IAEA, NEA (OECD's Nuclear Energy Agency) and ICRP (International Committee on Radiological Protection).

The following topics were discussed: acceptable levels for human exposure to ionizing radiation in the event of a nuclear accident; mathematical models for the calculation of contamination levels; quantification of parameters used in these areas; problems relating to contaminated animal feeds and fertilizers.

The conclusions from the symposium will make a valuable contribution to the formulation of proposals for Regulations in this area which the Commission will lay before the Council in June.

## Plant safety

### *Harmonization of safety criteria*

2.1.150. On 14 April the Commission sent

the Council a report<sup>1</sup> on the implementation of the latter's Resolution<sup>2</sup> of 22 July 1975 concerning technological problems of nuclear safety. The report reviews the Community's achievements to date in the harmonization of nuclear safety codes and standards and proposes methods and approaches considered most suitable in the present situation for the continued promotion, at Community level, of common safety options and for providing an equivalent degree of protection for all the peoples of the Community. The recommendations contained in the report go beyond the mere continuation of the harmonization process in the matter of technical criteria and guidelines: they define a strategy for achieving tangible results that can be carried out through existing structures and mechanisms without resorting to new legal instruments.

2.1.151. To commemorate the anniversary of the Chernobyl accident, Parliament, during its April part-session, held a wide-ranging debate<sup>3</sup> on nuclear energy and related safety aspects. On conclusion of the debate and after speeches by Mr Clinton Davis and Mr Mosar, Members of the Commission with responsibility for environment and energy respectively, six Resolutions were passed.<sup>4</sup>

<sup>1</sup> COM(87) 96 final.

<sup>2</sup> OJ C 185, 14.8.1975.

<sup>3</sup> This debate is reported in points 2.4.13 to 2.4.15.

<sup>4</sup> OJ C 125, 11.5.1987.

## 2. External relations

### New round of multilateral trade negotiations

#### Meetings of negotiating groups

##### *Group of Negotiations on Services (GNS)*

2.2.1. On 8, 9 and 10 April the GNS held its second meeting dealing with substantive issues.<sup>1</sup> A large number of delegations, including the Community, contributed to a preliminary analysis of aspects likely to help form the basic approach of a future agreement.

##### *Group of Negotiations on Goods (GNG)*

2.2.2. At a meeting of the GNG, which is responsible for general supervision and coordination of the Uruguay Round negotiations—except those on services—the timetable was agreed for the second series<sup>2</sup> of meetings of the 14 negotiating groups, starting at the end of April and ending in late June. A decision was also taken in principle to admit the UN Secretariat, Unctad, the IMF and the World Bank as observers to the GNG.

##### *Market Access Group*

2.2.3. The negotiating groups on tariffs, non-tariff measures, natural resource-based products and textiles met for a second time from 27 to 29 April.<sup>3</sup> The discussions provided an opportunity for the Community to clarify its position on different aspects of the negotiations.

### Commercial policy

#### Implementing the common commercial policy

##### *Commercial policy instruments*

##### Easing of restrictive measures

2.2.4. Under the Council Regulation of 14 November 1983 on import arrangements for

products originating in State-trading countries, not liberalized at Community level,<sup>4</sup> the Commission adopted the following measures:

##### *Opening of quotas*

*Spain - Poland - Romania:* motor vehicles for the transport of persons, goods or materials (including sports motor vehicles, other than those of heading No 87.09) (CCT heading No 87.02);<sup>5</sup>

*United Kingdom - People's Republic of China:* television receivers (colour or monochrome) unassembled or disassembled (CCT subheading 85.15 A ex III);<sup>6</sup>

*Italy — Hungary:* ball, roller or needle roller bearings (CCT heading No 84.62);<sup>7</sup>

*Italy - Romania:* regenerated fibres of viscose (discontinuous, not carded, combed or otherwise prepared for spinning (category ex 126 — Nimexe code 56.01.21);<sup>8</sup>

*Italy - Soviet Union:* trinitrotoluene (CCT subheading 29.03 B 1).

##### *Modification of quotas*

*United Kingdom — Poland:* tableware and other articles of a kind commonly used for domestic or toilet purposes, of porcelain or china, or other kinds of pottery (CCT headings Nos 69.11, 69.12 and 69.13);<sup>8</sup>

*United Kingdom — German Democratic Republic:* Textiles categories Nos 37 and 50;

<sup>1</sup> Bull. EC 1-1987, point 2.2.4; Bull. EC 2-1987, point 2.2.1.

<sup>2</sup> Bull. EC 2-1987, point 2.2.1; Bull. EC 3-1987, point 2.2.1.

<sup>3</sup> Bull. EC 2-1987, point 2.2.1.

<sup>4</sup> OJ L 346, 8.12.1983.

<sup>5</sup> OJ C 85, 31.3.1987.

<sup>6</sup> OJ C 98, 11.4.1987.

<sup>7</sup> OJ C 110, 24.4.1987.

<sup>8</sup> OJ C 110, 24.4.1987.

*Changes in import arrangements*

*Denmark — State-trading countries:* abolition of quantitative restrictions on the release for free circulation of goods falling within CCT heading No 70.05.<sup>1</sup>

**Trade protection**

2.2.5. Trade protection measures taken in April are shown in Table 3.

<sup>1</sup> OJ C 98, 11.4.1987.

Table 3 — *Trade protection measures*

Council	Commission
	<p><i>Provisional anti-dumping duty on imports of:</i></p> <p>Standardized multi-phase electric motors having an output of more than 0.75 kW but not more than 75 kW, originating in Yugoslavia  OJ L 102, 14.4.1987  (initiation: OJ C 282, 8.11.1986)</p> <p><i>Initiation of an anti-dumping proceeding with respect to imports of:</i></p> <p>Certain types of electronic semiconductors known as Eproms (erasable programmable read only memories) originating in Japan  OJ C 101, 14.4.1987</p> <p>The complaint lodged by the European Electronic Component Manufacturers' Association contains evidence of the existence of dumping and the injury caused by it. Between 1984 and 1986, Japanese manufacturers of Eproms raised their exports to the Community from 9 million units to 29 million units, thus increasing their share of the market from 60% to 78%. The prices of these products would appear to be 30% lower than the prices of Community products. The alleged impact on the Community industry is said to take the form of inadequate sales levels, financial losses, excessive stocks and delays in the investment required in order to introduce new, more powerful types of Eproms.</p> <p>Dot matrix printers originating in Japan  OJ C 111, 25.4.1987</p> <p>Kraftliner paper and board originating in Brazil or South Africa  OJ C 113, 28.4.1987</p> <p><i>Initiation of an anti-dumping review proceeding:</i></p> <p>Concerning imports of certain ball bearings originating in Japan and manufactured and exported by Sapporo Precision Inc.  OJ C 111, 25.4.1987  (definitive anti-dumping duty: OJ L 193, 21.7.1984; OJ L 129, 15.5.1985)</p>

Council	Commission
	<p>Termination of anti-dumping proceeding concerning imports of:            Synthetic fibres of polyester originating in the German Democratic Republic, Romania, Turkey and Yugoslavia.            OJ L 103, 15.4.1987            (initiation: OJ C 125, 24.5.1986)</p> <p><i>Repeal of a regulation imposing a definitive anti-dumping duty on imports of:</i>            Certain kinds of polystyrene sheet originating in Spain.            OJ L 95, 9.4.1987            (definitive anti-dumping duty: OJ L 198, 30.7.1985)</p>

2.2.6. On 28 April<sup>1</sup> the Commission adopted its fourth annual report, for presentation to Parliament, on the Community's anti-dumping and anti-subsidy activities.<sup>2</sup> It deals mainly with the Community's anti-dumping and anti-subsidy activities during 1985, on the basis of Community provisions<sup>3</sup> and the Gatt codes<sup>4</sup> governing this matter, but it also contains—for purposes of comparison—details of the number of investigations and reviews opened and concluded in 1983 and 1984.

*Treaties and trade agreements:  
 extension or automatic renewal*

2.2.7. On 7 April<sup>5</sup> the Council authorized the extension or tacit renewal of certain trade agreements concluded between Member States and non-member countries, the date of denunciation of which falls between 1 February and 30 April 1987 (first instalment 1987).

2.2.8. On 27 April<sup>6</sup> it also authorized the automatic renewal or continuance in force of certain friendship, trade and navigation treaties and similar agreements concluded between Member States and non-member countries.

**Sectoral commercial policy matters<sup>7</sup>**

*Textiles*

**Agreements and arrangements with non-member countries**

*MFA countries*

2.2.9. Under the textile agreement between the Community and Pakistan, following a request made by the Community with a view to introducing a limit on exports of bed linen (category 20) to its market, consultations with Pakistan were held in Brussels on 2 and 3 April. The two sides agreed to resume their discussion as soon as they had obtained further statistical data on Pakistan's exports in order to facilitate an agreed solution to the problem.

2.2.10. In addition, on 10 April consultations with Thailand were held in Brussels. Under the solution agreed on by the close of the consultations, Thailand will restrict its exports of category 4 products (T-shirts),

<sup>1</sup> COM(87) 178 final.

<sup>2</sup> Bull. EC 5-1986, point 2.2.11.

<sup>3</sup> OJ L 339, 31.12.1979; OJ L 201, 30.7.1984.

<sup>4</sup> OJ L 71, 17.3.1980.

<sup>5</sup> OJ L 95, 9.4.1987.

<sup>6</sup> OJ L 111, 28.4.1987.

<sup>7</sup> For steel products, see points 2.1.28 to 2.1.32.

to take into account the introduction of the Harmonized Commodity Description and Coding System (→ point 2.1.49). The Council is expected shortly to approve the provisional application of this solution, with effect from 1 January 1987, pending formal conclusion of the agreement.

### *Mediterranean preferential countries*

2.2.11. Consultations were also held in Mersin from 6 to 8 April with the Turkish Association of Exporters of Clothing Products. A number of questions concerning the management of the administrative cooperation arrangement were examined.

## Relations with industrialized countries

### Quadripartite meeting

2.1.12. The 13th informal quadripartite meeting was held in Kashikojima, Japan, from 24 to 26 April and was chaired by Mr Hajime Tamura, Japan's Minister of International Trade and Industry.<sup>1</sup> The Community was represented by Mr Willy De Clercq, Member of the Commission with special responsibility for external relations and trade policy, Mr Clayton Yeutter, trade representative for the United States, and Mrs Patricia Carney, Canada's Trade Minister.

The Ministers discussed two subjects in detail: world trade and the Uruguay Round in the framework of GATT.

As regards the Uruguay Round, emphasis was laid on specific matters, such as agriculture, services, intellectual property and the functioning of GATT. It was agreed that agricultural trade would be examined in greater detail at the OECD ministerial meeting and the Western Economic Summit in Venice. The discussion on the situation of international trade centred on the growing structural trade surplus and Japan's macro-economic policy. The responsibility of the 'four' for the smooth operation and

strengthening of the multilateral trade system was emphasized.

### Western Economic Summit

2.2.13. On 9 April Parliament adopted a Resolution on the Venice Western Economic Summit (→ point 2.4.17).<sup>2</sup>

### United States

2.2.14. On 2 April the Commission published an inventory of United States' trade measures which currently constitute barriers to Community exports. Though not exhaustive, it contains over 30 cases, covering a variety of tariff measures, import quotas, high customs duties, anti-dumping proceedings and countervailing duties, export subsidies and tax obstacles.

The Commission will strive to have these obstacles—all of which represent a considerable loss of earnings to Community businessmen—removed, either in a bilateral context or within the framework of the Uruguay Round.

### Japan

2.2.15. On the occasion of the quadripartite meeting Mr De Clercq had discussions with Mr Kuranari, Japan's Foreign Minister, and Mr Tamura, Japan's Minister of International Trade and Industry. He stressed that Japan's economic and trade policy was giving cause for concern in the Community.

Mr De Clercq particularly warned the Japanese Government against any deflection of Japanese exports from the United States to the Community, either as a result of the United States' reprisals in the semiconductor affair,<sup>3</sup> or as a result of the slightest appreciation in the exchange rates of the yen as against European currencies

<sup>1</sup> Bull. EC 9-1986, point 2.2.9.

<sup>2</sup> OJ C 125, 11.5.1987.

<sup>3</sup> Bull. EC 10-1986, point 2.2.12; Bull. EC 11-1986, point 2.2.9.

or the dollar. He urged Japan to take immediate measures to ward off the dangers of a trade war.

2.2.16. While continuing the proceeding which it initiated under GATT in opposition to the arrangements concluded between the United States and Japan on trade in semiconductors,<sup>1</sup> the Commission initiated an anti-dumping proceeding concerning imports of certain types of electronic semiconductors known as Eproms (erasable programmable read only memories) originating in Japan (→ Table 3).

2.2.17. On 28 April the Japanese Government announced a set of measures aimed at stimulating internal demand, costing yen 5 000 milliard (USD 35 000 million), although the effects of these measures on imports will not be felt for some time.

### European Free Trade Association

2.2.18. The Economic and Social Committee and the EFTA Consultative Committee held their 14th joint meeting in Basle on 1 and 2 April. Participants looked particularly at the current activities aimed at completing the internal market in the Community, as well as the repercussions which the new voting procedure contained in the Single European Act will have on the reduction of trade barriers.<sup>2</sup>

The two bodies felt that completing the Community's internal market should not lead to discrimination against EFTA countries and they agreed that they should both strive to create a single European market throughout the territories of the Community and EFTA Member States, taking social factors into account.

Finally, the meeting confirmed their joint determination to strengthen economic and political ties as well as cooperation between the Community and EFTA in the spirit of the Luxembourg Declaration.<sup>3</sup>

## Relations with other countries and regions

### Mediterranean countries

#### Mediterranean policy of the enlarged Community

##### Trade

2.2.19. On 23 April the Commission sent the Council a recommendation for a Decision concerning the conclusion of a Protocol to the Cooperation Agreement between the Community and Algeria consequent on the accession of Spain and Portugal.<sup>4</sup> The Protocol set out the transitional measures and amendments to the Agreement between the Community and Algeria made necessary by accession.

##### Turkey

2.2.20. Turkey formally applied for membership of the European Communities on 14 April (→ points 1.3.1 and 1.3.2).

2.2.21. On 13 April the Commission transmitted to the Council a recommendation for a Decision<sup>5</sup> concerning the conclusion of a Protocol to the EEC-Turkey Association Agreement consequent on the accession of Greece, initialled on 22 January.<sup>6</sup> This recommendation for a Decision was accompanied by a proposal for a Regulation concerning the arrangements applicable to trade between Greece and Turkey.<sup>7</sup>

##### Yugoslavia

2.2.22. Following negotiations with a Yugoslav delegation on the second

---

<sup>1</sup> OJ C 101, 14.4.1987.

<sup>2</sup> Supplement 2/86 — Bull. EC.

<sup>3</sup> Bull. EC 4-1984, point 1.2.1 *et seq.*

<sup>4</sup> COM(87) 172 final.

<sup>5</sup> OJ C 115, 30.4.1987; COM(87) 140 final.

<sup>6</sup> Bull. EC 1-1987, point 2.2.12.

<sup>7</sup> For steel products, see point 2.1.28.

Financial Protocol to the EEC-Yugoslavia Agreement, held on 23 March,<sup>1</sup> the Commission proposed to the Council on 14 April that the negotiating directives adopted in 1985 be amended.<sup>2</sup>

In view of the advantages of improved conditions of transit through Yugoslavia for the Community and the fact that Yugoslavia intends allocating the bulk of the resources made available to it under the second Financial Protocol to such improvements, the Commission proposed to the Council that the offer made to Yugoslavia be improved. There would be two parts to the offer: EIB loans from own resources totalling 520 million ECU and 40 million ECU in grants from the Community budget to subsidize the interest on the EIB loans. The second Protocol would be extended by two years.

2.2.23. Meeting on 26 and 27 April, the Council held an initial exchange of views on the Commission's latest proposals.

## Algeria

2.2.24. The EEC-Algeria Cooperation Council met in Luxembourg on 27 April for the first time since the signing of the Agreement in 1976.<sup>3</sup> Mr Leo Tindemans, the current President of the Council, headed the Community delegation and Mr Claude Cheysson, Member of the Commission with special responsibility for Mediterranean policy, represented the Commission. The Algerian delegation was led by Mr Ahmed Taleb Ibrahim, the Minister of Foreign Affairs.

The Council meeting marked a turning point in relations between the Community and Algeria and was evidence of a renewed desire for dialogue between the two parties at a critical moment in Algeria's development, faced as it is with serious economic and financial problems. The talks focused on bilateral trade and industrial, agricultural, energy and regional cooperation. The Algerian delegation emphasized the need to broaden the scope of cooperation and to put relations with the Community into a

broader context than in the past. In this connection it expressed the hope of obtaining secure outlets for Algerian oil and gas in return for the supply guarantee that Algeria could offer. It also proposed to conclude long-term contracts for the supply of European agricultural products.

There were also informal political discussions on matters in which Algeria plays a key role, notably the conclusions of the Palestinian National Council held in Algiers and the International Conference on the Middle East and the Western Sahara.

## Tunisia

2.2.25. At the invitation of the Tunisian Government, Mr Claude Cheysson, Member of the Commission with special responsibility for Mediterranean policy, made an official visit to Tunisia from 4 to 7 April. His talks with President Bourguiba, and with Mr Ismael Khelil, Prime Minister, Mr Hedi Mabrouk, Minister for Foreign Affairs, and Mr Rachid Sfar, Minister of Planning and Finance, mainly concerned bilateral trade and financial relations, and the political situation in the Middle East.

## Asia

### Pakistan

2.2.26. The Prime Minister of Pakistan, Mr Muhammad Khan Junejo, accompanied by the Ministers of foreign affairs, industries, trade, planning and development, visited the Commission on 13 April 1987. In discussions with the President of the Commission and Mr Cheysson, the Pakistan delegation focused on the international situation and the political situation in the region. The emphasis in talks on bilateral relations was on trade, industrial cooperation and financial and technical assistance.

<sup>1</sup> Bull. EC 3-1987, point 2.2.17.

<sup>2</sup> Bull. EC 12-1984, point 2.2.26; Bull. EC 7/8-1985, point 2.3.26.

<sup>3</sup> OJ L 175, 1.7.1976; Tenth General Report, point 509.

This first ever visit to the Commission by a Prime Minister of Pakistan highlighted the importance Pakistan attaches to its relations with the Community. The Prime Minister emphasized the progress made in democratizing the country. The need for further progress in the field of human rights in Pakistan was also stressed.

### South Korea

2.2.27. The fourth round of high-level consultations between the Commission and South Korea took place in Brussels from 28 to 30 April.<sup>1</sup> The respective delegations were led by Mr Willy De Clercq, Member of the Commission with special responsibility for external relations and trade policy, and Mr Choi Kwang Soo, Korea's Foreign Minister.

Talks focused on bilateral issues. The Community had three main concerns, already expressed to the Koreans in October 1986:<sup>2</sup> remaining tariff and non-tariff barriers which make access to the South Korean market difficult; the adoption by Korea of measures favourable to the United States that discriminate against the Community; problems relating to shipbuilding.

The Korean delegation announced a number of planned measures to gradually liberalize the Korean market such as a higher import quota for woollen fabrics in the second half of 1987 and the liberalization of imports of this product from 1 January 1988, changes in safety regulations applying to electrical appliances to bring them in line with international standards, the liberalization of imports of cars of over 2 000 cc from 1 July 1987 and the simplification of authorization procedures. As to alcoholic beverages, only wine will have been gradually liberalized by 1991. On the subject of the discriminatory measures favouring the United States in the fields of intellectual property and insurance, the Koreans said that it was planned to accord the Community similar treatment. The implementation of this decision would be the subject of consultations at a later date. There was no progress on shipbuilding, however.

## State-trading countries

### Hungary

2.2.28. On the basis of a recommendation transmitted by the Commission in November 1986,<sup>3</sup> the Council adopted directives for negotiations on an agreement on trade and commercial and economic cooperation with Hungary.

## Development

### Commodities and world agreements

#### Cocoa

2.2.29. The International Cocoa Council, meeting in London from 19 to 27 March under the chairmanship of Mr Bra Kanon, Minister of Agriculture of the Ivory Coast, adopted rules concerning the functioning of the buffer stock, which was provided for in the 1986 International Agreement<sup>4</sup> and is essential to the proper functioning of the Agreement. It also adopted new economic rules and rules concerning the management of the Organization, thus completing the implementation of the provisions of the 1986 Agreement.

The Community position presented at the meeting of the Proba Group in Brussels on 13 March formed the basis of the compromise subsequently reached by the International Cocoa Council: buffer stock purchases from countries which are not members of the Agreement are to be limited to 15% and a system of differentiated purchase prices depending on origin is to be introduced.

The International Cocoa Council also took a number of decisions concerning, among

---

<sup>1</sup> Bull. EC 11-1985, point 2.3.20.

<sup>2</sup> Bull. EC 10-1986, point 2.2.26.

<sup>3</sup> Bull. EC 10-1986, point 2.2.29.

<sup>4</sup> Bull. EC 7/8-1986, point 2.2.32.



other things, the Organization's rules, the appointment of the new Executive Director (Mr Kouame — Ivory Coast) and the confirmation of the buffer stock manager (Mr Plambecq).

## Tropical timber

2.2.30. The second session of the International Tropical Timber Organization,<sup>1</sup> held in Yokohama (Japan) from 23 to 27 March under the chairmanship of Mr Dennis Konan (Ivory Coast), brought the members of the Agreement together at the Organization's headquarters for the first time. During the session the International Tropical Timber Council adopted its programme for 1987-88, which is principally concerned with the continuation of the start-up stage of the three pre-projects (concerning market information, the forestry industry, and reforestation and forestry management) and with the setting-up of a high-quality statistical infrastructure. It also provisionally approved the draft budget for the second half of 1987 and set up three technical committees responsible for the preliminary examination of the projects.

The International Council also took a number of other decisions, including the appointment of the Organization's Vice-President, Mr O. Genée (Netherlands).

## Jute

2.2.31. At its seventh session, held from 11 to 14 April in Dacca (Bangladesh), the International Jute Council approved one of the Organization's two most important projects, concerning the improved retting of jute. The Commission representative presented the common standpoints on behalf of the Community and its Member States.

Since the last session,<sup>2</sup> Germany, Italy and the Netherlands had announced voluntary contributions to the Organization's project work, and Denmark announced another voluntary contribution at the April session. Consequently, around 70% of all funds contributed voluntarily since 1984 to the Inter-

national Jute Organization (IJO) have come from the Community and its Member States.

At the close of the meeting the Executive Director was asked to present, before the next session, an evaluation of the way the Organization functions with a view to enabling the Council to decide on the possibility of renegotiating the International Agreement on Jute and Jute Products (1984-89).<sup>3</sup>

## Campaign against hunger in the world

### *Food aid*

#### Reform of food-aid policy and food-aid management

2.2.32. During its April session Parliament approved<sup>4</sup> the proposal for a Council Regulation laying down implementing rules for the Regulation of 22 December 1986 on food-aid policy and food-aid management presented by the Commission to the Council in February.<sup>5</sup>

2.2.33. Following the favourable decision of the Food Aid Committee, the Commission decided to allocate the following food aid on the dates indicated:

1 April: 5 000 tonnes of cereals, 3 000 tonnes of milk powder, 1 500 tonnes of butteroil, 2 000 tonnes of sugar, 50 tonnes of vegetable oil, 120 tonnes of beans, 700 tonnes of tomatoes, 480 tonnes of fish and 880 tonnes of corned beef to the United Nations Relief and Works Agency for Palestine Refugees (UNRWA);

15 April: various quantities of various products to Cape Verde, Mali, Egypt, Lebanon,

<sup>1</sup> Bull. EC 7/8-1986, point 2.2.33.

<sup>2</sup> Twentieth General Report, point 918.

<sup>3</sup> Bull. EC 1-1984, point 2.2.30 and 2.2.31; Bull. EC 5-1984, point 2.2.47.

<sup>4</sup> OJ C 125, 11.5.1987.

<sup>5</sup> OJ C 55, 3.3.1987; Bull. EC 2-1987, point 2.2.27.

Honduras, the International Committee of the Red Cross (ICRC) and the World Food

Programme (WFP), broken down as follows:

Recipient	Cereals	Milk powder	Butteroil	Other products
Cape Verde	9 000	300		200 V
Mali	Grant of 1 600 000 ECU instead of 15 000 tonnes of cereals			
Egypt	190 000	3 300	2 500	
Lebanon	10 000	300	200	
Honduras	5 000	600 600		
ICRC	8 000			330 V 1 220 B
WFP	135 810	24 000	1 325	2 000 V Various

V = vegetable oil, B = beans, Various = 1 500 000 ECU of other products.

2.2.34. On 9 April Parliament adopted a Resolution on the serious food crisis in Mozambique (→ point 2.4.17).<sup>1</sup>

### *Emergency aid*

#### **Peru**

2.2.35. On account of the torrential rainfall which has caused rivers in the Lima valley to overflow and in response to the appeal from the Peruvian Government, the Commission decided on 3 April to allocate 100 000 ECU in emergency aid to the victims. This aid will be distributed by Caritas Peru and will consist of blankets, food purchased locally and necessary repair work.

### **Programme of positive measures regarding South Africa**

#### **Financing decisions**

2.2.36. On 6 April the Commission decided to make a fourth financial contri-

bution of 0.6 million ECU to seven projects providing assistance to victims of apartheid. This decision follows those taken since July 1986 allocating 8.9 million ECU to 49 projects.<sup>2</sup>

These financing decisions were taken following the political cooperation ministerial meeting held in Luxembourg on 10 September 1985.<sup>3</sup>

### **Financial and technical cooperation**

#### *ACP States*

2.2.37. In April the Commission allocated fourth, fifth and sixth EDF resources to finance projects, programmes and emergency aid which it administers (see Table 4).

<sup>1</sup> OJ C 125, 11.5.1987.

<sup>2</sup> Bull. EC 7/8-1986, point 2.2.43; Bull. EC 11-1986, point 2.2.40; Bull. EC 1-1987, point 2.2.32.

<sup>3</sup> Bull. EC 9-1985, point 2.5.1.

Table 4 — *Financing of fourth, fifth and sixth EDF operations*

	Project	million ECU	
		Grants	Loans
<i>Economic infrastructure</i>			
Chad	Roads and bridges	19 500	
Niger	Roads and bridges	15 000	
Ghana	Roads and bridges	21 000	
Guyana	Ferry services	1 950	
Malawi and Tanzania	Roads and bridges	15 000	4 000
<i>Rural production</i>			
Guinea (Conakry)	Fisheries	6 500	2 055
Niger	Small-scale irrigation programme	21 560	
<i>Industrialization</i>			
Uganda	Hydroelectric project	3 100	
French Polynesia	Energy-based projects	268	
<i>Social development</i>			
Chad	Education infrastructure	1 275	
Uganda	Health	200	
<i>Emergency aid</i>			
Guinea Bissau	Locust control	45	
Malawi	For displaced Mozambicans living in Malawi	500	
Uganda	To fight the AIDS epidemic	350	
Mozambique	To assist 4.5 million people affected by internal strife and drought	650	
Cameroon	Locust control	65	
Côte d'Ivoire	For the victims of forest fires which have devastated 16 departments	210	
	Total	107 173	6 055

### *Latin-American and Asian developing countries*

#### **Aid guidelines for 1987**

2.2.38. On 27 April the Council adopted, on a proposal from the Commission<sup>1</sup> and after consulting the European Parliament,<sup>2</sup> the Decision laying down the general guidelines for 1987 concerning financial and technical aid to Latin-American and Asian developing countries. The geographical allocation of appropriations continues to be 75% for Asia and 25% for Latin America. However, the reserve of available appropri-

ations constituted prior to the geographical allocation is increased from 5% to 10%; the Commission has stated its intention of using the reserve mainly for Central America.

#### **Financing decisions**

2.2.39. Following the favourable decision of the Committee on Aid to Non-associated Developing Countries, the Commission took a number of financing decisions on 29

<sup>1</sup> OJ C 317, 10.12.1986; Bull. EC 10-1986, point 2.2.51.

<sup>2</sup> OJ C 99, 13.4.1987; Bull. EC 3-1987, point 2.2.37.

April, the cost of which is to be charged against Article 930 of the Community budget:

*Yemen Arab Republic:* Al Mahwit road repair and maintenance project — total cost of project: 11 million ECU — EEC contribution: 7.5 million ECU (parallel co-financing);

*Pakistan:* Talli irrigation — total cost of project: 8.5 million ECU — EEC contribution: 7.5 million ECU (autonomous project);

*India:* EHS hydrological modelling system<sup>1</sup> — total cost of project: 980 000 ECU — EEC contribution: 980 000 ECU (autonomous project).

### **Cooperation via non-governmental organizations**

2.2.40. During the period 1 January to 30 April the Commission committed 24.6 million ECU for the co-financing of 175 projects in developing countries put forward by 92 NGOs.

The Commission contributed a further 1 279 250 ECU to 20 operations to promote European public awareness.

\*

### **Visits**

2.2.41. On 3 April the Prime Minister of Aruba, Mr J.M.A. Eman, accompanied by Mr M.A. Engelbrecht, Finance Minister and by Mr A.J. Muyace, Secretary of the Council of Ministers, visited Mr Lorenzo Natali, Vice-President of the Commission with special responsibility for cooperation and development, and Mr Frans Andriessen, Vice-President of the Commission with special responsibility for agriculture. At a working meeting with Commission departments various aspects of Aruba's trade cooperation with the Community and the implementation of the sixth EDF indicative programme were discussed.

2.2.42. At the invitation of the Ghanaian Government, Mr Natali visited Ghana on 10 and 11 April and met the Head of State, Flight-Lieutenant Jerry John Rawlings and several members of the government. He restated the Commission's support for Ghana's economic policy and signed a financial agreement concerning 6.9 million ECU in aid for the reconstruction of the port at Takoradi.

2.2.43. On leaving Ghana, Mr Natali paid an official visit to Togo from 12 to 16 April, where he was received by the Head of State, General Gnassingbé Eyadema, with whom he discussed the economic situation of the African continent and various aspects of the implementation of Lomé III in Togo. During his visit Mr Natali also signed a headquarters agreement between Togo and the Commission.

## **International organizations and conferences**

### **United Nations**

#### **Economic and Social Council**

##### *Economic Commission for Europe*

2.2.44. The 42nd annual session of the Economic Commission for Europe, which took place in Geneva from 31 March to 10 April, marked the organization's 40th anniversary.<sup>2</sup> The proceedings were characterized throughout by a good working atmosphere, and a considerable number of decisions were taken in fields such as the environment, transport, trade, energy, economic cooperation in the Mediterranean, the overall economic outlook and the international harmonization of building regulations. The Community and its Mem-

---

<sup>1</sup> EHS = European hydrological system.

<sup>2</sup> Bull. EC 4-1986, point 2.2.59.

ber States sponsored a number of draft decisions or parts of decisions, concerning in particular the transport of dangerous substances and building regulations.

It was further decided to set up an *ad hoc* committee for the review of the structure and functions of the ECE, in connection with the work undertaken by the special commission established by Ecosoc to carry out an in-depth study of the intergovernmental structure and functions of the United Nations in the economic and social field.

### **General Agreement on Tariffs and Trade**

2.2.45. On 27 April the Commission sent the Council a proposal for a Decision concerning the conclusion of the Protocol of Accession of Morocco to the General Agreement on Tariffs and Trade.<sup>1</sup> Morocco had announced its intention of acceding to GATT on 8 March 1985.

### **Conference on Security and Cooperation in Europe**

2.2.46. The second stage of the CSCE talks, held in Vienna from 26 January to 10 April, was quite productive.<sup>2</sup>

The 35 participating States presented 138 proposals with a view to developing and extending the provisions of the Helsinki

Final Act (1975) and the Madrid concluding document (1983) governing cooperation within Europe.

The proposals were divided equally among the three CSCE baskets (security and human rights, economic cooperation and human contacts).

The Community presented or co-sponsored 13 proposals, including in particular the holding of an economic conference after Vienna.

### **Diplomatic relations**

2.2.47. The following ambassadors presented their letters of credence to the President of the Council and the President of the Commission. Their appointments took effect on the dates shown.

6 April: HE Mr Diego Paredes-Peña, Head of Mission of the Republic of Ecuador to the European Communities; HE Mr Daniel Ratton-Thiery, Head of Mission of the Republic of Costa Rica to the European Communities; HE Mr Dato Noor Adlan bin Yahayauddin, Head of Mission of Malaysia to the European Communities; HE Mr Daniel Molgat, Head of Mission of Canada to the European Communities;

13 April: HE Mr Alfred Hugh Kingon, Head of Mission of the United States of America to the European Communities.

<sup>1</sup> COM(87) 170 final.

<sup>2</sup> Bull. EC 1-1987, point 2.2.42; Bull. EC 2-1987, point 2.2.44.

### 3. Financing Community activities

#### Budgets

##### General budget

###### 1987 budget

2.3.1. On 10 April Mr Jacques Delors, President of the Commission, wrote to the Heads of State or Government of the Member States emphasizing the seriousness of the Community's budgetary situation. The letter was accompanied by an *aide-mémoire* setting out the situation in detail.<sup>1</sup>

In his letter, Mr Delors stated that the Commission would not resort to makeshifts again to balance the 1987 budget. The spirit of discipline which must be displayed in the management of the budget is not compatible with the procedures used in the past, such as allowing agricultural stocks to build up or deferring deficits from one year to the next. There is a deficit of over 5 000 million ECU in the 1987 budget and, if the European Council does not take a decision in Brussels at the end of June, the Commission will have to either stop meeting agricultural expenditure and reduce other expenditure in line with the resources available or propose that the Council take decisions to impose drastic cuts on agricultural expenditure. Mr Delors emphasizes that it is up to the Member States to assume their political responsibilities and take action to deal with the serious state of affairs that is endangering the normal operation of the Community and its main common policies. The Community must be given the resources it needs to achieve the objectives which it set itself in the Single European Act.<sup>2</sup>

###### 1988 budget

2.3.2. On 7 April Parliament passed a Resolution on the budgetary situation with a view to preparation of the 1988 Community budget (→ point 2.4.17).<sup>3</sup>

#### Own resources

2.3.3. On 7 April Parliament passed a Resolution on consolidation of the own resources system (→ point 2.4.17).<sup>3</sup>

#### Budgetary discipline

2.3.4. In accordance with the conclusions of the Council of 4 December 1984 on budgetary discipline,<sup>4</sup> the Commission sent the Council and Parliament the key figures for the 1988 budget.<sup>5</sup> This document contains all the figures required by the Council: estimates of resources for 1986-88, a number of variants of the financial guideline for the EAGGF Guarantee Section and the base and maximum rate of increase for non-compulsory expenditure. The Commission also recalls that in its Communication 'The Single Act — A new frontier for Europe'<sup>6</sup> it proposed a new pattern of budgetary discipline to be observed by the three institutions and points out that its estimates of expenditure for 1988 in the part of its report on the financing of the Community budget<sup>7</sup> setting out the 1988-92 financial perspective should constitute the basis for budgetary discipline in the coming year.

#### Budget discharge

##### 1984

2.3.5. On 7 April Parliament passed a Resolution on action taken by the Commission in response to the comments made in the Resolution accompanying the Decision granting a discharge in respect of the implementation of the 1984 budget (→ point 2.4.17).<sup>8</sup>

<sup>1</sup> COM(87) 190 final.

<sup>2</sup> Supplement 2/86 — Bull. EC.

<sup>3</sup> OJ C 125, 11.5.1987.

<sup>4</sup> Bull. EC 12-1984, point 1.3.1.

<sup>5</sup> COM(87) 177 final.

<sup>6</sup> Supplement 1/87 — Bull. EC. and Bull. EC 2-1987, points 1.1.17 to 1.1.19.

<sup>7</sup> Bull. EC 2-1987, point 2.3.1.

<sup>8</sup> OJ C 125, 11.5.1987.

1985

2.3.6. On 7 April Parliament passed a Resolution informing the Commission of the reasons why it cannot at present be given a discharge in respect of the implementation of the 1985 budget (→ point 2.4.17).<sup>1</sup>

2.3.7. On the same day it adopted two Decisions granting discharges to the Administrative Boards of the European Centre for the Development of Vocational Training and the European Foundation for the Improvement of Living and Working Conditions in respect of the implementation of their appropriations for 1985.

2.3.8. On 7 April Parliament also adopted three Decisions granting the Commission a discharge for its financial management of the third, fourth and fifth European Development Funds in 1985. These Decisions were accompanied by a Resolution containing Parliament's comments (→ point 2.4.17).<sup>1</sup>

\*

2.3.9. On 7 April Parliament adopted a Resolution on stepping up measures to combat fraud specifically aimed at the Community budget (→ point 2.4.17).<sup>1</sup>

## Financial operations

### ECSC

#### Loans raised

2.3.10. In April the Commission made a

number of private placings in French francs, Belgian francs and marks for the equivalent of 35.22 million ECU.

#### Loans paid out

2.3.11. Acting under Articles 54 and 56 of the ECSC Treaty, the Commission paid out loans in April totalling 49.57 million ECU broken down as follows:

#### *Industrial loans*

2.3.12. Industrial loans (Article 54) amounting to 10.59 million ECU were paid out for the German steel industry.

#### *Conversion loans*

2.3.13. Conversion loans (Article 56) totalling 38.98 million ECU were paid out to Germany.

### Euratom

2.3.14. The Commission made a private placing in US dollars for the equivalent of 40.45 million ECU.

---

<sup>1</sup> OJ C 125, 11.5.1987.

## 4. Political and institutional matters

### European political cooperation

2.4.1. On 4 and 5 April the Foreign Ministers held an informal meeting at the Prieuré de Corsendonck, near Turnhout. The meeting was devoted to political cooperation, and in particular East-West relations and the Middle East.

2.4.2. On 23 April the Belgian Presidency protested to the Soviet Union, on behalf of the Twelve, against the very heavy bombardment of Pakistani territory by the Afghan airforce at the end of March and beginning of April. The protest was transmitted to the Soviet Ambassador in Brussels.

2.4.3. The Foreign Ministers, meeting in political cooperation on 27 April on the fringe of the Council meeting on general affairs, adopted the following Statement on Sri Lanka:

'As they have twice stated on 25 February 1986<sup>1</sup> and 14 July 1986,<sup>2</sup> the 12 Member States of the European Community are following the political situation in Sri Lanka with constant attention and concern.

The recent series of veritable massacres risk plunging the country into a very dangerous situation of civil war.

The Twelve utterly condemn these extreme forms of terrorism which claim many innocent victims.

The 12 Member States of the European Community express their sympathy with Sri Lankan families who have been sorely tried by these outbreaks of violence and exhort interested parties steadfastly to continue their efforts to bring about a political settlement guaranteeing the unity of the country.'

2.4.4. On 28 April the Twelve also adopted the following statement on the South African military action in Zambia on 25 April:

'The Twelve vigorously condemn the military action carried out on 25 April 1987 by South Africa on Zambian territory.

It constitutes a serious violation of that country's sovereignty and a major threat to peace and stability throughout the region.

The Twelve deeply deplore the loss of human life resulting from this action.

They express their deep concern and deplore South Africa's frequent threats to strike at its neighbours, despite repeated appeals from the Twelve and the entire international community. Such actions have a negative effect and make the possibility of finding a solution to the serious problem of South Africa more remote.

The Twelve wish to recall on this occasion the statement<sup>3</sup> by the Hague European Council of 25 June 1986 setting out the conditions in which the South African problem might be solved.'

2.4.5. At its part-session in April Parliament adopted several Resolutions on political cooperation and the protection of human rights (→ point 2.4.18).<sup>4</sup>

### Other intergovernmental cooperation

#### Informal meeting of Interior and Justice Ministers

2.4.6. The Ministers of Justice and the Interior of the Member States of the Community met in Brussels on 28 April, firstly in their capacity as Ministers responsible for immigration, counter-terrorism and drugs, and later in the 'Trevi Group'.<sup>5</sup> Lord Cockfield, Member of the Commission with special responsibility for the internal market, represented the Commission.

On immigration, the Ministers decided that the *ad hoc* Working Group<sup>6</sup> set up in October 1986 should examine the coordi-

<sup>1</sup> Bull. EC 2-1986, point 2.4.8.

<sup>2</sup> Bull. EC 7/8-1986, point 2.4.2.

<sup>3</sup> Bull. EC 6-1986, point 1.1.18.

<sup>4</sup> OJ C 125, 11.5.1987.

<sup>5</sup> The Trevi Group was set up in response to the proposal adopted at the Rome European Council in November 1975 that Ministers of the Interior or Justice (depending on each Member State's constitutional arrangements) should meet 'to discuss matters coming within their competence, in particular with regard to law and order', Bull. EC 11-1975, point 1104.

<sup>6</sup> Bull. EC 10-1986, points 2.4.7 to 2.4.10.



nation of Member States' visa regulations, the definition of common rules governing controls at external Community frontiers and the preparation of measures to step up cooperation to combat the use of false travel documents. The Ministers also recommended the adoption of a number of measures to combat the abuse of the right of asylum.

## European policy and relations between the institutions

### European policy

#### Turkish application for membership

2.4.7. On 14 April Turkey officially applied for membership of the European Communities (→ points 1.3.1 and 1.3.2).

#### Ratification of the Single European Act

2.4.8. On 9 April the Irish Supreme Court ruled that the Irish Government could not ratify the Single European Act,<sup>1</sup> and in particular Title III thereof, without an appropriate amendment to the Constitution.<sup>2</sup>

Procedures were immediately set in train to organize a referendum. This will be held on 26 May. The object of the exercise is to amend the 1937 Irish Constitution to eliminate the incompatibility with the Single Act established by the Court.

#### Implementation of the Single European Act

2.4.9. The Council held an initial overall discussion on Sunday 26 April on the proposals contained in the Commission Communication entitled 'Making a success of the Single Act — A new frontier for Europe'.<sup>3</sup>

The discussion gave Member States the opportunity to express their views in turn on the various sections of the Commission communication: reform of the common agricultural policy, reform of the structural Funds with a view to cohesion, the financing of the Community budget, budgetary discipline and budget management.

After discussion of each section, the President of the Council drew up conclusions on the organization both of the Council meetings in May and June and the proceedings of its preparatory bodies, in order to ensure optimum conditions for the discussions to be held by the Heads of State or Government on the subject at the European Council in June. The Presidency indicated that it intended to obtain answers to the Commission's main question from the European Council.

The Council also noted that the Ministers for Economic and Financial Affairs intended to hold an exchange of views on this question at their May meeting. The Presidency will report back on the outcome of these discussions and the Agriculture Ministers' discussions to the next Council meeting on general affairs in May.

During the weekend preceding the European Council the Foreign Ministers will meet privately to complete preparation of the dossier.

2.4.10. On 29 April the Temporary Committee set up by Parliament to examine the Commission Communication<sup>4</sup> adopted a report by Mr Enrique Barón Crespo (S/E) and Mr Karl von Wogau (PPE/D); this is to be discussed by Parliament at its May part-session.

<sup>1</sup> Supplement 2/86 — Bull. EC.

<sup>2</sup> The Court had been called upon to rule in an action brought by a private citizen contesting the constitutionality of the Single Act (Bull. EC 12-1986, point 2.4.6). Title III of the Single Act contains the provisions on European cooperation in the sphere of foreign policy.

<sup>3</sup> Supplement 1/87 — Bull. EC, Bull. EC 2-1987, point 1.1.1 *et seq.*

<sup>4</sup> Bull. EC 3-1987, point 2.4.4.

2.4.11. On 9 April Parliament adopted a Resolution on application of the procedures laid down in the Single Act to Commission proposals pending in the Council (→ point 2.4.17).<sup>1</sup>

## Institutions and organs of the Communities

### Parliament<sup>2</sup>

#### *Strasbourg: 6 to 10 April*

2.4.12. Parliament spent most of its April part-session reflecting on the disturbing situation of the Community budget in all its aspects (future financing, current deficit, discharges, fraud, etc.) and seeing what could be learned from the Chernobyl disaster<sup>3</sup> and its repercussions on future Community energy policy (→ point 2.4.13). The House also passed a number of Resolutions concerning the completion of the internal market.

During a formal sitting Parliament received His Majesty the King of the Belgians, who made an eloquent appeal to the fundamental values of European civilization, which need to be rediscovered and revived.

### Nuclear energy, a year after Chernobyl<sup>3</sup>

2.4.13. One year after the Chernobyl disaster and following several months of discussions in its Energy and Environment Committees, Parliament debated six reports (three from each Committee) on subjects ranging from Community energy policy and the future of nuclear energy to the contamination of foodstuffs following the Chernobyl disaster, the Community's reaction to Chernobyl, the safety of nuclear power stations and the consequences of Chernobyl. The House was of one mind in finding that since Chernobyl, the Community, despite all the declared intentions, had proved incapable of reacting effectively to a nuclear

disaster (witness the quarrelling over the provisions, which were only temporary, laying down maximum admissible levels of radioactivity in foodstuffs). Parliament eventually came out in favour of continuing with nuclear energy but under conditions of optimum safety and under international surveillance, thus rejecting the position of the Committee on the Environment — notably when voting on the report by Mr Siegbert Alber (*PPE/D*) — which wanted to have nuclear energy abandoned.

The debate, largely confined to generalities, focused mainly on the nuclear options for Europe: continuing the present policy of building power stations (as advocated by Members of the centre-right and some Italian Communists) or phasing out nuclear energy in favour of other forms of energy (as urged by the Socialist, Rainbow and PPE Groups and the Irish Members of the RDE Group). Very few speakers, most of them in the Rainbow Group, raised the problem of food contamination, checks on contamination or labelling and only one Member mentioned the material aspects of civil protection. Renewable energies won little support, in contrast to coal, which was championed by British Members of the Socialist Group and many Belgian Members. Nothing was said about the problems of reprocessing and transporting nuclear waste. Of the two opposing positions the one held by the centre-right was to carry the day in the division.

#### *The reports*

2.4.14. The debate opened with the statements by the six rapporteurs. Beginning for the Committee on Energy, Research and Technology, Mr Gordon Adam (*S/UK*)

<sup>1</sup> OJ C 125, 11.5.1987.

<sup>2</sup> The complete texts of the Resolutions adopted by Parliament appear in OJ C 125, 11.5.1987 and the reports of the proceedings are contained in OJ Annex 2-351. The political groups and countries of origin of Members speaking in the debates are shown in brackets after their names. The key to the abbreviations can be found in Bull. EC 2-1987, point 2.4.7 (footnote 2).

<sup>3</sup> Bull. EC 5-1986, point 1.1.1 *et seq.*

delcared that the Community energy objectives for 1995<sup>1</sup> needed a major reappraisal because of the continued low level of oil prices and the Chernobyl disaster. Conceding that nuclear energy would continue to play a major role in generating electricity, he said that this must be under international scrutiny and security. The second Rapporteur, Mr Richard Seligman (*ED/UK*) showed that the economic advantage conferred by nuclear energy made it essential in meeting the enormous needs of industry, rail transport and the private consumers and in order to ensure diversification of sources, flexibility of supply and less dependence on oil. The accidents at the Chernobyl and Three Mile Island power stations should therefore not prejudice the development of the European nuclear industry — which could lay claim to solid competence and proven technologies — provided the very strict safety standards established by the Community were complied with. To which Mr Leopold Späth (*PPE/D*) added that the Euratom Treaty must be revised in such a way as to allow the setting of common safety standards and the introduction of a consultation procedure for the building of border-area power stations and the setting-up of a Community inspectorate.

The three Rapporteurs for the Committee on the Environment, Public Health and Consumer Protection were diametrically opposed to the development of nuclear energy. Mr Siegbert Alber (*PPE/D*) called for a halt in the building of nuclear power stations and even for this source of energy to be abandoned, on the grounds that no technical safety precaution could preclude human error. Mrs Undine Bloch von Blotnitz (*ARC/D*) demanded a ban on the use of foodstuffs taken from Community stocks and on any mixing of contaminated and non-contaminated foods; she also called for lower limit values for radioactivity authorized in foods, with radioactivity levels to be marked on packaging. Mr Gerhard Schmid (*S/D*) requested the Commission to make a study on the short-term and long-term effects of Chernobyl on the health of Community citizens and also

asked it to present proposals to enable the Community to play a preventive role.

### *The debate and resolutions*

2.4.15. Though split into two clearly opposing sides, as confirmed by the final votes, the speakers frequently made qualified statements that reflected their deep misgivings. The guarded approval of some was met by the realism of the anti-nuclear camp, while everyone was aware that energy policy must look to the long term. So beyond the pro or anti options there emerged a close convergence of views on safety measures which must be taken whatever the cost, the establishment of international standards for construction and control, the formation of an international inspectorate and the setting-up of warning and information systems.

Speaking for the Commission Mr Mosar and Mr Clinton Davis, the Members responsible for energy policy and for environment policy and nuclear safety respectively, explained what the Commission was doing, that it was taking its responsibilities under the Euratom Treaty very seriously and that it was working to improve personal safety and public information. Mr Mosar believed that there was no need to revise the Euratom Treaty and that the current drop in oil prices — due to the use of nuclear energy — should not deflect the Community from an energy strategy that sought less dependence on oil. Mr Clinton Davis described in some detail all the measures taken or proposed since May 1986.<sup>2</sup> For the Council, Mr Paul De Keersmaecker, the Belgian State Secretary for European Affairs and Agriculture, confined his remarks to the Council's post-Chernobyl discussion which, so far, had focused almost exclusively on standards for radiation limits in food but had reached no definite conclusions.

The differences in attitudes taken in the reports were echoed by the reactions of the

<sup>1</sup> OJ C 241, 25.9.1986; Bull. EC 9-1986, point 2.1.154.

<sup>2</sup> Bull. EC 5-1986, point 1.1.1 *et seq.*; Bull. EC 6-1986, point 2.1.241 *et seq.*; Bull. EC 7/8-1986, point 2.1.220 *et seq.*; Bull. EC 11-1986, point 2.1.237.

Group spokesmen. Mrs Phili Viehoff (*S/NL*) followed by Mr François Roelants du Vivier (*ARC/B*) called for either an immediate or a programmed halt to nuclear energy. In contrast, Mr Mauro Chiabrando (*PPE/I*) declared that Chernobyl should not call into question nuclear energy; he also maintained that the Community should insist on compensation from the Soviet Union. Mr Amédée Turner (*ED/UK*) took much the same view, observing that the structure and operation of the Soviet reactors differed widely from their western counterparts. Mr Jacques Vernier (*RDE/F*), too, held that it was not because the Soviet Union had been careless about nuclear safety that Europe had to feel guilty and close down its power stations; but he was sceptical about the setting of international standards. For the Communists Mr Felice Ippolito (*I*) said that no advanced industrial society could forego large-scale use of nuclear energy and Mrs Sylvie Le Roux (*F*) that the risks inherent in its civil applications were infinitely less than those inherent in its military use; she also wanted to see closer and more systematic international cooperation. Mr Petronio (*DR/I*) spoke of the need for clean and flexible forms of energy such as electricity, which, in some countries, was largely generated by nuclear stations. Mr Michel Poniatowski (*LDR/F*) Chairman of the Committee on Energy and Spokesman of the Liberal Group, affirmed that the choice of nuclear energy had to be made at national level in the light of the needs and resources of each country; but international controls must be established. A few original suggestions were heard like one from Mr Leopold Späth (*PPE/D*), who wanted to supply European technology to Soviet Union and other non-member countries so as to enhance the safety of their installations, or another from Mrs Anne-Marie Lizin (*S/B*) urging the Commission to act on its authority for civil protection. One of the conclusions of the debate came from Mrs Marcelle Lentz-Cornette (*PPE/L*) who said that Chernobyl was in the East, but the fear was in the West, before pointing out that in the East nuclear capacity would double within the next few years.

At the end of the debate the six Resolutions were adopted after the three from the Committee on Environment had been purged of the most urgent pleas for consumer information, comparability of contamination measurements, labelling of foodstuffs and a ban on building power stations in areas prone to earth tremors. Also rejected were all the amendments calling for the phasing-out of nuclear energy as well as all the specific proposals concerning renewable energy sources. An amendment asking the Commission to act against producers who had marketed contaminated products after receiving aid for their destruction was rejected by a narrow majority, as was another that sought to establish parliamentary control in the civil sectors of mixed installations. The results of the votes on the six final Resolutions were: Resolution moved by Mr Gordon Adam (*S/UK*) on the follow-up to the 1995 Community energy objectives<sup>1</sup> — passed by 149 votes to 121 and 9 abstentions; Resolution moved by Mr Richard Seligman (*ED/UK*) on the future of nuclear energy — passed by 180 votes to 161 and 2 abstentions; Resolution moved by Mr Leopold Späth (*PPE/D*) on the consequences of the Chernobyl accident — passed by 257 votes to 11 and 2 abstentions; Resolution moved by Mr Siegbert Alber (*PPE/D*) on the safety of nuclear power stations and the questions of mutual assistance and compensation — passed by 297 votes to 13 and 3 abstentions; Resolution moved by Mrs Undine Bloch von Blottnitz (*ARC/D*) on the problem of contamination of foodstuffs following the Chernobyl disaster — passed by 325 votes to 8 and 4 abstentions; Resolution moved by Mr Gerhard Schmid (*S/D*) on the reaction of the Community to Chernobyl — passed by 309 votes to 1 and 3 abstentions.

2.4.16. Parliament gave Opinions on the following Commission proposals:

- (i) an amendment to the Directive of 18 December 1975 in respect of fluid fertilizers (→ point 2.1.11);

<sup>1</sup> OJ C 241, 25.9.1986; Bull. EC 9-1986, point 2.1.154.

(ii) an amendment to the Decision concerning a plan for the transnational development of the supporting infrastructure for innovation and technology transfer (Sprint programme) (→ point 2.1.45);

(iii) a Decision concerning the extension of the period of validity of the Decisions of 26 March 1985 and 4 February 1986 on cooperation in automation of data and documentation for imports/exports and the management of agricultural markets (Caddia)<sup>1</sup> and on the coordinated development of computerized administrative procedures (CD project)<sup>2</sup> (→ point 2.1.43);

(iv) a Recommendation on the coordinated introduction of public pan-European digital mobile communications in the Community and a Directive on the frequency bands to be made available for the coordinated introduction of public pan-European digital mobile communications in the Community (→ point 2.1.41);

(v) the Eighteenth and Nineteenth Directives on the harmonization of the laws of the Member States relating to turnover taxes (→ point 2.1.55);

(vi) a Directive on the information to be published when major holdings in the capital of a listed company are acquired or disposed of (→ point 2.1.66);

(vii) amendments to the Directives of 25 July 1978 and 13 June 1983 concerning respectively annual accounts<sup>3</sup> and consolidated accounts<sup>4</sup> as regards the scope of those Directives (→ point 2.1.71);

(viii) an amendment to the Directive of 20 December 1985 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (Ucits)<sup>5</sup> as regards the investment policy of certain Ucits (→ point 2.1.67);

(ix) an amendment to the Council Directive of 17 March 1980 coordinating the requirements for the drawing-up, scrutiny and distribution of the listing particulars to be published for the admission of securities to official stock exchange listing<sup>6</sup> (→ point 2.1.68);

(x) a Decision on Community financial assistance for the development of fisheries control facilities (→ point 2.1.128);

(xi) a Decision on financial participation by the Community in operations of monitoring and supervision of fishing activities in the waters falling under the sovereignty or within the jurisdiction of Portugal (→ point 2.1.128);

(xii) a Regulation on financial support within the framework of a medium-term transport infrastructure programme (→ point 2.1.141);

(xiii) a Regulation on food-aid policy and food-aid management.<sup>7</sup>

2.4.17. Resolutions were passed on the following subjects.

*Technical harmonization and standards in the European Community.* Parliament views common European technical standards as an essential requirement for the establishment of the internal European market in the advanced technologies. It rejected the current institutional procedure whereby every technical detail in these standards is laid down by Directive and called instead for the legislative procedure of reference to technical standards to be applied in future. All those concerned should play an appropriate part in drawing up European standards, and the Commission and the Council should earmark more funds in the Community budget for subsidizing the administrative costs of standardization bodies such as CEN and Cenelec.

*The research framework programme.* The Single European Act requires that the framework programme be adopted before any specific programmes can be implemented and the Council's failure to come to a satisfactory agreement will there-

<sup>1</sup> OJ L 96, 3.4.1985.

<sup>2</sup> OJ L 33, 8.2.1986.

<sup>3</sup> OJ L 222, 14.8.1978.

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

<sup>5</sup> OJ L 375, 31.12.1985.

<sup>6</sup> OJ L 100, 17.4.1980.

<sup>7</sup> OJ C 55, 3.3.1987; Bull. EC 2-1987, point 2.2.27.

fore have adverse effects on key programmes such as Esprit, Brite and RACE. These considerations prompted Parliament to deplore the restrictive attitude of the United Kingdom Government, which is blocking adoption of the framework programme. The House urged the UK Government to refrain from vetoing measures that would help create a European Technology Community and asked the Commission to withdraw its proposal should the Council fail to reach a solution.

*The European Schools.* Although it believed that the European Schools are unique examples of multilingual and multinational schools and thus constitute an irreplaceable laboratory for the creation of a European school system, Parliament considered that comprehensive reform was needed. The house issued a number of directives concerning the administrative and budgetary organization of the Schools, wider admission of 'non-entitled' pupils, the curricula, a careers advisory service, the teachers and school equipment.

*The education of migrant workers' children (application of the Directive of 6 August 1977).* Parliament commended the Commission for the efforts and choices it has made to ensure that the presence of migrant workers' children is regarded as a chance for schoolchildren of the host country to learn more about different languages and cultures in Europe. The House recognized the importance of what parents, democratic associations and the trade unions can do to make sure that these children participate fully in the life of the host country. The Commission was asked to see that the Member States apply the Directive in full and the Education Ministers meeting within the Council were urged to put the education of migrant workers' children on the agenda for the next meeting.

*The possibilities for improving the financial system and mechanisms of control in the EAGGF Guarantee Section.* Parliament recommended that the number of Regulations covering the agricultural sector, with their endless references to earlier texts be reduced appreciably. It expressed a number of

desiderata and urged the Commission to establish a unit that could accurately predict the economic and financial impact of the various factors affecting the agricultural markets. The Member States were asked to help the Commission to eliminate the backlog in the clearance of EAGGF accounts.

*The consequences of the sharp drop in the price of oil products in the European Community and its Member States.* Given the enormous benefits to the Community economy from the drop in the price of oil and the fall in the dollar against the ECU, Parliament reiterated its belief that the Community's strategic objective must be to prevent any return to high dependency on imports from non-member countries. The House listed the conditions it feels will have to be satisfied to achieve this objective.

*The Venice Western Economic Summit.* Parliament deplored American protectionism as demonstrated by the provisions of the Textile and Apparel Trade Act of 1987, which constitutes a unilateral breach of GATT. It stressed the need to safeguard the Multifibre Arrangement and underlined the fundamental importance of having a strong European Monetary System. The IMF Interim Committee was asked to support the rescheduling of the biggest loans of the debtor countries and the Heads of State or Government meeting in Venice were urged to conclude agreements to restore stability to the world currency markets. The Commission, for its part, should press the Japanese authorities for the immediate removal of barriers to trade in various products and services.

*The budgetary situation with a view to preparation of the 1988 Community budget.* Since the Community has liabilities of the order of 17 000 million ECU and 1988 will be the first year of implementing the Single European Act, Parliament considered it essential that the Commission press on with its 'operation truth'. While accepting the principle of a five-year forecast of Community spending for 1988-92, Parliament stressed that the Commission's proposal for the new Decision on own resources, which

will rank as a Treaty, to impose annual revenue and, hence, expenditure ceilings is contrary to Article 203 of the EEC Treaty, infringes Parliament's budgetary powers and undermines the very concept of own resources. Parliament gave formal notice to the Council that it will not be party to adoption of a budget that is illegal under the terms of the Treaty and, in particular, Article 199.

*Stepping up measures to combat fraud specifically aimed at the Community Budget.* The Resolution urges the Council to adopt the proposals presented by the Commission with Parliament's support, some of them more than 10 years ago, so that such fraud can be effectively countered. The House restated the principles for the management and supervision of Community finances and insisted that infringements must receive the same treatment and penalties as are applied in respect of operations affecting national finances.

*Consolidation of the own resources system.* Parliament observed that the financial autonomy of the Communities has still not been fully achieved and that many principles are not respected by the Member States. The House set out the conditions for strengthening the own resources system: the need to define their legal status, harmonize the methods of collection, consolidate and harmonize VAT resources and strengthen the Commission's control and management powers. The House asked the Council, the Commission and the Member States to take the necessary steps.

*Action taken by the Commission in response to the comments made in the Resolution accompanying the Decision granting a discharge in respect of implementation of the 1984 budget.*<sup>1</sup> Parliament expressed its approval of the Commission's positive reaction, took note of the improvements made in certain areas and welcomed the Commission's new approach of introducing medium-term multiannual financial forecasts. The House also proposed measures that should enhance cooperation with the Commission.

*Informing the Commission of the reasons why it cannot at present be given a discharge in respect of implementation of the 1985 budget.* On the basis of certain observations made by the Court of Auditors in its report for 1985, Parliament noted that the total volume of the Community's definite and potential liabilities outstanding at 31 December 1985 had reached 20 000 million ECU. The Commission was asked to present a schedule and plan for clearing these liabilities. The House also raised questions concerning intervention stocks of agricultural products, the reform of the common agricultural policy, combating fraud, the effectiveness of the structural Funds and management and execution of the budget.

*Comments accompanying the Decisions granting a discharge in respect of the financial management of the third, fourth and fifth European Development Funds in 1985.* Parliament called on the Commission to act on the observations made by the Court of Auditors. It made comments and requests with regard to the rate of utilization of appropriations, accounting procedures, the role of the ACP States in defining aid, arbitration procedures for disputes, *ex-post* evaluation, and the powers of the Court of Auditors in respect of funds managed by the European Investment Bank. The House was still determined to have the EDF included in the budget by 1990.

*The use of the subsidies from the Community budget to the European Schools.* The Court of Auditors having found faults in the bookkeeping of the European Schools and omissions in the collection of contributions payable, which have resulted in significant shortfalls in revenue, and since the payment of subsidies from the Community budget is not based on any agreement, Parliament asked the Commission to make the grant of further subsidies subject to the conclusion of agreements with the institutions. The measures advocated include the setting-up of executive committees within the Board of Governors, a greater

<sup>1</sup> OJ L 150, 4.6.1986.

Community dimension in the European Schools, submission to the Court of Auditors and Parliament of reports on the internal control of the Schools and revision of the Schools' Financial Regulation.

*Application of the procedures laid down in the Single European Act to Commission proposals pending in the Council.* Apart from one or two differences Parliament was in broad agreement with the adjustments envisaged by the Commission, hoped that the Council would adhere to this agreement and invited it to take part in discussions for this purpose. The House informed the Commission and the Council that with a few exceptions it stood by its Opinions already delivered on proposals pending in the Council. Parliament expected to be consulted again by the Council on all the proposals concerned by the Single Act on which it had not confirmed Opinions already delivered.

2.4.18. In the fields of political cooperation and human rights Parliament passed the following Resolutions.

*The crisis in the Aegean Sea.* The disagreement between Greece and Turkey over the continental shelf of the Aegean is a permanent source of conflict between them and a danger to peace and the international balance in that region. Parliament was glad that a conflict had been avoided, called on the countries concerned to settle their differences peacefully and urged them to agree immediately to refer their problem to the International Court of Justice in The Hague.

*The situation in Chile.* The House saw the Pope's visit as a clear demonstration of support for the restoration of democracy and observance of human rights and expressed its horror at the recent demonstrations which had once again been put down with bloodshed. It was distressed to learn that 5 629 people were being held in prison and that 46 had suffered violent deaths and called for the immediate restoration of democracy and respect for human rights in Chile. The House demanded that all political prisoners be released at once, in particular Mr

Clodomiro Almeyda, the former Minister of Foreign Affairs. The Council, the Foreign Ministers meeting in political cooperation and the Member States' governments were urged to support the democratic and non-violent opposition to the Pinochet regime.

*Human rights in the Soviet Union.* With over 382 000 Jews in the Soviet Union wishing to emigrate to Israel but frequently being refused exit visas, Parliament hoped that the recent signs of liberalization would be a first step in halting the repeated violations of human rights in the Soviet Union. It was particularly concerned about the fate of six persons mentioned by name. The House appealed to the Soviet authorities on behalf of the Jews they were detaining.

*The severe food crisis in Mozambique.* Deeply concerned about the plight of Mozambique, where one third of the population is already suffering from a severe food shortage, Parliament was sure that the peoples of Europe would express their solidarity with the people of Mozambique and called on the Commission to speed up food-aid programmes and obtain its supplies from the markets of neighbouring countries. The Member States were asked to increase their bilateral food aid and coordinate it with Community aid. The main problem was still to ensure that aid reached those who needed it.

*The conviction in South Africa of the French development assistance worker P.-A. Albertini.* The Resolution asked the media in France and the rest of Europe to stage a major campaign in support of Pierre-André Albertini, who was sentenced to four years' imprisonment for refusing to testify against anti-apartheid activists. The Foreign Ministers meeting in political cooperation were urged to use every means at their disposal to bring about Mr Albertini's immediate release.

*The situation of the Jewish community in Syria.* The Syrian Government was asked to allow the 4 500 Jews who were virtually prisoners in Syria where they are being constantly subjected to humiliation and repression to leave the country freely and



unconditionally. The Council and the Commission must make every effort to ensure that this request was granted.

*The detention and torture of children in Iraq.* Revolted by these crimes, Parliament expressed its deep sympathy with the families of the 29 children tortured and murdered and of the other 300, whose immediate release was demanded. The governments of the Member States were urged to exert all possible pressure on the Iraqi Government, which was warned that if these outrages went on, there were bound to be reper-

cussions on Member States' relations with Iraq.

## Council

2.4.19. The Council held four meetings in April. The following table lists the number, place and date of each meeting, the names of the Council President and Commission representatives and the main items of business. A more detailed account of specific items can be found in the sections of the Bulletin referred to in the footnotes.

Table 5 — Council meetings in April 1987

Number, place and date of meeting	Subject	President	Commission	Main items of business
1154th Luxembourg 7 April	Consumer protection and information	Mr Maystadt	Mr Varfis	Dangerous imitation products Toy safety
1155th Luxembourg 7 April	Internal market	Mr De Keersmaecker	Lord Cockfield	Border controls <sup>1</sup> Right of residence <sup>1</sup> Mutual recognition of diplomas <sup>1</sup>
1156th Luxembourg 26 and 27 April	General affairs	Mr Tindemans	Mr Delors Mr Andriessen Mr Christoffersen Mr Cheysson Mr De Clercq	Making a success of the Single Act: initial overall discussion <sup>2</sup> Relations with Turkey: application for accession to the Communities <sup>3</sup> Relations with Hungary <sup>4</sup> Relations with Yugoslavia Israel — risk capital Relations with Algeria <sup>4</sup> Financial and technical aid to Asian and Latin-American developing countries <sup>5</sup> Quadrilateral trade meeting in Japan <sup>6</sup> OECD ministerial meeting: preparations
1157th Luxembourg 27 to 29 April	Agriculture	Mr De Keersmaecker	Mr Andriessen	Agricultural prices and related measures (1987/88): continuation of work <sup>7</sup>

<sup>1</sup> Internal market and industrial affairs

<sup>2</sup> European policy and relations between the institutions

<sup>3</sup> Points 1.3.1 and 1.3.2.

<sup>4</sup> Relations with other countries and regions.

<sup>5</sup> Development.

<sup>6</sup> Relations with industrialized countries

<sup>7</sup> Agriculture.

## Commission

### Activities

2.4.20. The Commission's weekly meeting on 1 April was held in Bonn.

On 2 April its members had a meeting with several members of the Federal Government, at which three major topics were discussed: the common agricultural policy, competition policy, and economic and monetary policy.

The idea for these talks originated at the European Council in December 1986, when Mr Delors, president of the Commission, and Chancellor Kohl agreed that a meeting of this kind would be valuable for analysing respective positions in greater detail. 'From this point of view, the meeting was a success' observed Mr Delors at the press conference following the meeting, 'there is just one problem remaining, the future of farmers, in Europe and in Germany'.

Mr Delors announced that he had invited Chancellor Kohl and the Members of the German Government to repeat the exercise in Brussels in the autumn.

2.4.21. The Commission took note of a report on the integration strategy of the Community prepared at its request by a group of independent experts chaired by Mr Padoa-Schioppa. The report examines the economic implications of the two decisions taken in 1985 to enlarge the Community to include Spain and Portugal and to create a market without internal frontiers by 1992 (→ point 1.1.1 *et seq.*).

### *Decisions, communications and proposals*

2.4.22. Three proposals for Regulations on a Community system of aid to agricultural income, a framework system for national aid to agricultural income and a Community 'pre-pension' scheme to encourage the cessation of farming were transmitted to the Council (→ point 1.2.1 *et seq.*).

The Commission also sent the Council a Communication, accompanied by a draft Resolution of the Council and the Representatives of the Governments of the Member States meeting in the Council, on the introduction of Community cooperation on civil protection (→ point 2.1.5).

The Commission adopted a proposal for a Council Decision on a Community system of rapid exchange of information in the event of a nuclear accident; the explanatory memorandum also deals with the safety of nuclear installations and makes a number of recommendations (→ point 2.1.148).

As part of its action programme for small businesses, the Commission sent the Council a Communication on the launch of the pilot scheme for Centres for European Business Information designed to initiate direct and permanent dialogue with small firms (→ point 2.1.18).

The Commission also adopted a preliminary draft Regulation on the reform of the structural Funds with a view to economic and social cohesion (→ point 2.1.90).

Finally, the Commission approved four draft integrated Mediterranean programmes for France, in the regions of Corsica and Provence-Alpes-Côte d'Azur and in the departments of Ardèche and Drôme (→ point 2.1.89).

## Court of Justice<sup>1</sup>

### *Analysis of judgments delivered between 1 January and 31 March 1987*

#### Free movement of goods

2.4.23. In *Mathot* a Belgian court asked the Court of Justice whether an obligation to indicate the name of the producer, manu-

---

<sup>1</sup> For more detailed information, see the material published by the Court of Justice in the *Official Journal* and the *European Court Reports*, and the publications of its Information Office (e.g. the annual *Synopsis of the work of the Court* or the weekly *Proceedings of the Court*).

facturer, preparer or seller of butter which was imposed by a Belgian law in respect only of butter produced in Belgium was compatible with Article 30 of the EEC Treaty.

In that case and in another, *Rousseau*,<sup>1</sup> the Court confirmed its established finding that unfavourable treatment on the part of a Member State of domestically-produced goods as compared with imported goods (reverse discrimination), in a field not governed by Community rules or by harmonized national rules, fell outside the scope of Community law.

2.4.24. The Court's judgments in two cases concerning requirements for beer, Case 176/84 *Commission v Greece* and Case 178/84 *Commission v Germany*, are of great relevance to the achievement of a single internal market.

The Court said that a common market should offer a wider range of goods to consumers. National rules which 'crystallized' consumer habits around a national manufacturing tradition, so as to confer a competitive advantage on domestic products, were incompatible with the Treaty.

For the first time the Court applied the *Cassis de Dijon* rule to the full in the public health sphere; it concluded that an absolute ban on the use of additives in beer constituted disguised discrimination. The Court made it clear to Member States that the desirability of proper protection of public health could not be allowed to serve as a pretext for measures which were out of proportion to their objective.

Lastly, the Court held once again that member States bore the burden of proving that national measures of this kind were justified.

## Competition

2.4.25. In *Verband der Sachversicherer v Commission*, the Court dismissed an application by an association of insurers for the annulment of a Decision by which the Commission found that a recommendation by

the association to its members infringed Article 85(1) of the EEC Treaty, and refused to grant it negative clearance or exemption.<sup>2</sup> The recommendation was aimed at stabilizing premium levels. The judgment is of particular importance in that it confirms that the Community competition rules apply in their entirety to the insurance sector, and that a requirement that an insurance company with its headquarters in another Member State which proposed to do business in Germany must establish a branch office there did not mean that there could be no trade in insurance services between Member States, however independent the branch office might be in legal terms.

2.4.25. in *Deufile v Commission*<sup>3</sup> the Court upheld a Decision in which the Commission found that assistance granted to the Deufile company was incompatible with Article 92 of the EEC Treaty, and had to be repaid by the recipient. Deufile argued that the Commission's order requiring Germany to recover the subsidy was incompatible with the principle that legitimate expectations should be protected. But the Court held that the aid should have been notified to the Commission in advance, and should not have been granted until the advance notification procedure was complete.

2.4.27. For the first time a firm (Hoechst) refused to submit to an investigation ordered by Commission Decision, and asked the Court to suspend the application of the Decision.

The President of the Court dismissed the application.<sup>4</sup>

## Public contracts

2.4.28. The Commission sought an interim order against Ireland on the grounds

<sup>1</sup> Case 98/86 *Ministère Public v Mathot*; Case 168/86 *Rousseau v Procureur Général*.

<sup>2</sup> Case 45/85.

<sup>3</sup> Case 310/85.

<sup>4</sup> Order of 26 March 1987 in Case 46/87R *Hoechst v Commission*.

that the Irish authorities were seeking to prevent the use of imported pipes in the construction of a water main in Dundalk, by requiring that they meet Irish safety standards for pipes of this kind. The only company manufacturing pipes to those standards was located in Ireland.

2.4.29. The President of the Court initially granted the application, without having been able to hear the Irish Government, and forbade the award of the contract for the time being; but he subsequently overturned his first order. In his second order he accepted that the damage suffered by the Community in the event of an infringement of Community law might indeed be irreparable, but took the view that this damage had to be balanced against the fire hazards and danger to public health which were cited by the Irish Government. He concluded that in this case these dangers tilted the balance of interests in favour of the defendant.<sup>1</sup>

### Free movement of persons

2.4.30. In Case 221/85 *Commission v Belgium* the Court delivered an important judgment concerning freedom of establishment.

The Court rejected the Commission's view that the ban on restrictions on the right of establishment laid down in the EEC Treaty was not confirmed to discriminatory measures, but also caught measures which applied to nationals and to non-nationals alike if they constituted an unjustified obstacle to non-nationals.

The Court took the view that only discrimination on grounds of nationality was prohibited by Article 52 of the EEC Treaty.

This fresh judgment is indicative of a restrictive approach to the freedom of establishment on the part of the Court.

### Common agricultural policy

2.4.31. In two judgments the Court upheld the legality of a Commission Regulation

taking transitional measures in anticipation of a change in the green rates for the German mark for cereals and sugar, which had been decided by the Council and was to take effect from 1 January 1985.<sup>2</sup> The Commission's objective was to avoid massive sales of cereals and sugar into intervention, for purely speculative reasons, towards the end of 1984.

There were two main questions at issue: whether the Commission had complied with the rules governing the Management Committee procedure, and whether it had stayed within the terms of the powers which the Council had delegated to it to take transitional measures which might be necessary for 'avoiding disturbances following the revaluation of the representative rates of the German mark ... as at 1 January 1985'. On the procedural point the Court confirmed that the Commission was entitled itself to determine whether a particular case was a matter of urgency of the 'greatest urgency'.

On the second question, the Court rejected the German Government's argument that despite the broad wording used the powers conferred on the Commission were delegated for the sole purpose of fixing compensation for the fall in prices for marketing and processing undertakings in Germany towards the end of 1984.

The Court held that the powers delegated were sufficiently broad to allow the Commission to take transitional measures bringing forward by three months the changes in the green rates for Germany which under the Council Regulation were to take place on 1 January 1985.

2.4.32. Several margarine manufacturers brought actions against the Commission in respect of losses suffered as a result of the 'Christmas butter' scheme at the end of 1984. The operation consisted in the sale

---

<sup>1</sup> Orders of 16 February and 13 March 1987 in Case 45/87R *Commission v Ireland*.

<sup>2</sup> Case 278/84 *Germany v Commission* and Case 281/84 *Zuckerfabrik Bedburg and Others v EEC*.

to consumers of large quantities of stored butter at a price close to or below that of margarine; the applicants argued that this was unlawful, because it was outside the Commission's powers and because it was contrary to the objectives of the common agricultural policy, the principle forbidding discrimination between Community producers, and the principle of proportionality.

In three judgments delivered on the same day, the Court rejected all of these objections, against the advice of the Advocate-General.<sup>1</sup>

It confirmed in particular that the powers delegated by the Council to the Commission in the agricultural sphere were to be interpreted very broadly.

The Court also confirmed once again that the prohibition of discrimination did not mean that goods which were competing or which were partial substitutes (butter and margarine) had to be treated in an identical fashion, but rather that producers had to be treated equally. Where there were two common organizations of the market (in milk products and fats) with very different characteristics, and with markets in different situations (with particular reference to the crisis in milk), producers found themselves in different situations.

There was therefore no discrimination if they were treated differently.

The Court held that the principle of proportionality had not been infringed, even though the operation was of limited effectiveness, because the measure did help to reduce surpluses.

2.4.33. The Court dismissed an application for damages brought against the Council and the Commission by a cooperative organization, GAEC de la Segaude.<sup>2</sup>

In order to compensate German farmers for the loss of revenue they would suffer as a result of the adoption of Council Regulation No 855/84,<sup>3</sup> which sought to dismantle positive MCAs, the Council authorized Germany to grant its farmers special aid

from 1 January 1985 onwards, consisting of VAT relief of up to 3%.

In May 1984, the German Government asked the Commission for authorization to bring forward this aid to 1 July 1984, and to increase the rate of relief to 5%.

The Commission refused authorization, but the Council then granted it, in a Decision adopted on 30 June and based on the third subparagraph of Article 93(2) of the EEC Treaty.

GAEC brought an action for damages pursuant to Articles 2 and 5 of the EEC Treaty; the Court dismissed the action, confining itself to the finding that the applicant had not shown that damage had actually occurred or that there was a causal link between the measure complained of and the alleged damage.

It was therefore unnecessary to decide on the lawfulness of the Council Decision of 30 June 1984.

## Commercial policy

2.4.34. The Court annulled<sup>4</sup> two Council Regulations applying generalized tariff preferences for 1986 to textile products and certain industrial products originating in developing countries.<sup>5</sup>

The Court accepted the Commission's view that the lack of any precise indication of the legal basis meant that the Council had failed to state the reasons on which the Regulations were based; the Regulations were wholly within the scope of the common commercial policy called for by Article 113 of the EEC Treaty.

<sup>1</sup> Joined Cases 279, 280, 285 and 286/84 *Walter Rau Lebensmittelwerke v EEC*; Case 27/85 *Vandemoortele v Commission*; and Case 265/85 *Van den Bergh en Jurgens and Others v Commission*.

<sup>2</sup> Case 253/84 *GAEC de la Segaude v Council and Commission*.

<sup>3</sup> OJ L 90, 1.4.1984; Bull. EC 3-1984, point 2.1.116.

<sup>4</sup> Case 45/86 *Commission v Council*.

<sup>5</sup> OJ L 352, 30.12.1985; Bull. EC 12-1985, point 2.3.37.

**Staff**

2.4.35. In *Ainsworth and Others v Commission and Council*<sup>1</sup> at the end of proceedings which had lasted more than three and a half years, the full Court found against the applicants. The applicants had argued that certain provisions of the Statutes of the Joint European Torus (JET)

Joint Undertaking constituted discrimination on grounds of nationality. The Court upheld the Statutes only because of the very special circumstances of the case and the proximity of the adjacent Culham site.

<sup>1</sup> Joined Cases 271/83, 15, 36, 113, 158, 203/84 and 13/85.

2.4.36. **New cases**

Case	Subject	Basis
<b>Taxation</b>		
48/87 Charbonnelle and 49/87 Willot v Directeur Général des Impôts	Is the central government tax on automatic amusement machines compatible with the Sixth VAT Directive, once the operation of automatic amusement machines is subject to VAT, and with Articles 95 and 30 of the EEC Treaty?	Article 177 EEC
76/87 Seguela v Directeur des Services Fiscaux, Saint Brieuc	Does Article 95 of the EEC Treaty forbid the imposition, on private cars whose power rating for tax purposes exceeds the maximum rating of such vehicles presently manufactured in France, of a differential tax the amount of which is disproportionately higher above 16 CV than below?	Article 177 EEC
97/87 Dow Chemical Ibérica, 87/87 Alcludia, Empresa para la Industria Química and 99/87 Empresa Nacional del Petroleo v Commission <sup>1</sup>	Annulment of the Commission Decisions of 15 January 1987 concerning investigations pursuant to Article 14(3) of Council Regulation No 17 (IV/31.865 — PVC and IV/31.866 — polyethylene)	Article 177 EEC
<b>State aid</b>		
96/87 Chambre de Commerce et d'Industrie de Cherbourg v Commission <sup>2</sup>	Annulment of the Commission Decision of 4 February 1987 replying to a complaint by the applicant accusing the French Government of unfair competition on the ground that it granted aid to the port of Caen for the establishment of new infrastructures and the operation of a passenger service between Caen and Portsmouth	Article 173 EEC
102/87 France v Commission	Annulment of the Commission Decision of 14 January 1987 concerning a FIM loan to a brewery, which held that the loan was incompatible with Article 92 of the EEC Treaty	Article 173 EEC

Case	Subject	Basis
<p><b>Social security</b></p> <p>80/87 Dik and Another v College van Burgemeesters en Wethouders of the Municipality of Arnhem, and Laar-Vreeman v College van Burgemeesters en Wethouders of the Municipality of Winterswijk</p>	<p>1. Does Directive 79/7/EEC confer on the Member States a discretionary power to include in the law implementing the Directive a transitional provision on the basis of which a 'wage-earner' requirement applies even after 23 December 1984 to a married woman who became unemployed before 23 December 1984?</p> <p>2. Is it compatible with the Directive for a transitional provision such as that referred to in Question 1 to be given retroactive effect from the date at which the period prescribed in Article 8(1) of the Directive expired?</p>	<p>Article 177 EEC</p>
<p>83/87 Viva v FNROM</p>	<p>1. Interpretation of Council Regulations No 3, No 4 and No 1408/71 (in particular Articles 94(5) and 100) as regards the entitlements of a migrant worker receiving a pro rata invalidity pension and a Belgian validity pension under a special scheme</p> <p>2. Application of rules against overlapping benefits</p> <p>3. Continued application of Regulations No 3 and No 4</p>	<p>Article 177 EEC</p>
<p><b>Agriculture</b></p>	<p>Interpretation of Commission Regulation No 2960/77 on detailed rules for the sale of olive oil held by intervention agencies, as amended by Commission Regulation No 2041/83: the meaning of the expression 'purchaser's own risk' where the goods are loaded late as a result of bad weather or a power failure</p>	<p>Article 177 EEC</p>
<p>79/87 Office Belge de l'Économie et de l'Agriculture v Établissements Soules</p>	<p>1. Where a tendering procedure is cancelled, may an intervention agency, in the course of the private contract procedure which replaces it, solicit tenders from firms which had tendered unsuccessfully in the course of the procedure cancelled?</p> <p>2. May an intervention agency set a closing date for replies to a call for tenders which precedes the date of publication of a Commission Regulation under which it purports to have acted?</p>	<p>Article 177 EEC</p>
<p>84/87 Erpelding v Secrétaire d'État à l'Agriculture et à la Viticulture</p>	<p>1. Interpretation of Article 3(3) of Council Regulation No 857/84 adopting general rules for the application of the levy referred to in Article 5c of Regulation No 804/68 in the milk and milk products sector, and of Article 3 of Commission Regulation No 1371/84 laying down detailed rules for the application of the additional levy: restriction to</p>	<p>Article 177 EEC</p>

Case	Subject	Basis
<p>91/87 Erzeuger-gemeinschaft Gutshof-Ei v Land Rheinland-Pfalz</p>	<p>certain years exhaustively listed of the choice of another reference year in the case of exceptional events 2. Compatibility of these Regulations with Article 39(1)(a) and (b) of the EEC Treaty Must Council Regulation No 2772/75 on marketing standards for eggs be interpreted as meaning that, according to Article 6(1) and Article 21 of that Regulation, read together with the preamble thereto, small packs of Grade A eggs may be marked only Grade A or 'fresh eggs', or that both markings may be used together?</p>	
<p>131/87 Commission v Council</p>	<p>Annulment of Council Directive 87/64/EEC amending Directive 72/461/EEC on health problems affecting intra-Community trade in fresh meat and Directive 72/462/EEC on health and veterinary inspection problems upon importation of bovine animals and swine and fresh meat from third countries</p>	
<p><b>Convention on Jurisdiction and Enforcement of Judgments in Civil and Commercial Matters</b> 73/87 Société Euromarketing v Bortscher</p>	<p>What are the obligations to be taken into account for the purposes of the application of Article 5(1) of the Brussels Convention where the court is seised of claims based on different obligations arising under an oral contract of appointment as a representative binding a mercantile agent without special status residing in France to a company whose registered office is in the Federal Republic of Germany, namely claims for the payment of compensation for goodwill following the repudiation of the contract by the German firm and for the payment of commissions? Is that obligation the one which characterizes the contract or is jurisdiction to be determined by examining separately each obligation on which the claims are based?</p>	
<p><b>External relations</b> 133/87 Nashua v Commission</p>	<p>Annulment of the Commission Decision rejecting an undertaking offered by the applicant in an anti-dumping case concerning plain paper photocopiers originating in Japan</p>	<p>Article 173 EEC</p>
<p><b>Infringements</b> 94/87 Commission v Germany<sup>3</sup></p>	<p>Failure to implement Commission Decision 86/60/EEC on the aid which the Land of Rheinland-Pfalz of the Federal Republic of Germany has provided to an undertaking producing primary aluminium, situated in Ludwigshafen (failure to recover the aid from the recipient)</p>	<p>Article 93 EEC</p>



Case	Subject	Basis
103/87 Commission v Italy	Charging of VAT on both the issue and the use of credit cards, in violation of the Sixth VAT Directive (Council Directive 77/388/EEC, Article 13(B)(d)(2) and (3))	Article 169 EEC
122/87 Commission v Italy	Incorrect application of the Sixth VAT Directive (Council Directive 77/388/EEC): the services of veterinary surgeons are exempt from VAT	Article 169 EEC
127/87 Commission v Greece	Seeking a declaration that by virtue of the provisions of its national legislation and the practice it follows in regard to imports of sheepmeat and goatmeat and of live sheep and goats, in particular by imposing on such imports maximum prices and systematically checking their application, Greece has failed to fulfil its obligations under Articles 30 and 113 of the EEC Treaty, Council Regulation No 1837/80, Commission Regulations No 19/82 and No 20/82 and the agreements in the form of an exchange of letters between the Community and certain non-member countries concerning trade in sheepmeat and goatmeat	Article 169 EEC
128/87 Commission v Greece	Seeking a declaration that by restricting official recognition of olive oil producer organizations to those which 'are entitled to pursue, on behalf of their members and on their responsibility, all commercial activities related to the collection, distribution and sale of olive products and whose members—physical persons—participate in the organization or are represented by local organizations established at the level of communities or adjoining communities, having legal personality, pursuing economic and social objectives and which undertake to provide the organization with information concerning all their agricultural activities', Greece has failed to fulfil its obligations under Council Regulation No 2261/84 laying down rules on the granting of aid for the production of olive oil and of aid to olive oil producer organizations and under Article 40(3) of the EEC Treaty	

#### Disputes between the Community and its staff

v Commission:

78/87 Santarelli<sup>1</sup>

95/87 Contini

100/87 Basch and Others

1. Interpretation of the Court's judgments in Cases 293/84 *Sorani and Others v Commission* and Case 294/84 *Adams and Others v Commission*
2. Annulment of the decision of the Selection Board in Competition No COM/B/II/82, holding that there were no grounds for reconsidering the Board's previous decision not to admit the applicants to the competition
3. Payment of damages

124/87 Gritzmann Martignoni

126/87 Del Plato

v Court of Justice:

125/87 Brown

v Parliament:

104/87 von Bonkewitz-Lindner

105/87 Morabito<sup>3</sup>

v Court of Auditors:

134/87 Vlachou

<sup>1</sup> OJ C 123, 9.5.1987.

<sup>2</sup> OJ C 116, 2.5.1987

<sup>3</sup> OJ C 136, 21.5.1987

### 2.4.37. Judgments

Date and Case	Held
<b>Steel</b>	
7.4.1987: 226/85 Dillinger Hüttenwerke v Commission <sup>1</sup>	Application dismissed (seeking annulment of the individual Commission Decision of 12 June 1985 refusing to apply to the applicant Article 14A of the general Commission Decision No 234/84/ECSC)
7.4.1987: 32/86 Sisma v Commission <sup>2</sup>	Application dismissed (seeking annulment of the individual Commission Decision of 27 December 1985 imposing a fine on the applicant for exceeding its production quotas for the first quarter of 1984)
9.4.1987: 167 and 212/85 Assider and Italy v Commission <sup>2</sup>	The Commission's implied Decision refusing to adopt the measures provided for by Article 15B(4) of Decision No 234/84/ECSC is declared void
<b>Free movement of goods</b>	
9.4.1987: 402/85 Basset v Sacem <sup>2</sup>	<p>1. Articles 30 and 36 of the EEC Treaty, on a true construction, do not prohibit the application of national legislation allowing a national copyright-management society to charge a royalty called a 'supplementary mechanical reproduction fee', in addition to performance royalty, on the public performance of sound recordings, even where such a supplementary fee is not provided for in the Member State where those sound recordings were lawfully placed on the market</p> <p>2. The prohibitions laid down in Article 86 of the EEC Treaty, properly construed, do not apply to the conduct of a national copyright-management society simply because it charges a royalty called a 'supplementary mechanical reproduction fee', in addition to performance royalty, on the public performance of sound</p>

Date and Case	Held
<p>9.4.1987: 160/86 <i>Ministère Public v Verbrugge</i><sup>3</sup></p> <p><b>Freedom of establishment and freedom to provide services</b></p> <p>7.4.1987: 166/85 <i>Criminal proceedings against Bullo and Bonivento</i><sup>1</sup></p> <p><b>Taxation</b></p> <p>8.4.1987: 273/86 <i>Atletiek Vereniging 'NEA-Volharding' v Inspecteur der Invoerrechten en Accijnzen</i></p> <p><b>Agriculture</b></p> <p>7.4.1987: 38/86 <i>Karl-Heinz Neumann v Bundesanstalt für Landwirtschaftliche Marktordnung</i><sup>1</sup></p> <p>8.4.1987: 65/87 <i>R Pfizer International v Commission</i></p>	<p>recordings, even where such a supplementary fee is not provided for in the Member State where those sound recordings were lawfully placed on the market</p> <p>Neither Article 7 of the EEC Treaty nor any other provision or principle of that Treaty apply to a difference in treatment in the context of legislation providing for the fixing, by the publisher or importer, of the retail sale price of books, binding on retailers, according to which the price of books published and printed in the Member State concerned is unregulated when the books are re-imported after being previously exported to another Member State, whereas the price of books which have not crossed an intra-Community frontier in the course of distribution is fixed by the publisher</p> <p>The classification of employees of credit institutions as 'public officials' or as 'persons responsible for a public service' for the purposes of the application of the criminal law of a Member State is not contrary to the provisions or the objective of Directive 77/780/EEC</p> <p>Removed from the Court Register (interpretation of Article 13(A)(1)(m) of the Sixth VAT Directive, Council Directive 77/388/EEC)</p> <p>Consideration of the question raised has not disclosed factors such as to affect the validity of Article 16(2) of Commission Regulation No 2173/79 on detailed rules of application for the disposal of beef bought in by intervention agencies and repealing Regulation No 216/69</p> <p>The Commission of the European Communities shall:</p> <p>(i) within seven days of the service of this order, propose to the Standing Committee for Feeding-stuffs that the swine growth promoter known as Carbadox, invented, produced and distributed by Pfizer, should again be included in Annex II of Council Directive 70/524/EEC;</p> <p>(ii) inform, within the same period, the competent authorities of the Member States of the contents of this order</p>

Date and Case	Held
<b>External relations</b>	
9.4.1987: 77/87 R Technointorg v Commission	Application dismissed (seeking an interim order suspending, as regards the applicant, the operation of Council Regulation No 29/87 imposing a definitive anti-dumping duty on imports of certain deep freezers originating in the Soviet Union, for as long as the applicant provided a security for the performance of its obligations under Commission Regulation No 2800/86 imposing a provisional anti-dumping duty on imports of the same deep freezers)
<b>Administrative questions</b>	
1.4.1987: 159, 267/84, 12 and 264/85 Ainsworth and Others v Commission	Applications dismissed as inadmissible (seeking annulment of a decision of the Director of the JET Joint Undertaking refusing to recruit the applicants as temporary staff of the Commission; failure of the Commission to offer the applicants employment as temporary staff; compensation for losses suffered by reason of unlawful recruitment procedures)
<b>Infringements</b>	
26.3.1987: 223/83 Commission v Germany	Removed from the Court Register (failure to comply with Council Directive 78/686/EEC on mutual recognition of dentists' qualifications)
26.3.1987: 290/86 Commission v Germany	Removed from the Court Register (Council Regulation No 2891/77 — exemption for transport services supplied for the Bundespost: infringement of the Sixth VAT Directive (judgment in Case 107/84 <i>Commission v Germany</i> ): own resources reduced; interest payable on delayed payments)
26.3.1987: 126/84 Commission v Ireland	Removed from the Court Register (Article 30 of the EEC Treaty: requirement that traders purchase from a national refinery a specified proportion of their needs in petroleum products)
7.4.1987: 196/85 Commission v France <sup>2</sup>	Application dismissed (Article 95 of the EEC Treaty: establishing and maintaining a system of differential taxation in respect of wines known as 'natural sweet wines' and liqueur wines)
8.4.1987: 7/84 Commission v France	Removed from the Court Register (Regulation No 543/69 on the harmonization of certain social legislation relating to road transport)
8.4.1987: 421/85 Commission v Ireland	Removed from the Court Register (failure to implement Council Directives 81/851/EEC and 18/852/EEC on veterinary medicinal products)
8.4.1987: 278/86 Commission v Ireland	Removed from the Court Register (failure to notify national measures implementing Council Directives 82/471/EEC and 83/228/EEC and Commission Directive 83/381/EEC on feeding-stuffs and undesirable products)

Date and Case	Held
9.4.1987: 363/85 Commission v Italy <sup>3</sup>	Application dismissed (failure to implement Council Directive 80/502/EEC on undesirable products)
9.4.1987: 5/86 Commission v Belgium <sup>2</sup>	By not complying, within the prescribed period, with Commission Decision 84/508/EEC on the aid granted by the Belgian Government to a producer of polypropylene fibre and yarn, the Kingdom of Belgium has failed to fulfil an obligation under the EEC Treaty
<b>Disputes between the Community and its staff</b>	
v Parliament	
18.3.1987: 13/86 von Bonkewitz-Lindner	Application dismissed as inadmissible
1.4.1987: 257/85 Dufay	Application dismissed as inadmissible
v Court of Auditors	
13.4.1987: 90/87 R Williams <sup>3</sup>	Pending delivery of judgment on the substance of the case the operation of the contested decision of the President of the Court of Auditors of 16 February 1987 is partly suspended in so far as the measure providing for the withholding of 50% of the applicant's basic salary is concerned, which shall apply only to the extent of 25% of his basic salary

<sup>1</sup> OJ C 114, 29.4.1987.<sup>2</sup> OJ C 123, 9.5.1987.<sup>3</sup> OJ C 136, 21.5.1987.

## Economic and Social Committee

### *245th plenary session*

2.4.38. The Economic and Social Committee held its 245th plenary session in Brussels on 14 April with Mr Alfons Margot in the chair. This session was almost entirely devoted to discussing the Commission proposals on the fixing of prices for agricultural products and related measures. All the opinions on the agenda were adopted, in most cases unanimously.

### **Common border posts**

2.4.39. The Committee unanimously adopted an Opinion on the proposal for a Council Regulation on the abolition of exit formalities at internal Community frontiers.<sup>1</sup> While it shares the Commission's

aim of making the crossing of internal Community borders easier, the Committee feels that its proposal to transfer the checks carried out hitherto by the office of exit to the office of entry is unworkable in its present form and should consequently be amended.

### **Non-tariff barriers to trade**

2.4.40. The Committee unanimously approved its Opinion on four proposals<sup>2</sup> amending Council Directives dealing respectively with the distinctive numbers and letters indicating the Member States, measuring instruments and methods of metrological control, the making-up by volume of certain pre-packaged liquids, and the ranges of nominal quantities and nomi-

<sup>1</sup> OJ C 282, 8.11.1986; Bull. EC 10-1986, point 2.1.56.<sup>2</sup> OJ C 317, 10.12.1986; Bull. EC 12-1986, point 2.1.21.

nal capacities permitted for certain pre-packaged products (knitting wool). The Committee calls on the Commission, however, to consider technical amendments to the last two of these proposals.

### Approximation of laws on fruit juices

2.4.41. The Committee unanimously approved an Opinion on a proposal for a Council Directive amending for the third time the Council Directive on the approximation of the laws of the Member States concerning fruit juices and certain similar products.<sup>1</sup> The Committee notes, however, that whilst the new decision-making procedure introduced by the Commission in the fruit-juice sector following the signature of the Single European Act,<sup>2</sup> needs to be rapid and efficient, it should not preclude consultation of the Economic and Social Committee. The Committee also made a number of technical suggestions including a recommendation that natural products should be used as additives.

### Science and technology for development

2.4.42. The Economic and Social Committee unanimously adopted an Opinion on the proposal for a Council Regulation relating to a research and development programme in the field of science and technology for development (1987-90).<sup>3</sup> The main purpose of this second four-year research programme, as with its predecessor covering 1983-86), is to provide ways of improving the conditions of health and agriculture in developing countries. It will be confined to tropical agriculture and tropical medicine and will be allotted a budget which, at 80 million ECU, is twice the amount allocated to the previous programme.

The Committee strongly supports the Commission proposal and particularly supports the principles of increasing the proposed financing and assessing the programme in its third year. It stresses the advantage of concentrating research subjects and avoiding the dispersal of funds among too many

projects, and particularly welcomed the stepping-up of research into African swine fever. It stresses the importance of the transfer of technology and the need to increase the independence and scientific and technical ability of developing countries within the context of existing agreements such as Lomé III.

### Cooperation in automation of data and documentation for imports/exports and management of the agricultural markets (Caddia); Coordinated development of computerized administrative procedures (CD project)

2.4.43. The Committee unanimously adopted a favourable Opinion on a proposal for a Decision concerning the extension of the period of validity of the Council Decisions of 26 March 1985 and 4 February 1986.<sup>4</sup> It considers, however, that to ensure that the system in the Member States are largely compatible with Caddia measures and objectives the Steering Committee will probably need more time than it will have as a result of extending the initial phase of Caddia until the end of 1992. It also urges the Commission to take measures in good time to train the personnel concerned.

### Consumer protection and safety

2.4.44. The Committee unanimously adopted an Opinion on the proposal for a Council Directive on the approximation of the laws in the Member States concerning products which, appearing to be other than they are, endanger the health or safety of consumers.<sup>5</sup> The Committee welcomes the Commission proposal designed to harmonize the national measures taken by some Member States to combat the potential and actual dangers to consumers in the circulation of certain imitation products, for example scented erasers. It also sees

<sup>1</sup> OJ C 24, 31.1.1987; Bull. EC 12-1986, point 2.1.27.

<sup>2</sup> Supplement 2/86 — Bull. EC.

<sup>3</sup> OJ C 24, 31.1.1987; Bull. EC 10-1986, point 2.1.50.

<sup>4</sup> OJ C 55, 3.3.1987; Bull. EC 2-1987, point 2.1.40.

<sup>5</sup> OJ C 272, 28.10.1986; Bull. EC 9-1986, point 2.1.97.

this proposal as a useful forerunner to the forthcoming framework draft Directive on the general safety of consumer goods.

It feels, however, that the definition and scope of the Directive should be made clearer and more specific, and that it is important to provide a clearer indication of the level of risk in different classes of products. Some, like scented PVC erasers, must be banned in the interests of the protection of young children, whereas others, like novelty soaps, may require less stringent treatment dealing with the regulation of size and the provision of clear labels and warnings. As the Directive is also concerned with products which may be developed in the future more specific criteria are also needed to enable producers to conform adequately with the intention of the legislation.

The Committee also recommends an appendix to the proposal listing known hazardous imitations and others which might have relevance but are not necessarily mentioned specifically.

Finally, the Committee stresses the need for immediate and comprehensive withdrawal of dangerous products and procedures for dealing swiftly with the problem of products which come under suspicion.

### Tax exemptions

2.4.45. The Economic and Social Committee delivered a unanimous Opinion on the proposal amending for the first time the Council's Directive of 28 March 1983 on tax exemptions applicable to permanent imports from a Member State of the personal property of individuals.<sup>1</sup> The Committee welcomed the Commission proposal, considering it to be a real contribution towards implementing freedom of movement for the Community's citizens. It suggests, however, that the allowances in respect of certain highly taxed goods which generally form part of removals should be considerably increased and that the period within which goods may be imported exempt of tax should be extended to two years.

### Admission of securities to the stock exchange

2.4.46. The Committee unanimously adopted an Opinion on a proposal amending the Council's Directive of 17 March 1980 coordinating the requirements of the drawing-up, scrutiny and distribution of the listing particulars to be published for the admission of securities to official stock exchange listing.<sup>2</sup> The Committee welcomed the Commission's proposal and feels that its adoption, together with the proposal on the prospectus to be published when securities are offered for subscription or sale to the public<sup>3</sup> will help towards the integration of the securities market and further the unification of the capital market in the Community.

### Agricultural prices and related measures

2.4.47. The Economic and Social Committee adopted by 94 votes to 53 with 12 abstentions an Opinion on the Commission proposals on the fixing of prices for agricultural products and related measures (1987-88).<sup>4</sup>

Besides fixing agricultural prices for the 1987/88 marketing year, the Commission's proposals include the introduction of a system for stabilizing consumer prices for oil and vegetable fats. These two topics were dealt with in separate debates which led to specific amendments to the draft Opinion both in the Agriculture Section and in the Committee's plenary session.

In its final Opinion, the Committee considers that measures to restore balance to the market must be accompanied by socio-structural measures sufficient to ensure the preservation of rural societies and a decent living for the family farmer. Taking account of economic trends and the existence of

<sup>1</sup> OJ C 5, 9.1.1987; Bull. EC 12-1986, point 2.1.162.

<sup>2</sup> OJ C 110, 24.4.1987; Bull. EC 3-1987, point 2.1.88.

<sup>3</sup> OJ C 355, 31.12.1980; OJ C 226, 31.8.1982; Bull. EC 7/8-1982, point 2.1.53.

<sup>4</sup> OJ C 89, 3.4.1987; Bull. EC 2-1987, point 1.2.1 *et seq.*

structural surpluses in certain sectors, and pending the submission of a consistent blueprint for a long-term agricultural policy, the Committee endorses the Commission's proposals regarding the retention of present price levels, although with certain reservations.

The Committee was also unable to agree with the proposal to set up an oils and fats stabilization mechanism because it felt that it would increase prices to the consumer over a wide range of foods, the system could be considered by the Community's trading partners to be in breach of its trade obligations and it would be in essence a tax and therefore would require ratification by the national parliaments.

Finally, the Committee attaches priority to the reintroduction and retention of price and market unity, hence its insistence that the green rates should be aligned regularly and rapidly on the central market rate and that this alignment should be identical in all sectors. Degressive measures could prove necessary.

### Health policy in intra-Community trade

2.4.48. The Committee unanimously adopted an Opinion on the proposal amending the Council Directive of 22 January 1980 on animal health problems affecting intra-Community trade in meat products.<sup>1</sup> The Committee welcomed the Commission proposal which is concerned with pigmeat and the specific problem of African swine fever.

## European Investment Bank<sup>2</sup>

### *Operations in April*

2.4.49. In April the European Investment Bank announced loans for investment within the Community totalling 121.2 million ECU<sup>3</sup>—55.2 million ECU in Greece, 36.8 million ECU in the United Kingdom and 29.2 million ECU in France.

## Community

### *Greece*

2.4.50. In Greece loans totalling more than DR 8 200 million were granted for modernization of an oil refinery, energy production and the development of water-supply infrastructure. Hellenic Aspropyrgos Refinery SA received DR 4 500 million for the modernization and upgrading of an oil refinery near Eleusis, 20 km north-west of Athens. Installation of a vacuum distillation unit, a visbreaker and a fluidized-bed catalytic cracker will enable this refinery, built in 1958 and the largest in the country with a capacity at present of some 6 million tonnes of crude per year, to develop the processing of heavy fractions into light fractions without any increase in primary distillation. This means that it will produce more premium-grade petrol and diesel fuel and less fuel oil and that all its products will have a lower sulphur content. Hence the new plant will enable a considerable reduction to be achieved in exhaust emissions, noise and oil waste, so substantially improving the environment, a matter which is of particular concern in the Athens area. The project will also safeguard some 1 000 jobs and help create over 200 new jobs.

A loan of DR 2 700 million to the Public Power Corporation will help finance further work on a hydro-electric power station on the River Acheloos, near Stratos, in Etolia-Akarnania in western Greece. The project, for which the EIB has already lent 98.6 million ECU (DR 8 200 million at the conversion rates prevailing at the time contracts were signed) is for a 150 MW power station 20 km north of Agrinion, with two 75 MW units downstream of the Kremasta and Kastraki power stations. The

---

<sup>1</sup> OJ C 55, 3.3.1987; Bull. EC 2-1987, point 2.1.138.

<sup>2</sup> For further information, please contact the European Investment Bank, 100 Boulevard Konrad Adenauer, 2950 Luxembourg, tel: 4379-1.

<sup>3</sup> The conversion rates at 31 March used by the EIB in statistics for the second quarter were 1 ECU = BFR 42.92, DKR 7.83, DM 2.07, DR 152.39, ESC 160.73, FF 6.90, HFL 2.34, IRL 0.78, LFR 42.92, LIT 1 477, PTA 145.74, UKL 0.72, USD 1.15.



main dam will hold more than 80 million cubic metres of water, have a length of 1 900 meters and be situated some 22 metres above the river bed. There will also be piping, tunnels and auxiliary equipment. The station is expected to save the equivalent of 140 000 tonnes of oil per year.

Finally, a DR 1 000 million loan to the Thessaloniki Water-Supply Authority will help improve water supplies and replace worn-out distribution networks in Thessaloniki, whose population has more than doubled in a quarter of a century. The works include a 5 000 cubic metre storage reservoir, 2.5 km of water mains, two pumping stations for distribution, nine service reservoirs with a total capacity of 38 500 cubic metres, 200 km of mains and other related works. They will permit a 23% increase in water supply (by 20 million cubic metres a year) from sources recently opened up 60 km away from the town, so eliminating the excessive pumping which was lowering the water table to a dangerous extent. The quality of drinking water will also be enhanced.

#### *United Kingdom*

2.4.51. Loans totalling UKL 24.3 million were granted in the United Kingdom. UKL 10 million will go to the Yorkshire Water Authority for water-supply and drainage facilities mostly located in the assisted areas of South Yorkshire and Sheffield. These are part of a larger programme to upgrade basic infrastructure to satisfy industrial demand and meet the environmental standards required to attract new investments into the region and improve the quality of drinking water. The project includes sewage-treatment works, a waste incinerator, a sludge plant, the rehabilitation of over 1 400 km of water mains, a water-treatment plant and reservoirs.

A loan of UKL 8 million to Devon County Council will help finance works designed to develop tourism and attract new industries to Plymouth, in south-west England. The funds are designed to reduce traffic congestion in Plymouth, improve the urban

environment and provide basic infrastructure to encourage further industrial development in this assisted area. Works being financed by the EIB include the St Budeaux by-pass, which will improve access to the docks, the widening and extension of roads and the construction of a pedestrian precinct in the city.

A UKL 6.3 million loan to Plymouth City Council will be used more directly to attract new industry, promote tourism and improve communications links with the three industrial areas, including construction of a tourism and exhibition centre, development of a marina accommodating 300 boats, a three-storey car park to reduce traffic congestion and an extension to the runway at Roborough airport.

#### *France*

2.4.52. A FF 200 million loan will be used in cooperation with the Sociétés de développement régional (SDRs) to assist small and medium-sized businesses. The EIB is assisting economic conversion in northern and eastern France by lending FF 100 million to the SDRs for the Nord-Pas-de-Calais, Champagne-Ardenne (Champex) and Lorraine (Lordex). These global loans will be onlent for small and medium-sized investments in industry and, to a lesser extent, for tourism and certain industry-related services. From this loan FF 55 million will go to the Nord-Pas-de-Calais SDR (FF 35 million for 15 years and FF 20 million for 8 years), FF 25 million to Champex (FF 11 million for 15 years and FF 14 million for 8 years) and FF 20 million to Lordex (FF 10 million for 15 years and FF 10 million for 10 years).

A further loan of FF 100 million was made to the Normandy and Picardy SDRs for selected investments in their areas of operation. This took the form of two global loans, each of FF 50 million, for a maximum period of 15 years. In allocating these loans, priority will be given to the areas of Normandy and Picardy which already receive regional development premiums, even if only temporarily.



**PART THREE**

**DOCUMENTATION**

# 1. ECU

## Values in national currencies of one ECU

30 April 1987 <sup>1</sup>	
Belgian franc and Luxembourg franc (convertible)	43.1344
Belgian franc and Luxembourg franc (financial)	43.4568
Danish krone	7.82356
German mark	2.07772
Greek drachma	153.579
Portuguese escudo	161.014
French franc	6.93833
Dutch guilder	2.34434
Irish pound	0.777586
Italian lira	1 486.70
Spanish peseta	145.795
Pound sterling	0.697726
United States dollar	1.16171
Swiss franc	1.70365
Swedish krona	7.26826
Norwegian krone	7.78522
Canadian dollar	1.55402
Austrian schilling	14.6097
Finnish mark	5.06101
Japanese yen	162.233
Australian dollar	1.65180
New Zealand dollar	1.99607

<sup>1</sup> OJ C 116, 2.5.1987.

NB. Explanatory notes on the ECU and 'green' rates can be found in Bull. EC 7/8-1982, points 3.1.1 to 3.1.3, and Bull. EC 10-1984, point 3.1.1.

## Representative rates ('green' rates)

*Conversion rates into national currencies for the ECU used in connection with the common agricultural policy*

April 1987	
National currency	Value in national currency of one ECU
Belgian franc and Luxembourg franc	47.3310 <sup>1</sup> 46.8712 <sup>2</sup>
Danish krone	8.58163 <sup>1</sup> 8.54064 <sup>2</sup> 8.62351 <sup>3</sup>
German mark	2.41047 <sup>4</sup> 2.39792 <sup>5</sup> 2.38516 <sup>6</sup>
Greek drachma	116.673 <sup>6</sup> 130.674 <sup>7</sup> 117.078 <sup>3</sup>
Portuguese escudo	151.812 <sup>2</sup> 162.102 <sup>7</sup>
French franc	7.31248 <sup>4</sup> 7.58228 <sup>3</sup> 7.20771 <sup>8</sup> 7.20131 <sup>1</sup> 7.09967 <sup>2</sup> 7.54539 <sup>7, 9</sup>
Dutch guilder	2.71620 <sup>4</sup> 2.70178 <sup>5</sup> 2.68749 <sup>6</sup>
Irish pound	0.817756 <sup>1</sup> 0.782478 <sup>2</sup> 0.821639 <sup>3</sup>
Italian lira	1 539.00 <sup>10</sup> 1 554.00 <sup>6</sup> 1 562.00 <sup>3</sup>
Spanish peseta	147.208 <sup>1</sup> 145.796 <sup>2</sup> 151.806 <sup>7</sup> 147.886 <sup>3</sup>
Pound sterling	0.656636 <sup>3</sup> 0.635626 <sup>1</sup> 0.626994 <sup>2</sup> 0.668197 <sup>9</sup> 0.652575 <sup>7</sup>

<sup>1</sup> For livestock products.

<sup>2</sup> For crop products.

<sup>3</sup> For pigmeat.

<sup>4</sup> For milk and milk products.

<sup>5</sup> For cereals.

<sup>6</sup> For other products

<sup>7</sup> For sheepmeat and goatmeat.

<sup>8</sup> For wine.

<sup>9</sup> For beef/veal.

<sup>10</sup> For cereals and oilseeds.

## 2. Additional references in the Official Journal

3.2.1. This section lists the titles of legal instruments and notices of Community institutions or organs which have appeared in the Official Journal since the last Bulletin was published but relating to items appearing in earlier issues of the Bulletin. The references were not available when the Bulletin went to press.

The number of the Bulletin and the point to which this additional information refers is followed by the title shown on the cover of the official Journal the number of the issue and the date of publication.

### **Bull. EC 12-1986**

#### *Point 2.1.2*

Council Decision of 22 December 1986 adopting the annual report on the economic situation in the Community and laying down economic policy guidelines for 1987  
OJ L 385, 31.12.1986

#### *Point 2.1.22*

Proposal for a Council Directive on the approximation of the laws, regulations and administrative provisions of the Member States relating to construction products  
OJ C 93, 6.4.1987

#### *Point 2.4.30*

Special report No 4/86 from the Court of Auditors on financial and technical cooperation with India together with the Commission's replies  
OJ C 75, 23.3.1987

### **Bull. EC 1-1987**

#### *Point 1.2.2.*

Council Decision of 30 January 1987 concerning the Agreement between the European Economic Community and the United States of America for

the conclusion of negotiations under GATT Article XXIV.6  
OJ L 98, 10.4.1987

#### *Point 2.1.9*

Proposal for a Council Directive amending Directive 74/150/EEC on the approximation of the laws of the Member States relating to the type-approval of wheeled agricultural or forestry tractors  
OJ C 88, 3.4.1987

#### *Point 2.2.11*

Recommendation for Council Decisions on the conclusion of an Additional Protocol to the Cooperation Agreement between the European Economic Community and the Arab Republic of Egypt, the State of Israel, the Lebanese Republic, the Republic of Tunisia and the Republic of Turkey  
OJ C 104, 21.4.1987

### **Bull. EC 2-1987**

#### *Points 1.2.1 to 1.2.17*

Commission proposals on the prices for agricultural products and on related measures (1987/88)  
OJ C 89, 3.4.1987

#### *Point 2.1.170*

Proposal for a Council Regulation on common rules for the international carriage of passengers by coach and bus  
OJ C 120, 6.5.1987

#### *Points 2.4.20 to 2.4.30*

Opinions adopted by the Economic and Social Committee during its session on 25 and 26 February 1987  
OJ C 105, 21.4.1987

# 3. Infringement procedures

## Reasoned opinions

3.3.1. In April the Commission delivered reasoned opinions for failure to inform it of national measures implementing Directives in the following cases:

### Employment, education and social affairs

Council Directive of 27 November 1980<sup>1</sup> on the protection of workers from the risks related to exposure to chemical, physical and biological agents at work (Belgium, Luxembourg).

### Environment and consumer protection

Council Directive of 26 September 1983<sup>2</sup> on limit values and quality objectives for cadmium discharges (Greece).

Council Directive of 15 July 1980<sup>3</sup> on air quality limit values and guide values for sulphur dioxide and suspended particulates (Greece).

3.3.2. The Commission also delivered reasoned opinions in the following cases:

## Internal market and industrial affairs

Seizure of a Cartier watch at customs (France).

Book prices (France).

Limits on the use of edible gelatine in certain food products (Germany).

Rules concerning the disposal of used oils (France).

Difficulties in importing home brewing kits (Germany).

Registering of imported used vehicles (Spain).

## Customs union and indirect taxation

Form for obtaining tax remission (Belgium, France, United Kingdom).

Exemption from VAT of corrective spectacles (Ireland).

---

<sup>1</sup> OJ L 327, 3.12.1980.

<sup>2</sup> OJ L 291, 24.10.1983.

<sup>3</sup> OJ L 229, 30.8.1980.

Venta y suscripciones · Salg og abonnement · Verkauf und Abonnement · Πωλήσεις και συνδρομές  
Sales and subscriptions · Vente et abonnements · Vendita e abbonamenti  
Verkoop en abonnementen · Venda e assinaturas

BELGIQUE/BELGIE

**Moniteur belge/Belgisch Staatsblad**  
Rue de Louvain 40-42/Leuvensestraat 40-42  
1000 Bruxelles/1000 Brussel  
Tél 5 12 00 26  
CCP/Postrekening 000-2005502-27

Sous-dépôts/Agentschappen

**Librairie européenne /  
Europese Boekhandel**  
Rue de la Loi 244/Wetstraat 244  
1040 Bruxelles/1040 Brussel

**CREDOC**  
Rue de la Montagne 34/Bergstraat 34  
Bte 11/Bus 11  
1000 Bruxelles/1000 Brussel

DANMARK

**Schultz EF-publikationer**  
Montergade 19  
1116 København K  
Tlf (01) 14 11 95  
Telecopier (01) 32 75 11

BR DEUTSCHLAND

**Bundesanzeiger Verlag**  
Breite Straße  
Postfach 10 80 06  
5000 Köln 1  
Tel (02 21) 20 29-0  
Fernschreiber ANZEIGER BONN 8 882 595  
Telecopierer 20 29 278

GRÉECE

**G C Eleftheroudakis SA**  
International Bookstore  
4 Nikis Street  
105 63 Athens  
Tel 322 22 55  
Telex 219410 ELEF  
Sub-agent for Northern Greece  
**Molho's Bookstore**  
The Business Bookshop  
10 Tsimiski Street  
Thessaloniki  
Tel 275 271  
Telex 412885 LIMO

ESPAÑA

**Boletín Oficial del Estado**  
Trafalgar 27  
28010 Madrid  
Tel (91) 446 80 00  
**Mundi-Prensa Libros, S A**  
Castelló 37  
28001 Madrid  
Tel (91) 431 33 99 (Libros)  
431 32 22 (Suscripciones)  
435 36 37 (Dirección)  
Télex 49370-MPLI-E

FRANCE

**Journal officiel**  
**Service des publications  
des Communautés européennes**  
26, rue Desaix  
75727 Paris Cedex 15  
Tél (1) 45 78 61 39

IRELAND

**Government Publications Sales Office**  
Sun Alliance House  
Molesworth Street  
Dublin 2  
Tel 71 03 09

or by post

**Government Stationery Office  
Publications Section**  
6th floor  
Bishop Street  
Dublin 8  
Tel 78 16 66

ITALIA

**Licosa Spa**  
Via Lamarmora, 45  
Casella postale 552  
50 121 Firenze  
Tel 57 97 51  
Telex 570466 LICOSA I  
CCP 343 509

Subagenti

**Libreria scientifica Lucio de Blasio - AEIOU**  
Via Meravigli, 16  
20 123 Milano  
Tel 80 76 79

**Libreria Tassi**  
Via A. Farnese, 28  
00 192 Roma  
Tel 31 05 90

**Libreria giuridica**  
Via 12 Ottobre, 172/R  
16 121 Genova  
Tel 59 56 93

GRAND-DUCHÉ DE LUXEMBOURG  
et autres pays / and other countries

**Office des publications officielles  
des Communautés européennes**

2, rue Mercier  
L-2985 Luxembourg  
Tél 49 92 81  
Télex PUBOF LU 1324 b  
CCP 19190-81  
CC bancaire BIL B-109/6003/200

Abonnements / Subscriptions

**Messageries Paul Kraus**  
11, rue Christophe Plantin  
L-2339 Luxembourg  
Tél 49 98 888  
Télex 25 15  
CCP 49242-63

NEDERLAND

**Staatsdrukkerij- en uitgeverijbedrijf**  
Christoffel Plantijnstraat  
Postbus 20014  
2500 EA s-Gravenhage  
Tel (070) 78 98 80 (bestellingen)

PORTUGAL

**Imprensa Nacional  
Casa da Moeda, E P**  
Rua D Francisco Manuel de Melo, 5  
1092 Lisboa Codex  
Tel 69 34 14  
Telex 15328 INCM

**Distribuidora Livros Bertrand Lda  
Grupo Bertrand, S.A.R.L.**  
Rua das Terras dos Vales, 4-A  
Apart 37  
2700 Amadora CODEX  
Tel 493 90 50 - 494 87 88  
Telex 15798 BERDIS

UNITED KINGDOM

**HM Stationery Office**  
HMISO Publications Centre  
51 Nine Elms Lane  
London SW8 5DR  
Tel (01) 211 56 56

Sub-agent

**Alan Armstrong & Associates Ltd**  
72 Park Road  
London NW11 4SH  
Tel (01) 723 39 02  
Telex 297635 AAALTD G

UNITED STATES OF AMERICA

**European Community Information  
Service**  
2100 M Street NW  
Suite 707  
Washington, DC 20037  
Tel (202) 862 9500

CANADA

**Renouf Publishing Co., Ltd**  
61 Sparks Street  
Ottawa  
Ontario K1P 5R1  
Tel Toll Free 1 (800) 267 4164  
Ottawa Region (613) 238 8985-6  
Telex 053-4936

JAPAN

**Kinokuniya Company Ltd**  
17-7 Shinjuku 3-Chome  
Shinjuku-ku  
Tokyo 160-91  
Tel (03) 354 0131  
**Journal Department**  
PO Box 55 Chitose  
Tokyo 156  
Tel (03) 439 0124

Price 1987 (excluding VAT) in Luxembourg	ECU	BFR	IRL	UKL	USD
Annual subscription (Complete subscription)	80.90	3 500	61.60	57.70	84.00
Bulletin of the European Communities (11 issues + Index + 1st Supplement)	64.60	2 800	49.30	46.20	67.50
Price per single copy	7	300	5.30	5.00	7.00
Supplements to the Bulletin (per single copy)	3.50	150	2 70	2.50	3.50

Subscriptions are annual and run from 1 January to 31 December. Payment to be made only to the agents in the countries listed above.

These are surface mail rates, for air subscription rates, please apply to the agents.

A 50% reduction is obtainable for subscriptions by students. Applications should be made to the Office for Official Publications of the European Communities, L — 2985 Luxembourg.

Last published Index: 1984



OFFICE FOR OFFICIAL PUBLICATIONS  
OF THE EUROPEAN COMMUNITIES

L - 2985 Luxembourg



CB-AA-87-004-EN-C

060 TR

XL

266



2/88/CE

192195