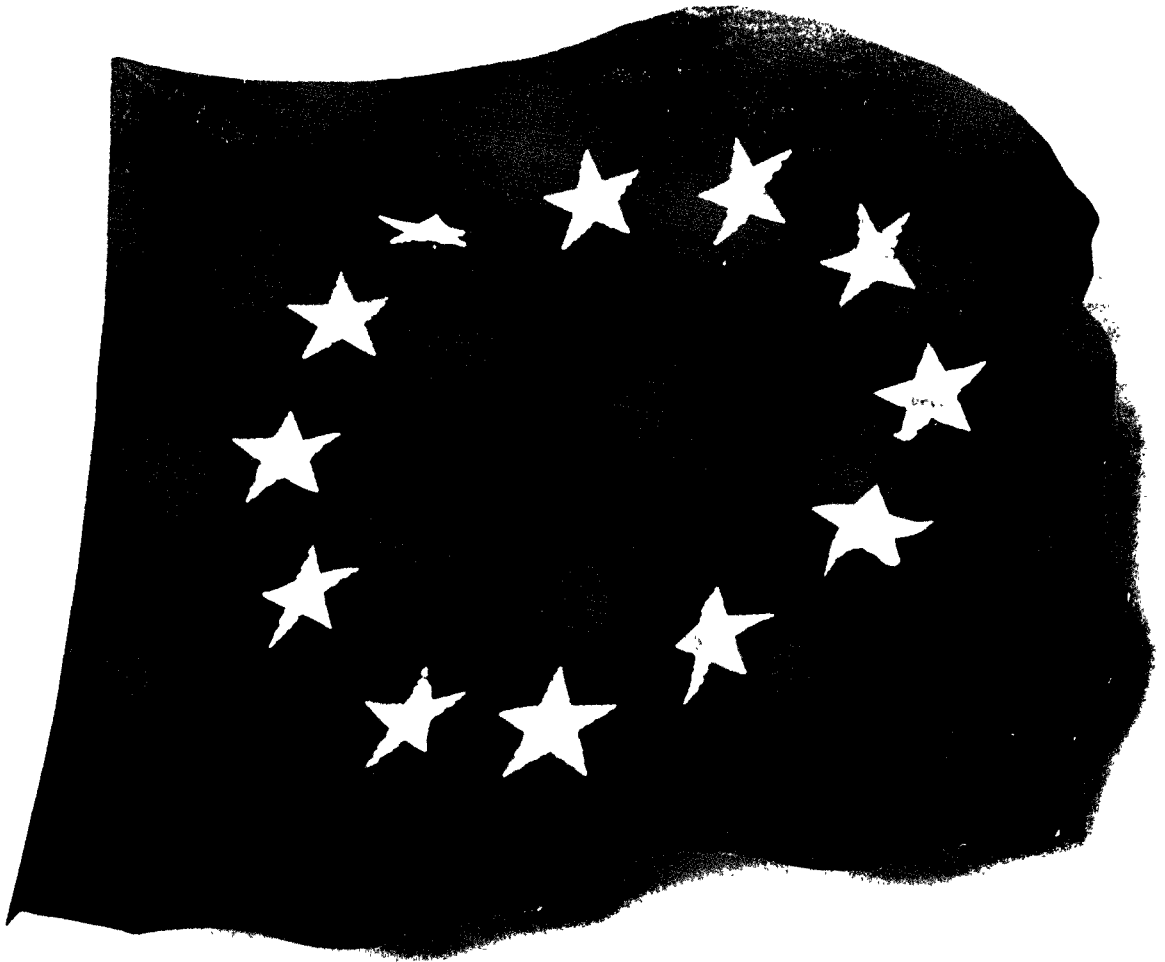


# Bulletin of the European Communities

Commission



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No 5 1988 Volume 21

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.

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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 5 1988 Volume 21

Sent to press in September 1988

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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

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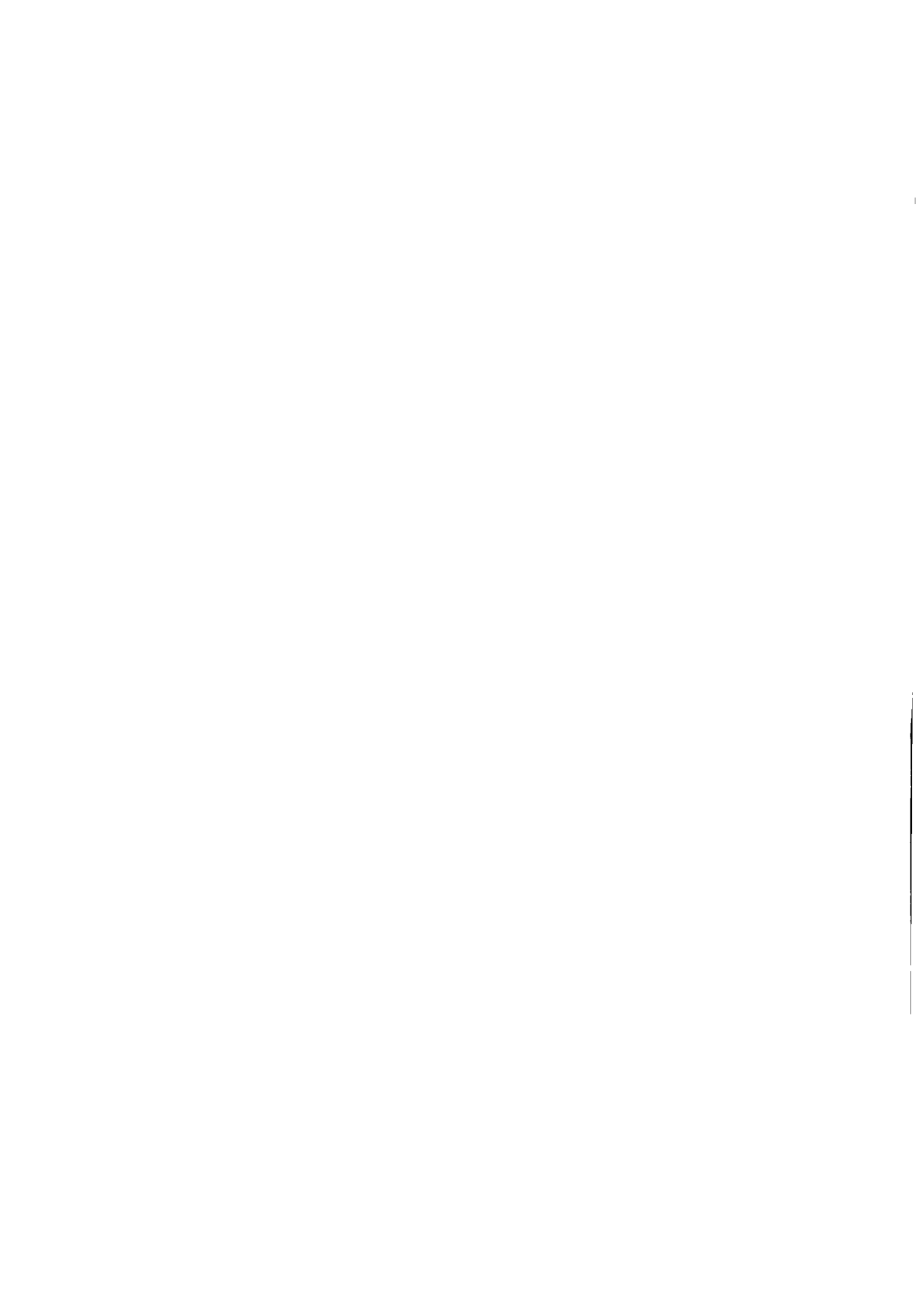
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**PART ONE**

**SPECIAL FEATURES**

# 1. The social dimension of building Europe

## Address by Commission President

1.1.1. On 12 May Mr Jacques Delors, President of the Commission, addressed the Congress of the European Trade Union Confederation in Stockholm on the social dimension of the internal market. After recalling that the first stage of the process of building the Community had been to create the conditions for greater economic and social cohesion (reform of the structural Funds, introduction and development of flanking policies) and greater solidarity between the Member States, he was at pains to point out that 'the social dimension of building Europe', which was 'both a condition and a goal' for further progress in Europe (internal market, research policy, rural development, etc.) now required us to make the most of the opportunities opened up in the social field by the Single European Act<sup>1</sup> in order to increase worker participation in the Community. However, the President made this revival of social action at Community level subject to one condition: a political revival, the signal for which would have to be given by the European Council in Hanover.

## The social dimension

### Legislating

1.1.2. 'We are doing this in two areas in particular:

First, by ensuring that there is a social dimension to those decisions setting up the large market which justify such a dimension. This applies to, for example, road transport or the specifications to be applied for the marketing and entry into service of certain goods, such as machines.<sup>2</sup>

We are also doing it in the area of health and safety. It is the much-appreciated Article 118a that enabled us to propose recently a framework directive and five implementing Directives on these questions.<sup>3</sup> These are proposals which met with your broad approval.

This is because on all these subjects, whether the social aspects of the instruments setting up the large market or draft Directives on health and safety, we have, I believe, improved the consultation process.

These provisions are based on the principles that I have just described: they represent minimum rules that everyone must observe in the Community, they do not prevent Member States from promoting or accepting higher levels of protection.

This is one of the possible Community approaches to achieving the alignment which is essential if the common economic area is to come about and operate effectively.'

## Encouraging the social dialogue

1.1.3. 'There are others, particularly the social dialogue at Community level which we launched in 1985<sup>4</sup> and in which the ETUC is involved. I must admit that after a promising beginning this dialogue has been a great disappointment, to such an extent that I have sometimes wondered whether the Commission should encourage it further. I am well aware of the nature of the problem; it is difficult for the organizations involved to obtain a negotiating mandate and the opinions adopted jointly do not represent a major step forward for the advanced countries. There is also the fact that it may seem ambitious and even utopian to launch an interindustry dialogue at European level when this type of negotiation is tending to decline at national and sectoral level, being conducted now chiefly at company level. Yes, I know the difficulties, and the last thing I want is for this dialogue to be used as an excuse for failing to make progress.

However, I also realize that halting the dialogue would weaken the position and role of European trade unionism and would cast in an unfavourable light our resolve to strengthen the social cohesion of the Community. Moreover, how can we, by way of agreement, give signs to direct and, at a later stage, harmonize the negotiations which are being carried on in each country? Of course, the social dialogue that we call 'Val Duchesse'<sup>4</sup> cannot claim to play this guiding role alone, and

<sup>1</sup> OJ L 169, 29.6.1987; Supplement 2/86 — Bull. EC; Bull. EC 2-1986, points 1.1.1 and 1.1.2.

<sup>2</sup> OJ C 29, 3.2.1988; Bull. EC 11-1987, point 2.1.21.

<sup>3</sup> Bull. EC 2-1988, point 1.2.1 *et seq.*

<sup>4</sup> Bull. EC 1-1985, point 2.4.19; Bull. EC 11-1985, point 2.5.25.

certainly there will have to be at some stage in the near future a fundamental review of the consultation procedures existing at Community level, so that their role in this vital area can be strengthened. I am thinking in particular of the Standing Committee on Employment, but also of the six sectoral committees in operation, which could be made more effective.

I am also thinking of the dialogue which could develop within European-scale companies themselves. Positive steps have been taken in some of them and have led to the setting up of group committees at European level.'

## **The aim: a political revival**

1.1.4. 'The debate concerning the necessary social cohesion of the internal market has begun at several levels. However, if it is to develop and lead to specific results, I propose that three initiatives be taken in the next few months.

For example, as suggested by the Belgian Presidency<sup>1</sup> and provided for in your social programme, why should the Community not adopt a 'base' of guaranteed social rights which would be derived from the European Social Charter? This 'base' could be negotiated by the two sides of industry and then incorporated into Community legislation. It would serve as the cornerstone for the social dialogue and greater social cohesion in Europe. It would be binding in nature.

The second initiative that we plan to take would be to grant every worker the right to continuing training. Every employee in Europe would, then, receive a training-time allocation which he would

use as required throughout his working life. Here, too, the social dialogue could set the process in motion.

Third point: European company law. The setting up of powerful and dynamic European undertakings would be an important factor in economic and social cohesion. At present there are no legal rules allowing this. This accounts for our plan to create a legal instrument which would make the existence of such companies possible. This instrument would of course include legal provisions guaranteeing employee participation in several optional ways. I must emphasize here and now that these new rules would not be allowed to reduce the high levels of participation existing in certain countries. On the contrary, it would strengthen worker participation throughout the Community.

I will propose this political revival of the social dimension at the next European Council in Hanover. We will help it by acting on the lines recommended by your President, Ernst Breit. He has stated, and I quote:

"It is essential that we as a confederation of trade unions in the Community countries should exert constant pressure on our governments on these European matters and not only through the European Trade Union Confederation and the European Commission."

Thus the needs of the economy would be reconciled with the call for greater industrial democracy, giving a clear signal in the direction that European producers should take.'

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<sup>1</sup> Bull. EC 1-1987, point 3.4.1.

## 2. The contribution of education to the internal market

1.2.1. The objective of completing the internal market in 1992,<sup>1</sup> the adoption of the Single European Act<sup>2</sup> and the recent decisions taken in Brussels by the European Council in February<sup>3</sup> place education and training in a new context in the process of building the Community, a feature of which is the pursuit of certain objectives that will contribute to the Community's economic and social cohesion.

In the light of these considerations, the Council adopted on 24 May a resolution on the European dimension in education and carried out a preliminary examination of the Commission communication setting out medium-term guidelines in education.

### The European dimension in education

1.2.2. The Council and the Ministers for Education meeting within the Council, referring to their conclusions of 27 September 1985 and taking note of the resolution passed by Parliament on 20 November 1987,<sup>4</sup> reaffirmed their resolve to strengthen the European dimension in education in accordance with the Solemn Declaration on European Union signed at the European Council in Stuttgart,<sup>5</sup> the conclusions of the European Council in Fontainebleau<sup>6</sup> and the 'People's Europe' report adopted at the European Council in Milan.<sup>7</sup> They stressed the link between improving the presence of the European dimension in education and all the activities undertaken as part of the 1976 action programme on education,<sup>8</sup> the pilot projects for the improvement of the transition from school to working life<sup>9</sup> and the Erasmus,<sup>10</sup> Comett<sup>11</sup> and Youth for Europe programmes (→ point 2.1.82), emphasizing proposed Community action on the teaching of foreign languages.<sup>12</sup> Finally, considering enhanced treatment of the European dimension in education to be an element contributing to the development of the Community and the completion of a unified

internal market by 1992, they adopted the following resolution.

### Objectives

The purpose of this resolution is to strengthen the European dimension in education by launching a series of concerted measures for the period 1988-92; these measures should help to:

- (i) strengthen in young people a sense of European identity and make clear to them the value of European civilization and of the foundations on which the European peoples intend to base their development today, that is in particular the safeguarding of the principles of democracy, social justice and respect for human rights (Copenhagen declaration, April 1978);
- (ii) prepare young people to take part in the economic and social development of the Community and in making concrete progress towards European Union, as stipulated in the Single European Act;
- (iii) make them aware of the advantages which the Community represents, but also of the challenges it involves, in opening up an enlarged economic and social area to them;
- (iv) improve their knowledge of the Community and its Member States in their historical, cultural, economic and social aspects and bring home to them the significance of the cooperation of the Member States of the European Community with other countries of Europe and the world.

### Action

In accordance with the decision of the European Council on a people's Europe, new impulses should

<sup>1</sup> Bull. EC 6-1985, point 1.3.1 *et seq.*

<sup>2</sup> OJ C 169, 29.6.1985; Supplement 2/86 — Bull. EC; Bull. EC 2-1986, points 1.1.1 and 1.1.2.

<sup>3</sup> Bull. EC 2-1988, point 1.1.1 *et seq.*

<sup>4</sup> OJ C 345, 21.12.1987; Bull. EC 11-1987, point 2.4.18.

<sup>5</sup> Bull. EC 6-1983, points 1.5.23 and 1.6.1.

<sup>6</sup> Bull. EC 6-1984, points 1.1.6 to 1.1.8.

<sup>7</sup> Bull. EC 6-1985, points 1.2.3 and 1.4.1 to 1.4.8.

<sup>8</sup> OJ C 38, 19.2.1976.

<sup>9</sup> OJ C 193, 28.7.1982; Bull. EC 5-1982, point 2.1.35; OJ C 193, 20.7.1983; Bull. EC 6-1983, point 2.1.80; Bull. EC 7/8-1983, point 2.1.61; OJ C 256, 24.9.1983; Bull. EC 6-1983, point 2.1.82; OJ C 328, 28.12.1985; Bull. EC 12-1985, point 2.1.100.

<sup>10</sup> OJ L 166, 25.6.1987; Bull. EC 6-1987, point 2.1.93.

<sup>11</sup> OJ L 222, 8.8.1986; Bull. EC 6-1986, point 2.1.106.

<sup>12</sup> Bull. EC 4-1988, point 2.1.88.

be given to the achievement of these objectives, involving strengthened measures both at Member State level and Community level.

### At the level of the Member States

Within the limits of their own specific educational policies and structures, the Member States will make every effort to implement the following measures:

#### *Incorporation of the European dimension in educational systems*

1. To set out in a document their current policies for incorporation of the European dimension in education and make this available to schools and other educational institutions.
2. To encourage meaningful initiatives in all sectors of education aimed at strengthening the European dimension in education.

#### *School programmes and teaching*

3. To include the European dimension explicitly in their school curricula in all appropriate disciplines, for example literature, languages, history, geography, social sciences, economics and the arts.

#### *Teaching material*

4. To make arrangements so that teaching material takes account of the common objective of promoting the European dimension.

#### *Teacher training*

5. To give greater emphasis to the European dimension in teachers' initial and in-service training. The following can contribute to achieving this objective:
  - (i) making suitable teaching material available;
  - (ii) access to documentation on the Community and its policies;
  - (iii) provision of basic information on the educational systems of the other Member States;
  - (iv) cooperation with teacher training institutions in other Member States, particularly by developing joint programmes providing for student and teacher mobility;
  - (v) making provision in the framework of in-service training for specific activities to enhance serving teachers' awareness of the European dimension in education and give them the oppor-

tunity of keeping up to date with Community developments;

(vi) opening up, to some teachers from other Member States, certain in-service training activities, which would constitute the practical expression of belonging to Europe and a significant means of favouring the integration process.

#### *Promotion of measures to boost contacts between pupils and teachers from different countries*

6. To encourage contacts and meetings across borders between pupils and teachers from different Member States at all levels in order to give them direct experience of European integration and the realities of life in other European countries.

To use these contacts and meetings both for improving linguistic proficiency and for gaining knowledge and experience on cultural, scientific and technical matters; in this way the largest possible number of young people and teachers should be covered by these initiatives.

To encourage parents and parents' organizations to participate in organizing contacts, exchanges and visits.

To provide information and advice to schools, teachers and pupils interested in contacts, exchanges and visits abroad and to support them in the implementation of contacts and exchanges.

To examine the conditions for longer-term stays abroad by pupils and to promote such stays abroad.

#### *Complementary measures*

7. To give a new stimulus in the perspective of 1992 to the strengthening of the image of Europe in education, in the sense of the People's Europe report, by organizing particular events. In this connection the following would appear appropriate:

- (i) colloquia and seminars on effective ways of introducing the European dimension in education and on the use and preparation of teaching material adapted to the different levels of teaching;
- (ii) the promotion of school initiatives and extra-curricular activities such as school twinning and the formation of 'European Clubs', opening up new paths for the strengthening of the European dimension;
- (iii) the participation of schools in activities organized as part of Europe Day (9 May);
- (iv) the participation of schools in the European Schools Day competition and encouragement of

cooperation between Member States in competitions in the linguistic, artistic, scientific or technical fields;

(v) increased cooperation between Member States in the area of school sports.

### At Community level

In order to back up the action of the Member States and achieve effective collaboration in this field, the Commission, assisted by the working party mentioned in paragraph 19 below, is invited:

#### *Information exchange*

8. To promote an exchange of information on concepts and measures in the different Member States, thereby ensuring that the results of the experience acquired are known in all Member States.

#### *Teaching material*

9. (i) to prepare basic documentation on the Community (its institutions, aims and current tasks) for schools and teaching staff;

(ii) to facilitate the exchange, by subjects or groups of subjects, of information on teaching material aimed at strengthening the European dimension in teaching;

(iii) to carry out a comparative analysis of the substance and new forms of treatment of teaching material;

(iv) to make authors and publishers of teaching material more aware of the need to include the European dimension in their production.

#### *Teacher training*

10. To use the programme of study visits for education specialists (Arion programme) for the aim of introducing the European dimension in education.

11. To use the possibilities offered by the Erasmus programme for providing students training to be teachers with experience of a foreign country during their training and for intensifying cooperation between training institutions and between trainers.

12. To support cooperation by institutions of initial and further training for teachers of several Member States in the development of teaching material promoting the European dimension in education.

13. To promote each year, in the period 1989-92, the organization of a European summer university for trainers in order to enable them to exchange the experience acquired and to identify new ways of improving the introduction of the European dimension in teacher training.

#### *Specific additional measures*

14. To encourage cooperation and exchange of views among the national bodies responsible for the encouragement of exchanges of pupils and teachers.

15. To promote the participation of non-governmental organizations in the introduction of the European dimension in education.

16. To examine the possibilities for reinforcing the European dimension in education by using audio-visual means at European level.

17. To foster cooperation between educational research institutes and centres in the various Member States working towards the introduction of the European dimension in education, taking into account the potential contribution of the European University Institute (Florence), the College of Europe (Bruges), the European Institute of Public Administration (Maastricht) and the European Schools.

18. To examine how school sport can be better used for European contact and mutual understanding and on what conditions the establishment of European schools games will be possible.

#### *Working party*

19. In the implementation of these tasks and to achieve effective collaboration in this field, the Commission will be assisted by a working party composed of representatives of the Member States with coordinating responsibilities in European dimension questions, appointed by the Commission on the proposal of the Member State concerned.

#### *Report on measures undertaken*

The Council and the Ministers for Education meeting within the Council invite the Education Committee to submit an initial report by 30 June 1991 on the development of measures undertaken at the level of the Member States and the Community to reinforce the European dimension in teaching.

## Finance

Community finance for the measures referred to in paragraphs 8 to 18 and the amount thereof are to be decided on in accordance with the Community's rules and procedures.

## Medium-term education prospects in the Community

1.2.3. On the basis of a Commission communication, the Council and the Ministers for Education meeting within the Council held an exchange of views on the topics and areas for priority action on which education cooperation should concentrate in the period ending 1992.

In its communication, entitled 'Education in the Community. Medium-term prospects: 1988-92',<sup>1</sup> the Commission proposes three objectives (contribution of education and training systems to the completion of the internal market; increasing the integration of education and economic life; contribution to a reduction in regional disparities and to social cohesion), which it applies to two fields of action (raising the level of basic education and the training and qualification of the workforce).

### Three objectives

1.2.4. The first objective which has been set is that of identifying and carrying through the contribution which education and training systems can make to the completion of the internal market and to its subsequent exploitation. This involves doing away with the barriers to free movement of persons and ideas within the Community and encouraging initiative, innovation and enterprise at all levels.

The Community's role in education is concerned not only with the development of a coherent system of qualifications and certification, but also with improvements in the teaching of foreign languages, support for and encouragement of measures by the Member States to prepare young people for their future as European citizens, concern

about multicultural education and the elimination of racism and xenophobia, and the constant intensification of European awareness in the minds of policy-makers and practitioners throughout the educational system.

1.2.5. The second objective is closer integration of education and the business world and the identification of changes in this field as a result of completion of the internal market. The right strategy in the years ahead, when many Member States will be trying to close the gap which separates education from industry, must be to relate these changes to the emergence of the internal market and the strengthening of European identity. The Comett programme<sup>2</sup> may be seen as an example to follow.

1.2.6. The third objective must be to pursue education policies which help to reduce regional disparities and contribute to the Community's social cohesion. In this context, integration of education and training with development policies must be carried out in such a way as to find solutions for the specific problems of the most disadvantaged areas.

### Two fields of action

1.2.7. The Commission paper applies these three fundamental aims to two broad action areas: raising the level of basic education, and the training and qualification of the workforce.

1.2.8. As regards the first field of action, the Commission takes the view that, in the light of the experience gained from the second (1982-83) Community action programme on the transition of young people from school to working life,<sup>3</sup> Community measures should be introduced as part of a new medium-term programme which takes account of the need to strengthen the

<sup>1</sup> COM(88) 280 final.

<sup>2</sup> OJ L 222, 8.8.1986; Bull. EC 6-1986, point 2.1.106.

<sup>3</sup> OJ C 193, 28.7.1982; Bull. EC 5-1987, point 2.1.35; Bull. EC 12-1985, point 2.1.101.

capacity of education systems to manage and monitor innovation so as to respond more effectively to economic and social change and individual needs.

At the same time, a major effort should be made at Community level to back up Member States' policies to improve links between schools and industry at all levels of education.

Promoting the European dimension in school curricula, which involves the training of teachers and the preparation of teaching materials on Europe, is another important step, for young people must be informed in order to understand for themselves the implications of the European context, above all for their working future.

Finally, the success of Community operations aimed at raising the quality of basic education depends chiefly on the quality of the teaching profession. The main emphasis must be placed on increased participation in in-service training and on ensuring that it is of high quality.

1.2.9. As regards the second field of action, the first aim should be to help raise the standard of young people and their qualifications when they leave the education system and enter adult and working life.

The cooperation between the universities, to which the Erasmus<sup>1</sup> and Comett<sup>2</sup> programmes have so brilliantly contributed, must be heightened to encourage the setting up of a network of transnational links.

As to the freedom of movement and mobility of a qualified workforce, the key is to be found in the mutual recognition of the various qualifications available in the Member States.

Later this year the Commission will present its first proposals for a Community-wide education and in-service training strategy, for the training of managers and workers in preparation for 1992 is an urgent requirement and will demand transnational co-operation.

One of the crucial weaknesses associated with the completion of the internal market is the need for many more people able to work in at least two Community languages. The lack of an ability to communicate is a technical barrier to freedom of movement and at the same time a handicap for increasing business and trading relations within the Community. The Commission has already announced its intention of putting forward proposals on this matter by the end of 1988.

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<sup>1</sup> OJ L 166, 25.6.1987; Bull. EC 6-1987, point 2.1.93.

<sup>2</sup> OJ L 222, 8.8.1986; Bull. EC 6-1986, point 2.1.106.



### 3. News in brief

#### **Competition and new technologies**

On 16 May the Commission adopted a Directive on the liberalization of markets in telecommunications terminal equipment (→ point 2.1.59).

#### **Social policy**

On 27 May the Commission sent the Council a proposal for a Directive on the burden of proof in the area of equal pay and equal treatment for men and women (→ point 2.1.83).

#### **Culture**

On 27 May the Council decided to set up a Committee on Cultural Affairs (→ point 2.1.91).

#### **Consumer protection**

The Council adopted a Directive on the safety of toys on 3 May (→ point 2.1.115).

#### **Fisheries and relations with Mediterranean countries**

The Community and Morocco signed a fisheries agreement on 26 May (→ point 2.1.172).

#### **1988 budget**

On 1 June the President of the European Parliament declared the 1988 budget finally adopted (→ point 2.3.3).



**PART TWO**

**ACTIVITIES  
IN MAY 1988**

# 1. Building the Community

## Economic and monetary policy

### Economic situation

2.1.1. On 19 May Parliament adopted a resolution on the economic situation and outlook for 1988<sup>1</sup> (→ point 2.4.14).

### European Monetary System

#### Medium-term financial assistance

2.1.2. As part of the drive to create an integrated financial area in Europe,<sup>2</sup> the Commission sent the Council on 20 May an amended<sup>3</sup> proposal for a Regulation establishing a single facility providing medium-term financial support for Member States' balances of payments.<sup>4</sup> The amendments were made to take account of the Monetary Committee's suggestions.<sup>5</sup> Their main purpose is as follows:

(i) the merger of the two existing instruments (medium-term financial assistance<sup>6</sup> and the Community loan mechanism<sup>7</sup>) to be more complete, with the right of access to the renewed mechanism defined in general terms;

(ii) the amounts outstanding to be subject to the following ceilings: a ceiling of 16 000 million ECU on the total amount of loans which can be granted — irrespective of the source of finance — and a subceiling of 14 000 million ECU on the loans which may be financed by the Community by calls on the capital markets; the subceiling of 13 925 000 million ECU on total direct contributions from the Member States to remain the same as the present ceiling for medium-term financial assistance;<sup>6</sup>

(iii) the normal funding procedure to be market borrowing, with contributions from the Member States relied upon only as an exception;

(iv) the economic policy conditions attached to the loan and the monitoring

procedure have been clarified in certain respects: the principle has been established that loans should normally be disbursed in instalments; the role of the Monetary Committee has been specified and a provision incorporated which calls for a review in the event of new safeguard measures being introduced.

### Monetary Committee

2.1.3. At its 343rd meeting, held on 3 May with Sir Geoffrey Littler in the chair, the Monetary Committee had an initial discussion of the proposals on monetary integration and examined the economic and monetary situation in Italy.

### Economic Policy Committee

2.1.4. At its 188th meeting, held on 27 May with Mr Molitor in the chair, the Economic Policy Committee discussed a system of short-term economic indicators, the economic situation and outlook for 1988 and 1989, and the approximation of indirect taxation.<sup>8</sup>

\*

2.1.5. On 20 May Parliament adopted two resolutions on the world economic situation (→ point 2.4.14).<sup>1</sup>

2.1.6. On 19 May Parliament adopted a resolution on the economic consequences of the new technologies (→ point 2.4.14).<sup>1</sup>

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<sup>1</sup> OJ C 167, 27.6.1988.

<sup>2</sup> OJ C 26, 1.2.1988; Bull. EC 10-1987, point 1.1.1 *et seq.*

<sup>3</sup> COM(88) 279 final.

<sup>4</sup> OJ C 26, 1.2.1988; Bull. EC 10-1987, point 1.1.5.

<sup>5</sup> Bull. EC 4-1988, point 2.1.1.

<sup>6</sup> OJ L 73, 27.3.1971.

<sup>7</sup> OJ L 73, 19.3.1981; Bull. EC 3-1981, point 2.1.2.

<sup>8</sup> OJ C 250, 18.9.1987; OJ C 251, 19.9.1987; OJ C 252, 22.9.1987; Bull. EC 7/8-1987, point 1.2.1 *et seq.*

## Internal market

### Completing the internal market

#### Council

2.1.7. On 3 May the Council discussed in detail some key points arising from the proposal for a Directive on a general system for the recognition of higher-education diplomas.<sup>1</sup> A central issue of the debate was the inclusion in the Directive of an aptitude test. After a constructive discussion, the proposal was referred back to the Permanent Representatives Committee for further study.

The Council again discussed the proposal concerning a general right of residence.<sup>2</sup> It considered in particular the main problems still unresolved: evidence of students' means of subsistence, compensation arrangements, inequalities between Member States' health insurance schemes, and the form, legal basis and scope of the instrument to be adopted. Following the discussion, the Council asked the Permanent Representatives Committee to continue consideration of the outstanding issues.

The Council also adopted four framework Directives on the internal market — concerning health problems affecting intra-Community trade in fresh meat, health and veterinary inspection problems upon importation of bovine animals, swine and fresh meat from non-member countries (→ points 2.1.156 and 2.1.157), safety of toys (→ point 2.1.115) and the type approval of agricultural tractors (→ point 2.1.13).

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2.1.8. On 24 May the Council and the Education Ministers meeting within the Council adopted a resolution on the European dimension in education, considering enhanced treatment of this dimension to be an element contributing to the com-

pletion of a unified market by 1992 (→ points 1.2.1 and 1.2.2).

### Free movement of persons and freedom to provide services

#### *Mutual recognition of qualifications and access to occupations*

##### Midwives

2.1.9. The Advisory Committee on Training in Midwifery met on 17 and 18 May. It discussed further training for midwives in the Member States and decided to draw up a recommendation on this subject.

The Committee also continued discussions on the conditions of access to training in midwifery and the different kinds of training. Lastly, brief descriptions were presented of how teachers in midwifery are trained in Portugal, the United Kingdom and the Federal Republic of Germany.

##### Architects

2.1.10. The *ad hoc* group of senior officials responsible for freedom of movement in architecture met on 25 May. The group continued to examine the incorporation into national law of the Directives on mutual recognition of qualifications in architecture. It also discussed the negative opinion with regard to Italian civil engineering diplomas delivered in April by the Advisory Committee on Education and Training in the Field of Architecture pursuant to Article 8 of the Council Directive of 10 June 1985.<sup>3</sup>

<sup>1</sup> OJ C 217, 28.8.1985; Supplement 8/85 — Bull. EC; 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>2</sup> OJ C 207, 17.8.1979, Bull. EC 5-1979, point 2.1.14; OJ C 188, 25.7.1980, OJ C 292, 11.11.1980; OJ C 171, 10.7.1985, Bull. EC 6-1985, point 2.1.15.

<sup>3</sup> OJ L 223, 21.8.1985, Bull. EC 6-1985, point 2.1.16.

## *Tourism*

2.1.11. At the invitation of the Federal Republic of Germany (currently chairing the Council), an informal meeting of Ministers for Tourism was held in Glücksburg on 6 May. Mr Ripa di Meana, Member of the Commission with special responsibility for tourism, also took part.

Ministers discussed completion of the internal market as regards tourism. There was broad consensus on a document highlighting the importance of tourism in the internal market context and the main goals of Community tourism policy, namely to facilitate the development of tourist activities and promote the seasonal and geographical distribution of tourism.

The latter question is of concern to all the Member States, for a high concentration of tourism over a short period of the year has considerable disadvantages both for consumers and for suppliers of tourist services. Ministers asked the Commission to examine the problem and propose appropriate measures. The plan to designate 1990 'European Tourism Year' should include projects and forms of assistance designed to bring about improved seasonal and geographical distribution.

## **Free movement of goods**

### *Standardization, certification and testing*

#### **Technical standards and regulations**

2.1.12. The Commission has given two remits to the European Committee for Standardization (CEN). The first, which comes under the standardization programme in the field of motor-vehicle fuels, follows on from a previous remit to draft a European standard for lead-free petrol. In particular, it covers the establishment of European standards (EN) in the field of lead-free petrol, liquefied petroleum gas for motor vehicles

and DERV (diesel-engined road vehicle) fuel. These standards represent an important adjunct to the existing directives on the characteristics of motor-vehicle fuels and, in more general terms, will contribute to the completion of the internal market.

The second remit is concerned with toy safety and falls within the scope of the Council resolution on a new approach to technical harmonization and standards.<sup>1</sup> It covers the entire range of chemical toys, notably junior chemistry sets.

### *Removal of barriers to trade*

#### **Industrial products**

2.1.13. On 3 May the Council adopted a Directive<sup>2</sup> amending the 1974 Directive relating to the type approval of wheeled agricultural or forestry tractors.<sup>3</sup> This amendment takes into account progress in tractor construction since the framework Directive was adopted in 1974 and seeks to simplify considerably the EEC type-approval procedure.

2.1.14. On 16 May the Commission adopted a Directive<sup>4</sup> adapting to technical progress the Council Directive of 1 March 1971 relating to the rear-view mirrors of motor vehicles.<sup>5</sup> The object of the amendments is to improve road traffic safety by the mandatory installation of two additional rear-view mirrors on certain categories of vehicle.

2.1.15. On 17 May the Commission likewise adopted a Directive adapting to technical progress the Council Directive of 27 September 1977 relating to the field of vision of motor-vehicle drivers.<sup>6</sup> The object of the amendments is to modify the angles of

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

<sup>2</sup> OJ L 126, 20.5.1988. Commission proposal: OJ L 84, 28.3.1974.

<sup>3</sup> OJ C 88, 3.4.1987; Bull. EC 1-1987, point 2.1.9.

<sup>4</sup> OJ L 147, 14.6.1988.

<sup>5</sup> OJ L 68, 22.3.1971.

<sup>6</sup> OJ L 267, 19.10.1977.

obstruction of the windscreen pillars in line with technical developments in vehicle design and also to amend certain provisions concerning the radio aerials and defrosting and demisting conductors incorporated in the windscreen.

2.1.16. On 18 May Parliament approved<sup>1</sup> the Council's common position<sup>2</sup> on the proposal<sup>3</sup> for a Directive to amend the Directive of 19 December 1974 on the making-up by volume of certain prepackaged liquids.<sup>4</sup>

## Foodstuffs

2.1.17. On 20 May Parliament adopted an opinion (first reading)<sup>1</sup> on the proposal for a Regulation on indications or marks identifying the lot to which a foodstuff belongs.<sup>5</sup> The proposal was approved by unanimous vote without a debate.

## Enterprise

### Improving the business environment

#### *Intellectual property*

#### Original topographies of semiconductor products

2.1.18. On 31 May, acting on a Commission proposal,<sup>6</sup> the Council decided<sup>7</sup> on a further extension,<sup>8</sup> from 1 June, of the right to protection under the Directive of 16 December 1986 on the legal protection of topographies of semiconductor products<sup>9</sup> in respect of nationals of certain countries or territories.

#### Trade marks

2.1.19. On 18 May the Commission sent the Council a recommendation for a Decision on Community participation in the diplomatic conference due to take place in 1989 at the World Intellectual Property

Organization for the purpose of amending the Madrid Arrangement (concluded nearly a century ago, on 14 April 1891, under the Paris Convention for the protection of industrial property) concerning the international registration of marks.

#### *Public procurement*

2.1.20. On 4 May the Commission decided to implement from 1 January 1989 a system for monitoring compliance with Community rules on public procurement in the projects and programmes financed by the structural Funds and other Community financial instruments.

2.1.21. On 18 May Parliament adopted at first reading an opinion<sup>1</sup> endorsing the Commission's proposal<sup>10</sup> to amend the Council Directive of 26 July 1971 coordinating procedures for the award of public works contracts.<sup>11</sup>

The House proposed a number of amendments concerning the applicability of the Directive as regards the contracting authorities, the public works concession, type of works (calling for special rules for transport, drinking water and energy) and minimum contract value (5 million ECU), restricting its scope to companies whose registered place of business is in the Community, and making certain technical adjustments.

The Commission accepted most of Parliament's amendments and will modify its proposal accordingly.

2.1.22. On the same day Parliament also adopted at first reading an opinion<sup>1</sup> endorsing the proposal for a Directive co-

<sup>1</sup> OJ C 167, 27.6.1988.

<sup>2</sup> Bull. EC 12-1987, point 2.1.8.

<sup>3</sup> OJ C 317, 10.12.1986; Bull. EC 12-1986, point 2.1.21.

<sup>4</sup> OJ L 42, 15.2.1975.

<sup>5</sup> OJ C 310, 20.11.1987; Bull. EC 11-1987, point 2.1.24.

<sup>6</sup> Bull. EC 2-1988, point 2.1.17.

<sup>7</sup> OJ L 140, 7.6.1988.

<sup>8</sup> OJ L 313, 4.11.1987; Bull. EC 10-1987, point 2.1.17.

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

<sup>10</sup> Bull. EC 12-1986, point 2.1.35.

<sup>11</sup> OJ L 185, 16.8.1971.

ordinating the laws, regulations and administrative provisions relating to the application of Community rules on procedures for the award of public supply and public works contracts.<sup>1</sup>

Parliament called for amendments restricting the Commission's right to suspend the procedure to the period before a contract award is made, specifying the powers of administrative bodies and courts (and extending their monitoring and enforcement powers) and the conditions for resumption of the award procedure.

2.1.23. The Commission accepted most of Parliament's amendments, including the one relating to suspension of the contract award procedure, and will modify its proposal accordingly.

### **Services to promote business start-ups and expansion**

2.1.24. The Ministers responsible for small businesses held an informal meeting on 5 and 6 May at Glücksburg in the Federal Republic of Germany to prepare for the Council meeting on the internal market at the beginning of June, at which the problems of small businesses will be on the agenda. After a Commission statement on the positive results already achieved from implementation of the small business action programme,<sup>2</sup> Ministers discussed in particular ways of stepping up transfrontier cooperation between small firms,<sup>3</sup> the start-up of BC-Net (business cooperation network)<sup>4</sup> and expansion of the Euro-Info Centre project.<sup>5</sup>

## **Industrial strategy and services**

### **Steel**

#### *The Community steel industry*

#### **Transitional measures**

#### *Organization of the market*

2.1.25. On 4 May the Commission reiterated the position set out in its communi-

cation of 25 November 1987 to the Council on the quota system set up under Article 58 of the ECSC Treaty.<sup>6</sup> In particular, it repeated that it could not consider extending the quotas for heavy plate (Category II) and heavy sections (Category III) unless it received firm commitments to shed sufficient capacity in both these categories. The Commission also found that there is no longer a state of manifest crisis—the *sine qua non* for extending the quota system—for hot-rolled wide strip (Category Ia) or cold-rolled sheet (Category Ib). Finally, the Commission stressed the importance of the aid code.<sup>7</sup>

#### *Production quotas*

2.1.26. On 2 May the Commission adopted the definitive rates of abatement for the second quarter of 1988,<sup>8</sup> which it had provisionally fixed on 22 February<sup>9</sup> (Table 1). The proportion of the quota which may be delivered in the common market has been increased by 559 000 tonnes in the case of hot-rolled wide strip (Category Ia), by 376 000 tonnes in the case of cold-rolled sheet (Category Ib) and by 120 000 tonnes in the case of heavy plate (Category II).

<sup>1</sup> OJ C 230, 28.8.1987; Bull. EC 7/8-1987, point 2.1.21.

<sup>2</sup> OJ C 287, 14.11.1986; Bull. EC 10-1986, point 1.3.1, Bull. EC 11-1986, point 2.1.22.

<sup>3</sup> Bull. EC 3-198, point 2.1.28.

<sup>4</sup> OJ C 224, 21.8.1987; Bull. EC 7/8-1987, point 2.1.24.

<sup>5</sup> Bull. EC 4-1987, point 2.1.18; Bull. EC 7/8-1987, point 2.1.23, Bull. EC 2-1988, point 2.1.21, Bull. EC 3-1988, point 2.1.27.

<sup>6</sup> OJ C 9, 14.1.1988, Bull. EC 11-1987, point 2.1.35.

<sup>7</sup> OJ L 340, 18.12.1985; Bull. EC 11-1985, points 2.1.23 and 2.1.25.

<sup>8</sup> OJ L 115, 3.5.1988.

<sup>9</sup> OJ L 49, 23.2.1988, Bull. EC 2-1988, point 2.1.25.



Table 1 — *Final rates of abatement for establishing the production quotas for the second quarter of 1988*

		%
	Production	Proportion of the quotas which may be delivered in the common market
Ia Hot-rolled strip and sheet	40	48
Ib Cold-rolled sheet	41	46
II Reversing-mill plate	34	50

### *Market situation*

2.1.27. According to the International Iron and Steel Institute, world steel consumption in 1987 was higher than forecast as demand remained buoyant despite the stock market crash and the unstable dollar. Consumption was 7.6 million tonnes higher than forecast in the USA on 103.3 million tonnes and 4 million tonnes higher in Japan on 76.3 million tonnes. In the Community consumption was 104 million tonnes—0.7 million tonnes up on initial forecasts. In 1988 world consumption is expected to be 10 to 11 million tonnes higher than in 1987, with most of this increase generated by the State-trading countries (5 million tonnes), the developing countries (3 million tonnes) and Japan (3.3 million tonnes). Consumption is set to fall by 1.5% in the USA and by 0.5% in the Community.

## **Research and technology**

### **Community R&TD policy**

#### *Coordination of national policies*

2.1.28. At its meeting in Berlin on 5 and 6 May, held at the invitation of the Federal Ministry of Research and Technology, the

Scientific and Technical Research Committee (Crest) had detailed discussions on the coordination of the Member States' science and technology policies and R&TD programmes. After stressing the importance of coordination—which should be seen in the context of completion of the internal market in 1992 but which should also evolve gradually—the Committee expressed the wish that its objectives be set out clearly and precisely and that a forward strategic analysis be carried out to determine the main lines of Community action. In particular, the Committee recommended that steps should be taken at sectoral level to prevent dissipation of efforts and to ensure that attention was focused on a limited number of priority sectors.

The importance of a coordinated approach to major horizontal problems with a view to creating conditions favourable to the promotion of international cooperation (rules on intellectual property, patents, harmonization of tax measures, etc.) was also highlighted by the Committee, which recognized that the prerequisite for this was a mutual information campaign with the emphasis on quality as well as quantity. The Committee agreed that the Commission should adopt appropriate measures to this end.

Crest also held a detailed exchange of views on the problems posed by the development of modern biology in the Community and throughout the world. While underlining the attractions of international cooperation in this area, it nevertheless advocated a pragmatic and gradual approach.

#### *International cooperation*

2.1.29. On 2 May European scientists met at an informal workshop in Brussels, at the invitation of the Commission, to discuss recent trends in advanced biological research and to consider the need for a new European initiative in the biological sciences. As well as many of the Commission's external scientific and industrial advisers, the participants also included some of the most eminent biologists in the Community.

The workshop focused on three key research fields: decoding of the genetic information stored in living cells which determines inherited characteristics (a procedure known to the experts as genome sequencing), study of the brain and nervous system (neurology) and advanced plant biology.

The workshop also considered the human frontier science programme proposed by Japan at the Western Economic Summit in Venice in June 1987.<sup>1</sup> The idea is to create an international system of cooperation for basic research in advanced biology, including the highly sophisticated functions of the brain (learning and thinking), and the development of molecular approaches to the explanation of biological functions.

The Commission believes that the human frontier initiative warrants serious consideration. Apart from the obvious interest in the progress of advanced biology and the development of international cooperation in the field, there is the added factor that Japan is a relative newcomer to cooperation in basic research. The Commission wants the European response to the human frontier initiative to be well-founded, realistic and constructive, so that the programme is mutually advantageous. Accordingly, it has carried out a study of the Japanese position in those research fields which are being proposed for the programme, and participants in the workshop were able to consider the results of this study.

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2.1.30. On 20 May Parliament adopted a resolution on Eureka to be sent to the Commission, the Council, the governments of the Member States and the Eureka Ministerial Conference meeting on 15 and 16 June (→ point 2.4.14).<sup>2</sup>

2.1.31. On 19 May Parliament adopted a resolution on the Japanese Government's human frontier science programme (→ point 2.4.14).<sup>2</sup>

## EFTA agreements

2.1.32. On 20 May Parliament approved<sup>2</sup> proposals for Decisions concerning the conclusion of cooperation agreements between the EEC and Switzerland<sup>3</sup> and between the EEC and Sweden<sup>4</sup> on R&D in the field of wood, including cork, as a renewable raw material.

2.1.33. Parliament also approved on 20 May<sup>2</sup> the proposal for a Decision concerning the conclusion of cooperation agreements between the EEC and Switzerland<sup>5</sup> and between the EEC and Austria<sup>6</sup> on R&D in the field of advanced materials.

## Main areas of Community R&T

### Quality of life

### Radiation protection

2.1.34. At its meeting in Brussels on 3 and 4 May the Management and Coordination Committee for Radiation Protection delivered a favourable opinion on 10 'post-Chernobyl' projects and 14 research proposals which are to be selected for financing by the Commission (5.2 and 0.5 million ECU respectively) under the revised research programme in the field of radiation protection (1985-89).<sup>7</sup> As a result of discussions on the Ressac research proposal (renewal of floors and surfaces following an accident), an *ad hoc* working party was set up which will meet in Cadarache in July to study Community involvement in the project.

The Committee also approved an evaluation report on the first three years of the programme.

<sup>1</sup> Bull. EC 6-1987, point 3.7.32.

<sup>2</sup> OJ C 167, 27.6.1988.

<sup>3</sup> OJ C 282, 20.10.1987; Bull. EC 9-1987, point 2.1.37.

<sup>4</sup> OJ C 51, 23.2.1988; Bull. EC 2-1988, point 2.1.32.

<sup>5</sup> OJ C 325, 4.12.1987; Bull. EC 11-1987, point 2.1.55.

<sup>6</sup> OJ C 56, 23.2.1988, Bull. EC 2-1988, point 2.1.31.

<sup>7</sup> OJ L 83, 25.3.1985; Bull. EC 12-1984, points 1.7.1 and 1.7.2; OJ L 16, 21.1.1988; Bull. EC 12-1987, point 2.1.62.

## *Information technology and telecommunications*

2.1.35. Developments in this area are reported in the 'Telecommunications, information technology and innovation' section *infra*.

### *Industrial technology*

#### **ECSC industries**

##### *Technical research on coal*

2.1.36. On 27 May, having received the ECSC Consultative Committee's opinion<sup>1</sup> and the Council's assent, the Commission adopted a decision to grant financial aid totalling 22 million ECU to 61 technical research projects on coal for 1988.

#### **Energy**

##### **Non-nuclear energy**

2.1.37. From 9 to 13 May the Eighth European Conference on Photovoltaic Solar Energy, organized jointly by the Commission and the Italian section of the International Solar Energy Society, was held in Florence.

The conference—the most important international event of the year in this field—provided an opportunity for the 750 participants from 43 different countries to discuss the current situation and future prospects as regards industrial R&D on the photovoltaic conversion of solar energy.

Participants were briefed on a major study on the comparative indirect costs of electricity production using, on the one hand, conventional sources and, on the other, new sources (including photovoltaic conversion). They were also given details quantifying the respective effects of the use of these sources in the social and environmental sectors.

Evidence was also furnished showing that, in a few years, the costs of producing elec-

tricity by photovoltaic conversion will fall below the threshold of USD 1 000 per kilowatt.

## *European scientific and technical cooperation*

### **A researchers' Europe**

2.1.38. Meeting in Brussels on 31 May, the Committee for the European Development of Science and Technology, with a view to the formal adoption of the Science project<sup>2</sup> at the Council meeting on 29 June, made a preliminary selection of research projects for funding under the programme and recommended 65 proposals to the Commission (totalling 18 million ECU). The projects selected include a number relating to superconductivity. One of these, involving 15 laboratories, is for research on high-temperature superconducting crystals, and another is for the study of non-linear optical phenomena in high-temperature superconductors.

2.1.39. On 18 May Parliament adopted at first reading its opinion<sup>3</sup> on the proposal for a Regulation adopting a Community support plan to facilitate access to large-scale scientific facilities of European interest (1988-92).<sup>4</sup> Most of the amendments called for by Parliament (other than a few considered superfluous or impracticable) were accepted by the Commission.

## **Telecommunications, information technology and innovation**

### **Telecommunications**

2.1.40. On 11 May the Commission adopted a two-part paper on telecommuni-

<sup>1</sup> Bull. EC 3-1988, point 2.4.40.

<sup>2</sup> OJ C 14, 19.1.1988; Bull. EC 9-1987, point 2.1.51; OJ C 145, 2.6.1988; Bull. EC 3-1988, point 2.1.48.

<sup>3</sup> OJ C 167, 27.6.1988.

<sup>4</sup> Bull. EC 7/8-1987, point 2.1.62.

cations for transmission to the Council.<sup>1</sup> Part I—a progress report on the implementation of a Community telecommunications policy—contains factual information on the status of the action projects and examines them in the light of forthcoming projects approved by the Commission in its communication to the Council on implementing the Green Paper on the development of the common market for telecommunications services and equipment.<sup>2</sup> Part II describes the launching of the RACE programme,<sup>3</sup> work on which began in January.

With the prospect of a single Community-wide economic and social area being established in 1992, and in order to enable the Community to take up the challenges facing it over the next few years, resolute support by Ministers for Telecommunications for all the activities carried out under the Community policy for this sector is more essential than ever.

In its report, the Commission reviews the progress made in implementing the five action lines set out in the guidelines adopted by the Council on 17 December 1984,<sup>4</sup> namely:

- (i) coordinated development of telecommunications networks and services in the Community and common infrastructure projects;
- (ii) creation of a common market for telecommunications equipment and terminals;
- (iii) development of the technologies required for the establishment of the future broadband networks;
- (iv) improved access for the less favoured regions of the Community to the benefits of the development of advanced services and networks;
- (v) coordination of negotiating positions and search for a common position within international organizations dealing with telecommunications and when dealing with some non-member countries.

The Commission outlines for each of these action lines the results already obtained, the difficulties still to be overcome, the work

now in progress and the new proposals that it plans to make for some of them.

2.1.41. On 16 May the Commission adopted a Directive relating to competition in telecommunications terminal equipment markets<sup>5</sup> (→ point 2.1.59).

## Information technology

### Esprit<sup>6</sup>

2.1.42. On 12 April Thorn EMI and Telsat announced the full commercial exploitation of the results of Esprit project 1085 (Super-node). The firms (two of the six partners in the project) will manufacture and supply two ranges of parallel processing 'mini-supercomputers'.

These new computers will offer a very substantial improvement in price-performance ratio over computers currently available on the market. The basic building block will be the T800 floating-point transputer, itself developed within the Esprit project. The new computers will range in power from 25 MFLOPS to near supercomputer level at 400 MFLOPS.

Computer languages offered will include, in addition to traditional languages designed for computers of conventional architecture, Occam, developed by the Esprit project to permit the efficient use of these new computers.

## Combined use of IT and telecommunications in general applications

### Caddia

2.1.43. On 6 May the Commission transmitted to Parliament and to the Council the

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<sup>1</sup> COM(88) 240 final.

<sup>2</sup> Bull. EC 2-1988, point 2.1.43.

<sup>3</sup> OJ L 16, 21.1.1988; Bull. EC 12-1987, point 2.1.71.

<sup>4</sup> Bull. EC 12-1984, point 2.1.31.

<sup>5</sup> OJ L 131, 27.5.1988.

<sup>6</sup> OJ L 67, 9.3.1984, Bull. EC 2-1984, point 1.3.1 *et seq.*

second annual report<sup>1</sup> on the setting up of the Caddia<sup>2</sup> computerized telecommunications systems and the implementation of the long-term development programme.<sup>3</sup> The report covers the period 1 July 1986 to 30 June 1987.

## Standardization

2.1.44. Components for testing OSI products developed under the CTS (conformance testing services) programme were put on show at the Euro-Telecom 88 Exhibition, held in Madrid from 17 to 20 May. The theme of this demonstration, organized by Telefónica (the main Spanish participant in the CTS programme), was message handling, showing how an OSI terminal in Spain can be remotely connected (through Iberpack, the Spanish X.25 network) to the Italian CTS centre (CSELT) in Turin.

## Dissemination and utilization of research results

2.1.45. On 1 June the Commission transmitted to the Council a communication accompanied by a proposal for a Council Decision adopting a specific programme for the dissemination and utilization of results from scientific and technological research (1988-92),<sup>4</sup> as provided for under the 1987-91 framework programme adopted by the Council on 28 September 1987.<sup>5</sup>

The object of the proposed programme is to facilitate and accelerate the dissemination of information on research and technological development work and the results achieved, in order to increase the efficiency of the R&TD work itself and to stimulate the process of innovation and industrial exploitation in Europe.

The necessary appropriations are estimated at 38 million ECU. The two subprogrammes making up the programme relate to general measures for the dissemination and utilization of the results of Community R&TD programmes and to computer communications networks.

## Innovation

### Sprint

2.1.46. More than 250 experts from all the Member States attended the first European Symposium on Training in Innovation Management, which was held in Paris in April.<sup>6</sup> Through the exchange of experience between participants, the symposium helped to pinpoint those aspects of innovation management that need to be developed. This in turn will help to remove barriers to innovation and thus contribute to the establishment of the single market by 1992.

2.1.47. Phase 1 of the Icone project (comparative index of national and European standards) was completed by the contractor, the European Committee for Standardization, at the end of last year.

The Phase 1 data base contains those national standards (some 33 000) which have a relationship with pivotal international/European ones (some 11 000). All Community and EFTA countries participated in the project and provided their national data free of charge. The complete data base has been supplied on magnetic tape to the various national standards institutes; they have the exploitation rights to it in their respective countries and are now disseminating it.

Phase 1 of the Icone project has attracted considerable interest from European industry, and it has been decided to publish an 'impact report'.

The final cost of Phase 1 to the Commission was 158 090 ECU. EFTA's contribution was 26 410 ECU.

<sup>1</sup> COM(88) 242 final. Previous report Bull. EC 2-1987, point 2.1.40.

<sup>2</sup> Cooperation in automation of data and documentation for imports/exports and agriculture.

<sup>3</sup> OJ L 96, 3.4.1985; Bull. EC 3-1985, point 2.1.23, OJ L 145, 5.6.1987; Bull. EC 6-1987, point 2.1.55.

<sup>4</sup> COM(88) 260 final.

<sup>5</sup> OJ L 302, 24.10.1987; Bull. EC 9-1987, points 2.1.32 to 2.1.34.

<sup>6</sup> Bull. EC 1-1988, point 2.1.31.

## Information services

2.1.48. The sixth meeting of the Legal Advisory Board (LAB) for the information market took place in Luxembourg on 4 and 5 May and discussed questions of possible Community action in the field of computer fraud.<sup>1</sup> LAB experts advised the Commission to undertake awareness and training measures for entrepreneurs and fraud investigators, to support and, where necessary, supplement Council of Europe and OECD work in the fields of substantive and procedural criminal law and to continue work already in progress in the field of security and in various civil and administrative law areas, including the protection of intellectual property, trade secrets, computer software, semiconductor topographies and personal data.

2.1.49. The second joint meeting of the Information Services Users' and Information Services Providers' Groups took place in Luxembourg on 25 May.<sup>2</sup> The groups were briefed on the results of the Commission's first analysis of the 715 replies received in response to the call for declarations of interest in pilot/demonstration projects for the information market.<sup>3</sup> They were also informed of the Commission's proposals for setting up an information market observatory.<sup>4</sup>

## Removing language barriers

2.1.50. On 10 May the Commission adopted for transmission to the Council a communication<sup>5</sup> containing a proposal for a Decision to embark on the third phase of the Eurotra programme<sup>6</sup> and a proposal for a Decision on a specific programme for the implementation of a machine translation system of advanced design (Eurotra) to cover all the official languages of the Community. The third phase of the programme, covering a two-year period, is intended to cater for stabilization of the linguistic models and application of the results.

## Customs union and indirect taxation

### Customs union

#### *Simplification of customs formalities*

#### International conventions

2.1.51. On 19 May the Commission sent the Council a proposal for a Regulation<sup>7</sup> concerning the application of the decision of the EEC-EFTA Joint Committee<sup>8</sup> amending Appendices I, II and III to the Convention between the Community and the EFTA countries on a common transit procedure.<sup>9</sup>

#### Community transit

2.1.52. On 26 May the Commission adopted a Regulation<sup>10</sup> concerned mainly with measures to give effect to the Council Regulation of 11 June 1987 introducing a procedure for waiving the guarantee for internal Community transit operations.<sup>11</sup> The Commission Regulation, which will enter into force on 1 July, also makes some technical adjustments to the rules concerning the single administrative document.<sup>12</sup> These adjustments will not take effect until 1 January 1989.

<sup>1</sup> Previous meeting: Bull. EC 10-1987, point 2.1.49.

<sup>2</sup> Previous meeting: Bull. EC 9-1987, point 2.1.56.

<sup>3</sup> OJ C 188, 17.7.1987; Bull. EC 7/8-1987, point 2.1.71.

<sup>4</sup> OJ C 249, 17.9.1987; Bull. EC 7/8-1987, point 2.1.71; OJ C 30, 4.2.1988; Bull. EC 1-1988, point 2.1.32.

<sup>5</sup> COM(88) 270 final.

<sup>6</sup> OJ L 317, 31.12.1982; Bull. EC 11-1982, point 2.1.25. OJ L 341, 4.12.1986; Bull. EC 11-1986, point 2.1.64.

<sup>7</sup> COM(88) 273 final.

<sup>8</sup> Bull. EC 1-1988, point 2.1.33.

<sup>9</sup> OJ L 226, 13.8.1987; Bull. EC 6-1987, point 2.1.59.

<sup>10</sup> OJ L 132, 28.5.1988.

<sup>11</sup> OJ L 157, 17.6.1987; Bull. EC 6-1987, point 2.1.58.

<sup>12</sup> OJ L 79, 21.3.1985; Bull. EC 2-1985, point 2.1.25; OJ L 274, 15.10.1985.

## General legislation

### Temporary use

2.1.53. Acting on a proposal from the Commission,<sup>1</sup> the Council adopted on 3 May a Regulation<sup>2</sup> extending until 30 June 1989 the period of validity of the Regulation of 19 December 1983 introducing arrangements for movement within the Community of goods sent from one Member State for temporary use in one or more other Member States.<sup>3</sup>

### Relief from customs duty

2.1.54. Acting on a proposal from the Commission,<sup>4</sup> the Council adopted on 3 May a Regulation<sup>5</sup> amending the Regulation of 23 July 1987 on the tariff and statistical nomenclature and on the Common Customs tariff<sup>6</sup> and the Regulation of 28 March 1983 setting up a Community system of reliefs from customs duty.<sup>7</sup> The main purpose of the Regulation is to harmonize the provisions for the combined application of the rules on reliefs from customs duty and on a standard rate of duty in respect of goods imported in the form of small consignments—the value of which has been increased from 115 to 200 ECU with a standard rate of 10%—and also goods contained in travellers' personal luggage. It is also intended to give definitive force to the customs reliefs applicable to apparatus used for medical research, for making diagnoses or for carrying out medical treatment, and to introduce customs relief for reference substances approved by the World Health Organization for use in the quality control of medicinal products.

### Origin

2.1.55. On 24 May the Commission sent the Council a proposal for a decision<sup>8</sup> of the EEC-EFTA Joint Committee<sup>9</sup> amending Protocol 3 concerning the definition of the concept of 'originating products'<sup>10</sup> and methods of administrative cooperation<sup>11</sup> in order to simplify the rules on cumulation.

The purpose of the amendment is to unify the cumulation system through multilateral application of diagonal cumulation in trade between the Community and the EFTA countries.

2.1.56. On 24 May the Council also adopted Regulations<sup>12</sup> implementing within the Community EEC-EFTA Joint Committee Decision No 1/88 amending Protocol 3 in order to improve its presentation and to adapt the rules of origin following the introduction of the harmonized commodity description and coding system.

### Indirect taxation

2.1.57. On 3 May the Commission sent the Council an amended text<sup>13</sup> to take account of opinion given by Parliament<sup>14</sup> on its proposal for a Directive<sup>15</sup> amending for the third time the Directive of 28 March 1983<sup>16</sup> determining the scope of Article 14(1)(d) of the Sixth VAT Directive<sup>17</sup> as regards exemption from value-added tax on the final importation of certain goods.

2.1.58. On 30 May the Commission sent the Council amended texts<sup>18</sup> to take account of the opinions given by Parliament<sup>19</sup> on its two proposals for Directives<sup>20,21</sup> amending

<sup>1</sup> Bull. EC 3-1988, point 2.1.56.

<sup>2</sup> OJ L 118, 6.5.1988.

<sup>3</sup> OJ L 2, 4.1.1984; Bull. EC 12-1983, point 2.1.25.

<sup>4</sup> Bull. EC 3-1988, point 2.1.55.

<sup>5</sup> OJ L 123, 17.5.1988.

<sup>6</sup> OJ L 256, 7.9.1987; Bull. EC 7/8-1987, point 2.1.80.

<sup>7</sup> OJ L 105, 23.4.1983; Bull. EC 3-1983, point 2.1.28.

<sup>8</sup> COM(88) 276 final.

<sup>9</sup> Bull. EC 1-1988, point 2.1.33.

<sup>10</sup> OJ L 323, 11,12,1984, Bull. EC 10-1984, point 2.1.41.

<sup>11</sup> OJ L 134, 22.5.1987; Bull. EC 4-1987, point 2.1.47.

<sup>12</sup> OJ L 149, 15.6.1988.

<sup>13</sup> COM(88) 271 final.

<sup>14</sup> OJ C 318, 30.11.1987; Bull. EC 10-1987, point 2.1.58.

<sup>15</sup> OJ C 53, 28.2.1987; Bull. EC 1-1987, point 2.1.40.

<sup>16</sup> OJ L 105, 23.4.1983; Bull. EC 3-1983, point 2.1.44.

<sup>17</sup> OJ L 145, 13.6.1977.

<sup>18</sup> COM(88) 297 final; OJ C 179, 8.7.1988; COM(88) 298 final.

<sup>19</sup> OJ C 318, 30.11.1987; Bull. EC 10-1987, points 2.1.59 and 2.1.60.

<sup>20</sup> OJ C 40, 18.2.1987; Bull. EC 1-1987, point 2.1.41.

<sup>21</sup> OJ C 5, 9.1.1987; Bull. EC 12-1986, point 2.1.162.

the Directive of 28 March 1983 on tax exemptions within the Community for certain temporarily imported means of transport<sup>1</sup> and the 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>

## Competition

### General rules applying to businesses

#### Liberalization of terminal equipment markets

2.1.59. On 16 May the Commission adopted a Directive<sup>2</sup> under Article 90 of the EEC Treaty requiring Member States to develop competition in the Community market for telecommunications terminal equipment.<sup>3</sup> This is the first major step in implementing the Commission's Green Paper on telecommunications.<sup>4</sup>

Article 90 states that in the case of public enterprises and enterprises to which Member States grant special or exclusive rights, Member States must neither enact nor maintain in force any measure contrary to the rules of the Treaty, including those on competition, the free movement of goods and the right of establishment. Where necessary, the Commission is required to address appropriate directives or decisions to Member States specifying the particular obligations that flow from these applicable rules of the Treaty in situations where infringement might otherwise occur.

The Directive accordingly provides for the withdrawal of exclusive rights and the publication by Member States of all technical specifications relating to terminal equipment (modems, telex terminals, telephone sets, etc.) so as to enable manufacturers from other Member States to adapt their equipment to the characteristics of each national network. Member States must also separate the regulatory functions of their

telecommunications administrations from their commercial interests as network operators.

A further requirement is that users must be given the right to connect terminal equipment they have obtained on the free market to the network without having to rely on the national telecommunications administration. Lastly, Member States must oblige their telecommunications administrations to release subscribers from long-term rental contracts entered into when the administration had a monopoly so that if they wish they can obtain the equipment from another supplier.

The Directive thus provides a legal framework for all the areas that are essential for a genuine liberalization of telecommunications terminal markets in the Community, so that not only can users fully benefit from technological advances but the Community telecommunications equipment industry can increase its competitiveness *vis-à-vis* non-Community producers. The situation that has existed until now in most Member States has caused their markets to be strictly segregated as only the telecommunications authority had the right to import and market terminal equipment. The last few years have seen significant improvements in the performance of terminal equipment. A sharp rise in sales, now worth about 9 500 million ECU, can be expected with growth around 6 to 7% a year once the restrictive national barriers challenged by the Directive are removed and manufacturers can market their equipment throughout the Community.

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

#### Joint ventures

##### *Bayer/BP Chemicals*

2.1.60. On 5 May the Commission authorized under Article 85(3) of the EEC Treaty

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<sup>1</sup> OJ L 105, 23.4.1983; Bull. EC 3-1983, point 2.1.44.

<sup>2</sup> OJ L 131, 27.5.1988.

<sup>3</sup> Bull. EC 1-1988, point 2.1.36.

<sup>4</sup> Bull. EC 6-1987, point 1.4.1 *et seq.*



the agreements between Bayer AG and BP Chemicals International\* Ltd concerning Erdölchemie, a joint venture between Bayer and BP Deutschland AG in the polyethylene sector.<sup>1</sup>

Under the agreements BP Chemicals will license to Erdölchemie its latest-generation process technology for low-density and linear low-density polyethylene (LdPE and LLdPE), a new LLdPE plant being built for that purpose, while Erdölchemie will close down the older of its two present LdPE units. BP Chemicals will distribute Erdölchemie's products in place of Bayer. The Commission considered that, despite their restrictive effect, these agreements qualified for exemption because, in giving Erdölchemie access to BP Chemicals' specific know-how in the LLdPE sector, they enabled the joint venture to modernize and extend its product range and improve plant performance and product quality. The exemption, which is to last until 1998, is subject to certain conditions and obligations designed to ensure that the promised restructuring and rationalization take place.

## Mergers

### *Stinnes/Hollinde & Boudon*

2.1.61. On 6 May the Commission authorized under the competition rules of the ECSC Treaty the German trading firms Stinnes AG of Mülheim an der Ruhr to acquire the entire share capital of the Dortmund-based steel stockholding merchants Hollinde & Boudon KG.

Stinnes is likewise engaged in the distribution and stockholding of steel products through its subsidiary Stinnes Stahlhandel GmbH. The acquisition of Hollinde & Boudon will not enable Stinnes to restrict competition on the German stockholding market, however, as the two firms together will hold only a small share of the market.

### *Klößner Stahl/Krupp Stahl/ Thyssen Stahl*

2.1.62. On 27 May the Commission gave leave to the German firms Klößner Stahl

GmbH of Duisburg, Krupp Stahl AG of Bochum and Thyssen Stahl AG of Duisburg to merge Thyssen Stahl's forging and further processing operations centred on the Henrichshütte works at Hattingen and Thyssen Edelstahl AG's titanium steel activities at Krefeld with Schmiedewerke Krupp-Klößner GmbH of Bochum. The merged business is to be known as Vereinigte Schmiedewerke GmbH.

Vereinigte Schmiedewerke will manufacture forgings, castings, permanent-way material and titanium-containing semi-finished products. The parent companies will supply it with semi-finished products falling within the ECSC Treaty. Vereinigte Schmiedewerke will itself produce crude steel and forging ingots, which are also ECSC products.

The merger was assessed in the light of Article 66(2) of the ECSC Treaty and was found not to affect access to supplies of or outlets for these ECSC products to an appreciable extent.

Since most of the products to be made by the new entity come within the ambit of the EEC Treaty, the Commission considered whether Articles 85 and 86 were applicable. This was found not to be the case.

## Procedure

### *Suspected cartel in cold-rolled stainless steel flat products*

2.1.63. The Commission has carried out an investigation into suspected quota and price-fixing arrangements between European producers of cold-rolled stainless steel flat products which may fall foul of Article 65 of the ECSC Treaty. It was alerted by complaints of abnormal increases in the price of stainless steel starting in early 1987.

This is the first cartel investigation in the steel industry the Commission has conducted in 13 years. At a time when the Commission's official quota system has already

<sup>1</sup> OJ L 150, 16.6.1988.

been terminated for some steel products and when proposals have been made to end the quota system by 30 June 1988, it is clear that the Commission cannot tolerate any substitution for the Community system of unofficial and illegal arrangements by the industry itself.

### State aid

#### General schemes

##### *Training in advanced technology*

##### Federal Republic of Germany

2.1.64. On 4 May the Commission approved a DM 8 million (3.85 million ECU) aid programme proposed by the Saarland authorities to encourage companies to organize staff training courses in information and other advanced technologies.

The aid will help cover the cost of organizing courses (barring wage costs) and acquiring the necessary equipment. In keeping with its favourable attitude towards the promotion of vocational training and in view of the importance of increased knowledge and awareness of information technology, the Commission decided to raise no objections to the programme, which will run until the end of 1988.

##### *Research and development*

##### Federal Republic of Germany

2.1.65. On 25 May the Commission approved a German scheme to support research and development in the health sector. Centred on basic industrial research and applied research, the programme has a budget of 253 million ECU for the period 1983-87, including 52 million ECU earmarked for private industry. The aid intensity may be as high as 50 % of project expenditure. In allowing the scheme to go ahead, the Commission was mindful of the nature of the programme and the need to improve public health in the Community.

##### Italy

2.1.66. On the same day the Commission decided not to object to an individual award proposed by the Italian Government under Act 1089/68 (Special fund for applied research).

The award is for a five-year research programme conducted by four Italian firms in the area of optical communications technology and advanced optical communications systems. The overall cost of the programme is put at 64 million ECU, 20 % of which is being designated for basic research and 80 % for applied research. After examining the proposal, the Commission came to the conclusion that the programme qualified for exemption under Article 92(3)(c) of the EEC Treaty.

##### Netherlands

2.1.67. On 10 May the Commission dropped the Article 93(2) scrutiny proceedings it had initiated in July 1987 against a Dutch Government plan to assist Duphar-CPD in funding over three years two R&D projects aimed at producing new crop-protection agents. The Commission considered, when it opened the proceedings, that the proposed aid level (45 % of project expenditure in the case of applied research) was too high to be compatible with the need to maintain fair competition in a market segment where there is tough intra-Community competition. A number of meetings were held with the Dutch authorities to discuss the possibility of reducing the aid to a more acceptable level. The Dutch Government has now agreed to reduce the intensity from 45 to 25 % and has provided information which shows that the aid will stimulate additional research in this area that would not otherwise be undertaken.

##### Regional aid

##### *Spain*

2.1.68. On 25 May the Commission cleared the award of aid in the Teruel ore

field. The aid takes the form of grants of up to 30 % of the cost of fixed investments. The grants, which may be coupled with interest subsidies of three percentage points, are intended for job-creating investments in industries other than mining. The scheme is administered by the regional government of Aragon and has a budget of 500 000 ECU.

## Industry schemes

### *Motor vehicles*

#### Federal Republic of Germany

2.1.69. Also on 25 May the Commission approved a DM 34 million regional aid grant for an extension investment at the Daimler-Benz plant in Bremen, which will cost DM 391 million over a three-year period. The investment will include the extension of the press shop to include two new press lines and will be linked to production of the new R 129 series. The project will create an additional 240 long-term jobs. In approving the aid the Commission took account of its contribution to the development of Bremen, a region which has a continuing problem of high unemployment. It also considered the fact that certain of Daimler-Benz's direct competitors are also located in regionally assisted areas, that the intensity of the proposed aid is limited to 8.75 % and that a large proportion of the output of the Bremen plant is exported to outside the Community. Under these circumstances, the Commission concluded that the aid would not adversely affect intra-Community trade to an extent contrary to the common interest.

#### Italy

2.1.70. On 10 May the Commission decided to extend the Article 93(2) proceedings it had initiated in July 1987<sup>1</sup> in respect of aid granted in 1985 to the Italian car manufacturer Alfa Romeo to include aid likewise granted without prior notification in June 1986. This aid, amounting to 265 million ECU and taking the form of a

capital injection, seems to have been granted with a view to reducing the overall indebtedness of the Alfa Romeo group to assist its sale to the private sector.

### *Shipbuilding*

#### Belgium

2.1.71. Again on 10 May the Commission decided to initiate Article 93(2) proceedings in respect of certain aid measures (production aid for vessels costing less than 6 million ECU, application of the Economic Expansion Acts to shipyards) forming part of a package of such measures in support of the Belgian shipbuilding industry. Ship-owners are eligible, under the 1948 Act setting up a ship-building and fitting-out fund, for assistance in the form of subsidized financing and guarantees on loans contracted for the purchase of new vessels, while shipyards may qualify for investment aid and R&D aid for the development of prototypes under the Economic Expansion Acts of 1959, 1970 and 1977. Since at 24.3 % net grant equivalent the shipowner aid intensity is below the 28 % ceiling decided by the Commission, this aid is permissible under the sixth Directive.<sup>2</sup> However, the Belgian authorities have not given any commitment to respect the lower ceiling of 20 % for vessels costing less than 6 million ECU, as agreed by the Council in December 1986.<sup>2</sup> As for the investment aid and the aid for the development of prototypes, the Economic Expansion Acts, concerned as they are with general aid measures, do not provide that such aid when given to shipyards must be granted in accordance with Articles 6 and 8 of the sixth Directive.

### *Steel*

#### Italy

2.1.72. On 4 May the Commission decided to make a formal request to the

<sup>1</sup> Bull. EC 7/8-1987, point 2.1.116.

<sup>2</sup> OJ L 69, 12.3.1987; Bull. EC 12-1986, point 2.1.122, Bull. EC 1-1987, point 2.1.49.

Italian Government under Article 88 of the ECSC Treaty seeking its comments on the Commission's finding that it had infringed Article 4(c) of the Treaty in its support for Finsider, the public-sector steel holding company. Despite the injection of massive State subsidies, Finsider's losses have continued to mount. Following the failure of its restructuring plan implemented during the first round of Community steel restructuring linked to the 1981-85 steel aid arrangements,<sup>1</sup> the company has been unable to introduce a new plan capable of reversing its decline.

Despite the parlous state of its finances, with a level of indebtedness equal to turnover, a gross operating result far below the minimum viability levels set by the Commission for all steel companies and financial charges almost double those of other companies in the industry, Finsider has increased its short-term borrowings considerably. In the Commission's view, such loans could not have been granted on normal commercial terms or without some form of State guarantee to insure the banks against loss. The Commission believes the increase in Finsider's short-term borrowings, and in particular those contracted since 1987 (748 million ECU), has been covered by an implicit State guarantee. The majority of the banks financing these short-term loans are publicly owned institutions over which the State has control. Moreover, in the context of the voluntary liquidation of the company that is about to be proposed, Finsider's parent company, IRI, will guarantee all its debts.

In the present aids code (Decision No 3484/85/ECSC),<sup>2</sup> no provision is made for the granting of operating aid. Such aid falls under the prohibition of Article 4(c) of the ECSC Treaty. On the basis of the Italian Government's reply, the Commission will consider whether further action is necessary.

## Financial institutions and company law

### Financial institutions

#### *Insurance*

##### Civil liability of users of motor vehicles

2.1.73. In accordance with the Council Directive of 24 April 1972 relating to insurance against civil liability in respect of the use of motor vehicles,<sup>3</sup> the Commission adopted three decisions on 18 May setting 1 July as the date for the elimination of certain 'green card' checks. The first decision concerns checks on vehicles travelling between Greece and the other Member States, while the other two, similar to the decisions taken in May 1986 concerning Spain and Portugal,<sup>4</sup> require Greece to refrain from making checks on vehicles from eight non-member countries.

##### Freedom to provide insurance services

2.1.74. On 18 May Parliament adopted at first reading a further opinion,<sup>5</sup> its earlier opinion<sup>6</sup> having become outdated, on the amended proposals<sup>7</sup> for a second coordination Directive on non-life insurance (freedom to provide services).<sup>8</sup> Parliament had already urged the Council to adopt this Directive without delay;<sup>9</sup> following the judgments given by the Court of Justice in December 1986<sup>10</sup> the Council adopted a common position<sup>11</sup> respecting the principle

<sup>1</sup> OJ L 228, 13.8.1981; Bull. EC 7/8-1981, point 2.1.37.

<sup>2</sup> OJ L 340, 18.12.1985; Bull. EC 11-1985, point 2.1.25.

<sup>3</sup> OJ L 103, 2.5.1972.

<sup>4</sup> OJ L 153, 7.6.1986; Bull. EC 5-1986, point 2.1.59.

<sup>5</sup> OJ C 167, 27.6.1988.

<sup>6</sup> OJ C 36, 13.2.1978.

<sup>7</sup> Bull. EC 11-1987, point 2.1.106.

<sup>8</sup> OJ C 32, 12.2.1976.

<sup>9</sup> OJ C 246, 14.9.1987; Bull. EC 7/8-1987, point 2.4.16.

<sup>10</sup> OJ C 8, 13.1.1987; Bull. EC 12-1986, point 2.4.29; Bull. EC 1-1987, point 2.4.25.

<sup>11</sup> Bull. EC 2-1988, point 2.1.73.

that the law applicable to contracts is that of the State where the risk is situated. For that reason, and to avoid further delay in adopting a Directive that has already been under consideration for 13 years, Parliament did not propose any amendments.

## Employment, education and social policy

### The social dimension of the internal market

2.1.75. On 12 May Mr Delors addressed the Congress of the European Trade Union Confederation in Stockholm on the social dimension of the internal market (→ point 1.1.1 *et seq.*).

### Council (education)

2.1.76. On 14 May the Council and the Ministers for Education meeting within the Council adopted conclusions on the transition of young people from education to working life.<sup>1</sup> They also adopted two resolutions, one on the European dimension in education (→ point 1.2.2) and the other on environmental education.<sup>2</sup>

There was an exchange of views on the teaching of foreign languages on the basis of a Commission communication<sup>3</sup> and a report by the Education Committee. Ministers took note of the Commission's intention to present a proposal on this matter in the near future. The Council also took note of two Commission reports, one on the Erasmus programme,<sup>4</sup> and the other on the Comett programme.<sup>5</sup>

### Council (health)

2.1.77. On 31 May the Council and the Ministers for Health meeting within the Council adopted conclusions on the fight against AIDS (→ point 2.1.85) and cancer (→ point 2.1.87). They also gave guidelines for the continuation of the Community

toxicology programme<sup>6</sup> and discussed proposals for Directives on the labelling of tobacco products and on the maximum tar yield of cigarettes.<sup>7</sup>

## Employment

### Standing Committee on Employment

2.1.78. On 25 May the Standing Committee on employment held its 35th meeting,<sup>8</sup> with Mr Vogt, Parliamentary State Secretary in the German Federal Ministry of Labour and Social Affairs, in the chair. The proceedings were based on a Commission staff paper on employment objectives and centred on the implementation of the cooperative strategy for growth and employment and on employment prospects in the context of completion of the internal market.

At the end of the meeting the Chairman summed up the major conclusions as follows:

- (i) The Committee fully recognized the importance of the cooperative strategy for growth and employment in the fight against unemployment, and endorsed the basic options of this strategy.
- (ii) The Committee called on governments to shoulder their responsibilities in implementing this strategy; they should not be afraid to accept an increase in their debt so as to maintain public demand, even where taxation was being reduced.
- (iii) The Committee called on Member States and the Community to encourage and facilitate structural change.

<sup>1</sup> Bull. EC 12-1987, point 2.1.144.

<sup>2</sup> Bull. EC 4-1988, point 2.1.85.

<sup>3</sup> Bull. EC 4-1988, point 2.1.88.

<sup>4</sup> Bull. EC 4-1988, point 2.1.87; OJ L 166, 25.6.1987; Bull. EC 5-1987, points 1.3.1 and 1.3.2.

<sup>5</sup> Bull. EC 2-1988, point 2.1.30; OJ L 222, 8.8.1986; Bull. EC 7/8-1986, point 2.1.95.

<sup>6</sup> OJ C 184, 23.7.1986; Bull. EC 5-1986, point 2.1.66.

<sup>7</sup> OJ C 48, 20.2.1988; Bull. EC 1-1988, point 2.1.48.

<sup>8</sup> Previous meeting: Bull. EC 11-1987, point 2.1.110.

(iv) It invited Member States and the Community on the one hand, and the two sides of industry on the other, to accept their responsibilities in introducing more flexibility, to reflect the specific needs of firms and improve working conditions. Existing distribution margins should be used to increase wages and to reduce and adjust working hours (including restrictions on overtime).

(v) The Committee recognized that completion of the single internal market required parallel implementation of its social dimension,<sup>1</sup> i.e. increased economic and social cohesion, improved working conditions, more and better basic and further training, employment aid for problem groups on the labour market; a more dynamic European labour market was needed, which included greater emphasis on forward planning. Taking full account of this social dimension was an important task both for the Commission and for the two sides of industry.

## Financial instruments

### European Social Fund

2.1.79. On 4 May the Commission adopted the guidelines for the management of the European Social Fund for 1989-91,<sup>2</sup> in effect extending the 1988-90 guidelines<sup>3</sup> for a one-year period, subject to certain technical adjustments.

### Education and vocational training

2.1.80. On 20 March the Commission transmitted to the Council a communication on education in the Community, outlining prospects and defining objectives between now and 1992 (→ point 1.2.3 *et seq.*).

### Higher education

2.1.81. The Erasmus Advisory Committee met on 18 May to be informed by the Com-

mission of the results<sup>4</sup> of the selection of inter-university cooperation programmes which would receive financial aid under the Erasmus programme.<sup>5</sup> Details of the European (academic) credits transfer system (ECTS), which will apply throughout the Community and are to be introduced from the 1989/90 academic year, were also discussed.

### Youth exchanges

2.1.82. On 24 May the Council approved the substance of a Decision setting up an action programme to promote youth exchanges throughout the Community,<sup>6</sup> known as 'Yes for Europe'.

## Living and working conditions and social protection

### Equal opportunities for men and women

2.1.83. On 27 May the Commission transmitted to the Council a proposal for a Directive on the burden of proof in the area of equal pay and equal treatment for women and men. The objective of this proposal is to ensure that measures taken by the Member States to apply the principle of equal treatment will be more effective, enabling any individual who considers that he or she has been discriminated against to obtain legal redress when other channels have been exhausted. The proposal, which is part of the medium-term Community programme on equal opportunities for women (1986-90),<sup>7</sup> stipulates that for this purpose the burden of proof will not be reversed but

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

<sup>2</sup> OJ L 143, 10.6.1988.

<sup>3</sup> OJ L 167, 26.6.1987; Bull. EC 4-1987, point 2.1.74.

<sup>4</sup> Bull. EC 12-1987, point 2.1.142.

<sup>5</sup> OJ L 166, 25.6.1987; Bull. EC 5-1987, points 1.3.1 and 1.3.2.

<sup>6</sup> OJ C 72, 27.3.1986; Bull. EC 2-1986, point 2.1.73; OJ C 77, 24.3.1987, Bull. EC 2-1987, point 2.1.70.

<sup>7</sup> Supplement 3/86 — Bull. EC.

shifted to the advantage of the complainant. The latter often has to overcome considerable difficulties in proving the discrimination of which he/she claims to be the victim, such as the actual proof being in the hands of the respondent party, or the existence of widespread prejudice. Consequently, in order to ensure the effectiveness of existing legislation on this matter the Commission proposes that the burden of proof on the complainant be limited to establishing a rebuttable presumption of discrimination. The evidential burden then shifts and the respondent is required to rebut the presumption.

The proposal also sets out to ensure effective procedures for considering complaints and for obtaining and providing information. For this purpose, it requires that courts or other competent authorities should have all the necessary powers to consider complaints effectively, and that all relevant information is obtained from the party who possesses it or who may reasonably be required to obtain it, unless such a step would be likely to cause substantial damage to the interests of the disclosing party for reasons other than the litigation concerned.

Finally, the proposal defines the concept of 'indirect discrimination' on the basis *inter alia* of the case-law of the Court of Justice. Indirect discrimination is deemed to exist 'where an apparently neutral provision, criterion or practice disproportionately disadvantages the members of one sex, by reference in particular to marital or family status, and is not objectively justified by any necessary reason or condition unrelated to the sex of the person concerned'.

### Paul Finet Foundation

2.1.84. On 22 April the Executive Committee of the Paul Finet Foundation examined 271 applications and awarded 220 grants, totalling BFR 4 219 559.

## Health and safety

### Public health

#### AIDS

2.1.85. The Council and the Ministers for Health meeting within the Council discussed in detail the progress of AIDS and the measures adopted by the Member States to combat the disease; they did so on the basis of a Commission communication on Community action on AIDS presented in 1987.<sup>1</sup> They reaffirmed the common approach to the fight against AIDS, the broad outline of which had been adopted at their meeting in May 1987.<sup>2</sup> Their formal conclusions were as follows:

'[The Council and the Ministers] note with satisfaction that all the Member States are pursuing homogeneous policies in the fight against AIDS in accordance with the common approach outlined in their conclusions of 15 May 1987;<sup>2</sup>

reaffirm this common approach and their will to persist with and strengthen it;

note in particular that all the Member States are ensuring complete freedom of movement of persons and equal treatment as laid down in the Treaties;

stress their support for the principles of the WHO, the London Declaration of 28 January 1988 (World Summit of Health Ministers) and the Recommendation of the Council of Europe of 26 November 1987;

reaffirm their commitment to the following principles in particular:

- (i) since AIDS is a public health problem, the fight against that disease must be based on public health considerations;
- (ii) in combating AIDS, absolute priority is to be given to prevention through health information and education;
- (iii) in terms of prevention, any policy of systematic and compulsory screening is ineffective;

<sup>1</sup> COM(88) 286 final.

<sup>2</sup> OJ C 178, 7.7.1987; Bull. EC 5-1987, point 2.1.118 *et seq.*

(iv) any discrimination against or stigmatization of persons affected by AIDS, particularly as regards employment, must be avoided;

agree to pay particular attention to the problem of drug abuse in the context of the fight against AIDS;

take note of the Commission communication on its activities in this respect and request it to include those working to combat AIDS in the exchange programmes for research workers, teachers, etc.;

welcome the work carried out by the *ad hoc* Working Party on AIDS with the cooperation of the Commission, and instruct it to continue its work, with the Commission's cooperation, in accordance with their mandate of 15 May 1987 as supplemented on 31 May 1988.<sup>1</sup>

2.1.86. The Ministers also decided to set up a system for the regular and rapid exchange of epidemiological data at Community level and specified the aspects to be covered in the collection and dissemination of data concerning established AIDS cases, through the medium of the Institute for African and Tropical Medicine and Epidemiology in Paris. They also agreed to establish a regular exchange of information within the *ad hoc* Working Party on AIDS on national measures taken to combat the disease, and drew up an initial list of areas to be covered.

## Cancer

2.1.87. On the basis of a Commission communication<sup>1</sup> reporting on the implementation of the 'Europe against cancer'<sup>2</sup> programme, the Council and the Ministers for Health meeting within the Council discussed in detail the fight against cancer and agreed on the following essential points:

'[The Council and the Ministers] confirm the high priority they attach to the fight against cancer;

take note of the progress achieved in the implementation of the "Europe against cancer" programme;

underline their great and abiding interest in this programme, while emphasizing that the various measures planned by the Commission can only be assessed on the basis of specific proposals compat-

ible with the respective competences of the Community and the Member States;

consider anti-smoking measures to be a central element in the fight against cancer in the Community, which should involve, among other things:

(i) protecting non-smokers, especially in public places,

(ii) encouraging the habit of not smoking (e.g. by encouraging private initiatives),

(iii) protecting young people under 16 by means of appropriate measures,

(iv) restricting advertising;

stress the importance of the training—including vocational training—of health personnel; training should be facilitated by exchanges of such staff between Member States, in particular through the award of grants, and by comparing experience acquired in the training programmes;

express the view that prevention and screening should be supplemented with an improvement in therapy and counselling aimed at helping patients to cope with their illness;

point out that the establishment of cancer registers in the Member States and the Community constitutes an essential tool for research into cancer, and agree to examine this problem in more depth having regard to the protection of epidemiological data;

stress the importance of the work on chemical carcinogens being carried out in other contexts (internal market, social policy, research);

give an undertaking, for European Information on Cancer Year (1989), to continue and increase the mobilization of all health and teaching personnel, who have a key role to play in this area;

recommend that a European week of public awareness of the fight against cancer be repeated periodically;

emphasize that an effective fight against cancer requires the close cooperation of all concerned, i.e. in particular the Member States, public and private associations and bodies, cancer experts and the Commission. At Community level, this means among other things that the Commission will have to arrange for an ongoing process of dialogue and information.<sup>2</sup>

<sup>1</sup> COM(88) 939 final.

<sup>2</sup> Bull. EC 5-1987, point 2.1.121.



## Health and safety at work

2.1.88. On 18 May Parliament adopted at first reading an opinion<sup>1</sup> on the proposal for a Directive<sup>2</sup> amending the Directive of 27 November 1980 on the protection of workers from the risks related to exposure to chemical, physical and biological agents at work.<sup>3</sup> The House called for a number of amendments to increase employers' responsibilities as regards the safety of workers.

2.1.89. On 16 May the Commission transmitted to the Council the 11th annual report (covering 1986) of the Advisory Committee on Safety, Hygiene and Health Protection at Work.<sup>4</sup> It also sent the report, for information purposes, to Parliament, the Economic and Social Committee and the ECSC Consultative Committee.

## Culture

### Council

2.1.90. On 27 May the Council and the Ministers responsible for cultural affairs meeting within the Council adopted a resolution on the future organization of their work, providing in the main for a Committee on Cultural Affairs to be appointed (→ point 2.1.91), and conclusions on a multiannual programme of priority action in the cultural field (→ point 2.1.92). As the resolution was agreed jointly by the Council and the Ministers meeting within the Council, the Commission will have power to implement such measures as are decided upon and Community funds may be made available.

The Commission announced that it intended to set up an advisory committee on cultural activities composed of eminent people and professionals from the cultural world. The committee would be a forum for discussion and consultation, its function being to advise the Commission in determining its general strategy and to provide

coordination between the various cultural sectors.

Ministers approved the designation of Madrid and Antwerp as European Cities of Culture in 1992 and 1993 respectively (→ point 2.1.93).

The Council confirmed the political consensus reached at the informal meeting of Culture Ministers in Copenhagen on 10 and 11 December 1987<sup>5</sup> and followed the recommendations made by the Commission in its communication to the Council on a fresh boost for culture in the Community.<sup>6</sup> This put an end to the deadlock created in December 1985 when the Intergovernmental Conference failed to include any cultural provisions in the Single Act.<sup>7</sup>

### Committee on Cultural Affairs

2.1.91. The Council and the Ministers responsible for cultural affairs meeting within the Council adopted the following resolution on the future organization of their work,<sup>8</sup> setting up a Committee on Cultural Affairs as recommended by the Commission.<sup>9</sup>

'A Committee on Cultural Affairs shall be appointed consisting of the representatives of the Member States and of the Commission. The Chairman of this Committee shall come from the country holding the office of President of the Council.

The Committee shall evaluate all proposals relating to cultural cooperation and prepare the work of the Council and/or the Ministers responsible for cultural affairs meeting within the Council on cultural priorities and actions involving the Community and/or all the Member States, without prejudice to the procedure laid down in Article 4 of the Treaty establishing a Single Council and a

<sup>1</sup> OJ C 167, 27.6.1988.

<sup>2</sup> OJ C 326, 5.12.1987; Bull. EC 11-1987, point 2.1.136.

<sup>3</sup> OJ L 327, 3.12.1980; Bull. EC 11-1980, point 2.1.38.

<sup>4</sup> COM(88) 263 final. Previous report: Bull. EC 10-1986, point 2.1.95.

<sup>5</sup> Bull. EC 12-1987, points 1.2.1 and 1.2.6.

<sup>6</sup> Supplement 4/87 — Bull. EC; Bull. EC 12-1987, points 1.2.2 to 1.2.5.

<sup>7</sup> Bull. EC 12-1985, point 1.1.3.

<sup>8</sup> OJ C 197, 27.7.1988.

<sup>9</sup> Supplement 4/87 — Bull. EC, Bull. EC 12-1987, point 1.2.1 *et seq.*

Single Commission of the European Communities and current practice regarding the preparation of meetings of Ministers meeting within the Council.

The Committee shall also have the task of monitoring the implementation of actions decided on by the Council and/or the Ministers meeting within the Council and of reporting back regularly.

The Council and/or the Ministers meeting within the Council may invite European countries that are not members of the Community and organizations concerned with European cultural cooperation, especially the Council of Europe, to participate in specific cultural activities of mutual interest.

If, in the absence of a decision or agreement on certain actions at the level of the Council and/or the Ministers meeting within the Council, Member States continue their discussions on such actions, they shall report regularly to the Committee on the progress of their work.

Without prejudice to the dispositions of Article 155 of the EEC Treaty, the Commission shall implement, in close cooperation with the Committee on Cultural Affairs, actions decided on by the Council and/or the Ministers meeting within the Council that are to be implemented at Community level.

The Commission may be invited to assume a coordinating function, in agreement with the Committee on Cultural Affairs, in the implementation of the decisions of the Ministers meeting within the Council. The Commission may also be invited to ensure coordination of projects not involving all Member States of the Community and/or projects involving European countries which are not members of the Community.'

The Committee on Cultural Affairs is modelled on the Education Committee set up in 1976. Its main innovative feature is that it is open to non-member countries and organizations.

## Fresh boost for culture

2.1.92. The Council and the Ministers responsible for cultural affairs meeting within the Council adopted conclusions on a multiannual programme of priority action in the cultural sphere. Taking note of the Commission's communication on a fresh boost for culture in the Community,<sup>1</sup> the opinions of Parliament<sup>2</sup> and the Economic and Social Committee<sup>3</sup> and the French Government's Blue Book on European inte-

gration in education and culture,<sup>4</sup> and recalling their discussions at the Copenhagen meeting in December 1987,<sup>5</sup> they agreed that the following would be given priority (without prejudice to any action they might wish to take in other areas): promotion of the European audiovisual sector, the book sector,<sup>6</sup> training in the cultural sector and business sponsorship.<sup>7</sup>

On this basis:

'With reference to promotion of the European audiovisual sector, having taken note of the Commission Media programme,<sup>8</sup> they invite the Commission to report on the results of these experimental projects and to make, if appropriate, any proposals arising from the pilot projects carried out.

They also confirm their willingness to consider other actions relating to promotion of the European audiovisual sector with all the attention which the importance of their sector warrants.

With reference to the book sector,<sup>7</sup> they consider that all aspects of this sector, including national pricing systems for books, reproduction of texts, promotion and distribution, should be examined in depth, and state their readiness to study any proposal on the matter.

They confirm their desire for accelerated implementation of the resolution of 27 September 1985 on collaboration between libraries in the field of data processing<sup>9</sup> and state their readiness to examine any new proposal in this connection; moreover, the question of conservation should be studied ...'.

They also confirmed their wish to see the rapid implementation, through the launch-

<sup>1</sup> Bull. EC 12-1987, point 2.1.155.

<sup>2</sup> OJ C 122, 9.5.1988; Bull. EC 4-1988, point 2.4.19.

<sup>3</sup> Bull. EC 4-1988, point 2.4.52.

<sup>4</sup> Bull. EC 3-1987, point 3.4.1.

<sup>5</sup> Bull. EC 12-1987, points 1.2.1 and 1.2.6.

<sup>6</sup> Bull. EC 11-1985, point 2.1.93.

<sup>7</sup> OJ C 320, 13.12.1986; Bull. EC 11-1986, point 2.1.129.

<sup>8</sup> Bull. EC 4-1986, point 2.1.79.

<sup>9</sup> OJ C 271, 23.10.1985; Bull. EC 9-1985, point 2.1.70.

ing of a pilot scheme, of their resolution of 9 November 1987 on the promotion of translation of important works of European culture, including works of contemporary European literature.<sup>1</sup> In the context of vocational training they underlined the growing importance for the cultural sector of sound and vision specialists and of restoration specialists for preservation of the cultural heritage. Recalling that business sponsorship should provide complementary support to public cultural activities, they confirmed the importance they attached to the implementation of their resolution of 13 November 1986.<sup>2</sup>

Finally, Ministers agreed to implement fully the resolutions adopted since their meeting on 22 June 1984<sup>3</sup> and invited the Commission and the Committee on Cultural Affairs to follow up their implementation and to report regularly.

### European City of Culture

2.1.93. On 27 May, in line with their decision of 22 November 1984 to designate a European City of Culture each year,<sup>4</sup> the Culture Ministers approved the designation of Madrid and Antwerp for 1992 and 1993 respectively. It had been decided on 28 May 1985 to designate Florence for 1986, Amsterdam for 1987, Berlin for 1988 and Paris for 1989,<sup>5</sup> and on 13 November 1986 to designate Glasgow for 1990.<sup>6</sup> No city has yet been designated for 1991.

### Young scriptwriters competition

2.1.94. On 11 May, during the Cannes Film Festival, the Commission launched a competition for young scriptwriters from the Member States, on the theme 'Tomorrow's Europe in 26 minutes'. The purpose of the contest, which was aimed at young writers between the ages of 18 and 25, was to seek out young talent and to encourage the writing of scripts on themes of particular interest to young people about the future of their Europe. The 48 scripts received by the Commission were judged by a panel of film and television personalities, which

selected six of them to go forward to the final phase of the competition.

### Women on television

2.1.95. At a press conference held in Cannes on 2 May during the International Market of Television Programmes, Mr Carlo Ripa di Meana, Member of the Commission with special responsibility for cultural affairs, announced the creation of the Nike Prize ('nike' meaning 'victory' in ancient Greek), to be awarded to the television programme — whether fiction or documentary — giving the truest picture of the role of women in modern society. This initiative by the Commission is part of the programme for European Cinema and Television Year<sup>7</sup> and takes account of the wish expressed by Parliament in its resolution of 14 November 1987.<sup>8</sup> A panel of 12 personalities from the Member States will be chaired by Mrs Marlene Lenz, Member of the European Parliament, and will award three prizes on 8 October.

### European Community Youth Opera

2.1.96. On 20 May Parliament adopted a resolution on setting up a European Community Youth Opera (→ point 2.4.14).<sup>9</sup>

## Regional policy

### Coordination and programmes

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

2.1.97. On 18 May the Regional Policy Committee, acting in accordance with

<sup>1</sup> OJ C 309, 19.11.1987; Bull. EC 11-1987, point 2.1.140.

<sup>2</sup> OJ C 320, 13.12.1986; Bull. EC 11-1986, point 2.1.129.

<sup>3</sup> Bull. EC 6-1984, point 2.1.61 *et seq.*

<sup>4</sup> Bull. EC 11-1984, point 2.1.75.

<sup>5</sup> OJ C 153, 22.6.1985; Bull. EC 5-1985, point 2.1.61.

<sup>6</sup> Bull. EC 11-1986, point 2.1.131.

<sup>7</sup> OJ C 320, 13.12.1986; Bull. EC 11-1986, point 2.1.127; Bull. EC 1-1988, point 2.1.49.

<sup>8</sup> OJ C 305, 16.11.1987; Bull. EC 10-1987, point 2.4.11.

<sup>9</sup> OJ C 167, 27.6.1988.

Article 2(3) (a), fourth subparagraph of the ERDF Regulation, delivered two opinions on the 'third-generation' (1986-90) regional development programmes for Italy (Mezzogiorno) and France. It then heard a statement from the Portuguese delegation concerning the new regional aid scheme for productive activities which had recently come into force in Portugal. Finally, it was informed of the progress of work on the reform of the structural Funds and the outlook for regional policy.

## Financial instruments

### European Regional Development Fund

#### ERDF grants

##### Projects

2.1.98. On 26 May the Commission approved the third, fourth and fifth allocations of grants for 1988 from the European Regional Development Fund (see Table 2).

Table 2 — ERDF grants: third, fourth and fifth 1988 allocations

Member States	Number of grant decisions	Number of investment projects	Investment assisted (million ECU) <sup>1</sup>	Assistance granted (million ECU) <sup>1</sup>
Belgium	2	2	2.00	1.00
Denmark	2	47	36.56	2.26
Germany (FR)	19	19	509.45	29.78
Greece	9	9	217.46	95.22
Spain	106	171	567.61	277.74
France	28	32	135.51	28.67
Ireland	5	5	10.41	4.66
Italy	69	363	328.58	115.27
Luxembourg	—	—	—	—
Netherlands	—	—	—	—
Portugal	82	355	292.29	129.44
United Kingdom	57	141	266.25	58.57
Total	379	1 144	2 366.12	742.61

<sup>1</sup> Converted at May 1988 rates.

The total of 742.61 million ECU breaks down as follows:

65.82 million ECU to help finance 140 projects in industry, craft industries and the service sector;

674.92 million ECU to help finance 1 002 infrastructure projects;

1.85 million ECU to help finance two projects promoting the development of the indigenous potential of the regions.

#### Programmes

2.1.99. On 26 May the Commission decided to grant ERDF assistance to two

national programmes of Community interest (NPCIs):

5 584 586 ECU over five years (1 January 1987 to 31 December 1991) to the NPCI for Sonderjylland (Denmark);

134 321 630 ECU over five years (1 January 1987 to 31 December 1991) to the NPCI for Wales (United Kingdom).

2.1.100. On the same day the Commission approved additional grants for two special multiannual programmes under the specific Community regional development measure

currently implemented in the regions worst hit by restructuring of the steel industry.<sup>1</sup> This assistance, which has been calculated by reference to the final net reduction in production capacity achieved under the restructuring programmes approved by the Commission, goes to (a) the Nord/Pas-de-Calais region (France): this region will receive 2 million ECU (initial aid received: 21 million ECU<sup>2</sup>) for the reclamation of derelict industrial sites in the department of Nord; and (b) the three Dutch regions of IJmond, Alkmaar and surrounding areas, and Kop van Noord-Holland: these regions will receive 3 million ECU (initial aid received: 5 million ECU<sup>3</sup>) which will be allocated to existing schemes involving the redevelopment of run-down areas and various projects to assist small and medium-sized businesses.

## Coordination of structural instruments

### Reform of the structural Funds

2.1.101. On 20 May Parliament gave a favourable opinion<sup>4</sup> on the amended<sup>5</sup> proposal for a framework Regulation on the reform of the structural Funds.<sup>6</sup> Nevertheless, it proposed a number of amendments whose main purpose is to ensure that the principal regional imbalances are corrected before the internal market is completed, notably by strengthening the role of the regional authorities in the implementation of operational programmes and by modifying certain eligibility criteria for industrial conversion areas (the margin by which the unemployment rate must exceed the Community average lowered from 15 to 11%; the period for job losses in specific industries extended from three years to seven). Parliament also asked that emphasis be placed on the coordinating role of the Community support framework for assistance programmes.

### Integrated Mediterranean programmes

2.1.102. On 4 May the Commission adopted two new Italian draft IMPs:

A draft IMP for Lazio, designed primarily to develop the inner hill and mountain areas through various measures to assist productive sectors. This IMP comprises five subprogrammes: agriculture (switch to innovative products for which there is a market); consolidation of small and medium-sized enterprises and craft industries; tourism (two subprogrammes); and implementation of the IMP itself. The total cost for the period 1987-92 is estimated at some 104 million ECU, of which about 39% (40 million ECU) will be met from the Community budget. This assistance will be accompanied by loans from the European Investment Bank (EIB).

A draft IMP for Sardinia, designed to encourage a switch from traditional farming to a more competitive type of agriculture, stimulate small business and craft activities and contribute to better exploitation of local tourist potential. This IMP comprises four subprogrammes: agriculture and fisheries; small and medium-sized enterprises and craft industries; tourism and the environment; implementation of the IMP itself. The total cost for the period 1988-92 is put at 192 million ECU, of which 45% (87 million ECU) will be met from the Community budget. The EIB will also provide finance in the form of loans.

2.1.103. On 11 March the Advisory Committee on IMPs delivered a favourable opinion on the Italian draft IMPs for Basilicata,<sup>7</sup> Tuscany<sup>7</sup> and Liguria.<sup>8</sup>

2.1.104. The Italian IMPs for Emilia-Romagna<sup>9</sup> and Umbria<sup>10</sup> were formally approved by the Commission on 19 May.<sup>11</sup>

<sup>1</sup> OJ L 271, 15.10.1980; OJ L 27, 31.1.1984; Bull. EC 1-1984, point 2.1.54.

<sup>2</sup> Bull. EC 12-1986, point 2.1.167.

<sup>3</sup> Bull. EC 11-1985, point 2.1.101.

<sup>4</sup> OJ C 167, 27.6.1988.

<sup>5</sup> Bull. EC 3-1988, point 2.1.108.

<sup>6</sup> OJ C 245, 12.9.1987; Bull. EC 7/8-1987, point 1.1.2.

<sup>7</sup> Bull. EC 3-1988, point 2.1.110.

<sup>8</sup> Bull. EC 3-1988, point 2.1.111.

<sup>9</sup> Bull. EC 2-1988, point 2.1.97.

<sup>10</sup> Bull. EC 2-1988, point 2.1.96.

<sup>11</sup> OJ L 156, 23.6.1988.

2.1.105. On 21 May the Commission signed with the competent Italian authorities the programme contract for the implementation of the IMP for Marche.<sup>1</sup>

### Integrated operations

2.1.106. On 27 May the Commission approved the launching of an integrated development operation (IDO) for Birmingham. The overall objective of this operation, which is to cover the five-year period from 1987 to 1991, is the economic regeneration of the city, to be achieved notably by stepping up diversification into services, tourism and high technology; reducing the disparity between the local unemployment rate and the national figures; improving labour mobility and access to local, national and international markets through the provision of improved transport infrastructure; and adapting education and vocational training to the requirements of industry and the labour market. With a budget of some UKL 460 million, of which about UKL 203 million will come from the Community in the form of ERDF and ESF grants (UKL 127.7 million and UKL 30.6 million respectively) or ECSC and EIB loans, this IDO is the first such operation — drawn up in accordance with the Commission's information note on the content of the integrated approach and the procedures for implementing it<sup>2</sup> — to be launched in the United Kingdom. An initial part of the programme is already in progress, in the form of a national programme of Community interest (NPCI) which the Community is helping to finance on the basis of a Commission decision taken on 17 December 1987.<sup>3</sup>

### Other integrated approaches

2.1.107. On 20 May Parliament adopted an opinion<sup>4</sup> on the proposal for a Regulation<sup>5</sup> on financial support for Portugal for a specific industrial development programme (Pedip).<sup>6</sup> It drew attention to its earlier call for an integrated development programme for Portugal,<sup>7</sup> urged that the planned financial measures be implemented without prejudice to the transitional and/

or specific provisions applicable to Portugal and requested that it be kept informed of the implementation of the proposed Regulation.

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2.1.108. The Commission decided on 4 May to set up, with effect from 1 January 1989, a system for monitoring compliance with the Community's public procurement rules in the case of projects financed by the structural Funds.

## Environment and consumers

### Environment

#### EYE

2.1.109. On 3 May the Council formally adopted a resolution on the end of the European Year of the Environment,<sup>8</sup> on which it had reached agreement in March.<sup>9</sup>

#### *Prevention and reduction of pollution and nuisances*

#### Protection of the aquatic environment

2.1.110. At its first meeting, held in Athens from 23 to 27 May, the Scientific and Technical Committee of the Plan of Action for the Mediterranean (Barcelona Convention)<sup>10</sup> examined reports on the progress of the 1987/88 MED POL programme, on the activities proposed for 1989 and their budgetary impact, and on the Regional Oil

<sup>1</sup> Bull. EC 1-1988, point 2.1.53; Bull. EC 3-1988, point 2.1.113.

<sup>2</sup> Bull. EC 7/8-1986, point 2.1.132.

<sup>3</sup> Bull. EC 12-1987, point 2.1.165.

<sup>4</sup> OJ C 167, 27.6.1988.

<sup>5</sup> OJ C 120, 7.5.1988; Bull. EC 3-1988, point 2.1.115.

<sup>6</sup> Bull. EC 10-1987, point 2.1.112.

<sup>7</sup> OJ C 13, 18.1.1988; Bull. EC 12-1987, point 2.4.20.

<sup>8</sup> OJ C 129, 18.5.1988.

<sup>9</sup> Bull. EC 3-1988, point 2.1.117.

<sup>10</sup> OJ L 240, 19.9.1977.

Combating Centre (ROCC). The implementation of the Protocols relating to pollution from land-based sources and dumping was also considered.

## Air pollution

### *Unleaded petrol and motor vehicle emissions*

2.1.111. On 18 May Parliament approved<sup>1</sup> the Council's common position on the proposal for a Directive on measures to be taken against air pollution by exhaust gases from motor vehicles (particles).<sup>2</sup>

### Control of chemicals, industrial hazards and biotechnology

#### *Industrial hazards*

2.1.112. On 27 May the Commission sent the Council a report<sup>3</sup> on the application in the Member States of the Council Directive of 24 June 1982 on the major-accident hazards of certain industrial activities.<sup>4</sup> The report shows that the Commission's efforts to enforce the Directive have produced good results. The Commission will continue to ensure that the provisions of the Directive and any amendments made to it are incorporated into national law.

### *Protection and use of resources*

#### Natural resources

2.1.113. On 17 May Parliament passed a resolution calling for a convention to protect the Alpine region<sup>1</sup> (→ point 2.4.14).

### *Improving the quality of life*

#### Public awareness and education

2.1.114. On 24 May the Council and the Education Ministers meeting within the Council adopted a resolution on environmental education. This step in no way pre-judges any action to be taken on the Com-

mission proposal for a Decision on the subject (→ point 2.1.76).

## Consumers

### *Physical protection and product safety*

#### Safety of toys

2.1.115. On 3 May the Council unanimously adopted the Directive on the safety of toys.<sup>5</sup> This Directive is important in the context of the completion by 1992 of an internal market within which — in the interests of consumers, manufacturers and distributors alike — safe, high-quality products will be able to circulate freely.<sup>6</sup>

This is the first application to a consumer product of the new approach to standardization adopted by the Council in its resolution of 7 May 1985.<sup>7</sup> The Directive sets out the basic safety requirements which all toys manufactured in the Community or imported from outside must meet. It provides for a presumption of conformity with these requirements in respect of all toys bearing a Community mark whereby the manufacturer or manufacturer's representative in the Community confirms that the toys comply with harmonized European standards or with a model examined by an approved body. Subsequent spot checks are to be carried out.

The Directive is to have effect from 1 January 1990. It will make it possible for intra-Community barriers to be removed and for European firms (both mass-production

<sup>1</sup> OJ C 167, 27.6.1988.

<sup>2</sup> OJ C 174, 12.7.1986; Bull. EC 5-1986, point 2.1.110.

<sup>3</sup> COM(88) 261 final.

<sup>4</sup> OJ L 230, 5.8.1982; Bull. EC 6-1982, point 2.1.92.

<sup>5</sup> OJ L 187, 16.7.1988.

<sup>6</sup> OJ C 282, 8.11.1986; Bull. EC 10-1986, point 2.1.128, OJ C 343, 21.12.1987; Bull. EC 10-1987, point 2.1.134, Bull. EC 12-1987, point 2.1.196.

<sup>7</sup> OJ C 136, 4.6.1985; Bull. EC 5-1985, point 1.3.1 *et seq.*

companies and smaller specialist firms) to reach optimum size.

It should promote the manufacture of high-quality toys and ensure the free circulation of safe toys representing no risks to the 63.4 million children up to the age of 14 in the Community.

### *Consumer information, education and representation*

2.1.116. On 18 May Parliament approved<sup>1</sup> the Council's common position<sup>2</sup> on the proposals for Directives on the indication of prices of non-food products<sup>3</sup> and of foodstuffs.<sup>4</sup>

## Agriculture

### Continuing reform of the CAP

2.1.117. On 24 May the Council, acting on a Commission proposal<sup>5</sup> after receiving the opinion of Parliament,<sup>1</sup> formally adopted<sup>6</sup> a Regulation amending that of 16 March 1987 on the common organization of the market in wine<sup>7</sup> and a regulation on the granting, for the 1988/89 to 1995/96 wine years, of permanent abandonment premiums in respect of areas under vines.

The Regulations form part of the package of agricultural stabilizers. The Council has now formally adopted all the regulations<sup>8</sup> required to implement the agricultural decisions of last February's European Council.<sup>9</sup>

2.1.118. After receiving Parliament's opinion<sup>10</sup> the Commission sent the Council on 30 May an amendment<sup>11</sup> to its proposal for a Regulation introducing temporary aid for agricultural incomes.<sup>12</sup> The changes are designed to strengthen the complementary nature of the scheme in terms of the existing legislation and to simplify it and thus enhance its effectiveness. The separate regulations on Community aid and on a framework system for national aids have been merged, to prevent inconsistencies between

the scope of Community and national schemes; the instrument is more closely targeted on economically and structurally weaker holdings; the mechanism is considerably simplified by allowing the Member States to calculate the aid at flat rates, and maximum limits designed to prevent expenditure getting out of control are introduced.

Aid can be paid to farmers for five years. Community co-financing will be restricted to aid granted to persons practising farming as their main occupation and will be scaled down by 20 percentage points each year. After three years the Commission will report to the Council and to Parliament on the working of the scheme and any changes required.

### Council

2.1.119. On 16 and 17 May the Council continued its discussion<sup>13</sup> of farm prices and related measures for 1988/89.<sup>14</sup> It started with product groups not previously tackled: oils and fats, proteins, textile fibres, milk, sheepmeat and goatmeat, pigmeat and wine.

<sup>1</sup> OJ C 167, 27.6.1988.

<sup>2</sup> Bull. EC 2-1988, point 2.1.106.

<sup>3</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; OJ C 121, 7.5.1987; Bull. EC 4-1987, point 2.1.102.

<sup>4</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; OJ C 121, 7.5.1987; Bull. EC 4-1987, point 2.1.102.

<sup>5</sup> Bull. EC 9-1987, point 1.5.1; Bull. EC 2-1988, point 1.1.1, OJ C 100, 15.4.1988; Bull. EC 3-1988, point 2.1.136.

<sup>6</sup> OJ L 132, 28.5.1988.

<sup>7</sup> OJ L 84, 27.3.1987; Bull. EC 3-1987, point 2.1.167.

<sup>8</sup> OJ L 106, 27.4.1988; OJ L 110, 29.4.1988; Bull. EC 4-1988, point 2.1.126.

<sup>9</sup> Bull. EC 2-1988, point 1.1.1 *et seq.*

<sup>10</sup> OJ C 318, 20.11.1987; Bull. EC 10-1987, point 2.1.159.

<sup>11</sup> COM(88) 272 final.

<sup>12</sup> OJ C 236, 2.9.1987; Bull. EC 4-1987, points 1.2.1 to 1.2.3.

<sup>13</sup> Bull. EC 3-1988, point 2.1.138; Bull. EC 4-1988, point 2.1.127.

<sup>14</sup> Bull. EC 3-1988, points 1.2.1 to 1.2.7 and 2.1.139.



It then turned to certain major difficulties that had emerged during preparatory work, in particular as regards cereals, the incorporation of cereals in feed and the co-responsibility levy and exemption therefrom for small producers. On the latter point, it adopted guidelines for arrangements during the forthcoming marketing year, pending a Community definition of 'small producer', which should be adopted before the end of the year. This interim arrangement could thus be activated before 1 June, when the cereals marketing year begins in the south of the Community.

Tobacco, fruit and vegetables and beef/veal and agri-monetary matters were also on the agenda.

After discussion, however, the Council found that despite progress made political agreement was not yet possible, more thorough analysis being required. Acting on a Commission proposal,<sup>1</sup> it decided,<sup>2</sup> in the mean time, to extend<sup>3</sup> the current marketing year for milk and milk products to 30 June, and that for beef/veal to 3 July.

The Council endorsed by an ample majority a Decision recognizing certain parts of the territory of the Community as officially swine-fever free (→ point 2.1.159).

The Council formally adopted by a qualified majority the Directive on trade in animals treated with certain substances having a hormonal action and meat thereof, as referred to in Article 7 of the Directive on hormones (→ point 2.1.158).

### Prices and related measures for 1988/89

2.1.120. On 19 May Parliament adopted an opinion<sup>4</sup> covering prices and related proposals for 1988/89<sup>5</sup> with the exception of a small number of particularly important Regulations relating to cereals, the milk co-responsibility levy, olive oil prices, oils and fats and the guide price for wine and tobacco prices.

### Free food

2.1.121. Until the beginning of 1986, the only intervention foodstuffs donated for welfare purposes in the Community were fish and fruit and vegetables, the scale of such operations being relatively limited.

In the particularly severe winter of 1986/87, with temperatures at their lowest for many years or even the lowest ever recorded, short-term arrangements were introduced to make available free to specified voluntary organizations various foodstuffs (processed cereal products, sugar, beef, milk products, olive oil, etc.) from both intervention stocks and the free market.<sup>6</sup>

The scheme attracted a good deal of criticism, particularly of the costs the distributing agencies had to meet and of the lack of forward planning. However, many observers felt that it should be revived in a suitably modified form, either temporarily or on a permanent basis. The Commission, having studied the observations of interested parties, especially the charities, and of the Member States, drew up a report with proposals for future action.<sup>7</sup>

On 10 December the Council, acting on a Commission proposal<sup>8</sup> after receiving Parliament's opinion,<sup>9</sup> adopted a Regulation setting a legal basis for permanent arrangements for the free supply of food from intervention stocks for distribution to those most in need in the Community.<sup>10</sup> On this basis, the Commission promptly adopted implementing provisions<sup>11</sup> enabling the first

<sup>1</sup> COM(88) 310 final.

<sup>2</sup> OJ L 130, 26.5.1988.

<sup>3</sup> OJ L 104, 23.4.1988; Bull. EC 4-1988, point 2.1.127.

<sup>4</sup> OJ C 167, 27.6.1988.

<sup>5</sup> Bull. EC 3-1988, points 1.2.1 to 1.2.7 and 2.1.139.

<sup>6</sup> OJ L 17, 20.1.1987; OJ L 25, 28.1.1987; Bull. EC 1-1987, point 2.1.85; Bull. EC 2-1987, point 2.1.106; OJ L 91, 3.4.1987; OJ L 92, 4.4.1987; Bull. EC 3-1987, points 2.1.145 and 2.1.146; Bull. EC 4-1987, point 2.1.108.

<sup>7</sup> OJ C 298, 7.11.1987; Bull. EC 10-1987, point 1.2.1 *et seq.*

<sup>8</sup> OJ C 298, 7.11.1987; Bull. EC 10-1987, point 1.2.1 *et seq.*; OJ C 5, 9.1.1988; Bull. EC 11-1987, point 2.1.174.

<sup>9</sup> OJ C 318, 30.11.1987; Bull. EC 10-1987, point 2.1.138.

<sup>10</sup> OJ L 352, 15.12.1987; Bull. EC 12-1987, point 2.1.202.

<sup>11</sup> OJ L 352, 15.12.1987.

allocation of food to be made on 14 December in response to a Member State's request. In the following weeks and

months, further requests from the Member States were received and further allocations made.

Table 3 — *Free food for those most in need in the Community (allocation of resources under 1988 programme)*

	Amount allocated (million ECU)	Common wheat	Durum wheat	Butter	Beef	Olive oil	Starting date
		tonnes <sup>1</sup>					
Belgium	1.28	225		160	148		6.1.1988
Denmark	0.40 <sup>2</sup>			20	80		21.12.1987
Germany (FR)	7.30			2 331			24.2.1988
Greece	1.90 <sup>2</sup>				700		21.3.1988
Spain	20.10		2 200	1 000	4 600	1 340	29.2.1988
France	16.35	2 050	4 850	1 300	3 100		15.12.1987
Ireland	2.35			24	500		24.2.1988
Italy	15.90		15 000	450	3 300	450	24.2.1988
Luxembourg	0.10	30		20	10		7.1.1988
Netherlands	1.50 <sup>2</sup>			150	300		28.12.1987
Portugal	5.70	650	350	350	1 550		17.3.1988
United Kingdom	15.00			3 000	2 000		5.4.1988
Total	87.88	2 955	22 400	8 805	16 288	1 790	

<sup>1</sup> Maximum quantities.

<sup>2</sup> Initial allocation, further allocations may be made at the Member State's request

By the end of May the Commission had adopted decisions covering products to a value of some 88 million ECU.<sup>1</sup> The total budget allocation for 1988 is 100 million ECU to cover both the cost of the food and expenditure on transport and administration. The quantities already allocated together with transport costs, etc. (see Table 3) leave some 6 million ECU still available for 1988.

## Market organizations

### *Cereals and rice*

2.1.122. On 31 May the Council, acting on a Commission proposal,<sup>2</sup> adopted a Regulation fixing the intervention price for common wheat of breadmaking quality so

that the additional co-responsibility levy could be charged during the month of June, and a Regulation fixing the co-responsibility levy on cereals for the period 1 to 30 June.<sup>3</sup> These Regulations were withdrawn from the prices package discussions so that they could be brought into force on 1 June, the date on which the stabilizing measures were activated in Spain, Greece and Italy.

2.1.123. Following these decisions, the Commission fixed on 31 May the additional co-responsibility levy in Spain, Italy and Greece.<sup>3</sup>

<sup>1</sup> OJ L 361, 22.12.1987; OJ L 20, 26.1.1988; OJ L 33, 5.2.1988; OJ L 64, 10.3.1988; OJ L 69, 15.3.1988; OJ L 85, 30.3.1988; OJ L 107, 28.4.1988; OJ L 148, 15.6.1988.

<sup>2</sup> Bull. EC 3-1988, points 1.2.1 to 1.2.7 and 2.1.139.

<sup>3</sup> OJ L 135, 1.6.1988.

2.1.124. The Council failed to agree on general rules for the exemption of small businesses from the levies. This led the Commission to take interim protective measures allowing Spain, Greece and Italy to exempt their small producers within certain limits.<sup>1</sup>

2.1.125. On 26 May the Commission adopted a Regulation laying down detailed rules for applying the co-responsibility levy in the cereals sector.<sup>2</sup> This activates the stabilizing mechanism for cereals.

2.1.126. On 24 May the Council, acting on a Commission proposal<sup>3</sup> after receiving the opinion of Parliament,<sup>4</sup> adopted two Regulations extending the special aid for production of indica-type rice to Portugal.<sup>2</sup>

2.1.127. On 16 May the Council, on a Commission proposal,<sup>5</sup> adopted a Regulation<sup>6</sup> amending that of 17 November 1987 on the transfer of 150 000 tonnes of barley held by the Spanish intervention agency,<sup>7</sup> in order to extend to 31 May the time-limit for the transfer to Greece of the last 30 000 tonnes, which it had proved impossible to transfer by the original deadline.

### *Pigmeat*

2.1.128. In response to the development during the spring of a particularly critical situation as regards Spanish pigmeat, the Commission brought in two temporary measures designed to help stabilize the market. Private storage aid at higher rates was conceded from 2 May to make storage more attractive and ensure use of more storage capacity for this purpose.<sup>8</sup> Secondly, the Commission introduced surveillance of basic pigmeat-sector imports into Spain involving the issuing of certificates for release for consumption so that it could if necessary take action to prevent prices being forced down further.<sup>9</sup> Both measures will be suspended when the market price in Spain has reached a level comparing satisfactorily with that of March and April.

### *Fruit and vegetables*

2.1.129. On 11 May the Commission suspended until 31 August the issuing of import licences for dessert apples originating in Argentina, the reference quantity for that country having been exhausted.<sup>10</sup>

2.1.130. On 20 May it adopted special detailed rules for the import licence arrangements for fresh sour cherries originating in Yugoslavia.<sup>11</sup>

### *Wine*

2.1.131. On 30 May the Commission sent the Council a proposal<sup>12</sup> for a Regulation amending that of 16 March 1987 on the common organization of the market in wine,<sup>13</sup> in response to the decision of last February's European Council<sup>14</sup> to depreciate intervention stocks. This creates a legal basis within the basic wine-sector Regulation for depreciation of stocks of wine alcohol resulting from the distillation of compulsory by-product deliveries and of wine from dual-classification grapes. For this alcohol the EAGGF defrays only the cost of disposal on markets other than those for alcohol and spirituous beverages produced in the Community. The proposal is to depreciate these stocks by means of a payment on account to the Member States.

2.1.132. On 31 March the Commission sent the Council a proposal<sup>15</sup> for a Regu-

<sup>1</sup> OJ L 135, 1.6.1988.

<sup>2</sup> OJ L 131, 27.5.1988.

<sup>3</sup> OJ C 88, 5.4.1988; Bull. EC 3-1988, points 2.1.140 and 2.1.141.

<sup>4</sup> OJ C 167, 27.6.1988.

<sup>5</sup> Bull. EC 4-1988, point 2.1.131.

<sup>6</sup> OJ L 125, 19.5.1988.

<sup>7</sup> OJ L 328, 19.11.1987; Bull. EC 11-1987, point 2.1.177.

<sup>8</sup> OJ L 111, 30.4.1988.

<sup>9</sup> OJ L 118, 6.5.1988.

<sup>10</sup> OJ L 122, 12.5.1988.

<sup>11</sup> OJ L 128, 21.5.1988.

<sup>12</sup> COM(88) 281 final.

<sup>13</sup> OJ L 84, 27.3.1987; Bull. EC 3-1987, point 2.1.167.

<sup>14</sup> Bull. EC 2-1988, point 1.1.1.

<sup>15</sup> COM(88) 275 final.

lation amending those of 5 February 1979 on general rules for the classification of vine varieties and for the description and presentation of wines and grape musts,<sup>1</sup> in order to promote varieties produced by crossing that exhibit very high resistance to fungal disease, trials on the cultivation suitability and tests on the wine quality of which have been or are being carried out in certain Member States. Such resistance means that environmentally damaging anti-fungal treatments are not needed and also permits lower production costs.

2.1.133. By a Regulation adopted on 2 May<sup>2</sup> the Commission reduced by 32% the quantities of wine covered by contracts submitted to the Member States in connection with the support distillation operation started on 31 December 1987<sup>3</sup> that may be delivered for distillation, in order not to overstep the agreed volume of 4 million hectolitres.

2.1.134. By a Regulation adopted on 26 May the Commission made technical adjustments in the customs references laid down in the new customs nomenclature<sup>4</sup> for wine-sector products subject to regulatory amounts.

### *Milk and milk products*

2.1.135. In view of the decidedly seasonal nature of production of Emmental and Gruyère cheeses, which has become even more marked with the tightening-up of the milk quota arrangements<sup>5</sup> and the inverse effect as regards consumption, the Commission decided on 19 May to grant private storage aid for these cheeses for the period 1 May to 30 September.<sup>6</sup>

2.1.136. On 20 May the Commission approved a special sale of intervention butter for export as butteroil or ghee to Bangladesh, in view of the severe shortage of food products in that country.<sup>7</sup> This measure forms part of the programme for disposing

of intervention stocks of butter at reduced prices.

### *Market situation*<sup>8</sup>

2.1.137. Butter and skimmed-milk powder (SMP) stocks are still tending to contract. Since the introduction of intervention by tendering procedure for butter in June 1987,<sup>9</sup> the agencies have had to take only 38 601 tonnes.

Under the various intervention butter disposal programmes, 241 000 tonnes were released between 1 January and 31 March, against an intake of 19 830 tonnes. The present stock level is 432 772 tonnes, compared with 926 166 tonnes at the same time last year, stocks under private contract being 72 317 tonnes against 32 486 tonnes last year.

No SMP has been bought in since the beginning of the year, but out-take has totalled 233 288 tonnes. Stocks are now down to 40 168 tonnes, compared with 763 807 at the same time last year. The sharp contraction in public stocks has brought with it an increase in market prices for this product.

### *Sheepmeat/goatmeat*

2.1.138. Following adoption by the Council on 25 April of the Regulation on a stabilization mechanism for sheepmeat and goatmeat,<sup>10</sup> the Commission, taking the view that ewe numbers for the 1988 marketing year would exceed the maximum guaranteed level, on 11 May set a reduction

<sup>1</sup> OJ L 54, 5.3.1979.

<sup>2</sup> OJ L 115, 3.5.1988.

<sup>3</sup> OJ L 378, 31.12.1987; Bull. EC 12-1987, point 2.1.215.

<sup>4</sup> OJ L 256, 7.9.1987; Bull. EC 7/8-1987, point 2.1.20.

<sup>5</sup> Bull. EC 12-1986, points 1.2.1, 1.2.2. and 2.1.211 to 2.1.214.

<sup>6</sup> OJ L 126, 20.5.1988.

<sup>7</sup> OJ L 128, 21.5.1988.

<sup>8</sup> Bull. EC 2-1988, point 2.1.127.

<sup>9</sup> OJ L 146, 6.6.1987; Bull. 6-1987, point 2.1.169.

<sup>10</sup> OJ L 110, 29.4.1988; Bull. EC 4-1988, point 2.1.126.

of 3% for the United Kingdom and 2% for the rest of the Community.<sup>1</sup>

2.1.139. On 10 May the Commission adopted a Regulation determining for the Member States the loss of income and the amount of the premium payable per ewe and per nanny-goat for 1987.<sup>2</sup> The cost to the EAGGF of this scheme and of the variable slaughter premium in 1988 is estimated at 1 090 million ECU, 90 million ECU in excess of the 1988 appropriation.

2.1.140. Following a Court judgment given on 2 February,<sup>3</sup> the Commission adopted on 10 May<sup>4</sup> a Regulation fixing the ewe premiums for 1984/85 and the rest of 1985 in region 5 (Great Britain). This Regulation, correcting the ewe premium, will cost an extra 20 million ECU.

### *Oils and fats*

2.1.141. On 19 May the Commission sent the Council a proposal<sup>5</sup> for a Regulation to amend that of 25 February 1986 laying down general rules for the system for controlling the prices and quantities of certain products in the oils and fats sector released for consumption in Spain.<sup>6</sup>

Article 94 of the Act of Accession makes provision for control, until 31 December 1990, of the quantities of certain products of the oils and fats sector released for consumption in Spain. The Regulation of February 1986 therefore provides for the establishment of a supply balance for the Spanish market.

Two years of experience have shown that a balance based on calendar years poses difficulties in the case of sunflower seed and oil produced in Spain, since production, beginning in August of each marketing year, cannot be accurately assessed if the balance has to be drawn up before the previous year begins. The Commission proposes therefore, for sunflower seed and oil produced in Spain only, that the supply balance be established for the marketing year.

2.1.142. On 18 May the Commission amended<sup>7</sup> its Regulation of 21 September 1983 laying down detailed rules for the application of the subsidy system for oilseeds.<sup>8</sup> This provides that, within two days of the lodging of an application for the identification of oilseeds, one of the supporting documents required (copy No 1 of the AP part<sup>9</sup> of the certificate or of the extract therefrom) must reach the competent authority. The new rule is less stringent, as the requirement had proved difficult to comply with in certain circumstances.

### **Market situation<sup>10</sup>**

2.1.43. The first half of the 1987/88 olive oil marketing year, beginning on 1 November, saw the introduction of the stabilization measures adopted by the Council in July 1987<sup>11</sup> (maximum guaranteed production aid quantity, restriction of intervention to the last four months of the marketing year, suppression of monthly increases) under market conditions that were difficult because of abundant production.

2.1.144. Overall, the harvest was disposed of despite the increase in Community production as shown in Table 4.

In 1987/88, however, oilseeds were bought in for the first time, albeit on a restricted scale: on 15 May there were 15 556 tonnes of rapeseed in store in the United Kingdom

<sup>1</sup> OJ L 122, 12.5.1988.

<sup>2</sup> OJ L 123, 17.5.1988.

<sup>3</sup> Cases 305/85 and 142/86 *United Kingdom v Commission*: OJ C 55, 26.2.1988.

<sup>4</sup> OJ L 124, 18.5.1988.

<sup>5</sup> COM (88) 265 final.

<sup>6</sup> OJ L 53, 25.2.1986.

<sup>7</sup> OJ L 125, 19.5.1988.

<sup>8</sup> OJ L 266, 28.9.1983.

<sup>9</sup> Fixing the subsidy in advance.

<sup>10</sup> Bull. EC 9-1987, points 2.1.125 to 2.1.128.

<sup>11</sup> OJ L 183, 3.7.1987; Bull. EC 6-1987, point 2.1.148 *et seq.*

and 37 411 tonnes of sunflower seed in Spain.

Farmgate prices were around 90% of the intervention price, except for sunflower seed in Spain, where they fluctuated in the 85 to 90% range.

2.1.145. Subsidized production of peas and field beans in 1987/88 is likely to be around 3.3 million tonnes. The maximum guaranteed quantity set by the Council with effect from 1988/89 is 3.5 million tonnes.<sup>1</sup> There were no serious difficulties in disposing of the harvest.

Table 4 — *Community production of rape and sunflower seed*

	<i>tonnes</i>	
	1987/88 <sup>1</sup>	1986/87
<i>Rape</i>		
BLEU	13 250	12 000
Denmark	562 000	600 000
Germany (FR)	1 250 000	956 000
Greece	0	0
Spain	10 000	7 000
France	2 665 000	1 040 000
Ireland	12 130	6 000
Italy	50 000	50 000
Netherlands	31 000	20 000
Portugal	0	0
United Kingdom	1 320 000	951 000
EUR 12	5 913 380	3 642 000
<i>Sunflower</i>		
Germany	15 000	4 000
Greece	135 000	160 000
Spain	1 045 000	860 000
France	2 315 000	1 770 000
Italy	315 000	300 000
Portugal	28 000	32 000
EUR 12	3 853 000	3 126 000

<sup>1</sup> Tentative estimate.

### *Processed fruit and vegetables*

2.1.146. On 11 May the Commission amended<sup>2</sup> its Regulation of 22 July 1987<sup>3</sup> to adjust, in line with changes in world market prices, the countervailing charges to be made where the minimum price for dried grapes is not complied with.

2.1.147. On 11 May the Commission also set<sup>2</sup> the export refunds on products processed from fruit and vegetables provided for in Article 12 of the Council Regulation of 24 February 1986.<sup>4</sup> Refunds are granted on exports of dried grapes to Central and Eastern European countries with planned economies and on exports of certain processed fruits of tariff headings 2006 and 2008 and certain orange juices to all destinations other than North America.

2.1.148. As regards dried grapes the Commission decided on 24 May to repeal:<sup>5</sup>

(i) its Regulation of 22 July 1987 on the sale at a price fixed in advance of unprocessed currants from the 1986 harvest held by Greek storage agencies,<sup>3</sup>

(ii) its Regulation of 5 October 1987 on the sale at a price fixed in advance of unprocessed sultanas from the 1986 harvest held by Greek storage agencies,<sup>6</sup>

(iii) its Regulation of 21 December 1987 determining the price fixed in advance of unprocessed currants from the 1985 harvest intended for the manufacture of certain condiments.<sup>7</sup>

The purpose of the first two Regulations was to promote disposal on the ordinary market of unprocessed grapes from the 1986 harvest held by the storage agencies. Sales must now be discontinued to avoid jeopard-

<sup>1</sup> OJ L 110, 29.4.1988; Bull. EC 4-1988, point 2.1.126.

<sup>2</sup> OJ L 122, 12.5.1988.

<sup>3</sup> OJ L 203, 24.7.1987.

<sup>4</sup> OJ L 49, 27.2.1986.

<sup>5</sup> OJ L 129, 25.5.1988.

<sup>6</sup> OJ L 283, 6.10.1987.

<sup>7</sup> OJ L 369, 29.12.1987.

dizing the sale of dried grapes from the 1987 harvest.

The third Regulation, adopted at the end of December 1987 to apply to a maximum of 142 tonnes, has so far achieved the disposal of only 80 tonnes. It has therefore been repealed so that the balance can be sold off by tender for use as animal feed.

2.1.149. This legislation having been repealed (→ point 2.1.148), the Commission adopted Regulations on 27 May opening a standing invitation to tender for the sale of unprocessed sultanas and currants from the 1986 harvest intended for specific uses and determining the price fixed in advance of unprocessed currants from the 1986 harvest reserved for the manufacture of certain condiments.<sup>1</sup> The quantity available is 8 250 tonnes of sultanas and currants, including a maximum of 500 tonnes of currants for the manufacture of condiments.

2.1.150. On 27 May the Commission amended<sup>1</sup> its Regulations of 12 March 1985<sup>2</sup> and 4 March 1986<sup>3</sup> on the sale of unprocessed dried grapes and dried figs by storage agencies. Experience has shown that the 90-day period allowed for processing after acceptance of the purchase application is too short, and it will now be 120 days.

2.1.151. On 30 May the Commission adopted a Regulation fixing the storage aid for unprocessed dried grapes and dried figs from 1987/88.<sup>4</sup> Expressed in ECU, the aid is virtually the same as that for 1986/87.

\*

### Manioc imports

2.1.152. On 30 May the Commission adopted a Regulation laying down implementing procedures for the import arrangements applicable for 1988 to manioc from non-GATT countries other than the People's Republic of China.<sup>5</sup>

### Structures

2.1.153. After receiving Parliament's opinion, the Commission sent the Council on

30 May an amendment to its proposal for a Regulation introducing temporary income aids for farmers (→ point 2.1.118).

2.1.154. The Member States have a period of two months, commencing three days after publication of the Commission Regulations laying down detailed rules for applying the arable land set-aside incentive scheme and criteria for delimiting the regions or areas which may be exempted from the schemes for arable set-aside, 'extensification' and the conversion of production,<sup>6</sup> in which to bring into force the measures needed to apply the arable set-aside scheme. The deadline is thus 14 July. The deadline for the extensification and conversion schemes is 1 January 1989.

2.1.155. On 18 May the Commission adopted for transmission to the Council three proposals<sup>7</sup> for Regulations for emergency remedial action in certain southern Community areas stricken by weather of exceptional severity. The Regulations, forming a single package,

- (i) introduce a 'common measure' for the re-establishment of olive groves damaged by frost in certain regions of Greece in 1987;
- (ii) amend the Council Regulation of 9 December 1969 laying down special measures for improving the production and marketing of Community citrus fruit;<sup>8</sup>
- (iii) introduce an emergency 'common measure' to aid farming areas of the regions of Valencia and Murcia in Spain.

Under the first measure, investment and additional aid will be given to facilitate the restoration of the groves damaged in March 1987 in the most severely affected areas. The duration of the common measure is restricted to two years, the Community

<sup>1</sup> OJ L 132, 28.5.1988.

<sup>2</sup> OJ L 72, 13.3.1985, Bull. EC 3-1985, point 2.1.104.

<sup>3</sup> OJ L 62, 5.3.1986.

<sup>4</sup> OJ L 134, 31.5.1988.

<sup>5</sup> OJ L 135, 1.6.1988.

<sup>6</sup> OJ L 121, 11.5.1988, Bull. EC 4-1988, point 2.1.149.

<sup>7</sup> COM(88) 284.

<sup>8</sup> OJ L 318, 18.12.1969.

contribution will be 40% and the cost to the EAGGF Guidance Section is estimated at 73 million ECU.

The second proposal, likewise granting Greece an additional two-year period, will permit modification of the existing national citrus improvement plan so that the situation in this sector, also affected by the bad weather of March 1987, can be restored. No additional appropriations are required as no overshoot is expected beyond the cost estimate adopted in Article 3 of the amending Regulation of 18 May 1982.<sup>1</sup>

The third proposal, applying to two regions in Spain, parts of which were flooded in November 1987, covers the restoration and improvement of farm infrastructures, including irrigation, prevention of soil erosion and reconstitution and improvement of farmland and farm buildings, including farmhouses. The duration of the common measure is restricted to two years, the Community contribution will be 35%, and the estimated cost to the EAGGF Guidance Section is 11.2 million ECU.

## Legislation

### Veterinary and animal husbandry

2.1.156. On 3 May the Council adopted, on a Commission proposal,<sup>2</sup> a Directive<sup>3</sup> amending that of 26 June 1964 on health problems affecting intra-Community trade in fresh meat.<sup>4</sup> This harmonizes the additional requirements applying to frozen meat, sets rules applying to trade in sliced cattle livers, makes provision for a link-up between ante- and post-mortem inspection where a disease transmissible to humans is diagnosed, and aligns the text of the 1964 Directive on that of the rules recently adopted on residue control.<sup>5</sup>

2.1.157. Because of the amendment of the Directive of 26 June 1964<sup>4</sup> (→ point

2.1.156) the Council, on a Commission proposal,<sup>2</sup> also amended<sup>3</sup> the Directive of 12 December 1972 on health and veterinary inspection problems upon importation of bovine animals, swine and fresh meat from third countries,<sup>6</sup> since the safeguards covering intra-Community trade must also apply to imports from outside the Community.

2.1.158. On 17 May the Council, acting on a Commission proposal,<sup>7</sup> formally adopted by qualified majority a Directive on trade in animals treated with certain substances having a hormonal action and their meat,<sup>8</sup> as referred to in Article 7 of the Directive of 7 March 1988.<sup>9</sup> The new Directive spells out the terms on which animals for breeding, breeding animals that have reached the end of their useful life and the meat of such animals may be traded if the animal underwent an authorized therapeutic or reproduction-related treatment (synchronization of oestral cycle, termination of unwanted pregnancy, improvement of fertility, preparation for embryo implant). Equivalent safeguards are also to be applied to imports from non-member countries.

To prevent the erection of barriers to trade, the Council asked for the preparation without delay of a provisional list of substances authorized for use in all Member States.

2.1.159. Following recent improvements in the situation in the Community as regards swine fever, the Council, acting on a Commission proposal,<sup>10</sup> adopted a Decision on 24 May recognizing certain parts of the territory of the Community in the Federal Republic of Germany, France,

<sup>1</sup> OJ L 140, 20.5.1982.

<sup>2</sup> OJ C 276, 1.11.1986; Bull. EC 11-1986, point 2.1.199.

<sup>3</sup> OJ L 124, 18.5.1988.

<sup>4</sup> OJ 121, 29.7.1964.

<sup>5</sup> OJ L 275, 26.9.1986; Bull. EC 9-1986, point 2.1.122.

<sup>6</sup> OJ L 302, 31.12.1972.

<sup>7</sup> Bull. EC 7/8-1987, point 2.1.220.

<sup>8</sup> OJ L 128, 21.5.1988.

<sup>9</sup> OJ L 70, 16.3.1988; Bull. EC 3-1988, point 2.1.138.

<sup>10</sup> Bull. EC 4-1988, point 2.1.157.



Greece and the Netherlands as officially free or free of swine fever.<sup>1</sup>

2.1.160. Acting on a Commission proposal,<sup>2</sup> the Council formally adopted on 16 May a Decision whereby it will deposit, on behalf of the Community, the instrument of approval of the European Convention for the Protection of Animals for Slaughter,<sup>3</sup> the requirements of which are in line with Community rules but apply over a wider area, as this is a Council of Europe convention.

2.1.161. In connection with the eradication of swine fever, the Commission on 26 May recognized further areas of France as officially free of the disease.<sup>4</sup>

2.1.162. On 4 May the Commission decided to grant financial aid to Greece for action undertaken in the Evros buffer area to protect the Community against the spread of exotic foot-and-mouth disease.<sup>5</sup>

### Plant health

2.1.163. In the light of scientific and technical progress, the Council adopted a Directive<sup>6</sup> on 16 May amending Annex II to the Directives of 23 November 1976<sup>7</sup> and of 24 July 1986<sup>8</sup> on the fixing of maximum levels for pesticide residues in and on fruit, vegetables and cereals. The new Directive tightens up restrictions on the phthalimide group of fungicides following a reassessment of their safety by the Scientific Committee on Pesticides.

### Animal feed

2.1.164. On 1 June the Commission sent the Council a proposal<sup>9</sup> for a Directive amending that of 2 April 1979 on the marketing of compound feedingstuffs.<sup>10</sup> To facilitate intra-Community trade, this withdraws the freedom accorded to the Member States by the 1979 Directive to waive certain rules on labelling and choice of ingredient.

## Competition

2.1.165. Under the terms of Articles 92 to 94 of the EEC Treaty, the Commission decided to make no comment on the introduction of the following proposed schemes, which had been duly notified.

### *Federal Republic of Germany*

#### Bavaria

Landscape conservation programme.

#### Baden-Württemberg

Aid for farms in difficulty.

Compensation for 'extensification' of production to protect the environment.

#### Hessen

Aid for farms having special difficulties to contend with.

### *Belgium*

Subsidy to farmers and horticulturists for purchase of data bank consultation hardware.

#### Brabant

Starting-up premiums for young asparagus growers.

<sup>1</sup> OJ L 132, 28.5.1988.

<sup>2</sup> OJ C 15, 20.1.1988.

<sup>3</sup> OJ L 137, 2.6.1988.

<sup>4</sup> OJ L 156, 23.6.1988.

<sup>5</sup> OJ L 136, 2.6.1988.

<sup>6</sup> OJ L 126, 20.5.1988.

<sup>7</sup> OJ L 340, 9.12.1976.

<sup>8</sup> OJ L 221, 7.8.1986, Bull. EC 7/8-1986, point 2.1.169.

<sup>9</sup> COM(88) 303 final.

<sup>10</sup> OJ L 86, 6.4.1979.

*Denmark*

Draft 1987 and 1988 budgets for the pigmeat sector occupational fund.

Closure for 1986 financial year of the cattle sector occupational fund.

Closure for 1986 financial year of the 'pro mille' fund.

Revised 1987 budget for the 'pro mille' fund.

*Spain*

Royal Decree No 1462/1986 providing for investment aid for the processing and marketing of agricultural products.

*France*

Measures to help agriculture considered at the Special Agricultural Conference of 25 February 1988: Subsidized interest rate loans (fruit and vegetables and water supply works), aid for mechanization and livestock shelters in upland areas, special upland area allowance, fruit and vegetable aids (construction of glasshouses, operations re-organization, replanting of orchards).

Starting-up aid for young farmers.

*Greece*

Aid towards making good the damage caused to farms and glasshouses by the natural disaster of March 1987 and the snowstorms of December 1986 and January 1987.

*Italy*

*Abruzzi*

Aid for bee-keeping (disease control).

*United Kingdom*

Adjustments to Meat and Livestock Commission research and farmer training schemes.

2.1.166. The Commission decided to terminate the Article 92(2) procedure in respect of the following scheme:

*Netherlands*

Hail insurance premium subsidies.

**Forestry**

2.1.167. On 25 May the Commission decided, after consulting the Committee on Forest Protection, to grant financial aid for 32 projects submitted to it by the Member States for 1988 under Articles 2 and 4 of the Regulation of 17 November 1986 on the protection of the Community's forests against atmospheric pollution.<sup>1</sup> The total aid granted amounts to 1 564 423 ECU.

**European Agricultural Guidance and Guarantee Fund**

**Guarantee Section**

2.1.168. In implementation of paragraph 8 of the conclusions of the European Council of last February,<sup>2</sup> the Commission sent to the budgetary authority the second monthly report<sup>3</sup> on the trend of EAGGF-Guarantee expenditure (early warning system). This gives provisional figures for expenditure by the Member States between November 1987 and February 1988.

**Fisheries**

**Resources**

*Internal aspects*

**Community measures**

*Control measures*

2.1.169. On 2 May the Commission adopted a Decision<sup>4</sup> on the eligibility for

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<sup>1</sup> OJ L 326, 21.11.1986; Bull. EC 11-1986, point 2.1.203.

<sup>2</sup> Bull. EC 2-1988, point 1.1.1.

<sup>3</sup> Bull. EC 4-1988, point 2.1.165.

<sup>4</sup> OJ L 136, 2.6.1988.

Community financing, under the Council Decision of 18 May 1987,<sup>1</sup> of expenditure incurred by the Member States on modernizing and improving the monitoring and supervision facilities necessary for applying the Community arrangements for the conservation of fishery resources.

### *Technical measures*

2.1.170. On 31 May the Council, acting on a proposal from the Commission,<sup>2</sup> adopted a Regulation<sup>3</sup> amending for the fourth time the Council Regulation of 7 October 1986 laying down certain technical measures for the conservation of fishery resources.<sup>4</sup>

2.1.171. On 18 May the Commission adopted a Regulation<sup>5</sup> amending that of 22 December 1987 establishing the list of vessels exceeding eight metres in length overall permitted to use within certain coastal areas of the Community beam trawls whose aggregate length exceeds eight metres.<sup>6</sup>

### *External aspects*

#### **Bilateral relations**

##### *Morocco*

2.1.172. The Agreement between the Community and Morocco on relations in the sea fisheries sector, which was initialled in Brussels on 25 February<sup>7</sup> and has applied provisionally since 1 March,<sup>8</sup> was signed in Rabat on 26 May.

##### *Senegal*

2.1.173. On 3 May the Council, acting on a proposal from the Commission,<sup>9</sup> adopted a Decision on the conclusion of an Agreement in the form of an exchange of letters providing for provisional application of the Protocol setting out the fishing rights and financial compensation provided for in the

Agreement between the Senegalese Government and the Community on fishing off the coast of Senegal for the period from 29 February 1988 to 28 February 1990.<sup>10</sup> On the same date it also adopted a Regulation on the conclusion of the said Protocol.<sup>11</sup>

##### *Comoros*

2.1.174. On 3 May the Council, acting on a proposal from the Commission,<sup>12</sup> adopted a Regulation<sup>11</sup> on the conclusion of an Agreement between the Community and the Comoros on fishing off the coast of that country.<sup>13</sup>

##### *Greenland*

2.1.175. On 16 May the Council, acting on a proposal from the Commission,<sup>14</sup> adopted a Regulation<sup>5</sup> amending that of 15 December 1987 allocating Community catch quotas in Greenland waters for 1988.<sup>15</sup> This amendment follows the negotiations held in January.<sup>16</sup>

##### *Angola*

2.1.176. The Joint Committee set up under the EEC-Angola Fisheries Agreement<sup>17</sup> met in Brussels from 25 to 27 May.

<sup>1</sup> OJ L 135, 23.5.1987; Bull. EC 5-1987, point 2.1.181.

<sup>2</sup> Bull. EC 3-1988, point 2.1.177

<sup>3</sup> OJ L 140, 7.6.1988.

<sup>4</sup> OJ L 288, 11.10.1986; Bull. EC 10-1986, point 2.1.174.

<sup>5</sup> OJ L 125, 19.5.1988.

<sup>6</sup> OJ L 363, 23.12.1987, Bull. EC 12-1987, point 2.1.241

<sup>7</sup> Bull. EC 2-1988, point 2.1.152a.

<sup>8</sup> OJ L 99, 6.4.1988; Bull. EC 2-1988, point 2.1.152a

<sup>9</sup> OJ C 81, 29.3.1988, Bull. EC 3-1988, point 2.1.178.

<sup>10</sup> OJ L 127, 20.5.1988.

<sup>11</sup> OJ L 137, 2.6.1988.

<sup>12</sup> OJ C 73, 19.3.1988, Bull. EC 2-1988, point 2.1.154.

<sup>13</sup> Bull. EC 10-1987, point 2.1.185.

<sup>14</sup> Bull. EC 4-1988, point 2.1.166.

<sup>15</sup> OJ L 375, 31.12.1987; Bull. EC 12-1987, point 2.1.255

<sup>16</sup> Bull. EC 1-1988, point 2.1.95.

<sup>17</sup> OJ L 341, 3.12.1987, Bull. EC 11-1987, point 2.1.228.

## *Sweden*

2.1.177. On 5 and 6 May and again on 25 to 27 May the Community and Sweden held consultations on continued Community fishing in the Swedish part of the Baltic Sea formerly disputed between Sweden and the Soviet Union.

## **Multilateral relations**

### *North-West Atlantic Fisheries Organization*

2.1.178. On 20 May the Commission sent the Council a proposal for a Regulation<sup>1</sup> laying down detailed rules for the application of the scheme of joint international inspection<sup>2</sup> adopted by the North-West Atlantic Fisheries Organization (NAFO). The purpose of this proposal is to apply the new NAFO scheme in the Community and to make certain other necessary arrangements.

### *Convention on the Conservation of Antarctic Marine Living Resources*

2.1.179. On 4 May the Commission sent the Council a proposal<sup>3</sup> for the amendment of the Regulation of 2 August 1985 laying down certain technical measures for the conservation of fish stocks in the Antarctic.<sup>4</sup> The proposal relates to Community application of a number of conservation measures adopted by the Commission which administers the Convention on the Conservation of Antarctic Marine Living Resources.<sup>5</sup>

### *Baltic Sea, Belts and Sound*

2.1.180. On 17 May the Commission sent the Council a proposal<sup>6</sup> for the amendment of the Regulation of 12 June 1986 laying down certain technical measures for the conservation of fishery resources in the

waters of the Baltic Sea, the Belts and the Sound.<sup>7</sup>

## **Markets and structures**

### *Market organization*

2.1.181. On 1 June the Commission adopted a Regulation amending for technical reasons that of 20 December 1983 on the notification of prices and fixing the list of representative wholesale markets and ports for fishery products.<sup>8</sup>

### **State aids**

2.1.182. The Commission examined 16 State aid applications. It decided to raise no objection to the granting of aid by the Federal Republic of Germany for the adjustment of fishing capacities or by Spain for investments in the aquaculture sector.

The other applications relate to regional and departmental aid schemes notified by the French authorities. The Commission decided to initiate the Article 93(2) procedure in respect of some of these schemes, either because it had insufficient information concerning them or because no checks had been made to ensure compliance with all the conditions laid down in the Commission's guidelines of 29 March concerning the examination of State aids in the fisheries sector.

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<sup>1</sup> COM(88) 283 final.

<sup>2</sup> Bull. EC 2-1988, point 2.1.156.

<sup>3</sup> COM(88) 224 final.

<sup>4</sup> OJ L 210, 7.8.1985; Bull. EC 7/8-1985, point 2.1.176.

<sup>5</sup> OJ L 252, 5.9.1981.

<sup>6</sup> COM(88) 252 final.

<sup>7</sup> OJ L 162, 18.6.1986; Bull. EC 6-1986, point 2.1.216.

<sup>8</sup> OJ L 357, 21.12.1983; Bull. EC 12-1983, point 2.1.179.

## Transport

### Inland transport

#### Market observation

2.1.183. On 10 May the Commission sent the Council a report on the establishment of a system, adapted to the situation obtaining in 1992, for observing the markets for the carriage of goods by rail, road and inland waterway between the Member States.<sup>1</sup>

In this report, which was drawn up in accordance with the Council resolution of 18 June 1986,<sup>2</sup> the Commission suggests ways of improving the current provisional system and asks the Council to set up a permanent market-observation system for inland goods transport.

#### Road transport

##### Access to the market

2.1.184. On 20 May Parliament approved<sup>3</sup> the Commission's proposal<sup>4</sup> to amend the Council Directive of 13 May 1965 concerning the standardization of certain rules relating to authorizations for the carriage of goods by road between Member States.<sup>5</sup>

##### Rates

2.1.185. On 20 May Parliament approved<sup>3</sup> the proposal<sup>6</sup> to amend the Council Regulation of 1 December 1983 on the fixing of rates for the carriage of goods by road between Member States.<sup>7</sup>

## Technical aspects

2.1.186. On 17 May the Commission adopted two proposals<sup>8</sup> to amend the Directive of 19 December 1984 on the weights, dimensions and certain other technical characteristics of certain road vehicles.<sup>9</sup>

The purpose of the first proposal, which was sent to the Council on 25 May, is to harmonize the maximum authorized weight for two-axle rigid vehicles. It complements earlier proposals on the subject<sup>10</sup> and is designed to enable the Council to adopt a complete package of measures on the aspects of weights and dimensions which have not yet been settled.

The second, which was transmitted on 6 June and concerns the dimensions of articulated vehicles, fixes the length of the semi-trailer, increases the maximum authorized length of an articulated vehicle to 16.50 metres and prescribes the type of coupling mechanism to be used.

##### Social conditions

2.1.187. On 30 May the Commission delivered a favourable opinion on the measures proposed by the Spanish Government to implement the Regulations of 20 December 1985 on the harmonization of certain social legislation relating to road transport and on recording equipment in road transport.<sup>11</sup>

<sup>1</sup> COM(88) 250 final.

<sup>2</sup> OJ C 160, 27.6.1986, Bull. EC 6-1986, point 2.1.223.

<sup>3</sup> OJ C 167, 27.6.1988.

<sup>4</sup> OJ C 59, 3.3.1988, Bull. EC 2-1988, point 2.1.158.

<sup>5</sup> OJ 88, 24.5.1965.

<sup>6</sup> OJ C 3, 7.1.1988; Bull. EC 11-1987, point 2.1.246.

<sup>7</sup> OJ L 359, 22.12.1983; Bull. EC 12-1983, point 2.1.200.

<sup>8</sup> COM(88) 286 final; COM(88) 287 final.

<sup>9</sup> OJ L 2, 3.1.1985, Bull. EC 12-1984, point 2.1.200; OJ L 217, 5.8.1986; Bull. EC 7/8-1986, point 2.1.209.

<sup>10</sup> OJ C 90, 11.9.1971, OJ C 16, 18.1.1979, Bull. EC 9-1981, point 2.1.110.

<sup>11</sup> OJ L 370, 31.12.1985, Bull. EC 12-1985, point 2.1.214.

## Statistics

2.1.188. On 20 May Parliament endorsed<sup>1</sup> the proposal<sup>2</sup> to amend the Directive of 12 June 1978 on statistical returns in respect of carriage of goods by road, as part of regional statistics,<sup>3</sup> calling for the date of implementation to be deferred by one year (until 1 January 1989).

### *Inland waterways*

2.1.189. On 19 May the Commission transmitted to the Council a proposal for a Regulation on structural improvements in inland waterway transport.<sup>4</sup> This proposal, which is designed to reduce structural overcapacity, advocates to this end the Community coordination of national scrapping schemes. It also provides for arrangements to prevent the impact of a coordinated scrapping scheme from being cancelled out by the bringing into service of extra vessels.

## Multimodal transport

### Statistics

2.1.190. On 27 May the Council, acting on a proposal from the Commission,<sup>5</sup> adopted a Regulation<sup>6</sup> amending the Regulation of 24 June 1975<sup>7</sup> in respect of the recording of mode of transport in the Community's external trade statistics.

## Energy

### Specific problems

#### Alternative energy sources

2.1.191. On 20 May Parliament adopted an opinion<sup>8</sup> on the proposal for a Council recommendation to the Member States on developing the exploitation of renewable energy sources in the Community.<sup>9</sup> Since the exploitation of these energy sources has a favourable effect on the diversification and security of the Community's energy supply and on environmental protection, Parliament called for amendments that would emphasize that assessments of the profitability of alternative energy sources should take into account the strategic implications in the medium and long term. The proposed amendments also concern the development of renewable energy sources and energy saving in coordination with the corresponding ERDF programmes, in particular the Valoren programme,<sup>10</sup> and the transfer of technology. Lastly, Parliament proposed that the Member States be called upon to submit regular reports to the Commission on the progress achieved in eliminating administrative and legal barriers to the introduction of new and renewable energy sources.

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<sup>1</sup> OJ C 167, 27.6.1988.

<sup>2</sup> OJ C 4, 8.1.1988; Bull. EC 11-1987, point 2.1.255.

<sup>3</sup> OJ L 168, 26.6.1978.

<sup>4</sup> COM(88) 111 final.

<sup>5</sup> OJ C 298, 7.11.1987; Bull. EC 10-1987, point 2.1.205.

<sup>6</sup> OJ L 147, 14.6.1988.

<sup>7</sup> OJ L 183, 14.7.1975.

<sup>8</sup> OJ C 167, 27.6.1988.

<sup>9</sup> OJ C 279, 17.10.1987; Bull. EC 9-1987, point 2.1.192.

<sup>10</sup> OJ L 305, 31.10.1986, Bull. EC 10-1986, point 2.1.107.

## 2. External relations

### Uruguay Round

#### Meetings of negotiating groups

##### *Textiles and clothing*

2.2.1. Through the Uruguay Round Negotiating Group on Textiles and Clothing the Community sent GATT a communication stressing the need for a joint analysis of the problems which still confront the textile sector and suggesting that progress in certain areas could help the Group advance towards achieving the objective set at Punta del Este<sup>1</sup> (application of GATT rules to trade in textiles). The communication will be discussed at the next meeting on 13 and 14 June.

##### *GATT Articles*

2.2.2. The Negotiating Group on GATT Articles met from 25 to 27 May.<sup>2</sup> Discussions centred on Articles XVII (State-trading enterprises) and XXIV (customs union and free-trade areas). On Article XVII, several participants (including the Community) expressed concern about the way in which GATT disciplines had operated and considered that clarification of the obligations of State-trading enterprises would serve the interests of the multilateral trading system. The discussions on Article XXIV reflected the complexity of the issues involved. The Community made it clear that a review of this provision could not call in question the basic right to enter into regional forms of economic integration, recognized by GATT as a way of achieving its objectives of greater expansion of trade.

##### *Safeguards*

2.2.3. The Negotiating Group on Safeguards met from 30 May to 1 June.<sup>3</sup> Discussions continued on specific points rel-

evant to a comprehensive safeguards agreement, with particular emphasis on the concepts of 'serious injury' and 'temporary nature/degressivity'. There was a general understanding that these two points were of central importance and that safeguard measures should be adopted only in accordance with multilaterally agreed standards.

### 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*

*Italy — Hungary:* non-driving axles and their parts (CN code 8708 60);<sup>5</sup>

*Italy — Romania:* parts suitable for use solely or principally with the machinery of heading No 8426, 8429, or 8430 — other (CN code ex 8431 49);<sup>5</sup>

*Italy — German Democratic Republic:* ball or roller bearings (CN code 8482);<sup>5</sup>

*Italy — Soviet Union:* pyrolysis gasoline (CN code ex 2707 50);<sup>5</sup>

<sup>1</sup> Bull. EC 9-1986, point 1.4.1 *et seq.*

<sup>2</sup> Previous meeting: Bull. EC 2-1988, point 2.2.5.

<sup>3</sup> Previous report: Bull. EC 5-1987, point 2.2.1.

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

<sup>5</sup> OJ C 145, 2.6.1988.

*Italy — People's Republic of China: primary cells and primary batteries — other (CN code ex 8506 19).*<sup>1</sup>

*Modification of quotas*

*France — Soviet Union: television and radio broadcasting receivers (CN codes ex 8527, ex 8528 and ex 8529).*<sup>1</sup>

**Trade protection**

2.2.5. Trade protection measures taken in May are shown in Table 5.

<sup>1</sup> OJ C 128, 17.5.1988.

Table 5 — *Trade protection measures*

Council	Commission
<i>Anti-dumping proceedings</i>	<i>Anti-dumping proceedings</i>
<i>Definitive anti-dumping duty on imports of:</i>	<i>Extension of provisional anti-dumping duty on imports of:</i>
Roller chains for cycles originating in the People's Republic of China OJ L 115, 3.5.1988 (provisional duty: OJ L 3, 6.1.1988)	Certain types of iron or steel sheets and plates originating in Yugoslavia OJ L 123, 17.5.1988 (provisional duty: OJ L 23, 28.1.1988; OJ L 98, 15.4.1988)
Potassium permanganate originating in the People's Republic of China OJ L 138, 3.6.1988 (provisional duty: OJ L 35, 9.2.1988)	Certain types of iron or steel coils originating in Algeria, Mexico or Yugoslavia OJ L 123, 17.5.1988 (provisional duty: OJ L 18, 22.1.1988; OJ L 98, 15.4.1988)
<i>Amendment of definitive anti-dumping duty on imports of:</i>	<i>Provisional anti-dumping duty on imports of:</i>
Certain types of electronic typewriters assembled in the Community by Kyushu Matsushita (UK) Ltd OJ L 123, 17.5.1988 (definitive duty: OJ L 163, 22.6.1985; OJ L 101, 20.4.1988)	Computer printers from Japan OJ L 130, 26.5.1988 (notice of initiation of proceeding: OJ C 111, 25.4.1987)
	<i>Review of anti-dumping measures concerning imports of:</i>
	Certain types of acrylic fibres originating in Mexico OJ C 117, 4.5.1988 (acceptance of undertakings: OJ L 272, 24.9.1986)
	Ferro-silicon containing between 20 and 96% of silicon by weight from Iceland, Norway, Sweden, Venezuela and Yugoslavia OJ C 145, 2.6.1988 (acceptance of undertakings: OJ L 57, 4.3.1983)
	<i>Acceptance of undertakings given by:</i>
	Kyushu Matsushita concerning certain types of electronic typewriters assembled or manufactured in the Community OJ L 128, 21.5.1988 (definitive anti-dumping duty: OJ L 163, 22.6.1985; OJ L 101, 20.4.1988)
	Various producers/exporters in South Korea and Taiwan concerning imports of bicycle inner tubes and new tyre cases originating in those countries OJ L 134, 31.5.1988 (reopening of proceeding: OJ C 132, 30.5.1986)



Council	Commission
	<p><i>Termination of the 'illicit commercial practice' investigation concerning:</i></p> <p>Unauthorized reproduction of sound recordings in Indonesia (following an undertaking) OJ L 123, 17.5.1988 (initiation of proceeding: OJ C 136, 21.5.1987)</p> <p><i>Extension of temporary measures for prior Community surveillance concerning imports of:</i></p> <p>Certain products originating in Japan OJ L 125, 19.5.1988 (temporary measures: OJ L 117, 5.5.1987; OJ L 309, 31.10.1987)</p>

## Individual sectors

### *Iron and steel products*

#### Agreements and arrangements with non-Community countries

2.2.6. In May the Commission signed arrangements<sup>1</sup> with the following countries: Hungary, Bulgaria, Romania, Czechoslovakia, Brazil (cast iron and steel), Venezuela, Finland, Sweden and Austria.

2.2.7. A Commission delegation had consultations in Budapest and Prague from 9 to 13 May in connection with the arrangements with Hungary and Czechoslovakia on iron and steel (→ point 2.2.6). The talks concerned mainly the management of the arrangements, under which imports from Hungary and Czechoslovakia to the Community have not posed any serious problems, and included an exchange of information on the iron and steel market and the aims and implementation of conversion and modernization plans.

#### Unilateral measures

2.2.8. On 27 May the Representatives of the Governments of the ECSC Member States adopted definitive unilateral quotas for steel with respect to State-trading countries for the current year. The quantities are the same as those for 1987.

2.2.9. On 3 May the Commission approved an increase in the 1988 quota for ferro-chromium containing more than 6% of carbon. The proposal for a quota increase of 180 000 tonnes corresponds to foreseeable needs for imports from non-Community countries in the immediate future. A Community reserve of 90 000 tonnes has been set aside and the rest of the increase distributed among certain Member States in proportion to their extra requirements.

2.2.10. On 6 May the Commission authorized derogations by Member States<sup>2</sup> between 1 January and 30 June from ECSC Recommendation 1/64 concerning increased protection for iron and steel products at the external frontiers of the Community.<sup>3</sup>

2.2.11. On 11 May the Commission authorized Ireland not to apply Community treatment to bars, rods, angles, shapes and sections originating in the German Democratic Republic and in free circulation in the other Member States;<sup>4</sup> the authorization will remain valid until 31 December.

<sup>1</sup> Bull. EC 4-1988, point 2.2.7.

<sup>2</sup> OJ L 136, 2.6.1988.

<sup>3</sup> OJ 8, 22.1.1964; OJ L 15, 20.1.1988; Bull. EC 12-1987, point 2.1.50.

<sup>4</sup> OJ C 129, 18.5.1988.

## *Textiles*

### **Agreements and arrangements with non-Community countries**

#### *MFA countries*

2.2.12. On 24 May the Commission sent the Council a proposal for a Council Decision<sup>1</sup> concerning the provisional application of agreed minutes amending the Agreement between the Community and Hong Kong.<sup>2</sup> The purpose of the proposal is to add to the quota a special supplementary quantity which was accepted while the Agreement was being negotiated.

2.2.13. Consultations were held with India from 31 May to 2 June under the 1986 Textile Agreement.<sup>3</sup> The talks were aimed at finding a mutually acceptable solution to problems caused by the introduction of the Harmonized System on 1 January this year.

#### *Industrial and intellectual property*

2.2.14. Following the exchange of letters of 27 April between the Commission and the Indonesian authorities on the question of copyright,<sup>4</sup> the Commission decided on 11 May to terminate the procedure initiated last year<sup>5</sup> under the new commercial policy instrument<sup>6</sup> with regard to unauthorized sound recordings in Indonesia (→ point 2.2.5).

## **Relations with industrialized countries**

### **United States of America**

2.2.15. President Reagan vetoed the Trade Bill on 24 May. He gave six specific reasons for his veto, but his main objection was to a clause which would have made it compulsory for companies employing a hundred

people or more to give at least 60 days' notice of closure.

Although the six points listed by President Reagan did not include any of the clauses which the Community considered to be protectionist or in breach of the USA's international obligations,<sup>7</sup> Mr De Clercq said in a press release that the veto was 'a good thing'. Even in its final form, the Bill was still protectionist and would have set off a chain reaction among the USA's trading partners. International trade as a whole would have been the main loser. According to Mr De Clercq, this was President Reagan's own view, even though the Bill was not vetoed primarily for its trade clauses.

Mr De Clercq concluded by saying that the Community would continue to watch developments, and would make its views known, to avoid protectionist measures being included in any future trade legislation. The main international trading partners must set an example and work together to keep markets open and reinforce the multilateral trade system. The Uruguay Round trade negotiations were the ideal forum for such a task.

2.2.16. On behalf of the Commission, Mr Andriessen and Mr De Clercq protested against the US Government's decision to adjust its set-aside programme. This decision, which is to apply from 1989, reduces from 27.5% to 10% the percentage of their land which farmers must set aside in order to receive deficiency payments.<sup>8</sup> It is accompanied by changes in the way in which deficiency payments are calculated; in practice this will lead to a slight increase

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<sup>1</sup> COM(88) 266 final.

<sup>2</sup> Bull. EC 9-1986, point 2.2.8.

<sup>3</sup> Bull. EC 11-1986, point 2.2.6.

<sup>4</sup> Bull. EC 4-1988, point 2.2.13.

<sup>5</sup> OJ C 136, 21.5.1987; Bull. EC 5-1987, point 2.2.4.

<sup>6</sup> OJ L 252, 20.9.1984; Bull. EC 9-1984, point 2.2.5.

<sup>7</sup> Bull. EC 7/8-1987, point 2.2.16.

<sup>8</sup> The existing legislation provided for such a reduction, but only to 20%.

in the level of support given to the US farmers concerned.

These decisions come at a particularly damaging time, since the Community, as part of the reform of its agricultural policy, recently launched a set-aside scheme aimed at reducing production,<sup>1</sup> whereas the US measures are liable to bring an additional 10 to 12 million tonnes of wheat onto the already depressed world market over the next few years. In the Commission's opinion, the US measures go against the decision taken by the OECD countries in 1987,<sup>2</sup> and confirmed this year (→ point 2.2.56), to 'refrain from actions which would worsen the negotiating climate', and *inter alia* to 'avoid initiating actions which would result in stimulating production in surplus agricultural commodities and in isolating the domestic market further from international markets'.

The Commission also notes that the US decisions are contrary to the Uruguay Round standstill undertakings given at Punta del Este.<sup>3</sup> They are bound to worsen the climate for the agricultural negotiations just a few months before the mid-term review, at which progress must be made on all subjects under discussion, including agriculture.

## Canada

2.2.17. As part of his tour of European capitals in preparation for the Western Economic Summit in Toronto from 19 to 21 June, Mr Brian Mulroney, Prime Minister of Canada, paid an official visit to the Commission on 25 May. He met Mr Delors, Mr Andriessen, Mr De Clercq and Mr Schmidhuber.

Mr Mulroney discussed with Mr Delors the arrangements for the summit and his approach to the main points on the agenda. He hoped that the summit would concentrate on economic issues and that greater informality and flexibility would contribute to an in-depth analysis of a limited number of major topics, including the Uruguay Round negotiations, with particular refer-

ence to the forthcoming mid-term review in Montreal in December, world agricultural problems and structural adjustment.

## Australia

2.2.18. The seventh round of ministerial consultations between the Community and Australia,<sup>4</sup> which was held on 4 May in Canberra, reflected a marked improvement in relations and increasing awareness in Australia of the importance of the European integration process.

Mr De Clercq met the Prime Minister, Mr Bob Hawke, and had discussions with Mr Bill Hayden, Minister for Foreign Affairs and Trade, Mr John Kerin, Minister for Primary Industry and Energy, Senator John Button, Minister for Industry, Technology and Commerce, and Mr Michael Duffy, Deputy Minister in charge of trade negotiations. He also met a number of other State and Federal ministers, senior politicians and representatives of industry, and attended a number of the bicentennial celebrations and Expo 88 in his official capacity.

The Ministers reviewed the international economic and trade outlook in the run-up to the OECD Ministerial Conference (→ point 2.2.56), the Western Economic Summit in Toronto in June and the Uruguay Round mid-term review<sup>3</sup> in Montreal in December. Mr De Clercq emphasized that the single market will contribute to world growth because non-Community countries will also benefit. Both sides agreed on the need to improve the effectiveness of the GATT machinery and maintain the momentum of the Uruguay Round negotiations. There was also agreement on the need for balanced progress in all areas of the negotiations (including agriculture which, while important, should not be taken in

<sup>1</sup> OJ L 106, 27.4.1988; Bull. EC 4-1988, point 2.1.126.

<sup>2</sup> Bull. EC 5-1987, point 2.2.42.

<sup>3</sup> Bull. EC 9-1986, point 1.4.1 *et seq*

<sup>4</sup> Previous round. Bull. EC 10-1987, point 2.2.19.

isolation) in preparation for the Montreal review.

On the bilateral front both sides noted positive developments in trade and investment. Mr De Clercq acknowledged the contribution made by Australia to the improved climate of international trade by its elimination of quotas and reduction of customs duties on motor vehicles. He hoped that similar initiatives might be taken in other protected industries and expressed the Community's concern at the detrimental effects on its exports to Australia of recent tariff adjustments in the textile, clothing and footwear industries. The two sides also reviewed the market situation for sheep-meat, beef, apples and hormone growth promotants.

Both sides expressed satisfaction with the 1986 arrangement on scientific and technical cooperation,<sup>1</sup> which has helped them understand each other's research activities and lay the foundations for closer cooperation, and welcomed the prospect of more concrete cooperation in science and technology, involving joint research activities in areas of common interest and priority to their mutual and balanced advantage.

### European Free Trade Association

2.2.19. On 30 April, in the course of a 'study weekend', the Commission discussed the Community's relations with its neighbours, including the EFTA countries, and the importance of strengthening these ties by the 1992 deadline for completion of the internal market. At the same time, the Commission considered that the Community's policy of close relations should use all methods and instruments which can help intensify relations with its neighbours and bring them closer.

These points were covered in detail when Mr Delors and Mr De Clercq met EFTA ambassadors on 3 May and 31 May respectively. In particular, Mr Delors confirmed that in developing relations with EFTA the Community would honour the political

commitments made at Luxembourg in 1984<sup>2</sup> and in Brussels in February this year,<sup>3</sup> while progressing as fast as possible towards the creation of a single European market. Mr De Clercq discussed the practical implications of this for the short term (preparations for the meeting between the Commission and EFTA ministers at Tampere in Finland), the medium term (programme of work after Tampere) and the longer term.

2.2.20. The preparations for the Tampere meeting on 15 June were also the main subject discussed by Mr Narjes, Mr De Clercq and Mr Clinton Davis with the newly appointed Secretary-General of EFTA, Mr Georg Reisch, who visited the Commission on 24 May.

The work advanced considerably during May, both in the Commission and in the Council, and most of the necessary decisions are expected to be adopted in time. They concern negotiating mandates for the mutual exchange of notifications on technical regulations and the elimination of export restrictions in EEC-EFTA trade, extension of legal protection of the topographies of semiconductors, and transparency (full information) agreements on State aid, public procurement and trade arrangements for processed agricultural products. The preparations were examined in detail at a meeting of the Commission-EFTA High-level Contact Group on 26 May, which paved the way for the decisions to be taken in Tampere and reviewed new areas for possible action in the near future, such as counterfeiting, product liability, environment, services, indirect taxation, education, consumer safety for foodstuffs, toys and dangerous substances.

2.2.21. The EEC-Iceland Joint Committee met on 30 May and held a wide-ranging general discussion on multilateral and bilateral topics.<sup>4</sup>

<sup>1</sup> Bull. EC 11-1986, point 2.2.13.

<sup>2</sup> Bull. EC 4-1984, point 1.2.1 *et seq*

<sup>3</sup> Bull. EC 2-1988, point 2.2.18.

<sup>4</sup> Previous meeting: Bull. EC 12-1987, point 2.2.16.

## Austria

2.2.22. On 17 May senior officials from Austria and the Commission met to discuss financial services. Austria is continuing with these factfinding sessions with a view to aligning its own legislation on existing Community regulations.

## Finland

2.2.23. On 16 May the Commission received a group of Finnish industrialists, who were given an account of progress on the European integration programme, with particular reference to the internal market.

## Sweden

2.2.24. During his tour of European capitals (Madrid, Brussels, Bonn, London), Mr Carlsson, the Prime Minister of Sweden, visited the Commission on 16 May. He was accompanied by Mrs Anita Gradin, Minister for External Trade. In talks at the Commission, Mr Carlsson expressed Sweden's strong interest in the Community's integration process, and emphasized his country's desire to cooperate actively in creating a dynamic European economic space. He indicated that Sweden was ready to negotiate as close, comprehensive and lasting a relationship as possible, excluding only foreign and defence policy.

## Relations with other countries and regions

### Mediterranean countries

#### Mediterranean policy of the enlarged Community

2.2.25. The Protocols<sup>1</sup> adapting the Cooperation Agreement between the Community and Morocco<sup>2</sup> and the Agreement

between the Member States of the ECSC and Morocco<sup>2</sup> following the accession of Spain and Portugal to the Community were signed in Rabat on 26 May. The Protocols lay down conditions of access to the Spanish and Portuguese markets for Moroccan products during the transitional period.

2.2.26. On 24 May the Council decided to sign the Protocols<sup>3</sup> adapting the Cooperation Agreement between the Community and Syria<sup>4</sup> and the Agreement between the Member States of the ECSC and Syria<sup>4</sup> following the accession of Spain and Portugal to the Community.

## Cyprus

2.2.27. Mr Cheyssou, Member of the Commission with special responsibility for Mediterranean policy, paid an official visit to Cyprus on 20 and 21 May. He saw the President of the Republic, Mr Vassiliou, and the Minister for Foreign Affairs, Mr Iacovou. Their talks were concerned mainly with bilateral relations and the political situation in Cyprus and the region.

## Morocco

2.2.28. The Additional Protocol<sup>5</sup> to the EEC-Morocco Cooperation Agreement,<sup>2</sup> the Additional Protocol concerning financial and technical cooperation<sup>6</sup> between the two parties and the Fisheries Agreement between the Community and Morocco<sup>7</sup> were signed in Rabat on 26 May.

## Syria

2.2.29. On 24 May the Council decided to sign the Additional Protocol<sup>8</sup> to the

<sup>1</sup> Bull. EC 3-1988, point 2.2.21.

<sup>2</sup> OJ L 264, 27.9.1978.

<sup>3</sup> Bull. EC 3-1988, point 2.2.22.

<sup>4</sup> OJ L 269, 27.9.1978.

<sup>5</sup> Bull. EC 2-1988, point 2.2.28, Bull. EC 3-1988, point 2.2.26.

<sup>6</sup> Bull. EC 2-1988, point 2.2.29, Bull. EC 3-1988, point 2.2.26.

<sup>7</sup> Bull. EC 2-1988, points 2.1.152a and 2.2.30.

<sup>8</sup> Bull. EC 3-1988, point 2.2.28.

Cooperation Agreement between the Community and Syria.<sup>1</sup>

## Israel

2.2.30. On 24 May the EEC-Israel Cooperation Council held its sixth meeting<sup>2</sup> in Brussels, with Mr Peres, Israel's Vice-Premier and Minister for Foreign Affairs, as chairman. Mr Genscher, representing the Council Presidency, led the Community delegation and Mr Cheysson represented the Commission.

The discussions covered the main problems arising under the Agreement<sup>3</sup> between the Community and Israel at present, and particular reference was made in the trade context to tax discrimination against Community products in Israel. Nevertheless, both sides praised the progress made in cooperation since the last Cooperation Council meeting in January 1987. The Israeli delegation deplored the failure to conclude the Adaptation Protocol,<sup>4</sup> the Additional Protocol<sup>5</sup> and the Financial Protocol<sup>5</sup> owing to Parliament having refused in March to give its assent.<sup>6</sup>

The Ministers from Member States and Israel attending the meeting also held informal talks regarding the Occupied Territories.

## Countries of the Gulf and the Arabian peninsula

### Gulf Cooperation Council

2.2.31. On 3 May the Commission sent the Council a recommendation for a Decision regarding the conclusion of a Cooperation Agreement between the Community and the countries signatory to the Charter establishing the Cooperation Council for the Arab States of the Gulf.<sup>7</sup> The recommendation follows the completion of negotiations between the two parties on 24 March.<sup>8</sup>

## Asia

### Association of South East Asian Nations (Asean)

2.2.32. The seventh meeting<sup>9</sup> between Foreign Ministers from the Community and Asean countries was held in Düsseldorf on 2 and 3 May. The meeting was chaired by Mr Genscher, President of the Council, and Mr Savetsila, Thailand's Minister for Foreign Affairs and Chairman of the Asean Standing Committee. The Commission was represented by Mr Cheysson.

Ministers stressed the success of bilateral cooperation. Since the Cooperation Agreement was signed in 1980,<sup>10</sup> the volume of trade has increased by 55%, reaching some 19 000 million ECU in 1987; Community imports of manufactures from the Asean countries have also increased and now make up more than 50% of total imports from the region.

The meeting also provided a new spur for the promotion of industrial cooperation; specific proposals in this field will be drawn up jointly by Commission and Asean experts for the next EEC-Asean Joint Committee meeting.

## Bangladesh

2.2.33. The EEC-Bangladesh Joint Commission, set up under the 1976 Commercial Cooperation Agreement<sup>11</sup> held its ninth

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<sup>1</sup> OJ L 269, 27.9.1978.

<sup>2</sup> Fifth meeting: Bull. EC 1-1987, point 2.2.14.

<sup>3</sup> OJ L 136, 28.5.1975.

<sup>4</sup> Bull. EC 3-1988, point 2.2.23.

<sup>5</sup> Bull. EC 3-1988, point 2.2.29.

<sup>6</sup> OJ C 94, 11.4.1988; Bull. EC 3-1988, points 2.4.13 to 2.4.15.

<sup>7</sup> Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and United Arab Emirates.

<sup>8</sup> Bull. EC 3-1988, point 2.2.30.

<sup>9</sup> Sixth meeting: Bull. EC 10-1986, point 2.2.23.

<sup>10</sup> OJ L 144, 10.6.1980; Fourteenth General Report, point 690.

<sup>11</sup> OJ L 319, 19.11.1976; Tenth General Report, point 550.

meeting in Brussels on 26 and 27 May.<sup>1</sup> The meeting confirmed that although certain difficulties still remain, such as Bangladesh's persistent trade deficit with the Community, significant progress has nevertheless been made regarding cooperation: Bangladesh has started to diversify its exports; cooperation activities are beginning in the field of industry, science and training; and development cooperation has been boosted by means of project financing, implementation of the new Stabex system for the least-developed countries<sup>2</sup> and a major food aid allocation.

## State-trading countries

### China

2.2.34. On 26 May the Head of the Commission Delegation<sup>3</sup> in China presented his letters of credence to the State President, Mr Yang Shangkun, at a session of the National People's Congress.

### Czechoslovakia

2.2.35. From 16 to 18 May the Czechoslovak Deputy Minister for External Trade, Mr Novacek, had talks in Brussels with Mr De Clercq, Member of the Commission with special responsibility for external relations and trade policy, and Mr Clinton Davis, Member of the Commission with special responsibility for transport. The talks centred on the trade agreement currently being negotiated<sup>4</sup> and possibilities for cooperation, with particular reference to transport.

## Development

### Council

2.2.36. At the Council meeting in Brussels on 31 May discussion centred on the econ-

omic situation and the adjustment process in sub-Saharan Africa, and the guidelines for the new ACP-EEC Convention.

The Council had already discussed the economic situation and adjustment in sub-Saharan Africa on 9 November last year on the basis of a Commission working paper,<sup>5</sup> and it has now adopted a resolution defining a method of providing Community support for structural adjustment and of ensuring that best use is made of the support instruments which the Community already has available. The Council also called for more systematic coordination by the Commission and the Member States on structural adjustment support and emphasized the need for effective coordination with the World Bank and the IMF.

Broad agreement emerged on the guidelines put forward by the Commission in its communication of 25 March regarding the new ACP-EEC Convention,<sup>6</sup> although the different delegations had their own comments to make on various specific aspects (duration, geographical coverage, trade aspects, Stabex, structural adjustment, regional cooperation, etc.).

Other points included:

- (i) the results of the experimental phase in the Franco-German programme for European development volunteers and the call to other delegations to consider participating in the programme;
- (ii) the implementation of food security policies and the Commission's forthcoming communication on the matter;
- (iii) the 1987 management report on the system for compensating losses in export earnings for the non-ACP least-developed countries;

<sup>1</sup> Eighth meeting: Bull. EC 6-1986, point 2.2.31.

<sup>2</sup> OJ L 43, 13.2.1987; Bull. EC 2-1987, point 2.2.32.

<sup>3</sup> Bull. EC 3-1987, point 2.2.24.

<sup>4</sup> Bull. EC 12-1988, point 2.2.39.

<sup>5</sup> Bull. EC 11-1987, point 2.2.35.

<sup>6</sup> Bull. EC 3-1988, point 2.2.44.

(iv) a progress report by the Commission regarding the implementation of the Council's conclusions of May last year aimed at increasing the role of the private sector in the development process;<sup>1</sup>

(v) the report to be presented by the Commission towards the end of the year on the experience of providing aid to developing countries in Latin America and Asia over the last 10 years.

Mr Natali, Vice-President of the Commission, reported on the experience gleaned by the Community in supporting food strategies in a number of African countries. The Council agreed to examine at its next meeting a communication which the Commission would provide on this topic.

## North-South relations

### *Cooperation in international forums*

#### United Nations Conference on Trade and Development

2.2.37. The second part of the 34th session of the Trade and Development Board<sup>2</sup> finished its main substantive discussions on 6 May, with a final plenary meeting being held for the formal adoption of its report on 9 May. Under the new arrangements for the Board's work, the spring meeting dealt mainly with trade issues, with the annual debate on protectionism and structural adjustment. In addition there were discussions on trade in services and on technical assistance to the Uruguay Round, together with the annual debate on trade relations between countries having different economic and social systems. It was also agreed that the information in the Unctad data base on trade measures should be made generally available.

Although a satisfactory outcome was secured on most items, a procedural discussion in the second week connected with a review of progress in the Uruguay Round

—stemming from the differing views of Group B and the Group of 77 on the frequency with which the Uruguay Round should be reviewed by Unctad—resulted only in a formula which met some of the points raised by the Group of 77 while maintaining the distribution of substantive work between the spring and autumn Board meetings to which Group B continues to attach much importance.

#### World Food Council

2.2.38. At the 14th ministerial session of the WFC,<sup>3</sup> which took place in Nicosia from 23 to 26 May, the principal matters discussed were hunger and malnutrition in the world, the potential for alleviating hunger through food-surplus-based development assistance, and food and environmental issues vital to human survival.

The outcome was agreement on a Cyprus proposal concerning hunger in the world. This called for the establishment of a small, informal *ad hoc* consultative group comprising representatives of some UN member States selected on a regional basis, representatives of relevant international organizations and the Chairman of the WFC.

The group will be required to review and assess policies and instruments at present available to combat chronic hunger and malnutrition in developing countries—particularly in low-income food-deficit countries—and to identify the reasons and obstacles which may have blunted their impact; to consider specific and realistic measures that could make existing policies and instruments more effective; and to identify workable initiatives and recommend a course of action to combat hunger more effectively. The group's proposals will be presented to the 15th session of the Council.

<sup>1</sup> Bull. EC 5-1987, point 2.2.26.

<sup>2</sup> First part: Bull. EC 10-1987, point 2.2.39.

<sup>3</sup> 13th session: Bull. EC 6-1987, point 2.2.36.



## ACP-EEC Convention

### Renewal of the Convention

2.2.39. On 20 May Parliament approved a resolution on the fourth ACP-EEC Convention (→ point 2.4.14).<sup>1</sup>

### Generalized tariff preferences

2.2.40. On 3 May the Council adopted on a proposal from the Commission<sup>2</sup> a Regulation applying supplementary generalized tariff preferences for certain products originating in developing countries sold at the 'Partners in Progress' fair in Berlin.<sup>3</sup>

## Commodities and world agreements

### Coffee

2.2.41. The preparatory technical group, set up by the International Coffee Organization in April<sup>4</sup> with a view to the renegotiation of the future Coffee Agreement, held its first meeting in London from 31 May to 3 June. The Community presented a study document concerning problems linked with the aims and instruments of the 1983 Agreement,<sup>5</sup> emphasizing its interest in continued international cooperation on coffee, but making it quite clear that it wished to see substantial amendments to the 1983 Agreement. The preparatory group also examined ideas put forward by the delegations regarding the pattern of a future agreement.

The parties to the Agreement will present their positions at a forthcoming meeting, to be held in July, so that full-scale negotiations can begin in September for the conclusion of an agreement which would come into force in September next year.

## Food aid

2.2.42. On 19 May the Commission, with the endorsement of the Food Aid Committee, allocated 10 000 tonnes of cereals to Tunisia under the 1988 budget.

2.2.43. On 26 May the Commission approved an emergency food aid allocation of 20 000 tonnes of cereals (10 000 tonnes of rice equivalent) to Vietnam under the Regulation of 22 December 1986,<sup>6</sup> as extended by the Regulation of 14 December 1987;<sup>7</sup> the aid will be channelled through the World Food Programme.

The aid will enable the poorest groups of the population to cope with the cereals shortfall caused by drought, typhoons and crops being devastated by insects.

## Locust control in Africa

### Algeria

2.2.44. The Commission allocated 130 000 ECU as emergency aid to help Algeria fight against the locust invasion. The aid, to be channelled through the Algiers Delegation, will be used to pay for approximately 120 hours of aerial spraying using two planes chartered by the Commission.

### Morocco

2.2.45. The Commission allocated 600 000 ECU as emergency aid for Morocco, also hit by the locust plague, to pay for 100 hours of aerial spraying (arranged through the FAO) and approximately 60 000 litres of pesticides (to be purchased through the Rabat Delegation).

<sup>1</sup> OJ C 167, 27.6.1988.

<sup>2</sup> Bull. EC 4-1988, point 2.2.30.

<sup>3</sup> OJ L 121, 11.5.1988.

<sup>4</sup> Bull. EC 4-1988, point 2.2.31.

<sup>5</sup> Bull. EC 6-1983, point 2.2.58; Bull. EC 9-1983, point 2.2.33.

<sup>6</sup> OJ L 370, 30.12.1986; Bull. EC 12-1986, point 2.2.31.

<sup>7</sup> OJ L 356, 18.12.1987.

2.2.46. The Commission altered the breakdown of the 600 000 ECU aid allocation (→ point 2.2.45), after a request from the Moroccan authorities. Given Morocco's urgent air transport needs, it was decided to use all the aid for the chartering of aircraft.

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### Humanitarian aid for Angola

2.2.47. Because of the situation in Angola, the UN Secretary-General appealed for USD 110 million to be granted to the country as humanitarian aid (comprising food and other types of aid). Aid donors attending a

meeting held in Geneva on 17 May pledged USD 75 million, of which USD 23 million (18 million ECU) was provided by the Community in the form of food aid and emergency aid, on top of the development aid granted under Lomé III.

### Financial and technical cooperation

#### ACP States

2.2.48. In May the Commission allocated resources from the Sixth EDF totalling 34 200 000 ECU to finance projects, programmes and emergency aid operations which it administers.

Table 6 — *Financing of Sixth EDF operations*

		<i>million ECU</i>	
Sector/country	Project/programme	Amount	
		Grants	Loans
<i>Economic infrastructure</i>			
Burundi	Roads	6.300	
Guyana	Infrastructure repair	15.000	
<i>Rural production</i>			
Zambia	Livestock farming	1.300	
<i>Industrialization</i>			
Tanzania	Incentive goods	6.000	
<i>Social development</i>			
Swaziland	Village water supply	2.600	
<i>Emergency aid</i>			
Mozambique	Contribution to assistance programme of several humanitarian organizations	3.000	
Total		34.200	

## *Latin American and Asian developing countries*

2.2.49. On 26 May the Commission decided, with the prior approval of the Committee on Aid for Latin American and Asian Developing Countries, to finance the following operation from appropriations under Article 930 of the Community budget:

*Five CGIAR research institutes (CIAT, CIP, Icrisat, IRRI, Isnar):*<sup>1</sup> research aid (total cost 77 680 000 ECU, Community contribution 6 900 000 ECU; co-financed project coordinated by the CGIAR).

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

2.2.50. On 27 May the Commission approved a report<sup>2</sup> for transmission to the Council<sup>3</sup> on cooperation under the 1987 budget with European NGOs working in development, with particular reference to the co-financing of projects.

From 1 January to 31 May the Commission committed 29.5 million ECU for the co-financing in developing countries of 183 projects put forward by 104 NGOs.

The Commission also made a total contribution of 2 589 359 ECU for 38 projects aimed at increasing European public awareness of development issues.

## **Institutions**

### *ACP States*

2.2.51. The ACP-EEC Council of Ministers held its 13th meeting in Mauritius on 10 and 11 May.<sup>4</sup> It was chaired by Mr Soumaila, Niger's Minister for National Planning, and Mr Schaefer, Minister of State in the German Foreign Office and President of the Council. The Commission was represented by Mr Natali. Mr Latortue, Haiti's Foreign Minister, was admitted to the proceedings, but without observer sta-

tus; the Dominican Republic did not send a representative.

The Council discussed short- and long-term aspects of food security, and heard a detailed report from Mr Natali on the operations carried out by the Community in this area.

As regards agricultural commodities, the Council examined the situation of the ACP States, the Cocoa<sup>5</sup> and Coffee Agreements<sup>6</sup> and the prospects for the Common Fund coming into force.

Much of the Council's work was taken up by trade questions. It took stock of the Uruguay Round negotiations and stressed the importance of ACP-EEC consultations. Lastly, the Council examined a joint paper concerning the reasons behind the poor trade performance of ACP States. The representatives of Togo and Senegal (the main phosphate exporters) protested about the Community's intention to draw up legislation on the cadmium content of phosphates. The Community reserved its position regarding an ACP request to participate in the studies.

On the matter of the Accession Protocol to Lomé III for Spain and Portugal,<sup>7</sup> the Community reaffirmed its rejection of additional ACP requests regarding sugar and rice.

The two parties examined problems in trade in certain products, such as rice, yams, fresh beans, tropical timber and molasses. Discussions were also held on the Harmonized

<sup>1</sup> International Centre for Tropical Agriculture (CIAT), International Potato Centre (CIP), International Crops Research Institute for the Semi-arid Tropics (Icrisat), International Rice Research Institute (IRRI), International Service for National Agricultural Research (Isnar). These are international research centres coming under the auspices of the Consultative Group on International Agricultural Research (CGIAR).

<sup>2</sup> COM(88) 309.

<sup>3</sup> Bull. EC 6-1987, point 2.2.52.

<sup>4</sup> 12th meeting: Bull. EC 5-1987, point 2.2.38.

<sup>5</sup> Bull. EC 7/8-1986, point 2.2.32.

<sup>6</sup> Bull. EC 6-1983, point 2.2.58; Bull. EC 9-1983, point 2.2.33.

<sup>7</sup> OJ L 172, 30.6.1987; Bull. EC 6-1987, point 2.2.37.

System (for which the Council delegated its responsibility to the Committee of Ambassadors).

On Stabex, the Council looked at the replenishment of resources under Lomé I (left in abeyance until the Community established its position), the ACP request for an 'all destinations' derogation (on which the Commission confirmed its opposition) and the 1986 and 1987 application years. The Council discussed possible solutions for the shortage of resources available for 1987; the ACP side likened the situation to that of 1980-81, stressed that special solutions were called for and suggested changing the system in the next Convention.

The question of the accession of Papua New Guinea and Zambia to the Sugar Protocol was held over for lack of a settled Community position on the issue, and the two parties took stock of 1988-89 sugar prices. The ACP proposal for a joint study, with particular reference to transport costs, was adopted.

The Council also turned its attention to the indebtedness of ACP countries, concentrating particularly on the special Community programme for certain low-income highly indebted sub-Saharan countries.<sup>1</sup>

The Council received the report on financial and technical cooperation from the Committee set up under Article 193 of Lomé III. This Committee had met at ministerial level in Mauritius on 9 May and adopted a document on the evaluation of development operations financed by the Community. Progress was still slow on the general conditions for contracts. Mr Natali reported on implementation of the Sixth EDF.

Regarding investment, the Council asked that study work be speeded up. A discussion was also held on the resolutions from the ACP-EEC Joint Assembly.<sup>2</sup>

The atmosphere for discussions on southern Africa was a good one, with the ACP countries obviously very satisfied by the ministerial meeting in Luxembourg on 26 April.<sup>3</sup>

Mr Natali reported on the implementation of regional cooperation and explained the Commission's work on cultural cooperation. He rejected both the ACP idea of setting up a joint working party and the proposal to allocate an overall sum to the Foundation for ACP-EEC Cultural Cooperation, which is a private body.

It was decided that the Council's consultations with ACP-EEC business and labour groups would take place on 20 and 21 October.

Lastly, the Council took stock of the implementation of the Community Directive on aircraft noise<sup>4</sup> and devoted some time to maritime transport and the Dakar symposium on debt and structural adjustment in relation to commodities.

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## Visits

2.2.52. At the invitation of the Mauritian Government, Mr Natali, Vice-President of the Commission, paid an official visit to Mauritius from 12 to 14 May. The consensus was that cooperation was going well, with the implementation of the Lomé III indicative programme seen as being wholly satisfactory, in terms of both quantity (46% of the funds available under the programme committed at the end of 1987) and quality. There was broad agreement on the principles of cooperation, based on the central role played by man and his culture and the need to allow for cultural and social factors in development strategies. Agreement was reached on the idea of using funds available in non-focal aid sectors for training and environmental conservation (stabilization measures).

2.2.53. On 16 May the President of the Republic of Guyana, Mr H. Desmond Hoyte, visited the Commission and had

<sup>1</sup> Bull. EC 9-1987, point 1.4.1 *et seq.*

<sup>2</sup> Bull. EC 3-1988, point 2.2.68.

<sup>3</sup> Bull. EC 4-1988, point 2.2.40.

<sup>4</sup> OJ L 117, 4.5.1983; Bull. EC 4-1983, point 2.1.86.

talks with Mr Natali concerning the implementation of Lomé III<sup>1</sup> and the new Lomé Convention.<sup>2</sup>

Mr Hoyte, who will be the next President of the ACP Group, stressed the Sugar Protocol's importance for Guyana. Mr Natali pointed out that the price freeze for sugar proposed by the Commission was in line with the principles of the reform of the CAP, which was aimed at reducing agricultural surpluses; in the long term this would also benefit ACP agricultural exports to the Community.

The problem of Guyana's debt was also discussed. Guyana was disappointed at not being eligible for the Community's special programme for highly indebted countries.<sup>3</sup> Mr Natali pointed out that the Western Economic Summit in Venice had wanted the programme to be limited to sub-Saharan African countries.<sup>4</sup> The Commission was nevertheless aware that other countries faced the same problems and it proposed that there should be an instrument in the new ACP-EEC Convention which would enable the Community to support structural adjustment programmes.

2.2.54. In Brussels on 27 May Mr Natali received a delegation representing the South African churches and the Kagiso Trust, comprising Mgr Johannes Brenningmeijer, Archbishop Denis Hurley of Durban, Bishop Mvemve, the Rev. Beyers Naudé and Mr Max Coleman. The church representatives reported on developments in South Africa and stressed the urgent need to increase pressure on the South African Government in order to prevent the bill aimed at controlling foreign aid for humanitarian organizations from being adopted. They also gave Mr Natali a list addressed to the Community Member States containing a minimum programme of restrictive measures against the government in Pretoria which the South African churches want the Community to implement.

Mr Natali reaffirmed the Commission's unconditional solidarity with those campaigning with every peaceful means avail-

able for the abolition of apartheid. He also reiterated the Community's belief that if the bill aimed at controlling foreign aid going to humanitarian organizations in South Africa were adopted, it would make the dialogue on necessary changes in South African society even more difficult. He added that the Commission would continue its efforts to stop the bill getting through. On positive measures for the victims of apartheid,<sup>5</sup> Mr Natali assured the delegation of the Commission's determination to continue the implementation of its ever-growing programme (25.5 million ECU under the 1988 budget, compared with 20 million ECU in 1987 and 10 million ECU in 1986).

## International organizations and conferences

### General Agreement on Tariffs and Trade

#### Council

2.2.55. The GATT Council meeting held in Geneva on 4 May<sup>6</sup> dealt with a heavy agenda which included serious trade disputes involving the three major trading powers. The Community warned the USA that while it was healthy to deal with current trade disputes at multilateral level, the procedures should not be used as part of a strategy to resolve fundamental divergences over issues under negotiation, such as agricultural subsidies. This could only paralyse the negotiating process.

The Community accepted the Chilean request for a panel on the recent import restrictions on dessert apples,<sup>7</sup> but opposed

<sup>1</sup> Bull. EC 12-1984, point 1.5.1 *et seq.*

<sup>2</sup> Bull. EC 3-1988, point 2.2.44.

<sup>3</sup> Bull. EC 9-1987, point 1.4.1 *et seq.*

<sup>4</sup> Bull. EC 6-1987, points 1.2.6 and 3.7.21.

<sup>5</sup> Bull. EC 4-1988, point 2.2.41.

<sup>6</sup> Previous meeting: Bull. EC 2-1988, point 2.2.56.

<sup>7</sup> OJ L 98, 15.4.1988; OJ L 102, 21.4.1988; Bull. EC 4-1988, point 2.1.132.

the US request for a panel on soya bean subsidies, on the grounds that it was unnecessary, lacking in detailed justification and untimely and required more high-level consultations. Japan and the USA accepted the panel report<sup>1</sup> on Japanese measures to implement their bilateral agreement on trade in semi-conductors.<sup>2</sup> The panel had found in favour of the Community's assertion that the so-called third-country monitoring system was inconsistent with Article XI of the General Agreement. However, there remain divergences of opinion among the three on the manner in which this report should be implemented. Lastly, the USA agreed in principle to the establishment of a working party to examine the Community's request for authorization to withdraw concessions equivalent to the injury caused by the USA's failure to implement the Superfund panel report, which condemned the tax imposed by the US authorities on oil imports.

### **Organization for Economic Cooperation and Development**

2.2.56. The annual ministerial meeting of the OECD Council was held in Paris on 18 and 19 May.<sup>3</sup> Ministers discussed economic policies, notably the political stimulus to be given to the Uruguay Round<sup>4</sup> in general and the negotiations on agriculture in particular in the run-up to the mid-term review due to be held in Montreal in December.

The Council noted some encouraging developments in the world economic situation, but the challenges of payments imbalances, unemployment and new inflationary pressures still had to be faced. One of the main points made concerned the need to pursue structural reforms to make economies more flexible and hence better able to meet the requirements for sustaining non-inflationary growth.

The text adopted on agriculture and trade with a view to the Uruguay Round mid-term review was in line with the comprehensive approach agreed at Punta del Este.<sup>4</sup>

The communiqué adopted at the close of the meeting stressed that the member countries should seek to agree on a 'framework approach' which would cover all issues and include both short-term and long-term elements.

### **Council of Europe**

#### *Parliamentary Assembly*

2.2.57. The Parliamentary Assembly<sup>5</sup> of the Council of Europe met in Strasbourg from 2 to 6 May and discussed a number of issues which concern the Community.

Mr Cavaco Silva, Prime Minister of Portugal, announced that his government was prepared to support the establishment in Lisbon of a permanent centre dedicated entirely to studying matters related to the North-South Dialogue. This practical proposal is very much in line with the European campaign for North-South interdependence and solidarity.

The Assembly studied ways of stepping up cooperation between Europe and the People's Republic of China. The resolution adopted noted the importance of implementing technical and financial cooperation while opening up European markets and supporting the Chinese application to resume membership of GATT. China and Europe shared a common outlook based on the refusal to accept a polarized world divided into two blocs.

Finally, on the subject of European construction, the Assembly heard a report from the Secretary-General, Mr Oreja, concerning education and training.

#### *Committee of Ministers*

2.2.58. At the same time as the Assembly was sitting, the Committee of Ministers of

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<sup>1</sup> Bull. EC 3-1988, point 2.2.14.

<sup>2</sup> Bull. EC 7/8-1986, point 2.2.10.

<sup>3</sup> Previous meeting: Bull. EC 5-1987, point 2.2.42.

<sup>4</sup> Bull. EC 9-1986, point 1.4.1 *et seq.*

<sup>5</sup> Previous meeting: Bull. EC 1-1988, point 2.2.35.

the Council of Europe held its 82nd session<sup>1</sup> under the chairmanship of Mr Poos, who presented the Committee's statutory report. Ministers from non-member countries, including Argentina, the Philippines and Senegal, attended the special debate on the North-South Dialogue.

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

2.2.59. The neutral and non-aligned (NNA) countries participating in the CSCE fulfilled their traditional role: following a period of negotiations, they drafted a text reflecting the negotiations which could serve as the basis of the Vienna concluding document.<sup>2</sup> On 13 May the Foreign Ministers of the nine NNA countries presented their conclusions to the Conference. The delegations will now negotiate on the basis of that document, which has already received a favourable initial reaction from the participating States.

As regards the economic part (basket II), the Community believes that the wording of the NNA text constitutes a valid basis for further negotiations.

## **Diplomatic relations**

2.2.60. 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.

11 May

HE Mr Diego Valenzuela Rodríguez, Head of Mission of the Republic of Chile to the European Communities;

24 May

HE Mr Lamine Keita, Representative of the Republic of Mali to the EEC and Head of Mission to the ECSC and Euratom;

27 May

HE Sir Edney Cain, Head of Mission of Belize to the European Communities; HE Mrs Marian Judith Tanner Kamara, Head of Mission of the Republic of Sierra Leone to the European Communities; HE Mr Faustino Nguema Esono Afang, Head of Mission of the Republic of Equatorial Guinea to the European Communities.

<sup>1</sup> Bull. EC 5-1987, point 2.2.45.

<sup>2</sup> Bull. EC 4-1988, point 2.2.57.

# 3. Financing Community activities

## Budgets

### General budget

#### Budgetary procedure

##### 1988 budget

2.3.1. At its May part-session Parliament gave the 1988 draft budget its second reading<sup>1</sup> (→ point 2.4.10).

Compared with the appropriations entered by the Council on second reading,<sup>2</sup> Parliament restored all the amendments it had made during its first reading,<sup>3</sup> bringing total expenditure to 45 302.6 million ECU in appropriations for commitments and 43 778.8 million ECU in appropriations for payments (Table 7).

2.3.2. On 17 May Mr Tietmeyer, the President of the Council, told the House that he could accept these amendments and fixed the new maximum rate of increase for non-compulsory expenditure which resulted (8.52%).<sup>2</sup>

2.3.3. On this basis, the President of Parliament declared the 1988 budget finally adopted on 1 June.

##### Provisional twelfths

2.3.4. Under the provisional-twelfths arrangements and in accordance with the provisions of Article 204 of the EEC Treaty and Article 8 of the Financial Regulation of 21 December 1977,<sup>4</sup> the Commission sent the Council a communication on 3 May requesting further additional twelfths.<sup>5</sup>

2.3.5. Also under the provisional-twelfths arrangements, Parliament adopted two resolutions<sup>1</sup> on 19 and 20 May embodying opinions on the authorization of a fourth series (non-compulsory expenditure) and a sixth series (compulsory and non-compul-

sory expenditure) of additional provisional twelfths for 1988<sup>6</sup> (→ point 2.4.13a).

### Financial compensation

#### *Financing the depreciation of agricultural stocks*

2.3.6. On 20 May Parliament adopted an opinion<sup>1</sup> on the proposal for a Regulation laying down the general rules applicable to the granting of financial compensation to the Kingdom of Spain and the Portuguese Republic in respect of their contribution to financing the depreciation of certain stocks of agricultural products.<sup>7</sup>

Parliament approved this proposal, which is intended to exempt Spain and Portugal from the cost of depreciating agricultural stocks before they joined the Community in accordance with the conclusions of the Brussels European Council,<sup>8</sup> but called for a number of amendments, replacing the term 'financial compensation' by 'refund', and changing the legal base and the method for calculating the refund.

### Budgetary discipline

2.3.7. In accordance with the conclusions of the European Council of 11 to 13 February, the Commission sent the budgetary authority its second report on EAGGF-Guarantee expenditure (early warning system) on 11 May (→ point 2.1.168).

<sup>1</sup> OJ C 167, 27.6.1988.

<sup>2</sup> Bull. EC 4-1988, point 2.3.2.

<sup>3</sup> Bull. EC 4-1988, point 2.3.1.

<sup>4</sup> OJ L 356, 31.12.1977.

<sup>5</sup> COM(88) 274 final.

<sup>6</sup> Bull. EC 3-1988, point 2.3.2.

<sup>7</sup> OJ C 111, 28.4.1988; Bull. EC 3-1988, point 2.3.6.

<sup>8</sup> Bull. EC 2-1988, point 1.1.1.



Table 7 — Stages in the 1988 budgetary procedure

million ECU

	1988 preliminary draft		Council draft		Parliament draft		Council second reading		Parliament second reading	
	CA	PA	CA	PA	CA	PA	CA	PA	CA	PA
1. EAGGF-Guarantee	27 250.0	27 250.0	27 500.0	27 500.0	27 500.0	27 500.0	27 500.0	27 500.0	27 500.0	27 500.0
2. EAGGF-Guidance (except Ch. 38)	1 127.0	1 148.9	1 130.0	1 151.9	1 130.7	1 152.6	1 130.0	1 151.9	1 130.7	1 152.6
3. Chapter 38	87.0	66.4	68.4	61.3	87.0	66.4	68.4	61.3	87.0	66.4
4. Regional Fund (Ch. 50 and 51)	3 677.0	2 973.0	3 684.0	2 980.0	3 684.0	2 980.0	3 684.0	2 980.0	3 684.0	2 980.0
5. IMPs (Ch. 55 and 56)	149.0	101.0	135.0	89.0	139.0	91.0	139.0	91.0	139.0	91.0
6. Pedip (Art. 544)	100.0	50.0	100.0	50.0	100.0	50.0	100.0	50.0	100.0	50.0
7. Miscellaneous regional measures (Ch. 54 except Art. 544)	26.3	17.0	16.9	12.5	28.6	19.3	26.2	16.9	28.6	19.3
8. Social Fund (Ch. 60 and 61)	2 860.6	2 595.0	2 865.6	2 600.0	2 865.6	2 600.0	2 865.6	2 600.0	2 865.6	2 600.0
9. Miscellaneous social measures (Ch. 63, 64, 65 and 69)	143.8	141.9	122.6	120.7	165.5	163.6	146.8	144.9	165.6	163.7
10. Fisheries (Title 4)	305.4	247.9	279.4	239.8	339.9	281.9	339.9	281.9	339.9	281.9
11. Research (Ch. 73)	1 050.0	920.0	977.4	874.2	1 048.2	909.0	1 016.6	910.4	1 048.2	909.0
12. Energy (Ch. 70 and 71)	129.2	110.2	119.1	98.1	130.1	111.1	127.4	108.4	130.1	111.1
13. Innovation and internal market (Ch. 75, 77 and 79)	138.9	116.4	93.9	82.2	127.8	99.6	118.0	96.2	127.8	99.6
14. Development (Title 9)	1 085.1	911.9	908.2	803.4	1 045.1	882.8	1 001.7	827.4	1 095.1	892.8
15. Transport (Ch. 58)	5.1	60.1	3.0	53.0	71.1	71.1	65.0	65.0	71.1	71.1
16. Environment (Ch. 66)	42.5	41.8	20.3	21.9	37.1	36.8	28.6	29.9	37.1	36.8
17. Culture (Ch. 67)	41.0	41.0	24.2	24.2	40.7	40.7	26.4	26.4	40.7	40.7
18. Reserve (Ch. 101)	5.0	5.0	p.m. <sup>1</sup>	p.m. <sup>1</sup>	5.0	5.0	p.m. <sup>1</sup>	p.m. <sup>1</sup>	5.0	5.0
19. Administrative expenditure (Part A)	1 256.5	1 256.5	1 212.4	1 212.4	1 278.3	1 278.3	1 271.1	1 271.1	1 278.3	1 278.3
20. Other institutions	666.7	666.7	694.5	694.5	695.8	695.8	694.5	694.5	695.8	695.8
21. Repayments to Member States (Title 8)	3 718.4	3 718.4	3 715.7	3 715.7	3 736.2	3 736.2	3 726.3	3 726.3	3 732.8	3 732.8
22. Monetary reserve	1 000.0	1 000.0	1 000.0	1 000.0	1 000.0	1 000.0	1 000.0	1 000.0	1 000.0	1 000.0
Total	44 864.5	43 439.1	44 670.6	43 384.8	45 256.1	43 772.3	45 075.7	43 633.5	45 302.6	43 778.2

<sup>1</sup> Token entry.

## Budget discharge

2.3.8. On 31 May the Commission, in accordance with Article 77 of the Financial Regulation of 21 December 1977,<sup>1</sup> sent the budgetary authority the analysis of financial management relating to the revenue and expenditure account for 1987 and the revenue and expenditure account and balance sheet relating to operations under the 1987 budget.<sup>2</sup> In an annex to these documents,<sup>3</sup> it also sent the report on action taken in response to the comments made in the resolution accompanying the decision granting discharge in respect of the implementation of the 1985 budget in accordance with Article 85 of the Regulation.<sup>4</sup>

## Conversion loans

2.3.11. Conversion loans (Article 56) totalling 39.59 million ECU were paid out to Italy, the Netherlands and the United Kingdom.

## Workers' housing

2.3.12. Housing loans totalling 1.58 million ECU were granted for steelworkers and mineworkers in the United Kingdom, the Federal Republic of Germany, France and Italy.

## Euratom

### Loans raised

2.3.13. In May the Commission made a LIT 107 000 million four-year public issue at 10.5 % with an issue price of 101 %.

The funds obtained from this swap loan will be used to reschedule an earlier loan at a more advantageous rate and do not affect the ceiling.

## Financial operations

### ECSC

#### Loans paid out

2.3.9. Acting under Articles 54 and 56 of the ECSC Treaty, the Commission paid out loans in May totalling 46.12 million ECU broken down as follows:

#### *Industrial loans*

2.3.10. Industrial loans (Article 54) amounting to 4.95 million ECU were granted to Italy.

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<sup>1</sup> OJ L 356, 31.12.1977.

<sup>2</sup> COM(88) 212 to 216.

<sup>3</sup> COM(88) 216 — Annex.

<sup>4</sup> Bull. EC 1-1988, point 2.3.6.

## 4. Political and institutional matters

### European political cooperation

2.4.1. On 4 May, following an initiative taken by France, the Federal German Ambassador made representations on behalf of the Twelve to the Czech authorities concerning the sudden death of the dissident Pavel Wonka in jail on 26 April, only three weeks after being rearrested following an imprisonment of 21 months from May 1986 to February 1988.

2.4.2. On 6 May the Twelve issued the following statement on the Israeli incursion into southern Lebanon:

'The Twelve consider the Israeli military action in southern Lebanon to be a further violation of Lebanese sovereignty and territorial integrity. In their view, even individual hostile groups' incursions, which are equally unacceptable, do not justify military action of this kind.

The Twelve regret the Israeli attacks and deeply deplore the resulting deaths and destruction.

Peace and security in the Lebanese-Israeli border area can be achieved only by the full implementation of Security Council Resolution 425 (1978), which calls for the withdrawal of Israeli forces from all Lebanese territory, and by an end to all fighting in the Lebanese-Israeli border area.

International peace and security must be restored through the United Nations interim force for southern Lebanon.'

2.4.3. On 10 May the Twelve issued the following statement on recent developments in Poland:

'The Twelve are following very closely, and with concern, the latest developments in Poland. They call for the current conflict to be resolved in accordance with the obligations accepted by Poland in the CSCE documents and in the international covenants on civil and political and on economic, social and cultural rights.

The Twelve are strongly concerned by the recent arrests in Poland. They appeal to the Polish authorities to release those concerned and to avoid the use of violence in solving internal difficulties. The Twelve's view is that only an open dialogue

between the Polish Government and all representative groups of Polish society can ensure democratic reform in Poland and the success of the process of economic renewal.

They hope that the present difficulties could be overcome in the interest of Poland and cooperation in Europe.'

2.4.4. On 13 May representations on behalf of the Twelve were made at ambassadorial level by the 'Troika' (representing the last, present and next Council Presidents) to Mr Li Zhaoxing, Director of the Information Department of the Chinese Ministry of Foreign Affairs, to obtain an improvement in the working conditions of foreign press correspondents in China. The matter was considered by the Twelve following a request from the Foreign Correspondents Club in Beijing for support from the embassies of the Twelve.

2.4.4a. On 18 May, following the attempted *coup d'état* in Guatemala, representations on behalf of the Twelve were made at ambassadorial level by the 'Troika' in support of President Cerezo Arévalo to Mr Cabrera, the Foreign Minister, to whom the following note was sent:

'The Twelve are gratified to note that democracy in Guatemala has been vindicated by the speedy and resolute action of the country's constitutional organs.

The Twelve hope that the democratic constitution will emerge strengthened. They reaffirm their support for the democratic institutions in Guatemala. They see a close connection between the strengthening of democracy in Central America and further progress towards peace in the region. They therefore encourage the government and people of Guatemala to persevere with their efforts to consolidate democracy in their country.'

2.4.5. On 25 May the Presidency informed the South African Ambassador in Bonn of the concern of the Twelve at the South African Government's intention to prevent anti-apartheid organizations from receiving foreign aid.

2.4.5a. On 27 May the Twelve issued the following statement on the restoration of relations between Morocco and Algeria:

'The Twelve welcome the recent re-establishment of relations between Morocco and Algeria. This normalization of relations between the two countries will contribute to stability in the region and close cooperation between the countries of the Maghreb, and offer better prospects for solutions to the fundamental problems of the region.'

2.4.6. At its May part-session Parliament passed resolutions on political cooperation and the defence of human rights<sup>1</sup> (→ point 2.4.15).

## European policy and relations between the institutions

### European policy

#### Implementing the Single Act

2.4.7. On 24 May the Council received a general report from the Permanent Representatives Committee taking stock of what had been achieved to date to implement the conclusions of the European Council of 11 and 12 February.<sup>2</sup>

The Council looked principally at problems relating to:

- (i) the system of own resources (arrangements for financing the United Kingdom compensation and for the rebate granted to Spain and Portugal with regard to their contribution towards the compensation);
- (ii) the financial prospects for 1989-92 and budgetary discipline (notably the charging of the amounts required for financing set-aside and aids to income);
- (iii) reform of the structural Funds (in particular the list of regions covered by Objective No 1 and the Presidency's compromise suggestions on a number of other questions).

The Council discussed all these questions and managed to achieve considerable progress on several of them. Concerning reform

of the structural Funds in particular, the approaches contained in the Presidency's compromise suggestions were confirmed as the basis for continued discussions in the Permanent Representatives Committee; and concerning regional coverage for Objective No 1, agreement in principle is emerging on the basis of the Commission proposal, to take account of the courses of action which are open under other objectives covering regions at a level of development close to that of Objective No 1 regions.

The Council also reached a consensus on financial compensation to Spain and Portugal, for their participation in the financing of the depreciation of agricultural stocks.

In conclusion, the Council instructed the Permanent Representatives Committee to press on with work on all these problems and find solutions also to the questions still outstanding, concerning certain amendments to the financial Regulations on some points of budget management, financial support for Portugal (Pedip), and the harmonization of definitions of GNP, so that it could hold satisfactory discussions at its June meeting and reach overall agreement on the package for the implementation of the conclusions of the Brussels European Council. In addition, the Council expected to have received Parliament's opinions on the various Commission proposals before then.

### Relations between the institutions

#### Cooperation procedure

2.4.8. In the course of the month the Commission sent the Council a number of proposals under the cooperation procedure,<sup>3</sup> the Council adopted several common positions (→ point 2.4.16), and Parliament delivered opinions (first or second reading) on many proposals — notably con-

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<sup>1</sup> OJ C 167, 27.6.1988.

<sup>2</sup> Bull. EC 2-1988, point 1.1.1 *et seq.*

<sup>3</sup> See the relevant sections of this Bulletin.

cerning the internal market, the environment and enterprise policy (→ points 2.4.11 and 2.4.12).

## Institutions and organs of the Communities

### Parliament<sup>1</sup>

#### *Strasbourg: 16 to 20 May*

2.4.9. Parliament's May part-session was devoted in large part to the consideration of matters arising from the provisions of the Single Act and, more especially, from the cooperation procedure. The House held a searching debate on the possibility of setting up a European technology assessment office, whose role would be to guide and monitor all of the programmes designed to enable the Community to meet the technological challenge; it also debated strategic guidelines for the negotiations to renew the Lomé Convention. At second reading Parliament reinstated, as regards both payments and commitments, the amendments it had adopted at first reading and called on the President to satisfy himself, before signing the budget, that expenditure was matched by revenue (→ point 2.4.10).

#### **Belated but uneventful adoption of the budget**

2.4.10. Opening the debate, the President of the Council, Mr Tietmeyer, emphasized the realistic approach taken by the Council, which at second reading<sup>2</sup> accepted many of the amendments called for by Parliament when giving the budget a first reading.<sup>3</sup> He was optimistic as to the success of the negotiations now going on as part of the dialogue concerning the interinstitutional agreement on budgetary discipline, about which Parliament had expressed its keen concern the previous month.

In contrast, the statements by the general rapporteur for the budget and the Chairman of the Committee on Budgets highlighted several bones of contention. Mrs C. Barbarella (*Com/I*), the general rapporteur, took a much more guarded line: there were still differences of opinion on the cuts made by the Council both in payment appropriations (220 million ECU) and in commitment appropriations (224 million ECU), on the Committee's wish —resolutely opposed by the Council— to rely on Article 200 of the Treaty, which would allow the use of national contributions to balance the budget, and on key points of the interinstitutional agreement. This last aspect was taken up by Mr J. P. Cot (*S/F*), Chairman of the Committee on Budgets, who pointed out that there was no agreement as yet on the material means of avoiding runaway agricultural spending or on comprehensive budgetary discipline or on the fixing of intermediate annual ceilings between now and 1992. Mr Cot stressed Parliament's determination to make the 1988 budget the first Single Act budget. He was afraid that the Council's stance —especially on the question of intermediate ceilings— might perpetuate disastrous guerilla warfare. Mr J. C. Pasty (*EDA/F*), rapporteur for the Parliament, Court of Justice, Court of Auditors and Economic and Social Committee budgets, asked the House to reinstate the appropriations for those institutions voted at first reading.

These views were shared by several group spokesmen. Mr J. Colom i Naval (*S/E*), for example, emphasized the essential link between commitment and payment appropriations, the need for adequate staff to manage the structural Funds and the legal certainty offered by relying on Article 200.

<sup>1</sup> The texts of the resolutions adopted by Parliament appear in OJ C 167, 27.6.1988, and the report of the proceedings is published in OJ Annex 2-365. 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 1-1988, page 51 (footnote 2).

<sup>2</sup> OJ C 122, 9.5.1988; Bull. EC 4-1988, point 2.4.15.

<sup>3</sup> Bull. EC 4-1988, point 2.3.2.

Mr P. Price (*ED/UK*) called for the swift and successful conclusion of an agreement between the Council and Parliament on the budgetary priorities and for a better balance between agricultural expenditure and the development of other policies. Complaining that the Council had thrown out all Parliament's amendments relating to the social aspects of the single market, Mr. R. Chambeiron (*Com/F*) refused to accept that an economic and financial Europe should be built on the ruins of the Community's social achievements. Mrs C. Scrivener (*LDR/F*) was another speaker who wanted to retain all of Parliament's first-reading amendments and to preserve the balance between commitments and payments.

For the Commission, Mr Christophersen believed that a structured agreement must be reached between the two arms of the budgetary authority, which would ensure that neither of them used its powers arbitrarily. Such an agreement, in the negotiation of which the Commission could act as honest broker, should also help to tighten the controls on agricultural spending and swell the resources of non-compulsory expenditure. Winding up the debate, Mr Tietmeyer reiterated his firm belief that a minimum of give-and-take on both sides would help to bring the 1988 budget procedure to a successful conclusion (the budget funded without reference to Article 200) and produce an interinstitutional agreement.

At the end of the debate Parliament well nigh unanimously reinstated the amendments it had adopted at first reading, with expenditure totalling 45 302.6 million ECU in commitment appropriations and 43 778.8 million ECU in payment appropriations (→ point 2.3.1).

After the vote, which meant that Parliament had exceeded its margin of manoeuvre in commitment appropriations, Mr Tietmeyer announced that the Council was nevertheless prepared to set a new maximum rate.

However, despite this goodwill gesture by the Council, prompted by the urgency of securing a budget, the President of Parlia-

ment was unable to declare the budget finally adopted there and then. The resolution, passed almost unanimously too, urged him to satisfy himself beforehand that the revenue needed to finance the expenditure voted was indeed actually there. This caveat was explained during the debate by considerations either legal—the Council's decision on new own resources had not been put into effect—or political—keeping a last bargaining counter for the swift conclusion of an interinstitutional agreement.

2.4.11. Parliament adopted legislative resolutions giving its opinion (first reading) on the following Commission proposals:

(i) a Regulation on indications or marks identifying the lot to which a foodstuff belongs (→ point 2.1.17);

(ii) two Directives concerning the coordination of procedures and the application of the rules governing procedures for the award of public works and public supply contracts (→ points 2.1.22 and 2.1.23);

(iii) a Regulation adopting a Community support plan to facilitate access to large-scale scientific facilities of European interest 1988-92 (→ point 2.1.39);

(iv) a Directive on the coordination of laws, regulations and administrative provisions relating to direct insurance other than life assurance (→ point 2.1.74);

(v) an amendment to the Directive of 27 November 1980 on the protection of workers from the risks related to exposure to chemical, physical and biological agents at work (→ point 2.1.88).

2.4.12. Parliament adopted three decisions (second reading) on the Council's common position on the following Commission proposals:

(i) an amendment to the Directive of 19 December 1974 on the making-up by volume of certain prepackaged liquids (→ point 2.1.16);

(ii) an amendment to the Directive of 20 March 1970 on air pollution by exhaust gases from motor vehicles (particles) (→ point 2.1.111);

(iii) a Directive on consumer protection in respect of the indication of prices for non-food products and an amendment to the Directive of 16 June 1979 on consumer protection in the indication of the prices of foodstuffs (→ point 2.1.116).

2.4.13. Parliament gave opinions on the following Commission proposals:

(i) two Decisions on the conclusion of Cooperation Agreements with Switzerland concerning research and development in the field of (a) wood, including cork, as a renewable raw material, and (b) advanced materials (→ points 2.1.32 and 2.1.33);

(ii) a Decision concerning the conclusion of a Cooperation Agreement with Sweden on research in the field of wood (→ point 2.1.32);

(iii) a Decision concerning the conclusion of a Cooperation Agreement with Austria on research related to advanced materials (→ point 2.1.33);

(iv) a Regulation on the tasks of the structural Funds and their effectiveness and on coordination of their activities between themselves and with the operations of the European Investment Bank and the other existing financial instruments (→ point 2.1.101);

(v) a Regulation on financial support for Portugal for a specific industrial development programme (Pedip) (→ point 2.1.107);

(vi) an amendment to the Council Regulation of 16 March 1987 on the common organization of the market in wine (→ point 2.1.117);

(vii) a Regulation on the granting, for the 1988/89 to 1995/96 wine years, of permanent abandonment premiums in respect of areas under vines (→ point 2.1.117);

(viii) a large number of Regulations concerning agricultural prices (→ point 2.1.120);

(ix) a Regulation on the granting of aid for certain varieties of rice of the indica type or profile in Portugal (→ point 2.1.126);

(x) an amendment to the Council Directive of 13 May 1965 concerning the standardization of certain rules relating to authorizations for the carriage of goods by road between Member States (→ point 2.1.184);

(xi) an amendment to the Council Regulation of 1 December 1983 on the fixing of rates for the carriage of goods by road between Member States (→ point 2.1.185);

(xii) an amendment to the Directive of 12 June 1978 on statistical returns in respect of carriage of goods by road, as part of regional statistics (→ point 2.1.188);

(xiii) a recommendation to the Member States on developing the exploitation of renewable energy sources in the Community (→ point 2.1.191);

(xiv) a Regulation laying down the general rules applicable to the granting of financial compensation to Spain and Portugal in respect of their contribution to financing the depreciation of certain stocks of agricultural products (→ point 2.3.6).

2.4.13a. Acting under its powers on budgetary matters Parliament adopted, on 19 and 20 May, two resolutions authorizing for the fourth time (non-compulsory expenditure) and the sixth time (compulsory and non-compulsory expenditure) respectively additional provisional twelfths for 1988 (→ point 2.3.5).

2.4.14. Resolutions were also passed on the following subjects:

*World economic situation.* In two resolutions Parliament, with an eye to the forthcoming meetings of the OECD, the Group of Seven and the European Council, called on the governments of the industrialized countries to step up their economic cooperation. The House felt that the USA must continue to reduce its trade and budget deficits, which still constituted a latent risk for the world economy. Regretting that no decision in principle had been taken on the need to reform the international monetary system, the House called for 'target zones' to be introduced for the main currencies and, with that in mind, for a strengthening

of the EMS that would include much wider use of the ECU. As it was essential to keep up the momentum in the GATT multilateral trade talks, the Commission should do everything to ensure their success. Although it deplored the protectionist cast of the Trade Bill recently passed by the US Congress, the House welcomed the firm opposition on the part of the Group of Seven to any such measure. The House stressed the importance of closer convergence of Member States' economies, notably by implementing the cooperative growth and employment strategy, but deplored the failure of governments to implement the Council's guidelines; the Commission and the Council should set clear-cut objectives for the full employment of the Community's human and material resources.

The industrialized countries and the indebted developing countries were urged to cooperate more closely in order to alleviate the effects of the debt crisis, giving preference to a case-by-case approach to solving the indebtedness problem.

*Economic situation and outlook for 1988.* Noting with alarm the downward revision of the Commission's forecasts for growth in 1988 and 1989, Parliament drew attention to the effects of reduced growth on job creation. In this, it endorsed the Commission's statement<sup>1</sup> that additional budgetary measures by some Member States were to be welcomed. The balance-of-payments situation as between one Community country and another was still one of increasing divergence due to varying growth rates, and the House shared the Commission's view that infrastructure investment was essential. Parliament drew attention to the impact of the new technologies on employment. Referring to its resolution of 20 November 1987,<sup>2</sup> the House reiterated the need for a more determined application of the cooperative growth strategy;<sup>3</sup> the Commission was therefore asked to present a proposal for the revision of the Council Decision of 18 February 1974 on the attainment of a high degree of convergence of the economic policies of the Member States.<sup>4</sup> Parliament reaffirmed its commitment to

the completion of the single internal market and deplored the backlog that had built up in the Council. It wished to see monetary union consolidated and the Community's economic and social cohesion strengthened, and it recalled the vital role that monetary integration could make to strengthening international economic and monetary co-operation.

*The human frontier science programme.* Parliament declared its support for Community participation in Japan's human frontier programme (which concentrates in particular on the biology of cerebral functions), even though it addressed certain problems specific to Japan and certain aspects still needed clearer definition. The House suggested that Community participation be targeted on a selection of fields. Convinced of the value of greater unity of action, Parliament urged the Commission to make an administrative unit responsible for coordinating and dovetailing measures taken by Member States and noted with satisfaction that the Commission had organized a debate on measures for a major Community basic research initiative as an appropriate response to the Japanese initiative.

*Eureka.* Aware of the need for enhanced European technological cooperation but also emphasizing that Eureka<sup>5</sup> alone was not the technology programme that Europe needed to meet the technological challenge, Parliament supported the Eureka initiative in so far as it complemented and supplemented Community research programmes, with which there was nevertheless some risk of overlap and duplication. The House stressed the decisive role of the framework programme for research and technological development.<sup>6</sup> There was a

<sup>1</sup> Bull. EC 2-1988, point 2.1.2.

<sup>2</sup> OJ C 345, 21.12.1987; Bull. EC 11-1987, point 2.1.3.

<sup>3</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.*; OJ L 394, 31.12.1987, Bull. EC 10-1987, point 1.4.1 *et seq.*

<sup>4</sup> OJ L 63, 5.3.1974.

<sup>5</sup> Bull. EC 7/8-1985, points 2.1.210 and 2.1.211; Bull. EC 11-1985, point 2.1.182.

<sup>6</sup> OJ L 302, 24.10.1987; Bull. EC 9-1987, point 2.1.32.



need for better evaluation of Eureka projects and for greater concentration on competitive innovative and applied research. The Commission was urged to take a more active part and clarify its criteria. Recommending that the financial appropriation for the framework programme be doubled, Parliament also asked the Commission to take various steps to strengthen scientific cooperation and, in the Eureka context, to set out a cohesive strategy for a European Technology Community and make a start on raising public and private funds.

*European Community Youth Opera.* In the light of the positive contribution and enormous success of the Community Youth Orchestra, Parliament welcomed the proposal, from the founders and administrators of the Orchestra, to create a Community Youth Opera and gave it its full support.

*Protection of the Alpine region.* Parliament called on the Commission to present the draft of a convention on the protection of the Alpine region and to begin negotiations with the EFTA countries concerned and Liechtenstein. The Commission should first consult all the Member States concerned, all private nature and environmental protection organizations and the International Commission for the Protection of Alpine Regions (Cipra).

*Fourth ACP-CEE Convention.* Restating the basic principles and objectives of ACP-EEC cooperation, Parliament set out a number of new guidelines for the years ahead. These included: alleviating the effects of indebtedness on the most highly indebted countries: strengthening regional cooperation, social policy and structural measures; attention to health and environmental problems; a stronger role for the private sector; closer coordinate with other multilateral cooperation institutions; active support for the growth of the cooperative movement. The Convention should run for 10 years, and the applications for membership from Haiti and the Dominican Republic should be accepted. There should be greater consistency between development policy and the Community's other policies, particularly the common agricultural policy.

Utmost priority should be given to rural development, food security and preservation of natural resources and the environment, and new short-term mechanisms introduced to cope with serious debt crises. Surveying the areas of industrial, trade, financial, regional and fisheries cooperation, Parliament called for more emphasis on policies that focus on human resources, the social dimension and the non-governmental organizations. The House wanted to see a consolidation of the institutions of the Convention, particularly the Joint Assembly, which it suggested should now be called 'Parliamentary Assembly'.

2.4.15. In the field of political cooperation and human rights Parliament passed the following resolutions:

*The situation in Poland.* The House condemned the forcible suppression of the spontaneous strike in Nowa Huta and called for the release of those arrested during the strike. It was disturbed by the decisions and options taken by the Polish authorities, which did nothing to solve Poland's social and political problems. Trades union pluralism and free movement of persons ought to be fully accepted, and the Community and all the Member States were urged to work for a favourable solution to Poland's problems; humanitarian aid from the Community should be channelled through non-governmental organizations.

*Release of Alain Guillo and Fausto Biloslavo.* Parliament supported the representations made by members of the international press corps to the Afghan authorities, and called for a pardon for these two journalists held in Kabul.

*Continued denial of the right to emigrate of 11 persons wishing to be reunited with their families.* Citing the undertakings given by the signatories of the Helsinki Final Act,<sup>1</sup> Parliament called on the Soviet authorities to issue exit visas without further delay to the persons concerned and urged the Foreign Ministers meeting in pol-

<sup>1</sup> Ninth General Report (1975), points 510 to 512.

itical cooperation to take up these cases urgently with the Soviet Government.

*So-called policy of openness in the Soviet Union.* Parliament saluted the courage of those who were trying to promote freedom and democracy in the Soviet Union, condemned the arrests made during an attempt to form a new political group called 'Democratic Union' and appealed to the Soviet authorities to release those arrested immediately and to continue to allow publication of *Glasnost*, whose offices had been occupied by the police. Since actions of this kind completely undermined the credibility of the Soviet Government's proposals, Parliament called on the Foreign Ministers meeting in political cooperation to take all possible appropriate measure to induce the Soviet authorities to comply with its requests.

*Commemoration of a thousand years of Christianity in the Soviet Union.* Welcoming the change of attitude on the part of the Soviet authorities and the Soviet press towards the Orthodox Church with the forthcoming celebration of the millenary of the conversion of the East Slavic peoples to Christianity, Parliament voiced its support for any process which fostered greater freedom for the Church, in regard to both worship and religious instruction. It urged the Soviet authorities to mark the celebration by releasing all those detained on religious grounds. It hoped that Church representatives would be invited to take part in the process of drafting the new law on freedom of conscience and supported the wish of the Uniate Catholics in the Ukraine to be allowed to hold their religious services freely and lawfully.

*Political detainees in Singapore.* Shocked by the rearrest in April of persons who had already been detained on charges of conspiracy in 1987 and whose release it had itself called for,<sup>1</sup> Parliament urged the Singapore Government to release the detainees immediately. The resolution asserted that the Internal Security Act, in allowing indefinite detention without trial, renewable every two years by administrative order,

was incompatible with the principles of parliamentary democracy.

*Turkey.* Recalling its previous statements and resolutions,<sup>2</sup> Parliament called for the release of people who had been arrested during a recent banned demonstration and of all political prisoners. It accused the Turkish Government of showing little resolve to bring about significant improvements with regard to respect for human rights and basic freedoms.

*Kidnappings in Colombia.* Parliament condemned the numerous kidnappings of journalists and diplomats and expressed its alarm over the increase in drugs traffic, largely originating in Colombia. The House urged the Member States to express their concern to the Colombian Government over violations of human rights and the traffic in narcotics.

*Death of the Czechoslovak civil rights activist Pavel Wonka.* Parliament voiced its regret at the death, in a Czech prison, of this champion of civil rights, on whose body no autopsy was ever performed. It called for a full inquiry by the Czechoslovak Government into the circumstances of his death and for any culprits to be punished. The House also urged the government to act in accordance with the obligations incumbent upon it under the CSCE Final Act.<sup>3</sup>

*Detention of four Oxfam and Kagiso Trust workers in South Africa.* With the accumulation of repressive measures against opponents of apartheid, some of which were embodied in the Promotion of Orderly Internal Politics Bill, whose adoption was likely to block all forms of material support, particularly Community support, for anyone not approved of by the government, Parliament called on the South African Government to lift all restrictions incompatible with democratic values. It urged the government to release, as a gesture of

<sup>1</sup> OJ C 190, 20.7.1987; Bull. EC 6-1987, point 2.4.20.

<sup>2</sup> OJ C 345, 21.12.1987; Bull. EC 11-1987, point 2.4.19; OJ C 49, 22.2.1988; Bull. EC 1-1988, point 2.4.15.

<sup>3</sup> Ninth General Report (1975), points 510 to 512.

goodwill, four workers imprisoned under the emergency regulations, two of whom had links with the Kagiso Trust — an organization set up to look after the Community's special programme for the victims of apartheid.<sup>1</sup>

*Nelson Mandela.* Parliament called on the South African authorities to release Nelson Mandela before his 70th birthday so that he might help in negotiating the new process of reform announced by President Botha.

*Threat to the Community's special programme for victims of apartheid.*<sup>1</sup> Since the adoption of the Promotion of Orderly Internal Politics Bill would directly affect implementation of this Community programme, Parliament called on the Council to make the strongest representations to the South African Government to prevent the Bill from becoming law and to prepare a series of diplomatic and other measures to be implemented if and when the Bill was passed.

*Kidnapping of Mr Emiliano Revilla.* Parliament condemned the kidnapping of this Spanish businessman by ETA in Madrid on 24 February, called for his immediate release and reiterated its earlier condemnations of this terrorist group.

*Exports of toxic waste to the Third World.* Deeming it irresponsible on the part of the industrialized countries to dispose of their waste in the poorest countries, Parliament condemned all large-scale exports of dangerous waste to the developing countries and called for existing contracts to be cancelled, particularly those with Guinea-Bissau. The relevant Committee of Parliament was instructed to draw up a report on such exports. The House requested the Commission to urge the US authorities to oppose all exports of waste to areas where the Community was funding rural development projects and also asked it to tighten up the current waste Directives to ensure that no waste was actually exported to unsuitable facilities. It was hoped that the problem of waste exports from the Community to non-member countries would be regulated in liaison with them, notably within the framework of the Lomé Conven-

tion, and that the Community would participate actively in the negotiation of the UN International Convention on the Transport of Waste.

*Situation in the Middle East.* Calling on all parties concerned to refrain from violence, Parliament urged the PLO to recognize the State of Israel and called on Israel, for its part, to recognize the Palestinians' right to self-determination. The House also urged that every effort be made to improve the living conditions of Palestinians in the Occupied Territories, notably by reopening the schools on the West Bank. The Foreign Ministers of the Twelve were asked to take effective measures at Community level to ensure the total withdrawal of Israeli forces from the Occupied Territories, the immediate cessation of hostilities and military operations and the holding of an international conference, under the aegis of the UN, with the participation of all parties concerned, including the PLO.

*Air safety.* Expressing its sympathy with the families and friends of those who had lost their lives on the hijacked Kuwait Airlines Boeing 747, Parliament condemned all acts of terrorism and reiterated its support for earlier proposals from international bodies responsible for air safety and security for dealing with such outrages. Consideration should be given to the possibility of an international boycott of airports with obviously inadequate security measures or airports in countries where terrorist outrages were facilitated. The appropriate international bodies should provide the necessary technical support to countries which had need of it, and the Member States should examine the findings of the study by the Trevi Group<sup>2</sup> on ways and means to prevent further hijackings.

*Situation in Cyprus.* Parliament asked the Foreign Ministers meeting in political cooperation to consider how a state of law might be re-established in Cyprus, notably by a resumption of negotiations between

<sup>1</sup> Bull. EC 9-1985, point 2.5.1; Bull. EC 7/8-1986, point 2.2.43.

<sup>2</sup> Bull. EC 11-1975, point 1104 (Other business).

the two communities under the auspices of the UN Secretary-General, and at the same time to put pressure on the Turkish Government to take a number of positive steps, mainly with regard to the withdrawal of Turkish troops. The House also called on the Foreign Ministers of the Twelve to recommend and facilitate the conclusion of partial agreements that would bring the two communities together. Parliament expected the Ministers to help in finding a solution to the distressing problem of missing persons, and to make representations with a view to the preservation of the Christian and Greek

cultural heritage in the occupied part of the island.

## Council

2.4.16. The Council held eight meetings in May. 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 8 — *Council meetings in May 1988*

Number, place and date of meeting	Subject	President	Commission	Main items of business
1237th Brussels 3 May	Internal market	Mr Bangemann	Lord Cockfield	Recognition of higher-education diplomas: detailed discussion <sup>1</sup> Right of residence: discussion <sup>1</sup> Type-approval of tractors: Directive adopted <sup>1</sup> Health matters <sup>2</sup>
1238th Mauritius 10 and 11 May	ACP/EEC			
1239th Brussels 16 and 17 May	Agriculture	Mr Kiechle Mr Kittel	Mr Andriessen	Farm prices and related measures (1988/89): discussion continued <sup>2</sup> Classical swine fever Hormones: Directive adopted <sup>2</sup>
1240th Brussels 24 May	General affairs	Mr Genscher	Mr Delors Mr Christophersen Mr Cheysson Mr De Clercq Mr Varfis	Implementation of conclusions of February European Council <sup>3</sup> Elections to Parliament: date discussed Relations with Israel <sup>4</sup> Relations with CMEA <sup>4</sup> Youth for Europe: action programme <sup>5</sup>
1241st Brussels 25 May	Education	Mr Molleemann	Mr Marín	Transition of young people from education to adult and working life: conclusions adopted <sup>5</sup> European dimension in education: resolution adopted <sup>5</sup>

Number, place and date of meeting	Subject	President	Commission	Main items of business
1242nd Brussels 27 May	Culture	Mrs Adam-Schwaetzer	Mr Ripa di Meana	Environmental education: resolution adopted <sup>5</sup> Medium-term education prospects in the Community: discussion <sup>5</sup> Foreign-language teaching: discussion <sup>5</sup> Erasmus and Comett Future organization of work and priority actions <sup>6</sup> European Cities of Culture <sup>6</sup> Creation of Commission advisory committee <sup>6</sup>
1243rd Brussels 31 May	Health	Mrs Suessmuth	Mr Marín	AIDS <sup>5</sup> Cancer <sup>5</sup> Toxicology <sup>5</sup>
1244th Brussels 31 May	Development cooperation	Mr Klein Mr Koehler	Mr Natali	Economic situation and adjustment process in sub-Saharan Africa: resolution adopted <sup>7</sup> Guidelines for renewal of ACP-EEC Convention: discussion <sup>7</sup> Development volunteers <sup>7</sup> Food security policies in Africa Compensation for loss of export earnings for non-ACP LLDCs Role of private sector in development process Aid for developing countries in Latin America and Asia Evaluation of cooperation Stabex 1987

<sup>1</sup> Internal market.<sup>2</sup> Agriculture.<sup>3</sup> European policy and relations between the institutions.<sup>4</sup> Relations with other countries and regions<sup>5</sup> Employment, education and social policy<sup>6</sup> Culture<sup>7</sup> Development

## Commission

### Activities

2.4.17. On 10 May the Commission and members of the Government of the Federal Republic of Germany (Council President for the first half of the year) met in Brussels

to discuss items which are either causing difficulties in the Council or are a source of disagreement between the Federal Republic and the Commission.

Chancellor Kohl, recalling the Commission's visit to Bonn in April 1987<sup>1</sup> on

<sup>1</sup> Bull. EC 4-1987, point 2.4.20.

the 30th anniversary of the signing of the Treaties of Rome, said that he hoped that meetings of this kind would henceforth be held on a regular basis, reflecting the progress made by the Community and the need for consistent cooperation.

Discussions focused mainly on completion of the internal market and its social dimension, road transport, reform of the common agricultural policy, small businesses, competition policy and State aid, the environment and committee procedures.

#### *Decisions, communications and proposals*

2.4.18. The Commission took a number of major decisions to ensure respect of the Community rules on public procurement in the projects financed by the structural Funds and other financial instruments (→ point 2.1.21).

It also adopted a Directive on the liberalization of markets in telecommunications terminal equipment (→ point 2.1.59).

2.4.19. The Commission sent the Council a communication on education and training policy as part of the process to complete the internal market (→ point 1.2.3 *et seq*).

The Council was also sent a proposal for a Directive on the burden of proof in the area of equal pay and equal treatment for men and women (→ point 2.1.83).

A specific programme for the dissemination and utilization of results from scientific and technological research was adopted by the Commission for transmission to the Council. This is of prime importance for ensuring that the results of Community research programmes are put to effective use (→ point 2.1.45).

#### *Discussions and policy debates*

2.4.20. The Commission adopted preliminary guidelines on the establishment of a Court of First Instance, as provided by the Single Act,<sup>1</sup> to reduce the workload of the Court of Justice (→ point 2.4.21).

## **Court of Justice<sup>2</sup>**

### **Court of First Instance**

2.4.21. On 18 May the Commission transmitted to the Council for its information a memorandum to Parliament on the establishment of a Court of First Instance (CFI). The memorandum contains the preliminary guidelines laid down by the Commission for the preparation of an opinion on the proposal put forward by the Court of Justice under the Single Act<sup>3</sup> for a Council Decision establishing a Court of First Instance and amending the Statute of the Court of Justice. The Single Act provides for the setting up of such a body, authorizing the Council, acting unanimously, at the request of the Court of Justice and after consulting the Commission and Parliament, to attach to the Court a Court of First Instance from whose decisions appeal will lie to the Court and to determine its areas of jurisdiction. These may include neither actions brought by Member States or by Community institutions nor questions referred for a preliminary ruling. It also falls to the Council to adopt, by the same procedure, the necessary amendments to the Court's Statute. The Commission has come out in favour of assigning to the CFI the classes of action suggested by the Court — staff cases, actions brought under the competition rules of the EEC and ECSC Treaties and other ECSC cases (levies and steel quotas) — with the exception of trade protection cases under the EEC and ECSC Treaties.

In view of the highly technical nature of the matters that would be dealt with by the CFI, the Commission recommends that it should have two autonomous sections, one for economic cases and the other for staff

<sup>1</sup> OJ L 169, 29.6.1987; Supplement 2/86 — Bull. EC; Bull. EC 2-1986, points 1.1.1 and 1.1.2.

<sup>2</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 weekly *Proceedings of the Court*).

<sup>3</sup> Supplement 2/86 — Bull. EC.

cases, composed of judges having specific qualifications. The Commission is also of the opinion that the CFI's members should be persons of senior rank and that Advocates-General should be appointed to assist the new court. The Commission has there-

fore decided to inform the Council and the Court of these preliminary guidelines and to communicate them to Parliament with a view to adopting its final opinion at the end of May or the beginning of June, once Parliament has made known its views.

#### 2.4.22. New cases

Case	Subject	Basis
<p><b>ECSC—Steel</b></p> <p>135/88 Otto Wolff Flachstahl v Commission<sup>1</sup></p>	<p>Annulment of the Commission Decision of 29 March 1988 notifying the applicant of its new reference figures</p>	<p>Article 33 ECSC</p>
<p><b>Free movement of goods</b></p> <p>103/88 Fratelli Costanzo v Comune di Milano and Ing. Lodigiani<sup>2</sup></p>	<p>Interpretation of Article 29(5) of Council Directive 71/305/EEC concerning the coordination of procedures for the award of public works contracts</p>	<p>Article 177 EEC</p>
<p>118/88 Suffolk Coastal District Council v Notcutts Garden Centres<sup>3</sup></p>	<p>Is Article 30 of the EEC Treaty to be interpreted as prohibiting a rule which makes it a criminal offence in part of a territory of a Member State to sell certain goods on a Sunday?</p>	<p>Article 177 EEC</p>
<p><b>Customs union</b></p> <p>117/88 Trend-Moden Textilhandels v HZA Emmerich<sup>4</sup></p>	<p>Is Article 9(2) of the EEC Treaty to be interpreted as meaning that goods will be treated as originating in a Member State and will therefore be exempt from customs duty only if this is established by means of a transit document in accordance with Articles 1(4) and 9 of Council Regulation No 222/77?</p>	<p>Article 177 EEC</p>
<p><b>Taxation</b></p> <p>126/88 The Boots Company v Commissioners of Customs &amp; Excise<sup>5</sup></p>	<p>A sales promotion system whereby a retailer gives discount coupons with some of his goods entitling customers to a price reduction on a purchase of other goods made by the same manufacturer</p>	<p>Article 177 EEC</p>
<p><b>Social security</b></p> <p>102/88 Ruzius-Wilbrink v Bestuur van de Bedrijfsvereniging voor Overheidsdiensten<sup>6</sup></p>	<p>1. Is a system of allowances for workers in work payable in the event of incapacity for work which provides that such allowances shall be equal to the minimum subsistence figure except where the wage previously earned by the person entitled to the allowance was,</p>	<p>Article 177 EEC</p>

Case	Subject	Basis
<p>106/88 Bernsen-Gustin v Sociale Verzekeringsbank<sup>3</sup></p>	<p>because he or she was working part time, below that level consistent with Article 4(1) of Council Directive 79/7/EEC?</p> <p>2. If not, does the Community rule (which in that case has been infringed) mean that the persons concerned (of both sexes) are entitled to an allowance equal to the minimum subsistence figure even in the (exceptional) circumstances referred to in question 1?</p> <p>1. Does a person who has not been employed or worked as a self-employed person in a Member State and has not been available for employment because of her choice to devote herself to the care of her family fall within the class of persons described in Article 2 of Council Directive 79/7/EEC?</p> <p>2. Can an individual who does not fall within the class of persons described in Article 2 of Directive 79/7/EEC rely on the provisions of Article 4(1) of the Directive in opposition to a provision of the Algemene Ouderdomswet (Old-age Pensions Act) which may not be in conformity with the principle of equal treatment contained in the said Article 4(1) where the Dutch legislature has chosen to implement that principle of Directive 79/7/EEC in the Old-age Pensions Act without distinction as to the persons concerned?</p> <p>3. Is there discrimination on grounds of sex contrary to Article 4(1) of Directive 79/7/EEC where a statutory provision has the effect that because of uninsured periods prior to 23 December 1984 a reduction is made to the old-age pension of a woman who becomes entitled thereto after 22 December 1984, where no such reduction could be made to the pension of a man in comparable circumstances, because the fact that she was uninsured during periods prior to 23 December 1984 resulted from her status as a married woman?</p>	<p>Article 177 EEC</p>
<p>107/88 Egbers-Reuvers v Bestuur der Sociale Verzekeringsbank<sup>3</sup></p>	<p>1. Can an individual who does not fall within the class of persons described in Article 2 of Council Directive 79/7/EEC rely on the provisions of Article 4(1) of the Directive in opposition to a provision of the Algemene Ouderdomswet (Old-age Pensions Act) which may not be in conformity with the principle of equal treatment contained in the said Article 4(1) where the Dutch legislature has chosen to implement that principle of Directive 79/7/EEC in the Old-age Pensions Act without distinction as to the persons concerned?</p> <p>2. Is there discrimination on grounds of sex contrary to Article 4(1) of Directive 79/7/EEC where a statutory provision has the effect that</p>	<p>Article 177 EEC</p>



Case	Subject	Basis
	<p>because of uninsured periods prior to 23 December 1984 a reduction is made to the old-age pension of a woman who becomes entitled thereto after 22 December 1984, where no such reduction could be made to the pension of a man in comparable circumstances, because the fact that she was uninsured during periods prior to 23 December 1984 resulted from her status as a married woman?</p>	
<p><b>Social policy</b></p> <p>109/88 Union of Commercial and Clerical Employees, Denmark v Danish Employers' Association, on behalf of Danfoss<sup>6</sup></p>	<p>Interpretation of Article 119 of the EEC Treaty and of Council Directive 75/117/EEC on equal pay for men and women</p>	<p>Article 177 EEC</p>
<p><b>Free movement of workers</b></p> <p>114/88 Delbar v Caisse d'allocations familiales, Roubaix-Tourcoing<sup>7</sup></p>	<ol style="list-style-type: none"> <li>1. Should Article 51(b) of the EEC Treaty be interpreted as meaning that the authorities responsible for the payment of family benefits are, by virtue of that Article, those of the Member State where the worker pursues his activities and, where applicable, pays his contributions or those of the Member State where the parents or the children entitling him to the allowances, or both, are resident?</li> <li>2. More specifically, if a national of the European Communities has his professional domicile in a Member State where he pays his contributions but his private domicile (where his children are also resident) in another Member State, are the authorities responsible for the payment of family allowances those of the former or those of the latter Member State?</li> <li>3. In the absence of a Community directive applicable to the professions in respect of family allowances, may individuals rely directly on the rights conferred by Article 51 of the EEC Treaty?</li> </ol>	<p>Article 177 EEC</p>
<p>128/88 Di Felice v Institut national d'assurances sociales pour travailleurs indépendants<sup>8</sup></p>	<ol style="list-style-type: none"> <li>1. Does the continuing lack of provision in Belgian national legislation with regard to overlapping pensions (in this case, individual old-age pensions) for self-employed persons with other retirement benefits or an advantage taking the place thereof (in this case, an invalidity allowance) granted under a foreign old-age pension scheme and the practice consequently adopted by the competent national paying body constitute, or could it constitute, discrimination on grounds of nationality as referred to in the first paragraph of Article 7 of the Treaty, whether direct or indirect or based on nationality, through the application</li> </ol>	<p>Article 177 EEC</p>

Case	Subject	Basis
<p><b>Agriculture</b></p>	<p>of criteria neutral in form, but leading in practice to the same result, which is that non-nationals are placed at a disadvantage owing to a disproportionate obstacle?</p> <p>2. Do they fall, or could they fall, under the second paragraph of Article 52 and Article 53 of the Treaty and Articles 12(1) and (2) and 43 of Council Regulation No 1408/71 on the application of social security schemes to employed persons and their families moving within the Community as well as Chapter 3 of that Regulation, in particular Articles 44(1) and (2) and 46 thereof?</p> <p>3. Are, in fact, the Italian invalidity pension (in this case <i>ab initio</i>, not yet converted into an old-age pension) and the Belgian early retirement pension for a self-employed person to be regarded as 'benefits of the same kind'?</p>	
<p>113/88 Leukhardt v HZA Reutlingen<sup>2</sup></p>	<p>1. Is 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 804/88 in the milk and milk products sector to be interpreted as meaning—or, if it is in part invalid, to be supplemented so as to provide—that a milk producer whose milk production was affected by an exceptional event in every year from 1981 to 1983 may choose as the calendar reference year a different year, such as the next earliest, in which his milk production was not affected by an exceptional event?</p> <p>2. If not, are Article 2(1) and (2) and Article 3(3) of Regulation No 857/84 to be interpreted as meaning that a producer delivering to a purchaser whose milk production was affected by an exceptional event in the reference year chosen (in the Federal Republic, 1983) may require the delivery reference quantity to be granted to him to be calculated either, according to the method laid down in Article 2(2) of Regulation No 857/84, on the basis of another calendar reference year (1981 or 1982) or, according to the method laid down in Article 2(1) of the Regulation, on the basis of the quantity of milk delivered during the 1981 calendar year plus 1%?</p>	<p>Article 177 EEC</p>
<p>125/88 Officier van Justitie v Nijman</p>	<p>1. Are the key concepts contained in a national law governing trade in and the use of plant protection products (such as the Bestrijdingsmiddelenwet 1962), which is to be considered as having implemented <i>inter alia</i> Council Directive 79/117/EEC prohibiting the</p>	<p>Article 177 EEC</p>

Case	Subject	Basis
	<p>placing on the market and use of plant protection products containing certain active substances, despite their being defined differently, to be interpreted and applied by the national court as if they were identical in content and scope to those defined in the Directive?</p> <p>2. Which factors and circumstances must a national court take into account in determining whether, and if so to what extent, a national law such as that referred to above, which makes it a criminal offence to sell, stock or use a plant protection product not authorized under the said law,</p> <p>(a) results in an obstacle to trade which directly affects the establishment and functioning of the common market within the meaning of Directive 79/117/EEC;</p> <p>(b) has or has not implemented the Directive correctly and completely, as required by Article 189 of the EEC Treaty; and</p> <p>(c) complies with or infringes the other relevant provisions of Community law, notably Article 30 of the EEC Treaty and any directly applicable Community commercial policy measures adopted under Part Three, Title II, Chapter 3, of the EEC Treaty?</p>	
136/88 France v Commission <sup>9</sup>	Annulment of Commission Regulation No 530/88 withdrawing new potatoes from the list of products covered by the supplementary trade mechanism	Article 173 EEC
138/88 Flourez and Others v Council <sup>9</sup>	Annulment of Council Directive 88/146/EEC prohibiting the use in livestock farming of certain substances having a hormonal action	Article 173 EEC
152/88 and 152/88R Sofrimport v Commission <sup>10</sup>	<p>1. Annulment of</p> <p>(i) Commission Regulations Nos 962/88 and 984/88 suspending the issue of import licences for dessert apples originating in Chile; and</p> <p>(ii) Commission Regulation No 1040/88 fixing quantities of imports of dessert apples originating in third countries and amending Regulation No 962/88</p> <p>2. Suspension of the application of these Regulations</p>	Articles 173 and 215 EEC
<b>Infringements</b>		
131/88 Commission v Germany <sup>11</sup>	Seeking a declaration that, by failing to comply with Council Directive 80/68/EEC on the protection of groundwater against pollution caused by certain dangerous substances, the Federal Republic of Germany has failed to fulfil its obligations under the EEC Treaty	Article 169 EEC

Case	Subject	Basis
132/88 Commission v Greece <sup>12</sup>	Seeking a declaration that, by adopting and maintaining in force, through a special purchase tax and a flat-rate registration tax, tax arrangements discriminating against motor vehicles whose cubic capacity exceeds 1 800 cc imported from other Member States, Greece has failed to fulfil its obligations under Article 95(1) of the EEC Treaty	Article 169 EEC

Disputes between the Community and its staff

v Commission:

137/88 Scheemann and Others<sup>9</sup> — Annulment of the decision rejecting the applicants' request that the Commission provide them with financial and technical assistance in legal proceedings brought by them against the Belgian State in respect of the transfer of pension rights acquired under a Belgian retirement pension scheme

144/88 Costacurta<sup>13</sup>

146/88 Casazza-Milan Sporzio<sup>14</sup>

147/88 Villa<sup>14</sup>

148/88 and 148/88 R Albani and Others<sup>13</sup> — 1. Annulment of the decision of the Selection Board not to admit the applicants to the oral tests of competition COM/A/482

2. Suspension of all the effects flowing from the short-list or suspension of the oral tests still being held

149/87 Hecq<sup>13</sup>

v Parliament:

133/88 Del Amo Martinez<sup>15</sup>

<sup>1</sup> O J C 162, 21.6.1988.

<sup>2</sup> O J C 120, 7.5.1988.

<sup>3</sup> O J C 132, 21.5.1988.

<sup>4</sup> O J C 129, 18.5.1988.

<sup>5</sup> O J C 143, 1.6.1988.

<sup>6</sup> O J C 124, 11.5.1988.

<sup>7</sup> O J C 125, 12.5.1988.

<sup>8</sup> O J C 142, 31.5.1988.

<sup>9</sup> O J C 153, 11.6.1988.

<sup>10</sup> O J C 190, 19.7.1988.

<sup>11</sup> O J C 169, 28.6.1988.

<sup>12</sup> O J C 184, 14.7.1988.

<sup>13</sup> O J C 159, 18.6.1988.

<sup>14</sup> O J C 171, 30.6.1988.

<sup>15</sup> O J C 152, 10.6.1988.

## 2.4.23. Judgments

Date and Case	Held
<p><b>ECSC—Steel</b></p> <p>2.5.1988: 92/88 R Assider v Commission<sup>1</sup></p>	<p>Application for the adoption of interim measures dismissed (Article 17 of Commission Decision No 194/88/ECSC, which permits Community steel companies to convert each quarter a portion of their production quota into quotas for delivery in the common market)</p>
<p><b>Free movement of goods</b></p> <p>17.5.1988: 158/86 Warner Brothers and Metronome Video v Christiansen<sup>2</sup></p>	<p>Articles 30 and 36 of the EEC Treaty do not prohibit the application of national legislation which gives an author the right to make the hiring out of video cassettes subject to his permission, when the video cassettes in question have already been put into circulation with his consent in another Member State whose legislation enables the author to control the initial sale, without giving him the right to prohibit hiring out</p>
<p><b>Customs union</b></p> <p>31.5.1988: 74/87 Görrig v HZA Geldern<sup>3</sup></p>	<p>Note 1 (d) to Chapter 28 of the Common Customs tariff must be interpreted as meaning that application of that Chapter is not excluded merely by the fact that the addition to an imported chemical product of a stabilizer necessary for its preservation or transport could enable the chemical product in question to be used for a different purpose. However, Chapter 28 cannot apply when the principal use of the goods is determined by the possible use of the stabilizer and not that of the chemical product</p>
<p><b>Taxation</b></p> <p>19.5.1988: 391/87 to 394/87 Melicque and Others v Directeur des services fiscaux de Seine-et-Marne<sup>4</sup></p>	<p>Removed from the Court Register (compatibility with the Sixth VAT Directive of a tax payable under French law by automatic gaming machine operators)</p>
<p><b>Competition</b></p> <p>4.5.1988: 30/87 Bodson v Pompes funèbres des régions libérées</p>	<ol style="list-style-type: none"> <li>1. Article 85 of the EEC Treaty does not apply to licensing contracts concluded between municipalities, acting in their capacity as public authorities, and undertakings entrusted with the provision of a public service</li> <li>2. Article 86 of the Treaty applies in a case where a group of municipal monopolies is gran-</li> </ol>

Date and Case	Held
	<p>ted to the same group of undertakings whose policy on the market is determined by the parent company, in a situation in which those monopolies cover a certain part of the national territory and relate to the provision of outside funeral services:</p> <p>(a) where the activities of the group, and the monopoly of the undertakings in question over a part of the territory of a Member State, affect the importation of goods from other Member States or the possibility which rival undertakings established in those Member States have of providing services in the first-mentioned Member State,</p> <p>(b) where the group of undertakings occupies a dominant position characterized by a situation of economic strength, endowing it with the power to hinder effective competition on the market in funeral services, and</p> <p>(c) where that group of undertakings charges unfair prices, even though the level of those prices is fixed by general terms and conditions forming part of the conditions governing the licensing contract</p> <p>3. Article 90(1) of the Treaty must be interpreted as precluding the public authorities from imposing on undertakings to which they have granted exclusive rights, such as a monopoly in outside funeral services, any pricing conditions that are contrary to Articles 85 and 86</p>
<p>19.5.1988: 369/87 Armada Supply and France Export Promotion v Commission<sup>6</sup></p>	<p>Removed from the Court Register (annulment of the Commission's letter of 8 October 1987 rejecting the applicants' complaint about dealings of the Paribas France Group involving countertrade deals paid for in crude oil and, in the alternative, an action for failure to act under Article 175 of the EEC Treaty)</p>
<p><b>State aid</b></p>	
<p>6.5.1988: 111/88 R Greece v Commission<sup>4</sup></p>	<p>Application for the adoption of interim measures dismissed (suspension of the application of Commission Decision C(88)200 amending Commission Decision 86/614/EEC authorizing Greece to adopt certain protective measures under Article 108(3) of the EEC Treaty)</p>
<p>6.5.1988: 112/88 R Crete Citron Producers' Association v Commission<sup>4</sup></p>	<p>Application for the adoption of interim measures dismissed (suspension of the application of Commission Decision C(88)200 amending Decision 86/614/EEC authorizing Greece to adopt certain protective measures under Article 108(3) of the EEC Treaty)</p>

Date and Case	Held
<p><b>Social policy</b></p> <p>5.5.1988: 144/87 and 145/87 Berg and Busschers v Bes-selsen<sup>2</sup></p>	<p>1. Article 3(1) of Council Directive 77/187/EEC must be interpreted as meaning that after the date of transfer and by virtue of the transfer alone, the transferer is discharged from all obligations arising under the contract or the employment relationship, even if the workers employed in the undertaking do not consent or if they object, subject however to the power of the Member States to provide for joint liability of the transferer and the transferee after the date of transfer</p> <p>2. Article 1(1) of Directive 77/187/EEC must be interpreted as meaning that the Directive applies both to the transfer of an undertaking pursuant to a lease-purchase agreement of the kind available under Dutch law and to the retransfer of the undertaking upon the dissolution of the lease-purchase agreement by a judicial decision</p>
<p><b>Social security</b></p> <p>4.5.1988: 83/87 Viva v FNROM<sup>5</sup></p>	<p>The recalculation of an invalidity pension awarded before the entry into force of Council Regulation No 1408/71, made necessary by changes in the personal circumstances of the insured person which occurred after its entry into force, must be effected in accordance with the provisions of the Regulation</p>
<p><b>Agriculture</b></p> <p>5.5.1988: 91/87 Erzeugergemeinschaft Gutshof Ei v Land Rheinland-Pfalz</p> <p>17.5.1988: 84/87 Erpelding v Secretary of State for Agriculture and Viticulture<sup>7</sup></p>	<p>Council Regulation No 2772/75 on marketing standards for eggs, as amended by Council Regulation No 1831/84, must be interpreted as meaning that the combined provisions of Article 6(1), Article 18(1)(c) and the first paragraph of Article 21 permit the markings 'Grade A' and 'Fresh eggs' to be used together on small packs of Grade A eggs</p> <p>1. Council Regulation No 857/84, as supplemented by Commission Regulation No 1371/84, prevents a producer whose milk production has been affected by an exceptional event to a substantial extent throughout the period 1981-83 from obtaining reference to the quantity of milk or milk equivalent which he delivered in a year prior to 1981 or to a theoretical quantity to be calculated by extrapolation on the basis of the normal trend in his deliveries in a period prior to the occurrence of the exceptional event at issue</p>

Date and Case	Held
	<p>2. Consideration of Council Regulation No 857/84, as supplemented by Commission Regulation No 1371/84, in the light of the circumstances referred to in the order for reference, has disclosed no factor of such a kind as to affect the validity of the rules in question</p>
<p>19.5.1988: 261/87 Netherlands v Commission<sup>6</sup></p>	<p>Removed from the Court Register (annulment of Commission Decision 87/368/EEC on the clearance of the accounts presented by the Netherlands in respect of the EAGGF Guarantee Section expenditure for 1983)</p>
<p>31.5.1988: 253/86 Agro-Pecuária Vicente Nobre v Council<sup>4</sup></p>	<p>Application dismissed (annulment of Council Regulation No 2239/86 on a specific common measure to improve vine-growing structures in Portugal and, in the alternative, payment by the Community of compensation for the damage suffered by reason of the failure to apply to the applicant company Council Regulation No 777/85)</p>
<p>31.5.1988: 265/86 Müller v Landwirtschaftskammer Rheinland-Pfalz<sup>4</sup></p>	<p>The combined provisions of Article 13(4) of Council Regulation No 347/79 and the first subparagraph of Article 6(1)(a) and the first subparagraph of Article 4(1) of Council Regulation No 338/79 must be interpreted as meaning that wine from vine varieties not belonging to the <i>vitis vinifera</i> species undergoing cultivation suitability trials, scientific research or selection or crossing experiments cannot be described as quality wine produced in a specified region</p>
<p><b>Administrative questions</b></p>	
<p>4.5.1988: 64/85 Watgen v Caisse de pensions des employés privés (Luxembourg)<sup>5</sup></p>	<p>Article 11(2) of Annex VIII to the Staff Regulations of Officials of the European Communities must be interpreted as meaning that officials who, before entering the Community public service, were affiliated to a contributory pension scheme are not entitled to call for the transfer of the actuarial equivalent of the rights acquired under the national scheme, referred to in that provision, unless such a possibility exists under the internal law to which the national social security authority is subject</p>
<p>5.5.1988: 108/88 R Jaenicke Cendoya v Commission<sup>6</sup></p>	<p>Application for interim measures dismissed (decision of the Selection Board not to admit the applicant to competition COM/A/584)</p>
<p><b>Infringements</b></p>	
<p>19.5.1988: 345/87 Commission v France<sup>4</sup></p>	<p>Removed from the Court Register (failure to incorporate into national law Council Directive 83/416/EEC on inter-regional air services)</p>



Date and Case	Held
24/5/1988: 307/86 Commission v Belgium <sup>7</sup>	By failing to adopt within the prescribed period the provisions necessary to comply with Council Directive 82/714/EEC laying down technical requirements for inland waterway vessels, Belgium has failed to fulfil its obligations under the EEC Treaty
24.5.1988: 122/87 Commission v Italy <sup>7</sup>	By exempting from value-added tax the services provided by veterinary surgeons in the exercise of their profession, Italy has failed to fulfil its obligations under the Sixth VAT Directive

### Disputes between the Community and its staff

v Commission:

4.5.1988: 95/87 Contini<sup>8</sup> — Application dismissed as inadmissible

24.5.1988: 78/87 and 220/87 Santarelli — Applications dismissed as inadmissible

31.5.1988: 211/87 Vicente-Nunez<sup>3</sup> — Application dismissed

v Parliament:

4.5.1988: 268/86 Clasen<sup>5</sup> — Application dismissed

17.5.1988: 28/87 Arendt<sup>7</sup> — Application dismissed

v Court of Auditors:

31.5.1988: 167/86 Rousseau — Decision No 85-12 adopted on 16 September 1985 by the Court of Auditors assigning drivers to the President's pool and the decision taken by the President of the Court of Auditors on 16 September 1985 under Decision No 85-12 to assign Mr Rousseau to the President's pool are annulled

<sup>1</sup> OJ C 153, 11.6.1988.

<sup>2</sup> OJ C 159, 18.6.1988.

<sup>3</sup> OJ C 162, 21.6.1988.

<sup>4</sup> OJ C 163, 22.6.1988.

<sup>5</sup> OJ C 157, 16.6.1988.

<sup>6</sup> OJ C 165, 24.6.1988.

<sup>7</sup> OJ C 156, 15.6.1988.

<sup>8</sup> OJ C 158, 17.6.1988.

### Court of Auditors

2.4.24. On 19 May the Court of Auditors adopted a special report on the common organization of the markets in fishery products in Spain and Portugal, which updates the 1985 report on the operation of the market organization in the Community of Ten.

The report states that when the audits were carried out, conditions in the new Member States were not yet entirely favourable for the operation of the market organization.

While recognizing that a period of adaptation is necessary, the Court noted a number of shortcomings, notably with regard to compliance with marketing standards, the role of producers' organizations and structures set up by Spain and Portugal for monitoring the application of the Community rules.

2.4.25. On the same day the Court adopted a special report on regional cooperation financed by the European Development Fund under the Lomé Convention. The economic integration of neighbouring

ACP States is one of the main features of ACP-EEC cooperation; the aim is to encourage ACP countries' economic development and, under Lomé III, self-sufficiency in food.

The report analyses the development of regional cooperation, marked by major differences, mainly socio-economic, between the various countries in any given region. The document looks at the implementation, by economic sector, of measures financed from the European Development Fund appropriations for regional cooperation.

While welcoming the achievement of many immediate objectives, the Court stresses the need to improve the management of Community aid if the basic objectives of regional cooperation laid down in the Lomé Conventions are eventually to be attained.

As a new round of negotiations is about to begin,<sup>1</sup> the report makes a useful contribution to consideration of the value of the regional approach in ACP-EEC cooperation.

2.4.26. On 19 May<sup>2</sup> the Court of Auditors adopted an opinion on a proposal for a Regulation<sup>3</sup> amending the Financial Regulation of 21 December 1977 applicable to the general budget of the Communities.<sup>4</sup>

2.4.27. On the same day it also adopted an opinion on a proposal for an amendment<sup>5</sup> to the Council Regulation of 2 August 1978 laying down general rules for the financing of interventions by the EAGGF Guarantee Section.<sup>6</sup>

2.4.28. Again on 19 May the Court adopted a special report on the integrated approach to Community financing of structural measures.

Since 1978, growing emphasis has been placed on this approach, which involves coordinating the operations of the various Community financial instruments. The Court's report reviews the first measures implemented in this field, prior to the introduction of the integrated Mediterranean programmes. It looks at the integrated

development operation for Naples, the integrated operation programme in Belfast, the integrated development programmes for the Western Isles of Scotland, Lozère and the south-east of Belgium, as well as pilot measures in preparation for the integrated Mediterranean programmes.

For each measure, the Court analyses the planning and proposed content of the operation, the structure set up to coordinate it, progress made and documentation available. A large section of the report is devoted to examining the results of the integrated approach, in terms of improving the impact of the operations or any spin-off that might be expected. The significance of the document lies in its relevance to the reform and coordination of the structural Funds.

The Commission's replies are appended to the report.

## European Investment Bank<sup>7</sup>

### *Operations in May*

2.4.29. Loans announced by the European Investment Bank in May for investments within the Community totalled 350.3 million ECU,<sup>8</sup> broken down as follows: 180.5 million ECU in the Federal Republic of Germany, 129 million ECU in Spain, 25.8 million ECU in Ireland and 15 million ECU in Greece. Outside the Community, the Bank lent 16 million ECU for infrastructure works in Malta and 5.7 million ECU of its risk capital for a project in Madagascar.

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<sup>1</sup> Bull. EC 3-1988, point 2.2.44.

<sup>2</sup> OJ C 166, 25.8.1988.

<sup>3</sup> OJ C 99, 14.4.1988; Bull. EC 3-1988, point 2.3.10.

<sup>4</sup> OJ L 356, 31.12.1977.

<sup>5</sup> Bull. EC 4-1988, point 2.1.163.

<sup>6</sup> OJ L 216, 5.8.1978.

<sup>7</sup> Further details can be obtained from the European Investment Bank, 100 boulevard Konrad Adenauer, L-2950 Luxembourg (tel. 4379-1).

<sup>8</sup> The conversion rates at 31 March used by the EIB in statistics for the second quarter were 1 ECU = BFR 43.42, DKR 7.95, DM 2.07, DR 166.19, ESC 169.99, FF 7.04, HFL 2.33, IRL 0.78, LFR 43.42, LIT 1 539, PTA 138.44, UKL 0.67, USD 1.25.

## Community

### *Federal Republic of Germany*

2.4.30. The EIB lent DM 343 million for infrastructure projects in the Federal Republic to promote environmental protection and the rational use of energy. Following a loan of DM 20 million in December 1987,<sup>1</sup> a further DM 50 million was lent to Saarländische Kraftwerksgesellschaft for installation of desulphurization facilities at Weiher power station near Saarbrücken. The EIB also contributed to installation of similar equipment at a combined heat- and power-generating plant at Duisburg through a loan of DM 28 million to Westdeutsche Landesbank Girozentrale which will be onlent to Stadtwerke Duisburg AG. These two loans bring to DM 1 000 million the EIB's loans to the Federal Republic for environmental protection since the beginning of 1986. The bulk of the investments financed are aimed at bringing emissions of harmful gases from coal-fired power stations within the limits on atmospheric pollution laid down by German legislation. Loans have been made to install this type of equipment in seven coal-fired stations — one each in Hanover, Wuppertal and Cologne and two each in Saarbrücken and Duisburg. The EIB has also financed the development of water resources, to bring drinking water into line with Community standards, and plants for the collection and treatment of waste water.<sup>2</sup>

A global loan (line of credit) of DM 20 million was also granted to Deutsche Ausgleichsbank for investment in small and medium-scale environmental-protection schemes by both public and private sectors, involving treatment or recycling plant for solid, liquid and gaseous wastes and the production and installation of monitoring equipment and other facilities. A loan of DM 20 million was also made to the city of Berlin to finance a high-pressure natural gas/naphtha-cracking plant for town gas production at Mariendorf needed because of increased demand. This loan will also assist the refitting of flue gas treatment

facilities at the sludge incinerators of the Ruhleben sewage treatment plant to comply with increasingly strict legal requirements.

Continuing its cooperation with Westdeutsche Landesbank Girozentrale, the EIB made a global loan of DM 200 million for small and medium-scale investments for environmental protection and the rational use of energy. This follows three earlier global loans totalling DM 350 million which were used to finance 25 sewage treatment works, 2 dams, 15 sewage networks, 3 heat and power stations and 2 waste incineration plants.

A first global loan of the equivalent of DM 25 million was also made to Bank für Gemeinwirtschaft; this too will be used for small and medium-scale projects of the same type.

### *Spain*

2.4.31. The EIB lent PTA 18 000 million for infrastructure projects and small firms.

Under the first heading, PTA 10 000 million will help provide a new drainage system for Barcelona as part of the work being undertaken by the city in preparation for the 1992 Olympic Games. This will involve replacing about 18 km of sewers which are antiquated and inadequate, particularly when rainfall is heavy. The loan will also finance extension of a waste-water treatment plant and the construction of coastal protection works. The drainage network will serve the Olympic Village but will also be of long-term benefit to all the inhabitants of Barcelona.

A loan of PTA 8 000 million to Banco Central and Banco de Fomento will be used for investments by small and medium-sized industrial firms throughout the country. These two global loans (lines of credit) will be onlent to projects involving the introduction of new technologies and innovation, projects contributing to the rational use of

<sup>1</sup> Bull. EC 12-1987, point 2.4.49.

<sup>2</sup> Bull. EC 7/8-1986, point 2.4.51.

energy and projects to promote tourism in less prosperous areas.

### *Ireland*

2.4.32. The EIB lent IRL 20 million to Bord Gais Eireann for upgrading of the Irish natural gas network and to connect Limerick, Waterford, Drogheda and Dundalk to the Cork-Dublin main pipeline. This project will also increase the use of gas from the Kinsale Head field in households and industry in place of imported oil, so meeting one of the Community's energy objectives.

### *Greece*

2.4.33. The Bank lent DR 2 500 million for the construction of vocational training establishments and the supply of laboratory equipment in schools and technical institutes to help meet the need for trained labour and to raise the general level of technological and economic knowledge. The loan, made to central government through the Ministry of Economic Affairs, will be used to construct secondary technical schools at Egaleo (Athens), Giannitsa (western Macedonia), Komotini (Thrace) and Mitilini (Lesbos) and to provide equipment in three of these schools, seven schools in Athens, one in Patra, one in Veria, one in Iraklio (Crete), two in Thessaloniki, one in Lamia, one in Karditsa and five tertiary-level institutes, in Athens, Thessaloniki, Larisa, Patra and Iraklio. These investments, totalling about DR 10 000 million, will assist over 70 000 students; they should be completed by the end of 1989.

## **Outside the Community**

### *Mediterranean countries*

2.4.34. The EIB lent 16 million ECU for construction of a modern terminal at Malta's Luqa airport. This new terminal, which is one of the Maltese Government's

priorities, will cater for the increasing number of tourists, who are of considerable importance to the island's economy. In 1987 750 000 people flew to Malta.

The terminal is due to be opened in 1991 and will cost a total of 46 million ECU. As well as the four-storey terminal building and related facilities, the project includes access roads, car parks and upgrading of the airport's civil aviation equipment. This loan exhausts the funds available from the Bank's own resources under the second EEC-Malta Financial Protocol. In 1987 the Bank contributed to construction of a waste recycling plant using the 3 million ECU in the Protocol for loans on special conditions which are drawn from the Community's budget resources.<sup>1</sup>

### *ACP States*

2.4.35. The Bank lent 5.7 million ECU for a tuna-canning factory in Madagascar. This comprises a unit for processing tuna fish, a factory to produce cans, a fish meal plant and a cold store. The loan is provided from risk capital under the third Lomé Convention and consists of two conditional loans: one of 4.4 million ECU to the Malagasy company *Pêche et Froid, Océan Indien* (PFOI) and one of 1.3 million ECU to the *Banque de Développement Rural* which will onlend the funds to the Malagasy partners in PFOI to finance their 33.3% stake in the company. The capacity of the complex will increase gradually from 10 000 to 20 000 tonnes per year. It will be owned by PFOI, a joint venture between the Malagasy partners and the French group *Pêche et Froid*, which will have a 66% majority shareholding and provide the managerial staff. The investment will cost a total of 14.5 million ECU and employ 270 Malagasy nationals. The *Caisse centrale de coopération économique* in Paris is also helping to finance the project.

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<sup>1</sup> Bull. 11-1987, point 2.4.59.

# 5. Statistics

## General

### Biannual conference

2.5.1. The biannual Conference of Directors-General of National Statistical Institutes took place in Sorrento, Italy, from 18 to 20 May and focused on the following topics:

- (i) preparation of the 1989-92 statistical programme:<sup>1</sup> agreement was reached on the approach suggested by the Statistical Office of the European Communities (Eurostat), involving cooperation between Eurostat and the national institutes, followed by Council legislation together with a multi-annual budget for its implementation;
- (ii) the draft Regulation on confidentiality of statistics: participants agreed on the text being finalized and transmitted to the Commission once the final remarks by the national institutes had been taken into account;
- (iii) technical cooperation with developing countries: a resolution calling for mention in the forthcoming Lomé Convention of the need to develop the statistical infrastructure of the associated countries was unanimously adopted;
- (iv) the proposal for a Directive on the use of GNP as a basis for calculating the Community's own resources:<sup>2</sup> the conference unanimously adopted a resolution stressing the need for statisticians working on economic accounts to be independent;
- (v) the quality of data on intra-Community trade: while taking note of the political determination to complete the single market, participants reiterated their fears that it might not be possible to maintain the quality of such information once customs formalities were abandoned in 1993;
- (vi) a new nomenclature: Eurostat stressed the need for a Community regulation making it mandatory to base national nomenclatures on the general industrial classification of economic activities within the European Communities (NACE).

## Data

### Regional unemployment in 1987

2.5.2. Although overall unemployment in the Community of Twelve fell slightly (from 10.8 to 10.6%) between April 1986 and April 1987, it remains high, and disparities between Member States and between regions are considerable. Nearly half the jobless live in the 42 regions where unemployment is running at over 12%. All the regions of Spain are in that category, and of the 10 regions with the highest unemployment only two (Campania and Ireland) are not in Spain.

There is a gulf between regions where unemployment is low, at around 3% (Crete, Luxembourg and Stuttgart) and those, such as Andalusia, where one-third of the labour force is unemployed. There are large regional differences in some Member States: in the Federal Republic and the United Kingdom unemployment is higher in northern and central regions than in the south, though the level of unemployment differs greatly between the two countries (unemployment rates in the south of the UK being similar to those in northern Germany); in Italy (the Mezzogiorno), Portugal (Alentejo) and Belgium (Wallonia) unemployment is also higher in the south; other industrial regions bordering in southern Belgium (Nord/Pas-de-Calais, Champagne-Ardenne, Lorraine and Saarland) have unemployment problems too; France also suffers from high unemployment in the south-east, between its borders with Spain and Italy (Languedoc-Roussillon and Provence-Alpes-Côte d'Azur); and in Spain unemployment has risen in the south but fallen in Madrid and the north-east.

Between April 1985 and April 1987 the situation in the Community improved for the under-25s, particularly in Belgium, Den-

<sup>1</sup> Bull. EC 4-1988, point 2.5.2.

<sup>2</sup> Bull. EC 4-1988, point 2.5.1.

mark, the Federal Republic and the Netherlands.

Nevertheless, youth unemployment remains extremely high in Europe (one-fifth of the labour force under 25 years of age is jobless) and is still rising in certain countries such as Italy and Ireland. Youth unemployment is also highly concentrated: about half of the jobless under 25 live in Spain or Italy (though the two countries account for only one quarter of the young labour force).

Except in Galicia (Spain) and most regions of the UK, the unemployment rate is lower for men than for women. The differences between male and female unemployment are particularly striking in Belgium (Flanders), Spain and Italy. And the disparities have widened: male unemployment has generally declined, while female unemployment

has risen on the whole — above all in Spain (east and south).

### **Cooperation**

2.5.3. A workshop on statistical cooperation between the EEC and Yugoslavia took place in Belgrade on 5 and 6 May and was attended by representatives of Eurostat, the Yugoslav Federal Statistical Office, the Commission's Delegation in Belgrade, universities, research centres, computer firms, the Federal Customs Administration and the Yugoslav Government. The various speakers highlighted the fact that statistical cooperation was proceeding satisfactorily in trade, national accounts, transport, agriculture and industry. Many proposals were made with a view to ensuring regular and beneficial follow-up of activities and extending projects in hand.

PART THREE

DOCUMENTATION

# 1. ECU

## Values in national currencies of one ECU

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31 May 1988<sup>1</sup>

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Belgian franc and Luxembourg franc (convertible)	43.5502
Belgian franc and Luxembourg franc (financial)	43.7558
Danish krone	7.92702
German mark	2.08449
Greek drachma	166.449
Portuguese escudo	169.593
French franc	7.01641
Dutch guilder	2.33554
Irish pound	0.778492
Italian lira	1 545.86
Spanish peseta	137.692
Pound sterling	0.654919
United States dollar	1.20931
Swiss franc	1.73959
Swedish krona	7.22078
Norwegian krone	7.54850
Canadian dollar	1.49640
Austrian schilling	14.6544
Finnish mark	4.91947
Japanese yen	151.164
Australian dollar	1.49982
New Zealand dollar	1.74503

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<sup>1</sup> O J C 143, 1 6.1988

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

May 1988	
National currency	Value in national currency of one ECU
Belgian franc and Luxembourg franc	47.3310 <sup>1</sup>
	48.0467 <sup>2</sup>
	48.0658 <sup>3</sup>
Danish krone	8.58163 <sup>1</sup>
	8.88697 <sup>4</sup>
	8.75497 <sup>5</sup>
German mark	2.38591 <sup>6</sup>
	2.39792 <sup>7</sup>
	2.36110 <sup>8</sup>
	2.38516 <sup>5</sup>
Greek drachma	134.328 <sup>4</sup>
	137.262 <sup>9</sup>
	150.275 <sup>1</sup>
	134.174 <sup>7, 10, 11, 12</sup>
	128.340 <sup>13, 14</sup>
	124.840 <sup>5</sup>
Portuguese escudo	181.888 <sup>1, 9</sup>
	173.609 <sup>15</sup>
	171.725 <sup>5, 12</sup>
French franc	7.47587 <sup>3, 6, 12</sup>
	7.69553 <sup>8</sup>
	7.54539 <sup>1</sup>
	7.45826 <sup>2</sup>
	7.43671 <sup>11</sup>
	7.73579 <sup>4</sup>
Dutch guilder	2.67490 <sup>6</sup>
	2.68801 <sup>7</sup>
	2.64704 <sup>8</sup>
	2.67387 <sup>1, 5</sup>
Irish pound	0.832119 <sup>2</sup>
	0.831375 <sup>3</sup>
	0.844177 <sup>8</sup>
	0.843427 <sup>4</sup>
	0.817756 <sup>1</sup>
Italian lira	1 629.00 <sup>16</sup>
	1 674.00 <sup>4</sup>
	1 554.00 <sup>1</sup>
	1 597.00 <sup>7, 17</sup>
	1 603.00 <sup>11</sup>
	1 613.00 <sup>5</sup>

May 1988	
National currency	Value in national currency of one ECU
Spanish peseta	151.806 <sup>1</sup>
	155.786 <sup>2</sup>
	154.213 <sup>3, 11, 12</sup>
	155.643 <sup>4</sup>
Pound sterling	0.694266 <sup>4</sup>
	0.710546 <sup>8</sup>
	0.652575 <sup>1</sup>
	0.665557 <sup>2</sup>
	0.656148 <sup>3</sup>

<sup>1</sup> For sheepmeat and goatmeat  
<sup>2</sup> For other livestock products.  
<sup>3</sup> For crop products.  
<sup>4</sup> For pigmeat.  
<sup>5</sup> For other products.  
<sup>6</sup> For milk and milk products.  
<sup>7</sup> For cereals.  
<sup>8</sup> For beef/veal.  
<sup>9</sup> Amounts not related to the fixing of prices  
<sup>10</sup> For sugar and tobacco  
<sup>11</sup> For wine.  
<sup>12</sup> For olive oil.  
<sup>13</sup> For other crop products.  
<sup>14</sup> For eggs and poultrymeat.  
<sup>15</sup> For fishery products.  
<sup>16</sup> For fruit and vegetables and tobacco  
<sup>17</sup> For 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 10-1987**

#### *Points 1.3.1 to 1.3.4*

Proposal for a Council Decision adopting specific research programmes to be implemented by the Joint Research Centre for the European Economic Community (1988 to 1991)

Proposal for a Council Decision adopting specific research programmes to be implemented by the Joint Research Centre for the European Atomic Energy Community (1988 to 1991)

Proposal for a Council Decision adopting a supplementary research programme to be implemented by the Joint Research Centre for the European Atomic Energy Community

OJ C 137, 27.5.1988

### **Bull. EC 11-1987**

#### *Point 2.1.99*

Commission Decision of 17 November 1987 on aid for shipbuilding and ship repair in Italy — Article 10 of Law No 111 of 22 March 1985

OJ L 119, 7.5.1988

### **Bull. EC 12-1987**

#### *Point 2.1.124*

Commission Decision of 9 December 1987 on aid from the French Government to the wood-processing sector (Isoroy and Pinault)

OJ L 119, 7.5.1988

### **Bull. EC 2-1988**

#### *Point 1.2.9*

Proposal for a Council Directive concerning the minimum safety and health requirements for the use by workers of machines, equipment and installations — Second individual Directive

OJ C 114, 30.4.1988

#### *Point 1.2.9*

Proposal for a Council Directive on the minimum health and safety requirements for handling heavy loads where there is a risk of back injury for workers — Fifth individual Directive

OJ C 117, 4.5.1988

#### *Point 2.1.68*

Commission Decision of 3 February 1988 on French Government aid to Pechiney, a company producing mainly aluminium

OJ L 121, 11.5.1988

#### *Point 2.1.160*

Proposal for a Council Regulation (EEC) amending Regulations (EEC) No 3820/85 on the harmonization of certain social legislation relating to road transport and (EEC) No 3821/85 on recording equipment in road transport

Proposal for a Council Directive on standard checking procedures for the implementation of Regulation (EEC) No 3820/85 on the harmonization of certain social legislation relating to road transport and Regulation (EEC) No 3821/85 on recording equipment in road transport

OJ C 116, 3.5.1988

### **Bull. EC 3-1988**

#### *Point 2.1.26*

Council Directive of 22 March 1988 amending Directive 77/62/EEC relating to the coordination of procedures on the award of public supply contracts and repealing certain provisions of Directive 80/767/EEC

OJ L 127, 20.5.1988

*Point 2.1.57*

Council Regulation (EEC) No 1135/88 of 7 March 1988 concerning the definition of the concept of 'originating products' and methods of administrative cooperation in the trade between the customs territory of the Community, Ceuta and Melilla and the Canary Islands

Council Regulation (EEC) No 1136/88 of 7 March 1988 on the rules of origin for trade between Spain and Portugal in the period during which the transitional measures are applied  
OJ L 114, 2.5.1988

*Point 2.1.59*

Amended proposal for a Council Regulation (EEC) on the control of concentrations between undertakings  
OJ C 130, 19.5.1988

*Point 2.1.115*

Proposal for a Council Regulation on financial support for Portugal for a specific industrial development programme (Pedip)  
OJ C 120, 7.5.1988

*Point 2.1.133*

Proposal for a Council Decision amending Decision 84/133/EEC introducing a Community system for the rapid exchange of information on dangers arising from the use of consumer products  
OJ C 124, 11.5.1988

*Point 2.1.190*

Proposal for a Council Directive on the reciprocal recognition of national boatmasters' certificates for the carriage of goods by inland navigation  
OJ C 120, 7.5.1988

*Point 2.1.194*

Proposal for a Regulation (EEC) modifying Regulation (EEC) No 1107/70 on the granting of aid for transport by rail, road and inland waterway  
OJ C 113, 29.4.1988

*Point 2.1.201*

Commission Recommendation of 29 March 1988 on third-party financing  
OJ L 122, 12.5.1988

*Point 2.3.5*

Proposal for a Council Regulation (ECSC, EEC, Euratom) on the definitive uniform arrangements for the collection of VAT own resources  
OJ C 128, 17.5.1988

*Point 2.4.27*

Special report No 1/88 on national and Community systems and procedures relating to the management of the European Social Fund accompanied by the replies of the Commission  
OJ C 126, 16.5.1988

*Points 2.4.29 to 2.4.39*

Opinions adopted by the Economic and Social Committee during its session on 23 and 24 March 1988  
OJ C 134, 24.5.1988

**Bull. EC 4-1988**

*Points 1.2.1 to 1.2.4*

Proposal for a Council Directive on a solvency ratio for credit institutions  
OJ C 135, 25.5.1988

*Point 2.5.1*

Proposal for a Council Directive (EEC) on the harmonization of definitions of gross national product at market prices (GNPmp) and improvements to the basic statistics needed to estimate it  
OJ C 137, 27.5.1988

# 3. Infringement procedures

## Initiation of proceedings

3.3.1. In May the Commission sent letters of formal notice for failure to incorporate directives into national law (the Commission not having been informed of national implementing measures) in the following cases:

### Internal market

Council Directive of 18 March 1986<sup>1</sup> amending the Directive of 15 January 1980 on the approximation of the laws of the Member States relating to the ranges of nominal quantities and nominal capacities permitted for certain prepackaged products<sup>2</sup> (France, Germany, Italy).

Council Directive of 26 May 1986 on the approximation of the laws of the Member States relating to tyre pressure gauges for motor vehicles<sup>3</sup> (Belgium, Germany, Ireland, Italy).

Commission Directive of 7 October 1986<sup>4</sup> adapting to technical progress for the second time the Council Directive of 7 November 1977 on the approximation of the laws, regulations and administrative provisions of the Member States relating to the classification, packaging and labelling of paints, varnishes, printing inks, adhesives and similar products<sup>5</sup> (Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, United Kingdom).

### Agriculture

Commission Directive of 27 February 1986 limiting the marketing of seed of certain species of fodder plants and oil and fibre plants to seed which has been officially certified as 'basic seed' or 'certified seed'<sup>6</sup> (France, Germany, Italy, Luxembourg).

### Environment and consumer protection

Council Directive of 16 July 1985<sup>7</sup> supplementing the Council Directive of 13 July 1981 concerning the prohibition of certain substances having a hormonal action and of any substances having a thyrostatic action<sup>8</sup> (Ireland).

Commission Directive of 11 July 1985<sup>9</sup> adapting to technical progress the Council Directive of 19 December 1978 on the determination of the noise emission of construction plant and equipment<sup>10</sup> (Belgium).

3.3.2. The Commission also sent a letter of formal notice for failure to comply with a judgment of the Court of Justice concerning the following directive:

## Customs union and indirect taxation

Commission Directive of 17 December 1981<sup>11</sup> laying down certain provisions for implementing the Council Directive of 24 July 1979 on the harmonization of procedures for the release of goods for free circulation<sup>12</sup> (Italy).

## Reasoned opinions

3.3.3. In May the Commission delivered reasoned opinions for failure to inform it of national implementing measures in the following cases:

### Employment, education and social policy

Council Directive of 15 July 1980 amending the Directives laying down the basic safety standards for the health protection of the general public and workers against the dangers of ionizing radiation<sup>13</sup> (Italy).

Council Directive of 3 September 1984<sup>14</sup> amending the Council Directive of 15 July 1980<sup>13</sup> as regards the basic safety standards for the health protection of the general public and workers against the dangers of ionizing radiation (Italy).

### Agriculture

Council Directive of 11 December 1984<sup>15</sup> amending the Council Directive of 26 June 1964<sup>16</sup> as regards brucellosis in respect of the buffered brucella antigen test, the micro-agglutination tests and the milk ring test as applied to samples of milk (France).

### Environment and consumer protection

Commission Directive of 22 July 1985<sup>17</sup> adapting to technical progress the Council Directive of 6 December 1984 on the supervision and control

1 OJ L 80, 25.3.1986.

2 OJ L 51, 25.2.1980.

3 OJ L 152, 6.6.1986.

4 OJ L 295, 18.10.1986.

5 OJ L 303, 28.11.1977.

6 OJ L 93, 27.2.1986.

7 OJ L 191, 23.7.1985.

8 OJ L 222, 7.8.1981.

9 OJ L 233, 30.8.1985.

10 OJ L 33, 8.2.1979.

11 OJ L 28, 5.2.1982.

12 OJ L 205, 13.8.1979.

13 OJ L 246, 17.9.1980.

14 OJ L 265, 5.10.1984.

15 OJ L 339, 27.12.1984.

16 OJ L 121, 29.7.1964.

17 OJ L 272, 12.10.1985.

within the European Community of the transfrontier shipment of hazardous waste<sup>1</sup> (Germany).

3.3.4. The Commission also delivered reasoned opinions for failure to incorporate correctly the following directives into national law:

#### **Agriculture**

Council Directive of 21 December 1976 on protective measures against the introduction into the Member States of harmful organisms of plants or plant products<sup>2</sup> (Italy).

#### **Environment and consumer protection**

Council Directive of 16 June 1975 concerning the quality required of surface water intended for the

abstraction of drinking water in the Member States<sup>3</sup> (Belgium).

Council Directive of 9 October 1979 concerning the methods of measurement and frequencies of sampling and analysis of surface water intended for the abstraction of drinking water in the Member States<sup>4</sup> (Belgium).

Council Directive of 15 July 1980 relating to the quality of water intended for human consumption<sup>5</sup> (Belgium).

Council Directive of 19 June 1979 on consumer protection in the indication of the prices of foodstuffs<sup>6</sup> (Belgium).

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<sup>1</sup> OJ L 326, 13.12.1984.

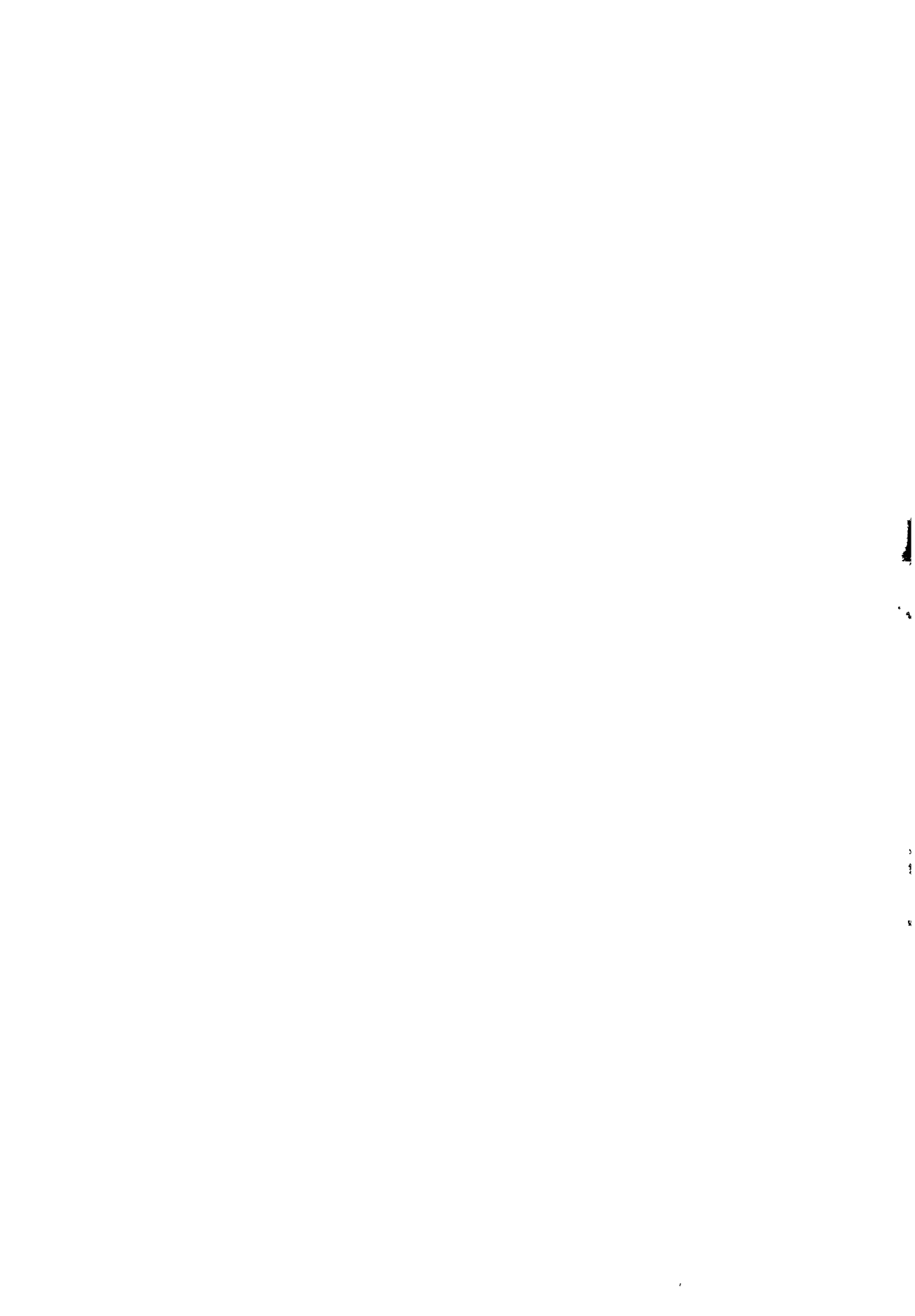
<sup>2</sup> OJ L 26, 31.1.1977.

<sup>3</sup> OJ L 194, 25.7.1975.

<sup>4</sup> OJ L 271, 29.10.1979.

<sup>5</sup> OJ L 229, 30.8.1980.

<sup>6</sup> OJ L 158, 26.6.1979.



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