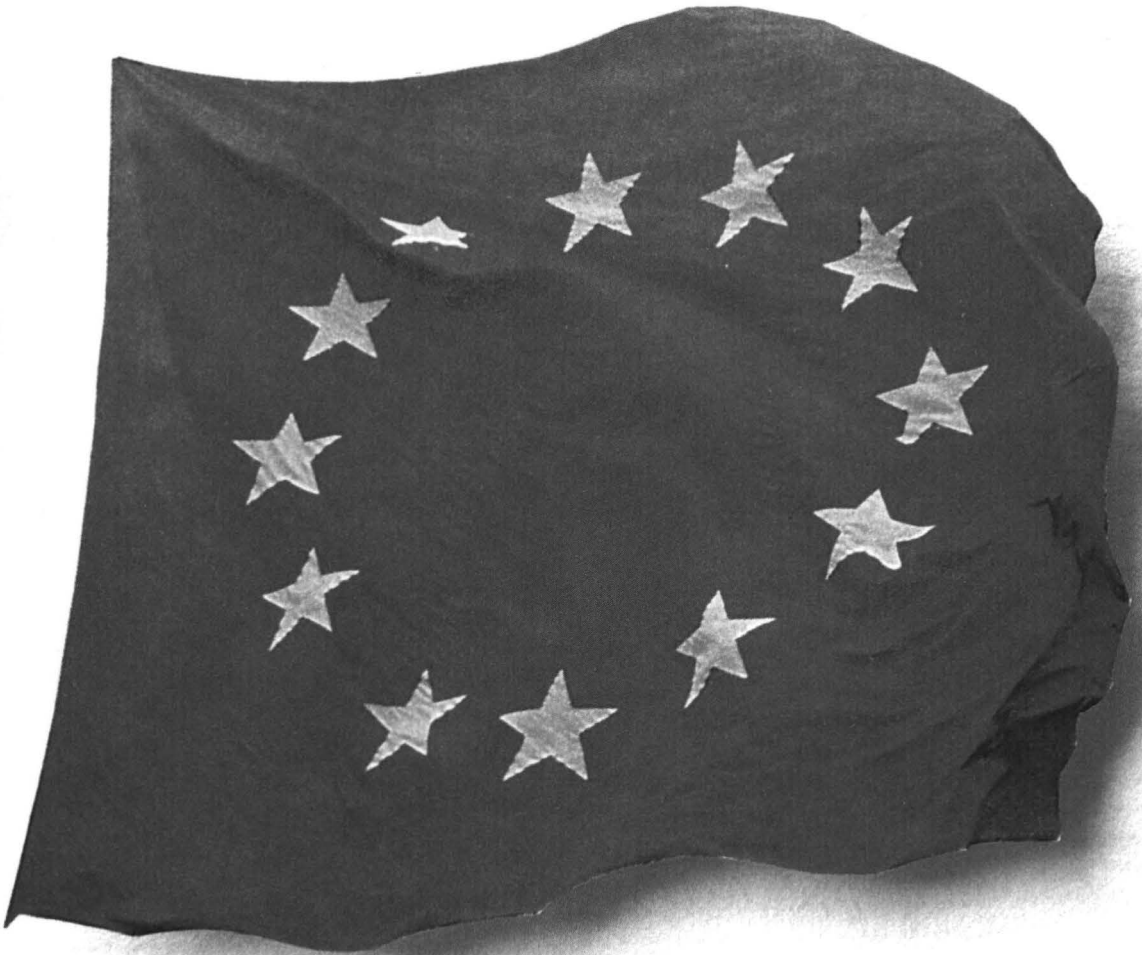


Bulletin of the European Communities

Commission



52

No 9 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.

Reproduction is authorized provided the source is acknowledged.

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

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

Bulletin of the European Communities

Commission

ECSC — EEC — EAEC
Commission of the European Communities
Secretariat-General
Brussels

No 9 1988 Volume 21

Sent to press in November 1988

Bulletin information service

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

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

References in text and footnotes

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

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

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

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

contents

PART ONE **SPECIAL FEATURES**

- | | |
|--|----|
| 1. The social dimension of the internal market | 8 |
| 2. Community strategy and action programme for the forestry sector | 10 |
| 3. News in brief | 13 |

PART TWO **ACTIVITIES IN SEPTEMBER 1988**

- | | |
|---|----|
| 1. Building the Community | 16 |
| — Economic and monetary policy | 16 |
| — Internal market | 16 |
| — Enterprise | 19 |
| — Industrial strategy and services | 19 |
| — Research and technology | 20 |
| — Telecommunications, information technology and innovation | 23 |
| — Customs union and indirect taxation | 25 |
| — Competition | 25 |
| — Financial institutions and company law | 28 |
| — Employment, education and social policy | 29 |
| — Culture | 31 |
| — Regional policy | 31 |
| — Coordination of structural instruments | 32 |
| — Environment and consumers | 33 |
| — Agriculture | 34 |
| — Fisheries | 40 |
| — Transport | 41 |
| — Energy | 43 |
| — Nuclear safety | 43 |

2. External relations	45
— Uruguay Round	45
— Commercial policy	46
— Relations with industrialized countries	48
— Relations with other countries and regions	49
• Mediterranean countries	49
• Asia	50
• State-trading countries	51
— Development	51
— International organizations and conferences	56
3. Financing Community activities	58
— Budgets	58
— Financial operations	59
4. Political and institutional matters	60
— European political cooperation	60
— European policy and relations between the institutions	61
— Institutions and organs of the Communities	62
• Parliament	62
• Council	70
• Commission	71
• Court of Justice	72
• Court of Auditors	88
• Economic and Social Committee	88
• European Investment Bank	92
5. Statistics	96

PART THREE DOCUMENTATION

1. The ecu	100
2. Additional references in the Official Journal	102
3. Infringement procedures	104
4. The Community at the UN	105

Supplements 1988

1/88 Programme of the Commission for 1988

2/88 A people's Europe

3/88 Statute for the European company

*4/88 The future of rural society

PART ONE

SPECIAL FEATURES

1. The social dimension of the internal market

1.1.1. On 14 September the Commission adopted a working paper on the social dimension of the internal market.¹ This is in line with the Single European Act,² which incorporated a new Article 130a in the EEC Treaty, setting out as a Community aim the strengthening of economic and social cohesion. The Hanover European Council also stressed the point that completion of the internal market should be planned in such a way as to make it possible to improve the living and working conditions of all citizens of the Community.³ The document, which was endorsed by the Ministers for Social Affairs of the Member States at their informal meeting in Athens on 20 September, is intended to trigger a wide-ranging discussion on development of the social dimension of the single market. It is also an outline working programme for the Commission, the main priorities of which are summarized below.

Combating unemployment

1.1.2. Any social policy, whether Community or national, must have as its first priority an endeavour to help solve the grave problem of unemployment and reduce the unevenness of its impact. Over the last few years, the Community's unemployment rate has remained almost unchanged, at about 11% of the labour force, which means that more than 16 million Europeans wishing to work are unable to find employment. Furthermore, unemployment affects some age-groups more than others: the rate among persons under the age of 25 is 22% (more than twice that for other workers). It also has a lasting effect on some persons: about 50% of the unemployed have been out of work for more than a year, and 30% for more than two years. Finally, the impact of unemployment is highly uneven geographically: regional unemployment rates range from 3% to over 30%, and more than half of the unemployed live in the 42 regions (out of 161) where the rate is over 12%.

The cooperative growth strategy for more employment

1.1.3. The Community is probably the most promising place for growth and employment in the years to come. The cooperative growth strategy for more employment, which is based on cooperation between the Community, the Member States and the two sides of industry, was formally adopted by the Council on 22 December 1986 in a resolution relating to an action programme on employment growth.⁴

What is needed is to adapt this strategy to the current economic situation, which is showing a return to expansion with favourable effects on employment. It is likewise a matter of making the best use of the opportunities it provides by fully utilizing the growth potential and room for manoeuvre which completion of the internal market will reveal.⁵ This updated strategy is also proving essential in the current economic situation, which is not such that European economies can hope for any positive contribution from outside. This means that European economic growth will have to rely essentially on its own resources and that the Community will have to do more to stimulate growth in its least developed regions.

Community social policy and the internal market

1.1.4. As part of the programme to complete the internal market, social policy will have to carry out a range of operations of varying kinds.

In the first place, it will be necessary to complete the process which guarantees effective exercise of freedom of movement

¹ Bull. EC 5-1988, point 1.1.1 *et seq.*

² OJ L 169, 29.6.1987; Supplement 2/86 — Bull. EC.

³ Bull. EC 6-1988, point 1.1.1 *et seq.* and point 3.4.1.

⁴ OJ C 340, 31.12.1986; Bull. EC 12-1986, point 2.1.138.

⁵ Bull. EC 3-1988, point 1.4.1 *et seq.*

and the right of establishment by eliminating those restrictions which still exist. Furthermore, the basic freedom-of-movement legislation will have to be adapted or new measures adopted, for present migratory movements and those which are expected to predominate in the future show quite distinct characteristics. However, above and beyond the removal of obstacles, the mobility of technical and skilled personnel should be encouraged and, once the general system for recognition of higher-education diplomas¹ has been adopted, mutual recognition of professional qualifications speeded up. Such a policy should help to achieve a balance in these new movements of professional and highly qualified persons. As regards other groups of workers, the demographic situation varies considerably from country to country. In the very near future, some Member States will begin to come up against serious difficulties in finding sufficient workers within their own frontiers, while others will continue to have high unemployment rates. It is important to start looking now at the various policy options which might serve to resolve such imbalances.

On the other hand, the creation of a large number of new jobs as a consequence of completion of the internal market² will go hand in hand with the loss of others and, even though the balance will be positive in the medium term, the new jobs created will not necessarily be in the same industries, they will not require the same qualifications, nor will they necessarily be located in the same countries or the same regions. In the light of this situation, supporting measures will be needed to achieve the dual aim of reducing the costs of the process and, where these prove inevitable, to make sure that they are shared out fairly. First of all, account must be taken of the negative effects on employment that a particular measure may have and appropriate steps taken to reduce them or to stagger them and make sure that the inevitable adjustments are as non-traumatic as possible. A second strategy would be to speed up the job-creation processes as much as possible. The third would be to adopt measures to

facilitate and speed up the process of mobility between old and new jobs. Community institutions are mainly responsible for the first type of measure, while the Member States are responsible for the second and third, although Community action may also play an important part in the form of aid from the structural Funds and the dissemination of information about the most successful experiments and innovations.

Community social policy and economic and social cohesion

1.1.5. A policy designed to strengthen economic and social cohesion must address itself to doing away with the handicaps suffered by underdeveloped regions where industry is declining, so as to attract productive capital there and at the same time to promote their potential for internally generated development.

The pursuit of these Community aims makes it necessary both to raise the level of training of all workers and to establish closer links between the educational system and industry. Continuous training calls for particular support, and the provision of jobs for young people is likewise a priority area for action.

As regards harmonization of the provisions governing industrial relations and working conditions, fear of wholesale 'social dumping' is unfounded in that social costs are not the sole factor determining a firm's competitiveness; furthermore, the Member States have democratic political systems in which the legal framework is determined by freely elected representatives of the people and in which the workers' freedom of association is fully accepted. This fear would, on the other hand, be justified in cases where these freedoms cannot be genu-

¹ OJ C 217, 28.8.1985; Bull. EC 7/8-1985, point 1.4.1; Supplement 8/85 — Bull. EC; OJ C 143, 10.6.1986; Bull. EC 5-1986, point 2.1.96; Bull. EC 6-1988, point 1.3.1.

² Bull. EC 3-1988, point 1.4.1 *et seq.*

inely exercised, as in certain forms of the 'underground economy'.

Other social policy objectives

1.1.6. Completion of the internal market and greater economic and social cohesion will not succeed in solving all social problems. Unemployment could remain relatively high for some years. This implies that the Community's social policy and that of the Member States will have to give priority to programmes aimed at increasing employment and to social solidarity programmes. As regards the first, Community policy will have to focus on two objectives: creating more jobs by promoting new business initiatives and finding jobs for the long-term unemployed. If satisfactory solutions

are not found despite all the efforts made, steps will have to be taken to strengthen all available means of showing solidarity.

A Community social foundation

1.1.7. Dialogue between management and labour is essential if progress is to be made in the building of Europe. Maximization of gains through an active employment policy and regular monitoring of its development, actual freedom of movement for persons, better health and safety at the workplace, the reinforcement of labour law, solidarity and the social dialogue: these are the aims of a Community social foundation, the main principles and features of which could be embodied in a Community charter of social rights.

2. Community strategy and action programme for the forestry sector

1.2.1. As a follow-up to the debate sparked off by its memorandum of February 1986 on Community action in the forestry sector,¹ the Commission presented to the Council on 28 September a communication outlining a medium- and long-term forestry strategy for the Community² and proposing a forestry action programme for 1989-92.

Conceived as a possible response to the pressures for change now bearing upon rural society,³ the programme will contribute also to the reform of the common agricultural policy and should allow the forestry sector to play its full part in the new moves towards European integration, to promote renewed economic growth and above all to make an effective contribution to the readjustments that are needed.

The importance of woodlands

1.2.2. The Community has 43 million hectares of woodland, corresponding to some 40% of its agricultural area and covering 20% of its total land area. The forestry sector employs over two million people and produces around 115 million m³ of wood per year. It meets only about half the Community's requirements in timber and timber products, however, and the resulting trade deficit is of the order of ECU 15 to 20 billion.

While the outlook for an increase in timber production is encouraging, it will not be

¹ Bull. EC 2-1986, points 2.1.128 to 2.1.134.

² COM(88) 255 final.

³ Supplement 4/88 — Bull. EC; Bull. EC 7/8-1988, point 1.2.1 *et seq.*

enough to meet the expected rise in the Community's domestic consumption. Dependence on imported forestry products, in particular timber, can therefore be expected to increase substantially in the years to come. World production and consumption forecasts suggest, however, that the Community's ability to make up its forestry product shortfall from elsewhere in the world may be limited. The Community is faced therefore with the need to stimulate its own output of timber and at the same time to maintain the trade patterns needed to supplement domestic production.

The forestry strategy

1.2.3. The proposals accompanying the Commission communication must not be regarded as an attempt to introduce a common policy on forestry along the lines suggested in the past¹ or to establish a market organization such as those in other areas of the economy, most notably agriculture. They are a response, rather, to the serious world-wide problem of deforestation and desertification in the face of the growing world population and rising per capita demand for timber, and of the Community's own problems of the changing agricultural policy, rural development and forest decline. The proposals seek to respect and complement the Member States' often distinct national forestry policies by offering a flexible framework for the protection, optimum use and further development of forestry.

The first guiding principle of the forestry strategy proposed by the Commission is that national action takes precedence over Community action, and the second is that long-term Community involvement must be assured.

1.2.4. The Community strategy has eight main objectives:

(i) to participate fully in land-use planning and to promote a secure future for the countryside based on the more systematic and fuller involvement of the whole forestry

sector in regional development, particularly in country areas;

(ii) to provide a measure of security of supply of wood as a renewable raw material;

(iii) to contribute to the conservation and improvement of the environment;

(iv) to give the forestry sector the dynamism it needs to carry out its essential functions;

(v) to safeguard the Community's forests and protect them against major sources of attack;

(vi) to extend the forest's role as a natural setting for recreation and culture;

(vii) to help develop some of the world's most deprived areas, notably in developing countries;

(viii) to give forests and the forestry sector their proper place in the formulation and implementation of Community policies.

1.2.5. Outside the Community it is planned to continue and possibly increase the number of projects financed by the EEC through the European Development Fund and by its Member States in the developing countries which are Lomé Convention signatories. Many of these projects consist wholly or partly of forestry schemes, often including research. The Community will also participate fully in the forestry activities of international organizations such as the United Nations Food and Agriculture Organization, the International Union of Forestry Research Organizations and the recently formed International Tropical Timber Organization.² The ITTO seeks to reconcile the conservation of tropical forest resources with their rational exploitation.

Forestry action programme (1989-92)

1.2.6. The action the Commission is proposing to take is contained in an initial four-

¹ Supplement 3/79 — Bull. EC.

² OJ L 236, 3.9.1985; Bull. EC 3-1985, point 2.2.38.

year programme covering the period 1989 to 1992, and concentrating on the five priority areas of the afforestation of agricultural land, the development and exploitation of woodland in rural areas, a programme for cork, the protection of forests and back-up measures (extending the existing rules on the processing and marketing of agricultural products¹ to all forest products, especially timber; pilot projects, information campaigns and advisory services; coordination of Community instruments, etc.).

These measures should have a positive impact both in the short term — resulting in increased protection for woodlands, the afforestation of land released from farming, the revitalization of a specific sector in decline and the greater contribution being made by the forestry sector to the develop-

ment of rural areas in the Community; and in the medium term — leading to a general improvement in the situation of the forestry sector, thereby enabling it to fulfil more efficiently its essential functions for the benefit of the entire Community.

1.2.7. Funding for the programme, rising from ECU 75 million in 1989 to almost ECU 200 million in 1992, will come not only from the European Agricultural Guidance and Guarantee Fund but also, under the provisions of the recent reform of the structural Funds,² from the European Regional Development Fund and from the European Social Fund.

¹ OJ L 51, 23.2.1977.

² OJ L 185, 15.7.1988; Bull. EC 6-1988, point 2.1.159; Bull. EC 7/8-1988, point 1.1.1 *et seq.*

3. News in brief

A people's Europe (civil protection)

The Commission approved the draft of a Council resolution on new developments in Community cooperation on civil protection (→ point 2.1.6).

Business environment

The Community and EFTA countries opened for signature a multilateral Convention on Jurisdiction and the Enforcement of Judgments in Civil and Commercial Matters (Lugano Convention) (→ point 2.1.11).

Competition

The Commission decided, subject to the Council's assent and the opinion of the ECSC Consultative Committee, to extend the steel industry aid code for three years (→ point 2.1.56).

Energy

The Commission approved a paper on 'The Community oil market and refining industry: recent developments and outlook to 1995' (→ point 2.1.139).

External relations

A trade and cooperation agreement with Hungary was signed (→ point 2.2.32).

The Council issued a statement on the US Omnibus Trade and Competitiveness Act (→ point 2.2.13).

PART TWO

**ACTIVITIES
IN SEPTEMBER
1988**

1. Building the Community

Economic and monetary policy

Medium-term policy

2.1.1. On 15 September Parliament adopted a resolution on the relationship between monetary instability and trade (→ point 2.4.16).¹

Monetary meetings in connection with the IMF and World Bank annual meetings

2.1.2. The annual meetings of the IMF and the World Bank were held in Berlin from 25 to 29 September. They were immediately preceded by meetings of the Group of Five,² the Group of Seven,³ the Group of Ten,⁴ the IMF Interim Committee⁵ and the IMF Development Committee.⁶ The Community was represented by Mr Abel Matutes, Member of the Commission with special responsibility for credit, investment and financial engineering.

The Interim Committee, like the Group of Ten and the Group of Seven, expressed satisfaction with developments during the past year, but some concern about performance in the coming year. The main topics on the agenda were the requisite coordination of economic policies and strategies to deal with debt; it was widely stressed that further progress needed to be made but it was felt that no new policies should be agreed on the eve of a change of administration in the United States. The agreement on the procedure for applying the guidelines from the Western Economic Summit in Toronto⁷ on debt relief for the poorest countries was welcomed, and the problems of middle-income countries were paid special attention. The case-by-case strategy was confirmed once more, with several participants referring once again to the need to reinforce that strategy through reliance on market mechanisms. The Development Committee examined the consequences for

the developing countries of the policies of the industrialized countries and considered problems of the environment and poverty.

Internal market

A people's Europe

2.1.3. On 13 September Parliament adopted three resolutions on a people's Europe¹ (→ point 2.4.16).

European identity

2.1.4. In line with the report on a people's Europe approved by the Milan European Council in June 1985,⁸ the Commission took the opportunity provided by the Seoul Olympics to improve the Community's image at home by organizing an advertising campaign in newspapers and magazines in the 12 Member States.

2.1.5. In September Parliament adopted resolutions on the European flag¹ (→ point 2.4.16) and on Europe's contribution to Olympic Year 1992¹ (→ point 2.4.16).

Civil protection

2.1.6. On 22 September the Commission sent the Council a communication and draft resolution on the new developments in

¹ OJ C 262, 10.10.1988.

² The Group of Five meetings are attended by Finance Ministers and Central Bank Governors from the United States, Japan, the Federal Republic of Germany, France and the United Kingdom.

³ The Five plus representatives of Italy and Canada.

⁴ The Seven plus representatives of Switzerland, Belgium, Sweden and the Netherlands.

⁵ The Interim Committee is an advisory body to the IMF's Board of Governors.

⁶ The Development Committee is an advisory body to the Boards of Governors of the World Bank and the IMF.

⁷ Bull. EC 6-1988, points 1.6.1 to 1.6.4, 3.5.29 and 3.5.30.

⁸ Bull. EC 6-1985, point 1.2.3; Supplement 7/85 — Bull. EC.

Community cooperation on civil protection.¹ The communication reviews action taken in response to the Council resolution of June 1987² and proposes a more extensive programme for the development of cooperation in this field.

The priority measures proposed by the Commission include the setting-up of a system for the interconnection of data banks, the harmonization of language and multilingual terminology, the gradual introduction of a single Europe-wide emergency telephone number by 1992 and the use of new telecommunications services and infrastructures, particularly space technology, for improving disaster management. The Commission also proposed various measures to step up the information effort by adopting a distinctive symbol for European civil protection and launching the first European campaign on this subject (March 1990-April 1991).

Freedom of movement of persons and freedom to provide services

Mutual recognition of diplomas and access to occupations

Veterinary surgeons

2.1.7. The *ad hoc* working party of senior officials responsible for the freedom of movement of veterinary surgeons, meeting on 10 and 11 September, examined a number of legal questions relating to the application of the Directives on veterinary surgeons.³ In particular, it discussed a text to be included in a proposal from the Commission to amend Directive 81/851/EEC of 28 September 1981 on veterinary medicines⁴ so as to solve difficulties arising in connection with the carriage of medicines to practising veterinary surgeons.

The working party also approved a number of statistical papers relating to the number of practising veterinary surgeons, students of veterinary science and migrants, as well as two tables relating to movements of vet-

erinary surgeons in 1986 and 1987 under the right of establishment introduced by the Directives. (The 1987 figures are reproduced in Table 1.)

Free movement of goods

Removal of barriers to trade

Industrial products

2.1.8. On 14 September Parliament adopted its opinion (first reading)⁵ on the proposal for a Directive on the approximation of the laws of the Member States relating to electromagnetic compatibility.⁶ It called for amendments providing for the Commission to draw up a list of permitted special measures by the end of 1992, for the declaration of conformity to be in as simple a form as possible, and for severe fines to be imposed in the case of false declarations or other infringements.

Foodstuffs

2.1.9. On 7 October the Commission sent the Council two proposals for Council Directives relating to (i) the introduction of mandatory nutritional labelling on foodstuffs intended for the ultimate consumer and (ii) the provisions applicable to nutritional labelling of such foodstuffs.⁷ The purpose of these two proposals is to improve the provision of information to the consumer and to prevent the creation of barriers to trade as a result of disparities in nutritional labelling between the Member States.

¹ COM(88) 494 final.

² OJ C 176, 4.7.1987; Bull. EC 6-1987, point 2.1.10.

³ OJ L 362, 23.12.1978.

⁴ OJ L 317, 6.11.1981.

⁵ OJ C 262, 10.10.1988.

⁶ OJ C 322, 2.12.1987; Bull. EC 11-1987, point 2.1.22.

⁷ COM(88) 489 final.

Table 1 — *Number of veterinary surgeons who are Community nationals and who obtained authorization in 1987, under the Directives on veterinary surgeons, to practise in one of the Member States listed at the head of the columns below, after obtaining their basic qualification in another Member State*¹

	D	F	I	NL	B	L ²	UK	IRL	DK	GR	E	P
Total	16	62		31	0	0	36	4	0	5	7	0
Nationals of:												
FR of Germany	5	2		1			3	2			3	
France		1										
Italy	1	1									1	
The Netherlands	4	2		19			19				2	
Belgium	1	54		11			11					
Luxembourg												
United Kingdom		2					1	2		1	1	
Ireland												
Denmark							1					
Greece	1						1			4		
Spain	4											
Portugal												
Who qualified in:												
FR of Germany		2		1			3	2		1	3	
France	1											
Italy	4	1								3	1	
The Netherlands	3	2					19				2	
Belgium	2	55		30			11					
Luxembourg												
United Kingdom		2						2		1	1	
Ireland												
Denmark	1						1					
Greece	1						1					
Spain	4						1					
Portugal												

¹ The table, as the heading suggests, does not include Community nationals who acquired their qualification in a Member State whose nationality they do not possess and in which they were authorized to practise. (These are effectively migrant students rather than migrant veterinary surgeons). It does include all migrant veterinary surgeons provided they have received authorization to practise in that State.

² All Luxembourg veterinary students have to obtain their training abroad; those who subsequently become established in their home country have therefore not been included in the table.

Fertilizers

2.1.10. On 14 September Parliament delivered an opinion (first reading)¹ endorsing the proposal for a Directive² supplementing and amending the December 1975 Directive on fertilizers.³ It nevertheless took the view that as soon as possible — and not later than the end of 1992 — fertilizers presented for sale should be accompanied by particulars of their nutrient content.

Enterprise

Improving the business environment

Business and commercial law

2.1.11. On 16 September a Convention on Jurisdiction and the Enforcement of Judgments in Civil and Commercial Matters was opened for signature by the Member States of the Community and the EFTA countries in Lugano. The purpose of this Convention, which corresponds in substance to the 1968 Brussels Convention between the six original Community members, together with the 1978⁴ and 1982⁵ conventions for the accession of Denmark, Ireland, the UK and Greece, is to lay down common rules on jurisdiction and the enforcement of judgments to be applied in the Community and the EFTA countries, thus making for an integrated European legal area encompassing 18 countries.

Industrial strategy and services

Steel

The Community steel industry

Transitional measures

State aid

2.1.12. On 28 September the Commission approved a draft decision to extend the aid

code for three years (from 1989 to 1991) and systematically monitor non-ECSC aid (→ point 2.1.56 and 2.1.57).

Deliveries by Spain and Portugal

2.1.13. On 26 September the Council gave its assent to two draft Commission decisions setting the delivery levels of ECSC steel products from Spain to the rest of the common market, excluding Portugal, and from Portugal to the rest of the common market, except Spain.⁶

Market situation

2.1.14. In the first half of 1988 new orders were 9.2% up on the same period in 1987 at 57.1 million tonnes and deliveries 8.7% up at 53.8 million tonnes. This overall trend is the net result of two conflicting developments, with both new orders (12.4%) and deliveries (11.4%) up inside the Community but down, by 3.0% and 1.8% respectively, outside.

Forward programme

2.1.15. The Commission approved the forward programme for steel for the fourth quarter of 1988, on which the ECSC Consultative Committee will give its opinion in early October. At this juncture, in line with the Commission Decision of 19 July,⁷ the programme sets out guidelines for all parties concerned to help maintain the balance on the market in the short term.

Crude-steel production in the Community is expected to total 33 million tonnes in the fourth quarter, taking total production this year to just over 133 million tonnes, roughly 6% higher than the final total for 1987. With exports forecast at 6.8 million tonnes and imports at 2.6 million tonnes, apparent

¹ OJ C 262, 10.10.1988.

² OJ C 20, 26.1.1988; Bull. EC 12-1987, point 2.1.19.

³ OJ L 24, 30.1.1976.

⁴ OJ L 304, 30.10.1978.

⁵ OJ L 388, 31.12.1982.

⁶ Bull. EC 6-1988, point 2.1.55.

⁷ OJ L 212, 5.8.1988; Bull. EC 7/8-1988, point 2.1.11.

consumption could be around 27.8 million tonnes. Apparent consumption for 1988 as a whole would, therefore, be some 4% higher than in 1987. Nevertheless, the current extremely favourable market conditions must not blind the industry to the continuing need for restructuring and rationalization. The underlying long-term trend towards slowly declining consumption and a more competitive world market makes it essential for the Community steel industry to recognize the need to restructure as a means of bringing costs down and of increasing its international competitiveness.

Prices

2.1.16. In contrast to the industry's pessimistic forecasts, steel prices not only have not collapsed since the termination of the quota system but have actually continued the upswing started in the second and third quarters of 1987. Steelmakers have made substantial profits, proving the relevance of the analysis which prompted the Commission to deregulate the market.¹ On the mass export market, in particular, the situation remains excellent, with demand over the last year or so heavy enough to generate a veritable price boom, with ecu prices up by between 30% and 55%, depending on the product.

Research and technology

Community R&TD

Joint Research Centre

2.1.17. On 14 September Parliament approved at second reading² the Council's common position³ on the proposal for a Decision adopting specific research programmes (1988-91)⁴ to be carried out for the Community by the Joint Research Centre.

Coordination of national policies

2.1.18. At its meeting of 22 and 23 September at Iraklio, Greece, the Scientific and Technical Research Committee (Crest) continued its examination of the Commission proposal for a specific programme for the dissemination and utilization of the results from scientific and technological research (1988-92)⁵ and asked the Commission to clarify a number of points relating in particular to the programme's objectives, the funding of the demonstration projects, the role of the industrial partners (especially small businesses) and relations with Community programmes.

The Committee also discussed the draft communication from the Commission on the coordination of scientific and technical research policies and R&TD programmes of the Member States. The delegations approved the approach taken by the Commission and emphasized the importance of coordination, acknowledging that although the combined potential of the Member States was comparable with that of the United States and Japan, the fragmentation of national efforts made them less effective. Coordination of science and technology policies in the Community depended first and foremost on dynamic national policies and could not materialize without a concerted commitment.

On the question of the operation of the Committee itself, delegates agreed to the preparation of an internal memorandum spelling out its role as adviser to the Council and the Commission, a role which has taken on new significance since the adoption of the Single Act.

Lastly, Crest took note of the most recent developments in science and technology policy in Greece.

¹ OJ C 194, 23.7.1988; Bull. EC 6-1988, point 2.1.53.

² OJ C 262, 10.10.1988.

³ Bull. EC 6-1988, point 2.1.60.

⁴ OJ C 137, 27.5.1988; Bull. EC 10-1987, point 1.3.1 *et seq.*

⁵ OJ C 184, 14.7.1988; Bull. EC 5-1988, point 2.1.45.

International cooperation

Framework agreements with EFTA countries

2.1.19. On 26 September the Council took decisions¹ concerning the conclusion of cooperation agreements between the Community and:

- (i) Austria, on research in the advanced materials sector (Euram);²
- (ii) Sweden, on research on the recycling and utilization of waste;³
- (iii) Sweden, on research in the field of wood, including cork, as a renewable raw material;⁴
- (iv) Finland, on research in the same field.⁵

2.1.20. The Switzerland/Communities Research Committee, a joint committee set up under the framework agreement for scientific and technical cooperation between the European Communities and the Swiss Confederation,⁶ held its third meeting on 21 September in Brussels.⁷

The Committee noted with satisfaction the forthcoming signature of two cooperation agreements for research on wood as a renewable raw material and on advanced materials. It reviewed the latest developments in R&D on both sides and the status of existing cooperation in such areas as the environment, materials, telecommunications, information technology and radioactive waste management.

The Committee also considered in detail practical ways of broadening cooperation to include the fields of research covered by certain Community programmes — stimulation of the international cooperation and interchange needed by European researchers (Science), medical and health research, applied metrology, IT applied to the areas of road transport (Drive), learning (Delta) and medicine (AIM), industrial technologies (Brite), etc.

COST

2.1.21. Memoranda of Understanding were signed this month in respect of the

following COST projects: B2 (Nuclear medicine software) by the United Kingdom on 15 September and Finland on 16 September, 214 (Methods for the design and evaluation of multiservice telecommunication networks) by Denmark, France and the United Kingdom on 15 September, Finland on 16 September and Sweden on 20 September, and 216 (Optical switching and routing devices), 505 (Industrial applications of light alloys) and 88 (Methods of early detection and identification of plant diseases) by Belgium on 29 September.

Main areas of Community R&TD

Quality of life

Radiation protection

2.1.22. From 7 to 9 September a workshop was held in Brighton, United Kingdom, under the joint auspices of the Commission and Atomic Energy of Canada Limited, with which the Commission has links through the Community-Canada Memorandum of Understanding. The theme of the workshop, which formed part of the programme of research in the field of radiation protection (1985-89),⁸ was 'Methods of determining differential radiosensitivity in humans'. The advantages and drawbacks of the various methods used to determine the relative sensitivity of certain groups to ionizing radiation in comparison with the rest of the population were discussed.

2.1.23. Under the same research programme the Community held a workshop on image optimization and patient exposure in radiological diagnosis, organized jointly with the National Radiological Protection

¹ OJ L 276, 7.10.1988.

² OJ C 56, 27.2.1988; Bull. EC 2-1988, point 2.1.31.

³ OJ C 92, 9.4.1988; Bull. EC 3-1988, point 2.1.40.

⁴ OJ C 51, 23.2.1988; Bull. 2-1988, point 2.1.32.

⁵ OJ C 153, 11.6.1988; Bull. EC 4-1988, point 2.1.40.

⁶ OJ 313, 22.11.1985; Bull. EC 11-1985, point 2.1.183.

⁷ Previous meeting: Bull. EC 7/8-1987, point 2.1.53.

⁸ OJ L 83, 25.3.1985; Bull. EC 3-1985, point 2.1.141.

Board, Chilton, from 27 to 29 September in Oxford. This meeting, which was attended not only by all the Member States of the Community, but also by seven other European countries, the United States, Canada and Japan, reviewed the state of knowledge in this field. Presentations by various participants highlighted the need to improve research into the relationship between image quality criteria and received doses, paying particular attention to the diagnostic procedures used in cases where the population concerned is more sensitive to radiation, such as in pediatric radiology.

Industrial technologies

Brite

2.1.24. The group of independent experts responsible for the evaluation of the Brite programme (1985-88)¹ published its report on 27 September in Brussels. The evaluation group, made up of industrialists, researchers and senior national officials, concluded that the Brite programme had prompted research proposals of a high technical standard. Despite its modest allocation of funds, it had succeeded in increasing the value of research activities in the Member States. Over 215 projects, representing a total cost of ECU 350 million, had been co-financed, with half of the cost being borne by the Community and half by industry.

The group also stressed that, because of the modest size of the programme budget, 80% of applications had had to be rejected, even though some of them concerned excellent projects. It therefore favoured calling for a larger budget to be allocated to the new Brite/Euram programme,² which was currently before the Council and Parliament.

Brite had also helped to generate and reinforce industrial interaction throughout the Community, with small businesses (which accounted for 36% of the industrial partners) collaborating on major commercial contracts.

The programme had been of particular benefit to the smaller Member States.

Biological resources

Biotechnology

2.1.25. On 21 September, in the context of the Biotechnica exhibition held in Hanover, the group of independent experts responsible for evaluating the research and training programmes in the field of biotechnology BEP³ (1982-86)⁴ and BAP⁵ (1985-89)¹ published its report. It welcomed the high scientific standard of the projects carried out under the two programmes and the impact they had had on the growth of European transfrontier cooperation in biotechnology.

However, the evaluation report stresses that the small size of the contracts must have played a part in discouraging industrial participation in the programmes, and recommended that Community efforts be concentrated instead, under the future Bridge programme, on a few major projects with well-defined goals, associating partners from industry.

Agro-industrial technology

2.1.26. On 14 September Parliament adopted an opinion (first reading)⁶ on the proposal for a Decision adopting a first multiannual programme (1988-93) for biotechnology-based agro-industrial research and technological development (Eclair).⁷ It endorsed the Commission's proposal, subject to the incorporation of amendments relating in particular to socio-economic implications, environmental requirements and an increase in funding.

¹ OJ L 83, 25.3.1985; Bull. EC 3-1985, point 2.1.141.

² OJ C 238, 4.9.1987; Bull. EC 7/8-1987, point 2.1.59.

³ Bio Engineering Programme.

⁴ OJ L 375, 30.12.1981; Bull. EC 12-1981, point 2.1.166.

⁵ Bio Action Programme.

⁶ OJ C 262, 10.10.1988.

⁷ OJ C 62, 5.3.1988; Bull. EC 12-1987, point 2.1.58.

Agriculture

2.1.27. On 20 September the Commission sent the Council a proposal for a Decision adopting a research programme on competitiveness of agriculture and management of agricultural resources (1989-93).¹ The purpose of this specific programme, which comes under the framework programme for research (1987-91),² is to help overcome the problem of agricultural surpluses and implement the objectives of the Single Act. It will include shared-cost activities, priority pilot projects and coordinated activities.

Energy

Nuclear fusion energy

2.1.28. On 29 September the Commission adopted,³ having obtained the Council's approval,⁴ a Decision concerning the conclusion of a Memorandum of Agreement between Euratom and the Government of Canada on the involvement of Canada in Euratom's contribution to International Thermonuclear Experimental Reactor conceptual design activities for and on behalf of the Community.⁵

Non-nuclear energy

2.1.29. On 21 and 22 September, under the third Community programme of research in the field of non-nuclear energy (1985-88),⁶ the Commission held a seminar in Lyon on hydrocarbons as a source of energy. Over 200 experts from all the Member States attended the seminar, which reviewed the state of the art on optimizing the use of fossil hydrocarbons (oil and gas), improving oil prospecting methods, gas liquefaction processes, etc.

European scientific and technical cooperation

A researchers' Europe

2.1.30. On 29 September the Economic and Social Committee adopted its opinion

on the proposal for a Council Decision for a European stimulation plan for cooperation and interchange between researchers in economic science (SPES) (1989-92)⁷ (→ point 2.4.28).

Telecommunications, information technology and innovation

Telecommunications

RACE

2.1.31. At a meeting on 15 September the RACE programme management committee considered a draft proposal from European PTTs for a European broadband interconnection trial (EBIT) and reviewed developments in advanced communications on the basis of a fact-finding visit to the USA and Canada.

2.1.32. The first meeting of the group responsible for making a strategic audit of developments in advanced communications was held in Brussels on 8 September. The annual strategic audit is part of the RACE evaluation procedure and is designed to help maintain the programme on an optimum course. The issues to be addressed were identified and the organization of the work was agreed.

2.1.33. September saw the start of one new RACE project, which concerns very high bit-rate links in the local network and the connection of domestic and business subscribers. Most of the major European telecommunications equipment manufacturers

¹ COM(88) 459 final.

² OJ L 358, 22.12.1983; Bull. EC 12-1983, point 2.1.159; OJ L 85, 28.3.1987; Bull. EC 3-1987, point 2.1.51.

³ OJ L 291, 25.10.1988.

⁴ Bull. EC 7/8-1988, point 2.1.28.

⁵ Bull. EC 2-1988, point 2.1.38.

⁶ OJ L 83, 25.3.1985; Bull. EC 3-1985, point 2.1.141; OJ C 69, 16.3.1985; Bull. EC 3-1985, point 2.1.145.

⁷ OJ C 109, 26.4.1988; Bull. EC 3-1988, point 2.1.47.

are involved in an international consortium which plans to demonstrate transmission rates of up to 10 Gbits/sec on optical fibre systems suitable for low-cost installation.

2.1.34. A RACE proposers' day was held on 5 September to help potential proposers find suitable partners in the multidisciplinary consortia that will be needed to develop application pilots in advanced communications. The event was attended by some 200 participants, who each received a list of companies and organizations with complementary interests.

Information technology

Esprit

2.1.35. On 2 September the Commission published a call for proposals for the promotion of the training of engineers in the skills of very large scale integrated circuit (VLSI) design.¹

Combined use of IT and telecommunications in general applications

Tedis

2.1.36. Further to the Council's Decision of 5 October 1987 introducing a programme on trade electronic data interchange systems (Tedis),² the Commission published a call for tenders for a survey of the current level of implementation, use and general awareness of electronic data interchange (EDI) in all the Member States.³

Drive⁴

2.1.37. A meeting held on 8 September to discuss coordination between the Drive programme and Eureka projects showed that Drive is set to play an increasingly important role as part of a concerted European action project in the application of IT and telecommunications in road transport.

2.1.38. The Drive Management Committee met to discuss plans for the evaluation of proposals, setting up an Industrial Consultative Committee and relations with other projects and programmes (Eureka, COST, Esprit).

2.1.39. A concertation meeting on radio data systems was held on 12 September to examine the results of work on the definition of demonstration corridors in the Netherlands, France and the Federal Republic of Germany. Work on the encoding of traffic messages was also presented.

AIM

2.1.40. A proposers' day was held on 16 September to explain the AIM programme and to help potential proposers find partners for multinational consortia. Over 400 organizations have expressed an interest in taking part in the programme.

Standardization

2.1.41. In September the Commission published a set of information factsheets entitled 'Standardization in Information Technology and Telecommunications'.⁵

Information market

2.1.42. This month the Commission drew up a preliminary draft proposal for a five-year programme on libraries in the Community, designed to open up a debate on this topic in the Member States.

2.1.43. A workshop on improving the synergy between the public and private sectors in the information market was held on 28

¹ OJ C 227, 2.9.1988.

² OJ L 285, 8.10.1987; Bull. EC 10-1987, point 2.1.45.

³ OJ S 176, 8.9.1988.

⁴ Dedicated road infrastructure for vehicle safety in Europe.

⁵ Obtainable from the Commission of the European Communities (DG XIII), rue de la Loi, B-1049 Brussels. It is currently available in English only, but translations into all the official languages will soon be obtainable.

September in Luxembourg. The purpose of the workshop was to finalize guidelines for the provision of information services which will be circulated in the Member States to encourage the framing of national policies.

Information services

2.1.44. As part of its plan of priority action for the development of an internal market in information services,¹ the Commission published a call for tenders concerning the provision of an infrastructure and suitably qualified personnel to carry out certain tasks within the objectives of the plan for a two-year period.²

Customs union and indirect taxation

Customs union

General legislation

Relief from customs duty

2.1.45. On 30 September the Commission sent the Council a proposal³ for an amendment to the Council Regulation of 28 March 1983 setting up a Community system of reliefs from duty.⁴ The aim of the proposal is to introduce a system of duty relief on the import by or on behalf of establishments situated outside the Community of equipment intended for use under international scientific cooperation agreements which provide for Community research establishments to make available their infrastructure to the research institutes concerned, at whose disposal the imported equipment remains.

Origin of goods

2.1.46. On 26 September the Council approved a draft decision of the EEC-Yugoslavia Cooperation Council⁵ amend-

ing the Protocol concerning the definition of the concept of 'originating products' and methods of administrative cooperation to take account of Spain's and Portugal's accession to the Communities.

2.1.47. On 7 September the Commission adopted a Regulation⁶ amending its Regulation of 14 March on the definition of the concept of 'originating products' and methods of administrative cooperation applicable to imports into the Community of products originating in the Occupied Territories.⁷ The amended instrument constitutes a liberalization of the rules of origin previously applied, allowing exporters from the Territories to qualify for full Community tariff preferences. From now on, products originating in the Community imported into the Occupied Territories for working or processing and subsequently re-exported to the Community will be regarded as originating in the Occupied Territories and will as a result be exempt from payment of customs duties on import into the Community.

Competition

State aid⁸

General schemes

Employment

Portugal

2.1.48. On 21 September the Commission decided to raise no objection to the implementation of a Portuguese decree-law

¹ Bull. EC 7/8-1988, point 2.1.41.

² OJ C 227, 2.9.1988.

³ COM(88) 506 final.

⁴ OJ L 105, 23.4.1983; Bull. EC 3-1983, point 2.1.28.

⁵ Bull. EC 7/8-1988, point 2.1.48.

⁶ OJ L 249, 8.9.1988.

⁷ OJ L 86, 30.3.1988; Bull. 3-1988, point 2.1.58.

⁸ For State-aid measures in agriculture see the 'Agriculture — competition' section.

providing for assistance towards the recruitment of young people and the long-term unemployed; the assistance is to take the form of wage subsidies or exemption from social security contributions, depending on the circumstances. In assessing the scheme the Commission took account of the economic and social situation in Portugal and the fact that the aims pursued are in line with the objectives of the structural Funds, and in particular the European Social Fund.

Research and development

Belgium

2.1.49. On 28 September the Commission approved planned assistance to be granted by the Walloon Region to Union Chimique Belge SA, in support of three R&D projects relating to immuno-allergology, cognitive disorders and ischemic heart diseases. The projects will run for a period of three years; the assistance amounts to BFR 313 million (ECU 7 million) and may not be combined with any other public aid. The amount of aid corresponds to 12% (gross) of the cost of the projects, which involve basic research (72%) and applied research (28%).

2.1.50. The Commission also decided to allow R&D aid granted between 1982 and 1986 under the scheme for technological innovation measures and programmes, which amounted to an annual average of ECU 9 million.

The scheme has been suspending since 1 January 1987, and the Belgian authorities have told the Commission that they intend to change the mechanism if they reactivate it. The Commission therefore pointed out that under Article 93 (3) of the EEC Treaty they must notify the Commission in advance if any fresh funds are to be allocated to the scheme, and must provide full details of any changes.

2.1.51. As part of the constant review of systems of aid existing in the Member States which is required by Article 93(1) of the Treaty, the Commission decided to examine the prototypes scheme introduced under the

Economic Expansion Acts of 1959 and 1970, in order to establish whether it conformed to Article 92 in the light of the Community framework for State aids for research and development. Assistance for prototypes is granted by the national or regional authorities and takes the form of grants which are repayable if the project is successful, with gross intensities which in certain cases can reach 80% of the eligible cost of the project, regardless of the stage of research. Such intensities are not consistent with the requirements of the framework; moreover, very little money is ever repaid, and repayment is a real possibility only in the case of applied research or development projects.

On 28 September the Commission accordingly decided to suggest to the Belgian Government as an 'appropriate measure' that the prototypes scheme should be changed so that the maximum gross intensity would not exceed 50% for basic research, 40% if the project fails, and 25% if an applied research or development project succeeds. It asked the Belgian Government to inform it within two months of the measures taken to comply with these proposals. If no reply is received, or if the reply is unsatisfactory, the Commission may initiate proceedings under Article 93(2).

Spain

2.1.52. On 21 September the Commission decided to approve the R&D aid package which accompanies the Spanish national electronics and information technology plan (PEIN II). The plan, which has a total budget of almost PTA 48 billion and runs from 1988 to 1990, aims to promote R&D in certain key areas such as microelectronics, telecommunications and electronic medicine, and to prepare Spanish companies to participate more actively in international R&D programmes. Aid in the form of outright grants may be paid up to 25% of the cost of applied R&D projects and up to 50% for basic R&D. The Commission has approved higher maximum intensities for R&D projects in companies employing less than 150 people or located in regionally assisted areas.

The decision takes account of the need to reinforce the scientific and technological base of the Community and of the fact that the package could help to develop R&D in the least-favoured regions of Spain and to reduce the gap between Spain and the rest of the Community in these areas.

Portugal

2.1.53. Applying Article 93(1) of the Treaty, the Commission on 21 September decided to make proposals to the Portuguese Government for measures to ensure transparency in the assistance granted to firms by the National Board for Scientific and Technological Research (Junta Nacional de Investigação Científica e Tecnológica — JNICT).

The lack of transparency in the mechanisms governing the grant of assistance by the JNICT prevents the Commission from establishing whether the assistance squares with the Community rules, even though the existence of a scheme to encourage R&D activities in Portugal is in the Community interest and the social and economic situation of the country means that the regional aspect can be taken into account, allowing a higher level of State aid.

Exports

Greece

2.1.54. On 21 September the Commission decided to initiate proceedings under Article 93(2) of the Treaty in respect of measures which the Greek Government took in March, without notifying them to the Commission. The Government required firms to pay a special contribution consisting of a percentage of their net profit for 1986, but excluded profits from exports. The Commission took the view that this constituted aid to exports which was prohibited by Article 92(1) and did not qualify for exemption under Article 92(3).

Regional schemes

United Kingdom

2.1.55. On 21 September the Commission decided to approve the designation of an enterprise zone in the Inverclyde area of Scotland. Inverclyde, which is part of the declining industrial region of Strathclyde, suffers from a high level of unemployment due to the decline of traditional industries such as shipbuilding and manufacturing. New investments in the area will be eligible for the same benefits as in other UK enterprise zones, such as rates exemption, tax allowances on capital expenditure for industrial buildings, and simplified and more rapid administrative procedures.

Industry schemes

Steel

2.1.56. On 28 September the Commission decided, subject to the assent of the Council and consultation of the ECSC Consultative Committee, to extend for a further three years Commission Decision No 3484/85/ECSC of 27 November 1985 establishing Community rules for aid to the steel industry,¹ which was adopted under Article 95 of the ECSC Treaty and was originally to apply until 31 December 1988. If the Council's assent is not forthcoming, all aid to the steel industry will be prohibited after that date by Article 4(c) of the ECSC Treaty.

Framework for certain steel sectors not covered by the ECSC Treaty

2.1.57. On the same date the Commission decided to establish a code governing non-ECSC assistance to steel firms.

2.1.58. All assistance towards ECSC steel-making activities is strictly vetted by the Commission, but in the case of steelmaking activities not covered by the ECSC Treaty the monitoring function is largely delegated

¹ OJ L 340, 18.12.1985; Bull. EC. 11-1985, point 2.1.25.

to the Member States, and in some cases to regional authorities, in accordance with criteria defined by the Commission under the EEC Treaty.

For some time the Commission has been concerned at the sensitivity of certain steel-processing sectors, such as tube-making and foundries, which are experiencing difficulties due to low levels of demand and capacity utilization.

The Commission feels that State-aid payments in these sectors should be monitored closely in order to prevent distortion of competition, and has now decided that Member States should notify it in advance of any plans to grant aid in the seamless tube and large welded tube sectors, and provide six-monthly reports on aid payments there and in the small and medium-sized welded tubes, open-die forging, foundry, and mild steel wire-drawing sectors.

The new rules will enter into force on 1 January 1989. On the basis of information gathered from reports on the first year of operation of these arrangements the Commission will decide whether to extend the prior notification system to other non-ECSC activities.

France

2.1.59. On 28 September the Commission decided to initiate proceedings under Article 93(2) of the EEC Treaty in respect of a plan notified by the French authorities to grant aid amounting to FF 652.3 million (ECU 92 million) towards restructuring and partial closures by Metalinor (scrap), C3F, and Chavanne-Kétin (foundries). The assistance would consist of social aid to be paid in connection with closures (FF 414.3 million) and financial aid (FF 238 million). The Commission took the view that it had not been shown why the cost of this expenditure should be borne by the State rather than by the firms concerned, and that it was unable to assess the effects of the measures on competition.

Aluminium

Italy

2.1.60. On 21 September the Commission decided to initiate proceedings under Article 93(2) of the Treaty in respect of a measure under which the Manufacturing Industry Holding and Finance Corporation (Ente partecipazioni e finanziamento industria manifatturiera — EFIM) in 1987 issued bonds for LIT 150 billion (ECU 97.3 million), of which LIT 100 billion was to be used to finance a programme of investment in the two firms Alumina and Comsal. The bonds are repayable between 1991 and 1994, and the cost of interest payments is to be borne by the State. The Commission took the view that this constituted State aid caught by Article 92(1), and did not qualify for exemption under Article 92(2) or (3).

Financial institutions and company law

Financial institutions

Banks and other financial institutions

2.1.61. On 29 September the Economic and Social Committee gave its opinion on the proposal for a second Directive on the coordination of laws, regulations and administrative provisions relating to the taking-up and pursuit of the business of credit institutions¹ (→ point 2.4.29).

Company law, company taxation and capital movements

2.1.62. On 29 September the Economic and Social Committee adopted an opinion on the proposal for a twelfth company law

¹ OJ C 84, 31.3.1988; Bull. EC 1-1988, points 1.2.1 to 1.2.3.

Directive, concerning single-member private limited companies¹ (→ point 2.4.30).

Employment, education and social policy

The social dimension of the internal market

2.1.63. On 14 September the Commission adopted a working paper on the social dimension of the internal market (→ point 1.1.1 *et seq.*).

Financial instruments

Measures for shipbuilding workers

2.1.64. On 12 September the Commission sent the Council an amended version² of its proposal for a Regulation instituting a specific Community programme of accompanying social measures to assist workers in the shipbuilding industry who are made redundant or threatened with redundancy.³ The new proposal, presented under Article 149(3) of the Treaty, incorporates those of the amendments called for by Parliament in the opinion adopted on 16 June⁴ which the Commission was able to accept. Apart from simplification of the wording, they relate to the content of the programme contract, the date from which expenditure made by Member States for assistance under the Community programme is to be eligible, and replacement of the tiding-over allowance by a retraining allowance.

Education and vocational training

2.1.65. On 28 September the Economic and Social Committee delivered its opinion on a proposal for a Council Decision on prevention of damage to the environment by the implementation of education and training measures (→ point 2.4.31).

Higher education

2.1.65a. On 15 September the Commission published⁵ a call for applications for grants for the 1989/90 academic year under the Erasmus programme,⁶ the aim of which is to promote cooperation and mobility in the field of higher education.

Vocational training

2.1.66. On 22 September a meeting was held in Brussels, on the Commission's initiative, of national coordinators responsible for implementing the Council Decision of 16 July 1985 on the comparability of vocational training qualifications between Member States.⁷ The Commission and the coordinators agreed on the procedure to be followed so that the Commission may assure itself before publication of the Official Journal that the Member States are in agreement of the texts drawn up by the relevant groups of experts. This will enable the Commission to publish in the near future the work which has been done on the comparability of qualifications relating to 'skilled worker' occupations in the three industries which have been under study — hotels and catering, motor vehicle repair, and construction. Work is to continue on occupations in the electricity, agriculture, and textile and clothing industries. Subsequent to this meeting, work began on occupations in the chemical, metalworking, clerical, administrative, banking and insurance sectors.

Living and working conditions and social protection

Poverty

2.1.67. On 16 September Parliament adopted a resolution on the fight against

¹ OJ C 173, 2.7.1988; Supplement 5/88 — Bull. EC; Bull. EC 3-1988, point 2.1.93.

² OJ C 249, 23.9.1988; COM(88) 455 final.

³ OJ C 291, 31.10.1987; Bull. EC 7/8-1987, point 2.1.132.

⁴ OJ C 187, 18.7.1988; Bull. EC 6-1988, point 2.1.141.

⁵ OJ C 240, 15.9.1988.

⁶ OJ L 166, 25.6.1987; Bull. EC 5-1987, points 1.3.1 and 1.3.2.

⁷ OJ L 199, 31.7.1985; Bull. EC 7/8-1985, point 2.1.88.

poverty in the Community¹ (→ point 2.4.16).

Equal opportunities for men and women

2.1.67a. On 16 September Parliament delivered its opinion¹ on the proposal for a Directive completing the implementation of the principle of equal treatment for men and women in statutory and occupational social security schemes.² Parliament put forward a number of amendments, one of which, in order to promote the individualization of entitlements, draws the distinction between 'individual entitlements' (entitlements deriving from professional activity and entitlements conferred under systems which guarantee basic coverage for all citizens) and 'derived entitlements' (deriving from family status). Parliament also wishes derived entitlements to be granted in addition to individual entitlements 'up to the maximum amount payable under the most favourable entitlement'. The purpose of other amendments wanted by Parliament is to adjust the proposal to changes in family models. Finally, while Parliament accepts the principle of an identical retirement age for both sexes, it wants both men and women to be able to take advantage of existing opportunities to benefit in the same way from flexible pensions.

2.1.68. Parliament also adopted on 16 September resolutions on (i) the application of Council directives, resolutions and recommendations concerning women, (ii) women in decision-making centres and (iii) women and research¹ (→ point 2.4.16).

European Foundation for the Improvement of Living and Working Conditions

2.1.69. On 9 September the Administrative Board of the Dublin-based European Foundation for the Improvement of Living and Working Conditions chaired by Mr Manuel Marin, Vice-President of the Commission, adopted its fourth four-year programme (1988-92).³

The programme, entitled '1992 and beyond: new opportunities for action to improve living and working conditions in Europe' contains six major topics:

- (i) developing the social dialogue and industrial relations;
- (ii) reorganizing working life;
- (iii) promoting health and safety;
- (iv) protecting the environment, workers and the general public;
- (v) increasing the standard of living and the quality of life of everyone;
- (vi) studying the technologies of the future.

The findings of the studies undertaken by the Foundation in this context will be made available to the members of the Board, the Governments of the Member States, employers, trade unions and the Commission. The programme will include research and information activities. The first will be carried out through contracts with international multidiscipline teams, round-table discussions, working meetings and seminars, while the second will exploit the opportunities for diversification and dissemination of the results of the Foundation's endeavours.

Health and safety

Public health

2.1.70. On 12 September Parliament adopted a resolution on European harmonization of medicoethical questions¹ (→ point 2.4.16).

2.1.71. On 30 September the Commission published an invitation to tender⁴ concerning the preparation and execution of a survey among primary and secondary school

¹ OJ C 262, 10.10.1988.

² OJ C 309, 19.11.1987; Bull. EC 10-1987, point 2.1.85.

³ Third programme: Nineteenth General Report, point 445.

⁴ OJ C 254, 30.9.1988.

teachers under the 'Europe against cancer' programme.¹ The survey will cover cancer prevention, awareness of the European code against cancer and views on this subject. The findings should be presented in May 1989.

Health and safety at work

2.1.72. On 16 September the Commission sent the Council a communication² on the procedure prior to ratification of the ILO Convention concerning safety in the use of asbestos, which was adopted by the annual International Labour Conference in June 1986.³ Since the subject of this convention lies within the competence of the Community, its ratification is a matter for the Community and not for the Member States. Consequently, the communication deals with the implementation of the procedure designed to ensure the proper exercise of the Community's external powers, while observing the ILO Constitution.

2.1.73. On 28 September the Economic and Social Committee delivered opinions on four proposals for Directives laying down minimum health and safety requirements. The specific subjects were the use by workers of machines, equipment and installations, personal protective equipment at the workplace, work with visual-display units and the handling of heavy loads where there is a risk of back injury for workers (→ points 2.4.32 to 2.4.35).

Culture

European Cinema and Television Year 1988

2.1.74. A symposium on the audio-visual sector attended by patrons of the arts, actors, authors, musicians, scientific researchers and academics from 21 European countries was held in Delphi, Greece, from 25 to 27 September. A statement was issued to the general public, governments

and Community institutions on the crisis in the audio-visual sector and the future facing it. Recognizing that audio-visual material is now an essential part of our culture, the participants appealed for the arrest of the progressive erosion of cultural identities in Europe and for the safeguarding of the free movement of ideas, information and works of art. They called upon those in positions of responsibility in the cultural field in Europe to resist encroachment on the arts by profiteering.

Founding of a centre for European culture and civilization

2.1.75. On 16 September Parliament adopted a resolution on the founding of a centre for European culture and civilization⁴ (→ point 2.4.16).

Regional policy

Coordination and programmes

Regional impact assessment of other Community policies and regional development studies

2.176. In September the Commission launched two studies on the regional consequences of completion of the internal market, one dealing with the opening up of public procurement in sectors hitherto excluded (water, energy, transport and telecommunications)⁵ and the other with the liberalization of financial services.⁶

¹ OJ C 50, 26.2.1987; Bull. EC 12-1986, point 1.4.1 *et seq.*; Bull. EC 5-1987, point 2.1.121; Bull. EC 5-1988, point 2.1.187.

² COM(88) 482 final.

³ Bull. EC 6-1986, point 2.1.107.

⁴ OJ C 262, 10.10.1988.

⁵ Bull. EC 6-1988, point 2.1.51.

⁶ Bull. EC 1-1988, points 1.2.1 *et seq.*

Financial instruments

European Regional Development Fund

Programme preparation

2.1.77. On 13 September Parliament adopted a resolution on a development programme for the frontier regions between Portugal and Spain (→ point 2.4.16).

ERDF grants

Programmes

2.1.78. On 12 September the Commission amended its proposal for a Regulation to institute a specific Community programme of accompanying social measures to assist workers in the shipbuilding industry who are made redundant or threatened with redundancy¹ (→ point 2.1.64).

2.1.79. On 27 September the Commission approved three special programmes under the former 'non-quota' section of the ERDF covering areas in Italy affected by shipyard restructuring.² The programmes concern Palermo (ERDF grants of ECU 2.052 million, Genoa (ECU 5.82 million) and Gorizia-Trieste (ECU 4.128 million). They are designed to create new economic activities, mainly through measures to assist small businesses, and will run until 1991.

Studies

2.1.80. Acting under Article 24(1) of the ERDF Regulation, the Commission decided in September to provide the following finance for four studies connected with Fund operations:

- (i) ECU 76 000 to identify a suitable point of discharge for a long outfall at Stannergate on the Firth of Tay (United Kingdom);
- (ii) ECU 14 000 on the potential for redevelopment of the Royal Naval Stores Depot at Llangennech (United Kingdom);
- (iii) ECU 183 000 for assessment of the feasibility of the electrification and development options of the Holyhead and Llan-

dudno to Crewe railway line (United Kingdom);

(iv) ECU 57 000 ECU on unemployment and vocational training in the regional labour markets in Greece.

Aid for disaster victims

2.1.81. On 15 September Parliament adopted a resolution on aid for the reconstruction of the Chiado district of Lisbon (→ point 2.4.16).

Coordination of structural instruments

Integrated operations

2.1.82. On 7 September the Commission approved an integrated development operation (IDO)³ for Norte Alentejo, in Portugal. This is the first IDO in the Iberian peninsula. The main purpose of the five-year operation (1988-92) is to create conditions that will halt the strong trend towards out-migration in this predominantly agricultural region, by providing the local population with opportunities for alternative activities: exploiting the potential for tourism, modernizing and adapting agriculture, harnessing human resources and strengthening the industrial base. The total cost of the programme is put at ECU 143 million, of which ECU 86 million (60%) is to be met from the Community budget. The measures that will receive Community assistance are centred on a national programme of Community interest (NPCI) involving the ERDF, an ESF component (vocational training) and an EAGGF Guidance Section component (agriculture and forestry). The operation fits in with the assistance which Portugal is already receiving notably under the Pedip⁴ and under the

¹ OJ C 249, 23.9.1988.

² OJ L 350, 27.12.1985; Bull. EC 12-1985, point 2.1.128.

³ OJ L 169, 28.6.1984; Bull. EC 6-1984, point 1.3.11.

⁴ OJ L 185, 15.7.1988; Bull. EC 6-1988, point 2.1.166.

NPCI in support of the Portuguese regional aid scheme.¹

Environment and consumers

Environment

European Year of the Environment

2.1.83. On 16 September Parliament adopted a resolution on EYE² (→ point 2.4.16).

Prevention and reduction of pollution and nuisance

Protection of the aquatic environment

Discharges of dangerous substances

2.1.84. On 19 September the Commission sent the Council a proposal³ to amend the framework Directive of 12 June 1986⁴ on limit values and quality objectives for discharges of certain dangerous substances included in List 1 of the Annex to the Directive of 4 May 1976.⁵ The intention is to broaden the scope of the 1986 Directive by including specific provisions relating to 1,2-dichloroethane, trichloroethylene, perchloroethylene and trichlorobenzene in Annex II.

2.1.85. On 15 September Parliament adopted a resolution on the eutrophication of the Adriatic² (→ point 2.4.16).

Air pollution

Sulphur dioxide and suspended particulates

2.1.86. On 20 September the Commission sent the Council a proposal⁶ to amend the Directive of 15 July 1980 on air-quality limit values and guide values for sulphur dioxide and suspended particulates.⁷ The main changes relate to the limit values for sulphur

dioxide and associated values for particulates set out in Annex IV.

Motor vehicle emissions

2.1.87. On 14 September Parliament delivered its opinion (first reading)² on the proposal⁸ to amend, as regards vehicles with an engine capacity of less than 1 400 cc, the Directive of 20 March 1970 relating to measures to be taken against air pollution by gases from the engines of motor vehicles.⁹ It calls for stricter standards for emissions of pollutants, to apply from 1 October 1992 (20 grams/test for carbon monoxide instead of 30 grams/test and 5 grams/test for combined emissions of hydrocarbons and nitrogen oxides instead of 8 grams/test). Also, in distinction to the Council Directives adopted on 3 December 1987,¹⁰ Parliament calls for identical standards to be applied to vehicles of 1 400 cc or more: from 1 October 1991 for vehicles of more than 2 litres, from 1 October 1993 for vehicles of between 1.4 litres and 2 litres.

Municipal waste

2.1.88. In September the Economic and Social Committee adopted an opinion on the proposals for Directives on the prevention and reduction of air pollution from municipal waste incineration plants¹¹ (→ point 2.4.36).

Noise abatement

Motor cycles

2.1.89. On 14 September Parliament endorsed² the Commission's proposal¹² to

¹ Bull. EC 1-1988, point 2.1.50.

² OJ C 262, 10.10.1988.

³ OJ C 253, 29.9.1988; COM(88) 432 final.

⁴ OJ L 181, 4.7.1986; Bull. EC 6-1986, point 2.1.147.

⁵ OJ L 129, 18.5.1976.

⁶ OJ C 254, 30.9.1988; COM(88) 436 final.

⁷ OJ L 229, 30.8.1980.

⁸ OJ C 56, 27.2.1988; Bull. EC 2-1988, point 2.1.103.

⁹ OJ L 76, 6.4.1970.

¹⁰ OJ L 36, 9.2.1988; Bull. EC 12-1987, point 2.1.187.

¹¹ OJ C 75, 23.3.1988; Bull. EC 2-1988, point 2.1.102.

¹² OJ C 44, 17.2.1988; Bull. EC 1-1988, point 2.1.59.

amend the Council Directive of 23 November 1978 relating to the permissible sound level and exhaust system of motor cycles,¹ subject to a number of amendments concerning the limit values envisaged.

Control of chemicals, industrial hazards and biotechnology

Dangerous substances

2.1.90. On 14 September Parliament endorsed² the proposal for a Council Directive setting up a committee for adaptation to technical progress³ under the Directive of 27 July 1976 relating to restrictions on the marketing and use of certain dangerous substances and preparations.⁴

Protection and use of resources

Flora and fauna

2.1.91. On 28 September the Commission sent the Council a proposal for a Decision on the positions of the Community and of the Member States on the items on the agenda of the second meeting of the Conference of the Contracting Parties to the Bonn Convention on the Conservation of Migratory Species of Wild Animals.⁵

2.1.92. On 15 and 16 September Parliament adopted resolutions on the death of seals and pollution in the North Sea and the Baltic, on the monk seal and on the protection of turtles in Community waters² (→ point 2.4.16).

Agriculture⁶

2.1.93. On 28 September the Commission sent the Council a communication on Community strategy and action in the forestry sector (→ point 1.2.1 *et seq.*).

Council

2.1.94. The Council met on 26 and 27 September mainly to discuss the future of rural society, the reform of the structural Funds, aids to agricultural income, the set-aside of arable land, the reform of the milk quota system (SLOM) and the co-responsibility levy in the cereals sector.

It held an initial discussion on the communication on the future of rural society⁷ and agreed to examine the matter in detail as soon as the Commission had presented specific proposals.

On the question of the reform of the structural Funds,⁸ several delegations hoped that Ministers for Agriculture would take an active part in discussing the principal aspects of the revision of the EAGGF (Guidance Section) Regulation.

The Council took note of a communication on the proposals for Regulations on income aids.⁹ The Commission drew attention to the urgent need for an early decision on the matter and reminded the Council of its undertaking to introduce this type of measure before the end of the year to accompany the price restriction policy.

The Council also heard a statement on the situation regarding the implementation of the Regulation on the set-aside of arable land,¹⁰ from which it emerged that certain Member States were encountering difficulties.

The Council held an initial discussion on a set of Commission proposals concerning the milk-products sector intended to implement

¹ OJ L 349, 13.12.1978.

² OJ C 262, 10.10.1988.

³ Bull. EC 10-1983, point 2.1.96; OJ C 41, 19.2.1987.

⁴ OJ L 262, 27.9.1976.

⁵ OJ L 210, 19.7.1982; Bull. EC 6-1982, point 2.1.80.

⁶ Agricultural research is dealt with under 'Research and technology'.

⁷ Supplement 4/88 — Bull. EC; Bull. EC 7/8-1988, point 1.2.1 *et seq.*

⁸ OJ L 185, 15.7.1988; Bull. EC 6-1988, point 2.1.159; Bull. EC 7/8-1988, point 1.1.1 *et seq.*

⁹ OJ C 236, 2.9.1987; Bull. EC 4-1987, point 1.2.1 *et seq.*; OJ C 180, 9.7.1988; Bull. EC 5-1988, point 2.1.118.

¹⁰ OJ C 106, 27.4.1988; Bull. EC 4-1988, point 2.1.126.

the judgments of the Court of Justice on the SLOM question (→ point 2.1.102), concentrating on certain basic points regarding the conduct of work on the matter, in particular the approach to be followed, the criteria for determining the parties eligible and financing.

Lastly, the Council held an exchange of views on various problems raised by the implementation of co-responsibility levies on cereals¹ in certain Member States. While the discussion showed that it was necessary, as things stood, to maintain the existing rules on co-responsibility, the Commission did not rule out the possibility of examining the current arrangements in order to see whether there were any adjustments that could improve the administration of the system.

Free food

2.1.95. On 22 September the Commission adopted a Decision making a definitive allo-

cation to various Member States of resources to be charged to the 1988 budget year for the supply of food from intervention stocks to designated organizations for distribution to the most deprived persons in the Community.²

A total of ECU 100 million was allocated in 1988 to cover both the cost of the food and expenditure on transport and the administration of the scheme, which was decided on in December 1987.³ When account is taken of the fluctuations in the budgetary exchange rates and of intra-Community transport costs, the entire appropriation has now been allocated (see Table 2).⁴

¹ OJ L 131, 27.5.1988; Bull. EC 5-1988, point 2.1.125.

² OJ L 271, 1.10.1988.

³ OJ L 352, 15.12.1987; Bull. EC 12-1987, point 2.1.202.

⁴ Bull. EC 5-1988, point 2.1.121.

Table 2 — *Free food for those most in need in the Community (final allocation of resources under 1988 programme)*

Member State	Amount allocated (million ECU)	Common wheat	Durum wheat	Butter	Beef	Olive oil	Starting date
		tonnes ¹					
Belgium	1.296	300		160	148		6.1.1988
Denmark	0.40			20	80		21.12.1987
France	18.555	3 000	6 000	1 650	3 300		15.12.1987
Germany (FR)	7.30			2 331			24.2.1988
Greece	4.06				1 400		21.3.1988
Ireland	3.688			24	850		24.2.1988
Italy	17.910		15 500	450	4 000	450	24.2.1988
Luxembourg	0.0875	30		20	10		7.1.1988
Netherlands	1.00			150	300		28.12.1987
Portugal	5.70	650	350	350	1 550		17.3.1988
Spain	21.96		2 200	1 400	4 600	1 700	29.2.1988
United Kingdom	15.00			3 000	2 000		5.4.1988
Total	96.9565	3 980	24 050	9 555	18 238	2 150	

¹ Maximum quantities.

Market organizations

Cereals and rice

2.1.96. On 6 September the Commission adopted a Regulation authorizing several Member States to apply a maximum moisture content of 15.5% to cereals bought in during the 1988/89 marketing year.¹

2.1.97. On 16 September the Commission amended² its Regulation of 26 May laying down detailed rules for applying the co-responsibility levy in the cereals sector.³ The purpose of this amendment is to exempt stocks of certified seed grain held by operators at the end of the 1987/88 marketing year from the co-responsibility levy.

Fruit and vegetables

2.1.98. On 20 September the Commission sent the Council a proposal for a Regulation on the fixing of an intervention threshold in Spain for clementines for the 1988/89 marketing year.⁴ Clementines have been withdrawn in Spain since 1987/88, and the purpose of this proposal is to lay down the detailed rules for applying the intervention threshold.⁵ The same criteria were used to fix the threshold as were used for the Community of Ten, namely 10% of average production over the last five marketing years.

2.1.99. On 23 September the Commission adopted a Regulation enabling Member States to authorize preventive withdrawals of apples up to a total of no more than 357 200 tonnes.⁶ The most recent estimates available indicate that this year's apple harvest is very large and prices have stood below the basic price on several representative markets.

Wine

2.1.100. On 26 September the Council, acting on a Commission proposal⁷ after receiving the opinion of Parliament,⁸ adopted a Regulation⁹ amending that of

16 March 1987 on the common organization of the market in wine.¹⁰ This means that the conclusions of last February's European Council¹¹ on the systematic depreciation of agricultural products, commencing at the time they are bought in, can now be applied to wine alcohol from compulsory distillation held by intervention agencies.

2.1.101. On 27 September the Commission took the necessary measures to apply this Regulation to stocks of wine alcohol resulting from the distillation of compulsory by-product deliveries and of wine from dual classification grapes.¹² In practice, the stocks will be depreciated by applying a coefficient, set at 0.7 for 1989, to the buying-in price.

Milk and milk products

2.1.102. On 13 September the Commission sent the Council a package of five proposals for Regulations concerning the adjustment of the milk quota scheme and related measures.¹³ The package forms an interrelated whole which requires an overall decision. It follows the judgments given by the Court of Justice on 28 April,¹⁴ which found Regulation (EEC) No 857/84 of 31 March 1984¹⁵ void in so far as it failed to provide for the allocation of reference quantities to farmers who had drawn milk non-marketing and dairy herd conversion premiums under Regulation (EEC) No

¹ OJ L 248, 7.9.1988.

² OJ L 257, 17.9.1988.

³ OJ L 131, 27.5.1988; Bull. EC 5-1988, point 2.1.125.

⁴ COM(88) 465 final.

⁵ OJ L 118, 20.5.1972.

⁶ OJ L 264, 24.9.1988.

⁷ OJ C 176, 5.7.1988; Bull. EC 5-1988, point 2.1.131.

⁸ OJ C 262, 10.10.1988.

⁹ OJ L 269, 29.9.1988.

¹⁰ OJ L 84, 27.3.1987; Bull. EC 3-1987, point 2.1.167.

¹¹ Bull. EC 2-1988, point 1.1.1.

¹² OJ L 268, 28.9.1988.

¹³ OJ C 265, 12.10.1988; COM(88) 466 final.

¹⁴ Cases 120/86 *Mulder v Minister van Landbouw en Visserij* and 170/86 *von Deetzen v Hauptzollamt Hamburg-Jonas* (not yet reported); Bull. EC 4-1988, point 2.4.44.

¹⁵ OJ L 90, 1.4.1984; Bull. EC 3-1984, point 1.2.4 *et seq.*

1078/77 of 17 May 1977¹ (the 'SLOM' programme²) and, for this reason, had delivered no milk during the reference year chosen by the Member State concerned.

The package consists of:

(i) a proposal to amend Council Regulation (EEC) No 857/84, in particular Article 3, by adding the 'SLOM' case to the list of beneficiaries of specific reference quantities; the quantity of milk needed to accommodate such cases will be drawn from national reserves and from an increase in the Community reserve; in order to deal, at the same time, with the difficulties the Member States have had to contend with in the implementation of the quota scheme over the first two marketing years, especially as regards offsetting between regions and within regions, an addition is made to Article 4 of the Regulation that will eliminate, for the first two quota periods, the financial consequences of the sum of reference quantities distributed exceeding the overall guaranteed quantities;

(ii) a proposal to increase the Community reserve fixed in Council Regulation (EEC) No 2237/88 of 19 July 1988³ for the period 1 April 1988 to 31 March 1989 to 943 000 tonnes;

(iii) a proposal to amend Council Regulation (EEC) No 804/68 of 27 June 1968⁴ to prevent specific reference quantities allocated to 'SLOM' cases from benefiting from the temporary procedures;

(iv) a proposal to reduce the intervention price for butter, with the aim of increasing butter consumption and reducing the average cost of disposal; despite the reduction in butter stocks and the improvement in the resultant market situation, the intervention price continues to determine the butter market; econometric studies on the price elasticity of demand for butter show that any fall in the price of butter brings about increased use;

(v) a proposal to amend Council Regulation (EEC) No 1079/77 of 17 May 1977¹ by reducing the co-responsibility levy by 0.5 of a point for farmers whose deliveries during the fourth quota period did not

exceed 60 000 kg; this measure is intended to lighten the burden on small farmers caused by the implementation of the reduction in the butter price.

2.1.103. On 14 September the Commission sent the Council a proposal for a Regulation⁵ to amend the Regulation of 15 July 1968 laying down general rules for granting aid for skimmed milk processed into casein or caseinates.⁶ The amendment would enable the Commission to take such measures as may be needed to prevent casein and caseinates for which aid has been paid from being used as a raw material in the manufacture of certain milk products in a way that is inconsistent with the purpose of the rules.

Beef/veal

2.1.104. On 16 September the Commission adopted a Regulation⁷ amending the Regulation of 19 May 1982 laying down detailed rules implementing the system of premiums for maintaining suckler cows,⁸ and providing for a derogation from that Regulation for payment deadlines. The purpose of the amendment is to extend the period for lodging applications for the premium.

Sugar

2.1.105. On 15 September the Commission adopted a Regulation⁹ revising the maximum amount for the B production levy

¹ OJ L 131, 26.5.1977.

² SLOM is the Dutch abbreviation — used in the Court cases — for beneficiaries of the Community's non-marketing and dairy herd conversion scheme ('Slacht- en Omschakelingsbedrijven').

³ OJ L 197, 26.7.1988; Bull. EC 7/8-1988, point 2.1.126 *et seq.*

⁴ OJ L 148, 28.6.1968.

⁵ COM(88) 472 final.

⁶ OJ L 169, 18.7.1968.

⁷ OJ L 257, 17.9.1988.

⁸ OJ L 143, 20.5.1982; Bull. EC 5-1982, point 2.1.109.

⁹ OJ L 256, 16.9.1988.

(raised to 37.5%) and amending the minimum price for B beet (set in July)¹ in the sugar sector for the 1988/89 marketing year.

Starting with 1988/89, the Commission is required by Article 28 of the Regulation of 30 June 1981,² where the foreseeable total loss for the current marketing year is not likely to be covered by the receipts expected from the production levies, because of the ceiling placed on them, to adjust the maximum percentage for the B levy to the extent necessary to cover the said total loss but without exceeding 37.5% of the intervention price for white sugar for that marketing year.

Tobacco

2.1.106. On 19 September the Commission, in pursuance of its policy of running down stocks and reducing the storage period for tobacco taken into intervention, accepted tenders for the export, without refunds, of two lots of tobacco involving a total of 5 821 891 kg of tobacco from the 1985 and 1986 crops held by the Greek intervention agency.³

2.1.107. On 19 September the Commission issued an invitation to tender for the export, without refunds, of 9 233 249 kg of tobacco from the 1986 crop held by the Greek intervention agency.⁴

2.1.108. On 13 September it laid down detailed rules⁵ for applying the system of maximum guaranteed quantities in the tobacco sector in connection with the introduction of 'agricultural stabilizers'.⁶

2.1.109. On 26 September the Council, acting on a proposal from the Commission⁷ after receiving the opinion of Parliament,⁸ adopted a Decision setting up a pilot project on remote sensing applied to agricultural statistics.⁹ The aim of the project is to incorporate satellite data into the Community agricultural information system, in particular for the estimation and forecast of areas under cultivation and

crops. The cost of the project, which is to run for five years from 1 January 1989, is estimated at ECU 35.5 million.

Legislation

Veterinary and animal husbandry

2.1.110. On 16 September Parliament adopted a resolution on the use of hormones in meat production (→ point 2.4.16).⁸

Competition

2.1.111. 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.

Germany

Hessen

Aid to promote new products and outlets.

Rhineland-Palatinate

Improved training for farmers.

Denmark

Amended 1988 budget for five farming funds (potatoes, poultry, beef/veal, milk, 'pro mille').

Experiments in ecological farm production.

¹ OJ L 198, 26.7.1988.

² OJ L 177, 1.7.1981; Bull. EC 6-1981, point 2.1.88.

³ OJ C 186, 16.7.1988.

⁴ OJ L 260, 20.9.1988; OJ C 248, 22.9.1988.

⁵ OJ L 254, 14.9.1988.

⁶ OJ L 110, 29.4.1988; Bull. EC 4-1988, point 2.1.126.

⁷ OJ C 119, 6.5.1988; Bull. EC 4-1988, point 2.1.156.

⁸ OJ C 262, 10.10.1988.

⁹ OJ L 273, 5.10.1988.

*Spain***Canary Islands**

Draft regional order on aid for the processing and marketing of agricultural products.

*Italy***Basilicata**

Aid for beekeeping.

Friuli-Venezia Giulia

Aid for winegrowing.

Bill on regional advance payments in respect of investment projects partially financed by the EAGGF.

Sicily

Variation of an existing aid scheme on emergency measures to assist farm cooperatives in difficulties.

*United Kingdom***Isle of Man**

Beef Cow Subsidy Scheme (to encourage farmers to keep calves for meat production).

2.1.112. The Commission decided to terminate the Article 93(2) procedure in respect of a Sicilian aid scheme on farm support measures since Italy had decided to discontinue the scheme.

European Agricultural Guidance and Guarantee Fund

Guarantee Section

2.1.113. On 13 September the Commission, in accordance with paragraph 8 of

the conclusions of last February's European Council,¹ adopted for transmission to the budget authority the sixth monthly report² on the trend in EAGGF guarantee expenditure (early warning system), which gives provisional figures for expenditure by the Member States between November 1987 and June 1988.

2.1.114. In the course of the month the Commission adopted three Regulations under the Council Regulation of 2 August 1978 laying down general rules for the financing of interventions by the EAGGF Guarantee Section,³ which was amended in June⁴ in connection with the implementation of the conclusions of the European Council.⁵

The first of these Regulations, which was adopted on 13 September, fixes the depreciation coefficients to be applied when agricultural products are bought in.⁶ It is based on the new Article 8 of the Council Regulation of 2 August 1978, which specifies the rules for the systematic depreciation of agricultural products in public intervention when they are bought in. This will be done in two stages in 1989, with the first instalment of the depreciation accounting for about 75% of the difference between the buying-in price and the estimated selling price.

The second, adopted on 14 September, sets the prices to be used to calculate the value of agricultural products in intervention storage to be carried forward to 1989.⁷ It is based on Article 7 of the 1978 Regulation and sets the date for the closure of the accounts in respect of public storage operations at 30 September 1988 and determines the rules for calculating the value of the stocks at the end of the year.

¹ Bull. EC 2-1988, point 1.1.1.

² Previous report: Bull. EC 7/8-1988, point 2.1.196.

³ OJ L 216, 5.8.1978.

⁴ OJ L 185, 15.7.1988; Bull. EC 6-1988, point 2.3.15.

⁵ Bull. EC 2-1988, point 1.1.1 *et seq.*

⁶ OJ L 254, 14.9.1988.

⁷ OJ L 255, 15.9.1988.

The third, adopted on 23 September¹ under Article 1 of the 1978 Regulation, updates the list of measures which conform to the concept of intervention within the meaning of Article 3 of the Council Regulation of 21 April 1970 on the financing of the common agricultural policy.² The entry into force of the 'stabilizer' regulations³ meant that the scheme for the set-aside of arable land should be included in this list of measures.

Fisheries

Resources

Internal aspects

Community measures

TACs and quotas

2.1.115. On 22 September the Commission sent the Council a proposal for a Regulation⁴ amending that of 21 December 1987 fixing, for certain fish stocks and groups of fish stocks, the total allowable catches for 1988 and certain conditions under which they may be fished.⁵

2.1.116. The Scientific and Technical Committee for Fisheries, which held its annual meeting in Brussels from 29 August to 2 September,⁶ drew up a report containing scientific notes for each species, with a breakdown by stock and by region, to serve as a basis for determining the optimum level of fishing in Community waters.

Technical measures

2.1.117. On 22 September the Commission sent the Council a proposal for a Regulation⁷ to amend for the sixth time⁸ the Regulation of 7 October 1986 laying down certain technical measures for the conservation of fishery resources.⁹

External aspects

Bilateral relations

Greenland

2.1.118. On 26 September the Council, acting on a proposal from the Commission,¹⁰ adopted a Regulation¹¹ amending that of 15 December 1987 allocating the 1988 Community catch quotas in Greenland waters.¹² The purpose of the amendment is to increase the cod quota from 4 000 to 7 000 tonnes.

Norway

2.1.119. On 2 September the Community and Norway held a second round¹³ of consultations on the reduction of the Community's 1988 quota for North-East Arctic cod in the Norwegian fishing zone north of latitude 62°N.

Mozambique

2.1.120. The second meeting of the Joint Committee provided for in the fisheries agreement between the Community and Mozambique¹⁴ was held in Brussels on 6 and 7 September. Quotas were agreed for Community shrimp trawlers for 1989.

¹ OJ L 264, 24.9.1988.

² OJ L 94, 28.4.1970.

³ OJ L 110, 24.9.1988; Bull. EC 4-1988, point 2.1.126; OJ L 132, 28.5.1988; Bull. EC 5-1988, point 2.1.117.

⁴ COM(88) 488 final.

⁵ OJ L 375, 31.12.1987; Bull. EC 12-1987, point 2.1.239.

⁶ Previous meeting: Bull. EC 9-1987, point 2.1.167.

⁷ COM(88) 475 final.

⁸ OJ L 179, 9.7.1988; Bull. EC 6-1988, point 2.1.238.

⁹ OJ L 288, 11.10.1986; Bull. EC 10-1986, point 2.1.174.

¹⁰ COM(88) 463 final.

¹¹ OJ L 269, 29.9.1988.

¹² OJ L 375, 31.12.1987; Bull. EC 12-1987, point 2.1.255.

¹³ Bull. EC 7/8-1988, point 2.1.211.

¹⁴ OJ L 98, 10.4.1987; Bull. EC 12-1986, point 2.1.280.

Nigeria

2.1.121. On 27 September the Council, acting on a proposal from the Commission,¹ adopted a decision authorizing the latter to negotiate a fisheries agreement with Nigeria.

Sri Lanka and the Maldives

2.1.122. On 27 September the Council, acting on a proposal from the Commission,² adopted a decision authorizing the latter to negotiate a fisheries agreement with Sri Lanka and the Maldives.

Soviet Union

2.1.123. Following the exploratory talks held in May 1987, the Community and the Soviet Union began negotiations on a bilateral fisheries agreement in Moscow on 8 and 9 September.

Multilateral relations*North-West Atlantic Fisheries Organization (NAFO)*

2.1.124. On 16 September the Commission adopted a Regulation laying down detailed rules for the application of the joint international inspection scheme adopted by the NAFO.³ These relate to the adoption and notification of the provisional plan for Community participation in the scheme, the notification and investigation of apparent infringements and the cooperation of the Member States and the Commission in such matters.

2.1.125. The Community participated as a member in the 10th annual meeting of the NAFO,⁴ which was held in Ottawa, Canada, from 12 to 16 September. The main purpose of the meeting was to consider appropriate regulatory measures for the 1989 fishing seasons.

International Baltic Sea Fishery Commission (IBSFC)

2.1.126. The Commission represented the Community at the 14th annual meeting of the IBSFC,⁴ which was held in Warsaw from 19 to 23 September.

Transport**Infrastructure**

2.1.127. On 13 September Parliament adopted a resolution on the regional impact of the construction of a tunnel under the English Channel and a bridge over the Strait of Messina,⁵ and on 14 September it adopted a resolution on promoting transport by pipeline in the Community⁵ (→ point 2.4.16).

Inland transport*Road transport***Access to the market**

2.1.128. On 16 September Parliament approved⁵ the amendment⁶ to the proposal for a Decision with regard to the UN Economic Commission for Europe's consolidated resolution on the facilitation of road transport.⁷

2.1.129. On 28 September the Commission delivered a favourable opinion⁸ on a bill on which the Danish Government

¹ Bull. EC 6-1988, point 2.1.244.

² Bull. EC 6-1988, point 2.1.213.

³ OJ L 257, 17.9.1988.

⁴ Previous meeting: Bull. EC 9-1987, point 2.1.176.

⁵ OJ C 262, 10.10.1988.

⁶ COM(88) 49 final; Bull. EC 2-1988, point 2.1.159.

⁷ Bull. EC 10-1984, point 2.1.124.

⁸ OJ L 288, 21.10.1988.

had consulted it pursuant to the Council Decision of 21 March 1962 concerning the transport of goods by road.¹

Access to the occupation

2.1.130. On 29 September the Economic and Social Committee adopted an opinion on the proposal² for a Directive to amend Directives 74/561/EEC,³ 74/562/EEC³ and 77/796/EEC⁴ (→ point 2.4.37).

Inland waterways

2.1.131. On 28 September the Economic and Social Committee adopted an opinion on the proposal for a Directive on the reciprocal recognition of national boatmasters' certificates for the carriage of goods by inland waterway⁵ (→ point 2.4.39).

2.1.132. On 29 September the Committee adopted an opinion on the proposal for a Regulation on structural improvements in inland waterway transport⁶ (→ point 2.4.38).

Air transport

2.1.133. On 15 September Parliament adopted a resolution on the disaster at the Ramstein air base⁷ (→ point 2.4.16).

Multimodal transport

2.1.134. On 28 September the Economic and Social Committee adopted an opinion on a proposal⁸ for a Regulation to amend the Regulation of 4 June 1970 on the granting of aid for transport by rail, road and inland waterway⁹ (→ point 2.4.40).

International cooperation

2.1.135. On 28 September the Commission adopted a recommendation for a Council Decision on the second stage of the transport negotiations between the Community and Austria, Switzerland and Yugoslavia. The aim of these negotiations is to establish an overall agreement, based on the principle of reciprocity, with each of the transit countries. These agreements should provide a means of resolving all the problems that hamper intra-Community transit traffic to and from Greece and Italy.

The first, exploratory stage of these negotiations,¹⁰ which has just been completed, made it possible to identify the problems involved and possible solutions and pave the way for substantive talks on the most important items. The second stage should cover a wide range of topics, in particular the obstacles to intra-Community transit traffic — infrastructure and its financing, road transit problems, cooperation between railways, the development of combined transport, delays at frontiers, etc.

The talks are part of the process of completing the internal market and the common transport policy and should be finished by the end of 1989.

2.1.136. On 28 September the Economic and Social Committee adopted an opinion on the proposal for a Decision concerning the ATC Agreement (between the Community, Finland, Norway, Sweden, Switzerland and Yugoslavia) on the international combined road/rail carriage of goods¹¹ (→ point 2.4.41).

¹ OJ 23, 3.4.1962.

² OJ C 102, 16.4.1988; Bull. EC 3-1988, point 2.1.88.

³ OJ L 308, 19.11.1974.

⁴ OJ L 334, 24.12.1977.

⁵ COM(88) 117 final; Bull. EC 3-1988, point 2.1.194.

⁶ Bull. EC 5-1988, point 2.1.189.

⁷ OJ C 262, 10.10.1988.

⁸ OJ C 113, 29.4.1988; Bull. EC 3-1988, point 2.1.194.

⁹ OJ L 130, 15.6.1970; OJ L 184, 29.6.1982; Bull. EC 6-1982, point 2.1.145.

¹⁰ Bull. EC 9-1987, point 2.1.189.

¹¹ Bull. EC 4-1988, point 2.1.183.

Energy

Specific problems

Solid fuels

State aid to the coal industry

2.1.137. On 8 September, in accordance with its Decision of 30 June 1986 establishing Community rules for State aid to the coal industry,¹ the Commission authorized Spain to provide assistance for 1988 totalling PTA 51 384 300 000 and additional aid for 1987 totalling PTA 15 536 000 000.²

2.1.138. Parliament adopted a resolution on 14 September on European coal policy (→ point 2.4.16).

Oil and gas

2.1.139. On 21 September the Commission adopted a communication to the Council on the Community's oil market and refining industry.³ The Commission noted that, in line with the indications it had given,⁴ efforts to adapt refining capacities to demand had been largely fruitful. The refining balance for the Community as a whole was the best since 1980. The Commission noted, however, the persistence of major imbalances between Member States and between regions. The rates of utilization of capacity in the countries in the south of the Community, for example, were still lower than the average rate of 80% recommended by the Commission. Efforts to rationalize must therefore be continued. The report also underlined the differences between Member States in the environmental protection costs borne by the industry and in the administrative and legal obstacles at national level, which should be eliminated in the run-up to 1992.

International cooperation

IAEA General Conference

2.1.140. The 32nd annual session of the General Conference of the International Atomic Energy Agency was held in Vienna from 19 to 23 September.⁵ A Commission delegation took part. In the course of the general debate the Commission emphasized two specific areas: the management of operations concerning safeguards in the Community and the prospects for developing nuclear energy in the Community as a whole. The Community countries were in favour of stepping up research and international cooperation concerning nuclear safety, waste treatment and radiation protection.

Nuclear safety

Radiation protection

Basic standards

2.1.141. On 14 September, acting under Article 33 of the Euratom Treaty, the Commission delivered two favourable opinions on draft national provisions in the field of radiation protection. The first concerned a German regulation implementing the Council Directives of 15 July 1980⁶ and 3 September 1984⁷ laying down the basic safety standards for the health protection of the general public and workers against the dangers of ionizing radiation, and the second an Irish regulation implementing the Directive of 3 September 1984 laying down basic measures for the radiation protection

¹ OJ L 177, 1.7.1986; Bull. EC 6-1986, point 2.1.236.

² OJ L 274, 6.10.1988.

³ COM(88) 491.

⁴ Bull. EC 5-1986, point 2.1.167.

⁵ 31st session: Bull. EC 9-1987, point 2.1.193.

⁶ OJ L 246, 17.9.1980; Bull. EC 7/8-1980, point 2.1.54.

⁷ OJ L 265, 5.10.1984; Bull. EC 9-1984, point 2.1.55.

of persons undergoing medical examination and treatment.¹

2.1.142. From 12 to 14 September in Madrid the Commission held the third scientific seminar on optimizing radiation protection. By looking at the practical implementation of the Council Directives on both the health protection of the general public and workers against the dangers of ionizing radiation² and the radiological protection of patients,¹ the seminar provided an opportunity to take stock of the substantial progress made in this field since the last seminar, which was held in Luxembourg in 1983.³

Another aspect of radiation protection was discussed at a scientific workshop held at Oxford from 27 to 29 September on the subject of image quality optimization and patient exposure in diagnostic radiology.

2.1.143. Following the adoption by the Council on 22 December 1987 of the Regulation laying down maximum permitted levels of radioactive contamination of foodstuffs and of feedingstuffs following a nuclear accident,⁴ the Commission held a seminar in Oxford from 5 to 8 September on the subject of radionuclide transfer to livestock. The purpose of this seminar was to check the scientific bases for the figures to be added to the annex to the Regulation.

2.1.144. In line with the Council Decision of 14 December 1987 on Community arrangements for the early exchange of

information in the event of a radiological emergency,⁵ the Commission contacted the Member States as a precautionary measure in connection with the return to Earth of the Soviet satellite Cosmos 1900, which contained radioactive materials.

Plant safety

Harmonization of safety criteria

2.1.145. After considering the Commission's report⁶ on the implementation of the resolution of 22 July 1975 on the technological problems of nuclear safety,⁷ the Council adopted conclusions endorsing the Commission's viewpoint. It supported in particular the efforts to promote greater cooperation and attached primary importance to reinforcing the Member States' cooperation in this field with the International Atomic Energy Agency and other international organizations.

2.1.146. From 26 to 30 September the Commission held a seminar in Nice on the applications, perspectives and limitations of comparative risk assessment and risk management.

¹ OJ L 265, 5.10.1984; Bull. EC 9-1984, point 2.1.55.

² OJ L 246, 17.9.1980; Bull. EC 7/8-1980, point 2.1.54; OJ L 265, 5.10.1984; Bull. EC 9-1984, point 2.1.55.

³ Bull. EC 11-1983, point 2.1.91.

⁴ OJ L 371, 30.12.1987; Bull. EC 12-1987, point 2.1.288.

⁵ OJ L 371, 30.12.1987; Bull. EC 12-1987, point 2.1.292.

⁶ Bull. EC 4-1987, point 2.1.150.

⁷ OJ C 185, 14.8.1975.

2. External relations

Uruguay Round

Meetings of the negotiating groups

Dispute settlement

2.2.1. The Group held its 10th meeting in Geneva on 6 and 7 September.¹ The improvement of the dispute-settlement procedures was discussed. Differences of opinion remain in respect of certain aspects, such as the right to have a panel set up, the need for consensus on panel reports and recommendations, the follow-up to recommendations and special and differential treatment for developing countries. The Community pointed out the conflict between the Contracting Parties' enhanced commitment to respect dispute-settlement procedures and the possibility of the United States taking unilateral measures under Section 301 of the new Trade and Competitiveness Act.²

Natural-resource-based products

2.2.2. The Group met in Geneva on 16 September.³ The Community pointed out that the time had come to explore in greater depth the provisions which should apply to natural-resource-based products. It has repeatedly stressed the special character of these products; natural resources are by their very nature unequally distributed throughout the world, but equally essential to every country's economy. The multilateral rules applicable to natural-resource-based products must therefore take account of all the conditions affecting trade in such products. The Community also stressed the principles of non-discrimination and transparency.

Tropical products

2.2.3. The Group held its 10th meeting in Geneva on 20 September.⁴ The United States put forward a list of 128 items on which it was prepared to eliminate all barriers to trade swiftly — provided agreement was reached in the Negotiating Group on Agriculture. Japan's offer was more precise

and somewhat similar in its approach to the Community's proposal,⁵ though the economic content is fairly modest. The Nordic countries (Norway, Finland and Sweden) indicated products on which they could make concessions, without spelling out the details. All these offers were made conditional on other developed countries following suit.

GATT Articles

2.2.4. The Group met in Geneva on 20 and 23 September.⁶ It examined proposals for the introduction of new supplier rights under Article XXVIII, as well as other aspects of this provision, such as its application to new products. A New Zealand proposal to increase transparency when tariff bindings are negotiated by indicating other charges applied to imports (Article II: 1b) was favourably received, subject to further clarification.

Safeguards

2.2.5. The Group met in Geneva in the week of 26 September.⁷ It completed its examination of individual elements to be included in a comprehensive Safeguard Agreement. Discussions were also held on the questions of notification, consultation, compensation and retaliation, coverage, multilateral surveillance and special and differential treatment for developing countries.

Functioning of the GATT system

2.2.6. The Group met in Geneva in the week of 26 September.⁸ It continued to discuss all three sections of the negotiating mandate. Proposals were made on the introduction of a trade policy review mechanism, reg-

¹ Previous meeting: Bull. EC 7/8-1988, point 2.2.5.

² Bull. EC 7/8-1988, point 3.6.1.

³ Previous meeting: Bull. EC 10-1987, point 2.2.6.

⁴ Previous meeting: Bull. EC 7/8-1988, point 2.2.6.

⁵ Bull. EC 10-1987, point 2.2.8.

⁶ Previous meeting: Bull. EC 6-1988, point 2.2.3.

⁷ Previous meeting: Bull. EC 7/8-1988, point 2.2.7.

⁸ Bull. EC 6-1988, point 2.2.2.

ular ministerial participation and an increase in GATT's contribution to world-wide coherence in economic policy-making. The Community presented a substantive submission on the question of 'coherence', which underlines the need for better integration of trade policy in world-wide economic policy-making, so that the interactions between trade, monetary and financial policies (including aid to development) are sufficiently recognized. In order to achieve this, there is a need both to strengthen the role of GATT and to develop closer relationships with the IMF and the World Bank.

*

2.2.7. On 29 September the Economic and Social Committee adopted an own-initiative opinion on the current position and future prospects of the Uruguay Round negotiations¹ from the viewpoint of relations between the Community and the main industrialized, developing and State-trading countries (→ point 2.4.42).

Commercial policy

Implementing the common commercial policy

Commercial policy instruments

Easing of restrictive measures

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

products originating in State-trading countries, not liberalized at Community level,² the Commission opened the following quotas:

Portugal — Czechoslovakia/Soviet Union: motor cars and other motor vehicles principally designed for the transport of persons (other than those of heading No 8702), including station wagons and racing cars (CN code 8703);³

Spain — People's Republic of China: tableware, kitchenware, other household articles and toilet articles, of porcelain or china (CN code 6911);⁴

Spain — Hungary/German Democratic Republic: polyvinyl chloride, in suspension (CN code ex 3904 10 00).⁵

Trade protection

2.2.9. Trade protection measures taken in September are shown in Table 3.

Table 3 — *Trade protection measures*

Council	Commission
<i>Anti-dumping proceedings</i>	<i>Anti-dumping proceedings</i>
<i>Amendment of provisional anti-dumping duty on imports of:</i>	<i>Amendment of provisional anti-dumping duty on imports of:</i>
Serial impact dot-matrix printers originating in Japan OJ L 264, 24.9.1988 (provisional anti-dumping duty: OJ L 130, 26.5.1988)	Certain kinds of video-cassette recorder originating in Japan or South Korea OJ L 254, 14.9.1988 (provisional anti-dumping duty: OJ L 240, 31.8.1988) Polyester yarn originating in Mexico, South Korea, Taiwan or Turkey OJ L 257, 17.9.1988 (provisional anti-dumping duty: OJ L 151, 17.6.1988)

¹ Bull. EC 9-1986, point 1.4.1 *et seq.*

² OJ L 346, 8.12.1983.

³ OJ C 254, 30.9.1988.

⁴ OJ C 255, 1.10.1988.

⁵ OJ C 258, 5.10.1988.

Council	Commission
	<p><i>Notice of initiation of an anti-dumping proceeding concerning imports of:</i></p> <p>Certain kinds of welded tubes, of iron or non-alloy steel, originating in Romania or Yugoslavia OJ C 241, 16.9.1988</p> <p>Certain kinds of diesel engine originating in Finland or Sweden OJ C 251, 27.9.1988</p> <p><i>Notice of expiry of anti-dumping measures</i> OJ C 249, 23.9.1988</p>

Individual sectors

Iron and steel products

Unilateral measures

2.2.10. On 23 September the Commission authorized derogations by Member States¹ between 1 July and 31 December from ECSC Recommendation 1/64 concerning increased protection for iron and steel products at the external frontiers of the Community.²

Textiles

Agreements and arrangements with non-Community countries

MFA countries

2.2.11. A second round of negotiations³ between the Community and China on the renewal of the bilateral Agreement⁴ on trade in textile products took place in Beijing from 26 to 30 September. The two sides agreed that the provisions of the existing agreement, which expires on 31 December, should serve as a basis for the new one. Progress was also made on narrowing the differences between the two delegations' positions on the economic content of the agreement. The objective on both sides is to work out a package which would give Chinese textile products greater access to the Community market, but which would

also entail a check on the trend of imports of certain products which are at present causing particular difficulties for the Community textile and clothing industry.

Mediterranean preferential countries

2.2.12. A Commission delegation went to Istanbul from 8 to 13 September to meet representatives of the Turkish Associations of Exporters of Clothing and Textile Products under the administrative cooperation arrangements between the Community and Turkey for trade in textiles and in clothing. Representatives of the Turkish Government attended the meeting as observers.

In the case of clothing, the consultations concerned the renewal of the present arrangement, which expires on 31 December 1988.⁵ The next consultations will be held in Brussels in October.

In the case of textile products, the discussions focused on the placing of a ceiling on Turkish exports of knitted or crocheted fabric to Italy. They were resumed in Brussels on 29 September, when agreement was reached on a regional limit for 1988 and 1989.

¹ OJ L 283, 18.10.1988.

² OJ 8, 22.1.1964; OJ L 136, 2.6.1988; Bull. EC 5-1988, point 2.2.10.

³ First round: Bull. EC 6-1988, point 2.2.15.

⁴ Bull. EC 7/8-1979, point 2.2.16; OJ L 198, 27.7.1984; Bull. EC 6-1984, point 2.2.14.

⁵ Bull. EC 5-1986, point 2.2.16.

Relations with industrialized countries

United States

Trade Act

2.2.13. On 26 September the Council adopted the following declaration on the Omnibus Trade and Competitiveness Act of 1988:¹

'The Council:

(i) expresses serious concern at the protectionist potential of the Omnibus Trade and Competitiveness Act of 1988, as well as those provisions thereof which could lead to greater recourse to unilateral measures by the United States which would be inconsistent with the Punta del Este declaration² and with our common commitment to the multilateral trading system;

(ii) while recognizing that the Act grants to the Administration the authority to negotiate in the Uruguay Round, stresses the necessity for the provisions of the Trade Act to be applied in full conformity with the rules of the GATT;

(iii) declares that the Community will monitor the implementation of the Trade Act very closely, and will take prompt action to defend its legitimate rights if its interests are affected;

(iv) in order to avoid further risk of confrontation and of undermining the multilateral trade negotiations, urges the United States to maintain the dialogue.

The Council recalls the formal objection which it has made³ to the draft legislation in the field of textile, apparel and footwear now approved by Congress and expresses the hope that it would not be enacted since such a development would seriously affect trade in this sector and jeopardize the Uruguay Round negotiations.'

The Commission made a statement on behalf of the Community to the same effect during the GATT Council meeting on 22 September (→ point 2.2.54).

Japan

Pharmaceuticals

2.2.14. Discussions on improving the conditions of access to Japan's pharmaceutical

market were held in Tokyo from 5 to 8 September between officials of the Commission and of the Japanese Ministry of Health and Welfare. The Community's requests mainly involved the transparency of registration procedures and the acceptance of tests carried out in the Community. Good progress was made in the discussions.

Community anti-dumping legislation

2.2.15. Consultations were held in Brussels on 16 September between officials of the Commission and a Japanese delegation on the provisions of the Community's anti-dumping legislation concerning circumvention of anti-dumping duties through assembly in the Community of imported parts ('screwdriver plants').⁴ The talks took place following a request by Japan for consultations under Article XXIII:1 of the General Agreement and Article 15:2 of the anti-dumping code. The Community had agreed to consultations while reserving its position as regards the relevance of Article 15:2 as a legal basis. At the end of the consultations the differences of view remained. The Community is still convinced, however, that its provisions are consistent with the GATT.

Residual quantitative restrictions

2.2.16. Informal consultations were held in Brussels this month on the residual quantitative restrictions maintained by some Member States towards Japan. The consultations took place following Japan's notification of the restrictions to GATT in March, and a further round is to be held before the end of the year.

New Zealand

2.2.17. On 27 September Mr Michael Moore, Minister for External Relations and Trade and Deputy Minister for Finance,

¹ Bull. EC 7/8-1988, points 2.2.20 and 3.6.1 *et seq.*

² Bull. EC 9-1986, point 1.4.1 *et seq.*

³ Bull. EC 3-1987, point 2.2.10.

⁴ OJ L 167, 26.6.1987; Bull. EC 6-1987, point 2.2.2.

visited the Commission for talks with Mr Frans Andriessen, Commission Vice-President with special responsibility for agriculture, and Mr Willy De Clercq, the Commission Member with special responsibility for external relations. The talks were concerned with agricultural trade matters, mainly as they affect dairy products and sheepmeat, on which the Commission is to present proposals to the Council shortly.

European Free Trade Association¹

2.2.18. A Convention on Jurisdiction and the Enforcement of Judgments in Civil and Commercial Matters was opened for signature by the Community Member States and the EFTA countries in Lugano on 16 September (→ point 2.1.11).

Relations with other countries and regions

Mediterranean countries

Turkey

2.2.19. On 14 September Parliament gave its assent² to the conclusion of the Protocol³ to the EEC-Turkey Association Agreement,⁴ consequent on the accession of Greece to the Community.

2.2.20. On 15 September Parliament adopted a resolution on the revival of the EEC-Turkey association² (→ point 2.4.16).

2.2.21. Mr Cheysson paid an official visit to Turkey on 8 and 9 September. He was received by the President, General Kenan Evren, and the Prime Minister, Mr Turgut Özal, as well as the Minister for European Affairs, Dr Ali Bozer, the Minister for Foreign Affairs, Mr Mesut Yilmaz, and the members of the Foreign Affairs Committee of the National Assembly.

The whole range of bilateral questions was discussed during the various meetings, in particular cooperation in the fields of education and high technology and Turkey's application for membership of the Community.

2.2.22. From 12 to 14 September some 400 European and Turkish businessmen met in Istanbul for a 'Business Week' jointly financed and organized by the Commission and the Turkish Government; they attended seminars on the legal, economic and technical problems in each of the specific fields of cooperation between Turkey and the Community.⁵ Participants also established individual contacts in connection with some 500 cooperation projects in tourism, mining, machinery, electronics, chemicals and the agri-food industry.

Malta

2.2.23. On 15 September Parliament adopted a resolution on Malta and its relations with the Community² (→ point 2.4.16).

Algeria

2.2.24. Mr Cheysson paid an official visit to Algeria on 19 and 20 September, during which he met the President of the Republic, Mr Chadli Bendjedid, the Minister for Foreign Affairs, Mr Taleb Ibrahim, and other members of the Government.

Talks focused on Algeria's desire to strengthen bilateral cooperation and on the Greater Maghreb scheme.

¹ Relations with EFTA countries in the research field are covered in the 'Research and technology' section.

² OJ C 262, 10.10.1988.

³ OJ C 115, 30.4.1987; Bull. EC 4-1987, point 2.2.21; Bull. EC 3-1988, point 2.2.24.

⁴ OJ 217, 29.12.1964 (English version: OJ C 113, 24.12.1973).

⁵ Bull. EC 11-1987, point 2.2.20.

Asia

Malaysia

2.2.25. On 23 September Mr Marín, Mr Cheysson and Mr De Clercq met the Malaysian Prime Minister, Dr Mahathir bin Mohamad, who was travelling with a ministerial delegation. Discussions between the two delegations centred on the effects on Malaysia of the creation of a single European market in 1992, and on the Uruguay Round negotiations.

Singapore

2.2.26. On 23 September Mr Cheysson and Mr De Clercq met Singapore's Finance Minister, Dr Richard Hu Tsu Tau. Talks focused on the evolution of banking institutions and liberalization of the capital markets in preparation for 1992. Dr Hu also received assurances that the cross-listing agreements between Singapore and the Member States would be recognized at Community level after 1992.

India

2.2.27. On 22 September the Indian Commerce Minister, Mr Dinesh Singh, paid a visit to Mr Cheysson and Mr De Clercq. Noting that the Community was India's largest trading partner, but that there was a large surplus in its favour, he said India needed to increase its exports and hoped that the Community would continue to open up its market to non-member countries in the run-up to 1992.

Mr Cheysson pointed to the recent increase in imports from India (especially textiles and chemicals) and underlined the need for India to diversify its exports. He also stressed the importance of the ambitious EEC-India Industrial Cooperation Programme,¹ which is intended to back up measures taken by the Indian Government to modernize industry.

Mr de Clercq and Mr Singh also discussed the progress made in the Uruguay Round,

in which both India and the Community play a major role.

Republic of Korea

2.2.28. The fifth round of high-level consultations between the Commission and the Republic of Korea took place in Seoul from 13 to 16 September.² The delegations were led by Mr De Clercq and Mr Choi Kwang Soo, South Korea's Foreign Minister.

The Community stressed South Korea's growing importance in the international economy, with special emphasis on the following points:

- (i) the opening-up of the South Korean market: the first measures had already been adopted (large tariff cuts on a number of products) and should be supplemented by the revision of the various rules covering imports and the reduction of prohibitive taxes on products such as alcoholic beverages, cars and agricultural products;
- (ii) the removal of laws restricting foreign investment;
- (iii) non-discrimination:³ no mutually acceptable solutions had yet been found regarding the protection of intellectual property rights;
- (iv) industrial policy;
- (v) revaluation of the won.

As regards shipbuilding,⁴ the South Korean authorities indicated their willingness to participate constructively in official discussions, while stressing that responsibility in the matter really belonged to industry.

The South Korean delegation expressed concern about anti-dumping measures adopted by the Community (in respect of video-recorders in particular) and raised questions concerning the textiles and steel agreements and the safeguard measures in force.

¹ Bull. EC 6-1987, point 2.2.22.

² Previous round: Bull. EC 4-1987, point 2.2.27.

³ Bull. EC 12-1987, point 2.2.35.

⁴ Bull. EC 3-1988, point 2.1.34.

East Timor

2.2.29. On 15 September Parliament adopted a resolution on East Timor¹ (→ point 2.4.16).

State-trading countries

China

2.2.30. On 13 September Mr Matutes received the Chinese Communications Minister, Mr Qian Yongchang. Mr Qian explained the reform of China's road, sea and inland waterway transport policy. The changes being made are chiefly intended to stimulate competition. Both Mr Matutes and Mr Qian said they were satisfied with bilateral cooperation, which they felt was open to new developments.

Poland

2.3.31. On 15 September Parliament adopted a resolution on the situation in Poland¹ (→ point 2.4.16).

Hungary

2.3.32. The trade and commercial and economic cooperation Agreement between the Community and Hungary, initialled in June,² was signed in Brussels on 26 September. The Agreement reflects Hungary's particular situation, which is unusual in respect of both its international commitments (GATT membership in particular) and its economic system.

Soviet Union

2.3.33. On 15 September Parliament adopted a resolution on political relations between the Community and the Soviet Union¹ (→ point 2.4.16).

Development

North-South relations

Cooperation in international forums

Programme of action for African economic recovery and development

2.2.34. A mid-term review and appraisal of the five-year programme of action for African economic recovery and development (1986-91), adopted at the special session of the United Nations General Assembly on Africa that took place from 27 to 31 May 1986,³ was carried out by an *ad hoc* committee which met during the 43rd regular session of the Assembly (→ point 2.2.52). The committee found that progress had been satisfactory, given the state of the world economy in the last two years. Nevertheless, recommendations urging the two parties to intensify their efforts were presented to the Assembly. The African countries were asked to pursue their structural adjustment policies, while the international community was urged to continue its support by providing increased financial assistance and limiting the debt burden, and to strive at the same time to create an international environment favourable to the African countries' exports.

ACP-EEC Convention

Renewal of the Convention

2.2.35. At its 26 September meeting the Council held detailed discussions on the Community's position in the negotiations on the renewal of the Convention, which were to start in Luxembourg on 12 and 13 October.⁴ Despite some significant pro-

¹ OJ C 262, 10.10.1988.

² Bull. EC 6-1988, point 2.2.43.

³ Bull. EC 5-1986, point 2.2.40.

⁴ Bull. EC 6-1988, points 2.2.51 and 2.2.52.

gress, no full agreement was reached on the draft negotiating directives.

Generalized tariff preferences

1989 scheme

2.2.36. On 29 September the Economic and Social Committee gave its opinion on the Community's scheme of generalized preferences for 1989 (→ point 2.4.43).¹

Commodities and world agreements

Cocoa

2.2.37. The International Cocoa Council held its 36th regular meeting in London from 5 to 11 September.² On three major points producers and consumers were still unable to reach the consensus needed if the Agreement is to be saved, namely the price range, the application of the withholding scheme and the payment of arrears. At present, therefore, there is still a deadlock.

Campaign against hunger in the world

Food aid

2.2.38. The emergency aid accorded to Bangladesh on 6 September (→ point 2.2.39) was supplemented by a Commission decision on 14 September to send emergency food aid: 100 000 tonnes of cereals and 1 800 tonnes of vegetable oil will be distributed free of charge to priority groups and under the 'Food for work' programmes. Early delivery will be made in November of 150 000 tonnes of cereals and 2 000 tonnes of vegetable oil allocated under the 1988 food-aid programme.

Emergency aid

Bangladesh

2.2.39. Following catastrophic flooding in Bangladesh, the Commission decided on 6 September to grant ECU 500 000 in emergency aid. The aid will be channelled through the German Red Cross and the Irish relief organization, Concern, for on-the-spot purchasing and distribution of food, clothing and basic necessities and for the procurement of transport material.

2.2.40. On 15 September Parliament adopted a resolution on Bangladesh (→ point 2.4.16).³

Sudan

2.2.41. On 15 September Parliament adopted a resolution on the disastrous situation in Sudan (→ point 2.4.16)³

Stabex

Least-developed countries not signatory to the Lomé Convention

2.2.42. On 16 September the Commission sent the Council two proposals for amendments,⁴ one amending Council Regulation No 428/87 of 9 February 1987 setting up the system of compensation for loss of export earnings for least-developed countries not signatory to the third ACP-EEC Convention, the other adding to the list of recipient countries in Annex II to Council Regulation No 429/87 laying down detailed implementation rules for Regulation No 428/87.⁵

The Commission proposes that Burma be covered by the system and that the estimated cost of implementation be adjusted accordingly to take account of the nature

¹ Bull. EC 6-1988, point 2.2.54.

² Previous meeting: Bull EC 3-1988, point 2.2.46.

³ OJ C 262, 10.10.1988.

⁴ OJ C 254, 30.9.1988; COM(88) 487 final.

⁵ OJ L 43, 13.2.1987; Bull. EC 2-1987, point 2.2.32.

and volume of Burma's exports to the Community.

the Banco Bilbao Vizcaya on 13 September, bringing the number of agreements to nine.²

Financial and technical cooperation

Co-financing of development projects and programmes

2.2.43. Under the programme of industrial cooperation with the Latin American, Asian and Mediterranean countries,¹ the Commission signed a financing agreement with

ACP States

2.2.44. In September the Commission allocated resources from the fourth, fifth and sixth EDFs totalling ECU 46 685 000 to finance projects, programmes and emergency aid operations which it administers.

¹ Bull. EC 6-1987, points 2.2.14 and 3.6.1.

² Bull. EC 6-1988, point 2.2.67; Bull. EC 7/8-1988, point 2.2.61.

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

million ECU

Sector/country	Project/programme	Amount	
		Grants	Loans
<i>Economic infrastructure</i>			
Somalia	Telecommunications	5.000	
<i>Rural production</i>			
Swaziland	Agriculture	4.000	
Mozambique	Agriculture	4.500	
Zambia	Agriculture	12.350	
Madagascar	Agriculture	7.000	2.500
Madagascar	Hydro-agricultural improvements	2.300	
<i>Social development</i>			
Mozambique and SADCC countries	Training of railway staff	7.300	
<i>Emergency aid</i>			
Burundi	Response to recent events (purchase of basic necessities)	0.175	
Various African countries	Locust control	0.650	
Jamaica	Aid following Hurricane Gilbert	0.650	
Uganda	Aid to overcome consequences of the persistent conflict in the country and serious malnutrition in the north-east	0.260	
	Total	44.185	2.500

2.2.45. The Commission's report on the administration of Community financial and technical assistance under the second and third Lomé Conventions (1986 and 1987) was sent to the Council for information on 22 September.¹ The report, which is required by the third Lomé Convention,² is drawn up in collaboration with the European Investment Bank for presentation to the ACP-EEC Council of Ministers. Its purpose is to facilitate the work of the Committee of the ACP-EEC Council set up to examine the implementation of financial and technical cooperation objectives.

The year 1986, the first year of application of Lomé III,³ was a period of transition, marked by the first financing decisions and the virtual completion of the programming exercise. Implementation of financial and technical cooperation under Lomé II continued (with a record level of commitments and disbursements), as did that under Lomé I (on a smaller scale). EDF commitments in 1986 totalled ECU 890 million and disbursements ECU 835 million. The following year marked the entry of Lomé III into full operation. Some ECU 2 249 million in EDF resources were committed in 1987, while disbursements totalled ECU 829 million. Over the two years, EIB disbursements totalled ECU 313 million (ECU 17.2 million under Lomé I, ECU 260.3 million under Lomé II and ECU 35.5 million under Lomé III). Of that sum ECU 216.4 million came from the Bank's own resources and ECU 96.6 million was risk capital (EDF resources).

Cooperation via non-governmental organizations

2.2.46. Between 1 January and 30 September the Commission committed ECU 58 million for the co-financing in developing countries of 385 projects put forward by 155 NGOs.

The Commission also contributed ECU 5 217 743 for 80 projects aimed at increasing European public awareness of development issues.

Institutions

ACP States

ACP-EEC Joint Assembly

2.2.47. The ACP-EEC Joint Assembly held its second meeting⁴ of the year in Madrid from 19 to 22 September. The meeting was co-chaired by Mr Bersani (EPP/Italy) of the European Parliament and Mr Berhane (Ethiopia) and attended by Mr Natali, Commission Vice-President with special responsibility for cooperation and development. The ACP-EEC Council was represented by its President, Mr Greenidge, Guyana's Minister for Finance, and by its Vice-President, Mr Pangalos, Greece's Deputy Minister for Foreign Affairs. The opening address was given by King Juan Carlos.

Most of the debates concerned the new ACP-EEC Convention.⁵ The resolution presented by the general rapporteur, Mr Cohen (S/Netherlands), won broad support, although the ACP members would have liked to have participated more in the drafting. The resolution largely followed the Commission's approach, notably as regards structural adjustment. It went further, however, in calling for the cancellation of debts contracted under the previous Conventions and for improved trade and tax arrangements for ACP products.

The Joint Assembly also debated the worrying state of health care in the ACP countries and adopted a resolution affirming that health was a priority in ACP-EEC cooperation. Another topic raised was the problem of refugees in the ACP countries, especially Africa (the situation in the Horn of Africa and in southern and central Africa being particularly worrying). A recent mission to

¹ COM(88) 474 final.

² Bull. EC 11-1984, point 1.1.1 *et seq.*; Bull. EC 12-1984, point 1.5.1 *et seq.*

³ Bull. EC 4-1986, point 2.2.31.

⁴ OJ C 245, 19.9.1988; Bull. EC 3-1988, point 2.2.68.

⁵ Bull. EC 6-1988, point 2.2.51.

the Horn of Africa provided the basis for a resolution containing suggestions for the next Convention drawn up by Mr Chinaud (LDR/France).

The Commission made a statement on the industrialized countries' exports of toxic waste to the ACP countries, and reaffirmed its position in favour of tougher controls on such exports and effective application of existing legislation. This extremely dangerous trade was condemned unanimously and a radical resolution calling for a ban adopted.

The Assembly's debates on southern Africa focused on the prospects for a peaceful, negotiated solution to the conflict between South Africa and its neighbours. Three resolutions were adopted: a general one listing the sanctions that the Community should impose on South Africa, another calling for the immediate and unconditional release of Nelson Mandela, and a third on the economic independence of the front-line States.

There was a debate on the recent tragic events in Burundi. Burundi's representative said that the information published in the press was false and rejected the idea of an investigative mission. While adopting a cautious line, European members insisted on the desirability of an investigation on the spot.

Lastly, there were progress reports concerning the working parties on commodities and on technology and training. A new working party on the implications of 1992 was set up.

*

Visits

2.2.48. The Prime Minister of Trinidad and Tobago, Mr A. N. R. Robinson, accompanied by the Minister for External Affairs, Mr Basdeo Panday, visited the Commission on 16 September and had a meeting with Mr Natali. Talks focused on relations between Trinidad and Tobago and the Community. Mr Natali raised the issue of the non-application of certain provisions of the Lomé Convention, in particular the protocol on tax and customs arrangements

for EDF-financed contracts and the protocol on privileges and immunities, and the resulting lack of financial commitment. The political situation in the Caribbean region and the problem of accessions to the new Convention (Haiti and the Dominican Republic) were also discussed.

2.2.49. On 22 September Mr Natali had a meeting with Mr F. Ngarukiyintwali, Rwanda's Minister for Foreign Affairs, with whom he had detailed talks about the repercussions for Rwanda of the events in Burundi the previous month. Mr Natali expressed the hope that the national reconciliation necessary for the return of the 60 000 refugees in Rwanda would take place as soon as possible and reaffirmed his support for Rwanda.¹ The state of cooperation with the Community was also discussed. Although appreciative of the recent addition to the indicative programme, Mr Ngarukiyintwali pointed out that Rwanda was facing serious difficulties because of the fall in prices for its main export commodities (coffee and tea) and appealed to the Community for help. Mr Natali responded by referring the matter to the forthcoming negotiations on the new ACP-EEC Convention and the need to put the emphasis on operations of a structural nature.

2.2.50. Mr Natali had a meeting with Mr Michael Priestley, the UN Secretary-General's special representative in Ethiopia, on 28 September. The talks embraced the implementation of relief for Ethiopia, the agri-food outlook for 1988/89 and the situation of the refugee population. Mr Priestley stressed the importance of the Community's relief aid, which totalled ECU 135 million in 1987/88.

2.2.51. A delegation led by Mr Y. Tankara, Niger's Minister for Planning and National Coordinator for the ACP-EEC Convention, met Mr Natali on 29 September. The visit was an opportunity to establish contact with the Community

¹ Bull. EC 7/8-1988, point 2.2.63.

authorities and carry out a general review of EEC-Niger cooperation.

International organizations and conferences

United Nations

General Assembly

Opening of the 43rd session

2.2.52. The 43rd session of the United Nations General Assembly¹ opened in New York on 20 September. Although the agenda covered a wide range of political, economic and social issues, the tone of the session was expected to be set by improvements in East-West relations and the recent successes of the Secretary-General in ending regional conflicts. The award of the Nobel Peace Prize to the UN peace-keeping forces, announced at the plenary meeting of 29 September, represented a recognition of the encouraging results achieved so far by the UN and helped create a positive and more pragmatic mood within the General Assembly.

In his speech on 27 September on behalf of the Community and its Member States,² Mr Karolos Papoulias, as President of the Council, expressed satisfaction with the progress achieved so far in the particularly sensitive areas of arms control and disarmament and welcomed the UN's increasingly important role as well as its accomplishments in recent months in finding peaceful solutions to major conflicts, including those in Afghanistan, the Gulf, Kampuchea and Angola. The celebration this year of the 40th anniversary of the Universal Declaration of Human Rights provided Mr Papoulias with an opportunity to stress the priority allotted by the Twelve to human rights and fundamental freedoms.

Expanding on the theme of East-West relations, Mr Papoulias stressed the importance which the Twelve attached to prob-

lems of security in Europe. The need for conventional arms control was especially urgent, and the Twelve were ready to begin negotiations as soon as possible on conventional stability and new confidence-building measures to enhance security.

Addressing economic matters, Mr Papoulias stressed that progress in implementing existing economic agreements with various regional groupings in the world and the Community's signing of new agreements (with the Council for Mutual Economic Assistance³ and the Gulf Cooperation Council⁴ illustrated the Community's awareness of the importance of interdependence.

The completion of the Community's internal market by the end of 1992 should improve prospects for international trade: economic growth within the Community would certainly bring about a further increase in non-Community countries' exports to the single market of 320 million consumers and would foster greater international liberalization. Against this background, a positive outcome from the Uruguay Round,⁵ the mid-term review of which would take place in Montreal in December, would be invaluable. The theme of liberalization in agricultural trade gave Mr Papoulias an opportunity to explain the initiatives taken by the Community to improve management of production levels and costs under its common agricultural policy;⁶ he also pointed out that the Community had put forward proposals in the Uruguay Round for the complete liberalization of trade in tropical products.⁷

2.2.53. From 12 to 23 September the Member States and the Community participated

¹ 42nd session: Bull. EC 9-1987, point 2.2.44.

² Extracts from Mr Papoulias's speech are given at point 3.4.1.

³ Bull. EC 6-1988, point 1.5.1 *et seq.*

⁴ Bull. EC 6-1988, point 2.1.39.

⁵ Bull. EC 9-1988, point 1.4.1 *et seq.*

⁶ OJ L 106, 27.4.1988; OJ L 110, 29.4.1988; Bull. EC 4-1988, point 2.1.126; OJ L 132, 28.5.1988; Bull. EC 5-1988, point 2.1.117.

⁷ Bull. EC 10-1987, point 2.2.8.

in an *ad hoc* committee's review and appraisal of the UN programme of action for African economic recovery and development (1986-90) (→ point 2.2.34).

General Agreement on Tariffs and Trade

Council

2.2.54. At the GATT Council meeting¹ in Geneva on 22 September the discussions focused on the initiatives taken by the Community concerning the United States with the aim of correcting the balance in negotiating positions for the Uruguay Round, particularly as regards trade in agricultural products.²

The Community referred to the waiver on agriculture granted to the United States³ under the General Agreement since 1955 and requested that a panel be set up to examine how the waiver had been used by the United States, taking as a clear illustration the case of sugar and products containing sugar. Although the Contracting Parties broadly supported the Community, and although the United States acknowledged the Community's right to request the setting-up of a panel, it nevertheless vetoed the move temporarily.

The Community also stated its concern at the adoption of the Trade Act⁴ and particularly the unilateral and potentially protectionist provisions it contained (→ point 2.2.13).

Council of Europe

Meeting between ministers' deputies and the Commission Secretary-General

2.2.55. Under the terms of the exchange of letters of 16 June last year,⁵ the Secretary-General of the Commission was invited to take part in the proceedings of the ministers' deputies⁶ in Strasbourg on 27 September.

This provided an opportunity for a statement on the situation in the Community and on cooperation with the Council of Europe. The ensuing discussion illustrated the interest which both organizations had in mutual cooperation.

2.2.56. The Commission was also asked to take part in the ministers' deputies' meeting of 28 September, where it was able to give its views on the negotiations concerning the convention on cross-border radio and television broadcasting.

Conference on Security and Cooperation in Europe

2.2.57. The CSCE reconvened on 29 August for a final round of negotiations⁷ during which the 35 participating States are to reach agreement on the text of a Vienna concluding document and on the terms of reference for intersessional meetings after Vienna and the places where these meetings are to take place.

The position of the Community remains that the Vienna meeting must reach agreement on a substantial and balanced concluding document representing new and meaningful commitments from the participating States on all aspects of the Helsinki Final Act,⁸ i.e. human rights, security, economic cooperation, human contacts and cooperation in the Mediterranean region. The progress made so far and the efforts still required are overshadowed by the position of Romania on certain key humanitarian issues.

2.2.58. The annual meetings of the IMF and the World Bank took place in Berlin from 25 to 29 September (→ point 2.1.2).

¹ Previous meeting: Bull. EC 5-1988, point 2.2.55.

² Bull. EC 6-1988, point 2.2.1.

³ Bull. EC 7/8-1988, point 2.2.21.

⁴ Bull. EC 7/8-1988, points 2.2.20 and 3.6.1 *et seq.*

⁵ OJ L 273, 26.9.1987; Bull. EC 6-1987, point 2.2.56.

⁶ Bull. EC 6-1987, point 2.2.57.

⁷ Previous report: Bull. EC 7/8-1988, point 2.2.74.

⁸ Ninth General Report, 510 to 512.

2.2.59. The 32nd annual session of the General Conference of the International

Atomic Energy Agency was held in Vienna from 19 to 23 September (→ point 2.1.140).

3. Financing Community activities

Budgets

General budget

Draft 1989 budget

2.3.1. The Council President, Mr Y. Papantoniou, presented to Parliament during its 12 to 16 September part-session the draft general budget of the Communities for 1989, established by the Council on 26 July.¹ Most of the speakers in the ensuing debate welcomed the speed with which the draft had been presented, credit for which was attributed to the recent interinstitutional agreement on budgetary discipline and improvement of the budgetary procedure.²

Own resources

2.3.2. On 16 September the Commission adopted a proposal³ for a Regulation implementing the Decision of 24 June 1988 on the system of the Communities' own resources.⁴ The proposed Regulation is intended to replace from 1 January 1989 the Council Regulation of 19 December 1977⁵ implementing the Decision of 21 April 1970 on the replacement of financial contributions from Member States by the Communities' own resources,⁶ last amended by the Council Regulation of 30 June 1988.⁷

The Commission feels the best solution is to present a new complete and coordinated Regulation for the application of the Decision of 24 June 1988, rather than yet another proposal for an amendment, which would only complicate matters further.

For these reasons, the Commission is withdrawing its proposals for a second⁸ and a third⁹ amendment to the initial proposal¹⁰ for the revision of the 1977 Regulation. These are reasons of substance too for withdrawing the two proposals. The common position adopted by the Council on 13 June presents solutions which the Commission considers inadequate as regards the establishment of own resources, the supply of information to the Commission on cases of fraud and non-recovery, and independent inspections carried out by the Commission.

Budgetary discipline

2.3.3. In accordance with the conclusions of the European Council of 11 to 13 Febru-

¹ Bull. EC 7/8-1988, point 2.3.6.

² OJ L 185, 15.7.1988; Bull. EC 6-1988, points 2.3.8, 2.3.10 and 2.4.12.

³ OJ C 255, 1.10.1988; COM(88) 483 final.

⁴ OJ L 185, 15.7.1988; Bull. EC 6-1988, point 2.3.5.

⁵ OJ L 336, 27.12.1977; Eleventh General Report, point 61.

⁶ OJ L 94, 28.4.1970; Fourth General Report, point 515 *et seq.*

⁷ OJ L 176, 7.7.1988; Bull. EC 6-1988, point 2.3.4.

⁸ OJ C 303, 10.11.1983; Bull. EC 10-1983, point 2.3.8.

⁹ OJ C 219, 21.8.1984; Bull. EC 7/8-1984, point 2.3.12.

¹⁰ OJ C 231, 4.9.1982; Bull. EC 7/8-1982, point 2.3.5.

ary,¹ on 13 September the Commission sent the budgetary authority its sixth report on EAGGF guarantee expenditure (early warning system) (→ point 2.1.113).

ECSC operating budget

2.3.4. On 29 September the Economic and Social Committee delivered its opinion on the proposal for a Decision on a contribution from the general budget of the Communities to the ECSC to finance social measures connected with the restructuring of the steel industry (→ point 2.4.44).

Financial operations

ECSC

Loans raised

2.3.5. In September the Commission made a number of private placings in marks, guilders, lire and sterling for the equivalent of ECU 67.04 million.

Loans paid out

2.3.6. Acting under Articles 54 and 56 of the ECSC Treaty, the Commission paid out loans in September totalling ECU 61.34 million broken down as follows:

Conversion loans

2.3.7. Conversion loans (Article 56) totalling ECU 60.19 million were paid out to the Federal Republic of Germany, France and the United Kingdom.

Workers' housing

2.3.8. Housing loans totalling ECU 1.15 million were granted for steelworkers and mineworkers in Belgium, the Federal Republic of Germany, France and the United Kingdom.

EEC-NCI

Loans raised

2.3.9. In September the Commission made an ECU 115 million four-year public issue at 7.5% with an issue price of 101.25%.

¹ Bull. EC 2-1988, point 1.1.1 *et seq.*

4. Political and institutional matters

European political cooperation

2.4.1. At the meeting of the Political Committee in Athens on 6 and 7 September the Twelve adopted the following joint statements on the situation of the Kurds and on the conflict in the Western Sahara:

Situation of the Kurds

'The Twelve have noted with great concern that military action is being taken against the Kurdish civilian population in the aftermath of the ceasefire in the Iraq-Iran war. They are following developments closely and they call for the cessation of such action.

The Twelve are gravely concerned at reports of the alleged use of chemical weapons against the Kurds. They confirm their previous positions, condemning any use of these weapons. They call for respect of international humanitarian law, including the Geneva Protocol of 1925, and Resolutions 612 and 620 of the United Nations Security Council.

The Community stands ready to play its part in the efforts already made in the region to ease the plight of the refugee Kurdish population.'

Western Sahara

'The Twelve welcome the positive reactions by the parties concerned to the peace plan on the Western Sahara, put forward by the UN Secretary-General.

The Twelve have always encouraged the efforts of the UN Secretary-General in his mission. They express their determination to support his future actions aimed at holding a referendum on self-determination, under the auspices of the United Nations.

They call on all parties to demonstrate their willingness to restore a just and lasting peace in the region.'

2.4.2. On 15 September the Twelve published a joint statement on Lebanon:

'Concerned by the evolution of the situation in Lebanon in recent weeks, the Twelve reiterate the conviction expressed in their declaration of 13 June 1988, that the presidential elections are of decisive importance for the future of the Lebanese Republic and that, with these elections in view, all parties should demonstrate good will and a spirit of compromise through mutual concessions.

The Twelve consider that grave dangers could emerge if, despite all efforts, the presidential elections did not take place within the time-limits stipulated by the Constitution. Therefore, they make an urgent appeal to all parties concerned to show maximum restraint, so that the elections can be held in orderly and free conditions and in accordance with the provisions of the Constitution.'

2.4.3. On 22 September the Twelve adopted a joint statement on the situation in Haiti:

'The Twelve, whose interest for Haiti has been constant these last years, are following closely the situation related to the military coup of 18 September, that resulted in the overthrow of General Namphy and a new takeover by the armed forces in this country.

The Twelve hope that these events would not raise yet another obstacle, but would lead to the process of restoring democracy in Haiti.

They therefore urge the Haitian military forces to respect the Constitution. They also appeal to the political and other forces of the country to contribute to the creation of conditions leading to national reconciliation which, along with respect for human rights, is a necessary prerequisite for the return of true democracy in Haiti.'

2.4.4. On 23 September the Twelve adopted a joint statement on Burma:

'The Twelve express their deep concern that violence in Burma is again taking on dramatic dimensions and leading to continuous loss of lives.

Further to their Declaration of 19 August 1988, the Twelve urgently call upon the military authorities in Burma to refrain from all acts of violence and especially from shooting on unarmed people.

The Twelve call upon all parties concerned to open without delay a substantial dialogue aiming at the restoration of democracy and the organization of free multiparty elections.

The Twelve are firmly convinced that the Burmese people's clear desire to enjoy the benefits of peace, prosperity, full protection of human rights and a multiparty democracy should be met.

They express their readiness to assist, to the best of their ability, a fully representative democratic government in Burma, in an effort towards the social and economic recovery of the country.'

2.4.5. At its September part-session parliament adopted resolutions on political cooperation and the protection of human rights (→ point 2.4.17).¹

European policy and relations between the institutions

European policy

Elections to Parliament

2.4.6. On 23 September, in accordance with Rule 65 of its Rules of Procedure, Parliament adopted a written declaration on the rights of nationals of Member States to stand at the June 1989 elections. The declaration had been submitted on 29 July and was signed by 303 of Parliament's 518 Members (more than the 50% required by Rule 65). The signatories include nationals of all Member States except Luxembourg from all political groups. The declaration reads as follows:

'The European Parliament,

Whereas Article 138(3) of the EEC Treaty empowers the European Parliament to draw up proposals for elections of Members of the European Parliament by direct universal suffrage,

1. solemnly declares that as from the elections to the European Parliament in June 1989 the European Communities should adopt and apply the principle whereby any national of any Member State has the right to stand for election to the European Parliament in each and every Member State of the European Communities;

2. calls on the Council to act on this declaration as soon as possible and in any case before 30 October 1988;

3. instructs its President to forward this declaration to the Council, the Commission and the governments of the Member States.'

Monitoring the application of Community law

2.4.7. The Commission transmitted to Parliament its fifth annual report on the

monitoring of the application of Community law during 1987.² Like its four predecessors,³ the report was drawn up in response to the desire expressed by Parliament in its resolution of 9 February 1983,⁴ and shows how the Commission fulfilled its role as guardian of the Treaties in 1987. The findings are summarized below.

The number of infringement proceedings (pre-litigation stage) again increased since the previous year (572 letters of formal notice in 1987 compared with 516 in 1986; 197 reasoned opinions in 1987 compared with 164 in 1986).⁵ The highest number of proceedings initiated involved Greece (77), followed by Italy (73), France (66) and the Federal Republic of Germany (65). France received most reasoned opinions (29), followed by Greece and Belgium (28 each) and Italy (27). The internal market and the environment accounted for most of the letters of formal notice and reasoned opinions. In the case of the internal market, this is due to the increased monitoring of the observance by the Member States of Article 30 of the Treaty and of the Community directives on public procurement. These two areas are vital to the Commission's strategy for completing the internal market. In the case of the environment, the increase in letters of formal notice and reasoned opinions reflects the tightening of controls on the application of directives in this field, particularly in the context of the European Year of the Environment.

However, the number of actions actually brought before the Court continued to fall in practically all areas (113 in 1985, 71 in 1986 and 61 in 1987). This fall, which began in 1986,⁵ is significant.

Moreover, it is a general phenomenon: while the number of infringement proceed-

¹ OJ C 262, 10.10.1988.

² COM(88) 425 final.

³ COM(84) 181 final; Eighteenth General Report, point 797; COM(85) 149 final; Nineteenth General Report, point 1021; OJ C 220, 1.9.1986; Twentieth General Report, point 1013; OJ C 338, 16.12.1987; Bull. EC 12-1987, point 2.4.11.

⁴ OJ C 68, 14.3.1983; Bull. EC 2-1983, point 2.4.16.

⁵ OJ C 338, 16.12.1987; Bull. EC 12-1987, point 2.4.11.

ings more than doubled in five years, the number of actions brought in the Court rose by only 50%.

The decline in the number of actions brought reflects a general tendency to regularize infringements after the reasoned opinion has been issued, and confirms the results of the Commission's efforts to avoid litigation. Indeed, the Commission is of the opinion that its function as guardian of the Treaties is not to bring Member States before the Court but to encourage them to observe Community law. The breakdown by Member States shows Italy at the top of the litigation list (21 cases), followed by Greece (11), France (8) and Belgium (7).

The rise in the number of complaints (850 in 1987 compared with 791 in 1986)—these have more than doubled in five years—is evidence of the increasing public awareness of the mechanisms of Community law. The cases detected by the Commission's own inquiries fell slightly but those detected by parliamentary questions and petitions remained at the same level as in the previous year, indicating the importance of Parliament's contribution to identifying cases of infringement and the Commission's vigilance in the matter.

Relations between the institutions

Action for annulment

2.4.8. In a judgment given on 27 September in Case 302/87, the Court of Justice declared inadmissible Parliament's action¹ for the annulment of the Council Decision of 13 July 1987 laying down the procedures for the exercise of implementing powers conferred on the Commission² on the grounds that Parliament does not have the capacity to bring such an action under Article 173 of the Treaty.

Institutions and organs of the Communities

Parliament³

Strasbourg: 12 to 16 September

2.4.9. The agenda of Parliament's September part-session was particularly heavy.

The Community's external relations took pride of place, with the House giving its assent to the Protocol to the Association Agreement with Turkey (→ point 2.2.19) and also debating relations with the Soviet Union and Malta, the situation in Poland, Burundi, Nicaragua, Salvador and Sri Lanka, and the ceasefire between Iran and Iraq (→ points 2.4.16 and 2.4.17).

Parliament debated various aspects of the present situation of women in the Community, finally adopting an opinion (→ point 2.1.67) and three resolutions (→ point 2.4.16). Several environmental protection issues including a European emission standard for small cars (→ point 2.1.87), were also considered.

Parliament held a preliminary exchange of views on the draft 1989 budget, which was presented by the Council President, Mr Papantoniou (→ point 2.3.1). It also reviewed progress towards a people's Europe (→ point 2.4.10).

A people's Europe: speeding up progress

2.4.10. In reply to an oral question from Mr E. Klepsch (*EPP/D*), the Member of the Commission with special responsibility for a people's Europe, Mr Ripa di Meana, made a statement on developments in this field. The Commission presented a paper on the subject last June.⁴ After expressing his satisfaction with the interest shown by Parliament in the follow-up to the Adonnino Report,⁵ Mr Ripa di Meana painted a posi-

¹ OJ C 321, 1.12.1987; Bull. EC 10-1987, point 2.4.33.

² OJ L 197, 18.7.1987; Bull. EC 7/8-1987, point 2.4.10.

³ The texts of the resolutions and opinions adopted by Parliament appear in OJ C 262, 10.10.1988, and the report of the proceedings is published in OJ Annex 2-368. 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, p. 51 (footnote 2).

⁴ Bull. EC 6-1988, point 2.1.19; Supplement 2/88 — Bull. EC; COM(88) 331 final.

⁵ Supplement 7/85 — Bull. EC; Bull. EC 12-1984, point 1.2.5; Bull. EC 3-1985, points 2.1.8, 2.1.9 and 3.6.1; Bull. EC 6-1985, point 1.4.1 *et seq.*

tive picture of its application and set out the Commission's proposed priorities.

The first concerned the development of the European identity, which called for the building of a common cultural area, particularly in the audio-visual sphere. Citizens need to be aware of their rights, and these must be extended. A major step forward could be taken with the adoption of the proposed Directive on voting rights for Community citizens in local elections,¹ for the extension of freedom of movement for persons must not be allowed to rob citizens of their right to have a say in the running of local affairs. The idea of a European charter of rights was also broached. In conclusion, Mr Ripa di Meana stressed that new problems of society, such as exclusion or xenophobia, or even the effects of technological innovation, must be used as an opportunity to involve European citizens more deeply in the issues dealt with by the Community institutions.

During the ensuing debate Parliament expressed its support for the Commission's proposals but deplored the delays in implementing the Adonnino Report, delays for which it blamed the Council and the national bureaucracies.

Many speakers emphasized certain specific aspects. Mr Brok (*EPP/D*) argued in favour of regrouping the various youth exchange programmes, which would help to allay the fears expressed by Mrs Fontaine (*EPP/F*) and Mr Chanterie (*EPP/B*) about the inadequacy of the funds allotted to them. Like Mrs Marinaro (*COM/I*) and other members, Mrs Fontaine also welcomed the Commission's proposal on voting rights for Member States' nationals in local elections in the Member State in which they were residing. But this same proposal ran into some criticism on the part of Mr von Nostitz (*Rainbow/D*), who hoped that voting rights would also be granted to residents originating from non-member countries, and from Mr Le Chevallier (*ER/F*), who wanted a referendum to ascertain what the people thought.

While Mrs Lemass (*EDA/IRL*) stressed the importance of language learning, several

speakers, including Mrs Cassanmagnagò-Cerretti (*EPP/I*), pointed to the need to give a social dimension to European citizenship. Mr Chanterie (*EPP/B*) and Mrs Oppenheim (*ED/DK*) emphasized the role of Parliament's Petitions Committee, Mrs Oppenheim believing that it could be the basis for a Community ombudsman function.

Mr Ripa di Meana, in reply, underlined the importance of most of the subjects mentioned by the speakers, particularly the need for a social Europe and an effort on behalf of youth.

Parliament then adopted three resolutions, which, beneath their specific features, reflected a broad consensus on the need to make progress in establishing a people's Europe.

The first called for cultural aspects to be an integral feature of Community policies, a genuine Community policy on the audio-visual media and an expanded Erasmus programme.² In the second, Parliament asked the Commission for a report outlining what priorities and deadlines it intends to set for action to build a people's Europe, and urged the Member States to have their relevant national authorities take the essential decisions. It called for Community rules to be devised on the basis of Member States' work in the fight against drugs, crime and terrorism, and on the right of asylum, recognition of visas and freedom of movement. Other recommendations included the introduction of a European vocational training passport and greater prominence for a people's Europe in all the public and private media. The third resolution advocated adoption of a Charter of Citizen's Rights and the creation of a Community cultural area. It restated the importance of solidarity as the foundation for building a European society and stressed the need to promote the social integration of migrants from non-member countries.

¹ Bull. EC 6-1988, point 2.1.20; Supplement 2/88 — Bull. EC; COM(88) 371 final.

² OJ L 166, 25.6.1987; Bull. EC 6-1987, point 2.1.93.

2.4.11. Under the written procedure provided for in Rule 65 of its Rules of Procedure, Parliament adopted a statement on the exercise of the right to stand for Parliament in the June 1989 elections (→ point 2.4.6).

2.4.12. Parliament adopted opinions (first reading) on Commission proposals concerning:

- (i) electromagnetic compatibility (→ point 2.1.8);
- (ii) the calcium, magnesium, sodium and sulphur content of fertilizers (→ point 2.1.10);
- (iii) adoption of a first multiannual programme (1988-93) for biotechnology-based agri-industrial research and technological development (Eclair) (→ point 2.1.26);
- (iv) measures to be taken against air pollution by gases from the engines of motor vehicles (European emission standard for cars below 1.4 litres) (→ point 2.1.87);
- (v) the permissible sound level and exhaust system of motorcycles (→ point 2.1.89);
- (iv) restrictions on the marketing and use of certain dangerous substances and preparations (→ point 2.1.90).

2.4.13. Parliament adopted a decision (second reading) concerning the Council's common position on the proposal on specific research programmes (1988-91) to be implemented by the Joint Research Centre (→ point 2.1.17).

2.4.14. Parliament gave its assent to the Protocol to the Association Agreement between the Community and Turkey consequent upon the accession of Greece (→ point 2.2.19).

2.4.15. Parliament gave opinions on Commission proposals concerning:

- (i) implementation of the principle of equal treatment for men and women in statutory and occupational social security schemes (→ point 2.1.67);

- (ii) a pilot project on remote sensing applied to agricultural statistics (→ point 2.1.109);

- (iii) organization of the wine market (→ point 2.1.100);

- (iv) the ECE's consolidated resolution on the facilitation of road transport (→ point 2.1.128).

2.4.16. Resolutions were passed on the following subjects:

The relationship between monetary instability and trade. In view of the harm caused to the development of international trade by the instability of the exchange markets, and in particular the growing protectionist tendencies, Parliament called for the establishment of a new international monetary order, in which concerted action by the central banks could play a short-term role. It also wanted to see a stronger European Monetary System with all the Community countries participating, an expanded role for the ecu, including its use by non-member countries, and the creation of an independent European central bank. Parliament rejected any form of legislation for the long-term management of exchange rates and supported instead the principle of defining 'target zones', which would entail closer coordination between the policies of the industrialized countries (e.g. within the Group of Seven, with which the Community would be associated) and with the major international financial organizations. Finally, creditors were urged to relieve the effects of the debt crisis for the developing countries by taking measures which would reduce their financial dependence and stimulate renewed economic growth.

European flag. Parliament called for a legal instrument to be enacted by December 1988 to give formal recognition to the existence of the European flag. Member States were asked to make the widest possible use of the flag and to display it at the Community's external borders, at official events, on ships and as an emblem on car number plates.

Europe's contribution to Olympic Year 1992. In view of the historical ties linking

the Olympic ideals with the European cultural heritage and since both the Winter Games and the Summer Games will be held in Europe in 1992, Parliament proposed that that year be declared European Olympic Year and that steps be taken to identify Member States' athletes as belonging to Europe. It decided to hold its own major debate on European sport at one of its sittings in 1992 and called for concerted action by the Member States and close cooperation between the Albertville and Barcelona organization committees. Other recommendations were for the Commission to organize a publicity campaign for collaboration with the Council of Europe and the European Community Youth Forum.

Combating poverty in the Community. Parliament found that the improving economic situation had failed to relieve poverty or to curb the consequent phenomenon of social exclusion and accordingly called for more effective measures to be taken and for a redirection of Community policy towards intervention and action on the spot. In addition to the need for better coordination with the other Community policies and for a substantial increase in funds, stress was laid on the importance of the role of local authorities and non-governmental organizations and of active participation by the population. Parliament also pointed to certain desirable improvements in the management of anti-poverty programmes — in terms of continuity and financing, for example. It asked to be consulted on the key aspects of this policy and again invited the Commission to give special support to migrant workers and encourage the introduction of a guaranteed minimum income in all Member States.

Application of Council directives, resolutions and recommendations concerning women. Despite the irreversible development in their role in society, Parliament complained that women are still all too often the victims of stereotyping, especially in connection with employment, and it therefore called on the Commission, the Council and the Member States to work together to introduce a comprehensive, far-

reaching policy for women. The Commission was urged to draw up a third medium-term action programme (1991-96)¹ containing not only provisions for stricter application of directives, but also specific measures covering employment and vocational training, the new technologies, the role of the structural Funds, the situation of women in the Community institutions and in the developing countries, the elderly, information and public awareness. The House recommended that the Council adopt without delay various outstanding proposals for directives seeking to promote truer equality between men and women,² and study the possibility of introducing an integrated system of social rights guaranteeing minimum standards of social security. Member States were called upon to introduce or restore equal opportunities structures and to agree to consider, in every sphere, a concept of work not strictly limited to gainful employment.

Women in decision-making centres. Parliament insisted on women being closely associated at all levels — national, regional, local — of political life and appointed to posts of responsibility other than those to which the weight of stereotyping has usually assigned them. Parliament acknowledged the special role played by women's groups and non-governmental organizations, which deserve adequate support, and stressed the efforts to be made by the political parties — both in their organization and in their designation of candidates, for which quota systems should be introduced — public administrations, the universities and scientific institutions, the trades unions, private businesses and the Community institutions themselves. It restated the role of the mass media and of education in redefining the image and place of women in society.

¹ First programme: OJ C 22,29.1.1982; Supplement 1/82 — Bull. EC. Second programme: OJ C 356, 31.12.1985; Supplement 3/86 — Bull. EC.

² OJ C 333, 9.12.1983; Bull. EC 11-1983, point 2.1.80; OJ C 309, 10.11.1987; Bull. EC 10-1987, point 2.1.85; OJ C 176, 5.7.1988; Bull. EC 5-1988, point 2.1.83.

Women and research. Since women have not been given their due in the arts and sciences, Parliament called on the Member States to take legislative, financial and any other measures which would further the presence of women at the very highest levels in universities and research institutes. The House also urged them, as well as the Commission, to encourage the development of studies on women, notably by setting up public or private bodies, treating the department of women's studies at the European University Institute in Florence as the European centre for research on women, and supporting the creation of an International Centre for Women's Studies.

European harmonization of medicoethical questions. After reviewing the whole range of issues relating to public health and health care with the impending completion of the internal market, Parliament maintained that the European code of ethics for the medical profession could prove to be a useful guide, even if it could not be exclusive. The House wanted to see various adjustments made to the structures and disciplinary procedures of the medical professions. It also called for ethical committees for biomedical problems to be set up in all the Member States, which would be broadly representative and whose work would be coordinated by a European ethical committee.

Founding of a centre for European culture and civilization. Parliament asked the Commission to appoint a group of experts to plan the creation of a centre, to be situated in Greece, which would promote the understanding of Europe and its past. It was hoped that proposals would be presented before the end of the year.

A development programme for the frontier regions between Spain and Portugal. The simultaneous accession of Spain and Portugal to the Community coupled with the effective strengthening of the Community's economic and social cohesion were Parliament's reasons for drawing attention to the importance of the development of relations between the two countries and the mutual benefits they could draw from it. The uni-

form situations of these frontier regions has long been the source of deep interpenetration, but in view of the uneven levels of transborder cooperation, joint measures are required with which local authorities are closely involved and which highlight activities of a popular nature. To that end, Parliament proposed the setting-up of joint committees operating as working groups with support, particularly financial, being provided by the Community institutions.

Aid for the reconstruction of the Chiado district of Lisbon. Parliament called for every effort to be made to help the victims of the fire which devastated the historic centre of Lisbon on 25 August, and stressed the need for Community assistance in rebuilding the Chiado according to plans which preserve its cultural and historic uniqueness.

Environment Year. Parliament applauded the success of this venture¹ but still regretted that during this period the Council had failed to adopt any of the proposals before it for the protection of the environment. The House called on the Commission to develop its policy of stimulating public awareness, as well as its 'blue flag' campaign,² with appropriate adjustments in the light of experience. Emphasizing the need for the environment to be more effectively integrated into the other Community policies, the House urged the Commission to study the possibilities of establishing a European Foundation for the Environment, to encourage the efforts of regional and local authorities and to support the European Network for Environmental Technology Transfer.³ It also hoped to develop its own collaboration with national parliamentary committees.

Eutrophication of the Adriatic. Parliament called on the Italian Government and the Community authorities to take the necessary steps to avoid any further proliferation

¹ OJ C 23, 18.3.1986; Bull. EC 3-1986, point 2.1.100; Bull. EC 3-1987, point 1.3.1.

² Bull. EC 7/8-1987, point 2.1.163.

³ Bull. EC 11-1987, point 2.1.149.

of algae caused by the high level of pollution in the River Po and by the delay in adopting or applying adequate Community and national measures to protect the environment.

Death of seals and pollution in the North Sea and the Baltic. Following the deaths of thousands of seals in recent months, Parliament urged the Commission and the Member States to consider at once the problem of the dumping of toxic or dangerous waste in Community waters and called on the Member States concerned to set up immediately the Task Force as agreed at the North Sea Conference in London in 1987.¹ The House also urged the Commission to monitor the safety for human consumption of fish caught in European waters, to set up an emergency plan to combat the fatal infection of seals and to encourage and finance research into the causes and prevention of pollution of the North Sea and the Baltic.

The monk seal. Parliament requested the Commission to continue its valuable work in protecting the monk seal. A second, adequately funded three-year action plan to protect baby seals,² combined with research activity, particularly in genetics, should help to ensure a better balance between protection of the species and the development of fishing in the areas concerned. The House also called on the Commission to draw up an emergency plan of measures to be taken in the event of an epidemic and to support existing protection programmes.

Protection of turtles. In view of the dangers threatening this fast-dwindling species, particularly in the Mediterranean, Parliament called for firm measures to protect the sensitive areas of the Greek island of Zakynthos, the Dalyan delta in Turkey and the beaches of Cyprus. The Commission was urged to make every effort to reduce the number of by-catches and, more generally, to speed up its measures for protecting the natural heritage in the Mediterranean.

Use of hormones in meat production. The illegal use of additives to boost growth can have nothing but disastrous effect on con-

sumer health, the situation of law-abiding cattle farmers and the balance of the markets. Parliament therefore called for the general ban on the use of hormones to be maintained, insisting that it be applied to imports from non-member countries from 1 January 1989, with the tightening of controls and application of such a ban worldwide. Stating that it would consider setting up a committee of inquiry on the production and marketing of meat, the House urged the Commission to provide it with the fullest possible information about the present state of play and, as part of a policy to prevent recourse to even more intensive methods of cattle farming, to set up a registration scheme for operations involving hormones in the Community and a legal framework for the use of veterinary products.

Promoting transport by pipeline in the Community. Pipelines, Parliament pointed out, are the most suitable form of transport for certain products play a strategic role in the security of the Community's energy supply, and are also economically highly profitable. It therefore requested the Commission to undertake a comparative study based on various criteria and to draft proposals for incorporating pipelines in the common transport policy and easing trans-border cooperation in this field.

Regional impact of the construction of a tunnel under the English Channel and a bridge over the Strait of Messina. Although aware of the beneficial effects of fixed links, particularly on Community transport policy and the economic and social development of the regions concerned, Parliament still insisted that careful attention be paid to the situation of the construction workers and those employed by the ferries affected by the new link, as well as to the protection of the environment and safety measures.

The disaster at Ramstein military airport. Following the tragic accident during the air

¹ Bull. EC 11-1987, point 2.1.152.

² OJ L 91, 9.4.1983; Bull. EC 3-1983, point 2.1.85; OJ L 259, 1.10.1985; Bull. EC 9-1985, point 2.1.85.

show on 28 August, Parliament urged, with regard to the military, a ban on all shows involving flight demonstrations, low-level flying and air combat exercises over inhabited areas and targeted flights over certain buildings, and, with regard to civilian flying, a ban on dangerous air demonstrations.

Coal policy. In view of the size of reserves still available throughout the world and the foreseeable trend in energy demand, Parliament maintained that the Community must encourage the use of coal, support its coal industry on a long-term basis, reduce its external dependence and promote research and development. R&D objectives should be to eliminate pollution from coal burning and to market new, environmentally acceptable, products. The House also held that special attention should be paid to the world prices of coal, at the moment not sustainable for Community production, and to pit-closure programmes, which like conversion programmes must be incorporated into a real economic and social strategy, and not depend on short-term decisions.

Resumption of the EEC-Turkey Association. The decisive progress made towards restoring parliamentary democracy and moves in favour of respect for human rights justify, in Parliament's opinion, the resumption of the Association, the formula which best reflects Turkey's significance for the Community. The House called on the Turkish Government to honour in full its obligations under the Association Agreement, and reminded it that the occupation of part of Cyprus was unacceptable. Parliament stressed that its approval of the technical protocols following the accession of Spain and Portugal in no way meant approval of the Turkish Government's policies to date, and urged the Commission to take account not only of the economic but also the political aspects in its opinion on Turkey's request for accession.¹

Malta and its relationship with the Community. With a view to a deeper relationship that might culminate in Malta's full membership of the Community, Parliament

considered that the current Association Agreement should be superseded by one establishing closer ties. Community funds should continue to be provided to help in modernizing Malta's economic infrastructure; the Commission was urged to set up an information office in Valletta.

East Timor. Condemning the occupation of East Timor by Indonesia and the attendant violations of human rights, Parliament called on the UN Secretary-General, in his efforts to find a solution, to consult also the representatives of the people of East Timor, and expressed the wish that Portugal, as the 'administering power', would play an active part. The Community institutions and the other Member States were asked to do all they could to ensure that the right to self-determination was fully restored to the people of East Timor.

Situation in Poland. Parliament reaffirmed its desire to see full recognition of trade union and political pluralism in Poland and hoped that the dialogue initiated between the government and the various sectors of society would enable Poland to overcome the serious economic, political and social crisis in the country. The Foreign Ministers of the Twelve were called upon to monitor developments and asked for these to be taken into account in any contacts prior to the establishment of diplomatic relations between the Community and Poland.

Political relations between the Community and the Soviet Union. Parliament noted the favourable developments on many political fronts which are decisive for the normalization of relations with the Soviet Union, such as changes in the international climate, the incipient economic and political reforms in the Soviet Union and a certain improvement in respect for human rights. Although it was not easy to evaluate these reforms, which are still in their infancy, they would undoubtedly be beneficial both for the Soviet Union and for Europe in general; Parliament therefore recommended conclusion of a comprehensive commercial and

¹ Bull. EC 4-1987, points 1.3.1 and 1.3.2.

cooperation agreement covering trade, technology and protection of the environment. After restating its support for the process of the Conference on Security and Cooperation in Europe, Parliament stressed the urgency of opening negotiations on more far-reaching confidence-building and security-promoting measures in Europe. The House also welcomed the prospects offered by the change in attitude on the part of the Soviet Union towards cooperation on international issues and the Third World. Judging the conditions for establishing diplomatic relations to be satisfied, Parliament hoped to see a regular political dialogue develop on external policy.

Bangladesh. In response to the exceptional disasters that have hit Bangladesh, Parliament called for maximum cooperation between all parties concerned to ensure that adequate and appropriate aid is granted, and stressed the need for scientific studies to determine the causes of these recurring natural disasters.

Disastrous situation in Sudan. With an appeal to the Sudanese Government to do all within its power to bring the civil war to an end and to ensure fair distribution of aid, Parliament called for priority to be given to aid for transport and communications—the key to effective distribution—and to housing.

2.4.17. In the field of political cooperation and human rights, Parliament passed resolutions on the following subjects:

Massacres in Burundi. Parliament condemned those responsible for the blind violence, whoever they might be, and stressed the need for a democratic political system in order to secure peace. It asked that a peacemaking mission in the framework of the Lomé Convention be sent to Burundi and hoped that, besides the aid already granted, priority would be given to a sustained programme of rehabilitation.

Persecution of Ukrainian Catholics in the Soviet Union. Parliament deplored the many instances of repression of religious worship and called on the Soviet authorities to take

immediate steps to ensure freedom of religious expression for all Ukrainian citizens.

George Samoilovich. Parliament urgently requested the Soviet Government to issue Mr Samoilovich, a Soviet citizen of Jewish origin suffering from cancer, with an exit visa which will enable him to undergo treatment in the United States so that his life may be saved.

Expulsion of Paruir Airikian from the USSR. Parliament called for the rescinding of the repressive measures taken against Mr Airikian, mouthpiece of the movement for the reunification of the Armenian people—measures which seek to expel him and deprive him of his citizenship.

Long-term imprisonment of Mr Enn Tarto. Parliament called for an end to the imprisonment in a labour camp of Mr Tarto, an Estonian and signatory in 1983 of a protest against the construction of a new trading port in Tallinn, regarded as a symbol of the further Russianization of Estonia.

Situation in Nicaragua. Following the arrest of a hundred or so demonstrators belonging to the opposition coalition 'Coordinadora Democrática Nicaraguense'—quite a number of whom are still being held without trial—Parliament urged the Contras to resume negotiations and the Nicaraguan Government to ensure respect for human rights in general and the rights of arrested persons in particular. The Commission was requested to do all it could to help those detained and their families.

Situation in El Salvador and the killing of Jürg Weis and his companions. Parliament condemned the killing, on 22 August, of the coordinator of the Central American Secretariat in Zurich, which it saw as the sign of an escalation of terrorism on the part of the Salvador Government against the humanitarian organizations and the populations they were trying to help. It supported the plan to send out a committee of inquiry and condemned the repression against the civilian population; it also called for stricter control of Community aid granted to El Salvador.

Trafficking in children in Central America. Parliament condemned these ghastly practices. It urged the governments concerned to make every effort to stop them and called for an inquiry to discover whether such trafficking had spread to Europe.

Nelson Mandela. Parliament again called for the release of Mr Mandela and all other political prisoners, that being the only way in which the South African Government could demonstrate its intention of abolishing apartheid. The House called on the Community authorities and the Lomé Convention countries to step up their pressure. Parliament also called on the ANC to make clear how it envisaged the constitution of South Africa as a non-racial and pluralist democracy, with the rights of all citizens truly guaranteed.

The ceasefire between Iran and Iraq. Congratulating the UN Secretary-General on the success of his efforts, Parliament reaffirmed its support for Security Council Resolution 598 and urged it to be implemented in its entirety, including in particular the evacuation by Iraq of all occupied Iranian territory.

The Iraqi offensive against the Kurds. Parliament condemned the repressive means used against civilian Kurdish populations in Iraq and called on the Member States to suspend all arms shipments to Iraq and to

render all possible assistance to the Kurdish refugees.

Political situation in Sri Lanka. In the light of the historical aspects which have contributed to the rise of ethnic conflict, Parliament, after examining the various factors of the current crisis, welcomed the signing of the Indo-Sri Lanka Agreement of July 1987 but deplored the persistence of tension and the lack of any genuine return to a situation in which human rights are fully respected. It called for stronger Community support, political as well as economic, for Sri Lanka, as part of an overall cooperation strategy in that region of the globe. Finally, it stressed the importance of respecting the sovereignty of Sri Lanka and of a contribution from all the national forces in the search for a lasting solution to guarantee the peaceful coexistence of the principal ethnic groups within adapted institutions.

Council

2.4.18. The Council held two meetings in September. Table 5 lists the number, place and date of each meeting, the names of the Council President and Commission representatives and the main items of business. A more detailed account of specific items can be found in the sections of the Bulletin referred to in the footnotes.

Table 5 — Council meetings in September 1988

Number, place and date of meeting	Subject	President	Commission	Main items of business
1262nd Brussels 26 September	General affairs	Mr Pangalos	Mr Natali Mr Varfis Mr De Clercq	Relations with USA: declaration on Trade Act ¹ Renewal of ACP-EEC Convention: detailed examination ² Reform of structural Funds Audio-visual cooperation in Europe
1263rd Brussels 26 and 27 September	Agriculture	Mr Pottakis	Mr Andriessen	Future of rural society: initial discussion ³ Reform of structural Funds ³

Number, place and date of meeting	Subject	President	Commission	Main items of business
				Aids to agricultural income Set-aside ³ Reform of milk quota system (SLOM) and related measures: initial discussion ³

¹ Relations with industrialized countries.

² Development.

³ Agriculture.

Commission

Activities

2.4.19. The Commission held a wide-ranging discussion on the causes of and solutions to air-traffic congestion, at the end of which it decided to prepare a communication to the Council accompanied by specific proposals.

After reviewing its modernization programme, the Commission concluded that an organizational strategy was essential if it were to achieve the targets set for 1992 and beyond. The underlying principle should be twofold: maintaining fully the role of the different Community institutions, and decentralizing and delegating clearly definable tasks to national and regional authorities.

2.4.20. The Commission's new Directorate for the Coordination of Fraud Prevention came into operation on 1 July. Under the direct authority of the President, its function is to coordinate and monitor the whole range of Commission activities aimed at the prevention of fraud involving the Community budget, to take whatever steps are necessary, especially with regard to rules, regulations and methods, to reinforce existing means of action, and to represent the Commission in this field in discussions with the Member States and the other Community institutions.

Decisions, communications and proposals

2.4.21. The Commission approved a working paper on the social dimension of the internal market. Its aim is to stimulate wide-ranging debate on the subject, and to provide the Commission with an indicative programme of work up to 1992 (→ point 1.1.1 *et seq.*).

It also approved a communication setting out a Community strategy and action programme for the forestry sector (→ point 1.2.1 *et seq.*).

The Commission adopted a communication incorporating a draft Council resolution on the new developments in Community cooperation on civil protection (→ point 2.1.6).

With the aid code for the steel industry due to expire on 31 December,¹ the Commission approved a draft decision extending it for three years on the same terms (→ point 2.1.56).

As a follow-up to the judgment given by the Court of Justice on 28 April,² which found Council Regulation No 857/84 of 31 March 1984³ partially invalid, the Commission presented to the Council five proposals for amending Regulations to include farmers who have drawn milk non-marketing and dairy herd conversion premiums in the milk-quota system⁴ (→ point 2.1.201).

¹ OJ L 340, 18.12.1985; Bull. EC 11-1985, point 2.1.25.

² Bull. EC 4-1988, point 2.4.44.

³ OJ L 90, 1.4.1985; Bull. EC 3-1984, point 1.2.4 *et seq.*

⁴ OJ L 131, 26.5.1977.

A communication entitled 'The Community oil market and refining industry: recent developments and outlook to 1995' was approved by the Commission for transmission to the Council (→ point 2.1.139).

Court of Justice ¹

Composition of the Court

2.4.22. By decision of 26 September ² the representatives of the governments of the Member States made the following appointments:

Judges for the period from 7 October 1988 to 6 October 1994: Mr Fernand Grévisse, Mr Thymen Koopmans, Mr Federico Mancini, Mr José Carlos de Carvalho Moitinho

de Almeida, Sir Gordon Slynn and Manfred Zuleeg;

Advocates-General for the period from 7 October 1988 to 6 October 1993: Mr Marco Darmon, Mr Giuseppe Tesauero, and Mr Walter van Gerven;

Advocate-General for the period from 7 October 1988 to 6 October 1991: Mr Francis Jacobs.

2.4.23. On 30 September the representatives of the governments of the Member States appointed Mr Manuel Díez de Velasco Vallejo Judge for the period from 7 October 1988 to 6 October 1994. ³

¹ 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*).

² OJ L 273, 5.10.1988.

³ OJ L 279, 12.10.1988.

2.4.24. **New cases**

Case	Subject	Basis
<p>ECSC — Steel</p> <p>252/99 EISA v Commission</p>	<p>Annulment of the decisions notified to the applicant by the Commission's letter of 16 August 1988 regarding penalties imposed on Klöckner for exceeding its quotas in the period from the first quarter of 1981 to the fourth quarter of 1983</p>	<p>Article 33 ECSC</p>
<p>Free movement of goods</p> <p>232/88 Derry City Council v Hampden Homecare</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 the territory of a Member State to sell certain specified goods on a Sunday?</p>	<p>Article 177 EEC</p>
<p>Customs union</p> <p>233/88 G. van de Kolk-Douane Expeditie v Inspecteur der Invoerrechten en Accijnzen, Amersfoort</p>	<p>Is Additional Note 6a to Chapter 2 of the Common Customs Tariff as laid down by the Council in the Annex to Council Regulation No 3400/84 amending Regulation No 950/68 on the Common Customs Tariff valid?</p>	<p>Article 177 EEC</p>

Case	Subject	Basis
<p>Competition</p> <p>241/88 Sacem v Debelle</p>	<p>1. Does the imposition by Sacem, a civil partnership of authors, composers and publishers of music, occupying a dominant position in a substantial part of the common market, and bound by reciprocal representation contracts with authors' rights societies in other countries of the Community, of combined royalties on the basis of 8.25% of the gross turnover of a disotheque amount to the direct or indirect imposition on the contracting parties of unfair trading conditions within the meaning of Article 86 of the EEC Treaty if that rate is manifestly higher than that applied by identical authors' rights societies in other Member States of the Community?</p> <p>2. Is the organization, by means of a set of 'reciprocal representation agreements', of a <i>de facto</i> monopoly in the countries of the Community, enabling a copyright-management society pursuing its activities in a Member State to fix in a membership contract a comprehensive fee which must be paid by users before exploiting foreign works, liable to constitute a concerted practice covered by the prohibition in Article 85(1) of the Treaty?</p>	<p>Article 177 EEC</p>
<p>242/88 Sacem v Soumagnac</p>	<p>The same questions as in Sacem v Debelle above</p>	<p>Article 177 EEC</p>
<p>Social security</p> <p>235/88 Kassel v Bundesanstalt für Arbeit</p>	<p>Does the prohibition on discrimination between Community nations apply where unemployment benefit is payable solely by virtue of a convention between a Member State and a non-Community country which refers only to the nationals of those two countries?</p>	<p>Article 177 EEC</p>
<p>Agriculture</p> <p>229/88R Cargill and Others v Commission</p>	<p>Suspension of the application of Commission Regulation No 1587/88 suspending advance fixing of the subsidy for colza, rape and sunflower seed</p>	<p>Article 173 EEC</p>
<p>234/88 Wilhelm Lampe Mühle v Bundesanstalt für landwirtschaftliche Marktordnung</p>	<p>Must Article 1(b) of Commission Regulation No 1821/81 laying down the conditions for granting carryover payments for certain cereals in stock at the end of the marketing year be interpreted as meaning that the rye in respect of which a carryover payment is applied for must be owned by the applicant milling undertaking not only on 31 July of the marketing</p>	<p>Article 177 EEC</p>

Case	Subject	Basis
<p>244/88 UCDV and Others v Commission¹</p> <p>Budget</p> <p>250/88 Commission v Council²</p>	<p>year in question but also at the time when it is milled for human consumption, or is it sufficient if the rye is milled for human consumption by another milling undertaking, to which it was sold by the applicant undertaking after the application was lodged?</p> <p>Annulment of Commission Regulation No 1910/88 suspending advance fixing of the aid for dried fodder</p> <p>Annulment of Council Regulation No 1870/88 extending Regulation No 3972/86 on food-aid policy and food-aid management, in so far as the contested Regulation extends the term of validity of the provisions of Regulation No 3972/86 which subject the Commission's powers in implementing the budget to a procedure other than that of the Consultative Committee</p>	<p>Article 173 EEC</p> <p>Article 173 EEC</p>
<p>Infringements</p> <p>246/88 Commission v Italy¹</p>	<p>Failure to implement Council Directive 80/836/Euratom and Council Directive 84/467/Euratom amending it as regards the basic safety standards for the health protection of the general public and workers against the dangers of ionizing radiation</p>	<p>Article 169 EEC</p>
<p>249/88 Commission v Belgium²</p>	<p>Price control for pharmaceutical products, reimbursement by social security bodies, and government/industry contracts</p>	<p>Article 169 EEC</p>
<p>251/88 Commission v Germany</p>	<p>Own resources: calculation of the basis of assessment where telecommunication services are exempt from VAT</p>	<p>Article 169 EEC</p>
<p>253/88 Commission v Greece</p>	<p>Failure to implement Commission Directive 82/953/EEC adapting to technical progress Council Directive 79/622/EEC on the roll-over protection structures of wheeled agricultural or forestry tractors (static testing)</p>	<p>Article 169 EEC</p>
<p>260/88 Commission v France³</p>	<p>Seeking a declaration that by failing to adopt measures appropriate to penalize, with effect from 1 November 1984, any breaches of the system of production aid for olive oil France has failed to fulfil its obligations pursuant to Articles 2 and 3 of Council Regulation No 2262/84 laying down special measures in respect of olive oil</p>	<p>Article 169 EEC</p>
<p>261/88 Commission v Greece</p>	<p>Incomplete transposal of Council Directive 77/187/EEC on the safeguarding of employees' rights in the event of transfers of undertakings, businesses or parts of businesses</p>	<p>Article 169 EEC</p>

Case	Subject	Basis
263/88 Commission v France ²	Seeking a declaration that by not adopting the measures needed to allow the nationals of another Member State in possession of the requisite French qualification to establish themselves or provide services as doctors, nurses responsible for general care, midwives, dentists or veterinary surgeons in the overseas territory of French Polynesia or as veterinary surgeons in New Caledonia and its dependencies, France has failed to fulfil its obligations under Article 137 of Council Decision 80/1186/EEC ¹ on the association of the overseas countries and territories with the EEC and Article 176 of Council Decision 86/283/EEC on the same subject	Article 169 EEC
266/88 Commission v Belgium ³	Seeking a declaration that Belgium has failed to fulfil its obligations pursuant to Article 198 of the EEC Treaty and Council Directive 78/453/EEC by failing duly to enter agricultural levies in the accounts in accordance with those provisions and by fixing the period for the deferment of payment otherwise than is stipulated in those provisions	Article 169 EEC
287/88 Commission v France	Failure to transpose within the time allowed Council Directive 80/778/EEC relating to the quality of water intended for human consumption	Article 169 EEC

Disputes between the Community and its staff

v Commission:

243/88 Sterl⁴

247/88 Gouvras-Laycock⁵

v Parliament:

193/88 Barbe

v Court of Justice:

259/88 Godfroy⁵

¹ OJ C 255, 1.10.1988.

² OJ C 277, 27.10.1988.

³ OJ C 276, 26.10.1988.

⁴ OJ C 261, 8.10.1988.

⁵ OJ C 269, 18.10.1988.

2.4.25. Judgments

Date and Case	Held
<p>ECSC — Steel</p> <p>22.9.1988: 340/85 Rev. — <i>Acciaierie e Ferriere di Porto Nogaro v Commission</i></p> <p>22.9.2988: 69/87 — <i>LAF v Commission</i>¹</p>	<p>Removed from the Court Register (seeking interpretation and/or revision of the judgment delivered by the Court (First Chamber) in Case 340/85 <i>Acciaierie e Ferriere di Porto Nogaro v Commission</i>)</p> <p>Application dismissed (seeking annulment of the individual Commission Decision of 9 January 1987 imposing a fine on the applicant pursuant to Article 64 of the ECSC Treaty, or in the alternative reduction of the fine to a purely symbolic amount)</p>
<p>Free movement of goods</p> <p>20.9.1988: 190/87 — <i>Oberreisdirektor of the District of Borken and Another v Handelsonderneming Moormann</i>²</p>	<ol style="list-style-type: none"> 1. Systematic checks of poultrymeat carried out by a veterinary surgeon or other health expert on the entry into the country of destination constitute measures having an effect equivalent to quantitative restrictions within the meaning of Article 30 of the EEC Treaty. In so far as such measures are intended systematically to check observance of the health conditions laid down by Council Directive 71/118/EEC on health problems affecting trade in fresh poultrymeat, they are not justified under Article 36 of the EEC Treaty 2. Article 11(2) of Council Regulation No 2777/75 on the common organization of the market in poultrymeat, which prohibits measures having an effect equivalent to quantitative restrictions, relates to trade with non-member countries and does not apply to intra-Community trade 3. The right of a citizen of the Community to rely on an unconditional and sufficiently precise provision of a Directive against the Member State which has not implemented it or has not ensured its correct implementation is based on the combined provisions of the third paragraph of Article 189 and Article 5 of the EEC Treaty 4. The term 'inspections' within the meaning of Council Directive 83/643/EEC on the facilitation of physical inspections and administrative formalities in respect of the carriage of goods between Member States must be understood as covering all inspections of goods involving physical interference with them. The term 'administrative formalities' must be understood as covering all transactions which involve the checking of documents and certificates accompanying goods and intended to ensure by a simple visual inspec-

Date and Case	Held
<p>22.9.1988: 286/86 — <i>Ministère public v Deserbais</i>³</p>	<p>tions that the goods, documents and certificates correspond where such transactions may be carried out by officers with general power to check goods at the frontier. In view of those definitions, it is for the national court to decide the category in which the measures referred to in the fourth question should be classified having regard to the detailed rules for applying them</p> <p>5. The term 'inspections' in Article 2 of Directive 83/643/EEC must be interpreted as meaning that only physical inspections within the meaning of Article 1(1) of the Directive may no longer take place except by sampling without its being possible to reach any conclusion on the detailed procedures for completing the administrative formalities</p> <p>Article 30 <i>et seq.</i> of the EEC Treaty must be interpreted as meaning that they preclude a Member State from applying national legislation making the right to use the trade name of a cheese subject to the observance of a minimum fat content to products of the same type imported from another Member State when those products have been lawfully manufactured and marketed under that name in that Member State and consumers are provided with proper information</p>
<p>Public works contracts</p> <p>20.9.1988: 31/87 — <i>Gebroeders Beentjes v State of the Netherlands</i>²</p>	<p>1. Council Directive 71/305/EEC concerning the coordination of procedures for the award of public works contracts applies to public works contracts awarded by a body such as the local committee for land consolidation</p> <p>2. The criterion of specific experience for the work to be carried out is a legitimate criterion of technical ability applied for the purpose of ascertaining the suitability of undertakings. Where such a criterion is laid down by a provision of the national legislation to which the contract notice refers, the Directive does not make that criterion subject to specific requirements of publication in the contract notice or in the general terms and conditions.</p> <p>The criterion of the 'most acceptable tender', as laid down by a provision of the national legislation in question, may be compatible with the Directive if it reflects the discretion conferred on the awarding authorities for the purpose of determining the most economically advantageous tender on the basis of objective criteria and if, consequently, it does not involve an element of arbitrary choice. It follows from</p>

Date and Case	Held
	<p>Article 29(1) and (2) of the Directive that, where the awarding authorities do not use as the sole criterion for the award of a contract the lowest price, but rely on various criteria in order to award the contract to the most economically advantageous tender, they are required to state those criteria either in the contract notice or in the general terms and conditions</p> <p>The condition relating to the employment of workers who have been unemployed in the long term is compatible with the Directive if it has no discriminatory effect, whether direct or indirect, on tenderers from other Member States of the Community. A specific supplementary condition of that kind must be mentioned in the contract notice</p> <p>3. The provisions of Articles 20, 26 and 29 of Directive 71/305/EEC may be relied upon by an individual before the national courts</p>
<p>Customs union</p>	
<p>20.9.1988: 252/87 — HZA Hamburg-St Annen v Wilhelm Kiwall¹</p>	<p>Article 36(1) of Council Regulation No 222/77 on Community transit must be interpreted as meaning that it is contrary thereto for a customs debt to arise on the release for free circulation in a Member State of goods originating from a non-member country which had been smuggled into another Member State whence they had been transported under Community internal transit rules into the Member State where they are in free circulation since the offences or irregularities committed in the other Member State have already given rise to a customs debt in that State</p>
<p>22.9.1988: 148/87 — Th. Frydendahl Pedersen v Commission⁴</p>	<p>The Commission Decision of 26 February 1987 (repayment of import duties on fishing nets) is declared void</p>
<p>22.9.1988: 268/87 — Cargill v Inspecteur der Invoerrechten en Accijnzen⁴</p>	<p>Milled soya-bean covers must be classified within subheading 23.06 B of the Common Customs Tariff</p>
<p>Right of establishment</p>	
<p>20.9.1988: 136/87 — Ubbink Isolatie v Dak- en Wandtechniek²</p>	<p>The rules on the nullity of companies contained in the first company law Directive (Council Directive 68/151/EEC) do not apply where the acts involved were performed in the name of a private limited liability company which was not registered in the public register because the formalities for incorporation required by national law had not been completed</p>

Date and Case	Held
<p>27.9.1988: 81/87 — R. v. HM Treasury and Commissioners of Inland Revenue, <i>ex parte</i> Daily Mail and General Trust⁵</p>	<ol style="list-style-type: none"> 1. In the present state of Community law, Articles 52 and 58 of the Treaty, properly construed, confer no right on a company incorporated under the legislation of a Member State and having its registered office there to transfer its central management and control to another Member State 2. Council Directive 73/148/EEC of 21 May 1973 on the abolition of restrictions on movement and residence within the Community for nationals of Member States with regard to establishment and the provision of services, properly construed, confers no right on a company to transfer its central management and control to another Member State
Competition	
<p>21.9.1988: 267/86 — Van Eycke v ASPA¹</p>	<ol style="list-style-type: none"> 1. A national law or regulation which restricts the benefit of an exemption from income tax provided in respect of the yield on a certain category of savings deposits solely to deposits for which the maximum interest rates and premiums fixed by regulation have been adhered to is not incompatible with the obligations imposed on the Member States by Article 5 of the EEC Treaty in conjunction with Article 3(f) and Article 85 thereof, subject to a review by the national court in order to ascertain whether the law or regulation in question was limited to confirming both the method of restricting the yield on deposits and the level of maximum interest rates adopted by means of pre-existing agreements, decisions or concerted practices 2. A national law or regulation which restricts the aforesaid tax exemption solely to savings deposits denominated in national currency and held at financial establishments whose registered office is in the Member State concerned is not incompatible with Articles 59 to 66 and 95 of the EEC Treaty
<p>27.9.1988: 89, 104, 114, 116, 117 and 125-129/85 — A. Ahlström and Others v Commission</p>	<ol style="list-style-type: none"> 1. The submission relating to the incorrect assessment of the territorial scope of Article 85 of the Treaty and the incompatibility of Commission Decision 85/202/EEC with public international law is rejected 2. Commission Decision 85/202/EEC is declared void in so far as it concerns the Pulp, Paper and Paperboard Export Association of the United States 3. The submission relating to the exclusive application of the competition rules in the Free

Date and Case	Held
<p>27.9.1988: 65/86 — Bayer and Maschinenfabrik Hennecke v Süllhöfer</p>	<p>Trade Agreement between the Community and Finland is rejected</p> <p>4. The case is assigned to the Fifth Chamber for consideration of the other submissions</p> <p>A 'no-challenge clause' in a patent licensing agreement may, depending on the legal and economic context, have a restrictive effect upon competition within the meaning of Article 85(1) of the Treaty. Such a clause however has no such restrictive effect upon competition where the licence which contains it has been granted for no consideration and the licensee accordingly does not have to suffer the competitive disadvantage of paying fees or where the licence has been granted for consideration but relates to a technically outdated procedure not used by the undertaking which accepted the no-challenge obligation</p>
<p>Social security</p> <p>22.9.1988: 236/88 — Bergemann v Bundesanstalt für Arbeit⁴</p>	<p>1. A worker who, in the course of his last employment, transfers his residence to another Member State and who after that transfer no longer returns to the State of employment in order to pursue an occupation there, cannot be regarded as a 'frontier worker' within the meaning of Articles 1(b) and 71(1)(a)(ii) of Regulation No 1408/71 on the application of social security schemes to employed persons and their families moving within the Community</p> <p>2. Article 71(1)(b)(ii) of the Regulation is not applicable exclusively to the categories of workers referred to by Decision No 94 of the Administrative Commission on Social Security for Migrant Workers</p> <p>3. Article 71(1)(b)(ii) of the Regulation is applicable to a worker who, in the course of his last employment, transfers his residence to another Member State for family reasons and who, after that transfer, no longer returns to the State of employment in order to pursue an occupation there</p>
<p>27.9.1988: 313/86 — Lenoir v Caisse d'allocations familiales des Alpes-Maritimes</p>	<p>The terms of Article 77 of Council Regulation No 1408/71 on the application of social security schemes to employed persons and their families moving within the Community, as contained in Annex I to Council Regulation No 2001/83, must be construed as meaning that they give to the person entitled to family benefits who is a national of a Member State and resides in the territory of another Member State entitlement to</p>

Date and Case	Held
<p>Free movement of persons</p> <p>27.9.1988: 263/86 — Belgian State v Humbel and Edel</p>	<p>payment by the social security institutions of this country of origin only of 'family allowances', to the exclusion of other family benefits such as the <i>rentrée scolaire</i> (schooling expenses) allowance and the <i>salaire unique</i> (single wage) allowance provided for by French legislation</p> <ol style="list-style-type: none"> 1. A one-year course of study which forms part of a programme of instruction amounting to education which prepares for a qualification for a particular profession, trade or employment or provides the necessary training and skills for that profession, trade or employment constitutes vocational training for the purposes of the EEC Treaty 2. Courses of study provided by a technical institute as part of secondary education under the national education system cannot be described as services within the meaning of Article 59 of the EEC Treaty, properly construed 3. Article 12 of Council Regulation No 1612/68 on freedom of movement for workers within the Community, properly construed, does not preclude a Member State from imposing a fee, as a condition for admission to ordinary schooling within its territory, on the children of migrant workers resident in another Member state even though it does not impose that fee on nationals of that other Member state
<p>27.9.1988: 235/87 Matteucci v Communauté française of Belgium and Another</p>	<p>Article 7 of Council Regulation No 1612/68 on freedom of movement for workers within the Community must be interpreted as meaning that it does not allow the authorities of a Member State to refuse to grant a scholarship to pursue studies in another Member State to a worker residing and in gainful employment in the territory of the first Member State but having the nationality of a third Member State on the ground that the worker does not have the nationality of the Member State of residence. A bilateral agreement which reserves the scholarships in question to nationals of the two Member States, the parties to the agreement, cannot prevent the application of the principle of equality of treatment between national and Community workers established in the territory of one of those two Member States</p>

Date and Case	Held
Agriculture	
20.9.1988: 203/86 — Kingdom of Spain v Council ²	The application is dismissed (seeking annulment of Council Regulation No 1335/86 of 6 May 1986 amending Regulation No 804/68 of 27 June 1968 on the common organization of the market in milk and milk products and of Council Regulation No 1343/86 of 6 June 1986 amending Regulation No 857/84 of 31 March 1984 adopting general rules for the application of the levy referred to in Article 5c of Regulation No 804/68 in the milk and milk products sector)
20.9.1988: 217/87 — John Friedr. Krohn and Van Es Douane-Agenten v Hoofdproduktschap voor Akkerbouwprodukten ²	<ol style="list-style-type: none"> 1. Consideration of the first question has disclosed no factor of such a kind as to affect the validity of the Commission's notification of 20 February 1986 2. The Commission's notification of 21 and 25 March 1986 are contrary to Article 2(3) of Commission Regulation No 3656/83 of 23 December 1983 laying down detailed rules for the application of the import arrangements in 1984, 1985 and 1986 for products falling within subheading 07.06 A of the Common Customs Tariff and originating in non-member countries other than Thailand and the decision contained in the latter notification is therefore invalid
22.9.1988: 199/97 — Jensen v Landbrugsministeriet ⁵	<ol style="list-style-type: none"> 1. The terms 'person who takes over' and 'successor' in Article 6 of Council Regulation No 1078/77 and the term 'transfer' in Article 9(4) of Commission Regulation NO 1391/78 must be interpreted as meaning that they also refer to the change in ownership of an agricultural holding as the result of a compulsory sale 2. The change in ownership of an agricultural holding as the result of a compulsory sale does not constitute a case of <i>force majeure</i> within the meaning of Article 12 of Commission Regulation No 1391/78 as amended by Article 1 of Commission Regulation No 1799/79, unless the compulsory sale of the holding is the consequence of an exceptional event beyond the control of the person farming the holding and thus constitutes for him an unforeseeable and unavoidable circumstance 3. Articles 6(1) and 11(1) of Council Regulation No 1078/77 and Article 9(1) of Commission Regulation No 1391/78 must be interpreted as meaning that in the case of partial failure to comply with the undertakings under the system of premiums, the amounts of premium paid must be refunded in their entirety
22.9.1988: 212/87 — Unilec v Établissements Larroche Frères ³	1. Regulation No 1035/72 of 18 May 1972 on the common organization of the market in fruit

Date and Case	Held
<p>27.9.1988: 106 to 120/87 — Asteris and Others v Hellenic Republic and EEC</p>	<p>and vegetables, in the version applicable before the entry into force of Council Regulation No 3284/83, must be interpreted as having left no power to the Member States to extend to national producers and processors, not affiliated to a joint trade organization in the sector, the rules adopted by that organization in the framework of agreements fixing minimum purchase prices for certain vegetables</p> <p>2. It is for the national court to examine whether, in the main proceedings, the conditions to which Article 15b of Regulation No 1035/72, as amended by Regulation No 3284/83, subject the Member States' power to extend to non-members, with effect from 1 January 1986, the rules contained in agreements concluded within a producers' organization or by associations of producers' organizations are satisfied and whether the extension in question is therefore applicable to the dispute in the main proceedings</p> <p>3. The obligation imposed on producers who do not belong to a producers' organization to contribute to the financing of funds established by that organization is unlawful in so far as it helps to finance activities which are themselves adjudged to be contrary to Community law</p> <p>1. Pursuant to Article 178 of the EEC Treaty the Court has exclusive jurisdiction to hear actions for compensation brought against the Community under the second paragraph of Article 215 of the Treaty. However, national courts retain jurisdiction to hear claims for compensation for damage caused to individuals by national authorities in applying Community law</p> <p>2. The judgment of the Court in Joined Cases 1984 to 206/83 <i>Asteris and Others v Commission</i> (1985) ECR 2815, dismissing an action for damages brought against the Community pursuant to Article 178 and the second paragraph of Article 215 of the Treaty by certain producers of tomato concentrates, does not preclude those same undertakings from bringing an action for damages against the Greek State on other grounds, that is to say the fault or conduct of the Greek authorities themselves, even where they were acting under Community law</p> <p>3. Damages which national authorities may be ordered to pay individuals in compensation for loss caused to them do not constitute aid within the meaning of Articles 92 and 93 of the Treaty</p> <p>4. Commission Regulation No 381/86 on additional payment of production aid for certain sizes of packings with tomato concentrates</p>

Date and Case	Held
<p>26.9.1988: 229/88R — Cargill and Others v Commission</p>	<p>obtained from Greek tomatoes during the 1983/84 marketing year, granting Greek undertakings additional aid which had not been paid to them as a result of a technical error which vitiated Commission Regulation No 1615/83 fixing the coefficients to be applied to production aid for tomato concentrates for the 1983/84 marketing year, declared void by the Court's judgment in Case 192/83 <i>Greece v Commission</i> (1985) ECR 2791, does not prevent the undertakings concerned from bringing proceedings against the Greek State for compensation for any loss in excess of the amounts paid retroactively pursuant to the Regulation. Such proceedings may not be based on the same grounds as the applications dismissed by the Court in its judgment in <i>Asteris and Others v Commission</i>, cited above)</p> <p>The application for interim measures is dismissed (seeking suspension of the application of Commission Regulation No 1587/88 suspending advance fixing of the subsidy for colza, rape and sunflower seed)</p>
<p>Convention on Jurisdiction and the Enforcement of Judgment in Civil and Commercial Matters</p> <p>27.9.1988: 189/87 — Kalfelis v Bankhous Schröder, Münchmeyer, Hengst and Others</p>	<p>1. For the application of Article 6(1) of the Convention there must exist between the various actions brought by the same plaintiff against different defendants a link such that it is expedient to determine those actions together in order to avoid the risk of irreconcilable judgments resulting from separate proceedings</p> <p>2. (a) The term 'tort, delict or quasi-delict' in Article 5(3) of the Convention must be regarded as an independent concept covering all actions which seek to establish the liability of a defendant and which are not related to a 'contract' within the meaning of Article 5(1)</p> <p>(b) A court which has jurisdiction under Article 5(3) to entertain an action with regard to tortious matters does not have jurisdiction to entertain that action with regard to other matters not based on tort</p>
<p>Commercial policy</p> <p>27.9.1988: 51/87 — Commission v Council</p>	<p>1. Council Regulation No 3924/86 applying generalized tariff preferences for 1987 in respect of certain industrial products originating in developing countries and Council Regulation No 3925/86 applying generalized tariff preferences for 1987 to textile products originating in developing countries are declared void</p>

Date and Case	Held
	<p>2. The effects of the Regulations declared void are to be regarded as definitive</p>
External relations	
27.9.1988: 114/86 — United Kingdom v Commission ⁵	The action is dismissed as inadmissible (seeking annulment of an act of the Commission reintroducing the system whereby the Commission takes into account the nationality of firms in drawing up lists of candidates for service contracts concluded within the framework of the second ACP-EEC Convention of Lomé)
27.9.1988: 165/87 — Commission v Council	The application is dismissed (seeking annulment of Council Decision 87/369/EEC concerning the conclusion of the International Convention on the Harmonized System)
Budget	
27.9.1988: 204/86 — Greece v Council ⁵	The application is dismissed (seeking annulment of the Council act whereby transfer No 4/86 from Chapter 100, Item 9631 to Chapter 96, Item 9632 of the Budget for 1986 was tacitly approved)
Protection of the environment	
22.9.1988: 228/87 — Criminal proceedings against persons unknown ³	<p>1. Authorization to exceed the maximum admissible concentrations shown in Annex I to Directive 80/778/EEC of 15 July 1980 relating to the quality of water intended for human consumption, as provided for in Article 10(1) of that Directive, must be granted only in the event of an emergency in which the national authorities suddenly have to cope with difficulties in connection with the supply of water for human consumption</p> <p>2. Such authorization must be limited to the time normally necessary in order to restore the quality of the water affected, must not pose any unacceptable risk to public health and may be granted only if the supply of water for human consumption cannot be maintained in any other way</p>
Institutions	
27.9.1988: 302/87 — Parliament v Council	The application is dismissed as inadmissible (seeking annulment of Council Decision 87/373/EEC laying down the procedures for the exercise of implementing powers conferred on the Commission)

Date and Case	Held
Administrative and institutional questions	
22.9.1988: 358/85 and 51/86 — France v Parliament ³	<ol style="list-style-type: none"> 1. The application in Case 51/86 is dismissed as inadmissible 2. The application in Case 358/85 is dismissed as unfounded (seeking annulment of Parliament's resolution of 24 October 1985 on meeting facilities in Brussels)
Euratom health and safety	
22.1.1988: 187/87 — Saarland and Others v Minister for Industry, Posts and Telecommunications and Tourism (of France) and Others ³	Article 37 of the Euratom Treaty must be interpreted as meaning that the general data of a plan for the disposal of radioactive effluent must be provided to the Commission before such disposal is authorized by the competent authorities of the Member State concerned
Infringements	
20.9.1988: 302/86 — Commission v Denmark	<ol style="list-style-type: none"> 1. By restricting, by Order No 95 of 16 March 1984, to 3 000 hl per producer per annum the quantity of beer and soft drinks which may be marketed in non-approved containers, Denmark has failed, in relation to imports of those products from other Member States, to fulfil its obligations under Article 30 of the EEC Treaty 2. The remainder of the application is dismissed
21.9.1988: 50/87 — Commission v France ²	By introducing and maintaining, in disregard of the provisions of the sixth VAT Directive (Council Directive 77/388/EEC) fiscal rules restricting the right of undertakings which let buildings that they have purchased or constructed to deduct the VAT paid on inputs where the return from those buildings is less than one fifteenth of their value, France has failed to fulfil its obligations under the Treaty
22.9.1988: 272/86 Commission v Greece ³	<ol style="list-style-type: none"> 1. Greece has failed to fulfil its obligations under Articles 30 and 34 of the EEC Treaty and under Council Regulation No 136/66/EEC on the establishment of a common organization of the markets in oils and fats, in particular Article 3 thereof, by prohibiting imports of olive oil from other Member States and from non-Community countries, and exports of the same product, with the exception of extra and fine quality virgin olive oil in packs of five litres maximum 2. By failing to communicate to the Commission the information it requested in that regard, Greece has failed to fulfil its obligations under Article 5 of the Treaty

Date and Case	Held
22.9.1988: 45/87 — Commission v Ireland ³	<p>1. By allowing the inclusion in the contract specification for tender for a public works contract of a clause stipulating that asbestos cement pressure pipes must be certified as complying with Irish Standard 188-1975 in accordance with the Irish Standard Mark Licensing Scheme of the Institute of Industrial Research and Standards, Ireland has failed to fulfil its obligations under Article 30 of the EEC Treaty</p> <p>2. The remainder of the application is dismissed</p>
27.9.1988: 18/87 — Commission v Germany ¹	<p>The application is dismissed (application for a declaration that the Federal Republic of Germany has failed to fulfil its obligations pursuant to Articles 9 and 12 of the EEC Treaty in so far as some <i>Länder</i> charge a fee on the importation of live animals from other Member States to cover the costs of veterinary inspections carried out under Council Directive 81/389/EEC)</p>
27.9.1988: 42/87 — Commission v Belgium ⁵	<p>By including in the category of students 'ineligible for finance' by the State students who are nationals of Member States other than Belgium and Luxembourg who apply for registration for and admission, as part of vocational training, to courses provided by a higher education establishment not of university level, Belgium has failed to fulfil its obligations under Article 7 of the EEC Treaty and Article 12 of Council Regulation No 1612/68 on the free movement of workers within the Community</p>

Disputes between the Community and its staff

v Commission:

22.9.1988: 159/86 — Canters⁴ — The decision of the Commission of 1 April 1986 refusing to grant the applicant the expatriation allowance in respect of the period from 4 May 1978 to 30 April 1985 is annulled

22.9.1988: 292/87 — Pizzolo³ — The application is dismissed

¹ OJ C 276, 26.10.1988.

² OJ C 269, 18.10.1988.

³ OJ C 271, 20.10.1988.

⁴ OJ C 272, 21.10.1988.

⁵ OJ C 277, 27.10.1988.

Court of Auditors

2.4.26. On 8 September the Court of Auditors adopted a special report on management and control of public storage.¹

The report concentrates on milk products, beef/veal and cereals, and on six of the Member States (France, the Federal Republic of Germany, Ireland, Italy, the Netherlands and the United Kingdom), analysing the respective responsibilities of the Commission and the Member States throughout the entire operation, from purchase to sale.

Examination of the physical control aspects shows that there is insufficient protection of Community interests as far as stock value is concerned and that the guidelines on protection against quantitative losses issued by the Commission are inadequate. Only three of the six Member States are making a serious effort to carry out a full annual stocktaking, and only for certain products. On the question of quality, the surveillance of storage conditions and the inspection of intervention warehouses, the Court recommends the imposition of clearer rules from the centre with a view to harmonizing minimum requirements for both quantitative and qualitative controls.

Accounting controls vary from one Member State to the next. Only one country can guarantee that its monthly declarations of intervention expenditure are an up-to-date reflection of stock positions. In most cases, they bear only a distant resemblance to reality, and the Court proposes a sounder accounting basis for their preparation.

The Court concludes that it is technically impossible to arrive at any audit opinion whatever on the view of public storage expenditure presented by the EAGGF budget accounts. On the other hand, it welcomes the Commission's intention to set up a working party of representatives from the Member States to examine the report's main recommendations.

Economic and Social Committee

258th plenary session

2.4.27. The Economic and Social Committee held its 258th plenary session in Brus-

sels on 28 and 29 September with Mr Margot in the chair.² In the absence of any Commission Members or Council representatives the session was devoted mainly to the subject of health and safety at the workplace.

Stimulation plan for economic science

2.4.28. The Committee unanimously adopted an opinion on a proposed Council decision for a Stimulation plan for economic science (SPES) (1988-92).³ Although it approved the objectives of the programme, it regretted the fact that there were not sufficient appropriations available to establish a similar programme for the humanities and social sciences.

It felt that Europe should aim to achieve an economic technology geared to the needs both of European governments and business and of the general public rather than one designed to compete with the United States. It proposed setting up a statistical data bank on economic activities and called on the Commission to establish a European forum for discussion and joint research networks for economists throughout the Member States.

Financial institutions and company law

2.4.29. The Committee adopted by 105 votes to 10 with three abstentions an opinion on the proposal for a second Council Directive on the coordination of laws, regulations and administrative provisions relating to the taking-up and pursuit of the business of credit institutions.⁴ It reiterated the basic principles that must be built into the Directive as regards the protection of savings, equal conditions of competition, fairness of commercial transactions, consumer protection and compliance with

¹ OJ C 274, 24.10.1988.

² Bull. EC 7/8-1988, point 2.4.52.

³ OJ C 109, 26.4.1988; Bull. EC 3-1988, point 2.1.47.

⁴ OJ C 84, 31.1.1988; Bull. EC 1-1988, points 1.2.1 to 1.2.3.

social legislation in the Member States and asked the Commission to amend both the preamble and the substantive provisions to dispel any doubts about these principles being put into practice. The Committee considered that the Council should adopt the Directive on the freedom of establishment and the free supply of services in the field of mortgage credit¹ as a matter of urgency to make sure that the Directive under discussion could be fully implemented.

2.4.30. The Committee unanimously adopted an opinion on the proposal for a twelfth company law Directive, on single-member private limited companies.² It welcomed the Commission's proposal but felt that the Member States should not be left to set the minimum capital requirement as the single member can be a legal person and that the Commission should impose a uniform amount. The Committee proposed adopting special anti-fraud measures modelled on the legislation in force in some Member States. It also suggested adopting measures to safeguard the rights enjoyed by employees and applying other company law Directives to single-member companies.

Education and training

2.4.31. The Committee unanimously adopted an opinion on the proposal for a Council Decision on preventing environmental damage by the implementation of education and training measures.³ It welcomed the Commission's initiative, which was in keeping with the opinion it had adopted on the action programme on the environment.⁴ It was in favour of systematic training in this field and its introduction at European level. The Committee asked the Commission to add a specific provision for financial support for pilot projects and proposed spelling out the preconditions for the free movement of environmental experts in private and public companies and in the national administrations with a remit similar to that of safety experts.

Health and safety at the workplace

2.4.32. The Committee adopted with eight votes against and three abstentions an opinion on the proposal for a Council Directive concerning the minimum safety and health requirements for the use by workers of machines, equipment and installations.⁵ The Committee considered this Directive a necessary complement to the general machinery Directive but felt that other provisions concerning protection should be included.⁶ It also felt that a directive should be adopted on the marketing, operating and use of 'old machines' to avoid the distortion of competition. The Committee suggested a number of amendments to the proposal.

2.4.33. The Committee adopted by a large majority (two votes against and three abstentions) an opinion on the proposal for a Council Directive concerning the minimum health and safety requirements for the use by workers of personal protective equipment.⁷ The Committee stressed that both the prevention of risks and the optimum use of personal protective equipment required not only clear, comprehensible and up-to-date information but also in-service training for supervisors and workers, particularly in the case of small businesses which sometimes lacked the necessary resources for this. It therefore suggested that the Commission should give these businesses special assistance and indicated the changes that it felt should be made to the proposal.

2.4.34. The Committee adopted by 71 votes to 56 with one abstention an opinion on a proposal for a Council Directive concerning the minimum safety and health

¹ OJ C 161, 29.6.1987; Bull. EC 5-1987, point 2.1.87.

² OJ C 173, 2.7.1988; Bull. EC 3-1988, point 2.1.93; Supplement 5/88 — Bull. EC.

³ OJ C 197, 27.7.1988; Bull. EC 4-1988, point 2.1.85.

⁴ OJ C 180, 8.7.1987; Bull. EC 5-1987, point 2.4.34.

⁵ OJ C 114, 30.4.1988; Bull. EC 2-1988, point 1.2.6.

⁶ OJ C 214, 16.8.1988; Bull. EC 6-1988, point 2.1.30.

⁷ OJ C 161, 20.6.1988; Bull. EC 2-1988, point 1.2.7.

requirements for work with visual-display units.¹ It referred back to the opinion it had adopted on the same subject on 28 April² and welcomed the improvement that the Commission's proposal would make to the protection of workers in the Member States which do not yet have any national legislation in this field. The Committee nevertheless regretted several omissions from the scope of application of the Directive and the vagueness of some of the proposed provisions. It asked the Commission to add a technical report to the Annex.

2.4.35. The Committee adopted by 79 votes to 41 with nine abstentions an opinion on the proposal for a Council Directive on minimum health and safety requirements for handling heavy loads where there is a risk of back injury for workers.³ It felt that the scope of the Directive should be extended since the handling of heavy loads can affect several organs or parts of the body. The Committee also asked the Commission to reconsider the title of its proposal because of the restrictive implications of the term 'heavy'. Aspects other than weight, such as size, method of handling and equilibrium of the load, should be taken into consideration.

Environment

2.4.36. The Committee unanimously adopted an opinion on proposals for Council Directives on the prevention of air pollution from new municipal waste incineration plants and on the reduction of pollution from existing municipal waste incineration plants.⁴ The Committee felt that an overall strategy should be proposed in the near future for dealing with all waste-management problems, and in this connection it recalled the opinion it had issued in May 1987 on the Community's fourth action programme on the environment.⁵ It commented on the pollution caused by the two methods of waste disposal (discharge and incineration), their respective costs and the current state of the art.

Transport

2.4.37. The Committee adopted by a large majority (three votes against and nine abstentions) an opinion on a proposal for a Council Directive amending two 1974 Directives on admission to the occupation of road haulage operator and road passenger transport operator in national and international transport operations and a 1977 Directive on the mutual recognition of diplomas, certificates and other evidence of formal qualifications for transport operators. The proposal includes measures designed to encourage these hauliers to exercise their right to freedom of establishment.⁶ The Committee endorsed the broad thrust of the proposed amendments but stressed that a gradual and qualitative harmonization of the conditions of competition in the transport industry could be achieved only by an improvement and not by a decline in standards. It criticized the Commission for failing to consult the Joint Committee on Transport and proposed that the qualitative criteria for Community hauliers and those for hauliers from non-member countries operating in the Community be aligned.

2.4.38. The Committee adopted *nem.con.*, with one abstention, an opinion on a proposal for a Council Regulation on structural improvements in inland waterway transport.⁷ Although the Committee was surprised that the Commission proposal confined itself to measures to reduce the supply of inland waterway transport — which is among the least pollutant, involves few risks and allows considerable energy savings — it none the less agreed with the broad outlines of the proposal. However, it asked the Commission to amend or expand upon some points.

¹ OJ C 113, 29.4.1988; Bull. EC 2-1988, point 1.2.8.

² OJ C 175, 4.7.1988; Bull. EC 4-1988, point 2.4.51.

³ OJ C 117, 4.5.1988; Bull. EC 2-1988, point 1.2.9.

⁴ OJ C 75, 23.3.1988; Bull. EC 2-1988, point 2.1.102.

⁵ OJ C 180, 8.7.1987; Bull. EC 5-1987, point 2.4.34.

⁶ OJ C 102, 16.4.1988; Bull. EC 3-1988, point 2.1.188.

⁷ Bull. EC 5-1988, point 2.1.189.

2.4.39. The Committee adopted unanimously an opinion on a proposal for a Council Directive on the reciprocal recognition of national boatmaster's certificates for the carriage of goods by inland navigation.¹ It felt, however, that the proposal should specify to which countries the Directive would apply and provide for Rhine crew-members' licences to be valid on the section between Basle and the sea. The Committee proposed that the Commission should call on the Member States which had not yet done so to establish a system of boatmasters' certificates as soon as possible and harmonize the relevant requirement and provisions throughout the Community.

2.4.40. The Committee unanimously adopted an opinion on a proposal for a Council Regulation² modifying the Regulation of 4 June 1970 on the granting of aid for transport by rail, road and inland waterways.³ As the Committee was in favour of combined transport, it regretted the total lack of a Community aid system to encourage its further development. It basically approved the proposed Regulation subject to a number of comments on responsibility for, and financing of, terminals, the conflicts between political objectives and essential business requirements and the need for compensation for hauliers paid by the national authorities in order to achieve economic objectives. The Committee felt that at the end of the extended trial period a common approach to transport policy should be defined, based on an overall strategy and backed by corresponding strategies on the part of the hauliers.

2.4.41. The Committee unanimously adopted an opinion on the proposal for a Council Decision on the conclusion of the Agreement between the Community, Finland, Norway, Sweden, Switzerland and Yugoslavia on the international combined road-rail carriage of goods (ATC).⁴ It welcomed the conclusion of agreements with most of the non-member countries concerned designed to extend to them the rules applicable to the combined transport of

goods within the Community. The Committee regretted the fact that to date Austria was not a party to the Agreement and called on the Commission to pursue its efforts to this end. It expressed the hope that the liberalization measures would also be applied to containers belonging to firms established outside the territory of the contracting parties provided the maximum dimensions of the swap body or container do not exceed those allowed by Community legislation.

External relations

2.4.42. The Committee unanimously adopted an own-initiative opinion on the current state of, and prospects for, the Uruguay Round negotiations from the viewpoint of relations between the Community and the main industrialized, developing and State-trading countries.⁵ With a view to the ministerial-level mid-term review planned for 5 December in Montreal, the Committee informed the Commission and the Council of its views on all areas of the negotiations apart from agriculture, which was to be dealt with in a report already in the pipeline. In general, it approved the approach followed by the Commission to comply with the principle of globality spelled out in the Punta del Este Declaration. The Committee recalled that the Community's relations with the western industrialized countries are based on most-favoured-nation treatment and on reciprocity and stressed that progress in GATT should go hand-in-hand with progress in setting up a satisfactory international monetary system. The Committee then commented on relations with the developing world and advocated different treatment depending on the economic and social situation of the country in question. Finally, it outlined the

¹ OJ C 120, 7.5.1988; Bull. EC 3-1988, point 2.1.190.

² OJ C 113, 29.4.1988; Bull. EC 3-1988, point 2.1.194.

³ OJ L 130, 15.6.1970; OJ L 184, 29.6.1982; Bull. EC 6-1982, point 2.1.145.

⁴ Bull. EC 4-1988, point 2.1.183.

⁵ Bull. EC 9-1986, point 1.4.1 *et seq.*

difficulties caused by the participation of State-trading countries in the GATT multi-lateral system and wondered whether it should be restructured to cope with this.

2.4.43. The Committee adopted by a large majority (three votes against) an opinion on a proposal on the opening of the Community's scheme of generalized preferences (GSP) for 1989.¹ A firm supporter of a system of balanced development aid for the developing countries compatible with the GATT rules and the Community's position in the Uruguay Round negotiations, the Committee felt that the GSP was proving increasingly inappropriate but that there seemed to be no alternative. It expressed the hope that thought would be given to revamping the system with a view to the 1992 single market, and proposed some possible approaches.

ECSC operating budget

2.4.44. The Committee unanimously adopted an opinion on a proposal for a Council Decision on a contribution from the general budget of the Communities to the ECSC to finance social measures connected with the restructuring of the steel industry.² The Committee had already approved this principle in November 1983 and regretted that the Council had never implemented it.³ It made proposals for finding the ECU 165 million needed for additional social aid for the 55 000 workers who will lose their jobs as a result of restructuring between 1988 and 1990.

European Investment Bank⁴

Operations in September

2.4.45. Loans announced by the European Investment Bank in September for investments within the Community totalled ECU 1 236 million,⁵ of which ECU 31.1 million was lent from the resources of the New Community Instrument (NCI).⁶ Of this total, ECU 614 million was lent in Italy, 213.4 million in the Netherlands, 185.7

million in France, 165 million in Denmark, 43.8 million in Greece, 10.8 million in Spain and 3.3 million in Ireland. Outside the Community, the Bank lent ECU 100 million in Yugoslavia under the second Financial Protocol with Yugoslavia⁷ for a project of direct interest to the Community, ECU 46.2 million for projects in ACP States, including 1.2 million from risk capital, and ECU 1 million, also from risk capital, in Aruba (a Netherlands overseas territory) under the Council Decision of 30 June 1986 on overseas countries and territories.⁸

Community

2.4.46. The Bank lent ECU 100 million to the European Telecommunications Satellite Organization (Eutelsat), whose 26 member countries include the 12 Member States of the Community, for the construction and placing into orbit of its second generation of satellites. This project, albeit without a geographical location as such, is of direct benefit to the Community as a whole and will provide an improved response to European requirements in the field of international and domestic telecommunications services in Europe.⁹

Eutelsat, which was set up in 1977 and became an intergovernmental organization in 1985, has decided to acquire satellites of higher performance and capacity, currently under construction by the European space industry, to replace its present satellites due to come to the end of their useful life

¹ Bull. EC 6-1988, point 2.2.54.

² OJ C 194, 23.7.1988; Bull. EC 6-1988, point 2.3.18.

³ OJ C 23, 30.1.1984; Bull. EC 11-1983, point 2.4.27.

⁴ Further details can be obtained from the European Investment Bank, 100 boulevard Konrad Adenauer, L-2950 Luxembourg (tel. 4379-1).

⁵ The conversion rates at 30 June 1988 used by the EIB in statistics for the third quarter were ECU 1 = BFR 43.47, DKR 7.88, DM 2.08, DR 166.43, ESC 169.32, FF 7.00, HFL 2.34, IRL 0.77, LFR 43.47, LIT 1 539.75, PTA 138.69, UKL 0.67, USD 1.14.

⁶ OJ L 298, 20.10.1978.

⁷ Bull. EC 6-1987, point 2.2.18; Bull. EC 12-1987, point 2.2.25.

⁸ OJ L 175, 1.7.1986; Bull. EC 6-1986, point 2.2.43.

⁹ Bull. EC 6-1986, point 2.4.22.

between 1990 and 1994. The Board of Governors of the EIB (the Finance Ministers of the Twelve) agreed unanimously to grant special authorization for this project, which is of prime importance for European industry and culture though not strictly speaking located on the European territory of a Member State. The project received ECU 75 million in June 1986.

Italy

2.4.47. The Bank lent LIT 945 billion for projects in Italy, including LIT 48 billion from the resources of the NCI. Of this total, LIT 334 billion was in the form of global loans (lines of credit) to specialist banks and financing institutions to be lent for projects selected in agreement with the EIB. These funds will help finance productive investment by small businesses in the industrial and related service sectors and a number of projects for the rational use of energy and the introduction of advanced technology. At the same time, LIT 117.7 billion was lent to larger-scale projects: LIT 8 billion for introducing advanced technology at three plants producing electric heating resistances in the province of Treviso, LIT 30 billion for expanding production facilities for the ATR72 aircraft under a joint project by Aeritalia and Aérospatiale (France) in the Naples area, LIT 35 billion for building a compact disc factory at Aquila, Abruzzi, LIT 4 billion for extending a food factory at Pomezia, Lazio, LIT 5.5 billion for restructuring three detergent factories in Lombardy and Lazio, LIT 30 billion for modernizing three synthetic fibre plants in Sardinia and Basilicata, and LIT 5.2 billion for restructuring a cement works in the province of Catanzaro, Calabria.

LIT 118 billion was lent to finance the following major infrastructure works to be carried out under the aegis of the Fondo Investimenti e Occupazione: increasing the capacity of the Cumana suburban railway in Naples, upgrading to double track the line between Milan and Saronno with a view to the eventual construction of a rail link between Milan and Malpensa airport,

water-supply projects including increasing the capacity of the Molise Aqueduct, Isernia and Campobasso, and improving the water-supply network in the provinces of Aquila and Teramo and in the Rome area, irrigation of agricultural land in Tarquinia, Viterbo, and sewage treatment and collection plants and drinking-water distribution works in Oristano and Sassari. In the interests of environmental protection, the EIB is helping to finance land consolidation and other works designed to prevent landslides in mountainous areas of Isernia, in coastal regions of Latina and in urban areas of Catanzaro; it has also financed projects for reducing pollution in the Gorzone and Metauro rivers, in the provinces of Venezia and Pesaro respectively, and for preventing flooding of the main tributary of the Piave, for protecting a woodland area and creating a nature reserve in the Lecce region, and for building forest access roads in the foothills of the Julian Alps for fire and plant protection purposes. The Bank has also financed a variety of works in Basilicata to clean up rivers and coastal regions and to combat soil erosion.

The Bank also lent LIT 250 billion to the Società per l'Esercizio delle Telecomunicazioni for the expansion of the telecommunications network in the Mezzogiorno to meet increased demand, reduce the delay in connecting new subscribers, increase the capacity of switching and transmission stations, and continue with the introduction of digital technology. A loan of LIT 4.7 billion was granted to a new airline, Arianova, to purchase three Franco-Italian ATR42 aircraft and introduce them on short-haul domestic and international flights. Telespazio received LIT 8 billion to construct a telecommunications satellite earth station in Sicily and expand another station in Abruzzi. LIT 8.5 billion was lent to Venefondario for constructing an intermodal freight terminal at Verona, a crossroads for traffic with northern Europe.

In the energy sector Ente Nazionale per l'Energie Elettrica received a loan of LIT 75 billion for constructing four hydroelectric power stations in Calabria with a total

capacity of 133.8 MW, representing an estimated production of 60 000 tonnes oil equivalent a year. Two loans, of LIT 10 billion and LIT 15 billion, went to projects to reduce energy consumption and protect the environment at six sugar refineries in central and northern Italy and at a glasswork in Asti. Finally, LIT 5 billion was lent to finance the construction of a district heating network in Reggio Emilia.

Netherlands

2.4.48. The Bank lent HFL 500 million for two projects in the Netherlands: HFL 450 million to Philips for a production plant for integrated circuits containing more than 1 million discrete transistors each, with a view to improving the competitiveness of the European electronics industry in the world market for semiconductors; and HFL 50 million to the leading Dutch charter airline, Martinair, for the purchase of a Boeing 747-200C as part of the company's fleet renewal to be used mainly on intra-Community routes.

France

2.4.49. The Bank lent FF 1.3 billion for infrastructure work to the Caisse Nationale des Autoroutes, which will channel the funds to various concession-holders for the construction or completion of several sections of motorway in France offering regional or Community-wide benefits. FF 380 million will go to finance two stretches of the A26 (Calais-Nordausques and Laon-Reims), which will link the Channel Tunnel to the French and European motorway network and should eventually form the main roadlink across France from the north-west to the south-east and significantly improve communications between the British Isles, France and the rest of the Community; FF 50 million will be lent to finance two sections of the A43 (Montmélian-Pont Royal and Pont Royal-Albertville), which are being constructed with a view to the 1992 Winter Olympics and should later be extended by upgrading to a two-lane dual carriageway the main

roads to Moutiers and towards the Fréjus tunnel and the Italian motorway network. FF 470 million went to help finance the Mâcon-Châtillon section of the A40 linking the A6 (Paris-Lyon) with Geneva and the Mont Blanc tunnel to Italy; by avoiding the Lyon conurbation, this should considerably enhance communications between the Paris area, eastern France and Italy, thereby helping to complete one of Europe's main motorway links connecting France, the Benelux countries, north-west Germany, the United Kingdom and Ireland with Italy. FF 200 million was lent to finance the Bourges-Clermont Ferrand section of the A71, which will link the A10 (Paris-Orléans) and A72 (Clermont Ferrand-Lyon) motorways and improve access to the Auvergne; FF 200 million went to help finance the Angers-Durtal and Durtal-La Flèche-Le Mans sections of the A11, which will complete the continuous motorway link between Paris and Nantes, one of the priorities of the Loire regional development programme.

Denmark

2.4.50. DKR 1.3 billion was lent to finance infrastructure work both at Copenhagen airport and on the motorway to the south to improve communications between Denmark and the rest of the Community: DKR 720 million was for the extension and modernization of Copenhagen airport as part of the first phase of a long-term programme to increase the airport's passenger-handling capacity from the present 10 million a year to 22 million by the year 2000; DKR 580 million was allocated to part-finance construction of the stretch of the European roadlink from Finland to Portugal linking the south of Copenhagen to Rødby and the ferry crossing to Germany, for which the Bank granted a DKR 110 million loan in March.¹

Greece

2.4.51. The Bank lent a total of DR 7.3 billion, including a 4 billion global loan to

¹ Bull. EC 3-1988, point 2.4.44.

Citibank for onlending to finance investment projects by small businesses in industry, tourism and related services, selected in agreement with the EIB; this global loan is the first granted to a private bank in Greece, although 400 small firms have already received over ECU 200 million via global loans to public banks.

A further DR 3.3 billion was granted for infrastructure projects in Thessaloniki: 2.6 billion went towards the general programme to improve road communications (completion of the new road to the airport, start of work on the eastern ringroad, construction of access roads) with an estimated total cost of approximately DR 9 billion, which has received an ERDF subsidy; DR 700 million went to the Thessaloniki water authority, which is responsible for supplying water to almost 800 000 permanent residents and 500 000 tourists, as well as to the outlying industrial zones, with a view to substantially reducing operating costs (reducing pumping costs and improving the water table) and improving the quality of the water supply.

Spain

2.4.52. The Bank lent PTA 1.5 billion for infrastructure works to Empresa Municipal de Aguas de Córdoba for a waste-water treatment plant serving the city and surrounding areas (some 300 000 inhabitants). Hitherto waste water has been discharged untreated into the Guadalquivir. The new plant, which will be able to treat more than 100 000 m³/day of water, will reduce contamination in the river and improve the environment both in the city and along the course of the river. At the same time, by providing for the treatment of industrial effluent, the works will encourage the settling-up of new economic activities in one of Spain's least prosperous regions.

Ireland

2.4.53. In the services sector the bank lent IRL 2.6 million to Radio Tara, a joint venture of Radio Telefis Éireann and the Compagnie Luxembourgeoise de Télédiffusion,

to build a long-wave radio transmitter in County Meath (north-west of Dublin). The transmitter should be operational by mid-1989, serving listeners in Ireland and the United Kingdom. This project will help to generate new economic activities in Ireland.

Outside the Community

Mediterranean countries

2.4.54. In Yugoslavia the EIB lent ECU 100 million to part-finance improvements to bring the Trans-Yugoslav motorway, which plays a central role in the country's transport system and forms the main road link between Greece and the rest of the Community, as well as linking Europe with Turkey and the Middle East, up to modern motorway standards. The Bank will provide assistance for the construction of three sections in Croatia (Brodski Stupnik-Kopanica), Serbia (Trupale-Toplike Kocane) and Macedonia (Skopje-Petrovec). This brings the Bank's support for the motorway, including the Karawanken tunnel on the Yugoslav-Austrian border, to nearly ECU 300 million. Of the 1 200 km, almost 600 km are already up to motorway standard or are currently being upgraded. The motorway carries a substantial amount of long-distance international freight and passenger traffic, much of it from the Community.

ACP States

2.4.55. In Nigeria the Bank lent ECU 45 million for onlending to the Lagos State Water Corporation to improve and increase water supplies to Lagos, which houses approximately 90% of the seven million inhabitants of the State in which the capital is situated.

The project, which forms part of an overall programme costing almost ECU 450 million, involves rehabilitation of the existing facilities, in particular the anti-salinity weir at Ogun, and the installation of conduits for distribution systems not at present served. The aim of the programme is to

supply an additional 960 000 m³ of water a day by 2010, thereby raising the proportion of the population with access to drinking-water supplies from 47 to 65%. The project to supply an additional 320 000 m³, for which the loan was provided, forms the first stage of the programme and is expected to be completed by 1994. The World Bank a consortium of banks backed by Compagnie Française d'Assurance du Commerce Extérieur are also providing finance for the programme.

2.4.56. In Senegal the EIB granted a loan of ECU 600 000 from risk capital for a feasibility study on the exploration and possible development of the Diam Niadio-Kabor gasfield some 30 km east of Dakar.

2.4.57. In Madagascar the IEB lent ECU 600 000 from risk capital for a study on a

new graphite mine on one of the deposits identified at Ampositrabe and Mahalino, and for additional geological and technical research on the deposit selected.

Overseas countries and territories

2.4.58. In Aruba the Bank granted a loan of ECU 1 million from risk capital to the Aruban Investment Bank (AIB) for small and medium-scale investment projects in industry, farming and food processing and tourism as well as for equity participations and pre-investment studies. The bulk of the AIB's loans will go to promote tourism, on which the country's economic growth depends. The EIB loan, however, will give priority to industry and farming/food processing.

5. Statistics

General

National accounts

2.5.1. In September the Statistical Office of the European Communities (Eurostat) attended the last of a series of meetings of international experts reviewing the United Nations System of National Accounts (SNA). It is particularly beneficial for the Community to have a sound methodological basis for the preparation of national accounts, because it uses macroeconomic data and concepts (gross national product, for example) both for its budgetary calculations and for comparative analyses in connection with the completion of the internal market.

Data

Community coal consumption in 1987

2.5.2. The electricity industry maintained its position in 1987 as the major consumer of coal, primarily Community coal (77.2%), with a total of 186.3 million tonnes (accounting for 59% of total sales) delivered to public utilities. Despite a fall of almost one million tonnes (0.5%) in coal supplies to public utilities, consumption in the Community in 1987 was 10.8 million tonnes (6%) up on 1986, owing to heavy destocking.

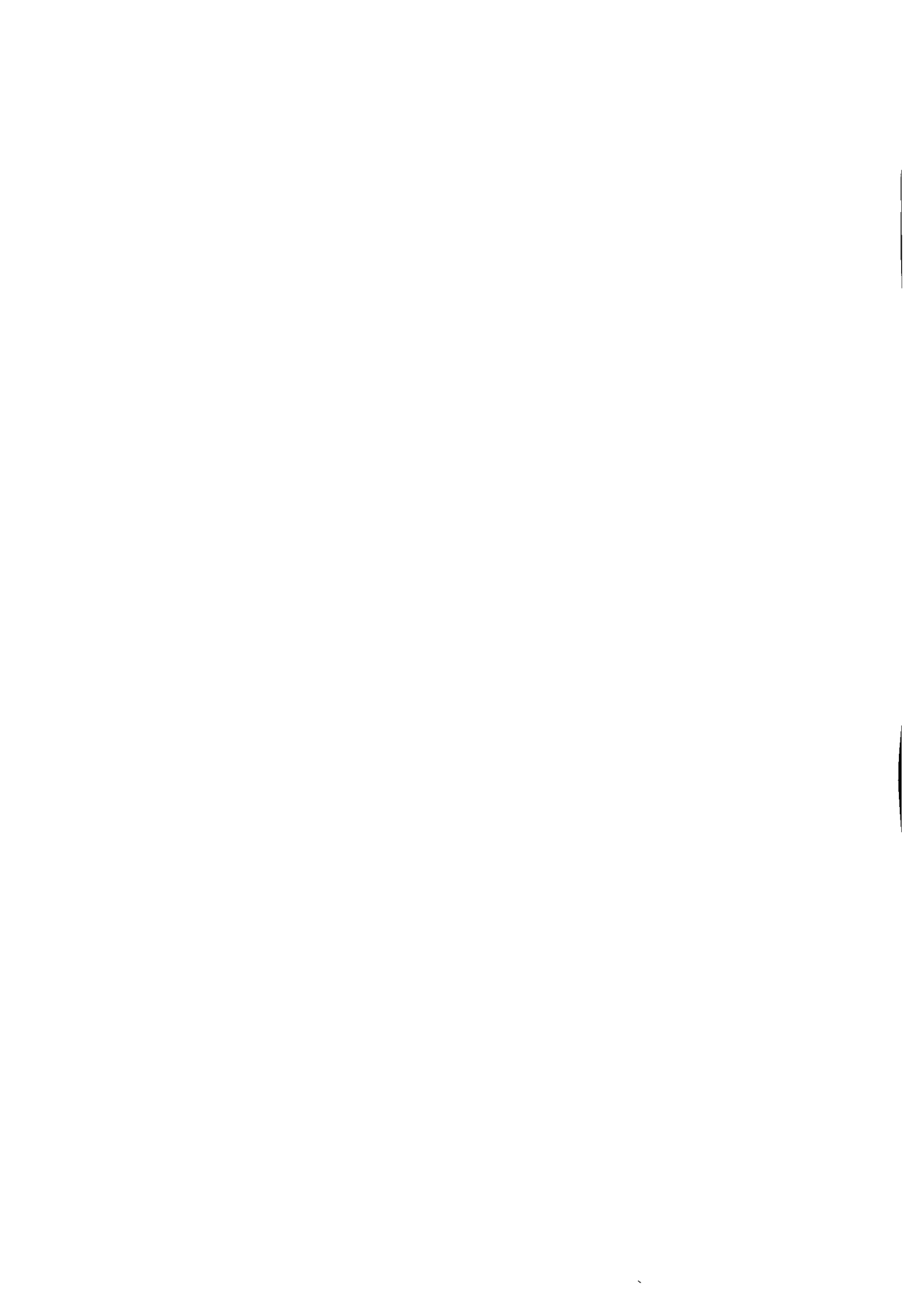
This increase, to which most countries apart from France contributed, was also due to the inclusion in the coal statistics of old stocks of *lignito negro* in Spain. However, the Community figures do not reflect the varying trends in the different Member

States. For example, whereas the Netherlands, Italy, Ireland, Portugal and Belgium bought more coal, the other countries — the United Kingdom in particular — offset the increased consumption by the electricity generating industry by drawing more heavily on stocks. The United Kingdom alone accounted for 2.3 million tonnes of the 4.8 million tonnes reduction in Community stocks. Imports of coal from outside the Community totalled 40.6 million tonnes, compared with 42.1 million tonnes in the previous year; the main non-Community suppliers were Australia with 10.3 million tonnes (up 15.1%), South Africa with 8.9 million tonnes (down 32.9%) and the United States with 9.5 million tonnes (down 16.5%).

Publications

2.5.3. In September Eurostat published the 20th edition of the *Statistical Yearbook — Transport, Communications, Tourism*,¹ containing major transport statistics for the Community and its Member States in time-series for the period 1970 to 1985. Its contents include detailed figures on infrastructure, mobile equipment and the various modes of transport (rail, road, merchant shipping, aviation and pipelines), plus selected data on accidents, communications and tourism.

¹ Available from the Office for Official Publications of the European Communities, 2 rue Mercier, L-2985 Luxembourg.



PART THREE
DOCUMENTATION

1. The ecu

Values in national currencies of one ecu

30 September 1988 ¹	
Belgian franc and Luxembourg franc (convertible)	43.4897
Belgian franc and Luxembourg franc (financial)	43.9949
Danish krone	7.96198
German mark	2.07549
Greek drachma	168.239
Portuguese escudo	170.553
French franc	7.06480
Dutch guilder	2.33973
Irish pound	0.774456
Italian lira	1 545.91
Spanish peseta	137.089
Pound sterling	0.654935
United States dollar	1.10422
Swiss franc	1.75626
Swedish krona	7.10676
Norwegian krone	7.63844
Canadian dollar	1.34218
Austrian schilling	14.6011
Finnish mark	4.89280
Japanese yen	148.595
Australian dollar	1.40665
New Zealand dollar	1.80281

¹ OJ C 255, 1.10.1988.

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

September 1988	
National currency	Value in national currency of one ecu
Belgian franc and Luxembourg franc	47.3310 ¹
	48.0467 ²
	48.0658 ³
Danish krone	8.58153 ¹
	8.88697 ⁴
	8.78497 ⁵
German mark	2.385916
	2.37360 ⁷
	2.36110 ⁵
Greek drachma	150.58 ⁹
	151.971 ¹⁰
	150.275 ¹
	156.699 ^{7, 8, 11}
	143.096 ⁹
	148.799 ¹²
	134.174 ¹³
138.759 ⁵	
Portuguese escudo	171.725 ¹³
	188.007 ⁵
French franc	7.47587 ^{6, 3}
	7.69353 ¹⁴
	7.54539 ¹
	7.45826 ²
	7.43671 ¹¹
	7.73579 ⁴
Dutch guilder	2.66089 ^{6, 7}
	2.64704 ⁵
Irish pound	0.832119 ²
	0.831375 ³
	0.844177 ¹⁴
	0.843427 ⁴
	0.817756 ¹
Italian lira	1 629.00 ¹⁵
	1 674.00 ⁴
	1 554.00 ¹
	1 597.00 ^{7, 15}
	1 603.00 ¹¹
1 613.00 ⁵	

September 1988	
National currency	Value in national currency of one ecu
Spanish peseta	151.806 ¹
	155.786 ²
	154.213 ³
	155.643 ⁴
Pound sterling	0.706696 ⁴
	0.710546 ¹⁴
	0.652575 ¹
	0.665557 ²
	0.656148 ³

- 1 For sheepmeat and goatmeat.
- 2 For other livestock products.
- 3 For crop products.
- 4 For pigmeat.
- 5 For other products.
- 6 For milk and milk products.
- 7 For cereals.
- 8 For sugar.
- 9 For pigmeat from 1 to 11. September 1988.
- 10 For pigmeat from 12 September 1988.
- 11 For wine.
- 12 For other crop products.
- 13 For olive oil.
- 14 For beef/veal.
- 15 For oleaginous grain.

2. Additional references in the Official Journal

3.2.1. This section lists the titles of legal instruments and notices of Community institutions of 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 1-1988

Point 2.1.40

Commission Decision of 20 January 1988 concerning aids planned by the French Government in favour of a shipbuilding contract for which there is competition between yards in several Member States

OJ L 211, 4.8.1988

Bull. EC 3-1988

Point 2.1.84

Commission Decision of 29 March 1988 on aids granted by the French Government to a farm machinery manufacturer at St Dizier, Angers and Croix (International Harvester/Tenneco)

OJ L 229, 18.8.1988

Point 2.1.125

Proposal for a Council Directive on the contained use of genetically modified micro-organisms

Proposal for a Council Directive on the deliberate release into the environment of genetically modified organisms

OJ C 198, 28.7.1988

Point 2.2.68

Joint Assembly of the Agreement between the African, Caribbean and Pacific States and the European Economic Community, Lomé, from 21 to 25 March 1988

OJ C 245, 19.9.1988

Bull. EC 5-1988

Point 2.1.85

Conclusions of the Council and the representatives of the governments of the Member States, meeting within the Council of 31 May 1988 concerning AIDS

OJ C 197, 27.7.1988

Point 2.1.92

Conclusions of the Council and of the Ministers responsible for cultural affairs meeting within the Council of 27 May 1988 concerning future priority actions in the cultural field

Resolution of the Council and of the Ministers responsible for cultural affairs meeting within the Council of 27 May 1988 on the future organization of their work

OJ C 197, 27.7.1988

Point 2.1.186

Proposal for a Council Directive amending Directive 85/3/EEC on the weights, dimensions and certain other technical characteristics of certain road vehicles

OJ C 214, 16.8.1988

Bull. EC 6-1988

Point 2.1.30

Amendment to the proposal for a Council Directive on the approximation of the laws of the Member States relating to machinery

OJ C 214, 16.8.1988

Point 2.1.31

Commission Directive of 30 June 1988 adapting to technical progress Council Directive 78/764/EEC on the laws of the Member States relating to the driver's seat on wheeled agricultural or forestry tractors

OJ L 228, 17.8.1988

Point 2.1.39

Proposal for a Council Directive amending for the fifth time Directive 74/329/EEC on the approximation of the laws of the Member States relating to emulsifiers, stabilizers, thickeners and gelling agents for use in foodstuffs

OJ C 214, 16.8.1988

Point 2.1.40

Amendment to the proposal for a Council Directive amending for the third time Directive 75/726/EEC on the approximation of the laws of the Member States concerning fruit juices and certain similar products

OJ C 214, 16.8.1988

Point 2.1.45

Council Resolution of 30 June 1988 on the improvement of the business environment and action to promote the development of enterprises, especially small and medium-sized enterprises in the Community

OJ C 197, 27.7.1988

Point 2.1.60

Council Resolution of 29 June 1988 concerning the activities to be undertaken by the Joint Research Centre (JRC)

OJ C 197, 27.7.1988

Point 2.1.70

Re-examined proposal for a Council Decision to revise the multiannual research programme for the European Economic Community in the field of biotechnology

OJ C 214, 16.8.1988

Point 2.1.77

Council Resolution of 30 June 1988 on the development of the common market for telecommunications services and equipment up to 1992

OJ C 257, 4.10.1988

Point 2.1.81

Re-examined proposal for a Council Decision on a Community action in the field of learning technology — Developing European learning through technological advance (Delta)

OJ C 214, 16.8.1988

Point 2.1.83

Re-examined proposal for a Council Decision on a Community programme in the field of information technology and telecommunications applied to road transport — Dedicated road infrastructure for vehicle safety in Europe (Drive)

OJ C 214, 16.8.1988

Point 2.1.84

Amended proposal for a Council Decision on a Community action in the field of information technology and telecommunications applied to health care — Advanced informatics in medicine (AIM) — Exploratory action

OJ C 214, 16.8.1988

Point 2.1.146

Proposal for a Council resolution on the fight against racism and xenophobia

OJ C 214, 16.8.1988

Point 2.1.158

Commission Decision of 24 June 1988 setting up a Consultative Council of Regional and Local Authorities

OJ C 247, 6.9.1988

Point 2.1.191

Amended proposal for a Council Directive amending for the fourth time Directive 76/768/EEC on the approximation of the laws of the Member States relating to cosmetic products

OJ C 214, 16.8.1988

Point 2.1.192

Proposal for a Council Directive amending for the fifth time Directive 76/768/EEC on the approximation of the laws of the Member States relating to cosmetic products

OJ C 214, 16.8.1988

Point 2.1.277

Proposal for a Council Regulation (EEC) on the special conditions for exporting foodstuffs and feedingstuffs following a nuclear accident or any other case of radiological emergency

OJ C 214, 16.8.1988

Point 2.2.28

Council Decision of 20 June 1988 concerning the conclusion of the Agreement in form of agreed minutes relating to certain agricultural products negotiated between the European Economic Community and the Republic of Austria under Article XXVIII of the GATT

OJ L 224, 13.8.1988

Point 2.2.36

Council Decision of 30 June 1988 concerning the conclusion of an Additional Protocol to the Cooperation Agreement between the European Economic Community and the Kingdom of Morocco

Council Decision of 30 June 1988 on the conclusion of a Protocol on financial and technical cooperation between the European Economic Community and the Kingdom of Morocco

OJ L 224, 13.8.1988

Point 2.3.19

Financial statements of the European Coal and Steel Community at 31 December 1987 and 31 December 1986

OJ C 217, 19.8.1988

Points 2.4.39 to 2.4.55

Opinions adopted by the Economic and Social Committee during its session from 1 to 3 June 1988

OJ C 208, 8.8.1988

Point 2.4.57

Resolution of the ECSC Consultative Committee concerning the proposal to amend the 1988 ECSC budget

Resolution of the ECSC Consultative Committee on the quota system

OJ C 198, 28.7.1988

3. Infringement procedures

Initiation of proceedings for failure to implement directives

Letters of formal notice

3.3.1. In September 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 26 May 1986 on rear-mounted roll-over protection structures of narrow-track wheeled agricultural and forestry tractors¹ (Italy).

Council Directive of 26 May 1986 on the approximation of the laws of the Member States relating to the power take-offs of wheeled agricultural and forestry tractors and their protection¹ (Italy).

Transport

Council Directive of 15 December 1986² amending the Council Directive of 1 December 1983 on the facilitation of physical inspections and administrative formalities in respect of the carriage of goods between Member States³ (Greece, Italy).

Environment and consumer protection

Council Directive of 28 June 1984 on the combating of air pollution from industrial plants⁴ (Italy).

Council Directive of 27 June 1985 on containers of liquids for human consumption⁵ (Greece).

¹ OJ L 186, 8.7.1986.

² OJ L 24, 27.1.1987.

³ OJ L 359, 22.12.1983.

⁴ OJ L 188, 16.7.1984.

⁵ OJ L 176, 6.7.1985.

3.3.2. The Commission also sent a letter of formal notice for failure to comply with a judgment of the Court concerning:

Customs union and indirect taxation

Tax status of notaries and bailiffs (Netherlands).

Reasoned opinions

3.3.3. The Commission delivered reasoned opinions for failure to incorporate directives into national laws (the Commission not having been informed of national implementing measures) in the following cases:

Environment and consumer protection

Commission Directive of 25 July 1985¹ amending the Council Directive of 2 April 1979 on the conservation of wild birds² (Italy).

Council Directive of 26 September 1983 on limit values and quality objectives for cadmium discharges³ (Italy, United Kingdom).

Council Directive of 9 October 1984 on limit values and quality objectives for discharges of hexachlorocyclohexane⁴ (United Kingdom).

Council Directive of 15 July 1980 on air-quality limit values and guide values for sulphur dioxide and suspended particulates⁵ (Italy).

Council Directive of 24 June 1982 on the major-accident hazards of certain industrial activities⁶ (Netherlands).

First Commission Directive of 22 December 1980 on the approximation of the laws of the Member States relating to methods of analysis necessary for checking the composition of cosmetics products⁷ (Denmark).

¹ OJ L 233, 30.8.1985.

² OJ L 103, 24.4.1979.

³ OJ L 291, 24.10.1983.

⁴ OJ L 274, 17.10.1984.

⁵ OJ L 229, 30.8.1980.

⁶ OJ L 230, 5.8.1982.

⁷ OJ L 383, 31.12.1980.

4. The Community at the UN

Extracts from the speech made by Mr Papoulias, President of the Council, on behalf of the Community and the Member States, to the United Nations General Assembly on 27 September

3.4.1. 'The 43rd General Assembly of the United Nations opens in a climate marked by positive and encouraging developments. East-West relations have undergone a favourable evolution, highlighted by the summit meetings between the leaders of the United States and the Soviet Union. An important and significant agreement on arms limitation and control has been concluded which involves the destruction of nuclear weapons. The INF Treaty, which brings about, for the first time, the destruction of a whole category of weapons, is a milestone in the history of East-West relations and has opened the way for further progress in

other areas of arms control and disarmament. It was an initiative fully supported by the Twelve. Considerable progress has been made towards the peaceful solution of some of the major conflicts affecting the world community: Soviet troops are in the process of withdrawing from Afghanistan; there is a ceasefire in the Gulf; the conflicts in Cambodia and Angola look less intractable than a year ago. The Twelve, who have actively contributed to bringing about this climate, cannot but rejoice.

However, there are still serious problems to which no solution has been found, and new challenges are looming on the horizon which will require persistent efforts on the part of all the members of the international community. It is therefore essential that we pursue our efforts, convinced that it is in a growing spirit of realism, cooperation and dialogue that the problems which preoccupy us may find suitable solutions. The UN is and must remain the advocate of this spirit.

It is with great satisfaction that the Twelve have welcomed the Organization's growing role, as well as its accomplishments in recent months. It is an encouraging sign of the strengthening of respect for the principles enshrined in the Charter, which constitute the best basis for ensuring world peace, as well as for promoting human rights and fundamental freedoms and economic, cultural and social progress, especially this year that we are celebrating the 40th anniversary of the Universal Declaration of Human Rights. We are, therefore, determined to support every effort in order to enhance the authority of the UN and render its existing mechanisms and activities more effective.

I must lay emphasis here on a problem of particular concern to us, that of human rights and fundamental freedoms. Need I recall the priority which the Twelve give to them and the importance they attach to the promotion and respect for human rights and fundamental freedoms in all countries? In this field, the Twelve's activities are guided by the principles which were set out in their Declaration of 21 July 1986. Principles which were initially enshrined in the Charter of the United Nations, the Universal Declaration of Human Rights and the two Covenants. We expect all members of the UN to live up to the obligations they have freely assumed. We welcome any efforts aimed at strengthening the existing mechanisms established to ensure that nations' words are matched by deeds.

This year, in which we celebrate the 40th anniversary of the Universal Declaration of Human Rights, let all of us recommit ourselves to its principles and their implementation for a better, humane world.

The recent political events enhanced the role of the UN in the process of settling international conflicts. It is, however, ironic, that our Organization and not least its peacekeeping operations face a most serious financial crisis at a time when confidence in its usefulness is growing. The Twelve have made efforts to fulfil their financial obligations to the UN and are determined to do so in the future. We strongly urge all Member States to show their support to the Organization by fulfilling their financial obligations in full and on time according to the Charter. We hope that our commitment towards a strong and effective UN will be shared by all Member States.

We live in an increasingly interdependent world, in which very few problems can be solved by any country alone. The very existence of the European Community reflects acknowledgement of this fact. A year ago my colleague, the Danish Foreign Minister, holding the Presidency of the European Community, stated that with the entry into force of the

Single European Act the Community had entered into a new phase of close collaboration. I can add today that in fact, the Community has embarked upon a stage of its development that is characterized by a new momentum for integration combined with renewed confidence in our common future. We have made headway towards the objective of advancing European unity and contributed together to making concrete progress towards a European Union. We have increased our efforts jointly to formulate and implement a European foreign policy, thus striving to promote peace and stability in Europe and the world. The Community is not, however, an inward-looking organization. It is inspired by an open spirit of cooperation and active participation in solving the political, economic and social problems affecting the international community.

The Twelve have long supported and actively contributed to the process of improvement in East-West relations and are determined to continue to work in this direction in a realistic and constructive manner. They welcome not only the developments in the Soviet Union and Eastern Europe which lead to openings of the political systems and the economies of these countries, but also the developments in the way these countries approach certain international issues. The changes contribute to consolidating and intensifying East-West relations. It is only between open societies which get to know one another and communicate without barriers that real trust can be created, this being the only reliable basis for lasting security.

In this context efforts regarding arms control and disarmament are of great importance. Since our last General Assembly, we have witnessed very positive developments in this field, above all the signature and ratification of the INF Agreement, which the Twelve fully supported. Many of the Treaty's provisions set important precedents for future agreements on arms control, in particular asymmetrical reductions and intrusive verification procedures.

The Twelve fully support efforts to bring about a 50% reduction in the strategic nuclear arsenals of the United States and the Soviet Union, as well as an agreement on space issues which would be a significant contribution to world-wide stability in this field.

We also strongly support the efforts made within the United Nations to tackle the problems of nuclear and conventional disarmament, verification, confidence-building measures and military transparency in the military field.

The Twelve strongly advocate the early establishment of a global and effectively verifiable ban on

chemical weapons and reaffirm their commitment to the total elimination of those weapons. Joint efforts at the Conference on Disarmament in Geneva can bring closer the resolution of the pending problems, including the complex but fundamental verification issues, in a way acceptable to all. Those of the Twelve who are participants in the Conference will continue vigorously to pursue this goal at the negotiations.

The adoption of Security Council Resolutions 612 and 620 was a notable further milestone. The Twelve consequently reiterate their support for action which could be undertaken to establish impartially the facts relating to alleged use of chemical weapons against the Kurdish population.

The Twelve regret that the third SSOD was not concluded by an agreed Final Document. However, important constructive work was done during the session and it is hoped that the First Committee will profit from this experience.

It is not surprising that in the framework of arms control and disarmament the Twelve attach particular importance to problems concerning security in Europe, where serious imbalances persist, in particular in the conventional field. Therefore, the need for conventional arms control—the key issue of European security—is especially urgent in this area also. The Twelve have long advocated the establishment of a stable and secure balance of conventional forces at lower levels, within the framework of the CSCE process, the elimination of disparities prejudicial to security, stringent verification and the elimination of the capability for launching surprise attack and for initiating large-scale offensive action in the whole of Europe. We have noted with interest that certain ideas put forward recently by the Warsaw Pact countries reflect, in part, our concerns. We also favour an agreement on a new set of enhanced confidence and security-building measures aimed at promoting more openness and transparency in the military field. The Twelve accordingly consider that the negotiations on conventional stability and new CSBM should begin as soon as possible in a constructive spirit after the satisfactory conclusion of the current Vienna CSCE meeting.

Progress in the field of conventional arms control in Europe thus depends on the conclusion of the Vienna CSCE meeting, with a substantial result in the field of human rights and fundamental freedoms. The CSCE process shows the way to overcome the barriers of distrust which divide the continent. Military security agreements alone cannot bear the full weight of East-West relations.

The Twelve note with satisfaction the progress being made in the resolution for the issues before

the Vienna follow-up meeting. We hope that the present sixth round of negotiations will bring that meeting to a prompt and successful end. In this respect the Twelve recall their recent appeal to the other participating States of the CSCE to settle the remaining issues, particularly those relating to the human rights and human contacts provisions of the Helsinki Final Act. The Community's aim remains an agreement on a balanced and substantial Concluding Document, permitting progress in all areas and in particular in the fields of human rights and fundamental freedoms, cooperation and security.

As far as human rights and fundamental freedoms are concerned, the Twelve insist on a better implementation of all commitments entered into by the States participating in the CSCE process.

We believe that progress in the human dimension of the CSCE will make a substantial contribution to creating a real climate of confidence in Europe and in particular will give East-West relations the stability and continuity which they must have. The Twelve are determined to continue to strive for a dynamic development of East-West relations.

A successful and balanced outcome of the Vienna meeting would secure the opening of negotiations on conventional stability in Europe, aiming at the establishment of a stable and secure balance of conventional forces in Europe at a lower level and on a further set of confidence and security-building measures, as well as the convening of a Conference on the Human Dimension.

Turning now to the question of Cyprus, a member of the European family, I cannot disregard the fact that the tragic division of the island remains unchanged. The Twelve attach a great importance to a just and viable solution of this problem. To this effect we reaffirm our strong support for the independence, sovereignty, territorial integrity and unity of the Republic of Cyprus in accordance with the relevant UN resolutions. We stand fully by our previous statements and reject any action which purports to establish an independent State within Cyprus.

We also express our satisfaction for the successful efforts undertaken by the UN Secretary-General to bring about a resumption of the intercommunal dialogue in the search for a settlement in Cyprus, based on the above principles, and call upon the parties concerned to cooperate fully towards the achievement of that objective.

The improvement in the international climate should render the task of finding just solutions to the regional crises which continue to affect our age more promising. The Twelve firmly believe that an important element for the implementation of

arrangements or agreements to settle these conflicts will be the present and future UN peacekeeping operations. Some of the peace settlements we fervently hope to see materialize in the not too distant future will require peacekeeping and observer forces. Member States of the European Community have contributed Blue Helmets in the past, and some of us are doing so right now. In view of the considerable peacekeeping tasks which may lie ahead, the Twelve will continue to attach great importance to the matter and are giving active consideration to its various aspects. They also wish to assure the Secretary-General that he can count on their full support.

We emphasize our view that the costs related to peacekeeping operations based on decisions of the Security Council in accordance with the Charter are to be regarded as mandatory expenses, unless decided otherwise by the Security Council, to be borne by all members of the United Nations having been carefully examined in the appropriate way. We should be prepared to pay the price of peace.

The Twelve call upon all Member States of this Organization and especially the two superpowers to render their full support to these operations. It is only with this support that the encouraging developments we are recently witnessing will lead to positive results.

The European Community and its Member States have important ties with the countries and peoples of the Middle East, and they cannot be passive or indifferent to the serious problems affecting a region which is so close to them.

Today, the conflicts in this regions continue. The Arab-Israeli conflict remains an issue of deep concern to all of us. The *status quo* in the occupied territories is not sustainable. The situation in the occupied territories is not sustainable. The situation in the occupied territories remains tense. We have repeatedly deplored the Israeli repressive measures, which make a peaceful settlement harder to find. We urgently renew our call on Israel, pending its withdrawal, to fulfil scrupulously its obligations as an occupying power, in accordance with the Geneva Convention of 12 August 1949.

The Twelve's views on the key elements which must make up a solution to this conflict are well known. In accordance with the Venice Declaration and other subsequent declarations, two principles are fundamental: the right of all States in the area, including Israel, to exist within secure, recognized and guaranteed borders, and the right of the Palestinian people to self-determination with all that this implies.

These principles continue to be the basis of the policy of the Twelve. For the implementation of

this policy, we have on several occasions reaffirmed our support for an International Peace Conference under the auspices of the United Nations, as the suitable framework for the indispensable negotiations between the parties directly concerned.

After so much suffering, so much tragic loss of human life, the time has come to break the vicious circle of repression and hatred. There can be no real security, nor any real peace, for any of the peoples in the region without a just, global and lasting settlement. All parties concerned should recognize each other's rights.

We therefore address — from this forum — an urgent appeal to all the parties concerned to make the necessary efforts to achieve this aim. At this particular moment it seems especially important for all parties concerned to show political responsibility in order to permit the peace process to move forward. For our part, we remain ready to play our role fully in this effort.

In Lebanon also, after 13 years of war and suffering, it is vital that a political solution be found. The proper functioning and strengthening of Lebanon's constitutional bodies is a precondition for such a solution. We regret that the mandate of President Gemayel expired without a new President being elected. We strongly appeal to all parties to favour the election, in all freedom and without external pressures, of a President capable of carrying out the task of national reconciliation and of safeguarding unity, independence, territorial integrity and sovereignty in Lebanon. We underline our support for Unifil and appeal to all parties to ensure that these forces are allowed to fulfil their mandate without hindrance.

The Twelve are following with great satisfaction recent developments in the Iraq-Iran conflict. We have welcomed the announcement of a ceasefire and the decision of the Governments of Iraq and Iran to accept this ceasefire to be followed by direct talks under the auspices of the UN Secretary-General.

The Twelve remain determined to support the efforts of the UN Secretary-General and call upon both parties to cooperate intensively with him in order to achieve a comprehensive, just, honourable and durable settlement of the conflict, in full compliance with UN Security Council Resolution 598, so that peace and security may be restored in the region.

In this connection the Twelve pay tribute to the UN Secretary-General for his untiring efforts and dedication. The success of the Secretary-General's endeavours enhances the prestige of the United Nations and paves the way for an increasing role

of the Organization in maintaining international peace and security.

The Twelve note with satisfaction the improvement in relations among the countries of the Maghreb. This development creates new prospects for cooperation between the two shores of the Mediterranean Sea and regional stability. We also welcome the positive reactions by the parties concerned to the peace plan on the Western Sahara, put forward by the UN Secretary-General and endorsed by the Security Council, aimed at holding a referendum on self-determination under the auspices of the UN. We believe that all parties will demonstrate their willingness to restore a just and lasting peace in the region.

In southern Africa there have been some encouraging signs of progress after years of South African aggression and destabilizing acts against neighbouring States.

The Twelve have both individually and collectively declared their support for the efforts currently undertaken, aiming at securing peace for Angola and independence for Namibia on the basis of Security Council Resolution 435 (1978). They have also welcomed as recently as 26 August, in their statement on the occasion of Namibia Day the encouraging agreements reached in the quadripartite talks for the implementation of Security Council Resolution 435. The Twelve are looking forward to a rapid and successful conclusion of the ongoing negotiations leading to Namibia's independence. They express the hope that the dialogue initiated will ease the existing tensions and pave the way for peace, security, stability and socio-economic development, based on respect for human rights in the entire region. In this connection they welcome the prospect of a bilateral accord between Angola and Cuba, which will include a timetable acceptable to all parties for the staged and total withdrawal of Cuban troops from Angola.

The Twelve reiterate their strong support for the efforts of the Front-line States and other SADC countries to achieve security and economic stability. Furthermore, the Twelve reaffirm their will to contribute to the implementation of the Oslo Declaration and Plan on the plight of refugees, returnees and displaced persons in southern Africa.

Yet, the abhorrent system of apartheid remains entrenched in South Africa. This year has again been marked by serious and disturbing developments like the adoption, in February, of new restrictive measures against a number of organizations peacefully opposing apartheid and several of their leaders, the arrests of church and trade-union leaders, the detention without charge of

men, women and even young children and the maltreatment and torture inflicted on a number of detainees, the uncertain fate of the Sharpeville Six and the bill threatening to deprive peaceful anti-apartheid organizations of external funding. All these point to the fact that Pretoria is still unwilling to commit itself to real and significant change, which we fear will worsen even further the relations between the Twelve and South Africa.

The Twelve once more stress that apartheid must be totally abolished by peaceful means and the vicious circle of repression and violence that it provokes must be replaced by a constructive national dialogue. Only negotiations involving the genuine representatives of the black community and all other components of the South African population can bring about the future of peace and prosperity in a free, democratic and united South Africa with no racial discrimination.

In our view there can be no dialogue as long as the state of emergency is still in force, the ANC, PAC and other political parties are proscribed and while both Nelson Mandela, now seriously ill, and other political prisoners are not released.

In pursuit of their stated objectives, the Twelve follow a policy of persuasion and pressure. Apart from declaration and pressing *démarches* to the South African Government, the European Community and its Member States have adopted a number of restrictive measures as well as positive programmes of assistance to the victims of apartheid.

As regards the Horn of Africa, the Twelve have noted with satisfaction that normal relations have been established between Ethiopia and Somalia, which represents a step forward towards achieving lasting peace in the region. However, the serious tensions in both Ethiopia and Somalia which have caused loss of life, exodus of civilian population as well as economic and material damage continue to be the cause of great concern. The conflict in northern Ethiopia still endangers the distribution of food to millions of people threatened by famine and starvation. The Twelve appeal to all concerned to make serious efforts to achieve a peaceful settlement of the conflicts in the region.

The Twelve express their deep concern about the dramatic events in Burundi and the resulting flood of refugees at the Rwandese border. They hope that the situation will soon be normalized and that a satisfactory and lasting solution will be worked out in order to prevent further outbursts of violence in Burundi.

Nearly 14 months ago, the international community warmly welcomed the historic declaration by the five Presidents in Central America to sign

the Esquipulas II Agreement in order to bring about stable and lasting peace in their region, a process to which the European Community and its Member States have given their unremitting support.

We have, on several occasions, appealed to all the parties directly or indirectly involved to give effect to the agreement in letter and spirit by fully implementing all the commitments they have assumed and to contribute towards the region's efforts for peace, democracy, economic development and social justice.

Today, we wish to express our concern that the momentum of the peace process should be maintained. Although progress has been achieved in some fields, the Twelve note that the principal conditions for a stable and lasting peace in Central America have not yet been met.

Our view concerning the solution to the region's problems is based on the principle that responsibility for peace and democracy rests with each country individually and with all of them collectively. The arrangements provided for in the Esquipulas II Agreement represent an indivisible entity and should be implemented as a whole.

I must stress, once again, that there will be no authentic democratic process without pluralism, involving respect for human rights and promotion of social justice. There will be no peace and democracy unless the sovereignty, territorial integrity of States and the right of all nations to choose their economic, political and social models freely and without external interference of any kind are respected.

We urge the Central American countries to make every effort to give new impetus to the peace process. For their part, the European Community and its Member States wish to reaffirm, once again, that they are committed to contribute, to the best of their ability, to the process set up in Esquipulas, including the creation and the functioning of the Central American Parliament and to the economic and social development of the region. We call on other countries to do likewise.

We have followed with particular interest the efforts initiated last November in Acapulco by the Heads of State of eight Latin American countries to establish a permanent mechanism for consultation and concerted political action. We welcome this initiative, which opened up new paths for regional concertation, and we intend to pursue our dialogue with these countries aimed at promoting peace, development, democracy and stability in Latin America.

The Twelve are encouraged by the progress made in the process of democratization throughout Latin America. We appeal to the governments of those few countries that have not yet seen the re-establishment of full pluralistic democracy to engage in a process of genuine democratization which will enable their peoples to express themselves freely and to build a future worthy of them.

The Twelve welcomed the signing of the Geneva agreements on Afghanistan, which constitute an important step forward in the settlement of the crisis. They now call on all parties involved to spare no effort in pursuing the peace process. An overall political settlement of the Afghan problem involves the withdrawal of all Soviet troops in accordance with the agreed timetable, the unimpeded return of refugees in safety and honour, the establishment of a fully representative government through a genuine act of self-determination, re-establishment of a genuinely independent and non-aligned Afghanistan. It is essential that the resistance be fully involved in this process. Also in this forum, I wish to reiterate the readiness of the European Community and its Member States to contribute, when the time comes, to the resettlement of refugees and displaced persons as well as to the reconstruction of the country in accordance with the priorities laid down by the United Nations Coordinator for Humanitarian and Economic Assistance to Afghanistan.

Concerning the question of East Timor, the Twelve reiterate their support for the contacts between Portugal and Indonesia under the auspices of the Secretary-General of the United Nations. They express the hope that it will soon be possible to achieve progress, thus paving the way to a just, comprehensive and internationally accepted settlement of the question, with full respect of the interests of the people of East Timor.

A return to peace and stability in South-East Asia is still contingent upon on a solution being found to the problem of Cambodia. This conflict is the result of a foreign military occupation in violation of the fundamental principles of the UN and international law and must be brought to an end. In this connection, the Jakarta informal meeting was an encouraging step towards a political solution of the conflict resulting in an independent, democratic, neutral and non-aligned Cambodia. We express our firm support for the constructive efforts made by Asean for the promotion of a political solution to the Cambodian problem which would ease tension in the region and enable the Cambodian people to freely decide their own future. We stress the essential role that Prince Sihanouk can play in a new Cambodia that must be free from any prospect of return to the universally condemned policies and practices of the recent

past. The Twelve renew their appeal to Vietnam to withdraw all its troops from Cambodia. We call upon all concerned to pursue their efforts to achieve a just and comprehensive solution in accordance with the repeated UN resolutions. There is no doubt that the full withdrawal of the Vietnamese troops and the re-establishment of genuine peace in Cambodia would open the way to international cooperation for the reconstruction of the region.

Furthermore, the dramatic increase in the number of boat people from Vietnam is a source of serious concern for the Twelve. In cooperation with the countries in the region and international organizations, we have been trying to alleviate the suffering of these people and to help them. We believe that Vietnam must assume urgently its responsibilities according to international law and internationally accepted practice.

The Twelve express their deep concern at the renewed violence and loss of life in Burma. They are firmly convinced that the Burmese people's clear desire to enjoy the benefits of peace, prosperity, full protection of human rights and a multi-party democracy should be met. As we recently declared, we are ready to assist, to the best of our ability, a fully representative democratic government in Burma to secure the social and economic recovery of the country.

As to the division of the Korean peninsula and the continuing tension there, we welcome efforts for a resumption of the suspended direct dialogue between North and South as the only way to reach a solution by peaceful means. As in the past, we express again our hope that on the basis of the principle of universality the people of Korea may soon gain full membership to this organization. It is encouraging to note the progress made towards democratic reforms in the Republic of Korea. Turning now to the Olympic Games in Seoul, we express our appreciation that they are taking place in an atmosphere consistent with the classical ideal which gave birth to them.

The Twelve have repeatedly and firmly condemned terrorism in all its forms. We reaffirm the principles adopted by the European Council in 1986, in particular that of no concessions under duress to terrorists or their sponsors. We have never left any doubt about collective determination to fight terrorism by all means.

Unfortunately, terrorism has continued to take innocent lives and to bring bloodshed to our countries. We are determined to continue our efforts and to strengthen international cooperation to fight this scourge of our age, for terrorist attacks can never be justified and do not serve whatever

political cause the perpetrators claim to be assisting. In this context, we support the initiatives undertaken in multilateral organizations both to strengthen international protection of civil aviation and to enhance maritime security. We reiterate our appeal to all the countries which have not yet signed the international conventions on this matter to examine the possibility to accede to these important instruments.

The Twelve, considering that drug abuse and trafficking has become a terrible scourge for the whole of mankind, make an appeal for wider and strengthened international cooperation in this field. In this spirit they call for a successful outcome of the Plenipotentiary Conference in November-December in Vienna, with a view to the adoption of the UN Convention against illicit traffic in narcotic drugs. Moreover, specific initiatives are needed in the area of supply reduction, demand reduction and the rehabilitation of drug addicts.

It is, therefore, extremely important that the role of the UN and its institutions in this field, especially UNFDC, be strengthened and increased.

Recent weeks have seen a succession of natural disasters that have taken a heavy toll and caused much suffering. The European Community and its Member States wish to express their sympathy and support for the governments and peoples of all the affected countries and their willingness to continue to provide to the best of their ability humanitarian assistance as well as, where appropriate, longer-term support for economic recovery.

Allow me now to turn to another very important issue. Two years ago all Member States of the UN undertook the difficult but essential task of improving the Organization and making it more efficient and effective in dealing with the complex problems of contemporary reality.

At this point I would like to reiterate the full support of the Twelve to the Secretary-General, who has demonstrated his determination to follow up seriously the reform process initiated by Resolution 41/213.

The Twelve believe that the Secretary-General, in implementing the part of the reform that was entrusted to him, has performed his duties with flexibility and political judgement. The matter now is in the hands of Member States, which must show the same kind of political perspicacity and determination. In this respect we cannot fail to note with regret that the Special Commission undertaking the in-depth study of the UN intergovernmental structure and functions in the economic and social fields was not able so far to reach concrete results. Concerted action during the sum-

mer session of EcoSoc led to a consensus resolution concerning the rationalization of the work of EcoSoc. However, no considerable progress was made on other issues. Our commitment to reforms remains strong, and we consider the reform of EcoSoc another significant part of this exercise. We expect that other Member States will not lack the political will to engage in fruitful consultations with a view to reaching a substantive reform which would undoubtedly enhance the ability of our Organization to deal effectively with current economic and social problems.

The improvement in the political climate coincides with encouraging developments in the general economic situation. The European Community, through the achievement of an economic space without internal frontiers by 1992, is determined to make its full contribution to enhancing worldwide economic growth for the benefit of all.

The upturn in economic activity in the industrialized countries in 1987 was greater than expected. Moreover, it is encouraging to note that the stock market crisis in October 1987 did not unduly upset the growing climate of confidence in the economies of the industrialized countries. For this year the IMF predicts a further increase in the growth rate to almost 4%. Whether this growth performance is sustained will depend, *inter alia*, on how the international community deals with problems such as renewed inflationary pressures, rising interest rates and continued large external imbalances. Moreover, the level of unemployment in many industrialized countries is high and the state of the international financial markets remains unsettled.

To turn to more specific matters: the economic situation of the European Community in 1988 has been so far characterized, as in 1987, by a growth performance of 2.5 to 3%. Average inflation is scarcely a quarter of what it was in 1980, despite certain deviations. Vigilance is, however, needed to prevent its reacceleration. There has been an increase in productive investment in industry and services. Trade, both within the Community and with the rest of the world, forms the cornerstone of internal recovery. On the other hand, unemployment, affecting 11% of the active population, is a grave economic social problem for the Community of Twelve, afflicting 16 million Europeans, particularly young people and women.

The developing countries, for their part, are expected to show an average growth rate of some 4%, but that figure conceals considerable differences between the various regional groupings. While economic growth remains strong in certain Asian countries, many other developing States, eg. sub-Saharan Africa, continue to experience low economic growth and falling standards of living.

Above all there is the problem of the external debt of many developing countries, a problem which concerns the whole international community. The burden of debt servicing is compromising prospects for growth and political stability, particularly in African and South American countries, and in the case of some countries is a constant risk to the international financial system. Economic maladjustments aggravated by adverse external developments have negatively affected the growth performance of these countries and undermined confidence in their economic prospects.

As a result there continues to be cause for concern. It is essential, therefore, to further deepen international cooperation and strengthen efforts, individually and collectively, in a number of areas. The European Community and its Member States are fully aware of their weight in the world economy and their responsibility for future economic growth and development and the international trading system. They have taken, and will continue to take, specific actions to achieve balanced, non-inflationary growth and a strong, liberal multilateral trading system. Efforts are not spared to assist developing countries in dealing with obstacles to rapid sustainable growth (such as debt problems, excessive economic dependence on raw materials, trade protectionism, structural bottlenecks) and in protecting their environment.

The European Community and its Member States consider that the evolving debt management strategy, based on a cooperative approach between all the parties concerned, remains the only viable response to the developing countries' debt problems. They continue to actively support attempts, in all competent forums, to find suitable growth-oriented solutions to the debt problems. Major initiatives have been taken since the last General Assembly in order to strengthen and update the implementation of the debt strategy. In particular, the financial resources of the IMF (through notably the Enhanced Structural Adjustment Facility), those of the World Bank and of the African Development Fund, have been extended significantly. Following the conclusions of the recent Toronto Economic Summit, the poorest indebted developing countries should continue to benefit on a case-by-case basis from debt service relief under the Paris Club.

The Twelve are participating actively in the co-financing of internationally approved programmes. Moreover, the Community has also taken Community action on its own. In December 1987, the Council of Ministers adopted a Community programme to aid certain highly indebted low-income countries in sub-Saharan Africa. Under that programme, ECU 500 million was made available, of which ECU 300 million is

additional to existing commitments under the Lomé Convention. This facility was put rapidly into action. It is intended that these resources should be fully disbursed by 1990. This initiative is tied in with the relevant measures being taken by the World Bank to help the indebted countries in Africa, measures with which most of the Member States are also closely associated.

The Community believes in an effective and efficient functioning of the economic and social sectors in the UN system. We stress our readiness to explore with other parties any initiatives aimed at enhancing its operation.

The Community has always shown a special interest in the problems of sub-Saharan Africa. I think that the mid-term review of the UN Special Programme of Action for Africa at the present session will give us the chance to evaluate together the results achieved and the progress made in this sector. But more needs to be done. Additional financial resources are needed in order to give this continent a chance to develop, a view which is shared in the report on 'Financing African development'.

It is a fact that the majority of developing countries derive a large proportion of their revenue from the export of raw materials and first-stage processed products. They have therefore been adversely affected by the generally low level of commodity prices during the last years; however, there are now signs of an increase of the prices for some commodities. There is a clear need to seek ways and means of bringing about a diversification of commodity-based economies and an approach to trade in commodities which takes account of market conditions. In this context I recall that the Community and its Member States operate a system of stabilization of export earnings through their Stabex, Sysmin and Complex schemes.

The Community and its Member States are ready to play a constructive role in the proceedings of the Governing Council of the Common Fund for Commodities and expect other countries to do their part to enable the Fund when it is brought into operation to function with maximum efficiency consistent with the altered economic environment of the late 1980s.

For all countries as a whole, another important development that is calling for even greater attention than it commands today is the depletion of natural resources along with degradation of the environment to the detriment of future generations. It is becoming increasingly clear that progress depends not only on growth rates but on the quality of such growth. The concept of sustainable development must — as it was done by the partici-

pants in the Toronto Economic Summit — become endorsed by all countries. The Community is prepared to contribute to international environmental cooperation as mentioned in Toronto. We urge that similar resolve be demonstrated in all regions and organizations. We wholly support the action set in motion within the United Nations to promote sustainable development.

With a view to the further improvement and expansion of international economic relations, the Community supports the development of a more open, viable and durable multilateral system of trade within the GATT framework through the negotiations under the Uruguay Round.

It is imperative that in order to preserve a favourable negotiating climate, participants in the Uruguay Round implement the commitments to standstill and rollback undertaken at Punta del Este.

We are convinced that greater liberalization of international trade, which is envisaged in the new round, will bring major benefits for all the countries taking an active part in the negotiations and in particular the developing countries, which the Community is certainly not going to ask to take on obligations that are incompatible with their level of development. Indeed the Community has accepted, in accordance with the commitments in the Punta del Este Declaration, that special attention should be given to the fullest liberalization of trade in tropical products which are of particular interest to developing countries, and in Geneva has tabled concrete proposals.

It is not, moreover, a matter of chance that despite its sensitive nature and the problems encountered in international trade for which all countries bear some responsibility, the agriculture sector in general, which is of particular interest to the developing countries, has been included among the items under negotiation.

Having recognized this need, the Community has, for its part, since 1984, taken far-sighted measures with the aim of fundamentally restructuring its agriculture. In February 1988, we agreed upon a series of measures for a range of products which provides for automatic reductions of guaranteed support prices where production thresholds are exceeded, ensures that producers will bear a proportion of the costs of disposing of increased outputs and facilitates the withdrawal of land from production. Clearly these adaptations are helpful in the context of ongoing negotiations in the framework of the GATT Uruguay Round. As we indicated in our proposals, both short and long-term actions are needed to reduce support. All producing countries should contribute to this end with the objective that balance is restored to international markets.

In December, at the ministerial meeting in Montreal, there will be a review of the results of two years' negotiations in all sectors. The Community is looking forward to the meeting in the hope of a fresh political impetus that will help to further advance all aspects of the negotiations. On the basis of the progress that is seen to have been achieved, guidelines will be established for the next phase, so that the entire effort will be in line with the principle of globality, i.e. balanced results for all participants at the end of the negotiations.

You will also be well aware of the close relations between the Community and the ACP countries which, within the framework of the third Lomé Convention, are in many respects a model of relations between industrialized and developing countries.

Already, with a view to the renewal of this Convention, those concerned are giving intensive consideration to the problems involved in an effort to further improve and promote cooperation. In this context, it is in the first place important to safeguard what has already been achieved in the earlier Convention and in particular the priority given to agricultural development and security of supplies. At the same time it is necessary to adapt, in agreement with our ACP partners, the next convention in order to be able to respond more effectively to the current situation in those countries. The Community is intent on widening the range of its support for ACP partner countries pursuing structural adjustment and confronted by grave macroeconomic difficulties.

The EC has constantly supported the normalization, improvement and development of East-West relations at all levels and in all sectors.

On 25 June the EC and Comecon signed a Joint Declaration establishing official relations between them. Such relations are being established between the EC and most of the Member States of Comecon. These are very important steps and will hopefully lead to the further development of East-West relations in general and economic relations in particular. These relations with our European neighbours should pave the way for the rapid development of intra-European cooperation and its extension to all sectors of common interest which are of mutual advantage.

In this context, I should like to emphasize the importance of the EC-Hungary trade and cooperation agreement which was signed yesterday. Agreements are also currently being negotiated with other Comecon Member States and contacts are being maintained in order to define future relations with the remaining countries of this group. This is a clear indication of our desire to

make substantive progress, where economic and political conditions make this possible, as opposed to the past where links between the Community and its Eastern European neighbours were either limited or non-existent.

The European Community has, moreover, wide-ranging bilateral agreements with individual Mediterranean countries. These agreements aim at guaranteeing continued favourable access of these countries' exports to the Community market, providing financial assistance to agricultural and industrial development and promoting large-scale cooperation.

The European Community has also developed during the last years constructive relations with a number of Asian and Latin American countries. The wide-ranging cooperation agreement with Asean in particular registers very active progress.

Since the Community is itself the reflection of a strategy of regional integration, it is only natural that it encourages and supports similar efforts of other countries in a way compatible with GATT. For that reason, it has also signed cooperation agreements with the Andean Pact and Central American countries.

Finally, the Community recently signed a cooperation agreement with the Gulf Cooperation Council which provides for the broadening and diversification of economic relations between the contracting parties and, in a second stage, should lead to the liberalization of bilateral trade.

The completion of the internal market of the Community by the end of 1992 means on the one hand that goods, services, capital and people will move freely within the EC. This holds true for imported goods as well as for goods produced in the Community. Therefore, as far as goods are concerned, 1992 will mean better access for exports from third countries. All the EC legislation regarding the removal of internal barriers will be consistent with GATT. The Community will seek to preserve the balance of advantages accorded, while respecting the unity and the identity of the internal market. As far as services are concerned, the Community will make sure that internal progress towards free circulation will be translated into more free trade at the international level through progress in the Uruguay Round.

On the other hand, the completion of the common market, through the combination of economies of scale and increased competition, will improve the structural adjustment capacity of the Community, increase its growth performance and thereby improve prospects for world economic growth and international trade. More specifically, we believe that through this challenge and the efforts made

through the structural, regional and social Funds there will be a further one-point increase in the rate of growth of the Twelve which will in turn bring about a further increase of 1.2% in third-

country exports to the single market of 320 million consumers. In short, the creation of a single European market will help to achieve greater economic liberalization internationally.'

**Venta y suscripciones · Salg og abonnement · Verkauf und Abonnement · Πωλήσεις και συνδρομές
Sales and subscriptions · Vente et abonnements · Vendita e abbonamenti
Verkoop en abonnementen · Venda e assinaturas**

<p>BELGIQUE / BELGIE</p> <p>Moniteur belge / Belgisch Staatsblad Rue de Louvain 40-42 / Leuvensestraat 40-42 1000 Bruxelles / 1000 Brussel Tel 512 00 26 CCP / Postrekening 000-2005502-27</p> <p>Sous-dépôts / Agentschappen Librairie européenne / Europese Boekhandel Rue de la Loi 244 / Wetstraat 244 1040 Bruxelles / 1040 Brussel</p> <p>CREDOC Rue de la Montagne 34 / Bergstraat 34 Bte 11 / Bus 11 1000 Bruxelles / 1000 Brussel</p>	<p>IRELAND</p> <p>Government Publications Sales Office Sun Alliance House Molesworth Street Dublin 2 Tel 71 03 09</p> <p>or by post Government Stationery Office EEC Section 6th floor Bishop Street Dublin 8 Tel 78 16 66</p>	<p>PORTUGAL</p> <p>Imprensa Nacional Casa da Moeda, E. P Rua D. Francisco Manuel de Melo, 5 1092 Lisboa Codex Tel 69 34 14 Telex 15328 INCM</p> <p>Distribuidora Livros Bertrand Lda Grupo Bertrand, SARL Rua das Terras dos Vales, 4-A Apart 37 2700 Amadora CODEX Tel 493 90 50 - 494 87 88 Telex 15798 BERDIS</p>
<p>DANMARK</p> <p>Schultz EF-publikationer Montergade 19 1116 København K Tlf 01 14 11 95 Telefax 01 32 75 11</p> <p>BR DEUTSCHLAND</p> <p>Bundesanzeiger Verlag Breite Straße Postfach 10 80 06 5000 Köln 1 Tel (02 21) 20 29-0 Fernschreiber ANZEIGER BONN 8 882 595 Telefax 20 29 278</p>	<p>ITALIA</p> <p>Licosa Spa Via Lamarmora, 45 Casella postale 552 50 121 Firenze Tel 57 97 51 Telex 570466 LICOSA I CCP 343 509</p> <p>Subagenti Libreria scientifica Lucio de Basso -AEIOU Via Meravigli, 16 20 123 Milano Tel 80 76 79</p> <p>Herder Editrice e Libreria Piazza Montecitorio 117-120 00 186 Roma Tel 67 94 628/67 95 304</p> <p>Libreria giuridica Via 12 Ottobre, 172/R 16 121 Genova Tel 59 56 93</p>	<p>UNITED KINGDOM</p> <p>HMSO Books (PC 16) HMSO Publications Centre 51 Nine Elms Lane London SW8 5DR Tel (01) 211 77 02</p> <p>Sub-agent Alan Armstrong & Associates Ltd Arkwright Road Reading, Berks RG2 0SQ Tel (0734) 75 17 69 Telex 849937 AAALTD G</p>
<p>GREECE</p> <p>G.C. Eleftheroudakis SA International Bookstore 4 Nikis Street 105 63 Athens Tel 322 22 55 Telex 219410 ELEF</p> <p>Sub-agent for Northern Greece</p> <p>Molho's Bookstore The Business Bookshop 10 Tsimiski Street Thessaloniki Tel 275 271 Telex 412885 LIMO</p>	<p>GRAND-DUCHÉ DE LUXEMBOURG et autres pays / and other countries</p> <p>Office des publications officielles des Communautés européennes 2, rue Mercier L-2985 Luxembourg Tél 49 92 81 Télex PUBOF LU 1324 b CCP 19190-81 CC bancaire BIL 8-109/6003/200 Sogenal 61-490226-96-26</p> <p>Abonnements / Subscriptions Messageries Paul Kraus 11 rue Christophe Plantin L-2339 Luxembourg Tél 49 98 881 Telex 25 15 CCP 49242-63</p>	<p>TURKIYE</p> <p>Dunya super veb ofset A Ş Narlıbahçe Sokak No 15 Cağaloğlu İstanbul Tel 512 01 90 Telex 23822 dsvo-tr</p>
<p>ESPAÑA</p> <p>Boletín Oficial del Estado Trafalgar 27 28010 Madrid Tel (91) 446 60 00</p> <p>Mundi-Prensa Libros, S A Castelló 37 28001 Madrid Tel (91) 431 33 99 (Libros) 431 32 22 (Suscripciones) 435 36 37 (Dirección) Télex 49370-MPLI-E Telefax 34-1-1275 3998</p>	<p>NEDERLAND</p> <p>Staatsdrukkerij- en uitgeverijbedrijf Christoffel Plantijnstraat Postbus 20014 2500 EA s-Gravenhage Tel (070) 78 98 80 (bestellingen)</p>	<p>UNITED STATES OF AMERICA</p> <p>European Community Information Service 2100 M Street, NW Suite 707 Washington, DC 20037 Tel (202) 862 9500</p> <p>CANADA</p> <p>Renouf Publishing Co., Ltd 61 Sparks Street Ottawa Ontario K1P 5R1 Tel Toll Free 1 (800) 267 4164 Ottawa Region (613) 238 8985-6 Telex 053-4936</p> <p>JAPAN</p> <p>Kinokuniya Company Ltd 17-7 Shinjuku 3-Chome Shinjuku-ku Tokyo 160-91 Tel (03) 354 0131</p> <p>Journal Department PO Box 55 Chitose Tokyo 156 Tel (03) 439 0124</p>
<p>FRANCE</p> <p>Journal officiel Service des publications des Communautés européennes 26, rue Desaix 75727 Paris Cedex 15 Tel (1) 40 58 75 00</p>		

Price (excluding VAT) in Luxembourg	ECU
Annual subscription (Complete subscription)	92.50
Bulletin of the European Communities (11 issues + Index + 1st Supplement)	74
Price per single copy	7
Supplements to the Bulletin (per single copy)	3.50

Subscriptions are annual and run from 1 January to 31 December. Payment to be made only to the agents in the countries listed above.

These are surface mail rates, for air subscription rates, please apply to the agents.

A 50% reduction is obtainable for subscriptions by students. Applications should be made to the Office for Official Publications of the European Communities, L-2985 Luxembourg.

Last published Index: 1984.



OFFICE FOR OFFICIAL PUBLICATIONS
OF THE EUROPEAN COMMUNITIES

L - 2985 Luxembourg



CB-AA-88-009-EN-C