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Commission



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

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

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PART ONE

SPECIAL FEATURES

1. Approximation of indirect taxation

1.1.1. On 17 May the Commission adopted for transmission to the Council a communication on completion of the internal market and approximation of indirect taxes that proposes a number of new guidelines for the approximation of VAT and excise duty rates.¹

The new approach, which reaffirms the objectives set out in the Commission's initial proposals of 4 August 1987 (approximation of rates, and removal of tax frontiers incompatible with a genuine single market),² is based on a three-pronged strategy:

(i) introduction of a transitional convergence phase (to run until the end of 1992) during which Member States would be given every encouragement to speed up the approximation of VAT and excise duty rates, procedures would be simplified for traders (abolition of the transit advice note) and there would be a gradual and substantial increase in allowances for people travelling within the Community (from ECU 800 at the beginning of 1990 to ECU 1 600 at the beginning of 1992);

(ii) as regards VAT, adoption of a minimum standard rate as an alternative to the proposed rate band; maintenance of the

proposal for a reduced-rate band of 4 to 9%; introduction of the possibility for those Member States which so desired to retain zero-rating for a very small number of products, subject to certain conditions; introduction of special arrangements for certain clearly defined commercial transactions (mail-order sales; sales of cars; sales to institutional non-taxable persons or to exempt taxable persons; arrangements for suspending VAT on intra-Community sales between associated enterprises); as for the revenue accruing to Member States, replacement of the central clearing fund initially envisaged by a simplified mechanism for refunding surplus VAT balances calculated on the basis of intra-Community trade statistics;

(iii) amendments to the proposals relating to excise duties in order to take account of the widely differing levels of taxation in Member States and of the need to protect health (alcohol and tobacco) and to promote energy savings and environmental protection (petroleum products).

¹ COM(89) 260 final.

² OJ C 250, 18.9.1987; OJ C 251, 19.9.1987; OJ C 252, 22.9.1987; OJ C 262, 1.10.1987; Bull. EC 7/8-1987, point 1.2.1 *et seq.*

2. Preliminary draft Community Charter of Fundamental Social Rights¹

1.2.1. On 30 May the Commission adopted a preliminary draft Community Charter of Fundamental Social Rights,² a vital aspect of the social dimension of the internal market³ in the context of the Single European Act. With a view to obtaining high-level political support, the Commission proposes that the Heads of State or Government publish the Charter in a solemn declaration. It also proposes preparing an action programme and an initial set of Community instruments, making use of the possibilities offered by the Treaty and the Single European Act.

The Commission intends to present a final draft of the Charter after obtaining the views of the Member States and the two sides of industry.

The need for a Social Charter

1.2.2. The social dimension of the internal market is enshrined in Article 117 of the Treaty, which refers to 'the need to promote improved working conditions and an improved standard of living for workers', and is one of the objectives consolidated and expanded by the Single European Act.

1992 will be a success only if both sides of industry are involved and there will be no sustained economic growth in the Community without a social consensus. Europe cannot be built against the opinions of employers, workers or the general public, and efforts must be made to prevent distortions of competition leading to forms of social dumping.

The importance of a political gesture in this field was stressed by the Economic and Social Committee in its opinion of 22 February⁴ and by the European Parliament in its resolution of 15 March.⁵

Although instruments adopted by other international organizations, such as the Council of Europe Social Charter or the

ILO Conventions, may be useful as points of reference, they are not sufficient: some have not been ratified by all the Member States while others have been ignored or explicitly rejected. Furthermore, the Commission believes specific provisions need to be adopted for the completion of the internal market, especially in a number of areas which are inadequately covered by existing instruments.

Content of the Charter

Improvement of living and working conditions

1.2.3. The development of a single European labour market must result in an improvement of living and working conditions in the Community. This approximation concerns first and foremost the organization and flexibility of working time, in particular by establishing a maximum working week and regulating forms of employment other than employment of indefinite duration. This improvement will also have to involve, where necessary, the development of some aspects of labour law, such as procedures relating to collective redundancies or bankruptcies.

Right to freedom of movement for employed and self-employed workers

1.2.4. As laid down in the Treaty this right makes it possible to exercise any trade or occupation in the Community on the same terms as nationals of the host Member State, subject to the provisions of Community law. For Community workers it implies the

¹ The full text of the Charter is given in point 3.3.1.

² COM(89) 248 final.

³ Bull. EC 9-1988, points 1.1.1 to 1.1.7.

⁴ OJ C 126, 23.5.1989; Bull. EC 2-1989, point 2.1.75.

⁵ OJ C 96, 17.4.1989; Bull. EC 3-1989, point 2.1.79.

right to equal treatment in all fields and the further harmonization of conditions of residence throughout the Community. Community workers employed in a country other than their country of origin must be entitled to social protection on the same terms as nationals of the host Member State.

Employment and remuneration

1.2.5. All employment must be fairly remunerated, and this means that a fair wage must be established by law or by collective agreement, at every level, in line with the situation specific to each Member State. Rules must be laid down under which workers subject to terms of employment other than a contract of employment of indefinite duration are assured of a fair reference wage. Wages may not be withheld, seized or transferred except in conformity with national regulations, and in no case may an employed person be deprived of the means necessary for his own subsistence and that of his family.

Right to social protection

1.2.6. Subject to the arrangements applying in each Member State, every Community citizen is entitled to adequate social protection. This principle must apply to all workers whatever their status and whatever the size of the undertaking by which they are employed. Workers who are unable to find employment must be entitled to a minimum income and appropriate social assistance.

Right to freedom of association and collective bargaining

1.2.7. Every employer and every worker in the Community has the right to belong freely to the professional and trade union organizations of their choice. There are various arrangements for the exercise of this right ranging from the right to belong to a trade union to the right to strike. The free-

dom to renounce that right without any personal or professional harm being suffered by individuals must be recognized.

This right implies that contractual relations may be established between the two sides of industry at European level if they deem this desirable. In this context the social dialogue should be encouraged at every level.

Right to vocational training

1.2.8. Every worker in the Community must be able to continue vocational training throughout working life. Arrangements for continuing and permanent training schemes must be made, particularly as regards training leave.

Right of men and women to equal treatment

1.2.9. Equal opportunities and equal treatment for men and women must be guaranteed and developed, particularly the right to equal pay, access to employment, social protection, education, vocational training and career advancement.

Right of workers to information, consultation and participation

1.2.10. Information, consultation and participation for workers must be developed along appropriate lines and in such a way as to take account of the legal provisions, contractual agreements and practices in force in the Member States. This right in particular must be recognized by companies or groups of companies with establishments or undertakings located in several Member States.

Right to health protection and safety at the workplace

1.2.11. Every worker must enjoy satisfactory health protection and safety conditions

at the workplace. Appropriate measures must be taken to continue upward harmonization of conditions in this area.

Protection of children and adolescents

1.2.12. The minimum working age must be set at 16 years without prejudice to such rules as may be more favourable, especially those concerning on-the-job training. All young people over the age of 16 must receive fair remuneration, and labour law must be adapted to take account of the special nature of their situation.

Elderly persons

1.2.13. All citizens of the Community in retirement or early retirement must receive incomes which guarantee them a decent standard of living. Any person who has reached retirement age but is not entitled to a pension and has no other adequate means must be entitled to a minimum income.

Disabled persons

1.2.14. To achieve the fullest possible integration of disabled persons into working life measures must be taken in respect of vocational training and occupational rehabilitation.

Implementation of the Charter

1.2.15. The measures to be taken to implement these social rights are the responsibility of the Member States and their constituent parts or of the Community. They should be based on the principle of subsidiarity and involve the two sides of industry.

In addition, the Commission calls on the Heads of State or Government to accompany the solemn declaration by an affirmation that implementation of the Charter cannot justify any retrograde steps in relation to the current situation in social matters in the Member States.

3. News in brief

Enterprise

The Commission decides to extend the Euro-info Centre project considerably (→ point 2.1.55).

Social policy

Cancer

The Council adopts a common position and a joint resolution on smoking (→ point 2.1.108).

The Commission adopts a proposal for a resolution on a second plan of action under the 'Europe against cancer' programme (→ point 2.1.11).

Education

The Council reaches agreement on the Lingua programme to promote foreign language teaching in the Community (→ point 2.1.119).

Culture

The Council adopts conclusions and a resolution on books and reading (→ points 3.2.1 and 3.2.2).

Forestry

The Council adopts the forestry action programme for the Community for the period 1989-92 (→ point 2.1.177).

Transport

The Commission approves proposals to improve the operating conditions of shipping companies in the Community (→ point 2.1.216).

PART TWO

**ACTIVITIES
IN MAY 1989**

1. Building the Community

Economic and monetary policy

Development of new financial instruments — Financial engineering

2.1.1. On 26 May Parliament endorsed, subject to two amendments relating to its duration and scope, the proposal for a Council Decision¹ extending the activities of the New Community Instrument (NCI).²

Internal market

People's Europe

Special rights

2.1.2. On 3 May the Council discussed a Commission communication on the right of residence³ which, by introducing a new approach, aimed to break the deadlock on the proposal for a Directive on a right of residence for nationals of Member States in the territory of another Member State (general right of residence).⁴ Noting that unanimous agreement was not forthcoming on Community competence to grant such a right to all persons not in gainful employment, the Commission withdrew its initial proposal and announced that it would be tabling new proposals.

2.1.3. On 26 May Parliament adopted a resolution on the need to improve procedures for dealing with petitions addressed to it (→ point 2.4.2).

Elimination of frontier controls

2.1.4. On 23 May and 1 June, Parliament¹ and the Economic and Social Committee endorsed the proposal for a Regulation on the elimination of controls performed at the frontiers of Member States in the field of

road and inland waterway transport.⁵ They broadly welcomed the proposal as an initial step towards removing all frontier controls within the Community. Parliament, however, stressed that existing controls should be performed only on a random basis.

2.1.5. On 23 May Parliament also adopted a resolution on simplifying the transport of persons and goods across intra-Community borders.¹ It requested that present checks at the Community's internal frontiers should be performed on a random basis inside Member States. It called on the latter to provide as soon as possible a two-channel system at airports for EC and non-EC nationals. It also called on the Commission to investigate the allegation that the harmonization of VAT results not only in higher costs for international transport but also in a considerable increase in bureaucracy.

2.1.6. On 26 May Parliament adopted a resolution on action to bring into line the private law of the Member States in which it requested that a start be made on the necessary preparatory work on drawing up a common European Code of Private Law.¹

2.1.7. On the same date Parliament also adopted a resolution on the simplification, clarification and codification of Community law in which it sets out a number of proposals for improving the present situation as regards legal measures, interinstitutional policy measures, administrative and data-processing measures, and measures in the field of jurisprudence.¹

¹ OJ C 158, 26.6.1989.

² OJ C 335, 30.12.1988; Bull. EC 11-1988, point 2.1.4.

³ Bull. EC 4-1989, point 2.1.8.

⁴ OJ C 207, 17.8.1979; OJ C 188, 25.7.1980; OJ C 171, 10.7.1985; Bull. EC 6-1985, point 2.1.15.

⁵ OJ C 58, 7.3.1989; Bull. EC 12-1988, point 2.1.35.

Freedom to provide services

Financial services

Banks and financial institutions

2.1.8. Following the opinions delivered by the Economic and Social Committee on 27 October 1988¹ and by Parliament (first reading) on 15 March,² the Commission amended³ on 26 May its proposal for a Directive on a solvency ratio for credit institutions.⁴ The amendments adopted are designed to make the wording of the original proposal clearer.

2.1.9. On 29 May the Commission formally adopted the amendments to the proposal for a Second Directive⁵ relating to the taking-up and pursuit of the business of credit institutions and amending Directive 77/780/EEC,⁶ which it had approved on 13 April.⁷

Insurance

2.1.10. On 31 May the Economic and Social Committee delivered an opinion⁸ — adopted unanimously and without discussion — on the proposal for a Directive amending, particularly as regards motor vehicle liability insurance, the First Council Directive (73/239/EEC) of 24 July 1973⁹ and the Second Council Directive (88/357/EEC) of 22 June 1988.¹⁰ Welcoming the Commission's proposal, it drew attention to a number of concerns which had as their prime objective the protection of the victims of accidents involving motor vehicles.

It stressed in particular that the introduction of the new arrangements should not delay the settlement of claims. In its view, it should also be made clear that a company joining a national bureau in another Member State should be required to comply with the principles in force there, even if these were more stringent than those imposed by the Member State in which it was established. The Committee also asked that the legal status of a nominated claims representative be clarified.

Audiovisual services

2.1.11. On 24 May¹¹ Parliament adopted a decision on the common position of the Council¹² on the proposal for a Directive concerning the pursuit of broadcasting activities¹³ as amended by the Commission in April 1988.¹⁴ Generally speaking Parliament supports the Commission's efforts to establish a Community audiovisual area. It formulated a number of amendments, including one to reinforce the requirement that Member States ensure that television stations reserve the major part of their transmission time for programmes produced in Europe, particularly by deleting the words 'where practicable' from the text.

It also asked that this phrase be omitted from the requirement to reserve 10% of transmission time for material produced in Europe by independent producers.

With request to the latter, Parliament proposed that the criterion of the programming budget should be applied and that account should be taken of material produced recently.

With regard to advertising breaks, Parliament asked that general principles should be added to the specific criteria set out in the common position and that the hourly volume should be reduced.

It also asked that stricter conditions should be applied to the sponsorship of programmes.

¹ OJ C 337, 31.12.1988; Bull. EC 10-1988, point 2.1.66.

² OJ C 96, 17.4.1989; Bull. EC 3-1989, point 2.1.5.

³ COM(89) 239 final.

⁴ OJ C 135, 25.5.1988; Bull. EC 4-1988, point 1.2.1.

⁵ OJ C 84, 31.3.1988; Bull. EC 1-1988, points 1.2.1 to 1.2.3.

⁶ OJ L 322, 17.12.1977.

⁷ Bull. EC 4-1989, point 2.1.11.

⁸ OJ C 65, 15.3.1989; Bull. EC 12-1988, point 2.1.143.

⁹ OJ L 228, 16.8.1973.

¹⁰ OJ L 172, 4.7.1988; Bull. EC 6-1988, point 2.1.124.

¹¹ OJ C 158, 26.6.1989.

¹² Bull. EC 4-1989, point 2.1.16.

¹³ OJ C 179, 17.7.1986; Bull. EC 3-1986, point 1.2.1 *et seq.*; Supplement 5/86 — Bull. EC.

¹⁴ OJ C 110, 27.4.1988; Bull. EC 4-1988, point 2.1.11.

2.1.12. Following this opinion, on 26 May the Commission adopted a revised proposal¹ which included most of Parliament's amendments, particularly those relating to the programming budget criterion, material produced recently by independent producers and advertising breaks.

Public procurement

Excluded activities

2.1.13. On 25 May Parliament delivered an opinion (first reading)² on two proposals for Directives on procedures for the award of public contracts in connection with water, energy and transport services³ and in the telecommunications field.⁴ Generally speaking, it supported the objectives of the two proposals, although it suggested technical amendments to the first proposal.

Free movement of goods

Removal of trade barriers

Industrial products

Electromagnetic compatibility

2.1.14. On the basis of a proposal from the Commission,⁵ re-examined on 6 March⁶ in the light of Parliament's opinion (second reading) of 15 February,⁷ the Council (Internal Market), at its meeting of 3 May, adopted Directive 89/336/EEC on the approximation of the laws of the Member States relating to electromagnetic compatibility.⁸ The Directive will apply to apparatus liable to cause electromagnetic disturbance or the performance of which is liable to be affected by such disturbance. It defines the essential protection requirements with which electric and electronic appliances must comply, refers to harmonized standards or, where these do not exist, to national standards for the definition of technical specifications, and establishes procedures for declaring the conformity of the

appliances in question. The Directive stipulates that 1 July 1991 will be the deadline for the adoption and publication of national provisions and that 1 January 1992 will be the date on which such provisions become applicable.

Wheeled agricultural and forestry tractors

2.1.15. Following the opinion delivered by Parliament (first reading) on 12 April,⁹ the Council (Internal Market), at its meeting of 3 May, adopted three common positions on the proposals to amend the Council Directives relating to roll-over protection structures:¹⁰ 77/536/EEC of 28 June 1977 (standard tractors),¹¹ 86/298/EEC of 26 May 1986 (narrow-track tractors — rear-mounted structures),¹² and 87/402/EEC of 25 June 1987 (narrow-track tractors — front-mounted structures).¹³

Weighing instruments

2.1.16. On 25 May² Parliament delivered its opinion (first reading) on the proposal for a Directive relating to non-automatic weighing instruments.¹⁴ The House endorsed the Commission proposal subject to some technical amendments.

2.1.17. On 31 May the Economic and Social Committee delivered a unanimous opinion, without discussion, endorsing the proposal.¹⁴

¹ OJ C 147, 14.6.1989; COM(89) 247 final and Annex.

² OJ C 158, 26.6.1989.

³ OJ C 319, 12.12.1988; Bull. EC 6-1988, point 2.1.51; Supplement 6/88 — Bull. EC.

⁴ OJ C 40, 1.2.1989; Bull. EC 6-1988, point 2.1.51; Supplement 6/88 — Bull. EC.

⁵ OJ C 322, 2.12.1987; Bull. EC 11-1987, point 2.1.22.

⁶ OJ C 81, 1.4.1989; Bull. EC 3-1989, point 2.1.16.

⁷ OJ C 69, 20.3.1989; Bull. EC 2-1989, point 2.1.9.

⁸ OJ L 139, 23.5.1989.

⁹ OJ C 120, 16.5.1989; Bull. EC 4-1989, point 2.1.19.

¹⁰ OJ C 305, 30.11.1988; OJ C 311, 6.12.1988; OJ C 384, 17.12.1988; Bull. EC 11-1988, point 2.1.21.

¹¹ OJ L 220, 29.8.1977.

¹² OJ L 186, 8.7.1986; Bull. EC 5-1986, point 2.1.13.

¹³ OJ L 220, 8.8.1987; Bull. EC 6-1987, point 2.1.12.

¹⁴ OJ C 55, 4.3.1989; Bull. EC 12-1988, point 2.1.22.

Gas appliances

2.1.18. On 25 May¹ Parliament delivered a favourable opinion at first reading on the proposal for a Directive relating to appliances burning gaseous fuels,² while proposing some technical amendments.

2.1.19. On 31 May the Economic and Social Committee delivered an opinion on the proposal.² While approving the proposed measures in principle, the Committee was of the opinion that they should not deal exclusively with the safety and energy-saving aspects of non-industrial gas appliances. The Committee deemed it advisable to approximate the regulations governing appliances for domestic and non-domestic use, and to regulate strictly in other areas such as the installation and repair of appliances.

Safety of machines

2.1.20. On 24 May¹ Parliament approved at second reading the Council's common position³ on the proposal for a Directive on machines.⁴

Dangerous substances

2.1.21. On 3 May the Council adopted a common position on the proposal for a Directive⁵ amending for the eighth time Council Directive 76/769/EEC of 27 July 1976 relating to restrictions on the marketing and use of certain dangerous substances and preparations,⁶ on which it had reached agreement on 13 April.⁷

Foodstuffs

2.1.22. On the basis of a proposal from the Commission⁸ and further to the opinion delivered by Parliament at second reading,⁹ on 3 May the Council formally adopted Directive 89/344/EEC¹⁰ amending for the ninth time Directive 73/241/EEC on the approximation of the laws of the Member States relating to cocoa and chocolate products intended for human consumption.¹¹

2.1.23. On 3 May the Council also formally adopted, on a proposal from the Commission¹² and after receiving the opinion of Parliament at second reading,¹³ Directive 89/398/EEC on the approximation of the laws of the Member States relating to foodstuffs intended for particular nutritional uses. This Directive lays down the general rules governing all foodstuffs intended for particular nutritional uses and establishes a list of groups of foods for which specific provisions will be adopted. In addition it lays down a procedure for the provision of information when dietetic foods not covered by the Directives are placed on the market.

2.1.24. On 2 May, further to the opinion delivered by Parliament at first reading on 15 March,¹⁵ the Commission adopted,¹⁶ for transmission to the Council, a second amendment¹⁷ to its proposal for a Directive¹⁸ amending for the eighth time the Directive of 23 October 1962 on the approximation of the laws of the Member States concerning the colouring matters authorized for use in foodstuffs intended for human consumption.¹⁹

2.1.25. On 24 May¹ Parliament approved at second reading the Council's common

¹ OJ C 158, 26.6.1989.

² OJ C 42, 21.2.1989; Bull. EC 12-1988, point 2.1.21.

³ Bull. EC 12-1988, point 2.1.19.

⁴ OJ C 29, 3.1.1988; Bull. EC 11-1987, point 2.1.21; OJ C 214, 16.8.1988; Bull. EC 6-1988, point 2.1.30; OJ C 37, 14.2.1989; Bull. EC 12-1988, point 2.1.19.

⁵ OJ C 43, 16.2.1988; Bull. EC 1-1988, point 2.1.11.

⁶ OJ L 262, 27.9.1976.

⁷ Bull. EC 4-1989, point 2.1.20.

⁸ OJ C 16, 21.1.1988; Bull. EC 12-1987, point 2.1.15.

⁹ OJ C 96, 17.4.1989; Bull. EC 3-1989, point 2.1.18.

¹⁰ OJ L 142, 25.5.1989.

¹¹ OJ L 228, 16.8.1973.

¹² OJ C 124, 23.5.1986; Bull. EC 4-1986, point 2.1.10; OJ C 161, 19.6.1987; Bull. EC 5-1987, point 2.1.14.

¹³ OJ C 120, 16.5.1989; Bull. EC 4-1989, point 2.1.26.

¹⁴ OJ L 186, 30.6.1989.

¹⁵ OJ C 96, 17.4.1989; Bull. EC 3-1989, point 2.1.19.

¹⁶ COM(89) 217 final.

¹⁷ First amendment: OJ C 111, 28.4.1988; Bull. EC 3-1988, point 2.1.19.

¹⁸ OJ C 278, 30.10.1985; Bull. EC 9-1985, point 2.1.10.

¹⁹ OJ 115, 11.11.1962.

position¹ on the proposal for a Directive² amending for the fifth time Council Directive 74/329/EEC of 18 June 1974 relating to emulsifiers, stabilizers, thickeners and gelling agents for use in foodstuffs.³

2.1.26. On 25 May⁴ Parliament delivered a favourable opinion at first reading, subject to amendment of the quantities referred to, on the proposal for a Directive⁵ amending Council Directive 75/106/EEC of 19 December 1974 relating to the making-up by volume of certain prepackaged liquids.⁶

2.1.27. On the same day⁴ Parliament delivered an opinion at first reading on the proposal for a Directive⁷ on nutrition labelling rules for foodstuffs intended for sale to the ultimate consumer. It added numerous amendments which extended the list of nutrients.

2.1.28. On 31 May the Economic and Social Committee delivered an opinion on the proposal for a Directive concerning foods and food ingredients treated with ionizing radiation.⁸ The Committee considered it preferable not to adopt a Community legal framework in the field of food irradiation for foods other than spices until the Commission had conclusive proof of the technological necessity and the harmlessness of this method of preservation.

2.1.29. In accordance with the provisions of Council Directive 80/777/EEC of 15 July 1980 relating to the exploitation and marketing of natural mineral waters,⁹ Ireland and Italy informed the Commission of the list of recognized mineral waters.¹⁰

Pharmaceuticals

2.1.30. On 3 May, on the basis of a proposal from the Commission¹¹ and further to the opinion delivered by Parliament at second reading on 12 April,¹² the Council formally adopted three Directives relating to pharmaceutical products:

(i) Directive 89/341/EEC¹³ amending Council Directives 65/65/EEC¹⁴ of 26 Jan-

uary 1965, 75/318/EEC¹⁵ and 75/319/EEC¹⁵ of 20 May 1975 relating to proprietary medicinal products;

(ii) Directives 89/234/EEC¹³ and 89/343/EEC¹³ extending the scope of Directives 65/65/EEC¹⁴ and 75/319/EEC¹⁵ and laying down additional provisions for immunological medicinal products and radiopharmaceuticals.

2.1.31. Further to the opinion delivered by Parliament at second reading on 12 April,¹² on 26 May the Commission adopted,¹⁶ for communication to the Council, a re-examined proposal for a Directive also extending the scope of Directives 65/65/EEC¹⁴ and 75/319/EEC¹⁵ relating to proprietary medicinal products and laying down additional provisions for medicinal products derived from human blood or human plasma. The Commission maintained its proposal as formulated in the Council's common position of 21 December 1988.¹⁷

Fertilizers

2.1.32. Further to the opinion delivered by Parliament at first reading on 12 April,¹⁸ on 3 May the Council adopted a common position on the proposal for a Directive¹⁹ supplementing and amending Directive 76/116/EEC²⁰ of 18 December 1975 in respect

¹ Bull. EC 3-1989, point 2.1.17.

² OJ C 214, 16.8.1988; Bull. EC 6-1988, point 2.1.39.

³ OJ L 189, 12.7.1974.

⁴ OJ C 158, 26.6.1989.

⁵ OJ C 31, 7.2.1989; Bull. EC 12-1988, point 2.1.27.

⁶ OJ L 42, 15.2.1975.

⁷ OJ C 282, 5.11.1988; Bull. EC 9-1988, point 2.1.9.

⁸ OJ C 336, 31.12.1988; Bull. EC 11-1988, point 2.1.27.

⁹ OJ L 229, 30.8.1980; Bull. EC 7/8-1980, point 2.1.15.

¹⁰ OJ C 131, 27.5.1989.

¹¹ OJ C 36, 8.2.1988; Bull. EC 12-1987, point 2.1.18; OJ C 308, 3.12.1988; Bull. EC 11-1988, point 2.1.32.

¹² OJ C 120, 16.5.1989; Bull. EC 4-1989, point 2.1.30.

¹³ OJ L 142, 25.5.1989.

¹⁴ OJ L 22, 9.2.1965.

¹⁵ OJ L 147, 9.6.1975.

¹⁶ COM(89) 178 final; OJ C 154, 22.6.1989.

¹⁷ Bull. EC 12-1988, point 2.1.33.

¹⁸ OJ C 120, 16.5.1989; Bull. EC 4-1989, point 2.1.32.

¹⁹ OJ C 304, 29.11.1988; Bull. EC 10-1988, point 2.1.16.

²⁰ OJ L 24, 30.1.1976.

of the trace elements boron, cobalt, copper, iron, manganese, molybdenum and zinc contained in fertilizers.

Standardization, certification and testing

Technical standards and regulations

2.1.33. Further to the opinion delivered by Parliament at first reading on 14 December 1988,¹ on 19 May² the Commission adopted its proposal for a Directive relating to personal protective equipment.

Customs union

Simplification of customs formalities

International Conventions

2.1.34. On 3 May, on a proposal from the Commission,³ the Council formally adopted Decision 89/339/EEC⁴ accepting on behalf of the Community the recommendation of 5 June 1962 of the Customs Cooperation Council concerning the customs treatment of registered baggage carried by rail as amended on 21 June 1988. The recommendation is designed to update the content of the customs declaration for registered baggage and to facilitate the introduction of that document by countries which hitherto were unable to use it.

General legislation

Temporary use

2.1.35. On 3 May, on a proposal from the Commission,⁵ the Council formally adopted Regulation (EEC) No 1292/89⁶ amending Council Regulation (EEC) No 3/

84⁷ introducing arrangements for movement within the Community of goods sent from one Member State for temporary use in one or more other Member States, on which it adopted a common position in February.⁸

Customs debt

2.1.36. On 11 May,⁹ the Commission adopted for transmission to the Council a proposal for the amendment of Council Regulation (EEC) No 1031/88 determining the persons liable for payment of a customs debt.¹⁰ The proposal takes account of a further case in which a customs debt is incurred in a free zone or a free warehouse.

Customs procedures with economic impact

Inward processing

2.1.37. On 16 May the Commission adopted Regulation (EEC) No 1325/89¹¹ amending Council Regulation (EEC) No 3677/86 of 24 November 1986 laying down provisions for the implementation of Regulation (EEC) No 1999/85 on inward processing relief arrangements.¹² The amendment makes the delivery of civil aircraft to airline companies and the repair, modification or conversion of such aircraft carried out under inward processing relief arrangements equivalent to an export from the customs territory of the Community.

¹ OJ C 12, 16.1.1989; Bull. EC 12-1988, point 2.1.16.

² COM(89) 177 final; OJ C 142, 8.6.1989.

³ Bull. EC 2-1989, point 2.1.45.

⁴ OJ L 142, 25.5.1989.

⁵ OJ C 324, 17.12.1988; Bull. EC 11-1988, point 2.1.83.

⁶ OJ L 130, 12.5.1989.

⁷ OJ L 2, 4.1.1984; Bull. EC 12-1983, point 2.1.25.

⁸ Bull. EC 2-1989, point 2.1.46.

⁹ OJ C 142, 8.6.1989; COM(89) 214 final.

¹⁰ OJ L 102, 21.4.1988; Bull. EC 4-1988, point 2.1.65.

¹¹ OJ L 133, 17.5.1989.

¹² OJ L 351, 12.12.1986; Bull. EC 11-1986, point 2.1.67.

Temporary importation

2.1.38. On 3 May, on a proposal from the Commission,¹ the Council adopted Decision 89/345/EEC authorizing the Member States to accept an amendment to the Customs Convention on the ATA Carnet for the Temporary Admission of Goods (ATA Convention).²

2.1.39. On 16 May the Council adopted a Decision authorizing the Commission to take part, on behalf of the Community, in negotiations within the United Nations Economic Commission for Europe on the revision of the 1954 and 1956 customs conventions on the temporary importation of private and commercial road vehicles.

2.1.40. On 31 May the Commission adopted Regulation (EEC) No 1516/89³ amending Regulation (EEC) No 1751/84 of 13 June 1984 laying down certain provisions for the application of the temporary importation arrangements.⁴ The amendment reflects experience with the temporary importation of goods in special circumstances without any economic impact, and provides for introduction of the Combined Nomenclature terminology.

Customs processing

2.1.41. On 31 May the Commission adopted for transmission to the Council a proposal for a Regulation⁵ amending the list annexed to Council Regulation (EEC) No 2763/83 of 26 September on arrangements permitting goods to be processed under customs control,⁶ to make permanent the temporary measures laid down by Commission Regulation (EEC) No 4082/88 of 21 December 1988,⁷ and adapt the classification of the goods.

Common Customs Tariff and Combined Nomenclature

Common Customs Tariff

Lowering of customs duties under the Uruguay Round

2.1.42. On 29 May the Council formally adopted Regulation (EEC) No 1672/89⁸

amending Regulation (EEC) No 2658/87 on the tariff and statistical nomenclature and on the Common Customs Tariff.⁹ The Regulation implements on an autonomous basis the modification of duties resulting from the Community's offer on tropical products under the Uruguay Round negotiations at the mid-term review in Montreal.¹⁰

Measures relating to accession

2.1.43. On 2 May the Commission adopted for transmission to the Council a proposal for a Decision of the Representatives of the Member States meeting within the Council making Spanish ECSC products imported into the Community of Ten eligible for a total suspension of duty.

Combined Nomenclature

2.1.44. On 8 May, with a view to the uniform application of the Combined Nomenclature, the Commission adopted Regulation (EEC) No 1260/89 concerning the classification of certain goods within the Combined Nomenclature.¹¹

2.1.45. On 26 May the Commission adopted Regulation (EEC) No 1473/89¹² amending Regulation (EEC) No 4141/87 determining the conditions under which goods for certain categories of aircraft and ships are eligible on import for a favourable tariff arrangement by reason of their end-use.¹³

¹ Bull. EC 4-1989, point 2.1.36.

² OJ L 142, 25.5.1989.

³ OJ L 148, 1.6.1989.

⁴ OJ L 171, 29.6.1984; Bull. EC 6-1984, point 2.1.28.

⁵ COM(89) 196 final.

⁶ OJ L 272, 5.10.1983; Bull. EC 9-1983, point 2.1.27.

⁷ OJ L 355, 23.12.1988.

⁸ OJ L 169, 19.6.1989.

⁹ OJ L 256, 7.9.1987; Bull. EC 7/8-1987, point 2.1.80.

¹⁰ Bull. EC 12-1988, points 2.2.2 to 2.2.4.

¹¹ OJ L 126, 9.5.1989.

¹² OJ L 146, 30.5.1989.

¹³ OJ L 387, 31.12.1987.

Taxation

Indirect taxation

Removal of tax frontiers

2.1.46. On 17 May the Commission adopted for transmission to the Council a communication proposing a number of new guidelines for the approximation of VAT and excise duty rates (→ point 1.1.1 *et seq.*).

Turnover taxes

2.1.47. On 16 May the Commission adopted for transmission to the Council a proposal for a Decision¹ authorizing the United Kingdom to apply for an indefinite period a measure derogating from Article 11(A)(1)(a) of Council Directive 77/388/EEC of 17 May 1977 (Sixth VAT Directive).² This derogation had previously been authorized for two successive two-year periods, on 13 June 1985³ and 25 May 1987.⁴ Its purpose is to counter tax avoidance in connection with certain marketing structures based on the sale of goods through persons not registered for VAT purposes by taxing supplies to such persons on the basis of the open-market value as determined at the retail stage.

Enterprise

Business environment

Company law

2.1.48. On 16 May the Council adopted a common position on the proposal for an Eleventh Directive on the company law concerning disclosure requirements in respect of branches opened in a Member State by

certain types of companies governed by the law of another Member State.⁵

2.1.49. On 25 May Parliament approved on first reading⁶ the proposal for a Directive⁷ to amend Council Directive 78/660/EEC of 25 July 1988 on annual accounts (Fourth Directive)⁸ and Council Directive 83/349/EEC of 13 June 1983 on consolidated accounts (Seventh Directive)⁹ with respect to the exemptions for small and medium-sized companies. The amendments were designed, among other things, to reduce from 50% to 25% the flexibility to be allowed to Member States in fixing thresholds for the balance-sheet total and net turnover for the purpose of defining small and medium-sized companies.

2.1.50. In the light of Parliament's opinion,¹⁰ the Commission amended¹¹ on 24 May its proposal for a Directive on single-member private limited-liability companies.¹²

Business and commercial law

2.1.51. On 26 May in San Sebastian the Representatives of the Governments of the Member States, meeting in the Council, signed the Convention on the accession of Spain and Portugal to the Brussels Convention on Jurisdiction and the Enforcement of Judgments in Civil and Commercial Mat-

¹ COM(89) 240 final.

² OJ L 145, 13.6.1977.

³ OJ L 199, 31.7.1985; Bull. EC 6-1985, point 2.1.56.

⁴ OJ L 188, 8.7.1987.

⁵ OJ C 203, 12.8.1986; Bull. EC 7/8-1986, points 2.1.16 and 3.5.1; OJ C 105, 21.4.1988; Bull. EC 4-1988, point 2.1.80; Supplement 5/88 — Bull. EC.

⁶ OJ C 158, 26.6.1989.

⁷ OJ C 287, 11.11.1988; Bull. EC 10-1988, points 2.1.69.

⁸ OJ L 222, 14.8.1978.

⁹ OJ L 193, 18.7.1983; Bull. EC 5-1983, points 2.1.26 to 2.1.30.

¹⁰ OJ C 96, 17.4.1989; Bull. EC 3-1989, point 2.1.29.

¹¹ COM(89) 193 final.

¹² OJ C 173, 2.7.1988; Bull. EC 3-1988, point 2.1.93; Supplement 5/88 — Bull. EC.

ters and to the Protocol on its Interpretation by the Court of Justice.¹ The Convention had been opened for signature in September 1988.²

Intellectual property

2.1.52. With the Council's authorization,³ the Commission, acting on behalf of the Community, attended as a full participant the Diplomatic Conference for the conclusion of a Treaty on the protection of intellectual property in respect of integrated circuits, which took place under the auspices of the World Intellectual Property Organization (WIPO) in Washington DC between 8 and 26 May. The Community is largely competent in this matter by virtue of Council Directive 87/54/EEC of 16 December 1986 on the legal protection of topographies of semiconductor products,⁴ although Member States remain competent for some aspects.

The final text as adopted by the Conference includes provisions allowing the Community to become a party alongside the Member States. Within the Assembly of the Union established by the Treaty, the Community will, in matters where it is competent, be able to exercise the same number of votes as the number of its Member States which have signed the Treaty and which are present.

As regards the subject matter of the Treaty, a minimum term of eight years' protection is provided for. Topographies will be protected against reproduction and incorporation into an integrated circuit. Commercial exploitation of a topography or an integrated circuit will require authorization. Explicit rules have been established governing the circumstances in which non-voluntary licences can be issued, and a mechanism is provided for to deal with disputes between parties over the implementation of the Treaty, although no sanctions are envisaged.

The final text was approved by all the delegations, except those of the two largest producers of semiconductor products, the United States and Japan, which were of the opinion that the minimum standards laid down were insufficient.

Administrative simplification

2.1.53. On 10 May the Commission adopted for transmission to the Council a proposal for a recommendation relating to the implementation of a policy of administrative simplification in Member States.⁵ Following up the communication adopted by it on 20 April 1988 on administrative simplification in the Community,⁶ the Commission drew Member States' attention to the most effective measures that had been identified for assisting them in their efforts to improve the business environment.

Small business

Action programme

2.1.54. On 26 May Parliament adopted a favourable opinion⁷ on the proposal for a Decision relating to the improvement of the business environment and the promotion of the development of enterprises,⁸ expressing a wish to be involved in this work.

Information

2.1.55. Pursuant to the Council resolution of 30 June 1988⁹ and following the call for

¹ OJ L 299, 31.12.1972.

² Bull. EC 9-1988, point 2.1.11.

³ Bull. EC 4-1989, point 2.1.43.

⁴ OJ L 24, 27.1.1987; Bull. EC 12-1986, point 2.1.33.

⁵ COM(89) 259.

⁶ Bull. EC 4-1988, point 2.1.29.

⁷ OJ C 158, 26.6.1989.

⁸ OJ C 79, 30.3.1989; Bull. EC 2-1989, point 2.1.12.

⁹ OJ C 197, 27.7.1988; Bull. EC 6-1988, point 2.1.45.

tenders for new host structures,¹ on 30 May the Commission decided to extend the Euro-info Centre network,² adding a further 148 to the 39 which already exist.

The Euro-info Centre project was launched in 1987³ and is one of the cornerstones of the Commission's enterprise policy. The Centres' role is to assist, inform and counsel enterprises on Community affairs, and they are able to deal with all questions concerning the single market, e.g. legislation, standards and tax matters. They operate independently but are located in established local host organizations.

to the Council for its assent setting the amount of ECSC steel of Portuguese origin that may be delivered to the rest of the Community market, excluding Spain, in 1989. This amount, set at 100 000 tonnes in 1988, has been increased to 110 000 tonnes to pave the way for a smooth transition when the present arrangements expire in 1990 and to take account of the measures, additional to the plan for the restructuring of the Portuguese steel industry, taken by the Portuguese authorities.⁴

Market situation

2.1.57. According to Eurostat the buoyancy of the market in 1988 led to an increase in orders and deliveries as shown in Table 1.⁵

Industrial strategy and services

Sectoral policies

Steel

Transitional measures

2.1.56. On 11 May the Commission adopted a draft Decision for transmission

¹ Bull. EC 11-1988, point 2.1.39.

² The full list of Centres can be obtained from Directorate-General XXIII, Commission of the European Communities, Rue de la Loi 200, 1049 Brussels.

³ Bull. EC 7/8-1987, point 2.1.23.

⁴ Bull. EC 6-1988, point 2.1.55.

⁵ Eurostat, *Iron and steel*, No 5/89.

Table 1 — *Orders and deliveries of rolled ordinary-steel products*

	<i>thousand tonnes</i>	
	1987	1988
Orders from:		
national markets	56 362	64 491
other ECSC countries	23 752	26 270
non-member countries	20 592	17 921
Total	100 706	108 682
Deliveries to:		
national markets	55 263	62 824
other ECSC countries	22 712	25 426
non-member countries	20 521	19 014
Total	98 496	107 264

Only sales to non-member countries showed a fall in 1988 compared with 1987, due partly to the high prices on the Community market and partly to the fact that demand within the Community was sufficient to absorb potential supply.

2.1.58. According to the International Iron and Steel Institute (IISI), plans for an expansion of iron ore production capacity up to 1990 have been revised downwards in comparison with the predictions it made in 1984. At the time it estimated that total mining capacity would be 690 million tonnes in 1990 but it is now only 645 million tonnes, whilst the forecasts for 1995 and the year 2000 are 666 and 676 million tonnes respectively. Exports from Western Europe are expected to fall from 28 to 23 million tonnes between 1990 and the year 2000.

Other sectors

The mining industry

2.1.59. On 17 May the Commission approved for transmission to the Council a memorandum on the mining industry in the Community which recommends a strengthening and a broadening of Community action in the field, since the profile of the Community's mining industry has greatly changed with the accession of Greece, Spain and Portugal with their great mining potential (gold deposits and reserves of bauxite, chromium, nickel and tungsten) offering really good prospects.¹

This contrasts with the situation in many other Community countries where the industry is in decline, with only a marginal role to play in the Community's overall supply. However, in the last few years the mining industry has seen very rapid technological advance: the output of Community mines supplies on average 25% of needs and is worth some ECU 12.2 billion; Community production of industrial ores even exceeds total needs. The Community had a foreign-trade deficit approaching ECU 3.6 billion in 1986.

After an analysis of the problems of exploration, extraction, research and development and commercial policy in the mining industry, the document presents a series of conclusions which, taking into account the position the industry occupies in the Community's economy, sets out the general objectives which must be attained in order to ensure the development of the industry in normal economic conditions as well as specific measures which should be taken to solve the industry's main problems.

Research and technology

Community R&TD

Framework programme

2.1.60. On 3 May the Commission adopted, for transmission to the Council and to Parliament, a communication on science and technology for the economic and social development of Europe — a framework for Community action in the 1990s. This communication, which is intended to serve as a basis for future discussions on the revision of the framework programme (1987-91),² takes account of the policy guidelines adopted by the Council (Research) at its meeting of 14 March,³ the outcome of the wide-ranging consultations initiated at the end of 1988 on the first report on the state of science and technology in Europe,⁴ and the work of the European Parliament.⁵

In this communication the Commission observes that there are new trends which have to be taken into consideration by the Community in its discussions on future action in the field of research and technological development, namely the growing

¹ COM(89) 278 final.

² OJ L 302, 24.10.1987; Bull. EC 9-1987, point 2.1.32.

³ Bull. EC 3-1989, point 2.1.35.

⁴ Bull. EC 11-1988, point 2.1.47.

⁵ OJ C 288, 11.11.1985; Bull. EC 10-1985, point 2.5.22; OJ C 190, 20.7.1987; Bull. EC 6-1987, point 2.4.19.

competition in advanced technology both within the Community and from its main international trading partners, the new demands of the European public for a better quality of life, the changing scientific and technological environment, in particular the development of information technology, biotechnology, and materials technology. In order to address these issues Community action must be based on three guiding principles: use of the institutional base provided by the Single Act; observance of the principle of subsidiarity as a methodology for action; and a political commitment to the cohesion of the Community. Community action will also have to develop along six broad lines: maintaining the principle of precompetitive Community research while also taking account of the different stages of development of R&TD, focusing efforts on the key sectors, optimizing resources by increasing the flexibility of the various financing mechanisms, stepping up pre-standardization and pre-regulatory research, utilizing human resources better by increasing interchange and strengthening networks, and introducing more flexibility in the methods of Community projects management.

2.1.61. Referring to its previous resolutions¹ and to the first Commission report on the state of science and technology in Europe,² Parliament adopted a resolution on 26 May on Europe's response to the modern technological challenge.³ Drawing attention to the undertaking given at the European Council meeting in Milan in June 1985⁴ to set aside 6% of the Community budget for research and technological development, it called for a doubling of the budgetary appropriations for European R&TD policy over the next few years. Putting forward its suggestions on the policy the Community should adopt in this area, Parliament called on the Commission to report to it every year from now on and asked it in particular to carry out an exhaustive study of the phenomenon of science and technology parks in Europe and to propose ways of arresting the 'brain drain'.

Joint Research Centre

2.1.62. On 3 May, acting on a proposal from the Commission⁵ and in the light of Parliament's opinion,⁶ the Council adopted Decision 89/340/EEC on work for third parties performed by the Joint Research Centre relevant to the European Community.⁷

Coordination of national policies

2.1.63. Meeting in Madrid on 18 and 19 May the Scientific and Technical Research Committee (Crest) held a detailed exchange of views on the principles on which Community R&TD should be based in the 1990s. In particular, it discussed the present situation and the problems affecting the Community's scientific and technical development.

The Committee recommended that the Commission submit specific proposals to serve as a basis for drawing up the future framework programme, with particular regard to the application of the principle of subsidiarity (criteria) and the management of Community R&TD (supplementary programmes, decentralization of management).

International cooperation

Framework Agreements with the EFTA countries

2.1.64. On 24 May the Commission adopted, for transmission to the Council, two proposals for Decisions on the conclusion of Cooperation Agreements between the European Economic Community and, respectively, Austria⁸ and

¹ OJ C 288, 11.11.1985; Bull. EC 10-1985, point 2.5.22; OJ C 190, 20.7.1987; Bull. EC 6-1987, point 2.4.19.

² Bull. EC 11-1988, point 2.1.47.

³ OJ C 158, 26.6.1989.

⁴ Bull. EC 6-1985, point 1.2.6.

⁵ OJ C 13, 17.1.1989; Bull. EC 12-1988, point 2.1.54.

⁶ OJ C 120, 16.5.1989; Bull. EC 4-1989, 2.1.51.

⁷ OJ L 142, 25.5.1989.

⁸ OJ C 154, 22.6.1989; COM(89) 264 final.

Norway,¹ designed to involve these countries in the implementation of the plan to stimulate the international cooperation and interchange needed by European research scientists (1988-92) (Science programme).²

COST

2.1.65. On 11 May Austria signed the Memorandum of Understanding on COST Project 810 (Importance of mycorrhizae in the circulation of matter in the soil and in plant nutrition).

2.1.66. On 17 May Ireland signed the Memoranda of Understanding in respect of the following COST projects: 225 (Secure telecommunications), 231 (Evolution of land mobile radio communications), 312 (Effects of the Channel Tunnel) and 88 (Methods of early detection and identification of plant diseases).

International agreements

2.1.67. On 24 May the Commission adopted, for transmission to the Council, a recommendation for a Decision authorizing it to negotiate a Framework Agreement for scientific and technical cooperation between the Community and Australia (→ point 2.2.14).

Main areas of Community R&TD

Quality of life

Radiation protection

2.1.68. From 16 to 19 May the Commission held a workshop in Luxembourg on the real-time computing of the environmental consequences of an accidental release to atmosphere from a nuclear installation, as part of its programme of research in the field of radiation protection (1985-89).³ The discussions, attended by over 70 international experts, revealed that recent progress in computing methods has now

made it possible to use reliable models for atmospheric dispersion, but that there is still a need to develop the interface with the measuring results and to devise expert systems to make it easier for non-specialists to use these models.

2.1.69. On 26 May the European Parliament approved the proposal for a Council Decision on a new research and training programme for Euratom in the field of radiation protection (1990-91) subject to an amendment entailing the entry of appropriations against the programme, as part of the annual budgetary procedure, in the light of the actual requirements.

Environment

2.1.70. As part of a series of conferences on bio-ethics, the Commission held a conference from 10 to 12 May in Brussels on the subject of environmental ethics, in the presence of the President, Mr Jacques Delors. This conference was attended by experts from numerous fields (scientists, engineers, philosophers, legal experts, historians) from seven industrialized countries and by representatives of a number of international cooperation bodies. The papers presented and the discussion reviewed all the issues relating to the formulation of environmental ethics to guide human behaviour in all activities likely to have an impact on the natural environment.

2.1.71. On 12 May, following Parliament's opinion,⁴ the Commission amended⁵ its proposal for a Council Decision adopting two specific research and development programmes in the field of the environment (STEP and Epoch)⁶

2.1.72. On 29 and 30 May a seminar was held in Valencia under the joint auspices of the Commission and the Spanish Ministry

¹ OJ C 154, 22.6.1989; COM(89) 265 final.

² OJ L 206, 30.7.1988; Bull. EC 6-1988, point 2.1.75.

³ OJ C 83, 25.3.1985; Bull. EC 12-1984, point 1.7.1 *et seq.*

⁴ OJ C 120, 16.5.1989; Bull. EC 4-1989, point 2.1.52.

⁵ OJ C 135, 1.6.1989; COM(89) 134 final.

⁶ OJ C 327, 20.12.1988; Bull. EC 11-1988, point 2.1.54.

for Science and Education on the contribution of remote sensing to the study of desertification. This seminar was attended by a number of international experts, who reviewed the current state of the art as regards the application of earth observation by satellite to the study of desertification in areas with a Mediterranean climate.

Industrial technologies

Raw materials

2.1.73. On 29 May, following the opinion delivered by Parliament in first reading on 24 May,¹ the Commission adopted² for transmission to the Council an amended proposal for a Decision adopting a specific R&TD programme in the field of raw materials and recycling (1990-92) (Reward).³ It took account of an amendment proposed by Parliament designed to ensure that small and medium-sized firms could have easy access to understandable information on the programme.

ECSC industries

Technical research on coal

2.1.74. Pursuant to Article 55(2) of the ECSC Treaty the Commission decided on 25 May to grant financial aid totalling ECU 26 703 900 for 80 technical research projects on coal. This aid is broken down as follows: mining engineering (44 projects) ECU 16 284 300, product beneficiation (34 projects) ECU 10 165 500, and dissemination of results (all projects) ECU 254 100.

Biological resources

Biotechnology

2.1.75. On 31 May, following the opinion delivered by Parliament in first reading on 24 May,¹ the Commission amended⁴ its proposal for a Decision adopting a specific R&TD programme in the field of biotechnology (1990-93) — (Bridge).⁵ One of the

effects of the amendment was to shorten the programme from five to four years.

Agro-industrial technologies

2.1.76. On 31 May, following the opinion delivered by Parliament in second reading¹ on the Council's common position,⁶ the Commission adopted a re-examined proposal for a Decision⁷ adopting a specific R&TD programme in the field of food science and technology (1989-93) (Flair).

Energy

Nuclear fission

2.1.77. On 12 May the Commission adopted, for transmission to the Council, Parliament and the Economic and Social Committee, a proposal for a Decision⁸ adopting a specific R&TD programme for the European Atomic Energy Community in the field of the management and storage of radioactive waste (1990-94). This programme continues the main lines of the 1985-89 programme,⁹ to which certain amendments have been made in order to take account of the results already obtained and of future requirements. The prime objective is to help with the demonstration and development of a complete system of radioactive waste management that is safe for man and protects his environment during every stage, and especially during the final stage (disposal).

Marine resources

2.1.78. On 31 May, following the opinion delivered by Parliament on 24 May (second

¹ OJ C 158, 26.6.1989.

² OJ C 164, 1.7.1989; COM(89) 274 final.

³ OJ C 52, 1.3.1989; Bull. EC 1-1989, point 2.1.17.

⁴ COM(89) 251 final.

⁵ OJ C 70, 20.3.1989; Bull. EC 12-1988, point 2.1.65.

⁶ Bull. EC 3-1989, point 2.1.44.

⁷ COM(89) 250 final.

⁸ OJ C 144, 10.6.1989; COM(89) 226 final.

⁹ OJ L 83, 5.3.1985; Bull. EC 3-1985, point 2.1.141.

reading)¹ on the Council's common position,² the Commission adopted a re-examined proposal for a Council Decision relating to the adoption of a first specific R&TD programme on marine science and technology (MAST).

European scientific and technical collaboration

Assessment

2.1.79. On 31 May, following the opinion delivered by Parliament on 24 May (second reading) on the Council's common position,⁴ the Commission adopted a re-examined proposal for a Council Decision⁵ adopting a Community programme in the field of strategic analysis, forecasting and assessment in the field of research and technology (1989-92) — Monitor.

European scientific dialogue

2.1.80. On 26 May Parliament adopted a resolution¹ on the foundation of a European Academy of Sciences and of forums for European scientific dialogue. It supports the creation of such an Assembly, which would act as an advisory body to the Commission, and puts forward suggestions concerning its membership and operation. Parliament stresses the need for a public dialogue and proposes that the Commission should organize it and establish individual forums for the discussion of specific matters of Community interest which would be open to all interested parties.

Telecommunications, information technology and innovation

Telecommunications

Common market in telecommunications

2.1.81. On 26 May Parliament delivered a favourable opinion (first reading)¹ on the

proposal for a Council Directive on the establishment of the internal market for telecommunications services through the implementation of open network provision (ONP).⁶ It adopted amendments relating, in particular, to the involvement of all interested parties in defining the conditions governing public access to telecommunications networks.

Combined use of IT and telecommunications in general applications

Eurotra programme

2.1.82. On 24 May Parliament approved (second reading)¹ the Council's common position⁷ on the proposal for a Decision on a specific programme for the implementation of a machine translation system (Eurotra)⁸ subject to certain amendments of a budgetary nature.

Dissemination and utilization of research results

Value programme

2.1.83. On 24 May Parliament delivered an opinion (second reading)¹ on the Council's common position⁹ on the proposal for a Decision adopting a specific programme for the dissemination and utilization of results from scientific and technological research (Value).¹⁰ It adopted amendments relating, in particular, to the reduction of the duration of the programme

¹ OJ C 158, 26.6.1989.

² Bull. EC 3-1989, point 2.1.49.

³ OJ C 155, 23.6.1989; COM(89) 252 final.

⁴ Bull. EC 3-1989, point 2.1.53.

⁵ OJ C 161, 28.6.1989; COM(89) 270 final.

⁶ OJ C 39, 16.2.1989; Bull. EC 12-1988, point 2.1.73.

⁷ Bull. EC 3-1989, point 2.1.59.

⁸ Bull. EC 5-1988, point 2.1.50; Bull. EC 2-1989, point 2.1.44.

⁹ Bull. EC 3-1989, point 2.1.57.

¹⁰ OJ C 184, 14.7.1988; Bull. EC 5-1988, point 2.1.45; OJ C 27, 2.2.1989; Bull. EC 12-1988, point 2.1.83.

from four to three years and the removal of the obligation to consult the Council on matters involving negotiations with non-member countries.

Competition

Restrictive practices, mergers and dominant positions: specific cases

Mergers

ASD/Welbeck

2.1.84. On 24 April the Commission authorized, under Article 66(2) of the ECSC Treaty, ASD plc, a Leeds steel stockholding merchant, to acquire the entire share capital of Welbeck International Ltd, a Barking-based steel stockholder. Although ASD's position in the UK market will be strengthened by the merger, the presence of a number of rival stockholders, including two larger firms, means that competition will not be reduced.

State aid ¹

General schemes

Aid to exports

Greece

2.1.85. On 3 May the Commission adopted a negative final decision under Article 93(2) of the EEC Treaty in respect of aid granted to Greek exporters in the form of relief from the single special tax introduced by Ministerial Decision E 3789/128 of 15 March 1988.² The tax is levied on companies' net profits for a 12-month accounting period, less that portion of profits which relates to gross export earnings over the same period. The Commission studied the measure — which did not form

part of the package of such measures which Greece was authorized to take to cope with serious balance-of-payments difficulties and strong pressure on the exchange rate — and concluded that it distorted competition within the common market and was liable to have a direct effect on trade between Greece and the rest of the Community. The Greek Government will have to modify the single special tax arrangements forthwith so as to eliminate the prohibited aid element and recover the difference between the tax which has been paid and that which should have been paid.

Aid for small businesses

France

2.1.86. On 31 May the Commission approved the financing of regional consultancy grant funds provided jointly by central government and the regions. These funds make grants available subject to limits which vary according to the region, to enable small businesses to call in outside consultants. The total budget earmarked for this purpose for 1989 is FF 200 million (ECU 28 million). The Commission considered the aid compatible with the common market, chiefly because of the limits on the amount granted per firm and the objective pursued, namely that of promoting the growth and competitiveness of small businesses. The Commission also approved the support for regional innovation and technology transfer centres. These flexibly structured non-profit-making organizations bring together various partners from the same region (universities, large industrial groups, etc.) and provide a range of services for firms (technical assistance, feasibility studies and scientific and technical information). The support, which is fairly modest in scale (FF 80-100 million, or ECU 10-14 million), will help promote technology transfers, particularly to small businesses.

¹ See the 'Agriculture', 'Fisheries', 'Transport' and 'Energy' sections for State aid measures in those fields.

² For details of the initiation of proceedings, see Bull. EC 9-1988, point 2.1.54.

Aid for R&D

Italy

2.1.87. On 24 May the Commission gave its approval under Article 92(3)(c) of the EEC Treaty to the award of aid by the Italian Government to two Eureka projects. The first concerns the design, development and manufacture of a new generation of high-performance, reliable components intended to make car and commercial vehicle engines more efficient. The Italian contribution to the funding of the project, which covers both basic and applied research, amounts to LIT 4.88 billion (ECU 3.2 million). Centro Ricerche Fiat and Teksid are to receive LIT 722.5 million (ECU 476 000) and LIT 874.5 million (ECU 577 000) respectively in the form of outright grants of an intensity of 32.7%. The second project, which involves basic research, aims to develop the mass production of biological materials based on animal cell cultures. The Italian contribution amounts to approximately ECU 4 millions, including a grant to Sorin Biomedica, a Fiat subsidiary, of LIT 2.6 billion (ECU 1.7 million). The aid intensity is 42.1% of eligible costs.

United Kingdom

2.1.88. On 3 May the Commission gave the go-ahead to a special R&D aid programme notified by the British Government. To qualify for aid, projects must normally cost at least UKL 500 000 (about ECU 700 000), be sufficiently innovative and high-risk, and involve basic and applied research or investment. The budget allocated to the scheme, which is to last three years (1988-91), amounts to UKL 20.5 million (about ECU 31.3 million) divided between R&D and investment projects. The maximum grant rate under the scheme is 25%, although in practice, owing to the stricter criteria that are being applied by the British authorities, the intensity is 21% (gross) for R&D and 16% (net) for investments.

Regional aid

France

2.1.89. On 31 May the Commission approved various conversion measures introduced by the French authorities to cope with the severe problems besetting mining areas. In France, this assistance is channelled through conversion companies (Sofirem and Finorpa), which make loans, acquire minority shareholdings in small and medium-sized companies and give advice. Back-up is provided by industrialization funds (FIBM), focused mainly on the business environment. It is planned to provide Sofirem and Finorpa with FF 377 million (ECU 53 million) in 1989. In reaching its decision, the Commission was mindful of the limited amounts involved, the small business aspect and the difficult social and economic situation in the mining areas, virtually all of which are in any case eligible for regional aid. The Commission satisfied itself that the ceilings it has placed on regional aid will not be exceeded and restricted its approval to the refinancing planned for 1989.

2.1.90. On 3 May the Commission decided to raise no objections to the provision by the French authorities of a regional planning grant totalling FF 120 million (ECU 17 million) to Kimberley Clark in connection with an investment worth FF 1 200 million (ECU 170 million) in the Toul-Villey-Saint-Etienne industrial zone.

The zone straddles the districts of Fontenoy-sur-Moselle — which is eligible for the grant — and Villey-Saint-Etienne, which is not. The river Moselle separates the two. For technical reasons to do with the nature of the investment, Kimberley Clark's new plant must be sited next to a river. For want of a sufficiently wide plot of land on the Fontenoy-sur-Moselle side, the company intends to build on the other side, in Villey-Saint-Etienne. In considering this case, the Commission took account of the contribution the investment will make, because

of the close proximity of the site, to the economic development of the assisted areas of Meurthe-et-Moselle, which have been faced with severe job losses in manufacturing and heavy emigration due to the restructuring of the steel industry. The difficulties experienced by the Toul area (job losses in the metalworking, glass, timber and furniture industries, the high level of youth unemployment and the low population density) and the fact that Meurthe-et-Moselle is fully eligible under the Resider programme¹ also contributed to the Commission's favourable attitude.

Portugal

2.1.91. On 24 May the Commission approved, for a three-year period, a financial aid and tax relief package notified by the Portuguese Government and intended for firms setting up in the free zone to be created on the island of Santa Maria (Azores). The financial aid consists of an outright investment grant of not more than ECU 295 000 per project and of a maximum intensity of 68 % net grant equivalent. The budget envisaged for this part of the package is ECU 4.8 million spread over the years 1989-91. The tax relief component takes the form of exemption from the various taxes normally payable by firms setting up in the free zone.

2.1.92. On 31 May the Commission approved a change in the system of incentives in force since 1988 designed to promote the efficient use of energy in the Setúbal peninsula (SIURE). Following the approved change, the region will qualify, during a limited period only (1989-93), for the maximum rate of award under the regional component of the SIURE: 20% net grant equivalent. The region is one of the most industrialized in Portugal, but with an economy heavily dependent on declining industries (steel and shipbuilding). Unemployment, at twice the national average, is very high.

Industry schemes

Shipbuilding

Federal Republic of Germany

2.1.93. On 3 May the Commission approved the award of investment aid to the German yard Neue Jadewerft in Wilhelmshaven. In addition to a 30 % investment grant provided in accordance with a previously authorized aid scheme,² the State of Niedersachsen plans to furnish an 80 % guarantee for a further DM 5.88 million (ECU 2.8 million) loan. The investment projects involve total costs of DM 14.2 million (ECU 6.8 million) concerning replacement of obsolete shipbuilding facilities. The Commission found that the investment would not lead to an increase in German shipbuilding capacity and that the total aid intensity (36%) was acceptable under Article 6 of the Sixth Directive on aid to shipbuilding.³

Italy

2.1.94. On the same day the Commission initiated scrutiny proceedings under Article 93(2) of the EEC Treaty in respect of an Italian draft law on aid to shipbuilding and fitting-out and measures to promote applied research in the industry. The overall budget set under the draft law amounts to LIT 658 billion (ECU 439 million). The Commission took the view that, on the basis of the information in its possession, numerous provisions in the draft law did not conform to the requirements of the Sixth Directive,³ notably the simultaneous granting of aid to yards and to shipowners, the intensity of the investment aid for shipbuilding and shipbreaking yards and for the conversion of yards and, lastly, the level of research and development aid. Furthermore, loss compensation for the Fincantieri group for the period during which the Sixth Directive is in force, which must be taken into account

¹ OJ L 316, 23.11.1988; Bull. EC 11-1988, point 2.1.148.

² Bull. EC 12-1987, point 2.1.116.

³ OJ L 69, 12.3.1987; Bull. EC 12-1986, point 2.1.122.

in calculating the authorized ceiling, was not notified to the Commission.

Netherlands

2.1.95. Again on 3 May the Commission approved amendments made by the Dutch Government to its 1988 Regulation on the stimulation of export activities. The purpose of the amendments, which had been properly notified, was to include shipbuilding in the scope of the Regulation. The amended Regulation replaces the interest bridging facility contained in the 1987 Regulation on the interest subsidy for the shipbuilding industry, which is being withdrawn as a result, with the following two aid measures:

(i) coverage of one third of the cost of submitting a tender for a shipbuilding contract, when requested by a potential customer situated outside the EEC, in the event of failure to win the order and provided the applicant has a foreign competitor who is eligible for similar assistance. Under Article 5 of the Sixth Directive,¹ this aid will count as aid to facilitate the continued operation of shipbuilding enterprises, depending on the annual turnover of the recipient yard;

(ii) coverage of the cost of providing or arranging an export credit for a customer, provided there is a foreign competitor, situated either inside or outside the EEC, whose Government provides similar assistance.

The Dutch Government has given the Commission a formal undertaking that aid granted under the Regulation will not, either by itself or when combined with aid under other authorized Dutch schemes, cause the aid ceilings for 1988 or 1989 to be exceeded, whichever level is applicable to individual applications.

Commercial vehicles

Spain

2.1.96. On 3 May the Commission adopted a conditional final decision authorizing the Spanish Government to pay PTA 47 billion (ECU 360 million) through the

INI holding company by way of capital and extraordinary contributions to the 1987-91 restructuring plan of Enasa, which manufactures commercial vehicles under the Pegaso name.²

After examining the details supplied by the Spanish authorities, the Commission concluded that the restructuring plan contributed to the overall restructuring of the Community's commercial vehicles industry, which has suffered from surplus production capacity since the early 1980s. Despite the fact that the restructuring should assist the company's recovery, the Commission judged the planned aid to be excessive in relation to the total cost of restructuring, namely PTA 128.4 billion (ECU 958 million). After analysing the company's finances and consulting the Spanish authorities, the Commission decided that the original aid figure of PTA 70 billion should be reduced by PTA 23 billion (ECU 176 million). The reduction will not jeopardize the company's economic and financial recovery once the restructuring plan has been implemented and will thus help avoid the market distortions which might result from excessive aid. The authorization is valid only if the Spanish Government gives no further aid to Enasa during implementation of the restructuring plan and guarantees that the plan will be carried out in full.

Cars

Italy

2.1.97. On 31 May the Commission decided that aid worth LIT 615 billion (ECU 399 million) paid in 1985 and 1986 to the Italian car manufacturer Alfa Romeo was incompatible with the common market and should be paid back to the Italian Government by Finmeccanica, the public holding company which owned Alfa Romeo. The Commission considered that the two capital injections made without prior notification

¹ OJ L 69, 12.3.1987; Bull. EC 12-1986, point 2.1.122.

² For details of the initiation of proceedings, see Bull. EC 2-1988, point 2.1.72.

by the Italian Government, in respect of which it had initiated the procedure laid down in Article 93(2) of the EEC Treaty,¹ did not correspond to the behaviour of a shareholder making an investment under normal market conditions. Alfa Romeo had been a constant lossmaker since 1975, with a more rapid deterioration since 1984. The aid, which was intended to offset these losses and which had been granted at a time when the European motor industry was suffering from severe overcapacity, was not made conditional on any rationalization which would have helped solve the company's underlying structural problems. By keeping Alfa Romeo artificially alive, the aid had seriously distorted competition. Nor could it be justified on regional policy grounds as it had not given rise to any genuine restructuring aimed at maintaining viable jobs in a less-favoured region such as the Mezzogiorno, where several Alfa Romeo plants are located. The Commission also concluded that the acceptance of the offer made by Fiat, which acquired Alfa Romeo at the end of 1986, contained no element of State aid, either compared with the offer made by Ford Motor Company, which was turned down, or as regards the price paid for Alfa Romeo's assets.

Film industry

Denmark and France

2.1.98. On 24 May the Commission terminated the Article 93(2) investigative proceedings it had initiated into aids granted by the French and Danish authorities to support the film industry.² The French scheme consists of aid to producers based on box-office receipts and of tax reductions on investments in audiovisual production. The budget for the scheme is fixed annually and in 1986 amounted to ECU 50 million. The Danish scheme provides for production grants and advances or guarantees on receipts. The Commission objected, not to the aid measures themselves, but to the fact that the award of aid was subject to certain discriminatory conditions based on nationality which worked to the disadvan-

tage of nationals of other Member States wishing to produce or take part in the making of an assisted film. The Commission argued that no distinction should be drawn between Community nationals, and this point of view has now been accepted by both governments. The Danish authorities have adopted a new law (No 218) which took effect on 5 April and which provides for aid to films made with the help of other Community nationals, who are consequently accorded full national treatment. The French authorities have issued a Decree, published in the Official Journal of the French Republic of 3 March, which states that other Community nationals are to be treated in the same way as French nationals for the purposes of eligibility for aid.

Aluminium

Italy

2.1.99. Also on 24 May the Commission took a final negative decision on two aid measures amounting to LIT 70 billion (ECU 46.2 million) and LIT 30 billion (ECU 19.8 million) in favour of Alumina and Comsal, two State-owned aluminium companies.³ The aid consisted of interest-free loans, later to be converted into equity capital. The Commission concluded that the measures were incompatible with the common market as they were not notified and were in breach of a Commission decision of 17 December 1986⁴ authorizing, under certain conditions, aid for the restructuring of the State-owned aluminium industry in Italy for the period 1983-88. One of the conditions was that the industry would receive no further aid over and above that authorized by the Commission up to the end of 1988.

¹ Bull. EC 7/8-1987, point 2.1.116; Bull. EC 5-1988, point 2.1.70.

² Bull. EC 12-1987, point 2.1.129.

³ Bull. EC 9-1988, point 2.1.60.

⁴ Bull. EC 12-1986, point 2.1.120.

Newsprint

Italy

2.1.100. On 3 May the Commission took a final negative decision on aid awarded by the Italian Government to the newsprint industry in respect of which it had initiated Article 93(2) proceedings.¹ In the course of the proceedings, the Commission had come to the conclusion that the public enterprise Ente Nazionale per la Cellulose e per la Carte, which purchases and stocks newsprint for the Italian press, was increasingly favouring Italian producers at the expense of their competitors from other Member States and from non-Community countries. The Commission estimates that the Italian newsprint industry received operating aid amounting to LIT 900 million (ECU 600 000) in 1985, LIT 21 billion (ECU 13.8 million) in 1986 and LIT 12 billion (ECU 7.9 million) in 1987.

Employment and social policy

Social dimension of the internal market

2.1.101. On 30 May the Commission adopted for transmission to the Council a preliminary draft Community Charter of Fundamental Social Rights (points 1.2.1 *et seq.* and 3.3.1).

Employment

Standing Committee on Employment

2.1.102. The Standing Committee on Employment held its 37th meeting on 12 May² in Brussels, with Mr Chaves Gonzales, Spanish Minister for Labour and Social Security, in the chair. It examined the Commission working paper on economic growth, employment and social conditions. At the end of the meeting the Chairman concluded, on behalf of the Committee, that

the quantitative growth of employment which was currently taking place in the favourable economic climate was accompanied by alterations in the traditional organization of labour and by qualitative changes in employment. The Committee considered that progress must be made in implementing the economic and social cohesion policy and welcomed the reform of the structural Funds.³ It reaffirmed its concern regarding the effective achievement of freedom of movement for Community workers, underlining the importance of the study of systems governing working conditions in the Member States which the Commission had been asked to carry out by the Hanover European Council.⁴

Financial instruments

Aid to disaster victims

2.1.103. On 3 May the Commission decided to grant emergency aid of ECU 400 000 to the families of the victims of the Hillsborough disaster in Sheffield. The aid would go to the solidarity fund set up by the United Kingdom authorities.

Living and working conditions, social protection

Poverty

2.1.104. On 25 May the European Parliament delivered a favourable opinion⁵ on the proposal for a Council Decision⁶ establishing a medium-term Community action programme to foster the economic and social integration of the least advantaged groups. Parliament was anxious to reinforce

¹ Bull. EC 7/8-1987, point 2.1.115; Bull. EC 6-1988, point 2.1.120.

² Previous meeting: Bull. EC 11-1988, point 2.1.118.

³ OJ L 185, 15.7.1988; Bull. EC 6-1988, point 2.1.159.

⁴ Bull. EC 6-1988, point 3.4.1.

⁵ OJ C 158, 26.6.1989.

⁶ OJ C 60, 9.3.1989; Bull. EC 12-1988, point 2.1.163.

Community efforts to combat poverty and proposed several amendments, mainly to raise the minimum amount allocated for the programme from ECU 70 million to ECU 125 million, and to accentuate the role of voluntary organizations while highlighting the specific aspects of poverty among women.

Equal opportunities for men and women

2.1.105. On 25 May the European Parliament adopted three resolutions¹ concerning respectively:

(i) the status of helping spouses in the professions. Parliament wishes account to be taken of the specific nature of their occupational situation, especially as regards tax and social matters;

(ii) the role of women in cooperatives and local employment initiatives: it underlined the new prospects opened up by cooperatives as regards women's access to the labour market. Parliament requested the Member States to remove legal obstacles to the constitution of this type of undertaking, and invited the Commission to promote such initiatives, particularly through adequate financial support;

(iii) the social situation of handicapped women and women who look after the handicapped: it welcomed the measures for disabled people adopted by the Commission, noting that insufficient account had been taken of the problems and specific concerns of women in this area; it called for the establishment of a Community framework which would define the rights of women caring for disabled people and would define and guarantee the fundamental rights of all disabled women in the Community.

Social security for migrant workers

2.1.106. On a proposal from the Commission² and in the light of the opinions of the European Parliament³ and the Economic and Social Committee,⁴ on 11 May

the Council adopted Regulation (EEC) No 1305/89⁵ amending Regulation (EEC) No 1408/71 on the application of social security schemes to employed persons and self-employed persons and to their families moving within the Community,⁶ and Regulation No 574/72 laying down the implementing rules for that Regulation.⁷ This amendment concerns technical adaptations following the accession of Spain and Portugal and contains transitional measures covering pensions and other benefits.

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2.1.107. On 10 May the Commission adopted recommendation 89/350/EEC on the introduction of an over-60s card.⁸ The Commission asked the Member States to put into effect by 1 January 1991 a card entitling the holder to enjoy the same special conditions in the area of public transport and cultural activities as are granted to nationals of the same age group in the Member State in which they are resident. The introduction of an over-60s card was advocated by the Commission in its communication on Community action in the field of tourism⁹ forwarded to the Council on 3 January 1986 and was called for by Parliament in its resolution of 14 May 1986 on Community action to improve the situation of elderly persons.¹⁰ The card is designed to enhance the personal life and improve the integration of elderly persons in society and to promote intra-Community tourism.

Health and safety

Public health

Cancer

2.1.108. At its meeting of 16 May the Council and the Ministers for Health meet-

¹ OJ C 158, 26.6.1989.

² OJ C 71, 26.3.1986; Bull. EC 3-1986, point 2.1.79.

³ OJ C 148, 16.6.1986; Bull. EC 5-1986, point 2.1.86.

⁴ OJ C 263, 20.10.1986; Bull. EC 7/8-1986, point 2.1.109.

⁵ OJ L 131, 13.5.1989.

⁶ OJ L 149, 5.7.1971.

⁷ OJ L 74, 27.3.1972.

⁸ OJ L 144, 27.5.1989.

⁹ OJ C 114, 14.5.1986; Bull. EC 1-1986, points 1.4.1 to 1.4.7; Supplement 4/86 — Bull. EC.

¹⁰ OJ C 148, 16.6.1986; Bull. EC 5-1986, point 2.1.88.

ing within the Council adopted a common position on the proposal for a Directive concerning the labelling of tobacco products.¹ In keeping with the Commission proposal this common position provides that all packets of tobacco products shall carry a general warning on the most visible surface and that cigarette packets shall also carry specific warnings.

2.1.109. On the same date the Council and the Ministers for Health also adopted a joint resolution on banning smoking in places open to the public. Based on a Commission proposal for a recommendation,² this resolution, which seeks to protect the health of non-smokers, calls on the Member States to take the necessary measures to ban smoking in enclosed premises open to the public. The Council and the Ministers for Health recommend all Member States to extend the ban on smoking to all forms of public transport, to provide, where necessary, for clearly defined areas to be reserved for smokers and to ensure that, in the event of a conflict in areas other than those reserved for smokers, the right to health of non-smokers prevails.

2.1.110. On 25 May Parliament delivered an opinion (first reading)³ on the proposal for a Directive concerning the maximum tar yield of cigarettes.⁴ The main thrust of its proposed amendments is to make the timetable for introducing maximum yields more flexible.

2.1.111. On 10 May the Commission adopted, for transmission to the Council, a proposal for a resolution on a second plan of action 1990-94⁵ under the 'Europe against cancer' programme launched at the Milan European Council of 28 and 29 June⁶ and at the Luxembourg European Council of 2 and 3 December 1985.⁷ The Commission has continued and expanded on the objectives and the themes of the first plan of action.⁸ The same strategy has also been maintained, albeit with a different order of priorities: the second plan of action places greater emphasis on research on nutrition and increasing the mobility of

health care personnel. A total of ECU 55 million has been earmarked for the programme over a period of five years.

AIDS

2.1.112. At the meeting of 16 May the Council and the Ministers for Health meeting within the Council adopted conclusions on various aspects of the fight against AIDS:

(i) drug abuse and AIDS: the Council and the Ministers for Health noted the need to set up effective coordination between the programmes to combat AIDS and prevention and assistance programmes in the area of drug abuse. Their conclusions contain guidelines for preventive measures, treatment of dependency, the supplying of free or very cheap condoms, programmes to monitor pregnant drug addicts, diagnosis of HIV-positive individuals and the specific case of prisons.

(ii) measures to raise the awareness of health care personnel: the Council of Ministers stressed how important it was in terms of the prevention and treatment of AIDS for health care personnel to behave appropriately towards AIDS sufferers and HIV-positive individuals;

(iii) epidemiological improvements and a new definition of AIDS cases: the Council of Ministers asked the Commission, in cooperation with the World Health Organization, to assess the impact of the new definition of AIDS on the number of cases recorded, and to propose to the Council the measures and methods necessary to improve the comparability of data on AIDS cases and to exchange data in strict confidence;

¹ OJ C 48, 20.2.1988; Bull. EC 1-1988, point 2.1.48; OJ C 62, 11.3.1989.

² OJ C 32, 8.2.1989; Bull. EC 1-1989, point 2.1.38.

³ OJ C 158, 26.6.1989.

⁴ OJ C 48, 20.2.1988; Bull. EC 1-1988, point 2.1.48.

⁵ OJ C 164, 1.7.1989) COM(89) 210 final.

⁶ Bull. EC 6-1985, point 1.2.3.

⁷ Bull. EC 11-1985, point 1.1.1.

⁸ OJ C 50, 26.2.1987; Bull. EC 12-1986, points 1.4.1 to 1.4.11.

(iv) future prevention and control measures: the Council of Ministers called on the Commission to examine, in the context of the internal market, the possibilities for technical harmonization to ensure that condoms available in the Member States are of the necessary quality and HIV self-testing kits are available. They requested the *Ad Hoc* Working Party on AIDS¹ to develop, in close cooperation with and with the participation of the Commission, the exchange of information on the results of the evaluation of national prevention measures and to examine the possibilities for improving HIV-related technical safety requirements at Community level.

2.1.113. On 26 May Parliament adopted a resolution on the fight against AIDS² in which it called on the Council and the Commission to devise Community strategies to combat the disease in three fields: research and development, public health and social affairs, and international cooperation. To this end Parliament suggested a number of measures relating to the expansion of the official departments responsible for AIDS policy, prevention, information and educational campaigns, social and ethical issues and the training of medical and paramedical personnel.

Prevention of drug abuse

2.1.114. At its meeting of 16 May the Council and the Ministers for Health meeting within the Council approved a resolution on a European network of health data on drug abuse. It called on the Commission, in preparation for the abolition of internal frontiers, to identify areas where Community action was needed and to submit a report to the Council indicating possible initiatives to be taken in this area.

2.1.115. The Council and the Ministers for Health meeting within the Council also adopted conclusions concerning tests on body fluids to detect the use of illicit drugs. These conclusions included a request to the Commission to examine whether Community action should be taken in this area,

it being understood that such action would concern only the technical aspect of reliability.

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2.1.116. On 26 May Parliament adopted a resolution² on the use of diethylstilbestrol (DES) and its effects on the health of users and their children. It called on the Commission to investigate the scale of the problem raised by the administration of this synthetic oestrogen to pregnant women, which can have extremely harmful effects both on them and on their children.

Health and safety at work

2.1.117. On 24 May Parliament adopted two opinions in first reading² on the proposals for Directives concerning the protection of workers against the risks related to exposure to carcinogens³ and biological agents⁴ at work. Although in favour of the proposals, it adopted a number of amendments which, in the case of carcinogens, were directed towards preventing pregnant women, nursing mothers and young persons under 18 years of age from being employed in areas where they come or may come in contact with carcinogens and requiring carcinogens to be replaced by harmless or less dangerous substitutes. The amendments to the proposal on biological agents seek to widen its scope, in particular by removing the distinction between voluntary and involuntary use and by making it compulsory for workers to receive adequate information concerning safety and health risks.

2.1.118. On 24 May Parliament also adopted a decision (second reading)² on the Council's common position⁵ relating to the proposal for a Directive on the introduction of measures to encourage improve-

¹ Bull. EC 5-1987, point 2.1.119.

² OJ C 158, 26.6.1989.

³ OJ C 34, 8.2.1988; Bull. EC 12-1987, point 2.1.153.

⁴ OJ C 150, 8.6.1988; Bull. EC 3-1988, point 2.1.105.

⁵ Bull. EC 2-1989, point 2.1.83.

ments in the health and safety of workers at the workplace.¹ While approving the common position, Parliament nevertheless adopted several amendments aimed at increasing worker protection.

Human resources, education, training and youth

Cooperation in the field of education

2.1.119. At the meeting on 22 May of the Council and the Ministers for Education, agreement was reached on the *Lingua* programme, putting together in a single instrument the Commission's two proposals for a Decision² as amended³ in response to opinions issued by the Economic and Social Committee⁴ and the European Parliament.⁵ This programme, the aim of which is to promote the teaching of foreign languages in the Community, backs up and supplements the policies adopted by the Member States in their own education systems, though it does not apply to the teaching of languages in schools. It is made up of a range of measures aimed at improving the in-service training of foreign language teachers, encouraging the learning of languages at universities, notably the initial training of teachers, developing acquaintance with languages used in professional relations and the business world, and facilitating exchanges of young people undergoing specialized, vocational or technical training. The financing earmarked for these Community measures was reduced from the ECU 250 million proposed by the Commission to ECU 200 million for the period 1990-94.

2.1.120. At its meeting on 22 May, the Council and the Ministers for Education meeting within the Council approved two resolutions⁶ on the schooling of gypsy and travelling children and the schooling of children of parents exercising itinerant occu-

pations. The resolutions provide for measures to be taken by the Community and the Member States to solve the specific problems of these groups of people, who are poorly provided with educational facilities.

Vocational training

2.1.121. On 22 May the Council also adopted a Decision authorizing the Commission to negotiate, with those European Free Trade Association countries which want them, Cooperation Agreements on training in technology under the *Comett II* programme.⁷ This Decision involves no change in the budget allocated to the programme, the EFTA countries being invited to make their own contribution.

Information, communication and culture

Audiovisual policy and production

Media programme

2.1.122. More than 600 people professionally involved in film-making attended the fourth briefing session on the *Media '92* programme held in London on 4 May at the invitation of the British Film Institute (BFI). The guests included Mr Richard Luce, United Kingdom Minister for the Arts, and Sir Richard Attenborough, President of one of the *Media '92* pilot projects,⁸ the European Script Fund (a fund which provides assistance for pre-production and writing of fictional screenplays). The first

¹ OJ C 141, 30.5.1988; Bull. EC 2-1988, point 1.2.4.

² OJ C 51, 28.2.1989; Bull. EC 12-1988, point 2.1.157.

³ COM(89) 194 final.

⁴ Bull. EC 3-1989, point 2.1.89.

⁵ OJ C 120, 16.5.1989; Bull. EC 4-1989, point 2.1.92.

⁶ OJ C 153, 21.6.1989.

⁷ OJ L 13, 17.1.1989; Bull. EC 12-1988, point 2.1.159.

⁸ Bull. EC 4-1986, point 2.1.79.

projects to be selected for awards from the fund were presented at the 10th International Film Festival held in Cannes from 11 to 23 May.

Audiovisual Sector Conclave

2.1.123. The Council and the Ministers responsible for Cultural Affairs meeting within the Council held a general discussion on 18 May on the Audiovisual Sector Conclave to be held in Paris at the end of September, as a follow-up to the Rhodes European Council on 2 and 3 December 1988.¹ The discussion was an occasion for clarifying certain organizational aspects and the content of the conclave, for which preparations are being made by the Commission in collaboration with the Presidency and the French Government.

Local radio stations

2.1.124. On 26 May Parliament adopted a resolution on legal provisions and measures to support local radio stations in which it calls on the Commission and the Council, depending, on their respective spheres of competence, to take steps to make local radio stations better known, to safeguard and develop them, to promote the freedom to provide services in the radio broadcasting sector, to encourage the exchange of productions and personnel with other Member States and to promote the joint production of programmes of Community interest.²

Public awareness

Opinion polls

2.1.125. Some of the results of the last Eurobarometer, conducted in spring, were released for public preview on 18 May. They point to a remarkable degree of stability at a high level in public attitudes in the Member States towards European Union. Three out of four people have seen or heard

something about the single European market in the media, and they support the completion of the market just as resolutely as in the last poll.³ There was, however, a slight rise in apprehension about the 1992 deadline. Three out of four people would be in favour of the adoption of a Community Charter of Fundamental Social Rights (→ point 1.2.1 *et seq.*), while nine out of ten consider that there should be community rules on environmental protection.

European festivities

2.1.126. Ceremonies and events organized by the Commission's information offices were held in every Community capital and other European cities to mark 9 May. These included special television programmes in Greece and Portugal, sports meetings in Brussels and Lisbon, concerts in Luxembourg and Milan, a presentation of prizes in Dublin, the inauguration of an obelisk in Bonn and receptions and lectures in all the Member States.

The 1992 Seville World Fair

2.1.127. On the basis of the Commission's communication of 23 December 1988,⁴ the Council gave its agreement on 30 May to participation by the Community in the Seville World Fair in 1992, in a joint venture with the Member States and with a total budget allocation of ECU 11.7 million.

2.1.128. Parliament also adopted a resolution on the Commission's communication⁴ on 26 May.² Approving the budget estimates it contains, Parliament welcomed the fact that the pavilions of the Community and the Member States would be grouped together in a 'Community' area as a symbol of European unity. Parliament would draw up a programme of activities for the Fair,

¹ Bull. EC 12-1988, points 1.1.9 and 1.1.13.

² OJ C 158, 26.6.1989.

³ Bull. EC 12-1988, point 2.1.190.

⁴ Bull. EC 12-1988, point 2.1.189.

in collaboration with the Commission, which it called on to prepare a plan of action for strengthening ties between the Community and Latin America and to establish a network of delegations and information offices in that continent, as well as to prepare a communication on the Community's participation in other celebrations to mark the 500th anniversary of the discovery of America.

Eurofocus

2.1.129. Eurofocus, the weekly news bulletin for the press which the Commission has been putting out for the last 10 years, now comes out in a radio version too. The first edition of Eurofocus-radio, recorded on cassette and produced by professional journalists from articles in Eurofocus, was sent out in May to 250 local radio stations in seven Member States: Germany, Belgium, Spain, France, Greece, Italy and the Netherlands. The other Member States should be joining the list in the next few months, as soon as a preliminary investigation has been carried out to establish how useful such a venture would be in each individual country.

Culture

Books and reading

2.1.130. On 18 May, on the basis of the Commission's communication of 26 April¹ entitled 'Books and reading: a cultural challenge for Europe', the Council and the Ministers responsible for Cultural Affairs meeting within the Council adopted conclusions on books and reading with a view to the completion of the internal market in 1992, and a resolution concerning the promotion of books and reading (→ points 3.2.1 and 3.2.2.).

European cities of culture

2.1.131. On 18 May the Council and the Ministers responsible for Cultural Affairs

meeting within the Council confirmed the designation of Dublin as European City of Culture for 1991 and that of Luxembourg for 1995. They also agreed to designate Copenhagen for 1994.

International cooperation

2.1.132. In the occasion of the Council meeting of 18 May, the Spanish, French and Greek Ministers for Culture had a preliminary informal meeting with a number of Eastern bloc countries and Member States of the Council of Europe. The principal purpose of the meeting, which might be described as historic, was to embark on a dialogue with the countries concerned so as to explore ways of expanding cultural cooperation beyond the bounds of the Community.

Return of cultural objects

2.1.133. On 26 May Parliament adopted a resolution on the return of objects of cultural interest to their country of origin.² Supporting the action taken by Unesco, Parliament proposed measures to safeguard objects of cultural interest. In particular, it called on the Commission to submit proposals to the Council for the restoration of certain sites, to compile a survey of the cultural agreements that the Member States had signed with each other or with non-Community countries, to propose measures to help combat the pillaging of sites and to introduce compulsory identification of the origin of any object of cultural interest entering the Community. Parliament also called on the Commission to sign and ratify the international conventions that seek to introduce standard rules for the return to their country of origin of items of cultural interest which have been illegally shipped abroad and to adopt an additional protocol

¹ Bull. EC 4-1989, point 2.1.102.

² OJ C 158, 26.6.1989.

to the Delphi Convention¹ providing that the sole effect of good faith on the part of a buyer is to entitle him to compensation where he is required to return an object that has unlawfully come onto the market.

Regional policy

Coordination of programmes

Regional development programmes

2.1.134. On 26 May Parliament adopted a resolution on the drawing-up of a development programme for the disadvantaged regions and the stepping-up of cooperation at the Community's external frontiers.² It stressed the specific difficulties facing border regions in the Community (especially infrastructure shortcomings, remoteness from centres of economic activity in the Community, and lack of social infrastructure), difficulties that were particularly serious in the regions at the Community's external frontiers. It called on the Commission to carry out a study on the special problems facing regions near the Community's external frontiers and to draw up a pilot programme aimed at improving infrastructures and promoting productive investments in those regions. It also urged the Commission to include in the Community's trade and cooperation agreements with the State-trading countries measures to promote investment in regional infrastructures that would be of benefit to both sides, as part of efforts to develop relations between the Community and those countries while respecting the Helsinki Agreements.

2.1.135. Parliament also adopted on 26 May a resolution on the regional problems of Corsica and Sardinia in which, after reviewing the socio-economic situation on the two islands, it called on the Commission to pay special attention to them, notably because they were island regions at the Community's periphery. It acknowledged

the importance of Community aid received by them through the structural Funds but considered such aid insufficient to cope with the serious problems they faced. It underscored the need to ensure that Community aid was additional to, and did not replace, national aid granted under normal or special conditions. Lastly, it called on the Commission to draw up a Community programme with a view to offsetting the natural handicaps of all the Community's disadvantaged island regions.

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

2.1.136. On 26 May Parliament adopted a resolution on the implications of completion of the internal market for the socio-economic situation of the least-favoured regions of the Community.² While emphasizing that completion of the internal market could bring greater prosperity to all regions in the Community, it noted that, so far, virtually nothing was known of the implications in the individual regions even though it was to be expected that the impetus towards expansion would be weaker in the less-favoured regions than in the stronger regions. It called on the Commission to carry out detailed studies and to propose corresponding measures to avert any negative trends.

2.1.137. At its meeting on 22 May, the Consultative Council of Regional and Local Authorities, which was set up in 1988,³ unanimously approved the guidelines for the new regional policy unveiled by the Commission.⁴

¹ Bull. EC 9-1988, point 2.1.74.

² OJ C 158, 26.6.1989.

³ OJ L 247, 6.9.1988; Bull. EC 6-1988, point 2.1.158.

⁴ Bull. EC 2-1989, point 2.1.91.

Operations and integrated regional programmes

Integrated Mediterranean programmes (IMPs)

2.1.138. On 26 May Parliament adopted a resolution on the first progress report of the Commission on the integrated Mediterranean programmes (1986/87).¹ It noted that the delays in implementing the programmes had been caused by the failure to submit them on time, by the novelty and coordination requirements of the integrated method, and by the failure to adapt the administrative structures in place. It regretted that assistance for the IMPs from the three structural Funds had not guaranteed additionality. It noted that the programmes had served to promote the partnership between the Commission, the Member States and the regions, to strengthen regional structures in a number of the recipient countries and to prompt much of the reform of the structural Funds. Lastly, it called on the Commission and the national and regional authorities concerned to ensure that higher rates of implementation were achieved than in the case of the IMP for Crete, the first IMP to be launched.²

Financial instruments

European Regional Development Fund

Programme preparation

2.1.139. On 3 May the Commission adopted Decision 89/326/EEC³ including the area of Setúbal (Portugal) in the areas eligible for the Community programme to assist the conversion of steel areas (Resider).⁴

ERDF grants

2.1.140. On 31 May the Commission approved an ERDF grant of ECU 72.06 million for the period 1989-91 for a national programme of Community interest (NPCI) in the Azores (Portugal).

Projects

2.1.141. On 31 May the Commission approved the first and second allocations of ERDF grants for 1988 (Table 2).

¹ Bull. EC 3-1988, point 2.1.114.

² Bull. EC 7/8-1986, point 2.1.30; Bull. EC 9-1986, point 1.3.1 *et seq.*

³ OJ L 134, 18.5.1989.

⁴ OJ L 33, 5.2.1988; Bull. EC 2-1988, point 2.1.92.

Table 2 — ERDF grants: first and second 1989 allocations

Member State	Number of grant decisions	Number of investment projects	Investment assisted (ECU million) ¹	Assistance granted (ECU million) ¹
Germany	17	17	230.16	14.75
Spain	7	8	116.15	54.62
Greece	56	117	248.06	120.14
France	2	2	12.31	6.16
Portugal	52	94	283.50	120.80
Total	134	238	890.18	316.47

¹ Converted at May 1989 rates.

The total of ECU 316.47 million breaks down as follows:

ECU 8.17 million to help finance 14 projects in industry, craft industries or the service sector;

ECU 308.30 million to help finance 224 infrastructure projects.

Business and innovation centres

2.1.142. On 31 May the Commission decided to make financial contributions under Article 543 of the budget towards two industrial conversion operations (ECU 465 000 and ECU 363 000) in the areas of Castilla y León and Extremadura (Spain) and towards the setting-up of an integrated agency providing a package of services for businesses (ECU 70 000) in the area of Liguria (Italy). The aid is intended to enable business and innovation centres to be set up or completed.

Environment

Action by the Community relating to the environment (ACE) and other financial measures

2.1.143. On 30 May the Commission decided, in accordance with Council Regulation (EEC) No 2242/87 of 23 July 1987 on action by the Community relating to the environment,¹ to grant financial support to 12 demonstration projects in the field of clean technologies and technologies for the recycling and re-use of waste, including waste water.

Prevention and reduction of pollution and nuisance

Protection of the aquatic environment

Titanium dioxide

2.1.144. On 25 May Parliament endorsed² on first reading the proposal for

a Directive on programmes for eliminating pollution caused by waste from the titanium dioxide industry.³ It endorsed the legal basis proposed by the Commission, namely Article 100a.

Nitrates

2.1.145. On 26 May Parliament adopted an opinion,³ subject to certain technical amendments, on the proposal for a Directive concerning the protection of fresh, coastal and marine waters against nitrates.⁴

Water quality

2.1.146. On 26 May Parliament also adopted an opinion,² subject to several technical amendments, on the proposal for a Directive⁵ amending Council Directives 80/778/EEC of 15 July 1980,⁶ 76/160/EEC of 8 December 1975,⁷ 75/440/EEC of 16 June 1975⁸ and 79/869/EEC of 9 October 1979,⁹ concerning respectively drinking water, bathing water, surface water and sampling and analysis of surface water.

Oil and gas

2.1.147. On 26 May Parliament adopted a resolution on the relationship between offshore oil and gas production and fisheries. In particular it called on the Commission to promote the setting-up of a framework for dialogue between the fishing and the oil industries and the establishment of a system to compensate fishermen in the event of an accident or restrictions on access to fishing grounds, and to put an end to the practice of ships flushing out their tanks at sea.

¹ OJ L 207, 29.7.1987; Bull. EC 7/8-1987, point 2.1.164.

² OJ C 158, 26.6.1989.

³ OJ C 138, 26.5.1983; Bull. EC 4-1983, point 2.1.82; OJ C 167, 27.6.1984; Bull. EC 6-1984, point 2.1.75; OJ C 73, 21.3.1989; Bull. EC 12-1988, point 2.1.210.

⁴ OJ C 54, 3.3.1989; Bull. EC 12-1988, point 2.1.211.

⁵ OJ C 13, 17.1.1989; Bull. EC 12-1988, point 2.1.212.

⁶ OJ L 229, 30.8.1980.

⁷ OJ L 31, 5.2.1976.

⁸ OJ L 194, 25.7.1975.

⁹ OJ L 271, 29.10.1979.

Air pollution

Harmful motor vehicle emissions

2.1.148. Taking account of the opinion delivered by Parliament on second reading,¹ the Commission adopted on 10 May an amendment² to be sent to the Council to its proposal³ amending Council Directive 70/220/EEC of 20 March 1970 concerning air pollution caused by motor vehicle engines of less than 1.4 litres.⁴

In accordance with the position adopted by the Commission in April,⁵ this proposal also lays down more stringent values which will be applicable from 1 January 1993 for new models (carbon monoxide: 19 g/test; hydrocarbons and nitrogen oxides: 5 g/test) and from 1 October 1993 for new vehicles entering into service (carbon monoxide: 22 g/test; hydrocarbons and nitrogen oxides: 5.8 g/test). The Commission also undertakes to present proposals before the end of the year bringing into line the provisions for cars of more than 1.4 litres and introducing a full European test-cycle.

Noise abatement

Aircraft

2.1.149. On 26 May Parliament endorsed⁶ the proposal for a Directive on the limitation of noise emission from civil subsonic jet aeroplanes.⁷ It formulated amendments clarifying in particular certain technical provisions and deferring by a year (until 30 September 1990) the date of entry into force of the Directive.

Control of chemicals, industrial hazards and biotechnology

Chlorofluorocarbons

2.1.150. The first conference of the Contracting Parties to the Montreal Protocol⁸ was held in Helsinki from 2 to 5 May. It dealt with problems regarding implemen-

tation of the Protocol and defined the principles on which the 1990 review will be based. At the end of the conference the 'Helsinki Declaration' was adopted urging the Contracting Parties and other participating States to eliminate chlorofluorocarbons (CFCs) by the year 2000. The Community and its Member States played a decisive role in the adoption of the Declaration. The participants agreed on the need for increased cooperation between developed and developing countries in the fight to protect the ozone layer.

Biotechnology

2.1.151. On 24 and 25 May respectively Parliament endorsed⁹ on first reading the proposals for Directives on the contained use of genetically modified organisms and their deliberate release to the environment.⁹ It adopted amendments relating in particular to the need for explicit authorization and the need to take greater account of environmental considerations.

Major accidents

2.1.152. From 30 May to 1 June a major European meeting, organized by the Commission, was held in Varese on informing the public about the risks of industrial accidents. Topics of discussion included the objectives and obligations laid down by Council Directive 88/610/EEC of 24 November 1988¹⁰ amending Council Directive 82/501/EEC of 24 June 1982 on the major-accident hazards of certain industrial activities,¹¹ and their application in the Member States.

¹ OJ C 120, 16.5.1989; Bull. EC 4-1989, point 2.1.111.
² OJ C 134, 31.5.1989; COM(89) 257 final.
³ OJ C 56, 27.2.1988; Bull. EC 2-1988, point 2.1.103; OJ C 321, 14.12.1988; Bull. EC 11-1988, point 2.1.166.
⁴ OJ L 76, 6.4.1970; OJ L 81, 14.4.1970.
⁵ Bull. EC 4-1989; point 2.1.111.
⁶ OJ C 158, 26.6.1989.
⁷ OJ C 37, 14.2.1989; Bull. EC 11-1988, point 2.1.171.
⁸ Bull. EC 9-1987, point 2.1.114.
⁹ OJ C 198, 28.7.1988; Bull. EC 3-1988, point 2.1.125.
¹⁰ OJ L 336, 7.12.1988; Bull. EC 11-1988, point 2.1.172.
¹¹ OJ L 230, 5.8.1982; Bull. EC 6-1982, point 2.1.92.

Waste disposal

Waste management

2.1.153. On 25 May Parliament endorsed¹ on first reading two proposals for Directives on waste disposal:² the first amending Council Directive 75/442/EEC of 15 July 1975 on waste³ and the second replacing Council Directive 78/319/EEC of 20 March 1978 on toxic and dangerous waste.⁴ A large number of technical amendments were adopted.

Sewage sludge in agriculture

2.1.154. On 26 May Parliament endorsed¹ the proposal⁵ to amend, in respect of chromium, Council Directive 86/278/EEC of 12 June 1986 on the protection of the environment when sewage sludge is used in agriculture.⁶ It formulated three amendments on limit values.

Protection and use of resources

Rapid rise in sea level

2.1.155. On 26 May Parliament adopted a resolution on the consequences of a rapid rise in the sea level along Europe's coast. It asked for specific measures to be implemented to combat air pollution responsible for the greenhouse effect, measures to combat rises in the sea level and various general measures. It also called for monitoring of the application by Member States of international conventions to combat transfrontier pollution.

Natural resources

Water management

2.1.156. On 26 May Parliament adopted a resolution on water management in the Mediterranean islands.¹ It welcomed the Commission's proposals concerning Community action to protect the environment

in the Mediterranean region (Medspa),⁷ and called for the necessary financial and legal instruments to be set up as quickly as possible.

Tropical forests

2.1.157. On 26 May Parliament also adopted a resolution¹ on regulating the trade in tropical woods and tropical wood products as a means of tropical forest management and conservation. It called on the Commission to propose a Regulation covering the management, conservation and importation of tropical hardwoods and tropical hardwood products and providing for the establishment of a Tropical Forest Management Fund.

Amazon region

2.1.158. On 26 May Parliament adopted a resolution¹ on the negative effects of financing from the European Community and various international organizations on the environment of the Amazon region; it called on the Community to urge the countries of the Amazon to draw up a strategy for the conservation of the Amazon, and ask Member States and banks to introduce a debt conversion programme whereby investments are not made in projects which encourage deforestation. It also called on the Community to impose a moratorium on pig iron imports from Carajas pending resolution of local energy problems and to carry out an alternative project using an energy source other than charcoal.

Recovery and use of waste

2.1.159. On 25 May Parliament endorsed¹ on first reading the proposal for a Directive on batteries and accumulators

¹ OJ C 158, 26.6.1989.

² OJ C 295, 19.11.1988; Bull. EC 7/8-1988, point 2.1.118.

³ OJ L 194, 25.7.1975.

⁴ OJ L 84, 31.3.1978.

⁵ OJ C 307, 2.12.1988; Bull. EC 11-1988, point 2.1.175.

⁶ OJ L 181, 4.7.1986; Bull. EC 6-1986, point 2.1.164.

⁷ Bull. EC 11-1988, point 2.1.178.

containing dangerous substances.¹ It formulated amendments extending the scope of labelling from 1 January 1993 to all alkaline manganese batteries containing more than 0.025% mercury by weight.

2.1.160. On 31 May the Economic and Social Committee endorsed the same proposal for a Directive.¹ It acknowledged that the deposit system is the only one which is effective in promoting recovery but proposes none the less the setting-up on an experimental basis of a compulsory return system.

Awareness, education and training

2.1.161. At the two-yearly European festival of films on the environment (Ecovision) held in Lille from 19 to 24 May, an event supported by the Commission, the best films were shown from a competition designed to encourage industry to shoulder its responsibility towards the environment and to make the public aware of environmental problems through audiovisual media. The Commission presented an exhibition illustrating the results of the Corine programme.²

International cooperation

2.1.162. On 29 and 30 May the Commission participated in a ministerial conference on the environment in Prague which was attended by those responsible for environment policy in Czechoslovakia, the German Democratic Republic, the Federal Republic of Germany, Hungary, Austria, Poland and the Soviet Union, plus the Executive Secretary of the United Nations Economic Commission for Europe (ECE) and, as an observer, a representative of the Council for Mutual Economic Assistance (CMEA). This conference enabled information to be exchanged on the state of the environment in various parts of Europe and a memorandum to be adopted on bilateral and multilateral cooperation on the environment. It was the first time that the Commission was participating at minis-

terial level in a multilateral event of this type held by an East European country.

2.1.163. The Commission participated in the 15th meeting of the Governing Council of the United Nations Environment Programme (UNEP) held in Nairobi from 15 to 26 May. During this highly productive meeting, the Governing Council approved several decisions concerning global climatic changes, biological diversity and the UN Conference on the Environment planned for 1992.

Nuclear safety

Radiation protection

Basic standards

2.1.164. On 26 May Parliament endorsed³ the proposal for a Directive on informing the population about health protection measures to be applied and steps to be taken in the event of a radiological emergency.⁴

2.1.165. On 26 May Parliament rejected³ (first reading) the communication from the Commission to the Council of 14 June 1988 suggesting limit values for baby foods and liquid foodstuffs⁵ to be inserted in the Annex to Council Regulation (Euratom) No 3954/87 of 22 December 1987 laying down maximum permitted levels of radioactive contamination of foodstuffs and of feedingstuffs following a nuclear accident or any other case of radiological emergency.⁶ It contested the legal basis of Regulation (Euratom) No 3954/87 and the maximum permitted levels of radioactive contamination already laid down in the Regulation and those suggested for addition by the Commission.

¹ OJ C 6, 7.1.1989; Bull. EC 12-1988, point 2.1.221.

² OJ L 176, 6.7.1985; Bull. EC 6-1985, point 2.1.93.

³ OJ C 158, 26.6.1989.

⁴ OJ C 31, 7.2.1989; Bull. EC 12-1988, point 2.1.345.

⁵ Bull. EC 6-1988, point 2.1.276.

⁶ OJ L 371, 30.12.1987; Bull. EC 12-1987, point 2.1.288.

2.1.166. On 25 May the Commission endorsed, under Article 33 of the Euratom Treaty, a Luxembourg draft Regulation in the field of radiation protection.

Discharge of radioactive effluent

2.1.167. On 23 May the Commission delivered an opinion,¹ under Article 37 of the Euratom Treaty, on the plan for the discharge of radioactive effluent from units I and II of Golfech power station in France.

Plant safety

2.1.168. The Second International Workshop on Real-Time Computing of the Environmental Consequences of an Accidental Release to Atmosphere from a Nuclear Installation took place in Luxembourg from 16 to 19 May, bringing together some 80 scientists from the Community, the Scandinavian countries, Eastern Europe, the USA and Japan. The meeting provided an opportunity to report on the progress made since the first (pre-Chernobyl) conference in 1985, especially as regards the practical aspects of collecting and analysing information and generating advice for decision-makers. The demonstration of a dozen different computer programs was particularly appreciated.

2.1.169. A colloquium on radiation protection and the maintenance of nuclear power stations in the context of 1992 was held from 24 to 26 May in Brussels under the auspices of the Commission and at the initiative of the Belgian Radiation Protection Association and the Radiation Protection Society. The colloquium, which was on the protection of workers involved in the maintenance of power stations, brought together representatives from the radiation protection associations of all the Member States.

Transport of radioactive materials

2.1.170. On 23 May the Commission adopted for transmission to the Council

and Parliament a communication on the transport of radioactive materials within the Community setting out the programme of action which the Commission plans to implement over the next few years. The communication is accompanied by the second report of the Special Working Party, which is composed of national experts and Commission representatives specialized in the field.

Consumers

Physical protection and product safety

Cosmetics

2.1.171. On 3 May the Council (Internal Market) adopted a common position on the proposal for a Directive² amending for the fifth time Council Directive 76/768/EEC³ of 27 July 1976 on cosmetics, on which Parliament had already delivered an opinion at the first reading on 18 January.⁴ The Council did not make use of the advisory committee procedure for the adaptation to technical progress of Annexes II and III, but unanimously decided to extend the regulatory committee procedure.

Protection of economic and legal interests

Consumer credit

2.1.172. Following an opinion delivered at the first reading by the European Parliament on 15 March,⁵ on 29 May⁶ the Commission decided to amend its proposal for

¹ OJ L 150, 2.6.1989.

² OJ C 214, 16.8.1988; Bull. EC 6-1988, point 2.1.192.

³ OJ L 262, 27.9.1976.

⁴ OJ C 47, 27.2.1989; Bull. EC 1-1989, point 2.1.52.

⁵ OJ C 96, 17.4.1989; Bull. EC 3-1989, point 2.1.117.

⁶ OJ C 155, 23.6.1989; COM(89) 271 final.

a Directive¹ amending Council Directive 87/102/EEC² of 22 December 1986 on consumer credit. This amendment seeks, when calculating the overall annual effective rate, to ensure consideration of the components of the costs the consumer is required to pay to obtain credit, excluding certain clearly specified costs.

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2.1.173. On 25 May the European Parliament adopted a resolution on the protection of consumers and the internal market — 1992.³ It requests the Commission to devote more resources to the protection of consumers in the context of the single European market and to ensure that such protection forms an integral part of all the policies concerned. It also asks the Commission to review the organization of the Consumers Consultative Committee and to declare 1991 European Consumer Year.

Agriculture

Reform of the structural Funds

2.1.174. On 10 May the Commission adopted for transmission to the Council two proposals for Regulations⁴ relating to Objective 5a, as defined in Council Regulation (EEC) No 2052/88 of 24 June 1988 on the reform of the structural Funds,⁵ to speed up the adjustment of agricultural structures with a view to the reform of the common agricultural policy. The proposals are aimed at amending the Regulations on production structures⁶ and replacing Council Regulation (EEC) No 355/77 of 15 February 1977 on common measures to improve the conditions under which agricultural products are processed and marketed.⁷

As regards production structures, it is proposed that the scope of investment aid be extended to cover on-farm diversification activities and part-time farmers who are involved in this diversification process (tourism, crafts and safeguarding the

environment). Moreover, in order to receive the full rate of Community investment aid, farmers would no longer be required to improve their income level substantially but only to stabilize it. Additional assistance for young farmers will become available thanks to an increase in Community installation aid. Grant levels in environmentally sensitive areas would also be boosted. Major changes are proposed in the compensatory allowance scheme for natural handicaps in less-favoured areas so as to concentrate funding on holdings where extensive stock-farming is carried out. The different rates of contribution by the EAGGF to the financing of these various measures will be set by the Commission in accordance with the rules on the reform of the structural Funds.

As regards the processing and marketing of agricultural products, the proposed changes would entail Member States drawing up sectoral plans on the basis of which the Commission would draw up Community support frameworks. Project financing would be replaced by the financing of operational programmes which would have to meet a number of criteria relating to their compatibility with the market situation.

2.1.175. Also on 10 May the Commission adopted Decision 89/426/EEC⁸ selecting rural areas eligible to receive Community assistance under Objective 5b as defined by Council Regulation (EEC) No 2052/88 of 24 June 1988.⁵ Objective 5b is designed to promote the development of rural areas with a view to reform of the common agricultural policy. The areas selected will be eligible for assistance from the three structural Funds (the EAGGF Guidance Section, the ERDF and the ESF). The areas concerned represent 17.3% of the Community's area and 5.1% of its population.

¹ OJ C 155, 14.6.1988; Bull. EC 4-1988, point 2.1.125.

² OJ L 42, 12.2.1987; Bull. EC 12-1986, point 2.1.205.

³ OJ C 158, 26.6.1989.

⁴ COM(89) 91 final.

⁵ OJ L 185, 15.7.1988; Bull. EC 6-1988, point 2.1.159.

⁶ OJ L 93, 30.3.1985; Bull. EC 3-1985, point 2.1.111 *et seq.*

⁷ OJ L 51, 23.2.1977.

⁸ OJ L 198, 12.7.1989.

Furthermore, the same day the Commission adopted Decision 89/379/EEC¹ making an indicative allocation between Member States of 85% of the commitment appropriations of the European Regional Development Fund under Objective 5b to facilitate the planning of assistance in the regions concerned.

Continuing reform of the CAP

2.1.176. On 25 May Parliament adopted a resolution² on the economic impact of production limitation measures such as stabilizers, in which it took up the effects of the reform of the common agricultural policy in the poorer regions of the Community and agreed with the wide range of measures suggested by the Commission for encouraging economic activity in these regions.

The future of rural society

Community forestry action programme

2.1.177. On 29 May the Council, acting on a proposal from the Commission³ having received the opinions of Parliament² and the Economic and Social Committee,⁴ adopted a Community forestry action programme for 1989-92 focusing on the five following priorities: afforestation of agricultural land, development and optimal utilization of woodland in rural areas, expansion of the cork sector, forest protection and back-up measures. These objectives will be achieved by applying the following Decision and seven Regulations:

- (i) Regulation (EEC) No 1609/89⁵ amending Regulation (EEC) No 797/85⁶ provides for afforestation aid to be extended to anyone afforesting agricultural land;
- (ii) Regulation (EEC) No 1610/89⁵ laying down provisions for implementing Regulation (EEC) No 4256/88⁷ relates to the scheme to develop and optimally utilize woodlands in rural areas;
- (iii) Regulation (EEC) No 1611/89⁵ concerning application of Article 7 of Regu-

lation (EEC) No 355/77⁸ aims to extend the application of the measures laid down by this Regulation to all processed cork products;

(iv) Regulation (EEC) No 1612/89⁵ amending Regulation (EEC) No 355/79⁸ introduces provisional measures to improve the conditions under which forestry products are processed and marketed;

(v) Decision 89/367/EEC⁵ sets up a Standing Forestry Committee;

(vi) Regulation (EEC) No 1613/89⁵ amending Regulation (EEC) No 3528/86⁹ concerns the protection of forests against atmospheric pollution;

(vii) Regulation (EEC) No 1614/89⁵ amending Regulation (EEC) No 3529/86⁹ relates to the protection of forests against fire;

(viii) Regulation (EEC) No 1615/89⁵ establishes a European Forestry Information and Communication System (Efics).

These measures form the essential basis of a Community strategy (as defined in the Commission's communication of 28 September 1988)¹⁰ for the forestry sector.

The action programme is a major step on the path of Community support for the forestry sector, which plays a fundamental role in the environment and the economic life of the Community. Woodlands cover 20% of the territory of the Community and provide employment, directly and indirectly, for more than 2 million workers. Annual production is 115 million cubic metres of wood, which covers only half the Community's requirements.

¹ OJ L 180, 27.6.1989.

² OJ C 158, 26.6.1989.

³ OJ C 312, 7.12.1988; Bull. EC 9-1988, point 1.2.1 *et seq.*

⁴ OJ C 139, 5.6.1989.

⁵ OJ L 165, 15.6.1989.

⁶ OJ L 93, 30.3.1985; Bull. EC 3-1985, point 2.1.111 *et seq.*

⁷ OJ L 374, 31.12.1988; Bull. EC 12-1988, point 2.1.200.

⁸ OJ L 51, 23.2.1977.

⁹ OJ L 326, 21.11.1986; Bull. EC 11-1986, point 2.1.203.

¹⁰ Bull. EC 9-1988, point 1.1.1 *et seq.*

2.1.178. On 25 May Parliament adopted a resolution on the future of rural society.¹ The House believed that the Commission's communication on the subject² represented a starting point for discussion of rural policy and contained elements on which rural policy could be based; it stressed the vital need to develop the rural activities and populations in question, since they represented a human resource for the future development of their environment and for the improvement of the countryside, particularly as regards infrastructures and services and safeguarding the ecological balance. Whilst it felt that the debate on the future of rural society should lead to the adoption of a Framework Regulation, the House stressed that the problems of rural society were of such diversity that they required an approach of the 'tailor-made' variety and cited the integrated Mediterranean programmes as an example of what was needed.

2.1.179. The same day Parliament also adopted a resolution on agriculture and 1992,¹ in which it enjoined the Commission to persevere in the legislative work begun with a view to the completion of the internal market in the agri-foodstuffs sector. The House stressed the following objectives: the harmonization of rules on the import of agri-foodstuffs; a more export-oriented approach to agricultural production in the Community, and the introduction of a Community code on competition to ensure that the growth in competitiveness is not detrimental to the prices paid to farmers. Referring to the communication on the future of rural society,² the resolution called for greater weight to be given to the interests of family farms. In addition, it insisted on the need to do away with monetary compensatory amounts and envisaged, in the longer term, a system involving guaranteed prices for given levels of output. Lastly, the House called for stronger links between agriculture, research and industry.

Market organizations

Cereals and rice

2.1.180. On 24 May, following the Council's decisions on prices,³ the Com-

mission adopted Regulation (EEC) No 1412/89⁴ reducing the prices set for cereals for the 1989/90 marketing year pursuant to the stabilizer arrangements,⁵ which require the Commission to reduce the intervention prices set by the Council by 3% and to adjust the target prices given the fact that cereal production in 1988/89 exceeded the maximum guaranteed quantity for the marketing year in question.

Fruit and vegetables

2.1.181. On 19 May the Commission adopted Regulation (EEC) No 1370/89 setting the intervention threshold for cauliflowers, peaches, nectarines and lemons for the 1989/90 marketing year.⁶

2.1.182. On 30 May the Commission, having determined the overrun of the intervention threshold for nectarines set for 1988, adopted Regulation (EEC) No 1486/89 reducing the basic and buying-in prices for nectarines for the 1989 marketing year.⁷ This involves a 20% reduction in the prices for the different varieties of nectarine.

2.1.183. On 25 May Parliament adopted a resolution on the destruction of fruit and vegetables withdrawn from the market,¹ in which it called, in addition to detailed information for the citizens of the Community, for a whole series of specific measures to promote the conversion of production for which there is no demand, increase the responsibility of producers' organizations themselves, improve marketing structures and boost Community aid to the processing industry and increase the number of organizations eligible for free distribution of bought-in fruit and vegetables.

¹ OJ C 158, 26.6.1989.

² Supplement 4/88 — Bull. EC; Bull. EC 7/8-1988, point 1.2.1 *et seq.*

³ OJ L 118, 29.4.1989; OJ L 119, 29.4.1989; Bull. EC 4-1989, point 2.1.125.

⁴ OJ L 141, 25.5.1989.

⁵ Bull. EC 2-1988, point 1.1.1.

⁶ OJ L 137, 20.5.1989.

⁷ OJ L 147, 31.5.1989.

Wine

2.1.184. On 3 May the Council adopted Regulation (EEC) No 1237/89¹ amending Regulation (EEC) No 355/79 laying down general rules for the description and presentation of wines and grape musts,² pursuant to which it is no longer mandatory for wines bearing a geographical description and words which reveal their typically regional character to be labelled as 'table wine'.

2.1.185. On 29 May the Council, acting on a proposal from the Commission³ and in the light of the decision of Parliament on second reading,⁴ formally adopted Regulation (EEC) No 1576/89 laying down general rules on the definition, description and presentation of spirit drinks⁵ on which it had reached a common position in January.⁶

With these rules, the Council not only introduced definitions of generic terms such as rum, whisk(e)y, gin, vodka and other spirits but also adopted a certain number of minimum quality standards for all spirit drinks as regards their composition, the processes employed in their manufacture, the end-characteristics of the products and, in particular, their minimum alcoholic strength when marketed.

The Council also recognized the special status of a certain number of spirit drinks (set out in an annex to the Regulation) whose description includes a geographical reference. This should make it easier to obtain international recognition and protection for these products.

2.1.186. On 12 May the Commission adopted Regulation (EEC) No 1314/89⁷ authorizing Greece not to apply in certain areas the measures provided for in Council Regulation (EEC) No 1442/88⁸ to avoid calling into question the quality policy.⁹ This means that Greece is authorized not to apply the measures for the permanent abandonment of the wine-growing areas concerned (the wine-growing potential of which is less than 10% of the national wine-growing potential) for the 1989/90 to 1995/96 wine years.

2.1.187. On 16 May the Commission also adopted Regulations (EEC) Nos 1326/89, 1327/89 and 1328/89¹⁰ authorizing Germany, France, Spain and Italy respectively not to apply, on similar grounds and so as to take account of the special constraints on agriculture in certain areas, the measures provided for in Council Regulation (EEC) No 1442/88⁸ for the 1989/90 to 1995/96 wine years, while respecting the limit of 10% of national wine-growing potential.

Milk and milk products

2.1.188. On 10 May the Commission adopted Regulations (EEC) Nos 1277/89 and 1278/89¹¹ introducing private storage aid for Italian Pecarino Romano cheese and for Greek Kefalotyri and Kasserri cheeses. Such aid shelters the market from seasonal disruption and thus represents a key factor in the economic balance of the areas where such cheese is traditionally produced on small farms that have little chance of converting to other forms of production.

2.1.189. By Regulation (EEC) No 1113/89 of 27 April 1989¹² the Council set at 1.5% of the target price for milk the co-responsibility levy for milk and milk products to apply with effect from 1 April 1989 to producers whose production exceeds 60 000 kg. Commission Regulation (EEC) No 1425/89 of 24 May 1989¹³ accordingly altered the amounts of the levy and further specified how the reduced rate should apply to small milk producers.

¹ OJ L 128, 11.5.1989.

² OJ L 54, 5.3.1979.

³ OJ C 189, 23.7.1982; OJ C 269, 25.10.1986; Bull. EC 9-1986, point 2.1.114.

⁴ OJ C 158, 26.6.1989.

⁵ OJ L 160, 12.6.1989.

⁶ Bull. EC 1-1989, point 2.1.72.

⁷ OJ L 131, 13.5.1989.

⁸ OJ L 132, 28.5.1989; Bull. EC 5-1988, point 2.1.117.

⁹ Bull. EC 12-1989, point 2.1.105.

¹⁰ OJ L 133, 17.5.1989.

¹¹ OJ L 127, 11.5.1989.

¹² OJ L 118, 29.4.1989; Bull. EC 4-1989, point 2.1.136.

¹³ OJ L 141, 25.5.1989.

Beef/veal

2.1.190. On 25 May Parliament adopted a resolution on the international trade in beef and veal¹ in which it called for import arrangements and quotas to be revised more frequently, for Community beef and veal production to be reduced enough to obviate the need for subsidized exports of surpluses, for greater advantage to be taken of the potential for intra-Community trade, for tinned beef and veal to be included in the lists of products supplied as Community food aid, for meat bought into intervention to be effectively disposed of in non-member countries and for the exceptional arrangements that distort competition between Member States to be abolished.

Oils and fats

2.1.191. On 16 May the Commission adopted for transmission to the Council two proposals for Regulations² amending, on the one hand, Council Regulation (EEC) No 591/79 of 26 March 1979 laying down general rules concerning the production refund for olive oils used in the manufacture of certain preserved foods³ and, on the other, Council Regulation No 136/66/EEC of 22 September 1966 on the establishment of a common organization of the market in oils and fats.⁴ The purpose of the proposals is to widen the range of preserved foods eligible for the refund for use of olive oil, which should serve to increase consumption and, by the same token, reduce exports and the total amount of refunds payable on export.

2.1.192. On 30 May the Commission adopted Regulation (EEC) No 1492/89⁵ amending Regulation (EEC) No 3446/88 laying down transitional provisions on the utilization of advance-fixing certificates issued in Spain and Portugal.⁶ The purpose of this Regulation is to avoid speculative operations by disallowing the use of advance-fixing certificates issued in Spain and Portugal for seeds harvested and processed in the other Member States.

Hops

2.1.193. On 25 May Parliament adopted a resolution on the situation of European hop growers.¹ The resolution called on the Commission and the Council to propose and adopt structural improvement measures and to extend to 1992 the conversion programme contained in Council Regulation (EEC) No 2297/87 of 22 September 1987.⁷ In addition, it proposed specific restructuring measures involving, in particular, a control plan for temporary discontinuation of production, the grubbing-up of hop varieties for which there was no market demand and the granting of conversion aid; it estimated the cost of the proposed measures at ECU 11.5 million. Moreover, the House called on the Commission to monitor closely the import of hops at dumping prices.

Legislation**Animal health
and animal husbandry**

2.1.194. On 30 May the Council, acting on a proposal from the Commission,⁸ adopted Directive 89/361/EEC concerning pure-bred breeding sheep and goats.⁹ The purpose of the Directive is to liberalize intra-Community trade in such animals and their semen; ova and embryos. It is left to the Commission to adopt the required implementing rules. The Directive, which was provided for in the White Paper, will help complete the internal market as regards animal husbandry.

¹ OJ C 158, 26.6.1989.

² COM(89) 207 final; COM(89) 228 final.

³ OJ L 78, 30.3.1979.

⁴ OJ L 172, 30.9.1966.

⁵ OJ L 147, 31.5.1989.

⁶ OJ L 302, 5.11.1988; Bull. EC 11-1988, point 2.1.212.

⁷ OJ L 284, 7.10.1987; Bull. EC 9-1987, point 2.1.151.

⁸ OJ C 348, 23.12.1987; Bull. EC 12-1987, point 2.1.229.

⁹ OJ L 153, 6.6.1989.

2.1.195. The same day the Council, acting on a proposal from the Commission,¹ also adopted Directive 89/360/EEC² amending Council Directive 64/432/EEC as regards administrative areas and a cessation of serological testing for brucellosis in certain types of swine.³ The purpose of the Directive is to reduce the number of serological tests applied to certain types of swine entering intra-Community trade owing to the reduced incidence of brucellosis and changes in production methods.

2.1.196. On 26 May the Commission adopted Directive 89/362/EEC on general conditions of hygiene in milk production holdings,⁴ which lays down, in particular, conditions relating to the upkeep of premises and to milking operations.

2.1.197. On 23 May the Commission also adopted, for transmission to the Council, a proposal for a Decision⁵ amending for the second time Council Decision 88/303/EEC recognizing certain parts of the territory of the Community as officially free of swine fever.⁶ The proposal embodies the progress made in eradicating this disease in the Community.

2.1.198. On 25 May Parliament adopted an opinion⁷ on the proposal for a Regulation instituting a certificate for dogs and cats on visits of less than one year in the Member States and introducing Community measures to set up pilot projects for the control and eradication of rabies⁸ which the House approved subject to a number of amendments designed to make the rules more stringent. It called on the Council to decide before 1 July 1991 on the institution of compulsory quarantine arrangements at the external borders of the Community for all animals which can carry rabies.

2.1.199. On 31 May the Economic and Social Committee delivered an opinion in which it approved the general aims of the same proposal.⁸ It was in favour of the financial aid for pilot projects and stressed the need for continuing support for research into rabies and, in particular, into new developments in the field of immunology as

well as other methods of controlling the disease. In addition, it suggested that control and vaccination measures be carried out in border areas on both sides of the Community's external frontier.

2.1.200. The same day the Economic and Social Committee adopted an opinion on the proposal for a Regulation on animal health conditions governing intra-Community trade in and imports from non-member countries of poultry and hatching eggs.⁹ It approved this proposal subject to certain changes relating, in particular, to the systematic application of the principles of animal health and a more restrictive attitude to the granting of exemptions.

2.1.201. Also on 31 May the Economic and Social Committee adopted an opinion on the proposal for a Regulation¹⁰ on animal health conditions governing intra-Community trade in ovine and caprine animals and the proposal for a Directive¹⁰ amending Directive 72/462/EEC on health and veterinary inspection problems upon importation of bovine animals and swine and fresh meat from non-member countries,¹¹ in order to include ovine and caprine animals. It endorsed the purpose of both proposals which is to liberalize intra-Community trade and contribute to the completion of the internal market in this sector whilst ensuring a high level of animal health protection.

Competition

2.1.202. Under Articles 92 to 94 of the EEC Treaty, the Commission approved the introduction of the following proposed schemes, which had been duly notified.

¹ OJ C 45, 24.2.1989.

² OJ L 153, 6.6.1989.

³ OJ 121, 29.7.1964.

⁴ OJ L 156, 8.6.1989.

⁵ COM(89) 147 final.

⁶ OJ L 132, 28.5.1988; Bull. EC 5-1988, point 2.1.159.

⁷ OJ C 158, 26.6.1989.

⁸ OJ C 85, 6.4.1989; Bull. EC 1-1989, point 2.1.78.

⁹ OJ C 89, 10.4.1989; Bull. EC 2-1989, point 2.1.116.

¹⁰ OJ C 48, 27.2.1989; Bull. EC 12-1988, point 2.1.280.

¹¹ OJ L 302, 31.12.1972.

Germany

North Rhine-Westphalia

Premium for investments in foodstuffs to a manufacturer of meat products located in Kempen-Tönisberg.

Spain

Aragon

Draft regional Decree on measure to improve the conditions under which agricultural products are processed, marketed and promoted.

France

Two agricultural promotion measures envisaged at the special agricultural conference held on 25 February 1988:

- (i) relief on social security contributions in the dairy sector;
- (ii) relief on social security contributions in the beef/veal sector.

These measures have to be seen in the light of Council Regulation (EEC) No 768/89 of 21 May 1989 establishing a system of transitional aids to agricultural income.¹

Aid to assist farmers in financial difficulties involving grant of aid to finance operational analyses of holdings and to monitor the recovery plans implemented by those holdings.

Italy

Lazio

Aid to farmers whose holdings were affected by the flooding in Viterbo in October 1987.

Draft law to promote high-quality regional products (participation in agricultural shows and trade fairs, nutritional education, information on outlets).

2.1.203. The Commission decided to initiate the Article 93(2) procedure in respect of the following scheme.

Netherlands

Amendment of the 'Regeling stimulerend exportactiviteiten 1988' (Order on export promotion) which relates to the grant of subsidies for the export of animal and plant reproductive and propagating material.

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

France

Aid to specialist beef finishers, as the aid granted is in accordance with the Commission's criteria (in particular that designed to cover debts incurred in relation to investment loans).

Italy

Sicily

Subsidies to cooperatives, traders and small-scale industries, as the schemes under investigation had been allowed to lapse.

Fisheries

Resources

Internal aspects

Community measures

Control measures

2.1.205. On 19 May, Parliament having delivered its opinion,² the Commission adopted an amended³ proposal for a

¹ OJ L 84, 29.3.1989; Bull. EC 3-1989, point 2.1.118.

² OJ C 120, 16.5.1989; Bull. EC 4-1989, point 2.1.159.

³ OJ C 152, 20.6.1989; COM(89) 152 final.

Council Decision on a Community financial contribution towards expenditure incurred by Member States on the enforcement of the Community system for the conservation and management of fishery resources.¹ This amendment takes into account most of the changes suggested by Parliament in its opinion of 13 April and lays particular emphasis on strict compliance with the rules of the common fisheries policy, the need for effective control and the fact that the size of the task is out of proportion to the budgetary resources of certain Member States, thus necessitating a contribution from the Community.

External aspects

Convention on the Conservation of Antarctic Marine Living Resources

2.1.206. On 3 May 1989 the Council, acting on a proposal from the Commission,² adopted Regulation (EEC) No 1271/89³ amending Regulation (EEC) No 2245/85 of 2 August 1985 laying down certain technical measures for the conservation of fish stocks in the Antarctic.⁴ The purpose of this amendment is the implementation by the Community of a number of conservation measures adopted by the Commission which administers the Convention on the Conservation of Antarctic Marine Living Resources.⁵

Angola

2.1.207. Following the negotiations held in Brussels from 8 to 10 May, a new Protocol to the EEC-Angola Fisheries Agreement⁶ was initialled. This Protocol provides, for a period of one year commencing on 3 May 1989, for the granting of 28 tuna-fishing licences and, on a trial basis, new fishing opportunities for demersal trawlers and surface longliners.

In view of the state of shrimp stocks and the expansion of the Angolan national fleet, it has proved necessary to reduce the fishing opportunities available to shrimp trawlers

in terms of both the number of vessels and the tonnage caught.

The financial compensation to be paid by the Community amounts to ECU 7 925 000, whilst a further ECU 1 060 000 will be used to finance a scientific programme and for training purposes. The fees payable by ship-owners have also been fixed.

Somalia

2.1.208. A third round of negotiations⁷ between the Community and Somalia was held in Brussels from 23 to 25 May with a view to the conclusion of a Fisheries Agreement. Considerable progress was made, the two parties defining the basis for an Agreement.

Market organization

Herring market

2.1.209. On 25 May Parliament adopted a resolution on the situation on the market for herring in the European Community.⁸ It stresses the need to safeguard not only Community herring stocks but also production and marketing structures, in order to protect employment in this sector. It suggests the introduction of a regionalized price for herring and considers that, given the inadequacy of the measures adopted under Council Regulations (EEC) No 4020/86⁹ and No 355/77,¹⁰ advantage should be taken of the scope offered by the Regional Fund and the Social Fund to prevent the decline of viable fishing and processing industries, particularly in peripheral regions.

¹ OJ C 20, 26.1.1989; Bull. EC 11-1988, point 2.1.233.

² Bull. EC 3-1989, point 2.1.150.

³ OJ L 127, 11.5.1989.

⁴ OJ L 210, 7.8.1985; Bull. EC 7/8-1985, point 2.1.176.

⁵ OJ L 252, 5.9.1981, p. 26; Bull. EC 9-1981, point 2.1.101.

⁶ OJ L 341, 3.12.1987; Bull. EC 11-1987, point 2.1.228.

⁷ Previous negotiations: Bull. EC 7/8-1988, point 2.1.208; Bull. EC 12-1988, point 2.1.309.

⁸ OJ C 158, 26.6.1989.

⁹ OJ L 376, 31.12.1986; Bull. EC 12-1986, point 2.1.285.

¹⁰ OJ L 51, 23.2.1977.

Structures

Processing and marketing

2.1.210. On 12 May the Commission adopted, for transmission to the Council, a proposal for a Council Regulation on the improvement of the conditions under which fishery and aquaculture products are processed and marketed.¹ This proposal would repeal, as from the end of this year, Council Regulation (EEC) No 355/77 of 15 February 1977 on common measures to improve the conditions under which agricultural products are processed and marketed² and would replace it by a specific Regulation for the fisheries sector. The latter would not only reflect the objectives of the reform of the structural Funds, and in particular Objective 5a (speeding up structural adjustment) as defined in Council Regulation (EEC) No 2052/88 of 24 June 1988,³ and ensure that measures were concentrated on certain regions of the Community but would also, and above all, take account of the specific nature of the fisheries sector, and in particular the link to be established with Council Regulation (EEC) No 4028/86 of 18 December 1986 on Community measures to improve and adapt structures in the fisheries and aquaculture sector.⁴

The approach selected will mean a clear separation between the processing and marketing of fishery and aquaculture products, on the one hand, and the processing and marketing of agricultural products, on the other. The adoption of a separate Regulation is justified not only by the fact that the activities in question are an integral part of the common fisheries policy, but also by the need to expand the processing of fishery and aquaculture products and thus improve the Community's heavily negative trade balance in this sector.

This approach, which was recommended by Parliament,⁵ should also make for greater clarity in the Community budget.

Under the provisions of the proposed Regulation, each Member State would be

required to draw up a sectoral plan on the basis of which the Commission would adopt appropriate Community measures. This should improve the coordination, effectiveness and planning of aid measures.

Transport

Inland transport

Railways

2.1.211. On 26 May Parliament adopted a resolution on the problems of the railways in which it advocated in particular measures designed to strengthen the commercial competitiveness of railway companies, to which the public authorities should grant greater independence of management.⁶ Parliament asked the Commission to present a White Paper on the state of the Community's peripheral railways.

Road transport

Technical aspects

2.1.212. On 1 June the Economic and Social Committee rejected the proposal⁷ to amend Council Directive 85/3/EEC of 19 December 1984 on the weights and dimensions of commercial vehicles⁸ with regard to the ending of the exemption arrangements granted to Ireland and the United Kingdom for the maximum authorized weights for units with five and six axles and the driving axle.

¹ OJ C 143, 9.6.1989; COM(89) 187 final.

² OJ L 51, 23.2.1977.

³ OJ L 185, 15.7.1988; Bull. EC 6-1988, point 2.1.159.

⁴ OJ L 376, 31.12.1986; Bull. EC 12-1986, point 2.1.285.

⁵ OJ C 47, 27.2.1989; Bull. EC 1-1989, point 2.1.87.

⁶ OJ C 158, 26.6.1989.

⁷ OJ C 45, 24.2.1989; Bull. EC 12-1988, point 2.1.334.

⁸ OJ L 2, 3.1.1985; Bull. EC 12-1984, point 2.1.200.

Road safety

2.1.213. On 23 May Parliament endorsed¹ the proposal for a Directive relating to the maximum permitted blood alcohol concentration for vehicle drivers.² While approving of the aim pursued (permitted blood alcohol concentration of 0.50 mg/ml in all Member States), it took the view that the date proposed by the Commission was too far off and recommended that this level be imposed as from 1 January 1991.

Taxation

2.1.214. On 23 May Parliament also endorsed¹ the proposal for a Directive on the charging of transport infrastructure costs to heavy goods vehicles.³ Parliament accepted the introduction of the principle of territoriality in vehicle taxation to the extent that it made it possible to eliminate distortion of competition of a fiscal nature between transport operators from the various Member States while charging infrastructure costs to transport operators on the basis of the actual use of the roads. It proposed that some of the tax revenue should be allocated to an infrastructure fund to develop transport infrastructure in the outlying Member States.

Social conditions

2.1.215. Following the opinion delivered by Parliament,⁴ the Commission decided⁵ on 31 May to amend its proposal⁶ to amend Council Regulations (EEC) Nos 3820/85 and 3821/85⁷ of 20 December 1985 concerning the harmonization of certain social legislation relating to road transport and recording equipment in road transport. The amendments concern certain definitions, such as 'day' and 'week', the daily driving period and the daily rest period and are designed to make for uniform interpretation of the Regulations throughout the Community.

Shipping

Positive measures

2.1.216. On 31 May the Commission approved a communication, for trans-

mission to the Council, entitled 'A future for the Community fleet: measures to improve the operating conditions of shipping companies in the Community'.⁸ This document proposes a series of 'positive measures' designed to increase the competitiveness of the merchant fleet registered in the Community by:

- (i) creating (alongside national registers) a Community register to be known as 'Euros' which will allow registered ships to fly the Community flag and to benefit from a number of specific advantages that will lower their operating costs;
- (ii) introducing measures to cut the operating costs of Community ships and to boost their competitiveness.

The aims of Euros are to stop outflagging to non-Community registers and to keep employment in Community shipping companies at the highest possible level. The Commission also plans to make Member States' aid policies in this area more consistent. Outflagging and the sale of Community flag ships to foreign owners have almost halved the size of the Community fleet in the past decade, as well as its percentage share in the world fleet and the number of its workforce of Community nationality. Registration in the Community ship register will be possible on condition that the vessels fly the flag of a Member State and their owners have a recognized link with the Community. The crews on board these ships must consist of 100% Community nationals as far as officers are concerned and 50% of the rest of the crew. Registered ships under 6 000 gross register tonnes will be entitled to operate in cabotage, including in those Member States which still reserve this traffic for their own flag. They will also be among the beneficiaries of access to the

¹ OJ C 158, 26.6.1989.

² OJ C 25, 31.1.1989; Bull. EC 11-1988, point 2.1.255.

³ OJ C 79, 26.3.1988; Bull. EC 12-1987, point 2.1.275.

⁴ OJ C 326, 19.12.1988; Bull. EC 11-1988, point 2.1.258.

⁵ COM(89) 52 final.

⁶ OJ C 116, 3.5.1988; Bull. EC 2-1988, point 2.1.160.

⁷ OJ L 370, 31.12.1985; Bull. EC 12-1985, point 2.1.214.

⁸ COM(89) 266.

transport of Community food aid, the cost of which is paid by the Community.

Accompanying measures include harmonization of technical standards and mutual recognition of seafarers' diplomas, for which Euros will act as a catalyst. It is also intended to strengthen port State control and to intensify activities in the field of maritime research.

The Commission communication is accompanied by three proposals for Regulations on the establishment of the Community register, liberalization of cabotage and the definition of Community shipowner plus a recommendation on port State control.

The positive measures also include guidelines which the Commission plans to apply to State aid in the maritime sector so as to ensure consistency and improve transparency. To be considered consistent with the common market, State aid must primarily be granted to shipowners with the aim of pursuing the common interest. This objective is also behind the establishment of the Community ship register.

Dangerous goods

2.1.217. On 19 May the Commission adopted a proposal for a Directive,¹ for transmission to the Council, concerning minimum requirements for vessels for entering or leaving Community ports carrying packages of dangerous or polluting goods. The aim of this proposal is to ensure compliance with a number of minimum requirements so as to avoid accidents in the Community's coastal waters involving the carriage of dangerous substances or, where necessary, to lessen the effects of such an accident. The Directive sets out in particular to require vessels to communicate to the authorities in the port of berthing or departure a list of the dangerous goods transported and their precise nature, the loading plan, details of the vessels, deficiencies which may decrease the manoeuvrability of these vessels, affect the safety and flow of traffic or constitute real or potential hazards

to the maritime environment or coastal areas, plus any leak of dangerous goods within the vessel and any discharges at sea of such goods. It also seeks to introduce obligations such as the establishment of a radio telephone link with radio stations, the use, in conditions of restricted visibility, of services provided by the radar stations, and obligatory use of pilot services.

Air transport

Air traffic congestion

2.1.218. Favourable opinions were delivered by Parliament² on 23 May and the Economic and Social Committee on 31 May on the proposals attached to the Commission communication of 19 October 1988 on air traffic system capacity problems:³

- (i) proposal for a Decision on coordination between the Member States, the Community and Eurocontrol in the field of air navigation;
- (ii) proposal for a Decision amending Council Decision 78/174/EEC of 20 February 1978 instituting a consultation procedure and setting up a Committee in the field of transport infrastructure;⁴
- (iii) proposal for a recommendation on the flexible and efficient use of airspace.

Parliament proposed that the first text should take the form of a Directive and that the third text should take the form of a Decision, while the Economic and Social Committee, for its part, advocated more binding measures.

Computerized reservation systems

2.1.219. Parliament also endorsed² on 23 May the proposal for a Regulation on a code of conduct for computerized reservation systems.⁵ It put forward numerous

¹ OJ C 147, 14.6.1989; COM(89) 7 final.

² OJ C 158, 26.6.1989.

³ OJ C 34, 10.2.1989; Bull. EC 10-1988, point 2.1.186.

⁴ OJ L 54, 25.2.1978.

⁵ OJ C 294, 18.11.1988; Bull. EC 7/8-1988, point 2.1.226.

amendments designed in particular to specify certain provisions or procedures in more detail, increase consumer protection, give the Commission the right of initiative in control and adapt the set timetable.

Energy

General aspects

Transparency of consumer energy prices

2.1.220. At the Council meeting on energy of 11 May the following conclusions were drawn based on the Commission communication entitled 'Transparency of consumer energy prices':¹

The Presidency, having stressed the importance of this subject in the context of the completion of the single energy market, has taken note of the Commission's intention to submit to it by July 1989 a proposal intended to achieve greater transparency of information on prices charged to final consumers in the natural gas and electricity sectors.

The Presidency also noted that, in the context of achieving the single energy market, consideration should be given to whether or not it is desirable, as the Commission and certain Member States contend, to set up a system which, with due regard for the rules on confidentiality and competition, would permit transparency to be extended to cost structures and subsequently to price and tariff formation.

Promotion of energy technologies

2.1.221. On the basis of the Commission's proposal for a Regulation of 1 March on the promotion of energy technologies — the Thermie programme,² and pending the opinions of Parliament and the Economic and Social Committee, on 11 May the Council meeting on energy reached the following conclusions:

The Council welcomes the submission of this document by the Commission and notes that, in the context of the market, the Thermie programme can make a substantial contribution to technological development in the energy field.

In general terms, the Council is in agreement with the Commission's conclusions on the need for a new programme such as that set out in the above document, especially in the light of the expiry of the energy technology and oil and gas technology development programmes at the end of this year.

The Council hopes that the programme will be fully operational at the beginning of 1990.

The Council calls on the Commission, in accordance with the rules in force regarding financial estimates, to submit a proposal on the total funding required for the programme, which could be the subject of an indicative breakdown taking account none the less of the overall objectives of the programme.

The internal energy market

2.1.222. On 26 May Parliament adopted a resolution on the internal energy market.³ Referring to the Commission working document on the subject,⁴ Parliament called, in the context of measures to complete the internal market, for energy policy to be based not only on reducing costs and ensuring competition but above all on safeguarding security of supply and the compatibility of energy production methods with the environment. With a view to forming a vast consortium of energy suppliers, Parliament asked the Commission to undertake a study of the experience of Member States where the electricity industry is more competition-oriented and another on the legal and economic aspects of common carriage. Parliament stressed that the social consequences of the production, distribution and consumption of energy must be taken into account and that regions and Member States must keep a certain amount of freedom in implementing energy policy.

Specific aspects

Oil and gas

2.1.223. The Council meeting on energy of 11 May approved the recommendations

¹ Bull. EC 3-1989, point 2.1.159.

² OJ C 101, 22.4.1989; Bull. EC 3-1989, point 2.1.158.

³ OJ C 158, 26.6.1989.

⁴ Bull. EC 4-1988, points 1.1.1 to 1.1.13.

in the Commission communication on the Community's oil market and refining industry.¹ With a view to achieving the internal market, Member States should assume an active role in identifying and removing obstacles posed by national legislation to the rationalization of the refining industry. The Community should endeavour to reduce any distortions of competition having a significant impact on industrial costs and the competitiveness of refineries, including those resulting from rules related to environmental considerations. In addition, the Commission was requested to follow developments, report to the Council, and, if necessary, to present proposals on the progress made in the restructuring of the European refining industry. The Commission's proposals on the environment must ensure an adequate level of protection, in line with the aims of the Single Act.

Nuclear energy

2.1.224. On 24 May the Commission adopted a communication containing an action programme, for transmission to the Council, Parliament and the Economic and Social Committee, on the transport of radioactive material within the Community. The communication was accompanied by a report analysing the legal, technical, administrative and radiological aspects of the safety of this type of transport.

Electricity

2.1.225. After taking the opinion of Parliament² and of the Economic and Social Committee³ the Council meeting on energy of 11 May gave its agreement in principle to a Commission proposal for a Community action programme for improving the efficiency of electricity use.⁴ The programme follows up the Council resolution

of 15 January 1985⁵ and is in keeping with the resolution of 16 September 1986 on Community energy policy objectives for 1995,⁶ aiming to increase energy efficiency by at least 20% between now and 1995, by means of measures to influence consumers and to improve the energy efficiency of electrical equipment.

The international dimension

IEA ministerial-level meeting

2.1.226. A ministerial-level meeting of the International Energy Agency was held in Paris on 30 May.⁷ Ministers looked at safety, the improvement of energy efficiency and conservation, energy technology and research and development and had an in-depth discussion on environmental problems.

The Commission insisted on the need to strike a balance between environmental protection and safety. In particular, the generation of electricity from nuclear energy without the emission of CO₂ helps to reduce the greenhouse effect. Similarly, Community measures under the Thermie programme aim to preserve this balance by improving energy efficiency and developing new and renewable forms of energy.⁸ The Commission stressed that the completion of the internal energy market would bring major benefits to the European economy, reinforce security of supply and improve the quality of the environment.

¹ Bull. EC 9-1988, point 2.1.139.

² OJ C 96, 17.4.1989; Bull. EC 3-1989, point 2.1.165.

³ OJ C 139, 5.6.1989; Bull. EC 3-1989, point 2.1.166.

⁴ OJ 307, 2.12.1988; Bull. EC 10-1988, point 2.1.197.

⁵ OJ C 20, 22.1.1985; Bull. EC 1-1985, point 2.1.68.

⁶ OJ C 241, 25.9.1986; Bull. EC 9-1986, point 2.1.154.

⁷ Previous meeting; Bull. EC 5-1987, point 2.1.206.

⁸ OJ C 101, 22.4.1989; Bull. EC 3-1989, point 2.1.158.

2. External relations

Commercial policy

(EEC) No 3420/83 of 14 November 1983 on import arrangements for products originating in State-trading countries, not liberalized at Community level. ²

General matters

Commercial policy instruments

Trade protection

Easing of restrictive measures

2.2.2. Trade protection measures taken in May are shown in Table 3.

2.2.1. In May the Commission decided to open quotas ¹ under Council Regulation

¹ OJ C 123, 18.5.1989.

² OJ L 346, 8.12.1983.

Table 3 — *Trade protection measures*

Council	Commission
<p>Anti-dumping proceedings</p> <p><i>Definitive anti-dumping duty on imports of:</i></p> <p>Light sodium carbonate originating in Bulgaria, the German Democratic Republic, Poland or Romania OJ L 131, 13.5.1989 (original definitive duty: OJ L 32, 3.2.1983) (scope of original Regulation widened: OJ L 169, 26.6.1986) (impending expiry of certain anti-dumping measures: OJ C 317, 28.11.1987)</p>	<p>Anti-dumping proceedings</p> <p><i>Notice of initiation of a review of anti-dumping measures concerning imports of:</i></p> <p>Ball bearings with greatest external diameter exceeding 30 mm originating in Japan, and notice of the reopening of the investigation concerning such imports OJ C 133, 30.5.1989 (original definitive duty: OJ L 167, 27.6.1985)</p> <p>Ball bearings and tapered roller bearings originating in Japan OJ C 126, 23.5.1989 (original definitive duty: OJ L 167, 27.6.1985)</p> <p>Notice concerning the anti-dumping investigation pursuant to Article 13(10) of Council Regulation (EEC) No 2423/88 concerning plain paper photocopiers assembled in the Community OJ C 113, 4.5.1989 (results of original investigation: OJ L 284, 19.10.1988)</p> <p>Notice regarding the anti-dumping proceeding concerning synthetic fibres of polyesters originating in Mexico, Romania, Taiwan, Turkey, the USA or Yugoslavia OJ C 119, 13.5.1989 (definitive duty: OJ L 348, 17.12.1988)</p>

***Treaties and trade agreements:
extension or automatic renewal***

2.2.3. On 16 May the Council adopted Decision 89/335/EEC authorizing the extension or automatic renewal of certain trade agreements between Member States and other countries¹ where the date for giving notice of denunciation fell between 1 February and 30 April (first batch for 1989).

Individual sectors

Iron and steel products

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

2.2.4. On 9 May the Commission signed in Warsaw the iron and steel arrangement concluded with Poland for 1989 deliveries.

2.2.5. On 24 May, having consulted the ECSC Consultative Committee and obtained the Council's assent, the Commission adopted Decision No 1411/89/ECSC prohibiting alignment on offers of steel products originating in certain non-member countries.² The purpose of this Decision, which prevents Community firms from aligning their prices on low-priced offers from Bulgaria, Poland, Hungary, Romania, Czechoslovakia, Brazil, Korea or Venezuela, is to preserve the advantage those countries have been granted to compensate for the arrangements that have been concluded with them, though the prohibition will not apply to offers for steel used for the construction of seagoing vessels or drilling platforms.

Industrialized countries

United States

2.2.6. On 4 May the Commission and the United States reached agreement within the

high-level working party on hormones set up in February.³ The two parties agreed on a system of certification for non-hormone-treated meat that will allow the resumption of trade in beef and veal in accordance with the relevant legislation on each side. The working party's mandate was extended beyond the initially agreed period of 75 days so that it can complete its work.

2.2.7. On 19 May Mr Andriessen met the US Trade Representative, Mrs Carla Hills, in Washington. They discussed agricultural trade disputes, including the US complaint regarding Community aid to the oilseeds sector (soya)⁴ and the Community's request concerning US import restrictions on sugar and sugar products under the GATT waiver.⁵ In both cases the parties agreed to the immediate setting-up of a GATT panel.

2.2.8. On 22 May Mr Andriessen informed the Council (General Affairs) of the state of trade relations with the United States. The Council supported the action which the Commission proposed to take in the various ongoing disputes. It shared the Commission's concern regarding the current state of relations and possible future developments following implementation of the Trade Act.⁶ It noted the 'contradiction in US policy, which supported the Uruguay Round and the multilateral trading system while following a course based on unilateral measures.' It confirmed its determination to defend the Community's interests and agreed to discuss relations with the United States again at a forthcoming meeting.

2.2.9. The Council (Agriculture) also looked at the question of oilseeds (soya) at its meeting on 29 and 30 May and confirmed the need to keep a careful eye on the matter.⁴

¹ OJ L 137, 20.5.1989.

² OJ L 141, 25.5.1989.

³ Bull. EC 2-1989, point 2.2.6.

⁴ Bull. EC 1-1988, point 2.2.9.

⁵ Bull. EC 7/8-1988, point 2.2.21.

⁶ Bull. EC 7/8-1988, points 2.2.20 and 3.6.1 *et seq.*

2.2.10. On 26 May the Commission published a statement reacting to the first lists of countries targeted under Article 301 of the US Trade Act.¹ The Commission noted that the US Administration had not identified any trade practices of the Community or its Member States. While interpreting this as a factor which could help reduce tensions between the Community and the United States related to the Trade Act, the Commission nevertheless expressed its disapproval of unilateral or bilateral approaches to trade problems which should properly be dealt with in the GATT framework.

2.2.11. The US President, Mr George Bush, accompanied by Mr James Baker, Secretary of State, and Mr Robert Mosbacher, Secretary of Commerce, visited the Commission on 30 May for talks with Mr Delors and Mr Andriessen.

President Bush expressed encouragement for European integration and the 1992 objective and stressed the importance of a successful conclusion of the Uruguay Round. Mr Andriessen said that the European single market was not protectionist; the Community would pursue an active external economic policy within the multi-lateral framework.²

The two sides agreed to intensify bilateral contacts in order to make progress on economic matters and to improve the political dialogue.

2.2.12. Mr Mosbacher also had talks with other Members of the Commission, during which various aspects of bilateral trade relations were discussed. The following joint communiqué on standardization and certification was adopted:

It was agreed that the United States and the European Community have the shared goal of sustaining an effective liberalization of trade and investment and that the EC's single market should contribute to this objective.

Both sides underlined their commitment to the work of the international standardization bodies and to the principle of transparency in standardization. Both agree to the continuation of the recently

initiated dialogue between European and United States standards bodies as well as between officials. It was agreed that a meeting of US and European Community officials would be held in Brussels later this summer to examine any issues of mutual concern in the area of technical regulation and related standardization activity.

They also agreed that the same principles of transparency and openness should apply in the field of testing and certification and that further clarification of the issues might be necessary. They also agreed that imported products would be afforded access to the conformity assessment procedures of both sides equal to that enjoyed by domestic producers.

They concluded that once the Council of Ministers had confirmed the Commission's forthcoming policy statement on testing and certification, it would be appropriate to open exploratory discussions between officials of the Community and appropriate US representatives with a view to preparing negotiations for the mutual recognition of tests and certificates of conformity for products subject to regulation and to encourage the conclusion of mutual recognition arrangements between parties concerned in respect of non-regulated products. The future status of existing mutual recognition agreements would also be examined in these discussions.

Canada

2.2.13. On 26 May Parliament adopted a resolution on relations with Canada.³ Noting the considerable volume of trade between Canada and the Community and welcoming the successful settlement of bilateral disputes under GATT procedures, Parliament expressed its satisfaction at Canadian initiatives to develop cooperation, particularly on technology programmes. It recognized the importance of the Free Trade Agreement concluded between the United States and Canada and asked the Commission to put forward proposals for reviving the 1976 Framework Agreement.⁴

Australia

2.2.14. On 24 May the Commission adopted for transmission to the Council a

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

² Bull. EC 10-1988, point 1.2.1 *et seq.*

³ OJ C 158, 26.6.1989.

⁴ OJ L 260, 24.9.1976.

recommendation for a Decision authorizing the Commission to negotiate a Framework Agreement for scientific and technical cooperation between the Community and Australia. The idea is to expand relations between the two partners in the field of technological research and development. The Agreement should have a positive impact on the further development of industrial cooperation and on bilateral relations in other sectors.

European Free Trade Association

2.2.15. Acting on a proposal from the Commission, the Council formally adopted Decisions on the conclusion of the Third Additional Protocols to the Agreements between the Community and Austria, Finland, Iceland, Norway, Sweden and Switzerland consequent on the accession of Spain and Portugal to the Community.¹

2.2.16. Mrs Gro Harlem Brundtland, Prime Minister of Norway and current EFTA Chairman, visited the Commission on 18 May. She had talks with Mr Delors, followed by discussions with other Members of the Commission on a wide range of subjects, including EC-EFTA cooperation, transport (including aviation), education, the environment, research and development, energy and social and economic cohesion.

2.2.17. On 26 May Parliament adopted a resolution on economic and trade relations between the Community and the EFTA member countries.² Welcoming the joint declaration adopted at the close of the ministerial meeting between the Community, its Member States and the EFTA countries on 2 February 1988,³ Parliament drew attention to the homogeneity and interdependence of the Western European countries. It wished to see a pragmatic approach to an expansion of cooperation applied to specific situations and believed it would be useful to set up a consultation body or some structured procedure for managing relations between the Community and EFTA.

Joint Committees

2.2.18. On 22 May the Council adopted a common position on the draft Decisions of the EEC-EFTA Joint Committees⁴ amending Annex III to Protocol 3 concerning the definition of the concept of 'originating products' and methods of administrative cooperation.⁵

Bilateral relations

Sweden

2.2.19. Mr Kjell-Olof Feldt, Sweden's Finance Minister and Deputy Prime Minister, visited the Commission on 30 May. He had talks with Mr Delors on future EEC-EFTA relations and also met Mrs Scrivener, who informed him of the Commission's latest position on indirect taxation and the state of play concerning a withholding tax on investment income. Mr Feldt described the Swedish Government's plans for tax reform in 1991 and emphasized that Swedish restrictions on foreign capital movements were to be abolished shortly.

With Mr Christophersen he discussed the annual OECD ministerial meeting taking place on 31 May and 1 June, the Western Economic Summit due to be held in July, the developing countries' debt problems and the report on economic and monetary union in the European Community.⁶

With Sir Leon Brittan he discussed issues related to the completion of the internal market in financial services, the impending abolition of Swedish restrictions on capital movements and Sweden's new banking legislation.

¹ OJ L 300, 31.12.1972; OJ L 328, 28.11.1973.

² OJ C 158, 26.6.1989.

³ Bull. EC 2-1988, point 2.2.18.

⁴ Bull. EC 12-1988, point 2.2.17.

⁵ OJ L 149, 15.6.1988; OJ L 180, 9.7.1988; OJ L 216, 8.8.1988; Bull. EC 5-1988, point 2.1.56; Bull. EC 12-1988, point 2.1.94.

⁶ Bull. EC 4-1989, points 1.1.1 to 1.1.5.

East European countries

Bilateral relations

Poland

2.2.20. On 17 May Mr Delors received a visit from Solidarity's Chairman, Mr Lech Walesa, together with several members of his organization. Mr Delors welcomed the political reform which had followed the 'round table' dialogue between the government and the opposition in Poland. Mr Walesa stressed that political reform could succeed only with economic aid from the West. They discussed the Polish debt problem and possible Community aid for training of officials.

2.2.21. The Commission informed the Council (General Affairs) at its meeting on 22 May of the state of negotiations with Poland.¹ The Council shared the Commission's desire to show the necessary flexibility within the framework of the negotiating directives given in February² and confirmed its support for the Commission in its attempts to bring the negotiations to a rapid conclusion.

2.2.22. The Commission approved the funding of an emergency medical aid programme involving the dispatch to Poland of ECU 1.4 million worth of medicines not available there. Two non-governmental organizations, Lazarus Hilfswerk and Caritas Danmark, will arrange transport and the Charity Commission of the Episcopate of Poland will distribute the medicines on an equitable basis to hospitals and pharmacies throughout the country.

Soviet Union

2.2.23. On 22 May the Commission adopted for transmission to the Council a recommendation for a Decision authorizing the Commission to negotiate an Agreement between the EEC, Euratom and the Soviet Union on trade and commercial and economic cooperation. Euratom has been

included in order to develop cooperation with the Soviet Union on nuclear matters. This recommendation follows a series of exploratory talks, which started in 1988.³ The opening of these negotiations is in line with the Community's current approach to relations with Comecon and its members, as defined by the Council on 25 July 1988.⁴

Romania

2.2.24. On 25 May Parliament adopted a resolution on economic relations with Romania.⁵ Roundly condemning the Romanian authorities' political attitude, Parliament found that in the present situation the conditions were not right for resuming the talks on the renewal and extension of the existing Trade Agreement.⁶ However, it wished to see relations between the Community and Romania develop further once conditions in accordance with human rights principles have been restored. Parliament considered it would be useful not to suspend all links with Romanian authorities, if only to provide a permanent basis for resuming relations when appropriate.

Mediterranean, Gulf and Arabian Peninsula countries

Mediterranean countries

2.2.25. On 26 May Parliament adopted a resolution on the rights of small European States and territories.⁵ It stressed that although it did not seem appropriate for the small States locked within its territory to join the Community, for both historical and economic reasons, those countries, and in particular Andorra, could nevertheless be

¹ Bull. EC 4-1989, point 2.2.15.

² Bull. EC 2-1989, point 2.2.21.

³ Bull. EC 3-1988, point 2.2.39.

⁴ Bull. EC 7/8-1988, point 2.2.42.

⁵ OJ C 158, 26.6.1989.

⁶ OJ L 352, 29.12.1980; EC 7/8-1980, point 1.4.1. *et seq.*

involved in more than just a customs union and could participate in some of the reciprocal benefits and obligations attaching to European integration. Parliament also called on the Commission to urge those countries, in its negotiations with them, that it be made impossible to acquire citizenship or establish residence there for the purpose of avoiding tax liability.

Turkey

2.2.26. Meetings on 16 and 17 May between Mr Ali Bozer, Deputy Prime Minister of Turkey, and Mr Bangemann and Mr Matutes, were followed by the visit to Brussels on 30 May of Mr Turgut Özal, Prime Minister of Turkey, for talks with Mr Delors on Turkey's economic development and its application of 14 April 1987 to join the Community.¹

Malta

2.2.27. On 24 May Parliament gave its assent² to the conclusion of the third Protocol on financial and technical cooperation between the Community and Malta, which was signed on 20 March.³

Morocco

2.2.28. On 2 May the Commission decided, under the third EEC-Morocco financial Protocol,⁴ to contribute ECU 30 million to the Agricultural Development Fund for the period from 1989 to 1991. The Fund was set up in 1986 as part of Morocco's policy to encourage the private sector to develop agricultural production, particularly where this can lead to self-sufficiency in food.

Israel

2.2.29. On 22 May the EEC-Israel Cooperation Council held its seventh meeting in Brussels.⁵ The Israeli delegation was led by Mr Moshe Arens, Minister for Foreign Affairs, and the Community was rep-

resented by Mr Fernández Ordóñez, President of the Council, and Mr Matutes, Member of the Commission.

The discussions covered the various aspects of the EEC-Israel Agreement.⁶ Both sides welcomed the new framework for trade resulting from the entry into force on 1 December 1988 of the Protocol of adaptation following enlargement,⁷ the introduction of the free-trade area for industrial products on 1 January 1989 and the implementation on the same date of the third financial Protocol.⁷ They also expressed satisfaction at the settling of the trade disputes, the progress made in implementing economic cooperation and also the cooperation in the form of joint ventures in high technology and research projects. The Israeli delegation was concerned, however, by Israel's trade deficit with the Community.

The meeting also provided an opportunity for informal talks between Mr Arens and the Ministers of the Member States on the situation in the occupied territories.

2.2.30. On 23 May Mr Arens saw Mr Delors and Mr Matutes. The talks centred on the Middle East peace process, in particular the practical aspects of the Israeli peace plan, and the holding of elections in the occupied territories.

Gulf and Arabian Peninsula countries

Yemen Arab Republic

2.2.31. On 22 May the Council approved a joint statement on relations with the Yemen Arab Republic, in which the Council and

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

² OJ C 158, 26.6.1989.

³ Bull. EC 3-1989, points 2.2.14 and 2.2.15.

⁴ Bull. EC 2-1988, point 2.2.29; Bull. EC 5-1988, point 2.2.28.

⁵ Previous meeting: Bull. EC 5-1988, point 2.2.30.

⁶ OJ L 136, 28.5.1975.

⁷ OJ L 327, 30.11.1988; Bull. EC 11-1988, point 2.2.22.

the Commission agreed on the importance of intensifying and broadening cooperation links. Aware of the new needs arising from the current changes in the Yemeni economy, they affirmed their intention to step up cooperation with Yemen through existing instruments by extending financial assistance to other sectors, including infrastructure.

Asia

South and East Asia

Bangladesh

2.2.32. On 25 May Mr Matutes received a visit from Mr Mahmud, Foreign Minister of Bangladesh. The purpose of the visit was to bring to the Community's attention the flooding which regularly affects Bangladesh and to give an account of the efforts being made to cope with the problem. Mr Matutes assured Mr Mahmud of the Commission's support and said he would press for an international conference of experts to be held before the end of the year.

Korea

2.2.33. On 17 May Mr Choi Young Chul, Minister for Communications of the Republic of Korea, paid a visit to the Commission. Mr Choi, who was accompanied by high-ranking Korean officials in the telecommunications sector, met Mr Bangemann and Mr Pandolfi. Discussions centred on the European approach to high-definition television¹ and on relations between the Community and Korea in the field of telecommunications.

African, Caribbean and Pacific (ACP) countries and overseas countries and territories (OCTs)

2.2.34. On 16 May the Council adopted a resolution on the strengthening of coordi-

nation in support of structural adjustment in the ACP States (→ point 3.4.1.). It also adopted a statement on the use of aid instruments (→ point 2.2.45), conclusions on the role of women in the development process (→ point 2.2.45) and on cooperation with developing countries in Latin America and Asia (→ point 2.2.52), and a resolution on cooperation evaluation (→ point 2.2.45).

Renewal of the ACP-EEC Convention

2.2.35. On 10 May the Commission adopted a communication for transmission to the Council on the accession of Haiti and the Dominican Republic to the next ACP-EEC Convention. As both countries are accepted candidates for accession to the Convention, the Commission has proposed that they should be granted observer status during the current negotiations.

2.2.36. Again on 10 May, in the light of progress in the negotiations so far, the Commission adopted a communication for transmission to the Council on amendments to the negotiating directives² concerning trade arrangements under the new ACP-EEC Convention.

Stabex

2.2.37. On 31 May the Commission adopted a report, for transmission to the Council and Parliament on the operation in 1988 of the export earnings stabilization system set up under the third ACP-EEC Convention.³ The report covers the activities of the ACP-EEC institutions, the management of the system during 1988 (transfers agreed for the 1987 application year, replenishment of resources), and the utilization and economic impact of transfers. For the 1987 application year the Commission had received 70 transfer requests, 43 of

¹ Bull. EC 4-1989, point 2.1.62.

² Bull. EC 10-1988, points 1.3.1. to 1.3.4.

³ Previous report: Bull. EC 4-1988, point 2.2.42.

which (from 29 countries) had given rise to transfer rights. The resources available totalled ECU 255 415 314.

Advances

2.2.38. On 12 May the Commission approved two transfer advances to Cameroon for the 1988 application year: ECU 16 000 000 for cocoa products;

ECU 19 999 999 for coffee.

Financial and technical cooperation

2.2.39. In May the Commission allocated a total of ECU 161 700 000 from the fourth, fifth and sixth EDFs to finance projects programmes, and emergency aid operations which it administers (see Table 4).

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

	Project/programme	Amount	
		Grants	Special loans
<i>million ECU</i>			
<i>Economic infrastructure</i>			
Sudan	Telecommunications	7.500	
<i>Rural production</i>			
Netherlands Antilles	Line of credit for the Development Bank (OBNA)		1.500
Burundi	Integrated projects centred on agriculture	32.000	
Comoros	<i>idem</i>	11.300	
Burkina Faso	<i>idem</i>	31.500	
Côte d'Ivoire	<i>idem</i>	11.000	
Zaire	Sectoral import programme	30.000	
<i>Industrialization</i>			
Benin	Imports for the industrial sector	16.000	
<i>Social development</i>			
Belize	Hospital	3.140	5.460
Djibouti	Training and employment programme	2.200	
<i>Special programmes</i>			
CILSS Member States	Control of drought and desertification	10.000	
<i>Emergency aid</i>			
Mauritania	Aid for victims of the disturbances in Mauritania and Senegal	0.050	
Senegal		0.050	
	Total	154.740	6.960

Regional cooperation

Angola

2.2.40. On 26 May Parliament adopted a resolution on the situation in Angola firmly backing the New York peace agreement concluded in December 1988 and calling on all parties to adhere strictly to it.¹ Parliament favoured a peaceful settlement of the civil war by the Angolans and their neighbours, and called on the Commission, Council and Member States to do all they could to support the process by assisting the development of Angola and the other front-line States.

Namibia

2.2.41. On 26 May Parliament adopted a resolution on the independence of Namibia and the protection of its natural resources.¹ Parliament urged all parties involved to respect the agreements to the letter and called for full, prompt implementation of United Nations Security Council Resolution 435/78 whereby the UN Council for Namibia remains the legal administering authority for Namibia pending free elections and the subsequent formation of a government. It hoped that the Twelve meeting in political cooperation and the Member States would examine thoroughly any request for them to participate in the international force established to guarantee the implementation of the resolution.

Parliament also said that the funds necessary for cooperation between Namibia and the SADCC² should be released and talks opened on the accession of an independent Namibia to the new ACP-EEC Convention, if it so desired.

Institutional relations

Committee of Ambassadors

2.2.42. The ACP-EEC Committee of Ambassadors met in Brussels on 18 May

under the joint chairmanship of Mr Raymond Chasle, the Mauritanian Ambassador, and Mr Carles Westendorp, the Permanent Representative of Spain and Chairman of the Permanent Representatives Committee.³

A number of subjects were discussed in preparation for the forthcoming ministerial conference on the ACP-EEC negotiations, scheduled to take place in Brussels on 2 June.

On the subject of commodities, the ACP countries rejected the global quota solution to the two-tier market in coffee.⁴ They also expressed concern about the poor operation of the International Cocoa Agreement.⁵

As regards Stabex, there was continued disagreement about what should be done concerning the shortfall in resources to meet applications in some years. Proposals for extending the list of products included in the system were also studied.

The ACP countries supported the applications of Zambia and Papua New Guinea to accede to the Sugar Protocol, though there were reservations about the conditions proposed by the Community. The fall in the price of sugar for 1989/90 and the exclusion of ACP sugar from the Portuguese market were also discussed.

In the field of regional cooperation, the ACP countries criticized the Community's slowness in making payments as well as the criteria and procedures involved in selecting regional projects.

An ACP proposal for a special ministerial ACP-EEC meeting on Southern Africa was rejected by the Community as the matter was already being considered at regular ministerial conferences and at ministerial meetings with the front-line States.

¹ OJ C 158, 26.6.1989.

² Southern African Development Coordination Conference: Angola, Botswana, Lesotho, Malawi, Mozambique, Swaziland, Tanzania, Zambia and Zimbabwe.

³ Previous meeting: Bull. EC 12-1988, point 2.2.65.

⁴ Bull. EC 4-1989, point 2.2.41.

⁵ Bull. EC 3-1989, point 2.2.38.

Other topics discussed by the ministers included the rejection by Mauritius of the Community response to its request for a derogation from the rules of origin; trade liberalization under the Uruguay Round and its effect on ACP preferences; and a number of specific points concerning the trade arrangements for certain ACP products.

Visits

2.2.43. On 10 May Mr Paul Biya, the President of Cameroon, together with members of the Cameroonian Government, met Mr Delors and Mr Marín.

Their discussions on cooperation between the Community and Cameroon ranged over the implementation of the indicative programme under Lomé III, regional cooperation, Stabex and trade matters. The Community aid programme's high commitment rate was a source of satisfaction to both parties: at 78%, it was substantially above the average for all ACP States taken together. The contribution made by Stabex to the Cameroonian economy — some ECU 42.4 million for 1987 — was also highlighted.

2.2.44. On 30 May Mr Marín met Mr David Coore, the Jamaican Minister for Foreign Affairs and Foreign Trade. In addition to bilateral matters such as Jamaica's continued access to the Community alcohol market, the two parties discussed the effects of the completion of the internal market on trade protocols with ACP States, particularly the Banana Protocol. Mr. Marín reaffirmed the Community's attachment to the objective of maintaining the advantages enjoyed by traditional ACP suppliers.

General development cooperation

2.2.45. On 16 May the Council adopted the following:

A statement on the use of aid instruments. Recalling the terms of its resolution of 31

May 1988 on the economic situation and the adjustment process in sub-Saharan Africa,¹ the Council emphasized that a certain measure of flexibility was required in allocating and implementing Community aid instruments so that the Community and its Member States could, in cooperation with the authorities of recipient countries, continue to promote the economic, social and cultural development of those countries. The Council also encouraged the Commission, the Member States and recipient countries to take particular account of groups which have been left out of the development process, by introducing projects or programmes which could be implemented rapidly and have an immediate impact.

Conclusions on the role of women in the development process. Given that the Community's policy in this field is to take systematic account of women's role in all projects financed by the Community, the Council welcomed the progress made since the adoption of its conclusions of 9 November 1987.² Nevertheless, it pointed out that priority had to go to establishing an action programme for increasing women's participation at the different stages of the implementation of projects and programmes. The Council called on the Commission to keep up its contacts with non-governmental organizations, whose experience in this area can be most valuable, and also wanted further exploration of subjects such as women in urban environments and women in relation to health, population growth and the informal sector.

A resolution on cooperation evaluation. Since evaluation is an essential condition for the success of any development policy, the Council called on the Commission and the Member States to continue their collaboration in this area, taking into account the methods and procedures developed in other forums. The Council emphasized the importance of evaluation results being reflected in the design of future projects,

¹ Bull. EC 5-1988, point 2.2.36.

² Bull. EC 11-1987, point 2.2.35.

and also expressed its concern that the recipients of the aid should be closely involved in the evaluation process.

Generalized preferences

Proposed scheme for 1990

2.2.46. On 17 May the Commission adopted for transmission to the Council three proposals for Regulations and one proposal for an ECSC Decision¹ providing the legal basis for the Community's generalized tariff preferences offer for 1990.

Pending the review of the system for the decade 1991-2000, the Commission did not consider it appropriate to introduce any innovations. The measures presented to the Council therefore largely concern the implementation of measures already proposed for 1989² but deferred.

Thus the agricultural section includes dried figs, raisins and frozen strawberries in the list reserved for the least developed countries, reduces the preferential duty rate on cigars to 34% to restore the preferential margin existing before the GATT Article XXIV(6) negotiations and converts the five quotas currently divided among the Member States to zero-rated fixed amounts.

In the industrial and textiles sectors, the changes are exclusively concerned with management, replacing the residual industrial product quotas with zero-rated fixed amounts and making it compulsory to return to the Community reserve the unused portions of textile quotas, whereas this is currently optional.

2.2.47. On 3 May the Council adopted Regulation (EEC) No 1270/89 applying supplementary generalized tariff preferences in respect of certain industrial products originating in developing countries and sold at the Berlin 'Partners in progress' Fair.³

Commodities and world agreements

Tropical timber

2.2.48. The Council of the International Tropical Timber Organization met in Abidjan from 16 to 24 May.⁴ It adopted the following decisions:

- (i) to extend the International Tropical Timber Agreement, which expires in March 1990,⁵ for two years;
- (ii) to recommend that a priority action programme be drawn up;
- (iii) to set up an international commission under ITTO auspices to examine methods of exploiting the tropical forest and maintaining the balance of the natural ecosystem in Sarawak, Malaysia;
- (iv) to implement a number of measures in the three areas of action covered by the Agreement, namely market information, reforestation and forestry management, and the timber industry.

Food aid

Standard food aid

2.2.49. In May the Commission, with the endorsement of the Food Aid Committee, approved the food aid operations listed in Table 5.

¹ COM(89) 242 final.

² OJ C 302, 28.11.1988; Bull. EC 6-1988, point 2.2.54.

³ OJ L 127, 11.5.1989.

⁴ Previous meeting: Bull. EC 11-1988, point 2.2.38.

⁵ Bull. EC 11-1983, point 2.2.51; Bull. EC 3-1985, point 2.2.38.

Table 5 — *Food aid operations*

	<i>tonnes</i>			
	Cereals	Milk powder	Butteroil	Other products
WFP	100 000	10 000	4 000	— ¹
NGOs	100 000	10 000	—	—
Tunisia	30 000	—	—	—
Total	230 000	20 000	4 000	—

¹ Other products to the value of ECU 1.5 million.
 WFP = World Food Programme.
 NGOs = Non-governmental organizations.

2.2.50. The Commission also decided under Article 951 of the budget to cofinance the purchase of food products and seeds by a non-governmental organization (Table 6).

Table 6 — *Cofinanced purchase of food products*

NGO	Recipient country	Community contribution (ECU)	Product
Dutch Interchurch Aid	Ethiopia	173 215	Sorghum, sesame

Financial and technical cooperation

2.2.51. On 3 May the Commission adopted for transmission to the Council and Parliament a report entitled 'Thirteen years of development cooperation with the developing countries of Latin America and Asia — Data and results'.

It shows that the Community has mobilized a total of ECU 4 409 million for the countries involved, comprising development aid (ECU 3 973 million), humanitarian aid (ECU 265 million) and economic cooperation (ECU 171 million). Standard food

aid (ECU 1 836 million) and financial and technical cooperation (ECU 1 950 million) were the main components of development aid.

The Commission noted that the use made of the funds had closely reflected the most urgent needs of the Latin American and Asian developing countries and the objectives set by the Community: efforts were concentrated on the poorest countries, rural production, the living standards of the neediest sections of the population and regional integration.

2.2.52. On 16 May the Council approved the following conclusions concerning the report:

The Council noted with great satisfaction the recent forwarding by the Commission of its report taking stock of the Community's cooperation with the Asian and Latin American developing countries for the period 1976 to 1988.

The Council reaffirmed the importance which it attaches to this cooperation with some 40 countries having a combined population of 3 400 million inhabitants.

The Council expressed its warm appreciation of the very comprehensive nature of this report, which supplies detailed data not only on the Community's financial and technical assistance to the Asian and Latin American developing countries, but also on all the other instruments of cooperation which have so far been developed between the

Community and those countries (food aid, economic cooperation, humanitarian aid, etc.).

It agreed that the main features of this report would soon form the subject of a booklet addressed to the general public.

The Council took note of the Commission's view that, taken as a whole, the record is a positive one. In its report, the Commission emphasizes that:

(i) the Community has been able to extend its cooperation to all the developing nations of the world, going beyond its privileged relations with the ACP and Mediterranean countries: the European presence is now a reality in almost all the developing countries, thus fulfilling one of the Council's aims;

(ii) the Council's operational targets have been reached: development aid, represented by financial and technical cooperation plus the food aid implemented directly by the Commission, has thus responded to the obvious needs of the Asian and Latin American developing countries and the neediest of them especially;

(iii) Community aid has been implemented effectively overall, in spite of a fairly difficult start-up period for certain projects.

Although in general the Council welcomes these considerations, it notes, as does the Commission, that the Community's response to development needs in Asia and Latin America still needs to be improved, with account being taken of the fact that the two regions are made up of extremely diversified and heterogeneous countries. It therefore considers that the various instruments of Community cooperation with these countries must be used in such a way as to respond to the specific character of each, and must adapt themselves to the profound changes taking place in their respective economic situations.

The Council considers that at this stage the Commission's report should be examined in greater depth, so that the appropriate lessons can be drawn from it.

The Council requests the Commission, in the light of this examination, to undertake some general reflection on the future development of all forms of Community aid and cooperation with the Asian and Latin American developing countries. The aim of this reflection should be to lay down more precise guidelines for Community cooperation with these countries.

This reflection will, as soon as possible, form the subject of a communication enabling the Council to hold in-depth discussions with a view to defining

appropriate guidelines for Community cooperation with these countries in the 1990s.

2.2.53. On 11 May, as part of the policy for industrial and financial cooperation with countries of Latin America, Asia and the Mediterranean,¹ the Commission signed a financing agreement ('EC International Investment Partners') with the Générale de Banque (Belgium).

Cooperation via non-governmental organizations

2.2.54. In the period from 1 January to 31 May the Commission committed ECU 37.1 million for the cofinancing in developing countries of 252 projects presented by 120 NGOs.

The Commission also contributed ECU 3 717 779 to 35 publicity campaigns in the Community.

Aid to promote self-sufficiency of refugee groups

2.2.55. On 22 May the Commission adopted for transmission to the Council a recommendation for a Decision authorizing it to open negotiations for the renewal of the Convention between the Community and the United Nations Relief and Works Agency for Palestine Refugees for a further period of three years (1990-92). The present Convention² expires on 31 December 1987.

Cooperation in international forums

World Food Council

2.2.56. The 15th ministerial session of the WFC,³ which took place in Cairo from 22

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

² Bull. EC 6-1987, points 2.2.45.

³ Previous session: Bull. EC 5-1988, point 2.2.38.

to 25 May, was devoted to the following themes: hunger and malnutrition in the world, analysis of policies and instruments for combating it and implementation of a world programme of collective action.

International organizations and conferences

United Nations

World Intellectual Property Organization

2.2.57. A Diplomatic Conference to prepare the way for a Treaty on the protection of intellectual property in respect of integrated circuits was held in Washington from 8 to 26 May under the auspices of WIPO (→ point 2.1.52).

Organization for Economic Cooperation and Development

2.2.58. In the lead-up to the forthcoming annual OECD ministerial meeting, Mr J. C. Paye, the Organization's Secretary-General, met Mr Delors and several members of the Commission in Brussels on 2 May. Both parties expressed their considerable satisfaction with the degree of collaboration between them, and singled out a number of areas in which their efforts could be complementary. Mr Paye had more meetings in particular with Mr Andriessen and Mr Christophersen on the issues likely to come up at the ministerial meeting. These included the damaging consequences of unilateral trade measures by the United States, the further application of structural adjustment policies and population trends, debt problems, and the economic situation and outlook in the OECD area.

Conference on Security and Cooperation in Europe

2.2.59. As part of the intersessional meetings planned in January this year at the third CSCE follow-up meeting in Vienna,¹ an Information Forum was convened in London from 18 April to 12 May to discuss improvements in the circulation of, access to and exchange of information. Supported by the other Western participants, the Twelve put forward a comprehensive proposal addressing all the topics covered by the Forum. The Community considers that the components of the proposal should already serve as guidelines in the field of information, though, like the other proposals tabled in London, they are not due to be taken up until the Helsinki CSCE meeting at the beginning of 1992.

Council of Europe

2.2.60. A special sitting of its Parliamentary Assembly was held in Strasbourg on 5 May to celebrate the 40th anniversary of the Council of Europe. Mr Delors was among those present. The many speakers referred to the Council's role and its contribution towards creating a European identity in such areas as the safeguarding of parliamentary democracy and human rights, cooperation between nations and relations with eastern Europe.

Parliamentary Assembly

2.2.61. The first part of the 41st session of the Parliamentary Assembly of the Council of Europe was held in Strasbourg from 8 to 12 May.²

As well as the organization's 40th anniversary celebration, the session was also the occasion of the accession of Finland, which

¹ Bull. EC 1-1989, points 2.2.33.

² Previous session: Bull. EC 2-1989, point 2.2.42.

brought the Council's membership to 23 States.

The Assembly adopted a resolution creating special guest status for national legislative assemblies from central and eastern Europe invited to attend its sittings. The granting of this status is conditional on the application and implementation of the Helsinki Final Act,¹ of the instruments adopted at CSCE meetings, and of two United Nations Covenants, one on civil and political rights and the other on economic, social and cultural rights.

The Assembly also elected a new President, Mr Anders Björk (Sweden) and a new Secretary-General, Mrs Catherine Lalumière (France).

Committee of Ministers

2.2.62. At the same time as the Assembly was sitting, the Committee of Ministers of

the Council of Europe held its 84th session² under the chairmanship of Mr H. Van den Broeck, Dutch Foreign Minister and outgoing Chairman of the Committee. The session was preceded by the opening for signature of the European Convention on Trans-frontier Television and began with an exchange of views on relations with Eastern Europe, moving on to an examination of the future role of the Council of Europe in European integration, on which the Committee made a political declaration and adopted a resolution. Mr Delors commented on the implications of these texts, which provide a reasonable, operational framework for future cooperation.³

¹ Ninth General Report, points 510 to 512.

² 82nd session: Bull. EC 5-1988, point 2.2.58; the 83rd session was held in November 1988; special meeting: Bull. EC 3-1989, point 2.2.52.

³ Bull. EC 2-1989, point 2.2.43; Bull. EC 3-1989, point 2.2.51.

3. Intergovernmental cooperation

European political cooperation

Iran

2.3.1. On 8 May the Twelve released a joint statement in Madrid and Brussels concerning the declarations made by the Speaker of the Iranian Parliament, Mr Rafsanjani:

The Twelve strongly condemn the absolutely unacceptable declarations of the President of the Iranian Parliament, Ali Akbar Hashemi Rafsanjani, which exhort murder and the perpetration of outrages against the citizens and the property of France, the United Kingdom and the USA.

Once again, one of Iran's highest authorities has violated the most basic principles and obligations

governing relations between sovereign States, and threatens peaceful coexistence between nations.

At the same time, the Twelve — who spare no efforts in favour of a just, comprehensive and lasting solution of the Arab-Israeli conflict — note with satisfaction the complete rejection of such declarations from the side of the top PLO leaders, a rejection which confirms the will of the Palestinian leadership to achieve through peaceful means the recognition of the legitimate rights of the Palestinian people.

Panama

2.3.2. On 11 May the Twelve released the following joint statement in Brussels and Madrid on the elections in Panama:

The Twelve have followed with deep concern the serious and extended irregularities during the vot-

ing and the computation of results in the elections held on 7 May in Panama.

The Twelve expressly condemn the annulment of the elections by the Panamanian authorities, which implies the non-acceptance of the sovereign will of the Panamanian people.

They also condemn the numerous acts of force and violence which took place during the electoral process, and particularly the brutal physical attacks on opposition leaders.

The Twelve, whose relations with the Latin American countries are based on continuous and permanent respect for democratic principles and institutions, cannot remain indifferent to the seriousness of these events.

Egypt

2.3.3. On 29 May the Twelve released the following joint statement in Brussels and Madrid on the return of Egypt to the Arab League:

The Twelve welcome the return of Egypt to the Arab League on the occasion of the Summit in Casablanca.

The Twelve are convinced that the presence of Egypt will increase the importance of the Arab League in the Arab world and in the international stage and will serve the cause of peace in the region.

Israel

2.3.4. On 31 May the Twelve released the following joint statement in Brussels and Madrid on the closing of UNRWA schools in the West Bank:

The Twelve express their serious concern about the persistence of the Israeli authorities in their decision to keep the schools closed in the West Bank, including the UNRWA schools.

The Twelve consider that this measure, which is contrary to the basic right to education, threatens the future of a whole generation of young Palestinians and contributes to increasing the level of tension in the Occupied Territories, thus obstructing the task of building confidence, which, in the view of the Twelve, is essential if the peace process is to prosper. The Twelve, therefore, call again upon

the Israeli authorities to reconsider their policy urgently.

*

Judicial cooperation

2.3.5. On 26 May, at a meeting in San Sebastian of the Ministers of the Twelve responsible for legal matters, an agreement drawn up in the European political cooperation context concerning the simplification and modernization of procedures for transmitting extradition requests was presented for signature by the Member States.

Other intergovernmental cooperation

Immigration

2.3.6. The Ministers with responsibility for immigration met in Madrid on 12 May. Mr Bangemann was also present at the meeting. Overall political agreement was reached on the criteria for determining the Member State responsible for examining a request for asylum. This subject is to be covered by a Convention to be implemented before the end of 1992. Work also continued on visa policy and steps to deal with forged documents. Lastly, Ministers discussed transitional arrangements to be implemented shortly at the Community's internal frontiers.

Trevi Group

2.3.7. The Trevi Group of Ministers with responsibility for internal security questions also met in Madrid on 12 May and reached decisions in principle on greater coordination of action to combat drugs, organized crime and terrorism.

4. Human rights and fundamental freedoms

Community Charter of Fundamental Social Rights

2.4.1. On 30 May the Commission adopted the preliminary draft Community Charter of Fundamental Social Rights (→ points 1.2.1 *et seq.* and 3.3.1).

Right of petition

2.4.2. On 26 May¹ Parliament adopted a resolution on the activities of the Committee on Petitions during the 1988-89 parliamentary year and on the need to improve procedures for dealing with petitions addressed to it. Parliament deemed it necessary to establish an administrative link with the Council of Europe's European Commission of Human Rights to enable petitions relating to human rights to be dealt with more effectively. It also considered that it would be in the interests of Parliament and of the Community as a whole if action were taken to make the public more aware of the possibility of petitioning it.

Radio broadcasting

2.4.3. Since the recognition and protection of freedom of expression via all methods of reproduction or dissemination is a fundamental principle of any democratic society and parliamentary control of mass media dependent on public authorities must be subject to law, with guaranteed access for key social and political groups, Parliament declared its solemn commitment to defending this right and set out the principles by which public broadcasting stations must abide.

Abduction of children

2.4.4. Parliament believes that greater freedom of movement and the presence of non-EEC nationals within the Community can only increase the large number of disputes relating to the custody of children. When couples of different nationalities are involved these disputes are often more diffi-

cult to settle owing to problems connected with differences in family, cultural and religious traditions. As a result of these considerations Parliament adopted, on 26 May,¹ a resolution on the abduction of children in which it:

(i) called on the Member States which have not yet done so to ratify as soon as possible and unreservedly the Convention of Luxembourg of 20 May 1980, concluded under the auspices of the Council of Europe, on the recognition and enforcement of decisions concerning custody of children, and the Convention of The Hague of 25 October 1980 concerning the civil aspects of child abduction, which establishes a procedure for the immediate return of abducted children. It also called for immediate consideration to be given to setting up a specific Community legal instrument;

(ii) called on the Commission to undertake to raise this question systematically when negotiating cooperation agreements, called on the Member States to conclude bilateral agreements with third countries and, in the framework of political cooperation, to harmonize their positions and adopt a common approach to problems involving the custody of children;

(iii) insisted that, in every case, within and outside the Community, bodies should be set up under the agreements to oversee the implementation of the relevant provisions and take action, with powers of arbitration, to resolve legal disputes.

Women and children in prison

2.4.5. Since women in prison form a special category of prisoners who need specific legal protection and the position of small children in prison is a very delicate one, Parliament adopted, on 26 May,¹ a resolution urging Member States to investigate and implement a policy of alternatives to custodial sentencing. It called on the Commission to coordinate with Member States

¹ OJ C 158, 26.6.1989.

research into the long-term effects on children of time spent in prison with their mothers or of their mothers' prison sentence.

Combating terrorism

2.4.6. On 26 May¹ Parliament adopted a resolution on problems relating to the fight against terrorism. It stressed that the opening of European frontiers, besides the innumerable benefits it would bring, also carried the risk that terrorists would be able to find refuge in a country other than that in which they had committed their crimes. Parliament therefore expressed its belief that controls at external borders should be stepped up and that the safeguarding of human rights must be an invariable feature of the international agreements concluded by the Community with East European, Asian and African countries, as is already the case under the Lomé Convention. It also approved the establishment, as proposed by the European Council in Rhodes,² of a group of coordinators from the Member States and asked to be kept constantly informed through its Committee on Legal Affairs on the action taken by the group.

Human rights in the world

2.4.7. Parliament also adopted resolutions on the following subjects during its May part-session:¹

Respect for human rights in Turkey: Parliament condemned the police's behaviour towards and deliberate shooting of demonstrators on May Day in Istanbul and the attitude to the Turkish Government towards these occurrences and called on the Turkish authorities to cease the prosecution of people for so-called political offences and in particular to release all those below adult age in prison for such offences; lastly, it asked the Foreign Ministers meeting in European Political Cooperation to support the request for the release of Mr Ahmet Atabey, a prisoner of conscience sentenced to five years in prison;

The release of Dr Jan Cools: since it was exactly one year since Dr Jan Cools, who was providing voluntary medical assistance in Lebanon, had been detained and taken hostage, Parliament called for the Presidents of the Council and the Commission to do everything in their power to secure his release;

The release of Miss Souha Bechara, arrested in Southern Lebanon: Parliament called for this young student arrested by the Southern Lebanese army militia to be released or at least placed under the protection of the International Committee of the Red Cross;

The situation in Lebanon: Parliament called on the Foreign Ministers meeting in European Political Cooperation to take fresh initiatives to appeal to the Security Council to impose a cease-fire in Lebanon. It expressed its indignation at the direct and deliberate obstruction of humanitarian aid and, in particular, the blocking of EEC aid in the form of oil to fuel the Zouk power station, which is essential for over 80% of the Lebanese population.³ It also called on the Commission to continue and to step up its programme of humanitarian and emergency aid to the entire Lebanese population;

Israel's education ban in the West Bank: Parliament called on the Foreign Ministers of the Member States to use their influence with the Israeli Government to ensure that the schools are reopened immediately and asked the Commission to increase further its aid to UNRWA and to press the Israeli Government to refrain from measures likely to hamper UNRWA's activities;

Situation of Dr Jad Ishaq: since, on 8 July 1988, Dr Jad Ishaq, Dean of the Faculty of Biology in Bethlehem University, was placed under administrative arrest by the Israeli Government and sent without trial to a detention camp in the Negev desert, Parliament called for a fair trial for him and/or his prompt release from prison;

¹ OJ C 158, 26.6.1989.

² Bull. EC 12-1988, point 1.1.3.

³ Bull. EC 4-1989, point 2.2.50.

Incitement to murder by Iran: Parliament called on all Member States and the Community to suspend their relations with the Iranian Government until it formally and publicly dissociated itself from the encouragement of international terrorism. It also urged them to take severe measures against Iranian interests while terrorism supported by the Iranian regime continued;

The threat to the Kurds in Iraq: Parliament called on the Member States to instruct their ambassadors to convey to the Iraqi Government the Twelve's concern for the welfare of the Kurdish people. It also regretted the readiness of the Member States' Governments and some European companies to grant loans to Iraq and to increase their business there;

The disappearance in Romania of the dissident, Doïna Cornea: Parliament called on the Government in Bucharest to provide it with information concerning the current whereabouts of Doïna Cornea and to ensure that her living conditions met the requirements of human dignity;

The release of the members of the Karabakh Committee: Parliament repeated its January call for the immediate release of the members of the Karabakh Committee, whose programme was aimed at democratizing political life in Armenia;¹

Ethnic disturbances in Senegal and Mauritania: Parliament called on the Foreign Ministers meeting in European Political Cooperation to explain the Community's position on the recent conflicts and asked the Commission to give all possible humanitarian aid to the families of the victims and the refugees from both countries;

The situation in China: concerned at the decision of the Chinese Government to introduce martial law to restore order in the country, Parliament paid tribute to the Chinese students and people who, with courage and determination, were demonstrating their attachment to the values of freedom and democracy, and hoped that the Chinese Government would respond by

showing openness and a willingness to talk, which alone would prevent the present situation from deteriorating;

East Timor: Parliament again called on the Foreign Ministers meeting in European Political Cooperation to take diplomatic steps in order to achieve the right of self-determination for the people of East Timor² and urged the Commission to provide all possible aid to the refugee camps, in East Timor as well as in Portugal, and to keep Parliament informed;

Violation of human rights in El Salvador: Parliament called for the paramilitary groups, in particular the 'Fuerzas Civicas Patrioticas', to be disbanded, and called on the Commission to assess properly, in connection with the granting of financial and technical aid, the change of government in El Salvador and the link this might have with the worsening human rights situation in that country. It also called on the Commission to continue to channel Community aid through non-governmental organizations and to consult them to find out the actual conditions under which these organizations work;

The situation in Panama: Parliament called on the Commission to ensure that there was respect for democracy and human rights before continuing any form of aid or technical and financial support. It also called on the Foreign Ministers meeting in European Political Cooperation to adopt all the necessary measures to contribute to Panama's peaceful transition to democracy, in conjunction with the governments of the Latin American countries;

The elections in Paraguay: Parliament considered it essential to contribute to the democratic process in Paraguay and proposed allocating financial aid for activities undertaken by the non-governmental organizations and other organizations which could contribute towards this objec-

¹ Bull. EC 1-1989, point 2.4.2.

² Bull. EC 9-1988, point 2.4.16.

tive and to the further development of the Paraguayan people. It therefore asked the Commission to study the possibility of

establishing economic cooperation with the country as progress was made in consolidating the democratic process.

5. Financing Community activities

Budgets

General budget

Own resources

2.5.1. On 29 May, acting on a proposal from the Commission¹ and after having obtained the opinion of Parliament² and the Court of Auditors,³ the Council formally adopted Regulation (EEC, Euratom) No 1552/89 of 29 May 1989⁴ implementing Council Decision 88/376/EEC, Euratom of 24 June 1988 on the system of the Communities' own resources⁵ and Regulation (EEC, Euratom) No 1553/89 of 29 May 1989 on the definitive uniform arrangements for the collection of own resources accruing from value-added tax.⁴ These two Regulations replace Council Regulations (EEC, Euratom, ECSC) No 2891/77 and No 2892/77 of 19 December 1977 and contain new provisions concerning the establishment, entry in the accounts and monitoring of own resources and the information which the Member States have to send to the Commission.

The adoption of these two Regulations completes the reform of the Community's own resources system. In particular, they contain the procedures for application of the fourth resource⁷ and those relating to

the operation of the monetary reserve and the determination of the VAT base.

Budget discharge

2.5.2. On 30 May the Commission, in accordance with Article 77 of the Financial Regulation of 21 December 1977,⁸ sent the budgetary authority the analysis of financial management relating to the revenue and expenditure account for 1988 and the revenue and expenditure account and balance sheet relating to operations under the 1988 budget.⁹ In an Annex to these documents,¹⁰ it also sent the report on action taken in response to the comments made in Parliament's resolution accompanying the decision granting discharge in respect of the implementation of the 1986 budget in accordance with Article 85 of the Regulation.¹¹

¹ OJ C 15, 19.1.1989; OJ C 80, 31.3.1989; Bull. EC 12-1988, point 2.3.2; Bull. EC 3-1989, point 2.5.2.

² OJ C 309, 5.12.1988; OJ C 12, 16.1.1989; Bull. EC 10-1988, point 2.3.5.

³ OJ C 191, 20.7.1988; OJ C 313, 8.12.1988.

⁴ OJ L 155, 7.6.1989.

⁵ OJ L 185, 15.7.1988; Bull. EC 6-1988, point 2.3.5.

⁶ OJ L 336, 27.12.1977.

⁷ Bull. EC 2-1988, point 2.3.6.

⁸ OJ L 356, 31.12.1977.

⁹ COM(89) 229 to 233.

¹⁰ COM(89) 233 — Annex.

¹¹ OJ C 122, 9.5.1988; Bull. EC 4-1988, point 2.4.20.

Financial Regulation

2.5.3. On 31 May the Commission adopted, for transmission to the Council, an amended proposal¹ for a Council Regulation amending the Financial Regulation of 21 December 1977 applicable to the general budget of the European Communities.² This amended proposal takes account of the opinions delivered by the Court of Auditors³ on 9 February and by Parliament⁴ on 13 April.

Apart from various changes of wording, the alterations proposed by the Commission mainly involve the following aspects: stricter rules on the idea of 'sound management' and its application (Article 2), content of the financial statement (Article 3), use of the 'letter of amendment' procedure (second paragraph of Article 14), amendment of the budgetary presentation of Economic and Social Committee appropriations (Article 19), use of appropriations entered in the interinstitutional section (Article 22(6)), grounds to be put forward in support of proposals for transfers (Article 26(4)), entry of the balance for the financial year (Article 32), information reports to the budgetary authority on the implementation of the budget (Article 34), terminological explanations about advances and advance payments (Article 47), accounts clearance procedure (Article 79), the annual report, other reports and opinions of the Court of Auditors (Articles 89, 90 and 91), action to be taken in response to Parliament's resolutions on budgetary control (Article 91(4)), specific monthly reports on the implementation of EAGGF Guarantee (Article 100) and adjustment of certain thresholds relating to contracts (Article 130).

ECSC operating budget

2.5.4. On 26 May Parliament adopted a resolution⁵ on the draft supplementary and amending ECSC budget for 1989 in which it approves the Commission's *aide-mémoire* on the first amendment to the ECSC operating budget for 1989.⁶

Financial operations

ECSC

Loans raised

2.5.5. In May the Commission made a number of private placings in German marks, French francs, pounds sterling and lire for the equivalent of ECU 95.6 million, an ECU 41 million eight-year public issue at 8% with an issue price of 96.625% (in the form of a new tranche added to a previous loan of ECU 100 million) and a LFR 1 billion five-year public issue at 7.75% with an issue price of 100.5%.

Loans paid out

2.5.6. Acting under Articles 54 and 56 of the ECSC Treaty, the Commission paid out loans in May totalling ECU 16.95 million broken down as follows:

Conversion loans

2.5.7. Conversion loans (Article 56) totalling ECU 14.83 million were paid out to France and the United Kingdom.

Workers' housing

2.5.8. Housing loans totalling ECU 2.12 million were granted for steelworkers and mineworkers in the Federal Republic of Germany, Greece, Spain, Italy and the United Kingdom.

¹ COM(89) 253 final.

² OJ L 356, 31.12.1977.

³ OJ C 72, 20.3.1989; Bull. EC 2-1989, point 2.4.33.

⁴ OJ C 120, 16.5.1989; Bull. EC 4-1989, point 2.5.9.

⁵ OJ C 158, 26.6.1989.

⁶ Bull. EC 4-1989, point 2.5.10.

Measures to combat fraud

Strategy

2.5.9. As promised in its statement to the Council of 13 March,¹ the Commission presented a work programme comprising a series of measures to minimize the risk of fraud and to take tougher action against fraud, and discussed it with the Member States on 25 and 26 May at the second meeting² of the Committee for the coordination of measures to combat fraud, chaired by the Coordination Unit.³

This programme of 45 measures is accompanied by a timetable for implementation and is based on three guiding principles: prevention, cooperation and counteraction. It places the emphasis on simplifying Community legislation, including appropriate controls and administrative penalties in the rules, assessing the applica-

bility and controllability of regulations, and measures to increase cooperation with the Member States, in particular by improving exchanges and information flows.

The programme is based on the proposals for action contained in the plan to combat fraud adopted by the Commission on 21 December 1988³ and on the commitments set out in the Commission's statement to the Council of 13 March.¹ Some measures are based on suggestions made by Parliament⁴ and the Council,⁵ while others reflect new concerns which have recently come to the fore.

This programme, which was very well received by all the Member States, will be updated by the Commission as required. Both Parliament and the Council will be kept regularly informed of the progress made in implementing it.

¹ Bull. EC 3-1989, point 2.5.12.

² First meeting: Bull. EC 1-1989, point 2.3.4.

³ Bull. EC 12-1988, point 2.3.18.

⁴ OJ C 120, 16.5.1989; Bull. EC 4-1989, point 2.5.17.

⁵ Bull. EC 3-1989, point 2.5.11.

6. Statistics

General

Programmes

2.6.1. On 26 May Parliament endorsed¹ the proposal for a Council resolution on the statistical programme of the European Communities 1989-92.² It made several amendments intended to strengthen the regional dimension of Community statistics and to increase the use of statistical information in the management of Community policies. It also endorsed the parallel proposal for a Decision establishing a Committee to administer the statistical programme.²

2.6.2. On 24 May Parliament also adopted an opinion (second reading)¹ on the Council's common position³ on the proposal for a Decision instituting a programme for the research and development of statistical expert systems (Doses).⁴ It proposed two amendments, one budgetary and the other concerning the arrangements for the participation of non-member countries in the programme. The amendments, which do not affect the substance of the proposal, are not specific to Doses and have been incorporated in the case of other research programmes. The Commission included the second in the amended proposal it adopted on 31 May for transmission to the Council.⁵

Projects

2.6.3. The biannual Conference of Directors-General of National Statistical Institutes was held in Nice from 24 to 26 May.⁶ The topics covered included the approach proposed by Eurostat with regard to the classification of economic activities (NACE), intra-Community trade statistics, and the role of the national institutes in the dissemination of Community statistics and in the future monetary and financial statistics committee.

Data

External trade in 1988⁷

2.6.4. The growth in world trade in 1988 was much stronger than expected, and significantly greater than in 1987. However, the reduction in the external imbalances of the major industrialized countries, which has continued steadily since 1986, now appears to be losing some of its vigour.

The Community's trade balance for 1988 showed a deficit of ECU 21 billion⁸ compared with a surplus of ECU 800 million in 1987; this was due to the 6.7% growth in exports to non-member countries being outweighed by an even bigger rise of 13.4% in imports from those countries.⁹ The improvement and subsequent deterioration in the Community trade balance since 1984 has occurred against the background of a deceleration (1984-86) and then an acceleration (1986-88) of world trade.

The US trade deficit for 1988 was ECU 116.4 billion (USD 137.3 billion), ECU 31.5 billion lower than in 1987, the result of a sharp recovery in exports (up 24% in ecu terms) and a rather modest rise in imports (up 5.8%). During the second half of 1988, however, the narrowing of the deficit has clearly slowed down.

Japan's trade surplus was ECU 65.7 billion in 1988, a fall of ECU 3.5 billion over 1987, but much lower than the drop of ECU 14.2 billion between 1986 and 1987.

¹ OJ C 158, 26.6.1989.

² Bull. EC 11-1988, point 2.5.1.

³ Bull. EC 3-1989, point 2.6.2.

⁴ OJ C 203, 4.8.1988; Bull. EC 7/8-1988, point 2.5.1.

⁵ COM(89) 249 final.

⁶ Last meeting: Bull. EC 12-1988, point 2.5.4.

⁷ Based on *Eurostatistics*, No 5/89.

⁸ Community data for 1988 partly estimated.

⁹ Unless otherwise specified, all percentage variations given are calculated in ecus and national currencies.

Balance of payments of the Community and its main partners in 1988¹

2.6.5. The latest figures available for 1988 show a continuing reduction of the current account imbalance between the Community, the USA and Japan. However, the indications are that this adjustment has now come to a halt.

Most recent estimates of the Community's current account balance for 1988 confirm a surplus of approximately ECU 18 billion, compared with ECU 33 billion in 1987. After the peak in 1986, the balance has now returned to near its 1984 level. The fall of about ECU 15 billion on the Community's current balance in 1988 was due to a drop of ECU 10.2 billion on the trade balance and ECU 4.4 billion on the invisibles balance.

In the USA the current account deficit for 1988 was ECU 113 billion compared with ECU 134 billion in 1987. However, latest indications are that the steady process of reduction of the current account deficit since 1985 has now come to a stop.

Japan's current account surplus, which fell by ECU 11 billion in 1987 from its 1986 peak of over ECU 86 billion, showed a more modest fall in 1988 (a surplus of ECU 75 billion or YEN 12 550 billion in 1987 compared with ECU 67 billion or YEN 10 178 billion in 1988). However, the figures for January/February 1989 point to an increase in the current balance surplus.

Publications

Industry statistical yearbook 1988

2.6.6. The *Industry statistical yearbook 1988* was published in early May.² This publication contains a selection of industrial statistics in the fields of structures and activities, investment, size of undertakings, production, short-term economic indicators and external trade.

¹ Based on *Eurostatistics*, No 5/89.

² Available from the Office for Official Publications of the European Communities, L-2985 Luxembourg.

7. Institutions and organs of the Communities

Parliament

Strasbourg: 22 to 26 May¹

Highlights

2.7.1. The particularly strenuous, final part-session of Parliament's second term saw the House accomplish an unusually large volume of legislative work: some 1 000 amendments to more than 30 proposals were adopted. Among the most important matters were television without frontiers (→ point 2.1.11), the use and release of genetically modified organisms (→ point 2.1.151) and the package of proposals concerning health and safety at the workplace (→ points 2.1.117 and 2.1.118). Parliament also considered various transport policy reports, which took up the first day, and endorsed, at first or second reading, sometimes subject to amendments, a large number of research programmes (Bridge, Flair, Monitor, etc.). Adopting opinions on many proposals for completing the internal market, Parliament thus rang down the curtain on a term distinguished by the spectacular development of its role in the legislative process. Lord Plumb, in a brief summing-up of his Presidency, spoke of the breakthrough in February 1988 at the Brussels European Council,² the significance of the recognition of the Community by the Comecon countries,³ and the conclusion of the Interinstitutional Agreement on budgetary discipline.⁴

Opinions, decisions and resolutions

2.7.2. Parliament adopted resolutions giving its opinion (first reading) on the following Commission proposals:

Directive on the procurement of entities providing water, energy and transport services (→ point 2.1.13);

Directive on the procurement of entities operating in the telecommunications sector (→ point 2.1.13);

Directive relating to non-automatic weighing instruments (→ point 2.1.16);

Directive relating to gas appliances (→ point 2.1.18);

Amendments to the Directive on the making-up by volume of certain prepackaged liquids (→ point 2.1.26);

Directive on nutrition labelling rules for foodstuffs intended for sale to the ultimate consumer (→ point 2.1.27);

Amendments to the Directives on annual accounts and consolidated accounts (→ point 2.1.49);

Decision adopting a specific research and technological development programme of the EEC in the field of raw materials and recycling (1990-92) (→ point 2.1.73);

Decision adopting a specific research and technological development programme in the field of biotechnology (1990-94) (Bridge) (→ point 2.1.175);

Decisions adopting a research programme on the competitiveness of agriculture and the management of agricultural resources (1989-93);

Directive on the establishment of the internal market for telecommunications services (→ point 2.1.81);

Directive on the maximum tar yield of cigarettes (→ point 2.1.110);

Directive on the protection of workers from the risks related to exposure to biological agents at work (→ point 2.1.117);

¹ The texts of the resolutions adopted by Parliament appear in OJ C 158, 26.6.1989, and the report of the proceedings is published in OJ Annex 2-378. The political groups and countries of origin of members speaking in the debates are shown in brackets after their names. The key to the abbreviations can be found in Bull. EC 1-1988, page 51 (footnote 2).

² Bull. EC 2-1988, points 1.1.1 to 1.1.11.

³ OJ L 157, 24.6.1988; Bull. EC 6-1988, points 1.5.1 to 1.5.5.

⁴ OJ L 185, 15.7.1988; Bull. EC 6-1988, points 2.3.8, 2.3.10 and 2.4.10.

Directive on the protection of workers from the risks related to exposure to carcinogens at work (→ point 2.1.117);

Directive laying down procedures for harmonizing the programmes for reducing pollution caused by waste from the titanium dioxide industry (→ point 2.1.144);

Directive on the contained use of genetically modified organisms (→ point 2.1.151);

Directive on the deliberate release to the environment of genetically modified organisms (→ point 2.1.151);

Amendments to Directive 75/442/EEC on waste (→ point 2.1.153);

Directive on hazardous waste (→ point 2.1.153);

Directive on batteries and accumulators containing dangerous substances (→ point 2.1.159);

Communication on maximum permitted levels of radioactive contamination of baby foods and of liquids for human consumption following a nuclear accident or any other case of radiological emergency (→ point 2.1.165).

2.7.3. Parliament adopted decisions (second reading) on the Council's common position on the following Commission proposals:

Directive on the pursuit of broadcasting activities (→ point 2.1.11);

Directive on machinery (→ point 2.1.20);

Amendments to the Directive on emulsifiers, stabilizers, thickeners and gelling agents for use in foodstuffs (→ point 2.1.25);

Decisions adopting a specific multiannual programme for research and development in the field of food science and technology (1989 to mid-1993) (Flair) (→ point 2.1.76);

Decision adopting a specific research and technological development programme in the field of marine science and technology (MAST) (→ point 2.1.78);

Decision concerning a specific programme in the field of strategic analysis, forecasting and evaluation in matters of research and technology (Monitor) (→ point 2.1.79);

Decision concerning a specific programme for the completion of a machine translation system of advanced design (Eurotra) (→ point 2.1.82);

Decision adopting a specific programme for the dissemination and utilization of results from scientific and technological research (Value) (→ point 2.1.83);

Directive on the introduction of measures to encourage improvements in the safety and health of workers and the workplace (→ point 2.1.118);

Regulation laying down general rules on the definition, description and presentation of spirit drinks (→ point 2.1.185);

Decision instituting a specific multiannual programme for the research and development of statistical expert systems (Doses) (→ point 2.6.2).

2.7.4. Parliament gave its assent to the conclusion of a Protocol relating to the Financial and Technical Cooperation Agreement with Malta (→ point 2.2.26).

2.7.5. Parliament gave opinions on the following Commission proposals:

Decision empowering the Commission to borrow under the New Community Instrument for the purpose of promoting investment within the Community (→ point 2.1.1);

Regulation on the elimination of controls at the frontiers of Member States in the field of road and inland waterway transport (→ point 2.1.4);

Decision on improving the business environment and the promotion of the development of enterprises, in particular of small and medium-sized enterprises in the Community (→ point 2.1.54);

Decision adopting a specific multiannual research and training programme for the

EAEC in the field of radiation protection (→ point 2.1.69);

Decision establishing a medium-term Community action programme to foster the economic and social integration of the least-privileged groups (→ point 2.1.104);

Directive on the protection of fresh, coastal and marine waters against pollution caused by nitrates from diffuse sources (→ point 2.1.145);

Amendments to the Directives on drinking water, bathing water and surface water and on methods of measurement and frequencies of analysis of surface water (→ point 2.1.146);

Directive on the limitation of noise emission from civil jet aeroplanes (→ point 2.1.149);

Amendments to the Directive on the protection of the environment when sewage sludge is used in agriculture, with regard to chromium (→ point 2.1.154);

Directive on informing the population about health protection measures to be applied and steps to be taken in the event of a radiological emergency (→ point 2.1.164);

Amendments to the Regulation, on improving the efficiency of agricultural structures as regards the afforestation of agricultural land (→ point 2.1.177);

Regulation concerning the common scheme to develop and optimally utilize woodlands in rural areas in the Community (→ point 2.1.177);

Regulation on common measures to improve the conditions under which agricultural and fishery products are processed and marketed (→ point 2.1.177);

Decision setting up a Standing Forestry Committee (→ point 2.1.177);

Amendments to the Regulation on the protection of the Community's forests against atmospheric pollution (→ point 2.1.177);

Amendments to the Regulation on the protection of the Community's forests against fire (→ point 2.1.177);

Regulation establishing a European Forestry Information and Communication System (Efics) (→ point 2.1.177);

Regulation instituting a certificate for dogs and cats on visits of less than one year in the Member States and introducing Community measures for the control and eradication of rabies (→ point 2.1.198);

Amendments to the Council Regulation fixing, in the hops sector, the amount of aid to producers for the 1986 harvest and providing measures in favour of certain production regions;

Regulation fixing, for the hops sector, the amount of aid to producers for the 1988 harvests;

Amendments to the Regulation on the common organization of the market in rice;

Regulations on the common organization of the market in cereals (flint maize);

Amendments to the Directive on the marketing of potato seedlings;

Regulation on the conclusion of an Agreement with the Government of Mauritius on fishing in Mauritian waters;

Directive on the maximum permitted blood alcohol concentration for vehicle drivers (→ point 2.1.213);

Directive on the charging of transport infrastructure costs to heavy goods vehicles (→ point 2.1.214);

Decision on air traffic services and air traffic flow management (→ point 2.1.218);

Decision extending Decision 78/174/EEC to the field of sea and air transport infrastructure (→ point 2.1.218);

Recommendation on a flexible and efficient use of air space (→ point 2.1.218);

Regulation on a Code of Conduct for computerized reservation systems (→ point 2.1.219);

Resolution on the Community's statistical programme (→ point 2.6.1);

Decision establishing a Committee to administer the Community's statistical programme (→ point 2.6.1);

Regulation introducing special and temporary measures to terminate the service of officials of the European Communities;

Amendments to the Regulation introducing special measures to terminate the service of temporary staff of the European Communities.

2.7.6. Acting under its power on budgetary matters, Parliament adopted a resolution on the draft ECSC supplementary and amending budget for 1989 (*aide-mémoire* on the first amendment to the 1989 ECSC operating budget) (→ point 2.5.4).

2.7.7. Resolutions were passed on the following subjects:

Simplifying the transport of persons and goods across intra-Community borders (→ point 2.1.5);

Action to bring into line the private law of the Member States (→ point 2.1.6);

Simplification, clarification and codification of Community law (→ point 2.1.7);

Europe's response to the modern technological challenge (third report) (→ point 2.1.61);

Foundation of a European Academy of Sciences and of forums for European scientific dialogue (→ point 2.1.80);

The status of helping spouses in the professions (→ point 2.1.105);

The role of women in cooperatives and local employment initiatives (→ point 2.1.105);

The social situation of handicapped women and women who look after the handicapped (→ point 2.1.105);

The fight against AIDS (→ point 2.1.113);

The use of diethylstilbestrol (DES) and the effects on the health of users and their children (→ point 2.1.116);

Legal provisions and measures to support local radio stations (→ point 2.1.124);

The Commission communication to the Council and Parliament on participation by the Commission in the Seville World Fair (→ point 2.1.128);

The return of objects of cultural interest to their country of origin (→ point 2.1.133);

The drawing-up of a development programme for the disadvantaged regions and the stepping-up of cooperation at the Community's external frontiers (→ point 2.1.134);

The regional problems of Corsica and Sardinia (→ point 2.1.135);

The implications of the completion of the internal market for the socio-economic situation of the least-favoured regions of the Community (→ point 2.1.136);

The Commission's first progress report on the integrated Mediterranean programmes (1986-87) (→ point 2.1.138);

The relationship between offshore oil and gas production and fisheries (→ point 2.1.147);

The consequences of a rapid rise in the sea level along Europe's coasts (→ point 2.1.155);

Water management in the Mediterranean islands (→ point 2.1.156);

Regulating the trade in tropical woods and tropical wood products as a means of tropical forest management and conservation (→ point 2.1.157);

The negative effects of financing from the European Community and various international organizations on the environment of the Amazon region (→ point 2.1.158);

Consumer protection and the internal market — 1992 (→ point 2.1.173);

The economic impact of agricultural production limitation measures, such as stabilizers (→ point 2.1.176);

- The future of rural society (→ point 2.1.178);
- Agriculture and 1992 (→ point 2.1.179);
- The destruction of fruit and vegetables withdrawn from the market (→ point 2.1.183);
- The EEC and international trade in beef and veal (→ point 2.1.190);
- The situation of European hop growers (→ point 2.1.193);
- The state of the European herring market (→ point 2.1.209);
- The problems of the railways (→ point 2.1.211);
- The internal energy market (→ point 2.1.222);
- Relations between the Community and Canada (→ point 2.2.13);
- Economic and trade relations between the Community and the EFTA countries (→ point 2.2.17);
- Economic relations between the Community and Romania (→ point 2.2.24);
- The rights of citizens of small European States and territories (→ point 2.2.25);
- The situation in Angola (→ point 2.2.40);
- The independence of Namibia and the protection of its natural resources (→ point 2.2.41);
- The Committee on Petitions' activities during the parliamentary year 1988-89 and the need to improve procedures for dealing with petitions addressed to Parliament (→ point 2.4.2);
- Radio broadcasting (→ point 2.4.3);
- The abduction of children (→ point 2.4.4);
- Women and children in prison (→ point 2.4.5);
- The problems of combating terrorism (→ point 2.4.6);
- The May Day events and continuing aggravation of the domestic political climate in Turkey (→ point 2.4.7);
- The imprisonment of schoolchildren in Turkey (→ point 2.4.7);
- The detention of a prisoner of conscience in Turkey (→ point 2.4.7);
- The release of Dr Jan Cools (→ point 2.4.7);
- The release of Miss Souha Bechara, arrested in southern Lebanon (→ point 2.4.7);
- The situation in Lebanon (→ point 2.4.7);
- The closing by Israel of schools on the West Bank (→ point 2.4.7);
- The situation of Dr Jad Ishaq (→ point 2.4.7);
- The incitements to murder by Iran (→ point 2.4.7);
- The threat to the Kurds in Iraq (→ point 2.4.7);
- The disappearance in Romania of the dissident Doina Cornea (→ point 2.4.7);
- The release of the members of the Karabakh Committee (→ point 2.4.7);
- The ethnic disturbances in Senegal and Mauritania (→ point 2.4.7);
- The situation in China (→ point 2.4.7);
- East Timor (→ point 2.4.7);
- The violation of human rights in El Salvador (→ point 2.4.7);
- The situation in Panama (→ point 2.4.7);
- The elections in Paraguay (→ point 2.4.7);
- The Presidency of the European Community (→ point 2.7.22);
- The systematic application of Community Directives (→ point 2.7.23);
- The estimates of the revenue and expenditure of the European Parliament for the financial year 1990.

Council

1316th meeting

2.7.8. Internal Market (Brussels, 3 May) ¹

President: Mr Solbes, Spanish State Secretary for Relations with the European Communities.

Commission: Mr Bangemann and Sir Leon Brittan.

Main items

Right of residence: examination of a proposal for a Directive (→ point 2.1.2).

Electromagnetic compatibility: adoption of Directive (→ point 2.1.14).

Tractors: adoption of three common positions (→ point 2.1.15).

Cosmetics: adoption of a common position (→ point 2.1.171).

Other business

Merger control: policy debate.

Trade marks: adoption of Decision on negotiating brief.

Public contracts — means of appeal: examination of progress made.

Colorants used in foodstuffs: debate on a proposal for a Directive.

Fruit juice, identification of the lot to which a foodstuff belongs, labelling, official control of foodstuffs: consideration of amended proposals for Directives.

Guarantees to ensure the payment of customs debts: substantive agreement on a common position.

1317th meeting

2.7.9. Energy (Brussels, 11 May) ²

President: Mr Aranzadi, Spanish Minister for Industry and Energy.

Commission: Mr Cardoso e Cunha.

Main items

Transparency of consumer energy prices: President's conclusions (→ point 2.1.220).

Thermie programme: conclusions (→ point 2.1.221).

The Community's oil market and refining industry — development and prospects up to 1995: recommendations (→ point 2.1.223).

Efficient use of electricity: adoption of action programme (→ point 2.1.225).

Other business

Internal market and integrated electricity grids: exchange of views.

Use of natural gas in power stations: exchange of views.

Award of public contracts in the water, energy and transport sectors — energy aspects.

1318th meeting

2.7.10. Health (Brussels, 16 May). ³

President: Mr Garcia Vargas, Spanish Minister for Health and Consumer Affairs.

Commission: Miss Papandreou.

Main items

Labelling of tobacco products: adoption of a common position (→ point 2.1.108).

Ban on smoking in places open to the public: joint resolution (→ point 2.1.109).

Drug abuse and AIDS: conclusions (→ point 2.1.112).

Increased awareness of health care personnel in the fight against AIDS: conclusions (→ point 2.1.112).

¹ Previous meeting: Bull. EC 4-1989, point 2.7.8.

² Previous meeting: Bull. EC 12-1988, point 2.4.23.

³ Previous meeting: Bull. EC 12-1988, point 2.4.32.

Epidemiological improvements and new definition of AIDS: conclusions (→ point 2.1.112).

Future action on AIDS prevention and control: conclusions (→ point 2.1.112).

European health data network on drug abuse: resolution (→ point 2.1.114).

Reliability of body fluid analyses to detect the use of illicit drugs: conclusions (→ point 2.1.115).

Other business

Cardiovascular diseases: debate.

Europe against cancer: Commission oral statement.

Maximum tar content of cigarettes: general discussion.

Social isolation of AIDS sufferers and HIV-positives: debate.

Action to be taken on texts adopted by Council and the Health Ministers since 1986: conclusions.

1319th meeting

2.7.11. Development Cooperation (Brussels, 16 May).¹

President: Mr Yáñez Barnuevo, Spanish State Secretary for International Cooperation and Latin America.

Commission: Mr Marín, Mr Matutes.

Main items

Coordination of support for structural reform in the ACP countries: resolution (→ point 2.2.34).

Use of aid instruments: statement (→ point 2.2.45).

Women and development: conclusions (→ point 2.2.45).

Evaluation of cooperation: resolution (→ point 2.2.45).

Assessment of financial and technical cooperation with Latin American and Asian developing countries: conclusions (→ point 2.2.52).

Other business

State of negotiations on renewal of the ACP-EEC Convention: exchange of views.

Multilateral trade negotiations (Uruguay Round): exchange of views.

Debt problem of ACP countries: delegation statement.

1320th meeting

2.7.12. Council and Ministers responsible for Cultural Affairs (Brussels, 18 May).²

President: Mr Semprun, Spanish Minister for Culture.

Commission: Mr Dondelinger.

Main items

Audiovisual Sector Conclave: general discussion (→ point 2.1.123).

Books and reading: conclusions and resolution (→ point 2.1.130).

European cities of culture: designation (→ point 2.1.131).

Other business

Cooperation between libraries on information technology.

1321st meeting

2.7.13. Council and Ministers for Education (Brussels, 22 May).³

President: Mr Solana Madariaga, Spanish Minister for Education and Science.

Commission: Miss Papandreou.

¹ Previous meeting: Bull. EC 11-1988, point 2.4.30.

² Previous meeting: Bull. EC 5-1988, point 2.4.16.

³ Previous meeting: Bull. EC 12-1968, point 2.4.29.

Main items

Lingua programme: agreement (→ point 2.1.119).

Schooling of gypsy and travelling children and the children of parents exercising itinerant occupations: resolutions (→ point 2.1.120).

Extension of Comett II to cover EFTA: decision (→ point 2.1.121).

Other business

Guidance and education against the background of the completion of the internal market in 1992: presentation of a Commission communication and debate.

Erasmus programme: exchange of views.

Intercultural education in the 1990s: Commission statement.

1322nd meeting

2.7.14. General Affairs (Brussels, 22 May).¹

President: Mr Fernández Ordóñez, Spanish Minister for Foreign Affairs.

Commission: Mr Andriessen, Mr Mac Sharry and Mr Matutes.

Main items

Trade relations with the United States (→ point 2.2.8).

Relations with Poland: Commission report (→ point 2.2.21).

Other business

Matters concerning foodstuffs and cattle feedingstuffs following a nuclear accident or in any other radiological emergency.

Right of nationals of the Member States to vote in local elections in the Member State of residence: exchange of views.

Relations with the Soviet Union: initial examination of draft negotiating briefs.

Relations with Israel: preparation of Community position for the seventh meeting of the Cooperation Council.

Negotiation for the renewal of the ACP-EEC Convention: Commission statement and debate.

Renegotiation of the International Coffee Agreement: agreement on certain guidelines for the common position of the Community and the Member States.

1323rd meeting

2.7.15. Conference of the Representatives of the Governments of the Member States meeting in the Council (San Sebastian, 26 May).

President: Mr Múgica Herzog, Spanish Minister for Justice.

Commission: Mr Dondelinger.

Item discussed

Jurisdiction and enforcement of judgments in civil and commercial matters: signing of a convention (→ point 2.1.51).

1324th meeting

2.7.16. Held over until June.

1325th meeting

2.7.17. Agriculture (Brussels, 29 and 30 May).²

President: Mr Romero Herrera, Spanish Minister for Agriculture, Fisheries and Food.

Commission: Mr Mac Sharry.

Main items

Community strategy and action in the forestry sector: adoption of action programme (→ point 2.1.177).

¹ Previous meeting: Bull. EC 4-1989, point 2.7.11.

² Previous meeting: Bull. EC 4-1989, point 2.7.10.

Pure-bred breeding sheep and goats: adoption of a Directive (→ point 2.1.194).

Brucellosis detection for certain types of pig: adoption of a Directive (→ point 2.1.195).

Trade relations with the United States: debate (→ point 2.2.9).

Other business

New Zealand butter: temporary extension of current provisions.

Sheepmeat and goatmeat: exchange of views.

Use of plant-protection products containing certain active substances: adoption of a Directive.

Seed potato marketing: adoption of a Directive.

Compound feedingstuff marketing.

Maximum level of pesticide residues on and in certain plant products, including fruit and vegetables.

Protective measures against the introduction in the Member States of organisms harmful to plant life and plant products.

Commission ¹

Measures taken

2.7.18. In May the Commission adopted the following measures:

Extension of Euro-info Centre network (→ point 2.1.55).

Mining industry: memorandum (→ point 2.1.59).

Card for European citizens aged over 60: recommendation (→ point 2.1.107).

Reform of the structural Funds: decision on the selection of rural areas eligible under Objective 5b (→ point 2.1.175).

Measures proposed

2.7.19. Proposals to be adopted under the cooperation procedure:

Management and storage of radioactive waste: proposal for a Decision adopting a specific R&TD programme (→ point 2.1.77).

Harmful motor-vehicle emissions: amendment of a proposal for a Directive on small-engined vehicles (→ point 2.1.148).

2.7.20. Other proposals and recommendations:

Administrative simplification: proposal for a recommendation (→ point 2.1.53).

Cooperation agreements on stimulation (Science): proposals for Decisions on the conclusion of Cooperation Agreements with Austria and Norway (→ point 2.1.64).

Scientific and technical cooperation with Australia: recommendation for a Decision on the negotiation of a Framework Agreement (→ point 2.1.67).

The fight against cancer: proposal for a resolution on a second action plan (→ point 2.1.111).

Minimum safety standards for vessels: proposal for a Directive (→ point 2.1.217).

Soviet Union: recommendation for a Decision on the negotiation of a Cooperation Agreement (→ point 2.2.23).

Renewal of the ACP-EEC Convention: recommendations for Decisions (→ points 2.2.35 and 2.2.36).

Generalized tariff preferences for 1990: proposals for Regulations and a Decision (→ point 2.2.46).

Communications and reports

2.7.21. On May the Commission adopted for transmission to the institutions concerned the following communications and reports:

Approximation of indirect taxes: communication (→ point 1.1.1.).

¹ Selected items.

Community Charter of Fundamental Social Rights: preliminary draft (→ point 1.2.1).

Science and technology in economic and social development: communication (→ point 2.1.60).

Radioactive material transport in the Community: communication (→ point 2.1.170).

Positive measures to assist the Community fleet: communication (→ point 2.1.216).

Financial and technical cooperation with the developing countries of Asia and Latin America: report (→ point 2.2.51).

*

2.7.22. On 25 May¹ the European Parliament adopted a resolution on the Presidency of the Community, in which it requests the Parliament constituted after the next European elections to examine the proposals in the resolution on European Union of 16 February² aimed at creating a congress composed of Members of the European Parliament and an equal number of members of the national Parliaments, and assigning to this congress the election of the President of the Commission from a list of candidates put forward by Council.

2.7.23. On 25 May Parliament also adopted a resolution¹ on the systematic

implementation of Community Directives. Drawing attention to the great complexity and multiplicity of methods of implementation of Directives in the various Member States, Parliament invited the Commission to introduce a systematic method allowing strict monitoring of the implementation of Community law.

Court of Justice³

2.7.24. At its meeting on 29 and 30 May the Council approved the amendments to the Rules of Procedure of the Court of Justice which had been made necessary by the establishment of a Court of First Instance of the Communities.⁴

New cases

2.7.25. The following cases came before the Court in May, either as references for preliminary rulings or as actions brought direct.

¹ OJ C 158, 26.6.1989.

² OJ C 69, 20.3.1989; Bull. EC 2-1989, points 2.4.15 and 2.4.16.

³ 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*).

⁴ OJ L 319, 25.11.1988; Bull. EC 10-1988, point 2.4.7.

Case	Subject	Basis
<p>Free movement of goods</p> <p>112/89 Upjohn Company and Upjohn NV v Farzoo and Kortmann</p>	<p>1. May a product which is not 'for treating or preventing disease in human beings or animals' within the meaning of the first sentence of the definition of a medicinal product in Article 1 (2) of Council Directive 65/65/EEC still be regarded as a medicinal product if it may be administered to human beings with a view to restoring, correcting or modifying physiological functions?</p> <p>2. If so, how must the term 'medicinal product' in Directive 65/65/EEC be delimited from the term 'cosmetic product' in Council Directive 76/768/EEC?</p>	<p>Article 177 EEC</p>

Case	Subject	Basis
Customs union		
111/89 Netherlands v P. Bakker Hillegom	Interpretation of Articles 12, 16 and 36 of the EEC Treaty: compatibility with Community law of inspection fees charged on plants for export where the total revenue does not exceed the total costs even though there is no necessary equivalence in each individual case	Article 177 EEC
116/89 BayWa v HZA Weiden	In the case of a contract for the sale of harvest seed for the production of which basic seed supplied by the buyer was used, should there be added to the price paid or payable, for the purpose of determining the customs value, licence fees which the buyer has to pay in respect of the harvest seed to the breeder of the basic seed, even where the breeder's service was performed within the Community?	Article 177 EEC
Freedom to provide services		
113/89 Rush Portuguesa v Office National d'Immigration	Is a Portuguese company entitled to provide services in the building and public works sector on the territory of another Member State with its own staff, in its own name and on its own account?	Article 177 EEC
Competition		
150/89 Chemie Holding v Commission	Annulment of Commission Decision 89/191/EEC relating to a proceeding pursuant to Article 85 of the EEC Treaty (IV/31.866,LdPE)	Article 173 EEC
165/89 Dow Chemical v Commission	Subject-matter identical with <i>Chemie Holding v Commission</i> above	Article 173 EEC
166/89 Nefarma and Bond van Groothandelaren in het Pharmaceutische Bedrijf v Commission	Annulment of letters from the Commission to the Dutch authorities concerning an agreement on pharmaceutical prices notified to the Commission by the Dutch pharmaceutical industry	Article 173 EEC
167/89 VNZ and Others v Commission	Subject-matter identical with <i>Nefarma</i> above	Article 173 EEC
173/89 Prodifarma and Others v Commission	Subject-matter identical with <i>Nefarma</i> above	Article 173 EEC
Social security		
108/89 Pian v ONP	Compatibility with Articles 48 and 51 of the Treaty of the action of a Member State in taking account under its own rules for the prevention of overlapping benefits of an invalidity pension granted by another Member State	Article 177 EEC
109/89 ONP v Bianchin	Subject-matter identical with <i>Pian v ONP</i> above	Article 177 EEC

Case	Subject	Basis
117/89 Kracht v Bundesanstalt für Arbeit, Nuremberg ¹	<p>1. Is entitlement to benefits pursuant to Article 73 of Council Regulation No 1408/71 to be suspended pursuant to Article 76 of that Regulation if family benefits or family allowances are no longer payable in the Member State in which the members of the family reside only because they are not applied for?</p> <p>2. Is entitlement to benefits pursuant to Article 73 of Regulation No 1408/71 to be suspended pursuant to Article 76 of that Regulation if family benefits or family allowances are no longer payable in the Member State in which the members of the family reside only because as from an arbitrarily determined date they are no longer applied for?</p>	Article 177 EEC
163/89 Office National de l'Emploi v Di Conti ²	Does an unemployed person in relation to whom the competent State is Belgium, who has returned to Belgium after the expiry of the period of three months laid down in Article 69(1) (c) of Council Regulation No 1408/71 and who has as a result lost all entitlement to benefits payable by Belgium, by virtue of Article 69(2), recover his entitlement to benefits payable by that country by satisfying the sole condition of having previously been employed there for at least three months or, on the contrary, must Article 69(4) be taken to mean in addition that such an unemployed person must again satisfy the probation conditions laid down by Belgian law, in this case the Royal Decree of 20 December 1963?	Article 177 EEC
<p>Agriculture</p> <p>158/89 Weingut Dietz-Matti v Germany²</p>	<p>1. Under Article 2(2) of Commission Regulation No 2373/83 is specification of the correct type of wine in the distillation declaration a precondition for entitlement to aid?</p> <p>2. Can vine varieties other than those mentioned in Article 2 of Council Regulation No 340/79 be classified under type A II or type A III wine? According to what criteria must that classification be made?</p> <p>3. (a) Can a blend which under German designation rules may be marketed with the mention of only one vine variety be classified under the type of wine which corresponds to that wine variety?</p> <p>If not,</p> <p>(b) In the case of another mixture of wine of types A II and A III before distillation, can aid be granted in accordance with the proportions of the types of wine?</p> <p>If not,</p> <p>(c) As a fall-back provision, can aid be granted in such circumstances as for wine of type A I?</p>	Article 177 EEC

Case	Subject	Basis
Company law		
106/89 <i>Marleasing v La Comercial Internacional de Alimentación</i>	Is Article 11 of the First Company Law Directive (Council Directive 68/151/EEC), not implemented in domestic law, directly applicable so as to preclude a declaration of nullity of a public limited company based on a ground different from those set out in the said Article?	Article 177 EEC
Commercial policy		
170/89 <i>Bureau Européen des Unions de Consommateurs v Commission</i>	<p>1. Annulment of the Commission decision contained in a letter addressed to the applicant on 15 March 1989 refusing to allow the applicant to inspect Commission files</p> <p>2. Seeking a declaration that Article 7 (4) (a) of Council Regulation No 2423/88 on protection against dumped or subsidized imports from countries not members of the EEC is inapplicable</p>	Articles 173 and 184 EEC
Food aid		
172/89 <i>Vandemoortele v Commission</i> ³	Annulment of the Commission's decision concerning the withholding of payments in respect of food aid, notified by telex message of 15 March 1989	Article 173 EEC
Infringements		
157/89 <i>Commission v Italy</i> ⁴	Failure to comply with Council Directive 79/409/EEC on the conservation of wild birds	Article 169 EEC
159/89 <i>Commission v Greece</i> ⁴	Failure to comply with the <i>Gaston Schul</i> rules regarding the deduction of residual VAT on goods already taxed in another Member State and imported by a private person	Article 169 EEC
162/89 <i>Commission v Belgium</i> ³	Failure to comply with Council Directives 75/439/EEC on the disposal of waste oils, 75/442/EEC on waste, 76/403/EEC on the disposal of PCBs and PCTs, and 78/319/EEC on toxic and dangerous waste	Article 169 EEC
176/89 <i>Commission v Italy</i>	Seeking a declaration that, by prohibiting the use of methyl alcohol as a solvent for paints and varnishes, adhesives, mastics and seals, inks and products intended for domestic use, and by applying that prohibition to imported products lawfully manufactured and marketed in other Member States, Italy has failed to fulfil its obligations under Article 30 of the EEC Treaty	Article 169 EEC

Case	Subject	Basis
177/89 Commission v Italy	Seeking a declaration that, by subjecting the marketing in Italy of food extracts and similar products of animal or vegetable origin lawfully manufactured and marketed in other Member States, to restrictions relating to the composition, description and packaging of those products, and also by requiring previous authorization for such marketing and imposing requirements regarding labelling which are incompatible with the relevant Community rules, Italy has failed to fulfil its obligations under Article 30 of the EEC Treaty and Council Directive 79/112/EEC	Article 169 EEC
180/89 Commission v Italy	Seeking a declaration that, by requiring possession of a licence which presupposes the acquisition of a specific qualification to be obtained by passing an examination, for the provision of services as a tourist guide accompanying a group of tourists from another Member State, Italy has failed to fulfil its obligations under Article 59 of the EEC Treaty	Article 169 EEC
182/89 Commission v France	Seeking a declaration that, by issuing in February 1986 import licences for skins of the species <i>Felis Geoffroyi</i> and <i>Felis Wiedii</i> originating in Bolivia, France has failed to fulfil its obligations under Article 10 (1) (b) of Council Regulation No 3626/82 on the implementation in the Community of the Convention on International Trade in Endangered Species of Wild Fauna and Flora and Articles 5 and 189 of the EEC Treaty	Article 169 EEC
187/89 Commission v Italy	Seeking a declaration that, by continuing to apply the principle of systematic customs inspection of goods in intra-Community trade, Italy has failed to fulfil its obligations under Article 2 of Council Directive 83/643/EEC and Article 30 of the EEC Treaty	Article 169 EEC

Disputes between the Community and its staff

v Commission:

156/89 Scheuer⁵

160/89 André⁶

161/89 Pincherle⁶

v Council:

164/89 Scheiber⁶

v Parliament:

168/89 Caturla Poch⁷

171/89 Gonzalez Holguera

¹ OJ C 129, 25.5.1989.

² OJ C 137, 3.6.1989.

³ OJ C 163, 30.6.1989.

⁴ OJ C 144, 10.6.1989.

⁵ OJ C 136, 2.6.1989.

⁶ OJ C 149, 16.6.1989.

⁷ OJ C 150, 17.6.1989.

Judgments

2.7.26. Decisions were given in the following cases in May:

Date and Case	Held
<p>Free movement of goods</p> <p>11.5.1989: 25/88 Criminal proceedings against Bouchara, née Wurmser, and Norlaine¹</p>	<p>As Community law stands at present, a provision requiring the person responsible for placing a product on the national market for the first time to verify its conformity with the rules in force on the said market regarding the health and safety of persons, fair trading and consumer protection and rendering that person liable in criminal law for breach of the requirement is compatible with Articles 30 and 36 of the EEC Treaty on condition that its application to products manufactured in another Member State is not subject to requirements going beyond what is necessary to achieve the objective pursued, having regard, on the one hand, to the public interest in question and, on the other, to the means of proof normally available to an importer. With regard, in particular, to the verification of information on a product's composition supplied to consumers when the product is released for sale, the importer must be entitled to rely on certificates issued by the authorities of the Member State in which the goods were produced or by a laboratory approved by the said authorities for that purpose, or, if the legislation of that Member State does not require the production of such certificates, on other attestations providing an equivalent guarantee</p>
<p>16.5.1989: 382/87 Buet and Educational Business Services v Ministère Public²</p>	<p>The application to imported products of a prohibition on canvassing in relation to the sale of educational materials, such as that laid down by the law on the protection of consumers with respect to canvassing and to selling at private dwellings, is not incompatible with Article 30 of the EEC Treaty</p>
<p>18.5.1989: 266 and 267/87 R v Royal Pharmaceutical Society of Great Britain, and Secretary of State for</p>	<p>1. Measures adopted by a professional body such as the Pharmaceutical Society of Great Bri-</p>

Date and Case	Held
<p>Social Services, <i>ex parte</i> Association of Pharmaceutical Importers and Others³</p>	<p>tain, which lays down rules of ethics applicable to the members of the profession and has a committee upon which national legislation has conferred disciplinary powers that could involve the removal from the register of persons authorized to exercise the profession, may constitute 'measures' within the meaning of Article 30 of the EEC Treaty</p> <p>2. A national rule of a Member State requiring a pharmacist, in response to a prescription calling for a medicinal product by its trade mark or proprietary name, to dispense only a product bearing that trade mark or proprietary name may be justified under Article 36 of the Treaty on grounds of the protection of public health even where the effect of such a rule is to prevent the pharmacist from dispensing a therapeutically equivalent product licensed by the competent national authorities pursuant to rules adopted in conformity with the judgment of the Court of Justice in Case 10/75 <i>de Peijper</i> and manufactured by the same company or group of companies or by a licensee of that company but bearing a trade mark or proprietary name applied to it in another Member State which differs from the trade mark or proprietary name appearing in the prescription</p>
<p>Customs union</p> <p>23.5.1989: 378/87 <i>Top Hit Holzvertrieb v Commission</i>⁴</p>	<p>The application is dismissed (Seeking the annulment of the Commission Decision of 16 September 1985 in Case REC 5/85 requiring Germany to recover from the applicant customs duties amounting to DM 244 590.59)</p>
<p>25.5.1989: 40/88 <i>Paul F. Weber v Milchwerke Paderborn-Rimbeck</i></p>	<p>1. Subheading 04.02 A II(b)1 of the Common Customs Tariff must be interpreted as not including a product composed of 23.4% skimmed-milk powder, 42.3% powdered whey, 16.2% lactose, 7.1% calcium caseinate, 10.6% sodium caseinate and 0.4% other substances. The method by which the product was manufactured and the origin of some of its constituents do not affect the tariff classification of the product</p> <p>2. Subheading 21.07 D II(a)1 of the Common Customs Tariff must be interpreted as including a product with the composition of the product forming the subject-matter of the main proceedings</p>
<p>Taxation</p> <p>25.5.1989: 15/88 <i>Maxi Di v Ufficio del Registro di Bolzano</i></p>	<p>Article 11 of Council Directive 69/335/EEC must be interpreted as meaning that a Member State</p>

Date and Case	Held
<p>Competition</p> <p>12.5.1989: 320/87 Ottung v Klee & Weilbach and Thomas, Schmidt¹</p>	<p>is not permitted to subject capital companies, as defined in Article 9 thereof, to any form of taxation, other than the taxes and duties set out in Article 12 thereof, on account of a loan raised by the issue of debentures — an operation covered by Article 11</p> <p>1. A contractual obligation under which the grantee of a licence for a patented invention is required to pay royalties for an indeterminate period and thus after the expiry of the patent, does not in itself constitute a restriction of competition within the meaning of Article 85(1) of the Treaty where the agreement was made after the registration of the patent application and just before the grant of the patent</p> <p>2. A clause inserted in a licensing agreement and prohibiting the manufacture and marketing of the products after the termination of the agreement comes within the prohibition laid down in Article 85(1), only if it emerges from the economic and legal context in which the agreement was concluded that it is liable to affect trade between Member States appreciably</p>
<p>Social security</p> <p>12.5.1989: 388/87 Bestuur van de Nieuwe Algemene Bedrijfsvereniging v Warmerdam-Steggerda⁵</p>	<p>Article 67(1) of Council Regulation No 1408/71 on the application of social security schemes to employed persons and their families moving within the Community does not make the aggregation, by the competent institution of a Member State, of periods of employment completed in another Member State subject to the condition that such periods should be regarded as periods of insurance for the same branch of social security by the legislation under which they were completed</p>
<p>18.5.1989: 368/87 Troiani v Landesversicherungsanstalt Rheinprovinz³</p>	<p>1. Article 9 of Council Regulation No 1408/71 must be interpreted as meaning that the condition governing affiliation to a compulsory insurance scheme in a Member State which must, under the legislation of that Member State, be satisfied at the time of presentation of an application to pay retrospective voluntary pension contributions cannot be regarded as satisfied if the person presenting the application is, on that date, affiliated to a compulsory insurance scheme in another Member State</p> <p>2. Articles 48 and 51 of the Treaty, properly construed, do not prevent the legislation of a Member State from making affiliation subject to a condition such as the one laid down by Article 2, para-</p>

Date and Case	Held
<p>Free movement of workers</p> <p>31.5.1989: 344/87 Bettray v Staatssecretaris van Justitie⁶</p> <p>30.5.1989: 33/88 Allué and Coonan v Università degli Studi di Venezia⁶</p>	<p>graph 28 of the Arbeiterrentenversicherung-Neuregelungsgesetz in respect of nationals of that State</p> <p>Article 48(1) of the EEC Treaty must be interpreted as meaning that a national of a Member State employed in another Member State under a scheme such as the Wet Sociale Werkverschaffing (WSW), in which the activities carried out are merely a means of retraining or reintegration, cannot on that basis alone be regarded as a worker for the purposes of Community law</p> <ol style="list-style-type: none"> 1. Employment as a foreign-language lecturer at a university is not employment in the public service within the meaning of Article 48(4) of the EEC Treaty 2. Article 48(2) of the EEC Treaty precludes the application of a national legal provision which sets a limit on the duration of the employment relationship between universities and foreign-language lecturers if there is, in principle, no such limit with regard to other workers 3. Article 3 of Council Regulation No 1408/71 on the application of social security schemes to employed persons, to self-employed persons and to members of their families moving within the Community precludes stipulations in a contract for the employment of a foreign-language lecturer by a university of a Member State whereby the person concerned is deprived of the social security cover available to other workers
<p>Agriculture</p> <p>11.5.1989: 263/87 Denmark v Commission³</p> <p>30.5.1989: 20/88 Roquette Frères v Commission</p>	<p>The application is dismissed (Seeking the partial annulment of Commission Decisions 87/368/EEC, 87/468/EEC and 87/469/EEC on the clearance of the accounts of the Member States in respect of the EAGGF Guarantee Section, expenditure for 1983, 1984 and 1985 respectively)</p> <p>The application is dismissed (Seeking compensation pursuant to the second paragraph of Article 215 of the EEC Treaty, based on the finding by the Court of Justice that certain provisions of Commission Regulation No 652/76 changing the monetary compensatory amounts following changes in exchange rates for the French franc are invalid)</p>

Date and Case	Held
Transport	
30.5.1989: 355/87 Commission v Council	The application is dismissed (Seeking the annulment of Council Decision 87/475/EEC relating to maritime transport between Italy and Algeria)
Commercial policy	
12.5.1989: 246/87 Continentale Produkten-Gesellschaft Erhard-Renken v HZA München-West ¹	Consideration of the question referred to the Court has disclosed no factor of such a kind as to affect the validity of Council Regulation No 789/82 imposing a definitive anti-dumping duty on imports of certain cotton yarns originating in Turkey
Education	
30.5.1989: 242/87 Commission v Council	The application is dismissed (Seeking the annulment of Council Decision 87/327/EEC adopting the European Community action scheme for the mobility of university students (Erasmus) on the ground that Article 235 of the EEC Treaty was wrongly added as a legal basis)
30.5.1989: 56/88 UK v Council	The application is dismissed (Seeking the annulment of Council Decision 87/569/EEC concerning an action programme for the vocational training of young people and their preparation for adult and working life)
Infringements	
11.5.1989: 76/86 Commission v Germany ³	By prohibiting the marketing in Germany of milk substitutes lawfully manufactured and marketed in other Member States the Federal Republic of Germany has failed to fulfil its obligations under Article 30 of the EEC Treaty
11.5.1989: 46/88 Commission v Belgium ²	By not adopting within the prescribed periods the provisions necessary to comply with Council Directive 78/85/EEC, concerning mergers of public limited liability companies and with Council Directive 82/891/EEC, concerning the division of public limited liability companies, Belgium has failed to fulfil its obligations under the EEC Treaty
11.5.1989: 52/88 Commission v Belgium ²	By not permitting the sale in its territory of prepared meat and meat preparations containing more than a given quantity of edible gelatine, originating in another Member State where those products were lawfully produced and marketed, Belgium has failed to fulfil its obligations under Article 30 of the EEC Treaty

Date and Case	Held
17.5.1989; 261/88 Commission v Greece	Removed from the Court Register (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)
18.5.1989: 249/86 Commission v Germany ⁴	By adopting and retaining provisions in its national legislation which make renewal of the residence permit of members of the family of Community migrant workers conditional on their living in appropriate housing, not only at the time when they install themselves with the migrant worker concerned but for the entire duration of their residence, the Federal Republic of Germany has failed to fulfil its obligations under Article 10(3) of Council Regulation No 1612/68
30.5.1989: 305/87 Commission v Greece	By maintaining in force and applying the single Article of the Presidential Decree of 22/24 June, 1927 and Articles 1, 2, 3, 4 and 5 of Decree-Law No 1366 of 2/7 September 1938 concerning legal transactions by nationals of other Member States in respect of immovable property situated in Greek border regions, Greece has failed to fulfil its obligations under Articles 48, 52 and 59 of the EEC Treaty
30.5.1989: 340/87 Commission v Italy	<ol style="list-style-type: none"> 1. By charging economic operators in respect of intra-Community trade the cost of inspections and administrative formalities carried out during part of the normal business hours of the offices at frontier crossing-posts, as laid down in the second indent of Article 5(1) (a) 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, as amended by Council Directive 87/53/EEC, Italy has failed to fulfil its obligations under Articles 9 and 12 of the EEC Treaty 2. The remainder of the application is dismissed
31.5.1989: 43/88 Commission v Netherlands	By requiring traders who import, export and offer for export by way of trade propagation material for agricultural plants, vegetables and spices and for fruit trees and certain hardwood oils to be affiliated to certain supervisory bodies, the Netherlands has failed to fulfil its obligations under Council Regulation No 234/68 on the establishment of a common organization of the market in live trees and other plants, bulbs, roots, and the like, cut flowers and ornamental foliage and under Council Regulation No 2358/71 on the common organization of the market in seeds, and by making traders who import or export propagation material for seed potatoes subject to the same obligation, it has failed to fulfil its obligations under Articles 30 to 34 of the EEC Treaty

Disputes between the Community and its staff

v Court of Auditors:

11.5.1989: 193 and 194/87 Maurissen and Union Syndicale³ — 1. Mr Maurissen's application is declared admissible. 2. The Union Syndicale's application is declared admissible in so far as it challenges the decision of 31 March 1987. 3. The Union Syndicale's application is declared admissible in so far as it challenges the decision of 17 March 1987. 4. The cases must be heard and a decision given on the merits

¹ OJ C 137, 3.6.1989.

² OJ C 144, 10.6.1989.

³ OJ C 149, 16.6.1989.

⁴ OJ C 150, 17.6.1989.

⁵ OJ C 141, 7.6.1989.

⁶ OJ C 160, 27.6.1989.

Economic and Social Committee

266th plenary session

2.7.27. The Economic and Social Committee held its 266th Plenary Session in Brussels on 31 May and 1 June with Mr Masprone in the chair. The meeting was attended by Mr Cardoso e Cunha, who presented the key ideas of Community energy policy, stressing the imbalance characteristic of this sector, with a few dozen production units serving hundreds of millions of consumer units. The Commission intended to improve energy price transparency, deregulate trans-frontier electricity trade, consider the economic justification for monopolies, exclusive rights and State aid for the energy industries, strive to strike a balance between energy policy and environmental protection, and finally try to harmonize indirect taxation and trade policy with the producer countries.

2.7.28. The Committee debated and adopted opinions on the following items:

the abolition of border checks (→ point 2.1.4);

gas appliances (→ point 2.1.19);

foods and food ingredients treated with ionizing radiation (→ point 2.1.28);

batteries and accumulators containing dangerous substances (→ point 2.1.160);

the fight against rabies (→ point 2.1.199);

the weight and dimensions of certain road vehicles (→ point 2.1.212).

2.7.29. The Committee also adopted by a very large majority opinions, without debate, on:

third-party insurance and direct insurance other than life assurance (→ point 2.1.10);

non-automatic weighing instruments (→ point 2.1.17);

animal health conditions governing intra-Community trade in and imports of poultry and hatching eggs (→ point 2.1.200);

animal health conditions governing intra-Community trade in sheep and goats (→ point 2.1.201);

the capacity of the air traffic control system (→ point 2.1.218).

Relations between the Commission and the Committee

2.7.30. On 17 May the Commission adopted a communication on relations with the Committee, containing guidelines aimed in particular at:

strengthening relations with the Committee by increasing the number of Commission Members and officials present at the Committee's meetings;

ensuring a closer follow-up of the Committee's opinions and initiatives;

closely following up any initiative aimed at making it easier for the Committee and its Members to fulfil their tasks.

European Investment Bank ¹

Operations in May

2.7.31. Loans announced by the European Investment Bank in May for investments within the Community totalled ECU 627 million.² Spain received ECU 462.3 million, France ECU 141.4 million and Portugal ECU 23.3 million. Outside the Community the Bank lent ECU 47 million, including ECU 17 million to Kenya from own resources and ECU 13 million to Ghana from risk capital under the Third Lomé Convention,³ and ECU 17 million to Tunisia from own resources under the Third Financial Protocol with that country.⁴

Community

Spain

2.7.32. The EIB lent PTA 60 billion in all. PTA 28 billion were lent through the Instituto de Crédito Oficial (ICO) to Spain's national airline Iberia towards financing its fleet renewal programme. This covers the purchase of some 50 new aircraft, mainly McDonnell Douglas MD-87s and Airbus A320s, as well as associated equipment. The fleet renewal will improve links within the Community and between the Community and third countries, and will help Iberia cope with the increase in its national and international traffic.

The Bank advanced PTA 21 billion in global loans to four banks (the Banco de Crédito Industrial, the Banco Popular Español, the Banco de Crédito Agrícola and the Banco de Crédito Local) to support modest-scale investment in industry and associated services, agriculture and the agri-business sector, and for small infrastructure schemes

promoted by local authorities in Spain's less-developed regions.

In relation to infrastructure, the Bank made a loan of PTA 5 billion to the Comunidad Autónoma de Madrid towards upgrading existing roads and building new ones to relieve the serious traffic congestion in the Madrid metropolitan area and, principally, to smooth the flow of interregional transit traffic. The Bank advanced PTA 6 billion to the Entidad de Servicios Hidráulicos y Tratamiento de Residuos for the construction of transmission mains and a new drinking-water reservoir to provide Barcelona with more secure and better-quality water supplies and reduce over-pumping of the city's groundwater resources.

France

2.7.33. The EIB lent FF 994 million to the Caisse Nationale des Autoroutes (CNA), which will on-lend the money to various concessionary companies. FF 450 million will go to the Société des Autoroutes Rhône-Alpes: FF 250 million towards constructing three sections of the A49 motorway, which is to connect the Alps and the Rhone corridor and will be the missing link in an international route joining Germany (through Switzerland) and Northern Italy to the South of France and Spain, as well as improving access to the winter sports resorts in the region; FF 200 million is to co-finance the construction of the A43 between Montmélan, near Chambéry, and Pont-Royal and between Pont-Royal and Albertville, a project which is part of the programme for extending the motorway network in Savoie with a view to the Winter Olympics in 1992 and has already received

¹ Further details can be obtained from the European Investment Bank, 100 boulevard Konrad Adenauer, L-2950 Luxembourg (tel. 43791).

² The conversion rates at 31 March 1989 used by the EIB in statistics for the final quarter were: ECU 1 = BFR 43.60, DKR 8.10, DM 2.08, DR 175.99, ESC 171.55, FF 7.04, HFL 2.35, IRL 0.78, LFR 43.60, LIT 1 527, PTA 129.64, UKL 0.65, USD 1.10.

³ OJ L 86, 31.3.1986; Bull. EC 4-1986, point 2.2.31.

⁴ OJ L 22, 27.1.1988; Bull. EC 12-1987, point 2.2.31.

EIB financing of FF 50 million in 1988.¹ The Société des Autoroutes du Sud de la France (ASF) is to receive FF 294 million: FF 200 million for the construction of a section of the A55 between Arles and Nîmes, part of the motorway axis in the Rhone triangle to improve links from the A9 (Perpignan — Orange) to the A8 (Aix-en-Provence — Menton) and to the fast road to Fos and Marseilles — the Bank has already loaned FF 100 million towards the project in 1988;² FF 94 million to co-finance the construction of the Angers — Durtal and Durtal — La-Flèche — Le Mans sections of the A11, which will create a through road between Paris and Nantes, one of the priorities of the regional development programme for the Loire country. FF 250 million go to the Société des Autoroutes Paris-Rhône (SAPRR) for the construction of the Bourges — Clermont-Ferrand section of the A71 which is to join the A10 (Paris — Orléans) and A72 (Clermont-Ferrand — Lyons) motorways and thereby help to open up the Auvergne region.

Portugal

2.7.34. The Bank lent ESC 4 billion in all: ESC 3 billion for the extension of a printing-paper factory in Setúbal, following a first loan of ESC 1 billion to Papéis Inapa SA;³ a global loan of ESC 1 billion to Sofinloc (Sociedade Financeira de Localização SA), the proceeds of which are to be on-lent for smaller ventures in industry and related services throughout Portugal.

Outside the Community

ACP States

2.7.35. The Bank granted Kenya ECU 17 million for the expansion and upgrading

of the water supply and sanitation system of Nairobi. The loan, which is being granted to the Government under the Third Lomé Convention,⁴ will be on-lent to the Nairobi City Commission (NCC). The World Bank, the African Development Bank and Japan are also helping to finance the project.

2.7.36. The Bank granted ECU 13 million in the form of a conditional loan to the Republic of Ghana from risk capital resources provided for under the Third Lomé Convention⁴ for the rehabilitation of two goldmines at Tarkwa and Prestea in south-western Ghana. The funds are to be passed on to the State Gold Mining Corporation, which runs the two mines. The loan will help to improve the reliability of win-ders and bring them up to approved standards. The International Development Association (World Bank Group) and the Caisse Centrale de Coopération Economique are also providing funds for the project.

Mediterranean countries

2.7.37. Under the Third Financial Protocol⁵ between the Community and Tunisia, the Bank granted a global loan of ECU 17 million to the Banque Nationale de Développement Touristique (BNDT), which will on-lent the funds mainly to smaller hotel and related investment. Tourism is an important foreign currency earner, and development of quality hotel facilities is a government priority.

¹ Bull. EC 9-1988, point 2.4.49.

² Bull. EC 4-1988, point 2.4.71.

³ Bull. EC 4-1989, point 2.7.39.

⁴ OJ L 86, 31.3.1986; Bull. EC 4-1986, point 2.2.31.

⁵ OJ L 22, 27.1.1988; Bull. EC 12-1987, point 2.2.31.

PART THREE
DOCUMENTATION

1. The ecu

Values in national currencies of one ecu

31 May 1989 ¹		
BFR/ LFR	Belgian franc and Luxembourg franc (convertible)	43.4703
	Belgian franc and Luxembourg franc (financial)	43.5695
DKR	Danish krone	8.08604
DM	German mark	2.07604
DR	Greek drachma	177.172
ESC	Portuguese escudo	172.264
FF	French franc	7.04238
HFL	Dutch guilder	2.33973
IRL	Irish pound	0.776561
LIT	Italian lira	1 501,98
PTA	Spanish peseta	132.312
UKL	Pound sterling	0.666821
AUD	Australian dollar	1.38924
CAD	Canadian dollar	1.25887
FMK	Finnish markka	4.62283
NKR	Norwegian krone	7.49839
NZD	New Zealand dollar	1.78126
OS	Austrian schilling	14.6123
SFR	Swiss franc	1.79272
SKR	Swedish krona	6.98753
USD	United States dollar	1.04471
YEN	Japanese yen	148.944

¹ OJ C 135, 1.6.1989.

NB: Explanatory notes on the ecu and 'green' rates can be found in Bull. EC 7/8-1982, points 3.1.1 to 3.1.3, and Bull. EC 10-1984, point 3.1.1.

Representative rates ('green' rates)

Conversion rates into national currencies for the ecu used in connection with the common agricultural policy

May 1989		
National currency/Sector		Value in national currency of ECU 1
BFR/ LFR	Belgian franc and Luxembourg franc All products	48.2869
DKR	Danish krone Sheepmeat and goatmeat Cereals and sugar Other products	8.66492 8.84165 8.93007
DM	German mark Milk and milk products and beef/veal Cereals Other products	2.35053 2.37360 2.36110
DR	Greek drachma Sheepmeat and goatmeat Pigmeat Eggs and poultrymeat Cereals, sugar, wine and olive oil Other crop products Structures Tobacco Other products	180.508 168.229 149.762 164.729 179.387 197.622 190.998 164.996
ESC	Portuguese escudo Structures and tobacco Other products	192.002 188.007
FF	French franc Milk and milk products Sheepmeat and goatmeat Beef/veal Pigmeat Wine Other livestock products Other products	7.69787 7.65577 7.85183 7.85183 7.54389 7.56606 7.69787
HFL	Dutch guilder Sugar Cereals Other products	2.64704 2.66089 2.63785

May 1989		
National currency/Sector		Value in national currency of ECU 1
IRL	Irish pound Sheepmeat and goatmeat Beef/veal Cereals and sugar Other products	0.829788 0.873900 0.843818 0.856765
LIT	Italian lira Pigmeat Cereals and oilseeds Wine Fruit and vegetables and tobacco Olive oil Other products	1 716.00 1 635.00 1 641.00 1 690.00 1 652.00 1 682.00
PTA	Spanish peseta Sheepmeat and goatmeat Pigmeat Other livestock products Cereals, sugar and olive oil Other crop products	153.315 146.854 155.786 154.213 152.896
UKL	Pound sterling Eggs and poultrymeat Sheepmeat and goatmeat Beef/veal Pigmeat Other livestock products Cereals, sugar and olive oil Other crop products	0.685035 0.671291 0.729831 0.723693 0.706728 0.675071 0.701383

2. Books and reading

Conclusions and resolution

Conclusions of the Council and the Ministers responsible for cultural affairs meeting within the Council on 18 May 1989, on books and reading with a view to the completion of the internal market in 1992

3.2.1. The Council and the Ministers adopted the conclusions set out below, with a scrutiny reservation by one delegation.

The Council and the Ministers responsible for cultural affairs meeting within the Council held an exchange of views on the subject of books and reading with a view to the completion of the internal market in 1992.

With regard to taxation on books, after hearing a statement from the Commission, they noted that the Commission was reflecting on the possibility of revising its present proposals on indirect taxation and excise duties in a manner which would, *inter alia*, provide scope for the lowest possible rate of VAT on books.

For the same reasons, they considered the prices of books and, in the absence of an alternative system acceptable to all, decided in favour of continuing national policies intended to ensure a balance between the interests of authors, publishers, booksellers and the public, while complying with the rules of competition.

In the same context, they stressed the role of small and medium-sized publishing firms that cared about publishing quality books, in order to ensure the vitality, originality and pluralism of publishing.

As regards questions of copyright affecting authors, they noted a statement from the Commission concerning its Green Paper on copyright and its intentions in this field.

By way of encouragement to authors, the Council and the Ministers responsible for cultural affairs meeting within the Council decided to create an annual literary prize to be awarded in the context of the European City of Culture.

All general action concerning books should also involve libraries; the Council and the Ministers responsible for cultural affairs meeting within the Council await with interest a Commission pro-

posal on the intensification of collaboration between libraries regarding data processing.

The Council and the Ministers responsible for cultural affairs meeting within the Council also agreed on the importance of increasing public awareness of books and reading by placing particular emphasis on the use of television for that purpose.

Finally, they were aware that the existence of different language areas was an obstacle to the spread of books and culture in general in Europe, and that it was essential in order to overcome this obstacle to derive benefit from the diversity of cultures, and in particular those based on the less widely known languages in Europe. They drew attention to the practical actions agreed on 18 May in the resolution of the Council and of the Ministers responsible for cultural affairs meeting within the Council concerning the promotion of books and reading. In particular, they noted the creation of an annual prize for the best translations of literary works, also to be awarded in the context of the European City of Culture.

Resolution of the Council and of the Ministers responsible for cultural affairs meeting within the Council on 18 May 1989, on the promotion of books and reading

3.2.2. The Council and the Ministers adopted the resolution set out below, with a scrutiny reservation by one delegation.

The Council and the Ministers responsible for cultural affairs meeting within the Council,

Having regard to the priority which they attached to books and reading in their conclusions of 27 May 1988 concerning future priority actions in the cultural field,

Having regard to the part concerning books of the resolution of the European Parliament of 17 February 1989 on a fresh boost for Community action in the cultural sector and the opinion of the Economic and Social Committee of 14 April 1988 on the same theme,

Note the general thrust of the Commission communication of 26 April 1989 on books and reading;

Reaffirm, whilst respecting their resolution of 27 May 1988 on the future organization of their work, their will to cooperate in the promotion of all the

elements of the book chain leading from the author to the reader;

Decide that European countries which are not members of the Community and organizations concerned with European cultural cooperation, especially the Council of Europe, can be invited to participate in certain specific actions of common interest;

Approve the actions set out in the Annex and instruct the Committee on Cultural Affairs to draw up and agree on the details of their implementation, including the financial aspect, as speedily as possible;

Agree to review the progress made with respect to this resolution in two years' time on the basis of a report from the Committee on Cultural Affairs.

Books and reading: actions

1. Guide for authors and translators

This guide, to be presented by the Commission, will contain information about their legal, social and tax status in the different Member States of the Community

2. Programme (1989-92) for the publication of statistics — book sector

This programme, put into effect progressively by the Commission, in collaboration with the Council of Europe and Unesco, will include the publication in 1989 of a first set of European statistics relating to books

3. (a) European literary prize

(b) Prize for the best translation of literary works

The two prizes will be awarded each year upon the proposal of an independent jury in the

framework of the European City of Culture, the details of these prizes to be fixed before the end of 1989

4. Pilot project for financial assistance for translations of contemporary literary works

This project, decided upon in its broad outlines in a resolution of the Council and the Ministers responsible for cultural affairs meeting within the Council on 7 November 1987, has been launched for a five-year period beginning in 1989

5. Scholarships and travel awards for courses at the colleges for literary translators; network of these colleges and other measures to promote literary translation

An increase in the grants made by the Commission to such courses; encouragement of a network among existing colleges

6. Conservation of books made from acid paper and use of 'permanent paper'

Intensified collaboration, to be organized by the Commission and the Member States, between libraries and archives, taking into account the work of specialized international organizations, in favour of conservation of books threatened by the fragility of acid paper; information campaign to be launched by the Commission and the Member States in favour of 'permanent paper'

7. Comparative study of export aid measures for books

This study, to be prepared by the Commission, will provide better knowledge of the export aid measures existing in different Member States

8. Campaign for raising European public awareness of books and reading

This campaign, which will include actions using television for raising public awareness, will be carried out in collaboration with the Council of Europe and Unesco

3. Preliminary draft Community Charter of Fundamental Social Rights

3.3.1. On 30 May 1989 the Commission adopted a preliminary draft Community Charter of Fundamental Social Rights:

'The Heads of State or Government of the Member States of the European Community meeting at... on...,'

Whereas, under the terms of Article 117 of the EEC Treaty, the Member States have agreed on the need to promote improved living and working conditions for workers so as to make possible their harmonization while the improvement is being maintained;

Having regard to the importance attached by the European Councils of Hanover and Rhodes to the implementation of a social policy at Community level, particularly in view of the impending completion of the internal market;

Having regard to the resolution of the European Parliament of 15 March 1989 and the opinion of the Economic and Social Committee of 22 February 1989;

Whereas one of the priority objectives in the economic and social fields is to combat unemployment and to this end the completion of the internal market presents major opportunities for growth and job creation;

Whereas the completion of the internal market should be conducive to the approximation of improvements in living and working conditions, as well as economic and social cohesion within the European Community, while avoiding distortions of competition;

Whereas the completion of the internal market must also offer improvements in the social field for citizens of the European Community, especially in terms of freedom of movement, living and working conditions, social protection, education and training;

Whereas, in a spirit of solidarity, it is important to combat every form of social exclusion and discrimination;

Whereas workers from non-member countries who are legally resident in a Member State of the Community should benefit from treatment comparable to that granted to workers who are nationals of the Member State concerned;

Whereas it is appropriate to draw inspiration from the Conventions of the International Labour

Organization and from the European Social Charter of the Council of Europe;

Whereas the Treaty, as amended by the Single European Act, contains provisions laying down the powers of the Community, relative *inter alia* to the freedom of movement of workers (Articles 48 to 51), the right of establishment (Articles 52 to 58), the approximation of laws (Article 100a), the social field (Articles 117 to 122) — in particular as regards improvement of the working environment (Article 118a), the development of the dialogue between management and labour at European level (Article 118b), the principle that men and women should receive equal pay for equal work (Article 119), a common vocational training policy (Article 128) and economic and social cohesion (Article 130a to 130e);

Whereas the present Charter aims on the one hand to build on the progress made in the social field, in particular through Community action;

Whereas it aims, on the other hand, to declare solemnly that the implementation of the Single European Act must be accompanied, either at European Community level or at the level of the Member States or of their constituent parts, by a development of the social rights of citizens of the European Community, especially workers and self-employed persons;

Whereas responsibility for the initiatives to be taken with regard to the implementation of these social rights, which must be guided by the principle of subsidiarity, lies, according to the circumstances, with the Member States or their constituent parts or with the European Community; whereas this implementation requires the involvement of the two sides of industry;

Whereas the solemn proclamation of fundamental social rights at European Community level must not, when implemented, provide grounds for any erosion of the situation currently existing in each Member State,

Have adopted the following Declaration constituting the "Community Charter of Fundamental Social Rights":

TITLE I

FUNDAMENTAL SOCIAL RIGHTS

Right to freedom of movement

1. Every citizen of the European Community shall have the right to freedom of movement throughout

the territory of the Community subject to restrictions justified on grounds of public order, public safety or public health.

Harmonization of conditions of residence in all Member States, particularly those concerning the reuniting of families, shall be continued.

2. The right to freedom of movement must enable any citizen to engage in any occupation or profession in the Community on the same terms as those applied to nationals of the host country, subject to the provisions of Community law.

3. The right to freedom of movement shall imply entitlement to equal treatment in all fields, including social benefits and taxation.

4. In order to ensure the implementation of freedom of movement, obstacles arising from the non-recognition of certain categories of qualifications or occupational skills must be eliminated.

5. Special attention must be devoted to improving the living and working conditions of European Community citizens residing in frontier regions and, in particular, of frontier workers.

6. Wage conditions applying in the host country as well as other social benefits linked to wages, must be guaranteed in particular to workers from other European Community Member States performing work for subcontracting undertakings in the host country concerned.

7. Furthermore, social protection must be extended to all citizens of the Community engaged in gainful employment in a country other than their country of origin on terms identical to those enjoyed by workers of the host country.

8. Working conditions and social protection applying in the place of employment must in particular be ensured when awarding public works contracts in the Community.

Employment and remuneration

9. All employment shall be fairly remunerated.

To this effect, either by law or by collective agreement at national, regional, interoccupational, sectoral or company level:

- (i) a decent wage shall be established;
- (ii) rules shall be laid down on the basis of which workers subject to terms of employment other than an open-ended contract can be assured of an equitable reference wage;
- (iii) wages may be withheld, seized or transferred only in accordance with national law; under no circumstances may employed persons be deprived

of the necessary means of subsistence for themselves and their families.

10. Every individual shall be free to choose and engage in an occupation.

11. Every individual shall have access to placement services free of charge.

Improvement of living and working conditions

12. The development of a single European labour market must lead to an improvement in the living and working conditions of workers in the European Community, this process resulting from an approximation of these conditions, while the improvement is being maintained.

This approximation relates first and foremost to the organization and flexibility of working time, particularly by establishing a maximum duration of working time per week.

It also relates to all forms of employment other than open-ended contracts and in particular to fixed-term contracts, seasonal work, part-time work, temporary work, weekend work, night work and shiftwork.

The improvement shall also cover, where necessary, the development of certain aspects of employment regulations such as procedures for collective redundancies or those regarding bankruptcies.

13. Every worker residing in the European Community shall have a right to annual paid leave and to a weekly rest period.

Right to social protection

14. According to the arrangements applying in each country:

- (i) every citizen of the European Community shall have a right to adequate social protection;
- (ii) all workers, whatever their status and whatever the size of the undertaking in which they are employed, shall enjoy social security cover proportional, where appropriate, to length of service and pay and to their financial contribution to the appropriate social protection system.

15. Workers who are excluded from the labour market without being able to continue claiming unemployment benefit or who do not have adequate means of subsistence, shall be able to receive a minimum income and appropriate social assistance.

Right to freedom of association and collective bargaining

16. Every employer and every worker in the European Community shall have the right to belong freely to any professional or trade-union organization of his choice.

17. This right shall entail recognition of the right to belong to a union, the freedom to negotiate and conclude collective agreements, the right to resort to collective action in the event of a conflict of interests — including the right to strike and the freedom to join any association of a democratic nature or to renounce this right without any personal or occupational damage being thereby suffered by the individual concerned. The establishment and utilization of conciliation, mediation and arbitration procedures for the settlement of industrial disputes should also be encouraged.

18. This right shall imply that relations based on agreements may be established between the two sides of industry at European level if they consider it desirable. The contractual agreements thus entered into may cover employment and working conditions, including social protection measures for the workers concerned.

To this end, the dialogue between the two sides of industry at European level must be developed, in particular at interoccupational and sectoral level.

Right to vocational training

19. Every European Community worker shall have the opportunity to continue his or her vocational training during his or her working life. The public authorities, enterprises or, where appropriate, the two sides of industry, each within their own sphere of competence, shall set up continuing and permanent training systems enabling every citizen to undergo retraining, more especially through leave for training purposes, improve his or her skills or acquire new skills, particularly in the light of technical developments.

20. Every European Community citizen shall have the right to enrol in occupational training courses, including those at university level, on the same terms as those enjoyed by nationals of the Member State in which the course takes place.

Right of men and women to equal treatment

21. Equal treatment for men and women shall be guaranteed. Equal opportunities for men and women shall be developed.

To this end, action shall be intensified to ensure the implementation of the principle of equality between men and women in matters of remuneration, access to employment, social protection, education and vocational training and career development.

Right of workers to information, consultation and participation

22. Information, consultation and participation for workers must be developed along appropriate lines and in such a way as to take account of the laws, contractual agreements and practices in force in the Member States. This shall apply especially in companies or groups of companies having establishments or companies in several Member States.

23. In particular, these provisions shall be implemented in the following cases:

- (i) when technological changes that have major implications for the workforce as far as working conditions and work organization are concerned are introduced in firms;
- (ii) in connection with restructuring operations in firms or mergers having an impact on the employment of workers;
- (iii) when transfrontier workers are affected by employment policies pursued by the firm where they are employed.

Right to health protection and safety at the workplace

24. Every worker must enjoy satisfactory health and safety conditions, more especially in his working environment, and appropriate measures must be taken to this effect with a view to achieving further harmonization of conditions in this area while maintaining the improvements made.

Such protection may not be jeopardized by provisions concerning the implementation of the single market, especially as regards the awarding of public works contracts.

Protection of children and adolescents

25. Without prejudice to such rules as may be more favourable to young people, in particular those ensuring their preparation for work through vocational training, the minimum employment age shall be fixed at 16 years.

26. Young people aged over 16 who are in gainful employment shall receive equitable remuneration. Furthermore, for a period of at least two years, they shall receive complementary vocational train-

ing during working hours in order to adapt to the requirements of their working life.

27. Appropriate measures shall be taken to adjust labour regulations applicable to young workers so that their specific development and vocational training needs are met.

Elderly persons

28. Every European Community citizen in retirement or early retirement shall be entitled to an income affording him or her a decent standard of living.

29. Any European Community citizen who has reached retirement age but who is not entitled to a pension, for example owing to a very long period of exclusion from the labour market, and who does not have any other adequate means of subsistence, shall be entitled to a minimum income.

Furthermore, elderly persons must be given adequate social protection and specific additional measures shall be taken to ensure that they receive social protection and medical assistance specifically suited to their needs and as wide an access as possible to such assistance.

Disabled persons

31. Measures shall be taken to ensure the fullest possible integration of disabled persons into working life, in particular where vocational training, occupational reintegration, and readaptation and social integration are concerned, by means of

improving accessibility, mobility, means of transport and housing.

TITLE II

IMPLEMENTATION OF THE CHARTER

32. The Member States commit themselves to take such steps as are appropriate and to mobilize all the resources that may be necessary in order to guarantee the fundamental social rights contained in this Charter and full implementation of the social measures indispensable to the efficient operation of the internal market. This shall be done either through legislative measures, or by encouraging both sides of industry to conclude collective agreements at national, regional, sectoral or company level.

33. The European Council hereby invites the Commission of the European Communities to pursue, within the framework of the Treaty, its present activities in the social field and instructs it to present, by 30 June 1990, an action programme with a set of related instruments.

34. The Commission is also instructed to present at regular intervals a report on the implementation of the principles of the Charter, in parallel with implementation of the Treaty of Rome as amended by the Single Act.

35. The Commission's report shall be transmitted to the Council of Ministers, the European Parliament and the Economic and Social Committee.'

4. Coordination in support of structural adjustment in the ACP States

3.4.1. On 16 May the Council discussed the strengthening of coordination in support of structural adjustment, and all Ministers stressed the importance that ought to be given to this matter. After the discussion the Council adopted the resolution set out below.

1. The Council notes that support for structural adjustment in the ACP countries will remain an important element of the various donors' develop-

ment policies for longer than was initially expected. Lessons have been drawn from the first generation of adjustment programmes, and the Community and the Member States have made their contribution.

The political will is emerging among many donors to support the adjustment process so as to make it more pragmatic, more differentiated and more tolerable for the recipient States than in the past.

2. The Council would point out that it formulated the Community's approach to the support of

structural adjustment in developing countries in its resolution of 31 May 1988.

It stressed there the need for effective coordination:

(i) on the one hand, within the framework of the existing mechanisms and structures, between the Commission and the Member States in both the recipient States and Brussels;

(ii) on the other hand, between the Community and the World Bank/IMF.

3. To give practical effect to such coordination at the level of both the Community and the other donors, in particular the Bretton Woods institutions, the Commission has submitted to the Council a working document dealing with the aims of coordination and proposing certain courses of action.

4. The Council agrees with the broad lines of the Commission's analysis.

5. It considers in particular that the strengthening, in the way defined below, of coordination in the provision of support for adjustment must be directed towards two objectives:

(i) to increase consistency and convergence between the approach of the Commission and the Member States at all levels in the Community, in the ACP States and in the institutions of the World Bank and the IMF;

(ii) to communicate the Community's point of view to other donors sufficiently early in the procedure, so that its own ideas are properly taken into account; this does not mean opening up paths parallel to those followed by the World Bank or the IMF, or making Community activities subject to decisions taken by them alone.

6. The Council recognizes the growing role to be played here by the Programming Committee, with regard to the general and the country-by-country approach in support of adjustment under the future ACP-EEC Convention. The EDF Committee will examine the specific measures to be financed in each country.

7. However, like the Commission, it would stress that, in advance of these formal consultation and information meetings, informal meetings, on a country-by-country basis, could usefully be held between representatives of any Member States wishing to participate and the Commission.

These meetings, organized in a flexible and pragmatic manner at the initiative of the Commission or one of the Member States, would be aimed at:

(i) facilitating exchanges of views and information on each Member State's experiences, per-

ceptions and intentions in regard to the issue of adjustment in the various ACP States;

(ii) helping to draw up, country by country, a coherent Community approach to the process of adjustment and thus making it easier for the Community and its Member States to be involved in a harmonious manner in the formulation and monitoring of adjustment policies.

8. Such coordination between donors can only facilitate on-the-spot discussions, in which the beneficiary country must always play a central role.

In this connection, the representatives of the Member States and the Commission in each country have a fundamental role to discharge:

(a) firstly, by strengthening their coordination in analysis of the country's problems and the solutions proposed for overcoming them;

(b) secondly, by tackling their discussions with the country and with the other donors in a way which takes account of the outcome of the coordination meetings held within the Community.

9. The Council also considers that a more systematic exchange of information between the Member States and their Executive Directors (or Alternates) within the World Bank and the Monetary Fund on the outcome of coordination will naturally result from the strengthening of such coordination.

Moreover, where they judge it to be useful, European Executive Directors and Commission representatives may hold informal discussions, for example at their monthly meetings, on the issue of support for adjustment, either in general terms or on a country-by-country basis.

10. The Council welcomes the Commission's intention of holding Community coordinating meetings, where appropriate and at its own instigation or that of a Member State, prior to meetings at which the recipient countries' strategies are discussed (consultative groups, round tables, etc.).

11. The Council believes it would be useful periodically to discuss—for example, at the informal meetings of the Directors-General for Development—the Community's overall approach to the adjustment process as a whole. The Council also considers that the Commission should at the appropriate time submit any proposals for refining and developing the approach to adjustment which was set out in its conclusions of 31 May 1988.

12. The Council considers that these guidelines, without involving a change in structures, must lead to greater consistency and convergence in the approach of the Commission and the Member States to the problems of adjustment in order to strengthen the Community's role and effectiveness in its dialogue with both its ACP partners and other donors.

5. Infringement procedures

Proceedings for failure to implement directives

Letters of formal notice

3.5.1. In May the Commission sent letters of formal notice for failure to inform it of national implementing measures in the following cases:

Internal market

Commission Directive 87/250/EEC of 15 April 1987 on the indication of alcoholic strength by volume in the labelling of alcoholic beverages for sale to the ultimate consumer¹ (France, Greece, Ireland, Netherlands and United Kingdom).

Council Directive 87/54/EEC of 16 December 1986 on the legal protection of topographies of semiconductor products² (Belgium, Greece and Luxembourg).

Agriculture

Council Directive 87/491/EEC of 22 September 1987³ amending Directive 80/215/EEC of 22 January 1980 on animal health problems affecting intra-Community trade in meat products (Greece).

Environment

Commission Directive 87/252/EEC of 7 April 1987⁴ adapting to technical progress Council Directive 84/538/EEC of 17 September 1984 on the approximation of the laws of the Member States relating to the permissible sound power level of lawnmowers (Italy).

Consumer protection

Ninth Commission Directive (87/137/EEC) of 2 February 1987⁵ adapting to technical progress Annexes II, III, IV, V and VI to Council Directive 76/768/EEC on the approximation of the laws of the Member States relating to cosmetic products (Greece).

Financial institutions and company law

Second Council Directive (84/5/EEC) of 30 December 1983 on the approximation of the laws of the Member States relating to insurance against

civil liability in respect of the use of motor vehicles⁶ (Belgium, Greece, Italy and Luxembourg).

Council Directive 84/641/EEC of 10 December 1984 amending, particularly as regards tourist assistance, the First Directive (73/239/EEC) of 24 July 1973 on the coordination of laws, regulations and administrative provisions relating to the taking-up and pursuit of the business of direct insurance other than life assurance⁷ (Greece, Italy, Luxembourg and Netherlands).

Energy

Council Directive 85/536/EEC of 5 December 1985 on crude-oil savings through the use of substitute fuel components in petrol⁸ (Belgium, Greece, Ireland and Italy).

Customs union and indirect taxation

Council Directive 83/182/EEC of 28 March 1983 on tax exemptions within the Community for certain means of transport temporarily imported into one Member State from another⁹ (Greece).

Council Directive 83/183/EEC of 28 March 1983 on tax exemptions applicable to permanent imports from a Member State of the personal property of individuals⁹ (Greece).

3.5.2. The Commission also sent a letter of formal notice for failure to comply with a judgment of the Court of Justice concerning the following directives:

Financial institutions and company law

Council Directive 79/279/EEC of 5 March 1979 coordinating the conditions for the admission of securities to official stock-exchange listing¹⁰ (Belgium).

¹ OJ L 113, 30.4.1987.

² OJ L 24, 27.1.1987.

³ OJ L 279, 2.10.1987.

⁴ OJ L 117, 5.5.1987.

⁵ OJ L 56, 26.2.1987.

⁶ OJ L 8, 11.1.1984.

⁷ OJ L 339, 27.12.1984.

⁸ OJ L 334, 12.12.1985.

⁹ OJ L 105, 23.4.1983.

¹⁰ OJ L 66, 16.3.1979.

Council Directive 80/390/EEC of 17 March 1980 coordinating the requirements for the drawing up, scrutiny and distribution of the listing particulars to be published for the admission of securities to official stock-exchange listing¹ (Belgium).

Council Directive 82/121/EEC of 15 February 1982 on information to be published on a regular basis by companies the shares of which have been admitted to official stock-exchange listing² (Belgium).

Reasoned opinions

3.5.3. In May the Commission delivered reasoned opinions for failure to inform it of

national implementing measures in the following cases:

Transport

Council Directive 86/364/EEC of 24 July 1986 relating to proof of compliance of vehicles with Directive 85/3/EEC on the weights, dimensions and certain other technical characteristics of certain road vehicles³ (Ireland).

¹ OJ L 100, 17.4.1980.

² OJ L 48, 20.2.1982.

³ OJ L 221, 7.8.1986.

6. Additional references in the Official Journal

3.6.1. This section lists the titles of legal instruments and notices of Community institutions or organs which have appeared in the Official Journal since the last Bulletin was published but relating to items appearing in earlier issues of the Bulletin; the references were not available when the Bulletin went to press.

The number of the Bulletin and the point to which this additional information refers is followed by the title shown on the cover of the Official Journal, the number of the issue and the date of publication.

Bull. EC 9-1988

Point 2.1.27

Proposal for a Council Decision adopting a research programme on competitiveness of agriculture and management of agricultural resources (1989 to 1993)

OJ C 146, 13.6.1989

Bull. EC 11-1988

Point 2.1.109

Commission Decision No 89/373/EEC of 30 November 1988 on aid decided by the Italian

Government for investments in the public flat-glass industry (Veneziana Vetro)

OJ L 166, 16.6.1989

Bull. EC 12-1988

Point 2.1.36

Proposal for a Council Directive on the legal protection of computer programs

OJ C 91, 12.4.1989

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