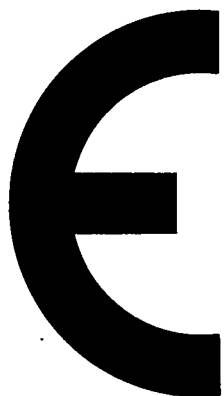


Bulletin

OF THE EUROPEAN COMMUNITIES

Commission



No 4 1985

Volume 18

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Bulletin

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contents

PART ONE SPECIAL FEATURES

- | | |
|--|----|
| 1. Advanced manufacturing equipment in the Community | 7 |
| 2. Progress towards a common transport policy — maritime transport | 8 |
| 3. Community aid scheme for non-documentary cinema and television co-productions | 10 |

PART TWO ACTIVITIES IN APRIL 1985

- | | |
|--|----|
| 1. Building the Community | 14 |
| — Economic and monetary policy | 14 |
| — Internal market and industrial affairs | 15 |
| — Industrial innovation and the information market | 18 |
| — Customs union | 19 |
| — Competition | 20 |
| — Financial institutions and taxation | 25 |
| — Employment, education and social policy | 27 |
| — Culture | 30 |
| — Regional policy | 30 |
| — Environment and consumers | 30 |
| — Agriculture | 32 |
| — Fisheries | 35 |
| — Transport | 37 |
| — Nuclear safety | 37 |
| — Research and development | 38 |

2. Enlargement and external relations	42
— Enlargement and bilateral relations with applicant countries	42
— Commercial policy	43
— Relations with industrialized countries	45
— Relations with other countries and regions	47
• Mediterranean countries	47
• Countries of the Gulf and the Arabian peninsula	47
• Asia	47
• Latin America	47
— Development	48
— International organizations and conferences	52
3. Financing Community activities	55
4. Political and institutional matters	59
— Political cooperation	59
— European policy and relations between the institutions	61
— Institutions and organs of the Communities	61
• Parliament	61
• Council	67
• Commission	68
• Court of Justice	68
• Economic and Social Committee	77
• European Investment Bank	80

PART THREE DOCUMENTATION

1. ECU	84
2. Additional references in the Official Journal	85
3. Infringement procedures	85

Supplements 1985

- 1/85 The thrust of Commission policy: Statement by Jacques Delors, President of the Commission, to the European Parliament and extracts from his reply to the ensuing debate
- 2/85 Consumer redress
- 3/85 Cross-border mergers of public limited companies — Proposal for a tenth Directive
- 4/85 Programme of the Commission for 1985
- *5/85 Progress towards a common transport policy—Maritime transport
- *6/85 Advanced manufacturing equipment in the Community—Commission communication

* In preparation.



PART ONE

SPECIAL FEATURES

Bulletin information service

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

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References in text and footnotes

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

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

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

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

1. Advanced manufacturing equipment in the Community

Commission communication

1.1.1. On 22 March the Commission transmitted to the Council a communication on advanced manufacturing equipment in the Community.¹

This paper follows on from the Commission's statement on the machine-tools industry² and takes into account the experience gained in implementing the Esprit programme.³ It contains a further statement, together with a detailed analysis of the situation and outlook in this field, and has been written in response to a request made by the Ministers for Industry at their informal meeting in Paris on 18 May 1984.

The general approach proposed by the Commission highlights the prime importance of standardization in this area, with the emphasis on better exploitation of the Community's technological potential and more effective public funding. The Commission also stresses the need to implement the 'partnership programmes' it proposed in January 1984 in its communication entitled 'Technological change and social adjustment'⁴ and to promote dialogue between the two sides of industry.

Standardization

1.1.2. The first priority is to launch activities in the field of standardization as quickly as possible, using as a basis the following operational plan:

- (i) representatives of the firms concerned must meet informally at Community level;
- (ii) the firms must draw up a work plan, indicating the various successive levels at which European standardization will have to be developed, taking account of international activities (e.g. the ISO's 'Open Systems Interconnection');
- (iii) when this work is at a sufficiently advanced stage and the objectives have been

clearly defined, the Commission and the Member States will have to initiate a second phase establishing working procedures and methods which will make it possible to achieve the expected results of any such standardization activity, i.e. the adoption of genuine European standards to be applied at national level.

Exploitation of European technological potential

1.1.3. Given the forceful strategies being adopted by the big US and Japanese groups in the electrical engineering, electronics and data-processing industries with a view to controlling all aspects of the factory of the future, now that information technologies have become so much more important, greater cooperation between Member States seems highly desirable. This would help to mobilize the far from inconsiderable advantages held by Community firms, above all their domination of the mechanical engineering industry. As things stand, one of the critical factors for success in the automation field is a thorough understanding of the processes that have to be automated. This is borne out, in particular, by the fact that of all the flexible manufacturing systems introduced over the past two years, most have been installed by machine-tools manufacturers.

The prime objective of cooperation should, therefore, be to bring together all the electronics, data-processing and electrical and mechanical engineering skills and knowledge available in the Community. Lastly, the Commission and the Member States should investigate ways and means of establishing greater contact and more extensive exchanges of information between firms, institutions and research centres engaged in

¹ Supplement 6/85—Bull. EC; COM (85) 112 final.

² Bull. EC 2-1983, point 2.1.26.

³ OJ L 67, 9.3.1984; Bull. EC 2-1984, point 1.3.1. *et seq.*

⁴ Bull. EC 1-1984, point 1.3.2.

R&D in connection with industrial automation.

Structural and financial aspects

1.1.4. During the last two or three years there has been a rapid increase in the amount of public aid made available in Europe for automation. While this has helped to accelerate the installation and use of advanced equipment in the Community, national compartmentalization has apparently prevented European funding from being fully effective despite the large amounts involved. Nor must the danger of distortion of competition potentially inherent in this type of aid be overlooked.

The Commission and the Member States must therefore undertake a joint study of the effectiveness of different types of public backing and investigate the best means of exploiting the European dimension, with regard not only to firms but also to governments.

Human resources

1.1.5. The introduction of advanced equipment is likely to cause a considerable reduction in employment levels in industry, particularly manufacturing industry. It would, however, be wrong to conclude that industrial automation necessarily results in large-scale unemployment: the production of advanced equipment itself will, in fact, create a number of jobs. Nevertheless, most new jobs are likely to emerge as part of the expansionary effect of the benefits brought

by this equipment to the economy as a whole, particularly to the services sector.

In order to ensure that the workers affected by these developments can be redeployed, there will have to be far-reaching changes as regards skills and the sectoral — and, most probably, geographical — distribution of employment.

The transformation of skills at all levels is undoubtedly one of the greatest challenges to emerge from the introduction of advanced equipment. If it is to succeed, it will call for an enormous education and training effort throughout the Community. The 'partnership programmes' proposed by the Commission in 1984 can play a very valuable part from the point of view of stimulation to this effect. They will involve the promotion and setting-up of joint programmes to be conducted by industry, advanced technical training institutes and research institutions.

The Commission also stresses the need to promote dialogue between the two sides of industry at European level.

Information on developments in industrial automation

1.1.6. The Commission proposes to give independent institutes in the Member States multiannual contracts to produce coordinated annual reports on developments in industrial automation, thus providing a regular source of reliable information as back-up for activities in this field.

2. Progress towards a common transport policy—maritime transport

Commission communication

1.2.1. On 19 March the Commission sent the Council a communication on maritime transport in the Community together with a series of specific proposals.¹ Following on from the communications on inland transport² and on civil aviation,³ this is the third in a set produced in response to Parliament's call, in 1982, for a global approach to the common transport policy.⁴

This latest communication sets out the fundamental objectives for developing and improving maritime transport services in the Community and provides a coherent overall framework for a Community shipping policy. The Commission takes the view that a multilateral Community shipping policy is still in the best interest of the Community shipping industry, despite the decline in the Community fleet as a result of the worldwide recession (at a time when the world fleet was growing vigorously), an erosion of the Community fleet's comparative advantages and growing protectionism throughout the rest of the world. First the communication recapitulates the measures taken by the Community in the past, then it proceeds to pinpoint the challenges facing a competitive, liberalized industry and to propose new responses to them, until such time as a common approach for negotiating more satisfactory solutions and equitable terms with non-Community countries can be agreed.

A coherent overall framework for a Community policy

1.2.2. Not only does the Commission communication provide a consistent overall framework for a Community policy but also it sets out the guiding principles for any further Community action on shipping, as follows:

(i) The predominant issues affecting shipping are those concerning trade with third countries. Because of this, any actions on matters internal to the Community should take fully into account their effect on the international competitive position of Community shipping.

(ii) The Community should seek, where regulatory action is necessary, and in particular where the competitive position of Community shipping is affected, wide international agreement rather than take unilateral Community action. This is necessary in order not to jeopardize the important cross-trading interests of the Community fleet and its need to compete in an international market. Thus the Community should stimulate and support the work of the International Maritime Organization (IMO) and the International Labour Organization (ILO) and support the position of the maritime countries in the OECD. This means in effect stimulating the implementation of international conventions, supplementing them where appropriate and formulating policies in the more general context of wider shipping policy discussions and negotiations.

(iii) The Community should concentrate most of its efforts on those problems which can be more effectively resolved at Community level because this could lead to the adoption of measures that could be applied by the Community as a whole, including, if necessary, appropriate countervailing measures against unfair practices.

(iv) The Community should ensure that common policy action on shipping matters *vis-à-vis* third countries for the preservation of Community interests is matched by equality of treatment of Community shipowners by the Member States.

(v) The Community should continue to pursue a non-protectionist shipping policy based on the principle of free and fair competition in world shipping, in the interest of Community shipowners and the users of shipping services, taking into account the interests of the Community's trading partners, including the developing countries. The Community should, in particular, consider whether, and if so how, the current work in the GATT and in the OECD on trade in services might be used to pursue this objective.

¹ Supplement 5/85—Bull. EC; COM(85) 90 final.

² OJ C 154, 13.6.1984; Bull. EC 2-1983, point 2.1.128.

³ OJ C 182, 9.7.1984; Bull. EC 2-1984, point 2.1.149.

⁴ OJ C 87, 5.4.1982; Bull. EC 3-1982, point 2.4.9.

(vi) The Community should seek to support international efforts to maintain and improve the standards of maritime safety.

(vii) The Community should seek to improve the commercial competitiveness of Community shipping and thus contribute to such objectives of the Treaty as economic development and the improvement of employment opportunities for Community ship officers and seamen¹.

1.2.3. The Commission then outlines a number of specific issues which the Community must solve in order to maintain the broadly free and open regime enshrined in the OECD Code of Liberalization of Current Invisible Operations, on which the Member States have been basing their shipping policies. In particular it stresses that the Member States must think out a common Community position on the threat posed by cargo reservation in non-member countries and on aspects of the Community policy likely to affect relations between Member States (e.g. the freedom to provide services, State aid and social legislation).

Specific measures

1.2.4. As a first step, the Commission proposes a package of new measures regarded as essential in order to promote the Community's maritime trade and transport interests, including:

(i) a Regulation empowering the Community to take action against cargo reservation practices;

(ii) a Regulation to ensure that the Member States grant all shipowners the same

conditions of access to the market, and a Decision providing for greater consultation on relations between the Member States and other countries;

(iii) a Directive to rule out discrimination between shipping lines from different Member States;

(iv) a Regulation laying down detailed rules for the application of Article 85(3) of the Treaty (the rules on competition) to maritime transport;

(v) a Regulation empowering the Commission to take action against unfair practices on the world market wherever they are likely to harm the interests of Community shipping lines.

Finally, the Commission has also announced that it will continue to support the international consultation procedures to deal with the unacceptable practices encouraged by the open registry ('flag of convenience') system — substandard vessels and poor crew conditions being just two examples. In addition, the Commission intends to play an active role on maritime safety and pollution control. And it previously sent the Council a proposal designed to eliminate distortions of competition between ports stemming from differences in the national legislation governing hinterland traffic.¹

¹ OJ C 282, 5.11.1981.

3. Community aid scheme for non-documentary cinema and television co-productions

1.3.1. On 23 April the Commission sent to the Council a proposal for a Regulation on a Community aid scheme for non-documentary cinema and television co-productions.¹

The main aim of this proposal, which is to be examined at the next Council meeting of Ministers for Cultural Affairs on 28 May, is to tackle the problem of supplying non-documentary material to the audio-visual media, primarily by encouraging the development of the European film and programme industry. The industry is currently facing strong competition from productions originating in non-member countries and is liable to be still further beleaguered following the introduction and spread of cable and satellite broadcasting.

Under the Commission proposal, co-productions involving at least three producers from different Community countries will qualify for Community aid.

To take account of the different needs of cinema and television co-productions—and the different risks involved—the aid will take two different forms: advances on earnings with interest in the case of co-pro-


ductions intended primarily for the cinema; and interest-free loans in the case of co-productions for television, the cost of which will be amortized since they are assured of a screening.

Although the cost to the Community of the proposed scheme has not yet been determined, it should be possible to support about 40 co-productions a year.

The Commission proposal will operate initially on a trial basis and may be extended if successful. It comes at a time when, with demand rising steeply and likely to continue to do so, the number of European cinema and television co-productions is dropping sharply as a result of structural weakness and market fragmentation.

When so many traditional industries are in decline, cinema and television programme production offers exceptional potential for economic development and employment.

¹ OJ C 125, 22.5.1985; COM(85) 174 final.



PART TWO

**ACTIVITIES
IN APRIL 1985**

1. Building the Community

Economic and monetary policy

European Monetary System

Strengthening the EMS

2.1.1. At their informal meeting in Palermo on 14 and 15 April the Member States' Ministers for Economic Affairs and Finance endorsed the agreement reached by the Committee of Governors of Central Banks to improve the monetary qualities of the ECU issued by the European Monetary Cooperation Fund (EMCF). The improvements involve:

(i) a higher rate of interest on the ECU, which henceforth will be based on the most representative money market rates of the component currencies instead of on the discount rates;

(ii) the introduction of machinery which will enable EMS central banks which require intervention currencies to mobilize, temporarily, from their partner banks, ECU assets against foreign currency;

(iii) the opening of ECU flows to 'third-country holders; once the Regulation of 18 December 1978 relating to the powers of the EMCF¹ has been amended to this effect, EMS central banks will be able to transfer ECU issued by the EMCF to third-country central banks and to international monetary institutions;

(iv) the introduction of an exemption to the ECU's acceptability limit; acceptability is increased to 100% where, in the context of operations to settle a very short-term financing operation, a debtor central bank pays ECU to a creditor central bank whose ECU holdings are smaller than the volume of ECU it has been allocated by the EMCF.

Community borrowings

2.1.2. On 30 April the Council adopted,² without change, the Commission's proposal for a Regulation concerning the Community

loan mechanism designed to support Member States' payments balances.³

Six-monthly report

2.1.3. In accordance with the Decision of 19 April 1983 empowering it to contract loans under the New Community Instrument (NCI III),⁴ the Commission transmitted to the Council and to Parliament on 9 April its third⁵ six-monthly report on the rate of utilization of NCI tranches (June to December 1984).⁶ The report shows that at 31 December 1984 4 200 million ECU had been lent; 700 million of this was exceptional aid for the regions in Greece and Italy affected by the earthquakes in 1980 and 1981. Of the total lent, 54% went to Italy, 15% to France, 8% to Denmark, 8% to Ireland, 7% to the United Kingdom and 7% to Greece. The proportion of loans to the productive sectors (in particular small and medium-sized enterprises) rose further in the period June to December 1984, continuing a trend already noted in the previous report.⁵ In the case of ordinary NCI operations, the degree of utilization is as follows: (i) NCI I and NCI II are practically exhausted; (ii) loans signed under NCI III total 1 538 million ECU; if projects already declared eligible by the Commission are added, the figure is approximately 2 500 million ECU. As regards exceptional aid, decisions on eligibility taken so far are sufficient to absorb the remaining resources available for operations in Italy, the bulk of which is financed by the NCI; operations in Greece have been completed, with the NCI providing 100% of the financing.

Economic Policy Committee

2.1.4. The Economic Policy Committee held its 153rd meeting on 25 April in its

¹ OJ L 379, 30.12.1978; Bull. EC 12-1978, point 2.1.1.

² OJ L 118, 1.5.1985.

³ OJ C 167, 27.6.1984; Bull. EC 5-1984, point 2.1.3.

⁴ OJ L 112, 28.4.1983; Bull. EC 4-1983, point 2.1.8.

⁵ Second report: Bull. EC 7/8-1984, point 2.1.6.

⁶ COM(85) 139 final.

'budgets' composition. It examined the implementation of budgets in 1984, budget prospects for 1985 and medium-term prospects.

Internal market and industrial affairs

Strengthening the internal market

Easing of controls and formalities applicable to nationals of the Member States when crossing intra-Community borders

2.1.5. In April Parliament delivered its opinion¹ on the proposal for a Council Directive, presented by the Commission in December 1984,² on the easing of controls and formalities applicable to nationals of the Member States when crossing intra-Community borders.

Parliament endorses the proposal, subject to certain amendments. It regards it as the first stage in the total removal of controls and calls on the Commission, even before the proposal is adopted, to compile a list of the obstacles standing in the way of full passport union and lay it before Parliament by the end of 1985.

2.1.6. The Economic and Social Committee also gave an opinion on this proposal at its April session (→ point 2.4.32).

Standardization

2.1.7. The Economic and Social Committee gave an opinion at its April session (→ point 2.4.33) on the Commission communication setting out a new approach to technical harmonization and standards transmitted to the Council in January.³

Removal of technical and administrative barriers to trade

Industrial products

2.1.8. At its April session the Economic and Social Committee delivered an opinion

(→ point 2.4.34) on the proposal for a Directive concerning roll-over protection structures incorporating two pillars and mounted in front of the driver's seat on narrow-tracked wheeled agricultural or forestry tractors.⁴

Foodstuffs

2.1.9. As required by the Council Directive of 15 July 1980 on the approximation of the laws of the Member States relating to the exploitation and marketing of natural mineral waters,⁵ the Commission has published⁶ a first list of mineral waters recognized by the United Kingdom and a supplement to the list⁷ of those recognized by France.

Small business—Business Cooperation Centre—Distributive trades

Distributive trades

2.1.10. The Working Party on External Trade of the Committee on Commerce and Distribution met on 19 April. It devoted part of its discussions to the future of the MFA. It felt that, as the situation in the textile sector had improved, there was a need for gradual liberalization of trade and that the new MFA should be of shorter duration than the preceding arrangements and constitute a transition agreement. The Working Party also felt that the South-east Asian countries, Japan and the United States should be urged to reduce protectionism.

¹ OJ C 122, 20.5.1985.

² OJ C 47, 19.2.1985; Bull. EC 12-1984, point 2.1.9.

³ Bull. EC 1-1985, point 1.3.1 *et seq.*

⁴ Bull. EC 11-1984, point 2.1.10.

⁵ OJ L 229, 30.8.1980; Bull. EC 7/8-1980, point 2.1.15.

⁶ OJ C 110, 4.5.1985.

⁷ OJ C 218, 18.8.1984.

Industry**Steel****Market situation***Crude steel production*

2.1.11. The initial statistics show that crude steel production in April was running

at 10 198 000 tonnes—higher than in April 1984 (9 703 000 tonnes) but lower than the figure for March (10 874 000 tonnes). After a sluggish start because of the winter weather, production had increased sharply in March, nearly equalling the March 1984 figure (10 910 000 tonnes).

The trend in production by Member State in the first quarter of 1985 is shown in Table 1.

Table 1 — *Crude steel production by Member State in the first quarter of 1985*

	'000 tonnes			
	March 1985	February 1985	March 1984	February 1984
Germany	3 589	3 191	3 527	3 302
France	1 753	1 562	1 722	1 596
Italy	2 142	1 982	2 240	1 999
Netherlands	494	456	456	417
Belgium	995	814	996	941
Luxembourg	371	306	383	350
United Kingdom	1 476	1 202	1 426	1 348
Ireland	21	17	18	13
Denmark	33	39	57	52
Greece	—	76	85	79
Total	10 874	9 645	10 910	10 097

Overall, there was a drop of 1.3% in the first quarter of 1985 compared with the same period in 1984. Table 2 gives the year-

on-year percentage change by Member State, showing relatively large differences between one country and another.

Table 2 — *Percentage change by Member State in crude steel production between 1984 and 1985*

1985/1984	B	L	D	F	I	UK	NL	DK GR IRL	Community
March	-0.1	-3.1	+1.8	+1.8	-4.4	+3.5	+8.3	-19.4	+0.4
1st quarter	-6.2	-5.1	+2.6	-3.5	-1.9	-5.9	+11.6	-10.7	-1.3

Forward programme

2.1.12. Having received the Council's assent and a favourable opinion from the ECSC Consultative Committee¹ the Commission adopted at the second reading the

forward programme for steel for the second quarter of 1985.²

Table 3 shows the trend in production and quotas for 1984 and the theoretical quotas without supplements or other adjustments for the fourth quarter of 1984 and the first two quarters of 1985.

Table 3 — *Trend in production and quotas for 1984 and the beginning of 1985*

Product category	Production (rolled finished products)				Production quotas					
	I/84	II/84	III/84	IV/84	I/84	II/84	III/84	IV/84	I/85	II/85
Ia Hot-rolled wide strip, including hoop and sheet	5 147	5 467	5 212	5 750	5 191	5 609	5 077	4 356	4 070	4 039
Ib Cold-rolled sheet	3 687	3 786	3 371	3 692	3 720	3 912	3 610	3 631	3 576	3 485
Ic Galvanized sheet	931	977	868	950	849	941	897	958	905	936
Id Other coated flat products	765	778	699	803	800	838	714	806	818	829
II Reversing-mill plate	1 322	1 303	1 229	1 269	1 310	1 350	1 304	1 293	1 293	1 300
III Heavy sections	1 151	1 047	921	1 109	1 255	1 234	1 059	1 049	1 069	1 122
IV Wire rod	2 744	2 972	2 435	2 867	2 679	2 940	2 680	2 563	2 484	2 570
V Reinforcing bars	1 841	1 841	1 591	1 797	1 897	1 922	1 800	1 741	1 709	1 768
VI Merchant bars	2 359	2 252	1 859	2 190	2 296	2 352	2 202	2 265	2 192	2 199

'000 tonnes

Crisis measures

Price policy

2.1.13. On 1 April, having received the Council's assent and the views of the ECSC Consultative Committee, the Commission amended³ its Decision of 14 March 1978 (527/78/ECSC) prohibiting alignment on offers of iron and steel products originating in certain non-member countries.⁴ This latest amendment is subject to certain internal measures still in force in 1985 and to the conclusion of arrangements with the countries in question.

Production quotas

2.1.14. On 30 April the Commission decided⁵ to modify the rates of abatement to be applied in calculating the quotas for the second quarter of 1985 and to reduce by

four points the rates for the establishment of production quotas for products in categories Ia and Ib, and by two and three points respectively those for the establishment of the parts of the production quotas which may be delivered in the common market for categories Ic and III. The increases in quotas for the latter two categories are mainly due to the growth of the market in the United Kingdom.

Information technology and telecommunications

2.1.15. As part of its overall policy to coordinate and accelerate work on the defi-

¹ Bull. EC 3-1984, point 2.4.30.

² OJ C 98, 18.4.1985; Bull. EC 3-1985, point 2.1.17.

³ OJ L 95, 2.4.1985.

⁴ OJ L 73, 15.3.1978.

⁵ OJ L 118, 1.5.1985.

tion and implementation of international information technology standards in Europe, the Commission made a call for proposals in April concerning the provision of information technology conformity testing services¹

Funding is available under the extension of Part I of the multiannual data-processing programme² to assist centres in setting up harmonized reference-testing services throughout the Community, in accordance with official international information technology standards.

Particular reference is made to ISO-OSI-related issues. The closing date for the submission of proposals is 24 June.

*

Advanced manufacturing equipment

2.1.16. On 22 March the Commission transmitted to the Council a communication on advanced manufacturing equipment in the Community (→ point 1.1.1 *et seq.*).

Industrial innovation and the information market

Transnational measures to promote innovation

European Association for the Transfer of Technology, Innovation and Industrial Information

2.1.17. Commission representatives attended the annual plenary assembly of the European Association for the Transfer of Technology, Innovation and Industrial Information (TII), set up in May 1984 with Commission backing.³ From the start TII has received support under the plan for the transnational development of the supporting structure for innovation and technology transfer approved in November 1983⁴ and has been commissioned to carry out pro-

jects. The main outcome of the meeting was the setting up of four TII working parties on the transfer of technology by communication, granting of licences, promotion of innovation, and information.

Seminar on a European strategy for technical fairs

2.1.18. The seminar on a European strategy for technical fairs held by the Commission in Luxembourg on 19 and 30 April was attended by about 40 representatives of the main European fairs.

Under the plan for the transnational development of the supporting infrastructure for innovation and technology transfer adopted by the Council at the end of 1983⁴ technological fairs are regarded as tools to promote innovation and technology transfer.

The aim of the Luxembourg seminar was to collect recommendations for Commission activities to enhance the impact of technological fairs at European level through transnational collaboration.

The conclusions were that it would be useful: to ensure wider dissemination of the proceedings of seminars associated with technological fairs by having them translated into different languages; to issue a directory of fairs in Europe so as to improve coordination of these events; to issue a newsletter with information on technological fairs; to have standardized terminologies in the different sectors; to introduce special reduced tickets for foreign exhibitors; to organize well-planned group visits; and to include in the programme of technological fairs the presentation of similar fairs abroad.

Utilization of research results

2.1.19. The European Atomic Energy Community, represented by the Com-

¹ OJ C 90, 12.4.1985.

² OJ L 308, 27.11.1984.

³ Bull. EC 5-1984, point 2.1.31.

⁴ OJ L 353, 15.12.1983.

mission, obtained the following three patents in April: 'Photovoltaic Schottky-barrier elements' in the United Kingdom, 'Annular dosimetry and relevant analytical device' in Luxembourg and 'Testing method for brazed joints in metallic articles and metallic articles tested thereby' in Ireland.

Euratom currently holds 540 valid patents for some 220 inventions.

2.1.20. Under the scheme for the communication of scientific and technical information designed to disseminate the results of Community research, more than 480 titles, including 259 EUR series publications, have been published in the first quarter alone of this year. The series now contains some 9 800 reports, papers and conference proceedings, some of them available in several languages.

Summaries of publications on Community research were incorporated in the Euroabstracts database (EABS) and shown in the monthly publications *Euroabstracts, Section I: Euratom and EEC research* and *Euroabstracts, Section II: ECSC research*. EABS now contains more than 36 000 entries accessible directly through ECHO (European Community Host Organization) and Euronet-Diane.

Customs union

Simplification of customs formalities

2.1.21. In April the Council authorized the Commission to participate in the negotiations on an amendment to the 1972 Customs Convention on Containers.

This Convention deals with the temporary importation of containers and their approval for transport of customs-sealed goods. It is a vital instrument of Community and international commercial policy. The accession of the Community as such would greatly facilitate the operation of the Convention, as most of the matters it deals

with fall within the sphere of Community competence. Hitherto the Commission has only attended the Convention's meetings as an observer.

2.1.22. On 22 April the Council accepted on behalf of the Community the recommendation of the Customs Cooperation Council and the resolution of the Inland Transport Committee of the Economic Commission for Europe concerning the establishment of links between customs systems.¹

General legislation

Reliefs from customs duty

2.1.23. Partly response to Parliament's wishes² the Commission amended³ on 25 April its proposal for a Regulation in respect of the tariff treatment applicable to goods contained in travellers' personal luggage or sent in small consignments to private individuals.⁴

The Commission now proposes that the ceilings be raised to 100 ECU for travellers aged 15 years or over and 50 ECU for those under 15 years of age. The flat-rate charge ceiling would be raised to 200 ECU.

Customs debt

2.1.24. On 19 April Parliament endorsed,⁵ subject to certain amendments, the Commission's proposal for a Regulation on customs debt.⁶

2.1.25. The Economic and Social Committee gave its opinion in April (→ point 2.4.35) on the proposal for a Council Regulation on the entry in the accounts and terms of payment of the amounts of the

¹ OJ L 112, 25.4.1985; Bull. EC 7/8-1984, point 2.1.42.

² OJ C 72, 18.3.1985.

³ OJ C 131, 30.5.1985; COM(85) 169 final.

⁴ OJ C 324, 5.12.1984; Bull. EC 11-1984, point 2.1.35.

⁵ OJ C 122, 20.5.1985.

⁶ OJ C 261, 29.9.1984; Bull. EC 9-1984, point 2.1.24.

import or export duties resulting from a custom debt¹

Repayment or remission of duties

2.1.26. The Economic and Social Committee gave its opinion (→ point 2.4.35) on the proposed amendment² of the Regulation of 2 July 1979 on the repayment or remission of import or export duties.³

Customs procedures with economic impact

Temporary importation

2.1.27. On 25 April the Commission sent the Council a proposal⁴ for a Regulation to amend the Regulation of 21 December 1982 on temporary importation arrangements.⁵

Numerous difficulties having been encountered in connection with the new arrangements, the Commission considers that this Regulation's date of implementation should be put back to 1 January 1986.

Common Customs Tariff

Nomenclature

2.1.28. On 19 March the Commission adopted a Regulation for the purpose of ensuring uniform application of the CCT nomenclature classifying goods under sub-heading 17.04 D I.⁶

The Committee on Common Customs Tariff Nomenclature adopted a number of tariff measures—in the form of classification slips, explanatory notes or agreements on the classification of goods—involving the following subheadings: 60.04 B IV b) 2 aa), b) 2 ee), d) 2 dd); 60.05 A II b) 3; 61.01 B IV b); 61.02 B II d) 2; 61.02 B II e) 4 cc); 73.11 A 1); 73.40 B; 84.07 B; 84.10 B II a); 85.13 B; 85.21 A III; 87.02 A; 87.12 B.⁷

Economic tariff matters

Tariff quotas

2.1.29. The Council adopted in April a Regulation opening, allocating and providing for the administration of a Community tariff quota for new potatoes falling within CCT subheading 07.01 A II b) originating in Cyprus (1985).⁸

Value for customs purposes

2.1.30. On 23 April the Council adopted a Regulation⁹ amending the Regulation of 28 May 1980 on the valuation of goods for customs purposes,¹⁰ giving effect on a unilateral and provisional basis to a decision taken under the GATT implementation agreement. The Regulation provides that the value for customs purposes of carrier media bearing software will not generally include the cost or value of data or instructions carried on the media.

The Commission sets great store by having exact statistical data and will be presenting proposals for amendements—from 1 January 1986—to the Common Customs Tariff and the Nomenclature of Goods for External Trade Statistics (Nimexe) with a view to obtaining more accurate statistics for the products in question.

Competition

Fourteenth Report on Competition Policy

2.1.31. In April the Commission published its *Fourteenth Report on Competition Pol-*

¹ OJ C 41, 13.2.1985; Bull. EC 12-1984, point 2.1.40.

² OJ C 22, 24.1.1985; Bull. EC 12-1984, point 2.1.42.

³ OJ L 175, 12.7.1979.

⁴ OJ C 117, 11.5.1985; COM(85) 173 final.

⁵ OJ L 376, 31.12.1982.

⁶ OJ L 78, 21.3.1985.

⁷ OJ C 99, 19.4.1985.

⁸ OJ L 118, 1.5.1985.

⁹ OJ L 112, 25.4.1985; Bull. EC 2-1985, point 2.1.33.

¹⁰ OJ L 134, 31.5.1980.

icy in conjunction with the *Eighteenth General Report on the Activities of the European Communities*.¹ As in previous years, the report outlines developments in Community competition policy during the past year; it also takes stock of policy trends since 1981.

The Commission was particularly vigilant during the past year in ensuring that the competition rules laid down by the Treaties are enforced in such a way as to further the establishment of the conditions of a genuine internal market, which can operate properly only if manufacturers, distributors and providers of services are in a position to compete with one another on the same—or at least comparable—terms. Given the continuing adverse economic situation, the Commission attached greater importance to coordinating its competition policy with other Community policies intended to promote industrial change and to encourage industry to take up the technological challenges posed in this final quarter of the twentieth century.

The three aims of competition policy

2.1.32. In the period from 1981 to 1984, competition policy was conducted in the shadow of economic problems manifested notably in rising unemployment and the contraction of declining industries. The Commission's aim in this situation was to bring the weight of competition policy behind the other policies designed to promote structural adjustment in the Community. To do so, the Commission had to make its competition policy more consistent, more universal and more in touch with economic realities.

Greater consistency

2.1.33. Greater consistency was sought both within the ambit of competition policy itself and in relation to other Community policies. The quest for internal consistency is seen in the mobilization of different branches of competition policy to promote structural change. Two examples can illustrate this approach. In relation to research, development and innovation, the Commission was involved simultaneously in preparing a block exemption regulation for agreements on joint

research and development work and establishing a clear framework for government aid for research and development activities. Both actions were aimed at creating a more favourable climate for projects that raise the technological level and innovative capacity of Community industry, without removing the stimulus of competition. The second example concerns the steel industry. Here the Commission simultaneously administered a market regime and an aids code to allow the industry to carry out an orderly reduction of excess production capacity and regain profitability and competitiveness. In both examples, care was taken to make the application of competition policy consistent with other Community policies, such as the Esprit programme in the case of applied research on information technology and the schemes to assist retraining of labour and diversification of industry in steel areas. Consistency with policies aimed at creating a more integrated internal Community market was also a constant concern of the Commission. In this context, it has ceaselessly waged war on arrangements or practices seeking to prevent parallel imports and on cartels which divide up the Community market among the participants.

More comprehensive coverage

2.1.34. In its moves to make the coverage of competition policy more comprehensive, the Commission extended its action into areas which initially had not been given priority but which have begun to require attention as economic change increases their impact on competition. Anti-trust enforcement was thus taken into the services sector, particularly banking, insurance and transport. The Commission also provided itself with the means of enforcing the competition rules better in relation to publicly owned enterprises by adopting in June 1980, and since applying, a directive on the transparency of financial relations between Member States and public undertakings.

Another development of competition policy in response to the tendency of Member States towards interventionism was a statement by the Commission setting out how Articles 92 and 93 apply to State shareholdings in firms.

Efforts to extend the coverage of the competition rules are also seen in the more stringent scrutiny of regional aid schemes in the most developed parts of the Community. The Commission's action mostly concerned the central regions, where it constantly pressed for a reduction in the area

¹ Available from the Office for Official Publications of the European Communities, L-1985 Luxembourg. See also: COM(85) 103.

coverage and intensity of aid. Finally, also in the State aids field, the Commission decided in future to examine significant cases of multiple awards of aid for different purposes, which previously had escaped specific scrutiny.

Increased relevance to economic realities

2.1.35. The drive for consistency and comprehensiveness only assumes its full significance, however, when seen in relation to the simultaneous efforts to make competition policy more in touch with economic realities.

A prominent feature of the past four years' work has been the effort to increase the credibility of competition policy by simplifying and speeding up the decision-making procedures. In the anti-trust field, this was reflected in the adoption of an unprecedented number of block exemption regulations, in the introduction of a streamlined 'opposition' procedure in some of these regulations, and in the wider use of administrative 'comfort' letters. These procedural changes were accompanied by measures to increase the safeguards for the rights of the defence in anti-trust proceedings: a Hearing Officer was appointed to supervise oral hearings, representatives of firms were given greater access to the Commission's files and the rules for on-the-spot investigations were clarified. In the field of State aids, internal procedures were changed to speed up the processing of minor cases from now on. Indeed, a major thrust of policy generally was to concentrate resources on the cases having the greatest potential impact on competition.

Efforts to increase relevance to economic realities and needs were also seen in the work on improving the transparency of competition policy. Notices and definitions on the criteria to be met in order, for example, to come within the terms of a block exemption were published. These not only increase legal certainty with regard to existing conduct; they also serve as a guide to the kind of future conduct, for example on cooperation or government aid, that is compatible with the common market. In this way competition policy was able to play a greater preventive role, instead of being limited to the simple approval or prohibition of both restrictive practices and State aids.

Finally, the desire to make competition policy more relevant led the Commission to pay greater attention to the operational aspect of its decision. An example was its going over to the practice of ordering governments to recover, or otherwise reverse the effects of, illegally paid aid. Similarly, in its fining practice the Commission took more

and more account of the economic environment and impact of the infringements in question.

Continuation of these policies in 1984

2.1.36. The Commission's work in 1984 was a continuation of the general policies it had followed over the last four years.

Thus, 1984 saw the adoption of no fewer than four block exemption regulations. Two of them, relating to research and development and, respectively, patent licensing agreements, were prompted by the desire to facilitate, consistent with the need to maintain competition, the cooperation necessary for the spread of new technologies and innovation. Another concerned distribution and servicing agreements in the motor vehicle sector, where there tends to be more competition between different makes (interbrand) than within a given manufacturer's network (intra-brand). The fourth regulation replaces an earlier one on specialization agreements and increases the scope for such cooperation up to a certain market share limit.

Among the 20 decisions under Articles 85 and 86 EEC and the eight under Articles 65 and 66 ECSC made in 1984, special mention must be made of a number involving classic horizontal anti-trust infringements relating to price fixing and market-sharing in the woodpulp, zinc, flat glass, aluminium and hydrogen peroxide sectors. 1984 also saw the first decisions on restrictive agreements in the banking and insurance sectors. However, the Commission's activity cannot be gauged entirely from the number of formal decisions. In the IBM case, which is one of the largest the Directorate-General for Competition has ever handled, the Commission decided to suspend the Article 86 proceedings in view of the changes IBM agreed to make to its business practices in the common market.

In the field of State aids, the Commission worked on determining general policy issues as well as taking decisions in specific cases. Developments in the first category included action to extend the existing control machinery to shareholdings in firms by governments, following a study of this practice under Article 92 EEC, and to multiple aid awards. The year also saw the first cases in which the Commission ordered the recovery of illegally paid aid. As regards the second category, the specific decisions that were prepared or adopted helped clarify the limits within which aid can be held to be in the Community interest or not to distort competition to an extent contrary to the Community interest ...

Apart from the special case of the steel industry, where aid is to be discontinued at the end of 1985 under the steel aids code, the highest incidence of decisions requiring Member States to alter aid proposals was found in the textile and clothing industry, where the markets had slightly improved, and in the man-made fibres industry, which is still suffering from overcapacity. The Commission also reaffirmed its opposition to schemes for supporting exports to other Member States, instances of which were planned by Denmark, France and Greece ...

Some headway, but ground still uncovered

2.1.37. The record of competition policy since 1981 and of the steps taken during the final year of the Thorn Commission shows considerable progress, despite the difficult economic circumstances. However, progress was not uniform on all fronts and on some, the necessary development was slowed down by various obstacles.

In certain policy areas the Commission's efforts have so far frankly been a failure. This is the case with the proposed merger control regulation, where the Commission's perseverance has still not brought any results, 12 years and several revisions later. In air transport, too the lack of progress towards a liberalization of the market is a clear setback for competition policy of which consumers are keenly aware.

In other cases, practical difficulties of implementation continue to mar the effectiveness even of well-established policies like that on State aids.

The Commission has difficulty in ensuring that all notifiable aid schemes planned are actually notified, especially where decentralized government agencies are involved, ... while the information the Commission has so far elicited under the directive on the transparency of financial relations between Member States and public undertakings has also regularly failed to match up to expectations.

New priorities

2.1.38. These considerations and the experience gained over the last few years indicate that in the future, the application of competition policy must advance in a number of directions at once. The objective pursued by safeguarding undistorted competition remains structural adjustment and increased competitiveness of the Community economy. The means for reaching this end must be determined on the basis of a number of priorities:

(i) The remaining gaps in the coverage of anti-trust policy must be filled, continuing the trend set by the Commission's greater attention to service industries.

(ii) The Commission's policy on agreements and practices worthy of exemption under Article 85(3), especially where they promote economic or technical progress, must be made clearer, particularly by means of notices.

(iii) Decisions on State aids and in anti-trust cases must systematically have regard to an economic analysis of competitive conditions on the relevant markets—within the Community and if necessary worldwide.

(iv) Competition policy must also be made more effective through close cooperation with the Member States, be it through the application of Community law by national courts or in the application of the State aid rules, Article 93(2) and (3).

(v) Finally, competition policy must be developed in conjunction with other Community policies regarding the creation of a unified market, the approximation of laws (with particular reference to Article 101 EEC) and the implementation of other fundamental principles of the Treaty.

Restrictive practices, mergers and dominant position: specific cases

Permissible forms of cooperation

Extension of authorization for Groupement Européen du Manganèse

2.1.39. On 24 April the Commission extended, under Article 65(2) of the ECSC Treaty, its authorization for the Groupement Européen du Manganèse (GEM), controlled by Sofrem (Pechiney Group), Société Nouvelle des Aciéries de Pompey (Sacilor Group) and Eurominas, granted on 2 October 1974 and extended for the first time on 20 December 1979.¹

GEM's main object is the distribution of high-carbon ferro-manganese produced by the Portuguese firm Eurominas, in which Sofrem and Pompey have a majority shareholding. Its sales have represented on aver-

¹ OJ L 119, 3.5.1985.

age 1.9% of annual Community consumption of high-carbon ferro-manganese, well below the estimate on which the initial authorization decision was based. The Community high-carbon ferro-manganese industry is suffering from overproduction due to reductions in both steel production and the specific consumption of high-carbon ferro-manganese per tonne of steel produced and to the replacement of this product by other alloys, such as silico-manganese and refined ferro-manganese (EEC products) following the introduction of continuous casting. In this situation there ought to be a cut in the firm's production capacity and hence a restructuring of the industry.

The Commission accordingly deemed it appropriate to renew the authorization for no more than two years, so as to be able to assess the effects on the agreement in question of any change in the structure of the industry. In addition, the firms concerned are required to inform the Commission forthwith of any amendments to or updating of the agreement, notably as regards their shareholding and voting rights in GEM and Eurominas and the ownership of their own shares.

Subject to these conditions and safeguards, the Commission adopted a Decision extending the authorization it had granted to GEM.

Distribution

Restrictions of competition in the spectacle trade

2.1.40. At the Commission's request, Optische Werke G. Rodenstock, Munich, a leading supplier of spectacle lenses and frames, and Metzler International Optik GmbH, Mühlacker, a major supplier of spectacle frames, have brought their distribution agreement into line with the EEC Treaty competition rules by lifting certain resale restrictions which they had imposed on their German dealers.

Rodenstock's standard distribution agreement required that its products be resold only to final consumers, which prevented dealers from selling Rodenstock lenses and frames to dealers in other Member States. The firm has now left it open to its German dealers to supply any dealer in another Member State. The Commission has reserved the right to decide whether the amended distribution arrangements—which still prohibit cross-sales between approved German dealers—are liable to have an appreciable effect on trade between Member States, particularly in the light of the analogous national distribution systems prevailing throughout the trade.

Metzler's standard distribution agreement imposed the same restrictions on German dealers, who were likewise barred from cross-frontier selling; the firm has also withdrawn this restriction.

The Commission's action in these cases is part of a broader drive to eliminate restrictions of competition in the spectacle trade that are incompatible with Community law.¹

The Commission is empowered to impose fines for direct or indirect interference with intra-Community trade. It has informed the opticians' and manufacturers' associations in the Member States of the content of the press release issued in this connection.²

State aids

Industry aids

Synthetic fibres

Germany

2.1.41. Having initiated the Article 93(2) procedure³ and received the comments of interested parties, the Commission decided on 2 April that the German Government's

¹ Bull. EC 1-1985, point 2.1.9.

² IP(85) 112.

³ Bull. EC 12-1984, point 2.1.71.

proposal to grant assistance to a polyamide filament and carpet yarn producer in Neumünster could not be regarded as compatible with the common market. Taking the view that the aid would affect trade between Member States to an extent contrary to the common interest, it requested the Federal Republic of Germany to refrain from implementing its proposal.

The planned investment actually concerned only routine plant modernization and could not be described as restructuring. There were accordingly no grounds for the Commission to exempt the proposed assistance from the rules laid down by the aids code for the synthetic fibres and yarns industry, extended in July 1983,¹ which specifies that such assistance is not to be granted.

Shipbuilding

Germany

2.1.42. On 2 April the Commission decided to raise no objection to a scheme of assistance for the shipbuilding industry notified by the German Government on 15 February. The scheme, prepared by the Government of Bavaria, introduces a programme of aid for shipyards from 1 October 1983 to 31 December 1985. The programme has been allocated DM 3 million and will mean subsidies of 6% (up to 31 December 1984) and 4% (in 1985) of the contract price for orders obtained by Bavarian yards up to 31 December 1985. Part of the subsidies could be recovered from any operating profits made by the yards between 1989 and 1991. By its terms and criteria, the programme represents an extension to Bavaria of measures authorized by the Commission for the coastal *Länder* of Bremen, Hamburg, Lower Saxony and Schleswig-Holstein.²

The Commission has taken note of the efforts undertaken by recipient yards in regard to restructuring, bearing in mind the particular features of the Bavarian yards and the push towards diversification and rationalization of their production capacity.

The aid in question is aimed more particularly in this case at curtailing the economic risks which could imperil these endeavours.

Steel

2.1.43. On 19 April the Commission amended,³ with the assent of the Council,⁴ its Decision of 7 August 1981 establishing Community rules for aids to the steel industry.⁵ Aids granted to the steel industry may henceforth be considered compatible with the orderly functioning of the common market provided, *inter alia*, that they are approved not later than 1 August 1985 (instead of 1 July 1983). Aids for continued operation must not lead to payments after 31 December 1985 (instead of 31 December 1984), while aids for research and development must be notified not later than 31 May 1985 (instead of 30 September 1982).

Financial institutions and taxation

Financial institutions

Banks

2.1.44. On 26 April the Commission transmitted to the Council a report in which it reviews the authorization criteria applied in the Member States to the taking up and pursuit of the business of credit institutions.⁶

These criteria have already been coordinated at Community level to some degree by the Directive of 12 December 1977.⁷ The coordination is not complete, however, since Member States may add further conditions and since no uniform definitions

¹ Bull. EC 7/8-1983, point 2.1.46.

² Bull. EC 3-1984, point 2.1.52.

³ OJ L 110, 23.4.1985.

⁴ Bull. EC 3-1985, point 2.1.42.

⁵ OJ L 228, 13.8.1981; Bull. EC 7/8-1981, point 2.1.37.

⁶ COM(85) 172 final /2.

⁷ OJ L 322, 17.12.1977.

have been established for the conditions in the 1977 Directive. In the conclusions to its report, therefore, the Commission states its intention of continuing its efforts to coordinate existing conditions further and of ensuring the convergence of new conditions.

Taxation

Indirect taxes

Turnover taxes

2.1.45. In accordance with Article 2 of the Directive of 19 December 1983,¹ the Commission transmitted to the Council and to Parliament on 10 and 12 April respectively a report² on the progress made by Greece in giving effect to the first and second Council Directives of 11 April 1967³ and the sixth Council Directive of 17 May 1977⁴ on the harmonization of the laws of the Member States relating to turnover taxes, and any other Directives, adopted or to be adopted, relating to the common system of value-added tax.

2.1.46. On 19 April Parliament delivered its opinion⁵ on the proposal for a twentieth Directive⁶ allowing a derogation from the sixth VAT Directive⁴ whereby the Federal Republic of Germany would be authorized to grant, for the period from 1 July 1984 to 31 December 1988, special aid to its farmers limited to 5% of their sales — reduced to 3% from 1 January 1989 — using VAT as the instrument. It called for the percentage of this aid to be fixed each year by the Council prior to each step in the dismantling of monetary compensatory amounts — the aid not to be greater than the loss of income suffered by German farmers — on a proposal from the Commission and after it had been consulted. Parliament also argued that this aid mechanism should be fiscally neutral and should be the subject of an annual report covering in particular its effect on the Community's own resources. Finally, it proposed that the aid should not be granted beyond 31 December 1991.

Excise duties

2.1.47. On 24 April the Commission transmitted to the Council two proposals for Directives supplementing the 1972 proposals for harmonizing taxes on alcoholic drinks.⁷ The first lays down certain rules on indirect taxes affecting the consumption of alcoholic drinks.⁸ It provides for a single excise duty rate to be applied, by reference to volume, to still wine (non-sparkling wines) in Member States imposing an excise duty on that type of beverage. It also provides that the ratio between the excise duty on wine and that on beer may not, for a given quantity, exceed the ratio of the alcoholic strength of the wine to that of beer in the most-sold category. Finally, it complements the rules governing excise duties with provisions concerning the application of VAT to alcoholic beverages. The second proposal concerns the harmonization of excise duties on fortified wine and similar products ('intermediate products').⁹ This group of products is therefore now dealt with in a separate proposal for a Directive, whereas the Commission's original 1972 proposal⁷ concerning excise duty on alcohol covered both spirits and intermediate products. The purpose of the proposal is to make it possible to establish neutral conditions of competition between similar products that are competing with each other within one Member State and between producers from different Member States. It also provides that the total excise duty burden on intermediate products must be between 20% and 65% of the total excise duty burden on a spirits product with the same alcoholic strength as the intermediate product.

¹ OJ L 360, 23.12.1983; Bull. EC 12-1983, point 2.1.54.

² COM(85) 141 final.

³ OJ 71, 14.4.1967.

⁴ OJ L 145, 13.6.1977.

⁵ OJ C 122, 20.5.1985.

⁶ OJ C 214, 14.8.1984; Bull. EC 7/8-1984, point 2.1.83.

⁷ OJ C 43, 29.4.1972.

⁸ OJ C 114, 8.5.1985; COM(85) 150 final.

⁹ OJ C 114, 8.5.1985; COM(85) 151 final.

Employment, education and social policy

1984 Social Report

2.1.48. On 25 April the Commission adopted the 1984 *Report on Social Developments* for presentation to the Council and the other Community institutions and bodies.¹ As in previous years,² the report describes the situation in the 10 Member States and reviews the action taken at Community level in the social field.

Although the main economic indicators showed some encouraging improvements in 1984, the same cannot yet be said for events in the social field. With an unemployment rate of 11.6% at the end of the year, more than 13.1 million people were looking for jobs, compared with 12.5 million at the end of 1983. Quite apart from the individual tragedies behind these figures, they are symptomatic of, and amplified by, social destabilization, due partly to the fact that certain social benefits and services are under increasing budgetary pressure.

The burden of this unfavourable trend is not shared equally between individuals and social groups; some are harder hit than others, with young people under 25, who make up nearly 39% of the total number of unemployed, bearing the brunt. In absolute terms, over 5 million young people are out of work. Consequently, the Community has, as in previous years, urged that special measures be taken to provide job opportunities for this category—especially since the adoption by the Council on 23 January 1984 of the resolution on the promotion of employment for young people.³

Generally speaking, however, the employment situation seems to be least satisfactory for the long-term unemployed and immigrants. In spite of a series of measures aimed at their vocational, social and cultural integration, their material situation and public image have continued to deteriorate. The Commission has taken a number of special initiatives with respect to these two categories which led to the adoption by the Council

on 13 December 1984 of a resolution on action to combat long-term unemployment.⁴ On 7 March the Commission also sent the Council a communication on a Community policy on migration, the main objective of which is to promote the integration of migrant workers and their families and improve the social protection afforded them.⁵

One of the effects of the persistent and deteriorating employment situation, together with the financial problems of social protection systems, is the spread of poverty in Europe. The Commission and the Council therefore decided that further specific Community action was required, and on 19 December 1984 the Council adopted a Decision concerning specific Community action to combat poverty, including a series of transnational action/research projects.⁶

2.1.49. On 16 April Parliament adopted a resolution on the new Commission's priorities in the field of social affairs and employment (→ point 2.4.7).⁷

Employment

Employment and the labour market

2.1.50. On 16 April Parliament adopted five resolutions relating to job creation and the fight against youth unemployment (→ point 2.4.7).⁷

Free movement of workers

2.1.51. On 18 and 19 April the Directors of Employment Services held a meeting in Brussels to round off the 12th and launch

¹ COM(85) 148.

² Bull. EC 4-1984, point 2.1.58.

³ OJ C 29, 4.2.1984; Bull. EC 1-1984, point 2.1.40.

⁴ OJ C 2, 4.1.1985; Bull. EC 12-1984, points 2.1.81 and 2.1.82.

⁵ Bull. EC 2-1985, point 1.3.1 *et seq.*

⁶ OJ L 2, 3.1.1985; Bull. EC 12-1984, point 2.1.95.

⁷ OJ C 122, 20.5.1985.

the 13th programme of exchanges of placement service officials between the Member States.¹ The 13th programme will enable 48 officials and other employees from all Member States (except Luxembourg) to take part in bilateral exchange programmes organized by the Commission.

Financial instruments

European Social Fund

2.1.52. On 30 April the Commission adopted the guidelines for the management of the European Social Fund for 1986-88.² These new guidelines are designed to concentrate the action of the Social Fund in regions and sectors where it can be most effective and where the need is greatest; to involve the Fund more closely in the modernization and restructuring of industry and in new technologies; to raise the quality of projects eligible for assistance from the Fund.

Education and vocational training

Cooperation in the field of education

2.1.53. On 15-18 April a symposium took place in Leeuwarden, Netherlands, on early childhood and bilingualism, attended by a large number of people representing 21 languages and regional cultures throughout the Community. The provisions adopted and methods used to maintain, promote or restore the use of regional languages in pre-school education were presented and analysed on the basis of some 15 case studies and a summary report, produced with financial help from the Commission. This symposium is a first step towards the implementation of Parliament's resolution on a Community charter of regional languages and cultures.³

Education and training of migrants

2.1.54. On 16 April Parliament adopted a resolution concerning the education of

migrant workers' children (→ point 2.4.5).⁴

Vocational training

2.1.55. On 16 April Parliament took a decision granting a discharge to the Management Board of the European Centre for Vocational Training in respect of the implementation of its appropriations for 1983.⁴

2.1.56. On 18 April Parliament adopted a resolution on the recognition of national university degrees and professional qualifications at European level, in the context of the work of the *ad hoc* Committee on a People's Europe. It calls on the Commission to deal in greater depth with the problems of the recognition of university diplomas and study periods 2.4.7).⁴

New technologies

2.1.57. On 25 April the Commission transmitted to the Council a new work programme for 1985-88 on vocational training and the new information technologies.⁵ This programme concerns the implementation of the measures approved by the Council in its resolution of 2 June 1983.⁶ It deals primarily with four major themes: the needs of businesses (especially small firms); preparing young people for working life—in particular those whose qualifications are inadequate or inappropriate; helping skilled workers to retain or regain employment; the training or retraining of women (specifically in technological fields where women are under-represented).

¹ Bull. EC 3-1984, point 2.1.64.

² OJ L 133, 22.5.1985. See also OJ C 94, 15.4.1985; Bull. EC 3-1985, point 2.1.49.

³ OJ C 287, 9.11.1981.

⁴ OJ C 122, 20.5.1985.

⁵ COM(85) 167 final. See also Bull. EC 1-1985, point 2.1.22.

⁶ OJ C 166, 25.6.1983.

At the same time the Commission will start intensive consultations with governments and the two sides of industry with a view to the forward management of the labour market.

Living and working conditions and social protection

Living and working conditions

2.1.58. On 16 April Parliament adopted a decision granting a discharge to the Management Board of the European Foundation for the Improvement of Living and Working Conditions in respect of the implementation of its appropriations for 1983.¹

Social protection

2.1.59. On 9 April the Commission transmitted a report to the Council on medium-term projections of social protection expenditure and its financing for 1986.² This report is the first of an annual series which replaces the former 'European social budget'. Its purpose is to make projections for 1986, taking as base year 1981—the last year for which statistics are available.

Part I deals with trends in revenue, expenditure and the risks covered by social protection benefits. Part II contains a comparison between unemployment benefit and previous earnings. This is the first time that the Commission has made such data available on a comparative Community basis.

2.1.60. On 17 April Parliament endorsed¹ approved a draft recommendation on social security for volunteer development workers,³ subject to certain amendments.

Paul Finet Foundation

2.1.61. At its 62nd meeting the Executive Committee of the Paul Finet Foundation examined 410 dossiers concerning financial aid for the children of ECSC workers who lost their lives as a result of accidents at work or industrial diseases. The Committee

granted aid in 315 cases, totalling BFR 5.4 million.

Health and safety

Public health

2.1.62. The Commission has published the proceedings of a conference held in Luxembourg from 1 to 3 March 1983, entitled *Alcohol-related problems in the European Community*. This is a follow-up to a previous Commission publication dealing with the medical and social aspects of alcohol abuse in the Member States (P. Davies and D. Walsh: *Alcohol Problems and Alcohol Control in Europe*, Croom Helm, London and Canberra).⁴

Health and safety (Euratom)

2.1.63. Acting under Article 33 of the Euratom Treaty, the Commission delivered a favourable opinion on radiation protection regulations drafted by Denmark pursuant to the Council Directive of 15 July 1980 amending the Directives laying down the basic safety standards for the health protection of the general public and workers against the dangers of ionizing radiation.⁵

2.1.64. Probabilistic methods are being used increasingly for risk analysis in connection with nuclear installations. In 1982 the Commission launched a wide-ranging programme of experimental and theoretical studies aimed at extending the application of such methods to the environmental consequences of nuclear accidents; with the active participation of organizations from various Member States, the programme will provide a methodology for use in risk analysis, siting, design criteria and the development of emergency plans.

¹ OJ C 122, 20.5.1985.

² COM(85) 119 final.

³ OJ C 16, 17.1.1985; Bull. EC 12-1984, point 2.1.100.

⁴ EUR 9625.

⁵ OJ L 246, 17.9.1980.

A workshop was held in Luxembourg from 15 to 19 April to present the results to date and to review related work being performed outside the Community. The workshop produced an extremely successful exchange of information and made it possible to identify areas for future activities and the priorities involved.

Culture

Promoting and developing the European programme industry

2.1.65. On 23 April the Commission sent to the Council a proposal for a Regulation on a Community aid scheme for non-documentary cinema and television co-production¹ (→ point 1.3.1).

Regional policy

Financial instruments

European Regional Development Fund

Ninth annual report

2.1.66. On 24 April the Economic and Social Committee delivered an opinion (→ point 2.4.36) on the ninth annual report on the activities of the ERDF.²

Coordinated application of different financial instruments

Integrated Mediterranean programmes

2.1.67. On 17 April the Commission sent the Council a new proposal for a Regulation to institute integrated Mediterranean programmes (IMPs) to help Greek, French and Italian regions.³ The proposal is based on the communication which the Commission had sent the Council in March⁴ and on the conclusions of the European Council at the

end of March.⁵ It supersedes the proposal which the Commission had put to the Council in August 1983.⁶

The IMPS are to be financed by new budget appropriations, by sums allocated from the structural Funds and by loans, possibly at subsidized rates, from EIB or NCI resources. Extensive powers will have to be given to the Commission for approving and monitoring the programmes.

Integrated operations

2.1.68. The Commission approved a BFR 1 500 000 grant to the Belgian province of Limburg to help finance a preparatory study for an integrated operation. The province is lagging behind the rest of the country structurally and suffers from major economic and urban decline.

Environment and consumers

Environment

European Environment Year

2.1.69. On 24 April the Commission agreed the main guidelines for European Environment Year, on which the European Council had decided at its Brussels meeting on 29 and 30 March.⁷

The Commission must now seek the active cooperation not only of the Council, the European Parliament and the Economic and Social Committee but also of the national governments and parliaments, of national, regional and local authorities and of special interest groups. Industry in particular will be asked to take part and to provide financial support.

¹ OJ C 125, 22.5.1985; COM(85) 174 final.

² Bull. EC 9-1984, point 2.1.61.

³ COM(85) 180 final/2.

⁴ Bull. EC 2-1985, point 1.2.1 *et seq.*

⁵ Bull. EC 3-1984, point 1.2.8.

⁶ OJ C 251, 19.9.1983; Bull. EC 7/8-1983, point 2.1.78.

⁷ Bull. EC 3-1985, point 1.2.5.

In preparation for the year—which is to start in March 1987—a series of campaigns are to be conducted to demonstrate that rigorous environmental protection policies can promote economic growth and create jobs by stimulating industry in the Community to respond to the growing demand for goods and strategies which cause no damage to the environment.

The Commission has given the go-ahead for short-term studies so that the programme can be launched officially in July 1985, when government agencies, voluntary organizations and private citizens will be invited to put forward their ideas on what they can do to cooperate.

Biennial film festival

2.1.70. The Commission sponsored the third biennial festival of European films on the environment, held in Dortmund from 12 to 17 April with the theme of 'Industry and the environment'.

In conjunction with the festival, the Institute for Environmental Policy held a European forum on 'New technologies—clean-industries?' which was opened by Mr Clinton Davis in his capacity as Member of the Commission with special responsibility for the environment.

The Commission has made pollution control one of its priorities. For instance, it has encouraged the making of films bringing out the Community dimension of pollution or recording the progress made with Community legislation in this field. The Commission awarded a prize of DM 5 000 to the film which most vividly illustrated this aspect of environmental protection. The judges picked the winner from 85 films from 18 European countries, shortlisted from the 280 or more films entered.

Action by the Community on the environment

2.1.71. On 20 April the Commission published a communication on the granting of financial support for demonstration pro-

jects in the fields of clean technologies and of new techniques and methods for measuring and monitoring the natural environment,¹ as a follow-up to the Regulation adopted on 28 June 1984.² In all, the Community support may total not more than 30% of the final cost of the project, excluding the cost of the land and premises.

Prevention and reduction of pollution and nuisances

Noise

2.1.72. On 19 April Parliament gave its opinion³ on the Commission proposal relating to the noise emitted by rail-mounted vehicles.⁴

Parliament sensed a growing need for concerted action to combat noise, which is becoming a greater and greater disturbance and nuisance. With this in mind, Parliament stressed that the standards proposed by the Commission had been extremely modest, their main significance being as first steps towards a noise-abatement policy for the railways.

International cooperation

2.1.73. At its April part-session Parliament adopted a resolution on the forthcoming Environment Summit in May and on the OECD meeting in June (→ point 2.4.7).³

Consumers

Consumer information, education and representation

2.1.74. On 19 April Parliament gave its opinion³ on two proposed Directives—one

¹ OJ C 100, 20.4.1985.

² OJ L 176, 3.7.1984.

³ OJ C 122, 20.5.1985.

⁴ OJ C 354, 29.12.1983; Bull. EC 11-1983, point 2.1.105.

on the indication of prices for non-food products,¹ the other on consumer protection in the indication of foodstuff prices.²

Parliament believes that displaying both the selling price and the unit price of food and non-food products makes it easier for consumers to compare prices at the point of sale, consequently enables them to make a better-informed choice and thus gives them better protection.

Agriculture

Council

2.1.75. At its meetings on 1-2 and 22-23 April the Council continued its discussions on the fixing of agricultural prices for 1985/86 on the basis of compromise proposals drawn up by the Presidency in close cooperation with the Commission (→ point 2.4.10).

The discussions focused mainly on the sectors experiencing the most complex problems, particularly cereals, milk products, fruit and vegetables, sheepmeat, tobacco and monetary compensatory amounts.

However, despite the efforts made at these meetings and notwithstanding the bilateral contacts organized by the Presidency from 25 March onwards, no decision on prices was taken and the Council decided to resume its consideration of the whole package in Luxembourg on 2 May. Meanwhile, it decided to extend once again the current marketing years for milk products, beef/veal, sheepmeat and goatmeat, dried fodder and cauliflowers.

On 1 April the Council adopted the third sections of the 'wine package' adopted in March,³ i.e. the common measure to improve the structures of the wine-making sector in Greece.⁴

Economic aspects of the common agricultural policy

Agri-monetary measures

Compensation for dismantling of MCAs in Germany

2.1.76. On 19 April Parliament delivered its opinion on the Commission proposal of last July for a 20th VAT Directive (→ point 2.1.46).

Market organizations

Milk and milk products

Additional levy to control milk production

2.1.77. Following the decisions taken by the Council in February concerning changes to the system for the collection of the additional levy in the milk and milk products sector,⁵ the Commission made the appropriate technical adjustments⁶ to the Regulation of 16 May 1984 laying down detailed rules for the application of the additional levy.⁷

Over the 12 months during which this system was applied (from 2 April 1984 to 31 March 1985) a reduction of 4.2% was recorded in the volume of milk collected, 12% in butter manufacture and 20% in milk powder output.

During the same period the quantity guaranteed was not exceeded for the Community as a whole. While some Member States slightly exceeded their quota, others remained below it and some just reached it.

¹ OJ C 8, 13.1.1984; bull. EC 12-1983, point 2.1.131.

² OJ C 53, 24.2.1984; Bull. EC 1-1984, point 2.1.66.

³ OJ L 88, 28.3.1985; OJ L 89, 29.3.1985; Bull. EC 3-1985, point 2.1.89.

⁴ OJ L 97, 4.4.1985.

⁵ OJ L 68, 8.3.1985; Bull. EC 2-1985, point 1.1.3.

⁶ OJ L 112, 25.4.1985.

⁷ OJ L 132, 18.5.1984.

Intervention stocks

2.1.78. At 25 April the situation of intervention stocks, both public and private, was as follows (situation at 26 April 1984 in brackets):

Butter: 934 573 t (943 435 t);

Skimmed-milk powder: 415 518 t (900 701 t);

Cheese: 67 399 t (66 518 t).

The period of entry into private storage for butter began on 1 April with the new amount of aid fixed by the Commission, which for the maximum period of storage of seven months is 262.37 ECU/t for butter stored in Germany and the Netherlands and 318.32 ECU/t for butter stored in the other Member States.¹

Special sales of butter from stocks

2.1.79. As regards the special sales of butter which has reached a certain age provided for under the Regulations of October 1984,² exports are no longer possible since some exporting non-Community countries are selling fresh butter at prices comparable to or even lower than the prices set for Community intervention butter.

Private storage aid

2.1.80. As in previous years, the Commission decided to grant aid for the private storage of certain cheeses (Emmental, Gruyère, Pecorino romano, Kefalotyri and Kasseri), seasonal storage having proved an effective way of ensuring greater market balance.³

Cereals

2.1.81. At its April session the Economic and Social Committee gave an opinion (→ point 2.4.38) on the Commission proposals, sent to the Council in November 1984, for a change in the arrangements for production refunds on starch and starch products.⁴

Products processed from fruit and vegetables

2.1.82. On 2 April the Commission adopted a Regulation laying down minimum quality requirements for cherries in syrup qualifying for production aid.⁵ The requirements are based on existing national provisions and proposals by the Association of European Fruit and Vegetable Processing Industries.

2.1.83. On 20 March the Council had amended the basic Regulation on products processed from fruit and vegetables to include preprocessed and processed cherries in the system of import licences.⁶

The Commission then made the consequential adaptations⁷ to its 1983 Regulation laying down special detailed rules for the application of the system of import licences and advance fixing certificates for products processed from fruit and vegetables.⁸

Tobacco

2.1.84. On 2 April the Commission adopted three Regulations in respect of the tobacco market. The first of these provides that an advance may be granted on the amount of the premium for leaf tobacco from the 1984, 1985 and 1986 crops grown and processed in Greece even if there is no cultivation contract or crop declaration.⁵ The aim is to facilitate the introduction of cultivation contracts in Greece and thereby enable production to be better oriented to demand.

The other two Regulations⁵ are designed to introduce into the market rules applicable a concept known as threshing, i.e. separating—mainly in the case of flue-cured and light

¹ OJ L 110, 23.4.1985.

² OJ L 279, 23.10.1984; Bull. EC 2-1985, point 2.1.77.

³ OJ L 114, 27.4.1985.

⁴ OJ C 341, 21.12.1984; Bull. EC -1984, point 2.1.96.

⁵ OJ L 96, 3.4.1985.

⁶ OJ L 81, 23.3.1985.

⁷ OJ L 88, 28.3.1985.

⁸ OJ L 138, 27.5.1983.

air-cured tobacco varieties—the leafweb from the stem and veins. The amendments involved concern the conditions for granting the premium and the rules for checking the tobacco's weight after threshing has taken place.

Seeds

2.1.85. The Commission adopted a Regulation which amended for the third time during the 1984/85 marketing year the countervailing charges on hybrid maize for sowing imported into the Community from certain non-member countries.¹ This was to enter into force on 1 April.

Agricultural legislation

Veterinary and animal husbandry legislation

Public health

2.1.86. On 3 April, following preliminary discussions in Parliament and the Council, the Commission amended² the proposal it had made in June 1984 concerning the prohibition of certain substances having a hormonal action and of any substances having a thyrostatic action in the field of animal husbandry³

However, the Commission intends to retain the proposal as part of its plans for achieving the free movement of animals and meat on the internal Community market.

To the same end, and in order to take greater account of consumers' interests, the Commission intends to amplify its proposal by including an obligation whereby, when marketed, meat will have to be accompanied by a declaration indicating the nature of any previous hormone treatment to which the animal may have been subjected for fattening purposes. In this context, reference is made to all substances having an oestrogenic, androgenic or gestagenic effect. The Commission also proposes that the Member States should ensure

that the hormones to which the animal has been subjected are clearly indicated at all stages of meat preparation up to and including sale to the final consumer.

Furthermore, the Commission underlines the need to introduce stringent control measures both in those Member States which do not permit hormones and in the other Member States so that compliance with prohibitions can be monitored and all declarations verified. In this connection, it is prepared to accept that the part of its proposal which deals with the supervisory aspects be adopted separately.

Competition

2.1.87. Under Articles 92 to 94 of the Treaty the Commission decided to make no comment on the introduction of proposed schemes notified by:

Germany

Schleswig-Holstein: aid to repair the damage caused by natural disasters in private forests.

Denmark

Changes in the allocation for the pigmeat fund for the period from 1 October 1984 to 30 May 1985 (an existing scheme).

France

Aid to investments in the oilseeds sector.

Italy

Calabria: Bill amending and supplementing Regional Act No 21 of 2 June 1980 on aid to agriculture (aid in the form of interest rebates on short-term loans);

¹ OJ L 89, 29.3.1985.

² OJ C 106, 27.3.1985; COM(85) 157 final.

³ OJ C 170, 29.6.1984; Bull. EC 6-1984, points 1.6.1 to 1.6.5.

Marche: Regional Act relating to the financing of a regional technical assistance programme for family farms, and of heavy liabilities, pursuant to Act No 423 of 1 August 1981.

The programme involves aid for agricultural research and experimentation, advisory services, the launching and development of agricultural cooperatives, aid to cover their short-term loans and in respect of conversion of liabilities, and aid for the development and improvement of regional agricultural structures.

2.1.88. The Commission decided to initiate the Article 93(2) procedure with regard to a Sicilian aid scheme for agricultural mechanization because the rates of investment aid are too high.

Fisheries

Resources

Internal aspects

Community measures

TACs and quotas for 1985

2.1.89. In the light of recent information on stocks of monkfish and megrim, the Commission on 26 April proposed to the Council a third amendment¹ of the Regulation of 19 December 1984 fixing the 1985 TACs and quotas.² This amendment would adjust the total allowable catches of both species and the quotas available to Member States in the different ICES sub-areas.

Prohibition measures

2.1.90. On the basis of information transmitted by the national authorities on the exhaustion of certain quotas, the Commission prohibited with effect from 16 April fishing for plaice in sub-area III by Dutch

vessels and for saithe in sub-areas VII and VIII (EC zone) by Belgian vessels,³ and with effect from 19 April fishing for whiting and cod in division VIIa by Dutch vessels.⁴

National measures

Protection of local stocks

2.1.91. Under Article 19 of Regulation (EEC) No 171/83⁵ the Commission on 15 April approved two draft by-laws drawn up by the Kent and Essex Sea Fisheries Committee on 19 November 1984, applying respectively to two areas containing the Blackwater herring stock—one being in the Thames Estuary and the other comprising the Eagle Bank off the Essex coast and the Studhill (Herring Bank) off the Kent coast.

External aspects

Bilateral relations

2.1.92. The agreement between the Community and the Government of the Democratic Republic of Sao Tome and Principe on fishing off the coast of Sao Tome and Principe⁶ came into force on 18 April.⁷

Multilateral relations

2.1.93. The Commission represented the Community at the 16th session of the FAO Committee on Fisheries, held in Rome from 22 to 26 April.

2.1.94. On 19 April Parliament adopted (→ point 2.4.7)⁸ a resolution on the follow-up to the FAO World Conference on Fisheries, which had been held in Rome from 27 June to 6 July 1984.⁹

¹ COM(85) 179 final.

² OJ L 1, 1.1.1985; OJ L 13, 16.1.1985; OJ L 89, 29.3.1985.

³ OJ L 105, 17.4.1985.

⁴ OJ L 108, 20.4.1985.

⁵ OJ L 24, 27.1.1983.

⁶ OJ L 54, 25.2.1984; Bull. EC 2-1984, point 2.1.136.

⁷ OJ L 114, 27.4.1985.

⁸ OJ C 122, 20.5.1985.

⁹ Bull. EC 7/8-1984, point 2.1.159.

Structures

2.1.95. On 24 April the Commission approved the multiannual guidance programmes for fishing fleets and aquaculture submitted by Denmark, France, the Federal Republic of Germany, Greece, Ireland, Italy, the Netherlands and the United Kingdom under Council Regulation (EEC) No 2908/83 of 4 October 1983 on a common measure for restructuring, modernizing and developing the fishing industry and for developing aquaculture.¹ These programmes, which will be reviewed and updated annually, will form the framework for future Community and national financing of structural measures in fisheries and aquaculture.

As far as the fishing fleets are concerned, the general purpose of the programmes is without exception to achieve stability of existing fishing capacity for the medium

term together with any restructuring, regional or sectoral, that is necessary. On the freshwater aquaculture side, the Commission decided, pending the outcome of a study to be carried out on the probable trend of the market for trout and carp, not to approve the sections of the programmes covering these two fish.

2.1.96. Again under the Regulation of 4 October 1983¹ the Commission on 29 April approved the second set of grants for 1984 from the EAGGF Guidance Section. The projects to be aided comprise 171 for the construction of vessels, 237 for vessel modernization, 22 for aquaculture installations and 12 for artificial reefs in the Mediterranean. The total amount of aid to be granted is 35.6 million ECU² (Table 4).

¹ OJ L 290, 22.10.1983.

² OJ C 119, 14.5.1985.

Table 4 — *Decision to grant aid under the common measure for restructuring, modernizing and developing the fishing industry and for developing aquaculture (Regulation 2908/83)*

	Projects submitted		Projects approved		
	Number	Aid applied for (million ECU)	Number	Aid granted (national currency)	Aid granted (million ECU)
Belgium	15	3.32	11	107 762 266	2.41
Denmark	231	21.18	81	32 384 776	4.09
Germany	24	1.26	22	2 489 561	1.12
Greece	53	13.51	35	365 407 531	3.95
France	89	10.78	55	39 760 502	5.86
Ireland	20	3.83	17	1 035 067	1.45
Italy	241	54.13	117	15 504 156 713	11.22
Netherlands	15	1.00	14	1 148 396	0.46
United Kingdom	121	13.20	90	3 113 329	5.04
Total	809	122.21	442		35.60

Transport

Infrastructure

2.1.97. On 18 April Parliament adopted a resolution calling urgently upon the British and French Governments to do everything in their power to ensure the decision is taken as soon as possible to construct a fixed Channel link (→ point 2.4.7).¹

Inland transport

Road transport

2.1.98. On 11 April the Commission transmitted to the Council a proposal² for a Directive relating to proof of compliance of road haulage vehicles with the standards prescribed by the Directive on weights and dimensions adopted by the Council in December 1984.³

This proposal establishes the principle of recognition of the information contained on the manufacturer's plate as proof of compliance with the 1984 Directive. It also provides, as an alternative proof of compliance, for a document to be issued containing the same information as that on the plate.

2.1.99. On 19 April Parliament delivered its opinion¹ on the Commission proposal⁴ amending the Regulation of 25 March 1969 on the harmonization of certain social legislation relating to road transport,⁵ and the Regulation of 20 July 1970 on the introduction of recording equipment in road transport.⁶ It approves the broad lines of the current proposals to revise the rules governing driving and rest periods and breaks, while calling on the Commission to incorporate a number of amendments.

Inland waterways

Access to the market

Rhine navigation

2.1.100. On 24 April the Economic and Social Committee delivered its opinion (→

point 2.4.37) on the proposal for a Regulation laying down the conditions for access to the arrangements under the Revised Convention for the Navigation of the Rhine relating to vessels belonging to the Rhine navigation.⁷

Maritime transport

2.1.101. On 19 March the Commission sent to the Council a communication containing a number of specific proposals entitled 'Progress towards a common transport policy—maritime transport' (→ point 1.2.1 *et seq.*).⁸

Nuclear safety

Safety of installations

2.1.102. On 10 April the Commission approved the signing by the Director of the Joint Research Centre of an agreement for cooperation on research in the field of nuclear safety between Euratom and nine other bodies in six Community countries (Belgium, France, the Federal Republic of Germany, Italy, the Netherlands, the United Kingdom), Finland, Sweden and the United States.⁹

The agreement sets up an Abnormal Occurrences Reporting System Association (AORSA) to promote the exchange of data on abnormal events and to collect information on occurrences that have or could have consequences for the safe operation of nuclear power plants. It will also feed back collective operational experience to the

¹ OJ C 122, 20.5.1985.

² COM(85) 147 final.

³ OJ L 2, 3.1.1985; Bull. EC 12-1984, point 2.1.200.

⁴ OJ C 100, 12.4.1984; Bull. EC 3-1984, point 2.1.168.

⁵ OJ L 77, 29.3.1969; OJ L 73, 17.3.1979.

⁶ OJ L 164, 27.7.1970; OJ L 181, 4.7.1973; OJ L 334, 24.12.1977.

⁷ OJ C 48, 20.2.1985; Bull. EC 1-1985, point 2.1.66.

⁸ Supplement 5/85 — Bull. EC; COM(85) 90 final.

⁹ COM(85) 137.

nuclear power plants and encourage analyses of abnormal-event data.

Decommissioning of installations

2.1.103. As part of its research programme concerning the decommissioning of nuclear installations (1984-88), the Commission issued a call for proposals likely to be eligible for Community aid (→ point 2.1.114).

Radioactive waste

2.1.104. Under the third research and development programme on radioactive waste (1985-89), the Commission published a call for proposals likely to be eligible for Community financial aid (→ point 2.1.110).

2.1.105. The second Community conference on the management and storage of radioactive waste was held in Luxembourg from 22 to 26 April (→ point 2.1.111).

Research and development

Community R&D policy

Framework programme

Status of implementation

2.1.106. On 15 April the Commission sent the Council a working paper describing the status of implementation of the framework programme and setting out considerations for the preparation of its revision.¹ The paper was examined by the Research Ministers of the Member States when they met in Rome on 22 and 23 April.

Since the adoption of the framework programme on 25 July 1983,² a number of important decisions or agreements relating to science and technology have emerged at Community level: the 1984-87 programme of the Joint Research Centre (700 million ECU),³ demonstration projects in the field of energy (265 million ECU for 1983-85),⁴

the 1984-88 Esprit programme (750 million ECU)⁵ and, recently, eight multiannual programmes, namely fusion, radiation protection, radioactive waste, reactor safety,⁶ biotechnology, stimulation, Brite and non-nuclear energy (1255 million ECU in all).⁷

However, it appeared that, at 31 March 1985, the sum allocated to the projects under the framework programme would not exceed 2 865 million ECU, i.e. only 72% of the total of 3 750 million ECU that the Commission had estimated in 1982. In the mean time, the European Council at Fontainebleau had agreed the principle of allocating an increasing share of own resources to the development of the Community's scientific and technical activities,⁸ and the accession of Spain and Portugal will doubtless affect that strategy. These few general considerations based on strictly financial grounds thus militate, together with other factors, in favour of a revision of the framework programme, and the Research Ministers undertook to proceed with it.

Coordination of national policies

2.1.107. At its last two meetings (28-29 March and 18 April) the Scientific and Technical Research Committee discussed the status of implementation of the framework programme of Community R&D activities for the period 1984-87 (→ point 2.1.106) and the recent Commission proposal to the Council concerning preparatory action for a Community research and development programme in the field of telecommunications technologies (RACE).⁹

¹ COM(85) 140 final.

² OJ C 208, 4.8.1983; Bull. EC 6-1983, point 2.1.248.

³ OJ L 3, 5.1.1984; Bull. EC 12-1983, point 2.1.225.

⁴ Bull. EC 3-1984, point 2.1.182.

⁵ OJ L 67, 9.3.1984; Bull. EC 2-1984, point 1.3.1 *et seq.*

⁶ This programme has been integrated in the JRC programme.

⁷ OJ L 83, 15.3.1985; Bull. EC 3-1985, point 2.1.141.

⁸ Bull. EC 6-1984, point 1.1.6.

⁹ Bull. EC 3-1985, point 2.1.147.

International cooperation

COST projects

2.1.108. On 12 April the Commission proposed to the Council that two agreements for the implementation of two concerted-action projects be concluded between the Community and the non-Community countries participating in European cooperation in the field of scientific and technical research (COST).¹ The first relates to the use of lignocellulose-containing by-products and other plant residues for animal feeding (COST project 84 bis);² the second concerns the effects of processing and distribution on the quality and nutritive value of food (COST project 91 bis).³

*

2.1.109. On 1 April the Council authorized the Commission to negotiate two framework agreements on scientific and technical cooperation between the Community (Euratom) on the one hand and Sweden and Switzerland on the other.⁴

Sectoral R&D activities

Energy

Nuclear fission energy

Radioactive waste

2.1.110. In implementation of the third research and development programme on radioactive waste (1985-89), adopted by the Council on 12 March,⁵ the Commission published in the Official Journal on 2 April, a call for proposals likely to be eligible for Community financial aid up to an amount of 22 million ECU.⁶

Proposals must be submitted not later than 15 June 1985. The Commission will give priority to joint proposals from different Member States.

2.1.111. The second Community conference on the management and storage of radioactive waste was held in Luxembourg from 22 to 26 April.

During the conference, which was attended by nearly 400 participants from 20 countries, papers prepared jointly by research teams from within the Community presented a broad panorama of the results obtained during the last five years under the Community R&D programmes on radioactive waste.⁷

From the papers concerning the processing and conditioning of waste, it can be concluded that the requisite technologies are available and that many processes are being used satisfactorily. This is the case, in particular, with low-activity waste, in respect of which management experience has been favourable for several decades; this management should be allowed to benefit from technological progress by improving, for example, the long-term performance of coating materials such as cement, bitumen or resins. As regards high-activity waste produced in the reprocessing of irradiated fuel, the papers read at the meeting confirmed that glasses possess properties which render them suitable as materials for the coating of waste and for containing the radioactivity that it emits, thus providing further justification for the industrial-scale use of the vitrification process in the Community.

The papers on the storage of radioactive waste were mainly devoted to the final storage of long-lived high-activity waste in deep-lying geological formations. Considerable advances in knowledge of the various types of formation, in particular salt, granite and clay, have been achieved in the last few years and confirm the advantage of this solution. The results obtained, both in the

¹ COM(85) 142 final.

² OJ L 103, 16.4.1984; Bull. EC 4-1984, point 2.1.123.

³ OJ L 151, 7.6.1984; Bull. EC 5-1984, point 2.1.191.

⁴ Bull. EC 11-1984, point 2.1.149.

⁵ OJ L 83, 15.3.1985; Bull. EC 3-1985, point 2.1.141.

⁶ OJ C 84, 2.4.1985.

⁷ OJ L 78, 25.3.1980.

laboratory and *in situ* by means of experimental drillings carried out in various Community countries, have also made it possible to devise models describing developments in an underground facility for the storage of radioactive waste in order to verify long-term safety indirectly.

However, the need for specific experimental projects to crown the R&D work conducted at both national and Community level for over 10 years is probably the conference's most important message for the future. The new multiannual programme on the management and storage of radioactive waste, which includes the implementation of three projects for the setting-up of underground laboratories in Belgium, France and Germany, thus seems to be particularly apposite.

*Joint Research Centre:
reactor safety*

FARO

2.1.112. FARO (Fuel Melting and Release Oven) is a facility for studying accidents and phenomena that result in the meltdown of fuel in a fast reactor, so as to prevent any leakage of radioactivity. The preliminary tests have now been completed, and the facility is ready for large-scale experiments. The FARO facility, the largest of its kind in Europe, was designed to melt and inject up to 100 kg of depleted uranium dioxide (UO_2) in various experimental assemblies.

Inside the facility, a 600-kg charge of granulated UO_2 is placed in a water-cooled vessel. The material is heated by passing an electric current of several hundred kilowatts through it, and a 100-kg mass of molten UO_2 at a temperature of about 3 000° C is formed in the central region of the vessel. The molten fuel is then ready for release into the 'operational' part of the facility.

The phenomena to be investigated are precisely those which occur when molten UO_2 is released from the reactor core into the lower or upper part of the reactor vessel. The hot material may freeze on cold struc-

tures, interact with the coolant (sodium) or damage the stainless-steel internals. For the study of such phenomena, two test sections have been designed in which these types of behaviour are studied both in the absence and in the presence of coolant.

In the first test section (Blokker), a jet of molten fuel will be made to impinge on stainless-steel structures so that ablation and perforation phenomena can be studied, together with fuel movement and freezing and plugging effects. The molten material will be discharged under pressure into various types of channel in order to evaluate the penetration range before freezing, the extent of structural melting, etc.

The second test section (Termos) was designed for the purpose of studying the interactions of molten fuel with the surrounding sodium coolant and the devices for retention of the molten core. Molten fuel will be injected into a vessel containing 400 litres of liquid sodium. Special attention will be paid to the interaction between the fuel and the sodium, the resistance of the structures to uranium-dioxide attack and the fragmentation of the fuel.

LDTF

2.1.113. The LDTF (Large Dynamic Test Facility) is a machine which enables studies to be made of the behaviour of materials and structures subjected to a dynamic load of the same order of magnitude as that which would occur in the event of a serious accident affecting a nuclear reactor (for example, an earthquake or an aircraft crash).

The facility was constructed for the purpose of assessing the errors that would be introduced into calculations of the dynamic response of real structures if data obtained from measurements on small test specimens were used. It enables experiments to be conducted on steel specimens with cross-sections of up to 5 000 m² (at least 100 times the cross-section of the test specimens normally used).

The LDTF has two loading arms in the form of high-strength steel cables 100 m long. These cables, attached to the ends of the test specimen, can be hydraulically prestressed to a maximum tension of 5 MN (500 tonnes). The ends of the test specimen are initially restrained in such a way that the cables are under tension but the specimen is not yet stressed. At the moment the explosive bolts rupture, the energy stored in the cables is released and loads the specimen to rupture point within a few hundredths of a second.

Complex instrumentation was developed to enable a large number of signals to be measured and recorded within a few hundredths of a second. Special tests have been performed in order to study wave propagation phenomena in the machine and to validate the computer codes required for the interpretation of results obtained from real tests. In addition to the measurement of mechanical parameters (deformations, displacement, etc.), high-speed cinematography has been used (up to 200 000 frames per second). It is planned to use the machine for a systematic measurement programme. The LDTF will be used for rupturing defect-free stainless-steel specimens as well as welded joints containing cracks. It is also intended to use the facility at a later date to study the dynamic behaviour of reinforced concrete.

Decommissioning of nuclear power stations

2.1.114. As part of its research programme (1984-88) concerning the decommissioning of nuclear installations,¹ the Commission issued a call for proposals likely to be eligible for Community aid.² The Community appropriations, which amount to almost 4.5 million ECU for the period 1986-87, will make it possible to finance research and development projects — e.g. on the long-term integrity of buildings and systems, decontamination for decommissioning purposes, dismantling techniques, treatment of specific waste materials (steel, concrete and graphite), large containers for

radioactive waste, estimation of the quantities of radioactive waste arising from decommissioning, influence of plant design features on decommissioning — and the testing of new techniques under real conditions.

The final date for the submission of proposals is 30 June 1985. The Commission will give priority to joint proposals from bodies in different Member States and will encourage cooperation between bodies proposing research projects on related subjects.

Industry

Telecommunications

2.1.115. On 26 April the Commission published an advance notice³ concerning the definition phase of the RACE programme.⁴ The purpose of the notice is to identify potential contractors suitable for participation in the work of Part II of the definition phase, subject to a Council decision on the programme.

Health and safety

Radiation protection

2.1.116. Following the Council Decision of 12 March 1985 on the 1985-89 programme in the field of radiation protection,⁵ the Commission made an initial selection of research proposals for the programme after consulting the Management and Coordination Advisory Committee (Radiation Protection), which met in Brussels from 22 to 24 March. Of the 502 individual research projects proposed, 292 were recommended for the negotiation of contracts covering the following fields: radiation dosimetry and its interpretation;

¹ OJ L 36, 8.2.1984; Bull. EC 1-1984, point 2.1.110.

² OJ C 101, 23.4.1985.

³ OJ C 105, 26.4.1985.

⁴ Research and development in advanced communication technologies for Europe: Bull. EC 3-1985, point 2.1.147.

⁵ OJ L 83, 15.3.1985; Bull. EC 3-1985, point 2.1.141.

behaviour and control of radionuclides in the environment; non-stochastic effects of ionizing radiation; radiation carcinogenesis; genetic effects of ionizing radiation; and evaluation of radiation risks and optimization of protection.

The Commission will contribute about 38 million ECU in support of this research.

After the contracts have been concluded, transnational cooperation will be intensified in order to ensure optimum use of financial resources and of the Community's scientific potential.

2.1.117. Under its research programme on radiation protection, the Commission initiated a two-year project, entitled Maria,¹ on methods for assessing the radiological impact in the event of nuclear accidents in Community countries. The increasing importance of these methods, which are being used to an ever-greater extent as a basis for risk analysis and for the formulation and development of emergency plans, has resulted in a number of significant conclusions which were presented at a meeting held in Luxembourg from 15 to 19 April.²

It emerges from these results that the principles of mathematical simulation codes are in general well developed, as in the case of the food-chain model. Furthermore, a continuous dialogue should be initiated between the promoters of these models and the users and decision makers (selection of sites for and design of nuclear installations, emergency plans, etc.) Nevertheless, although the impact of the type of source must always be accurately assessed — a prerequisite for the validity of all subsequent calculations — research must also be intensified with a view to predicting internal doses with greater precision, an important factor in the general uncertainty regarding the various consequences of an accident. Finally, further benefit would result if the mechanisms of deposition in dry weather in an urban environment were better understood, since these largely determine the actual doses received by the population.

¹ Methods for Assessing the Radiological Impact of Accidents.

² The reports presented at the meeting are to be published in the summer.

2. Enlargement and external relations³

Enlargement and bilateral relations with applicant countries

2.2.1. Following the political agreement reached at the end of March,⁴ the Council Presidency and the Commission continued to conduct discussions with the delegations of the applicant countries.

In talks with Spain the aim was to achieve a package solution to the problems outstanding, and the gap between the two sides

was narrowed on a number of agricultural issues, including certain products, prices, aids and structures, the approximation of laws, the phasing-in of Community rules and secondary legislation. Other areas in which progress was made included processed agricultural products not covered by Annex II to the Treaty, external relations, anti-dumping and safeguard clauses and Euratom.

³ Details of the budgetary aspect of the political agreement on Portuguese and Spanish accession are given in point 2.3.7.

⁴ Bull. EC 3-1985, points 1.1.2 to 1.1.4.

A number of points outstanding in negotiations with Portugal were broadly finalized — agricultural questions and the anti-dumping and safeguard clauses, the inclusion of the escudo in the ECU basket and contractual exemptions.

Commercial policy

Export promotion

2.2.2. For the first time a Commission-sponsored Community trade mission toured the Gulf region, visiting Saudi Arabia, Oman, the United Arab Emirates, Qatar, Bahrain and Kuwait. The two-week trip gave some 20 businessmen from Greece, the United Kingdom, Germany, Italy, the Netherlands and Denmark a chance to make contacts and sound out export opportunities in the area.

Implementing the common commercial policy

Commercial policy instruments

Easing of restrictive measures

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

products originating in State-trading countries, not liberalized at Community level,¹ the Commission took the following measures:

(i) Opening of quotas:

Italy—Romania: engines for two- and three-cylinder tractors; transmissions for tractors;²

Italy—Hungary: aluminous cement;³

Italy—Poland/German Democratic Republic: synthetic organic dyestuffs;³

(ii) Adjustment of quotas:

Benelux—German Democratic Republic: category 3 and 3a textiles.

Trade protection

2.2.3bis. The trade protection measures taken in April are shown in Table 5.

¹ OJ L 346, 8.12.1983.

² OJ C 99, 19.4.1985.

³ OJ C 102, 24.4.1985.

Table 5 — *Trade protection measures, April 1985*

Council	Commission
<p><i>Anti-dumping proceedings</i></p> <p><i>Extension of provisional anti-dumping duties</i> imposed on imports of:</p> <ul style="list-style-type: none"> • electronic typewriters originating in Japan OJ L 108, 20.4.1985 (provisional duty: OJ L 335, 22.12.1984) • certain ball bearings and tapered roller bearings originating in Japan OJ L 112, 25.4.1985 (provisional duty: OJ L 340, 28.12.1984) 	<p><i>Anti-dumping and anti-subsidy proceedings</i></p> <p><i>Provisional anti-dumping duties</i> on imports of:</p> <ul style="list-style-type: none"> • certain kinds of polystyrene sheet originating in Spain OJ L 97, 4.4.1985 (initiation of proceeding: OJ C 205, 4.8.1984) • glycine originating in Japan OJ L 107, 19.4.1985 (initiation of proceeding: OJ C 265, 4.10.1984) <p><i>Initiation of anti-dumping proceedings</i> concerning imports of:</p> <ul style="list-style-type: none"> • Portland cement originating in the German Democratic Republic, Poland, Spain or Yugoslavia OJ C 84, 2.4.1985

Table 5 (continued)

Council	Commission
	<ul style="list-style-type: none"> ● certain ball bearings originating in Thailand OJ C 95, 16.4.1985 ● hammers originating in the People's Republic of China OJ C 96, 17.4.1985 <p><i>Termination of anti-subsidy proceedings</i> concerning imports of:</p> <ul style="list-style-type: none"> ● soya meal originating in Brazil OJ C 106, 18.4.1985 (initiation of proceeding: OJ C 76, 17.3.1984) ● soya meal originating in Argentina OJ L 108, 20.4.1985 (initiation of proceeding: OJ C 283, 20.10.1983) <p><i>Termination of anti-dumping proceeding</i> concerning imports of:</p> <ul style="list-style-type: none"> ● certain titanium mill products originating in Japan or the United States of America OJ L 113, 26.4.1985 (initiation of proceeding: OJ C 237, 7.9.1984)

*Treaties and trade agreements:
extension or automatic renewal*

2.2.4. On 30 April the Council authorized the extension or automatic renewal of certain trade agreements between Member States and other countries for which the date for giving notice of termination falls between 1 May and 31 July 1985 (second batch).¹

Export credits

2.2.5. At the ministerial meeting of the OECD Council held in Paris on 11 and 12 April (→ point 2.2.49), Ministers agreed to pursue measures aimed at greater transparency and discipline in the area of tied aid credits. These measures are largely based on the proposals made by the Community last December.²

**Sectoral commercial policy
measures**

Textiles

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

GATT Working Party

2.2.6. The GATT Working Party on Textiles and Clothing (set up in June 1984) met in Geneva for a seventh time on 25 April³ At this meeting it continued its examination of the options for trade liberalization. Discussions will be resumed in June.

Mediterranean preferential countries

2.2.7. Consultations were held with Turkey in Brussels on 11 and 12 April to exam-

¹ OJ L 120, 4.5.1985.

² Bull. EC 12-1984, point 2.2.9.

³ Bull EC 2-1985, point 2.2.9.

ine certain question relating to the management of the arrangement for cotton yarns.

The Community also had consultations with Spain in Barcelona from 17 to 19 April at which a number of questions relating to the management of the administrative cooperation arrangement were settled.

Relations with industrialized countries

United States

Visit by Mr Delors

2.2.8. Mr Delors visited the United States from 21 to 27 April. In Washington he met President Reagan, Vice-President Bush, the Secretary of State, Mr George Shultz, the Chief of Staff, Mr Donald Regan, and other members of the Administration, the Senate Finance Committee and House Ways and Means Committee, and the Senate minority leader. During visits to New York, Silicon Valley and San Francisco he saw a number of top representatives of banking, manufacturing industry and agriculture.

The purpose of the visit was to establish confidence between the United States Administration and the Commission with a view to the effective handling of current problems.

On macroeconomic issues Mr Delors had detailed discussions on the interrelated subjects of monetary, financial and trade relations. Both sides agreed that combined efforts should be undertaken by the United States (reduction of budget and trade deficit), Japan (opening of its market for manufactured goods) and Europe (additional efforts to promote growth) in order to sustain economic growth. Mr Delors pleaded for closer international monetary cooperation with a view to improving the existing international monetary system.

President Reagan agreed that the industrialized countries should get together on mon-

etary discussions, as they had already envisaged at the Williamsburg Summit in June 1983.

The US side urged the speedy launching of a new round of multilateral trade negotiations in order to avoid increasing recourse to bilateral arrangements.

In his discussions with government representatives, Mr Delors pressed for a satisfactory solution to the present Community-US problems in the steel sector and warned against the detrimental effects of US bans on technology transfers to the Community.

Regarding developments in the Community, Mr Delors explained in particular the measures aimed at achieving a genuine single market. Both sides considered the exchanges of views extremely useful.

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2.2.9. On 18 April Parliament adopted a resolution protesting against escalating protectionism by the United States against imports of steel products from the Community (→ point 2.4.7).¹

Canada

2.2.10. On 30 April the Community and the Government of Canada exchanged letters confirming their agreement on compensation under GATT Article XIX which Canada will offer the Community for the extension, from 1 December 1984 to 30 November 1985, of its quantitative restrictions on imports of footwear. The compensation will take the form of tariff reductions on products which are of particular interest to the Community.

In a separate letter Canada confirmed that from 30 April it would exempt from the quota system more high-priced leather footwear imports into Canada.

2.2.11. After careful discussion the Council adopted in April the following statement expressing its concern at the continuing

¹ OJ C 122, 20.5.1985.

delay in reaching an arrangement on Community exports of beef to Canada in 1985:

'The Council took note of the fact that consultations about an increased quota for imports of beef from the Community into Canada had not yet been concluded because of delays in the formulation of the position of the Canadian Government. It was also informed of measures adopted by the Canadian authorities to exempt certain types of high-quality beef.

The Council expressed its serious concern at the continuing delay in reaching an arrangement which would reopen the Canadian market for Community exports during 1985. It noted that, unless a formal Canadian confirmation of the arrangements that had been informally worked out was made in the next few days, the Community would have no other choice than to proceed with retaliatory measures in accordance with the provisions of the GATT ...'.

Japan

2.2.12. On 10 April the Commission gave its reaction to the measures to open up Japan's market announced by the Japanese Prime Minister the day before.

While welcoming Mr Nakasone's latest appeal to the Japanese people on behalf of imports of foreign products, the Commission stated that both the measures taken and those announced were modest in scope and of uncertain effect and that, consequently, it still awaited specific, wide-ranging action by the Japanese Government. Only such effective action, taken at an early date, could smooth the way for the success of the proposed new round of trade negotiations. The apparent absence of a substantial response to Community requests was a cause of grave concern. The Commission was therefore resolved to continue its efforts to secure the effective opening-up of the Japanese market to manufactured and processed products.

2.2.13. Japan's Minister for International Trade and Industry, Mr Murata, visited the

Commission on 30 April. He had discussions on relations between the Community and Japan with Mr De Clercq and Mr Narjes.

European Free Trade Association

2.2.14. Senior officials from the EFTA countries and the Commission met in Brussels on 16 April for final discussions on the follow-up to the Luxembourg Declaration¹ and to prepare the ministerial meeting to be held in Vienna on 10 May.

The chairmen of working parties presented their reports on frontier checks and customs documentation, technical barriers to trade and rules of origin. The officials agreed on guidelines for further work by the working parties.

The two sides also had preliminary discussions on strengthening mutual cooperation in industrial research and development.

Lastly, the two delegations explored possibilities for developing cooperation in other areas mentioned in the Luxembourg Declaration, including economic and monetary issues, the environment, intellectual property and job creation.

Norway

2.2.15. During his visit to Norway Mr Nicolas Mosar, Member of the Commission with special responsibility for energy, had talks with Mr Kaare Kristiansen, Norway's Energy Minister.

Mr Kristiansen gave Mr Mosar an account of developments in Norway's oil and gas production and expressed optimism with regard to future trade relations with Community firms. He also acknowledged that the terms for sales of gas had to be competitive.

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¹ Bull. EC 4-1984, point 1.2.1 *et seq.*

2.2.16. On 18 April Parliament adopted a resolution on the debt burden of the Latin American countries and the Bonn Summit of the seven industrialized countries, and three resolutions on the Bonn Summit itself (→ point 2.4.7).¹

Relations with other countries and regions

Mediterranean countries

Yugoslavia

2.2.17. Mr L. Baban, a member of Yugoslavia's Federal Executive Council, visited the Commission on 22 April. With the EEC-Yugoslavia Cooperation Council due to hold its third meeting in Luxembourg on 18 and 19 June, Mr Baban and Mr Cheysson reviewed the state of relations between the two sides.

Negotiations will take place later in the year for renewal of the financial protocol (which expires on 30 June) and adaptation of the EEC-Yugoslavia Cooperation Agreement to take account of the Community's forthcoming enlargement.

Mr Baban also met Mr Narjes and Mr Clinton Davis.

2.2.18. At its 29 and 30 April meeting the Council held a preliminary exchange of views concerning the Commission's mandate for negotiations on the second financial protocol.

Malta

2.2.19. On 17 April Mr Cheysson met Malta's Prime Minister, Mr Karmenu Mifsud Bonnici, to discuss bilateral relations and the renewal of the EEC-Malta financial protocol. Negotiations for a second protocol took place on 25 April, and some progress was made.

2.2.20. At its 29 and 30 April meeting the Council heard a report from Mr Cheysson on the negotiations and discussed the renewal of the protocol.

Countries of the Gulf and the Arabian peninsula

2.2.21. For the first time a Commission-sponsored Community trade mission toured the Gulf region, visiting Saudi Arabia, Oman, the United Arab Emirates, Qatar, Bahrain and Kuwait (→ point 2.2.2)

Asia

Pakistan

2.2.22. The EEC-Pakistan Joint Commission held its ninth meeting²—the last under the 1976 Commercial Cooperation Agreement³—in Brussels on 16 and 17 April. A new cooperation agreement was initialled in January⁴ and is currently being scrutinized by the authorities of both sides prior to its formal signature and ratification.

At the Joint Commission meeting the two sides reported on the general state of their respective economies and went on to review current trade promotion and financial and technical assistance programmes for Pakistan.

The Joint Commission also held a preliminary exchange of views about new areas of cooperation, including scientific and technical cooperation and industrial cooperation.

Latin America

Uruguay

2.2.23. On 15 April Mr Enrique V. Iglésias paid a working visit to the Commission in

¹ OJ C 122, 20.5.1985.

² Bull. EC 2-1984, point 2.2.29.

³ OJ L 168, 28.6.1976.

⁴ Bull. EC 1-1985, point 2.2.23.

his dual capacity as secretary of the Cartagena group¹ and Foreign Minister of Uruguay, as had been agreed in his talks with Mr Cheysson, Member of the Commission with special responsibility for relations with Latin America, in Montevideo on 2 March at the inauguration of President Julio Sanguinetti.

Speaking as secretary of the 11-country Cartagena group, and accompanied by a representative from each country, Mr Iglésias described the social and economic problems which stemmed from the Latin American countries' external debt.

2.2.24. When the two sides turned to the question of bilateral relations between Uruguay and the Community, they discussed trade and the possibility of its expansion, a topic which will be examined further when a team of Commission officials visits Montevideo to prepare for the forthcoming meeting of the Joint Committee set up under the 1974 EEC-Uruguay Trade Agreement.²

Development

ACP-EEC Conventions

Angola accedes to Lomé III

2.2.25. On 30 April the People's Republic of Angola signed the third Lomé Convention to become the 66th ACP State.

The Angolan delegation to the signing ceremony was led by Mr Carlos Antonio Fernandes, State Secretary for Cooperation, who was received by Mr Giulio Andreotti, President of the Council, Mr Claude Cheysson, Member of the Commission with special responsibility for development, and Mr C. Mbonimpa, representing the Committee of ACP Ambassadors.

Angola took an active part in the negotiations for the new Convention, but was not among the countries which signed at the ceremony in Togo on 8 December.³

Association of OCT

2.2.26. On 24 April the Commission approved a proposal for a Council Decision on the association of the overseas countries and territories (OCT) with the Community for the period 1985-90.⁴

A previous decision running for the duration of the second Lomé Convention expired on 28 February, and transitional measures are currently in force.

The proposed Decision would set up arrangements for the OCT similar to those recently established for the ACP States by the third Lomé Convention.⁵

It applies to some 20 generally small island territories, whose level of development varies widely and which have ties with specific Member States—France, the Netherlands or the United Kingdom. For the first time Greenland is included by virtue of the Treaty signed in Brussels on 13 March 1984,⁵ though the aid clauses will not apply to it. The following is a complete list of the overseas countries and territories:

France: French Polynesia, French Southern and Antarctic Territories, Mayotte, New Caledonia, Saint Pierre and Miquelon,⁶ Wallis and Futuna Islands;

Netherlands: the Netherlands Antilles (Aruba, Bonaire, Curaçao, Saba, Saint Eustatius, Saint Martin);

United Kingdom: Anguilla, British Antarctic Territory, British Indian Ocean Territory, British Virgin Islands, Cayman Islands, Falkland Islands, Montserrat, Pit-

¹ The group was formed in June 1984 by 11 Latin American countries to work out a joint approach to their debt problems. Its members are Argentina, Bolivia, Brazil, Colombia, Chile, the Dominican Republic, Ecuador, Mexico, Peru, Uruguay and Venezuela.

² OJ L 333, 4.12.1973.

³ Bull. EC 12-1984, points 1.5.1 to 1.5.4.

⁴ COM(85) 193 final.

⁵ OJ L 29, 1.2.1985; Bull. EC 2-1984, point 1.4.1 *et seq.*;
Bull. EC 2-1985, point 1.4.1 *et seq.*

⁶ Should Saint Pierre and Miquelon become an overseas territory again within the meaning of the Treaty.

cairn, Saint Helena, Turks and Caicos Islands;

Denmark: Greenland (not entitled to financial and technical cooperation).

Generalized preferences

GSP information seminars

2.2.27. The Commission inaugurated the year's GSP information campaign, designed to publicize the Community scheme, by arranging seminars in two Asean countries (Bangkok, Thailand: 17 to 20 March; Singapore: 20 to 24 March), and also in Bangladesh (Dhaka: 24 to 26 March) and Pakistan (Quetta: 23 and 24 April; Faisalbad: 27 and 28 April). Those taking part were mainly from the business community, though government officials dealing with trade promotion or origin certification also attended.

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2.2.28. The Community played an active part in the meeting of the Unctad Special Committee on Preferences held in Geneva from 10 to 19 April (→ point 2.2.46).

Commodities and world agreements

Coffee

2.2.29. The International Coffee Council held its 43rd meeting in London from 15 to 19 April, when it attempted to find a solution to the problem of exporting members selling more cheaply to non-member countries than to importing members, in breach of both the letter and the spirit of the 1983 International Coffee Agreement.

In the end the Council approved a resolution stipulating that the exporting members would undertake from 22 April not to accept sales contracts for exports of coffee to non-member countries at a price lower than that for coffee with the same specifications sold to a member.

The exporting members also undertake to limit their exports to non-member countries to a level consistent with prices objectives for the lifetime of the current Agreement (1988-89).

The resolution marks a substantial step towards solving a problem which has been causing concern to all members of the Agreement, not least the Community.

The Council also ruled on a dispute between Rwanda and Burundi and seven other coffee producers about the interpretation of Article 31 of the Agreement, regarding the distribution of shortfalls. The Council's decision, backed by the Community, was in favour of Rwanda and Burundi.

Emergency aid

The fight against hunger in Africa

2.2.30. At the European Council meeting in March Mr Natali was asked to report on the implementation of relief measures for countries suffering from famine.¹

He visited Ethiopia from 10 to 14 April to study the problems at first hand, meeting President Mengistu and senior economic policy officials and talking to representatives of aid donors and NGOs, as well as undertaking a number of field trips.

Part of Mr Natali's task was to make a detailed assessment of the country's requirements for 1985. Current information suggests that 1 500 000 tonnes of food supplies will be needed up to December 1985; to date, 1 000 000 tonnes has been supplied or pledged, 269 000 tonnes of that by the Community itself plus a further 126 000 tonnes from Member States. A shortfall is likely by the autumn, and aid will have to be allocated in good time to cope with it, depending on the results of the next harvest (which is likely to be small), pledges by

¹ Bull. EC 3-1985, point 1.2.6.

other donors and the availability of transport in the field.

Mr Natali judged that the distribution of aid was proceeding reasonably well considering the nature of the terrain, the political obstacles in some parts of the country, and the problems of transport.

With the Ethiopian authorities he discussed structural measures which could be taken to cope with the consequences of drought and famine; there was agreement on the need to give priority to agricultural under Lomé III.

The Ethiopian authorities expressed their gratitude to Mr Natali and the people of the Community for their prompt and generous response to the disastrous situation in Ethiopia.

2.2.31. Mr Natali will shortly be visiting other drought-hit countries of Africa, before reporting back to the European Council and making any necessary proposals for adapting the Community relief effort in the light of the changing situation.

2.2.32. As part of the Dublin plan¹ the Commission decided on 26 April to provide 35 million ECU for a second programme to help Sudanese drought victims (5 million people, including 1.5 million who have been displaced) and the 1 million refugees from neighbouring countries who are resident in camps in Sudan.

An initial programme comprising 28.5 million ECU in aid has already been implemented by the Community and its Member States.

Emergency aid operations

2.2.33. On 3 April the Community allocated 400 000 ECU of emergency aid to Mozambique to buy fuel for the Maputo thermal power station, following storm damage to the Cabora Bassa hydroelectric station which has interrupted supplies of power to Maputo.

Trade promotion

ACP States and OCT

2.2.34. The Commission financed and coordinated participation by eight African countries in the Milan trade fair from 14 to 23 April. The lively stands generated a good deal of interest on the part of European trade visitors, and the fair's 'African hall' was the venue for a meeting between an Ivory Coast delegation, led by the Trade Minister, and Italian business representatives.

Stabex

2.2.35. On 3 April the Commission approved a 64 548 ECU Stabex transfer to Kiribati to offset losses of export earnings from copra in 1983, thus closing the books for that year.

In all, 51 transfer requests were submitted for 1983; 22 were admissible, and transfers totalling 50 468 149 ECU have been approved.

Mining cooperation

ACP States

2.2.36. Following a favourable decision by the EDF Committee, the Commission agreed that Zambia should be entitled to receive Sysmin funds to help restore the viability of its copper and cobalt mining industry. This will be the second Sysmin operation in Zambia; the first, in 1982, consisted of a 55 million ECU loan.

The sum to be allocated this time will be decided once the projects submitted by Zambia have been appraised, and the money will be used mainly to re-equip and rehabilitate the country's major copper-producing company, Zambia Consolidated Copper Mines Ltd.

¹ Bull. EC 12-1984, points 1.2.7 and 2.2.42.

Mining accounts for over 30% of Zambia's GDP and 95% of its foreign exchange earnings. It is the main source of jobs after the public sector, employing 57 300 people, 16% of the country's wage-earners. Copper alone makes up about 90% of the value of Zambia's mineral exports, and low prices led to a further decline in export earnings in 1982 and 1983.

Financial and technical cooperation

ACP States and OCT

2.2.37. In April the Commission allocated fourth and fifth EDF resources totalling 21 647 000 ECU to finance projects, programmes and emergency aid operations which it administers in the following sectors:

	ECU
Industrialization	3 750 000
Economic infrastructure	200 000
Transport and telecommunications	5 600 000
Rural production	7 037 000
Social development	4 560 000
Emergency aid	500 000

The emergency aid went to Somalia, to help combat a cholera epidemic, and Vanuatu, where two hurricanes caused severe damage.

Southern and eastern Mediterranean countries

2.2.38. The Commission approved the financing of the following projects:

Jordan — Grant to the Faculty of Science of Yarmuk University: 2 500 000 ECU.

Tunisia — Loans on special terms to Tunisia's agricultural development bank (overall loan for the agricultural sector): 3 million ECU.

Non-associated developing countries

2.2.39. On 3 April the Commission decided to make a grant of 160 000 ECU to the Office of the United Nations High Commissioner for Refugees (UNHCR) to help refugees in Honduras. The main component of the aid is the provision of rural technical assistance, as UNHCR is at present short of specialists for organizing its agricultural programme aimed at making the refugees self-sufficient.

2.2.40. On 29 April the Commission took the following financing decision for a project approved by the Committee on Aid to Non-associated Developing Countries, the cost of which will be paid out of the Community budget:

Thailand — increasing the planning capacity for agricultural development and diversification; the total cost of the autonomous project is 2 million ECU, to be met in full by the Community.

Cooperation via non-governmental organizations

2.2.41. The 11th general assembly of European NGOs was held from 16 to 18 April at Commission headquarters. Some 60 delegates representing over 400 organizations attended the meeting, together with a hundred or so observers from the Community, developing countries and international organizations.

The special theme of the assembly's deliberations this year was famine, and especially the famine in Africa. The aim was to identify ways and means by which the NGOs could help to improve in the longer term the position of the people hardest hit by famine and tackle the numerous underlying causes of famine.

In their closing statement the NGOs undertook to give top priority to projects and programmes in this field.

Mr Natali, Member of the Commission with special responsibility for cooperation

and development, declared on behalf of the Commission that it would back up such efforts with all the relevant instruments and measures at its disposal.

2.2.42. For the period from 1 January to 30 April 1985 the Commission committed a total of 6.9 million ECU in contributions to 58 projects to be cofinanced in developing countries, presented by 46 NGOs.

The Commission also contributed a total of 554 020 ECU to 11 campaigns to increase awareness of development issues among the European public.

Regional cooperation

ACP States and OCT

2.2.43. On 23 April a delegation from the Eastern and Southern Africa Preferential Trade Area (Esapta), led by the current president of the PTA, Burundi's Minister for Industry and Trade, Mr Albert Muganga, visited the Commission to discuss regional cooperation opportunities under Lomé III.

Fifteen ACP countries of southern and eastern Africa are members of Esapta, which exists to promote cooperation in fields such as trade, industry, transport and communications and agriculture.

2.2.44. Ministerial delegations from Kenya, Tanzania and Uganda held another meeting in Arusha, Tanzania.

A comprehensive exchange of views took place on future regional cooperation, and an understanding was reached on the framework within which it will be pursued.

The ministerial meeting held informal discussions on the ways and means through which the Community might support regional projects in the three States. It was suggested that the Commission might sponsor a seminar of senior executives from Kenya, Tanzania and Uganda to clarify the potential and means for cooperation between the Community and the East

African States. The Commission has financed several regional projects, such as the northern corridor linking the port of Mombasa with Kenya, Uganda, Rwanda and Burundi and the central corridor from Dar-es-Salaam to Uganda, Burundi and Rwanda.

International organizations and conferences

United Nations

Economic and Social Council

Economic Commission for Europe

2.2.45. The 40th session of the Economic Commission for Europe was held in Geneva from 16 to 27 April. The beginning of the session's work was delayed until the afternoon of 17 April because of disagreement over an agenda item on the observance of the 40th anniversary of the United Nations.

Once this problem had been disposed of, the atmosphere of the meeting improved, and throughout the session remained considerably better than in 1984.¹ As a result it was possible to reach agreement on a new meeting of the Senior Advisers on Energy to ECE Governments, a point of particular interest to the Eastern trading area countries. The session also adopted, for the first time in several years, a separate decision on trade and industrial cooperation. Other decision proposed by East European delegations and adopted by the session were on agriculture, environment and overall economic prospects, while decisions of Western origin which were adopted concerned air and water pollution, statistics and cooperation in the Mediterranean. The texts of these decisions are mostly anodyne, but a certain importance is attached to keeping a balance between

¹ Bull. EC 4-1984, point 2.2.45.

themes of interest to the East and to the West.

Negotiations on the adaptation of the ECE's working methods were particularly difficult, but resulted finally in a decision on 'concentration and integration of the programme of work of the Commission'. This text will, for example, enable each future session to examine in detail a particular major area of the ECE's work, and should enable steps to be taken toward improving the efficiency of the Sessional Committee in particular and of the organization's work as a whole.

United Nations Conference on Trade and Development

2.2.46. Unctad's Special Committee on Preferences held its 13th meeting in Geneva from 10 to 19 April, with Mr Sy (Senegal) as chairman.

The main item on the agenda was the examination of the implementation, maintenance, improvement and use of the generalized preferences system. This year, a compromise proved possible between the positions of the beneficiary countries and the donor countries and the meeting ended with adoption of 'concerted conclusions'.

The Community played an active part at the meeting. The Community spokesman's statement included an account of the improvements made under the 1985 scheme, and it was stressed that the individualization of preferential limits, which had been introduced in 1981, had made an effective contribution to developing preferential imports from the less-developed countries. The spokesman stated that the Community was reviewing the operation of the scheme since 1981 and the lessons drawn would determine the adjustments to be made to the scheme for the next five years of its application (1986-90).

In addition to taking part in the meeting of the Committee, the Community was involved in consultations concerning its scheme requested by a number of beneficiary countries. It noted the suggestions made

and gave detailed explanations concerning the basic principles of the scheme and the implementing arrangements.

FAO

2.2.47. On 19 April Parliament adopted a resolution¹ (→ point 2.4.7) on the follow-up to the FAO's World Conference on Fisheries, which was held in Rome from 27 June to 6 July 1984.²

General Agreement on Tariffs and Trade

Council

2.2.48. The main topic of discussion at the GATT Council meeting held on 30 April was the Leutwiler report and its 15 recommendations, including some relating to changes in GATT working methods.

At India's request, the meeting also discussed the new round of multilateral trade negotiations. The Community lost no time in ruling out any approach aimed at a North-South round in GATT.

After the Council meeting, the sessions of the EEC-USA panels on tinned fruit, raisins and citrus fruit proved inconclusive. Austria, speaking on behalf of EFTA, invited the two parties to continue discussions on the citrus fruit issue with a view to reaching a mutually acceptable solution.

Organization for Economic Cooperation and Development

Council

2.2.49. The OECD Council met at ministerial level in Paris on 11 and 12 April. It examined world economic prospects, and a consensus was reached on policies to be pursued in order to improve the general

¹ OJ C 122, 20.5.1985.

² Bull. EC 7/8-1984, point 2.1.159.

economic situation. In this context, the Council found that American policies should be guided by the need to correct the budget deficit and resist protectionist measures, Japan should make access to its markets easier and import more manufactured goods, while the European countries should take vigorous action against rigidities hampering structural adjustment.

On trade, which was at the centre of the discussions, Ministers agreed that a new round of GATT trade negotiations would make a significant contribution to maintaining and strengthening the open multilateral trading system. Accordingly, it was agreed that the negotiating round should start as soon as possible. Ministers would propose to the contracting parties that a preparatory meeting of senior officials should take place in GATT before the end of the summer to reach a broad consensus on subject matter and arrangements for the negotiations. Active participation of a significant number of developed and developing countries in such negotiations was considered essential. Ministers also stressed their resolve effectively to halt protectionism and resist continuing protectionist pressures. Measures aimed at strengthened transparency and discipline in the field of tied aid credits and associated financing of exports would continue to be pursued expeditiously. As a first step, there was agreement on reinforced notification and consultation procedures as well as an increase to 25% of the minimum permissible grant element for those transactions.

There were also a number of statements on erratic exchange-rate fluctuations and the possibility of coordinated intervention on exchange markets.

Relations with developing countries were discussed, from the standpoint of development aid and also the financial aspects (interest rates and indebtedness) and trade.

Council of Europe

2.2.50. The Parliamentary Assembly, which met in Strasbourg from 22 to 26 April, was concerned mainly with examining the future of the Council of Europe following the enlargement of the Community to include Portugal and Spain. Seven months after taking up his duties, Mr Marcelino Oreja, Secretary-General of the Council of Europe, made a statement to the Assembly setting out the priority objectives for building an 'essential Europe' and making the work of the organization more effective.

2.2.51. Meeting on 25 April while the Assembly was still in session, the Committee of Ministers backed up the Assembly's deliberations by adopting a resolution calling on Mr Oreja to negotiate practical proposals in Brussels aimed at strengthening cooperation between the Council of Europe and the Community.

3. Financing Community activities

Budgets

General budget

1985

Resumption of budgetary procedure

2.3.1. On 1 April the Commission started the budgetary procedure afresh by sending

the Council a third letter of amendment¹ to its preliminary draft budget.² By reference to the compulsory expenditure determined and the non-compulsory expenditure accepted by the Council on 29 November 1984,³ and in the light of this third letter of amendment, additional requirements for 1985 would be as in the table below.

¹ Bull. EC 3-1985, points 1.1.5 and 2.3.2.

² Bull. EC 5-1984, points 1.1.1 *et seq.* and 2.3.1 *et seq.*

³ Bull. EC 11-1984, point 2.3.3.

Revenue		Expenditure	
Heading	(million ECU)	Heading	(million ECU)
A. Draft budget of 29 November 1984			
Traditional own resources	10 471.0	EAGGF Guarantee Section	18 000
VAT and financial contribution (within the 1% VAT limit)	15 461.5	Other compulsory expenditure	2 087.3
Other revenue	257.1	Non-compulsory expenditure	6 045.8
		Margin of non-compulsory expenditure not used	57.6
B. Changes resulting from the letter of amendment			
Agricultural levies	- 306.3	EAGGF Guarantee Section (Titles 1B and 2B)	+ 1 995
Sugar levies	+ 38.1	Flat-rate repayment to Member States (Article 800)	+ 23.2
Customs duties	+ 499.9	Deficit carried over from 1984 (Article 851)	+ 520
Advances from the Member States	2 331.4	Refund to Greece (Article 860)	+ 0.1
		Food aid (Chapter 92)	+ 63.1
		Other institutions (personnel/enlargement)	+ 0.6
Totals: Letter of amendment (A + B)	28 752.7		28 752.7

*New draft budget for 1985 —
Intergovernmental agreement
on non-refundable advances
for 1985*

2.3.2. On 23 and 24 April, following a detailed exchange of views, the Council established the draft general budget of the Communities for 1985 on the basis of the third letter of amendment presented by the Commission (→ point 2.3.1).¹ In establishing this draft budget, the Council made the following changes to its draft of 2 October 1984:²

Appropriations for payments

EAGGF Guarantee	
Section	+ 1 955 million ECU
Food aid	+ 26.1 million ECU

On the same occasion, the Representatives of the Governments of the Member States meeting within the Council agreed to pay the Community 1 981 million ECU (subject to technical adjustments) to finance the 1985 budget. This would be provided by the Member States in the form of non-refundable advances in accordance with the VAT scale.

1986

2.3.3. In accordance with Article 203(9) of the EEC Treaty the Commission announced on 22 April, after consulting the Economic Policy Committee on 18 March, that the maximum rate of increase for non-compulsory expenditure in 1986 would be 7.1%.

This is the arithmetical average of the increase in GDP in the Community in 1984 (7.9%) and the increase in the budgets of the Member States (6.2%).

Own resources

2.3.4. On 25 April the Commission transmitted to the Council a report³ on the implementation of Council Regulations Nos 2891/77 and 2892/77 of 19 December 1977⁴ implementing the Decision of 21

April 1970 on the replacement of financial contributions from Member States by the Communities' own resources.⁵ The report was accompanied by a proposal for a Regulation to extend Regulation No 2892/77 until 31 December 1988, thus maintaining for three more years the transitional period for certain methods of collecting own resources. The Commission needs this extra time to prepare a definitive method of collection in view of the uncertainly connected with changes in legislation and the actual choices made by Member States.

Budget discharge

2.3.5. On 22 April the Council took the decisions needed for granting a discharge to the Commission in respect of the activities of the second, third, fourth and fifth European Development Funds for 1983.⁶

2.3.6. During its April part-session Parliament adopted a number of discharge decisions concerning implementation of the budgets for 1983.⁷ It granted a discharge to the Commission in respect of the general Community budget and the ECSC accounts; it also granted a discharge to the Administrative Board of the European Foundation for the Improvement of Living and Working Conditions in Dublin and to the Management Board of the European Centre for the Development of Vocational Training in Berlin for the implementation of their budgets. As regards the general budget, Parliament's decision was accompanied by a considerable number of comments aimed at improving the management of resources (→ point 2.4.8.).⁸ The Commission undertook to report to both arms of the budgetary authority on measures taken or envisaged in the light of this decision.

¹ Bull. EC 3-1985, points 1.1.5 and 2.3.2.

² Bull. EC 10-1984, point 2.3.2.

³ OJ C 125, 22.5.1985; COM(85) 170 final.

⁴ OJ L 336, 27.12.1977.

⁵ OJ L 94, 28.4.1970.

⁶ OJ L 112, 25.4.1985.

⁷ OJ L 132, 21.5.1985.

⁸ OJ C 122, 20.5.1985.

Budgetary aspects of the political agreement on Spanish and Portuguese accession

2.3.7. At the end of March political agreement was reached between the ten-nation Community and Spain and Portugal on the main problems which remained unsettled.¹ As regards own resources, it was mainly a case of reaching agreement on the repayment of a declining proportion of VAT or GNP-based contributions. With the results achieved at the end of March, the main arrangements for the financial integration of the two new Member States are as follows.

Expenditure

Expenditure under the general budget will begin in the new Member States on 1 March 1986 as regards the EAGGF Guarantee Section and on 1 January for other measures. The rules governing some types of operation and the more or less inevitable periods of adjustment will mean that a number of years will elapse before the two countries benefit fully from all expenditure operations.

Special arrangements will apply in two areas. For most of Portugal's main agricultural products covered by the EAGGF Guarantee Section, a gradual transition period will be imposed.² During the first stage, expenditure and revenue in respect of these products will be dealt with at national level; as a result, the general budget will spend very little on Portugal between 1986 and 1990—and Portugal will pay practically no levies.

As regards the EAGGF Guarantee Section, Portugal will find it difficult to benefit from existing measures. A specific 10-year programme involving 700 million ECU has therefore been adopted for restructuring Portuguese agriculture.

Finally, it has been decided that the new Member States will not have to contribute to the repayment of the advances granted by the Member States in 1984.

Own resources

The new Member States will pay the following own resources from the date of accession:

- (i) Customs duties. During the transition period, these will take the form of notional revenue corresponding to the application of the CCT (and reduced rates in the CCT) to actual imports.
- (ii) Agricultural revenue for products subject to normal transition arrangements. Payments for products subject to gradual transition will not be made until the second stage (1990 for Spain and 1991 for Portugal).

Spain will pay VAT own resources from the date of accession and Portugal from 1989. From 1986 to 1988 Portugal will pay GNP-based financial contributions.

Financial operations

ECSC

Loans raised

2.3.8. During April the Commission made a FF 300 million public issue carrying a coupon of 11.25%. It was issued at 100% and has a duration of seven years. The Commission also concluded a number of private placings in German marks for the equivalent of 73.34 million ECU.

Loans paid out

2.3.9. Acting under Articles 54 and 56 of the ECSC Treaty, the Commission made loans totalling 182.37 million ECU in April.

Industrial loans

2.3.10. Industrial loans (Article 54) totalling 121.19 million ECU were granted for the following purposes:

¹ Bull. EC 3-1985, points 1.1.2 to 1.1.4.

² In the case of Spain, only fruit and vegetables will be subject to gradual transition.

Federal Republic of Germany

Krupp Stahl AG, Bochum: rescheduling of various loans.

France

Usinor, Paris: construction of a continuous annealing line at the Montataire plant; addition of a four-high stand at the Dunkirk rolling mills.

Subsidized housing

2.3.11. Loans for the building of subsidized housing totalled 560 000 ECU, of which 200 000 ECU was for steelworkers and 360 000 ECU was for mineworkers.

Conversion loans

2.3.12. Conversion loans (Article 56) totalling 60.62 million ECU were granted to the following undertakings:

Federal Republic of Germany

Supraregional loans: Bank für Gemeinwirtschaft AG, Frankfurt; Deutsche Bank AG, Düsseldorf; Bayrische Vereinsbank AG, Munich; Dresdner Bank AG, Frankfurt; Westdeutsche Genossenschafts-Zentralbank AG, Münster.

France

Meurthe-et-Moselle: Société de Fonderie et de Mécanique de l'Est (SFME);

Paris: Villers-la-Montagne plant.

United Kingdom

Supraregional loans: Bank of Scotland, Edinburgh; Barclays Bank, London; Clydesdale Bank, Glasgow; Investors in Industry, London; National Westminster Bank, London.

EEC-NCI

Loans raised

2.3.13. In April the Commission made a private placing in Swiss francs for the equivalent of 9.1 million ECU.

Loans paid out

2.3.14. The two loan contracts signed in April totalled 63 million ECU under the second tranche of NCI III.¹ They were global loans for financing investments in production by small business, as follows:

Italy

Mediocredito Centrale: second tranche of a third loan (42 million ECU);

Banca Nazionale del Lavoro: second tranche of a third loan (21 million ECU).

¹ OJ L 208, 3.8.1984.

4. Political and institutional matters

European political cooperation

2.4.1. At their political cooperation meeting in Luxembourg on 29 April the Foreign Ministers of the Ten adopted the following statements on the Middle East, southern Africa, Sudan, the Ottawa meeting on human rights (CSCE) and Unesco.

Statement on the Middle East

Arab-Israeli conflict

'The Ten Ministers for Foreign Affairs continue to maintain a close interest in developments in the Middle East. They welcomed recent moves towards a reactivation of the negotiating process in the search for a solution to the Arab-Israeli conflict, notably the Jordan/Palestinian agreement reached on 11 February at the initiative of King Hussein, which contained a commitment to negotiations for peace in accordance with UN resolutions, including resolutions of the Security Council. In the view of the Ten this represents a constructive step forward. They also welcomed the ideas put forward by the President of Egypt.

The Ten consider that these important initiatives reflect a desire for movement towards a peaceful solution. This deserves encouragement and a positive response.

They confirm their conviction that the achievement of a just and lasting solution calls for the participation and the active support of all the parties concerned. The Ten consider that no effort should be spared to maintain and strengthen the present movement in the peace process and to facilitate a dialogue between all the parties to the conflict.

The Ten reconfirm their willingness to contribute to a comprehensive, just and peaceful settlement of the Middle East question on the basis of the principles which they have stated many times in the past and to which they continue to adhere. In particular, they recall the right of all States in the region, including Israel, to existence and security, the right of the Palestinian people to self-determination, with all that this implies. With regard to the association of the PLO with the negotiations, the Ten refer to their well-known positions. In their contacts with all the parties concerned the Ten, both collectively and individually, will work to promote the reconciliation of the various positions.'

Lebanon

'The Ten continue to view with concern the deterioration of the situation in Lebanon and in particular its consequences for the civilian population in the south, which continues to be subjected to unjustifiable acts of violence. Following the Israeli Government's decision to withdraw its forces, they look for the early, orderly and complete withdrawal of those forces from that region in accordance with the relevant resolutions of the UN Security Council, as well as of those other forces which are not there at the request of the Lebanese Government. The Ten consider it important that appropriate security arrangements be reached between the Israeli and Lebanese Governments.

The Ten appeal to all the parties concerned, both within Lebanon and outside, to act in such a way as to facilitate the process of restoring the sovereignty, unity, territorial integrity and independence of Lebanon, a process which has been seriously compromised by the recent worsening of the political and security situation. The Ten reaffirm their support for Unifil. The Ten call on all parties to respect Unifil's role, avoiding all incidents, cooperating fully with the force and ensuring the safety of its personnel.

They are deeply concerned at the suffering of the Lebanese people and at the kidnappings involving foreign nationals.'

Iran-Iraq conflict

'The Ten view with utmost concern the aggravation of the conflict between Iraq and Iran. The escalation in military activities against civilian targets is a serious development. The continued losses of life among the civilian population, the serious damage to the economy of both countries and the permanent risk of an extension of the hostilities make a negotiated solution to the conflict more necessary and pressing than ever. Recalling the relevant resolutions of the UN Security Council and the recent statements of the UN Secretary-General, which they support, the Ten urge Iran and Iraq to agree upon an immediate ceasefire and to start a negotiating process with a view to achieving a peaceful solution which is honourable and acceptable to both sides.

In the mean time, the Ten call again upon Iraq and Iran to comply with the commitments made under the agreement concluded in June 1984, under the aegis of the UN Secretary-General, to refrain from bombing civilian targets. The Ten draw the attention of both countries to the profound humanitarian concerns raised by this and other aspects of the conflict, such as the treatment of

prisoners of war. They condemn the use of chemical weapons, wherever and whenever it occurs. The Ten emphasize that the Geneva Conventions, and the other rules of international law, must be fully and unconditionally respected.'

Statement on southern Africa

'1. The Ten are seriously concerned at the general deterioration in the situation in South Africa. They deplore the violent situation which is developing there.

The Ten consider that the measures recently announced do not match the reality or scale of the problem. Only the abolition of discriminatory practices and of the system of apartheid, together with recognition of the civil and political rights of the black population, are capable of ensuring the peaceful evolution of South African society.

2. With regard to Namibia, the Ten reaffirm their commitment in favour of the application without preconditions of Security Council Resolution 435.

They deplore the delays in implementing the United Nations plan, which in their view remains the only acceptable basis for a final settlement of the question of Namibia.

They consider the recent announcement by Pretoria concerning the setting up of an interim government in Namibia to be null and void.'

Statement on Sudan

'The Ten considered the latest developments in the situation in Sudan.

They welcome the undertaking given by the new Sudanese leaders to continue a policy of effective non-alignment and to seek a position of autonomy and independence in order to contribute to stability in the area. The Ten hope that the new government of Sudan will solve the country's serious economic and political problems. The Ten appeal to all political forces in Sudan to start a dialogue with a view to reconciliation throughout its territory.

Turning to the very serious economic situation, which has been aggravated by drought, the Ten expressed their desire to continue and step up development cooperation with an emergency aid to Sudan.'

Statement on the CSCE—Ottawa meeting on human rights and fundamental freedoms

'The Ten attach very great importance to the Ottawa meeting of experts on human rights and

fundamental freedoms, in view of the fact that it represents the first opportunity for a specific debate, in the CSCE context, on questions which concern them deeply.

The Ten recall that the Helsinki Final Act explicitly reaffirms that respect for human rights and fundamental freedoms is an essential factor in the peace, justice and well-being required for the development of friendly relations and cooperation between all States. They therefore emphasize that full advantage must be taken of the opportunity offered by the Ottawa meeting for concrete developments in the respect for and promotion of human rights and fundamental freedoms. This corresponds to the fundamental importance which they attach to human rights. This also corresponds both to the legitimate hopes which the Ottawa meeting raises in public opinion in all countries participating in the CSCE and to the need to retain the full and unimpaired vigour of the entire CSCE process through balanced progress in each of its components.'

Statement on Unesco

'The Ministers of the Ten reaffirm their commitment to multilateral international cooperation and to the principles and purposes of Unesco as set out in its constitution. At the same time they express, their concern at the current situation in Unesco and stress the necessity for effective reforms this year both in administrative practice and in the biennial programme and budget. These reforms should also contribute to a return to the universality of the organization.

In this connection, the Ministers stress the importance of the forthcoming session of the Executive Board and the need to reach agreement on:

- (i) recommendations on a draft programme and budget for 1986/87 which will attract the support of all and which fully reflect the reduction in resources available to the organization;
- (ii) a comprehensive plan and timetable for the implementation of administrative reforms;
- (iii) the necessary selective reduction of expenditure in the current year to take account of the shortfall resulting from the withdrawal of a Member State.

The Ten wish to cooperate closely with other countries both during the forthcoming meeting of the Board and subsequently. They appeal to all Member States of Unesco to work in the same spirit in order to find a solution to the present crisis and to assure the organization's long-term future.'

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2.4.2. In April Parliament passed resolutions on political cooperation and human rights (→ point 2.4.9).¹

European policy and relations between the institutions

European policy

European Union

2.4.3. In a resolution adopted on 17 April Parliament emphasized the urgent need to take a decision no later than June to convene an intergovernmental conference with a mandate to negotiate a draft Treaty establishing the European Union (→ point 2.4.7).¹

In a second resolution, adopted on the same day, Parliament stressed the need for intensive cooperation between the national parliaments and itself in order to achieve the widest possible parliamentary consensus throughout the Community on the Union Treaty (→ point 2.4.7).¹

Institutions and organs of the Communities

Parliament²

Strasbourg: 15 to 19 April

2.4.4. The April part-session in Parliament was fairly quiet, with no major clashes, even though some relatively important topics appeared on the agenda, such as unemployment among young people, the optimum use of new technologies, European Union and the Council and Commission statements on the European Council of 29 and 30 March.³

With one or two exceptions—notably the debate on migration policy—the debates

unfolded in an atmosphere of even-tempered unanimity.

Migration policy

2.4.5. The debate on migration policy saw some particularly sharp exchanges as it came to address such basic problems as Europe's demographic survival and cultural destiny. Before it began, the European Right had made a vain attempt—the request being rejected by 52 votes to 33—to have the report by Mrs Francesca Marinaro (*Com/I*) referred back to committee and replaced by two separate reports, one on Community migrants and the other on migrants from non-member countries. The reasons given by Mr Jean-Marie Le Chevallier (*ER/F*) were that the report before the House deliberately lumped the two categories together mainly so that non-Community immigrants might enjoy the freedom of movement and of establishment accorded under the Treaty only to Community nationals. Mr Daniel Ducarme (*Lib/B*) had also asked for the Marinaro report to be referred back, but he was concerned about the large number of amendments—160 in all—to be considered.

Mrs Marinaro at once explained that the underlying intention of her report on the Commission's communication to the Council on a Community migration policy⁴ was to tell a different story of migrant marginalization. In so doing she called for special measures for 17 million migrant workers now living in the Community. To start with, in order to help them to integrate she insisted that migrants—be they of Community origin or not—should have the right to vote and stand for election in local and regional elections in the host country and

¹ OJ C 122, 20.5.1985.

² The complete texts of the resolutions adopted by Parliament are reproduced in OJ C 122, 20.5.1985, and the report of the proceedings is contained in OJ Annex 2-323. The political groups and nationalities of members speaking in the debates are shown in brackets after their names; the key to the abbreviations can be found in Bull. EC 7/8-1984, points 1.2.5 and 2.4.8 (footnote 1).

³ Bull. EC 3-1985, point 1.2.1 *et seq.*

⁴ Bull. EC 2-1985, point 1.3.1 *et seq.*

in the European elections. At the same time, and in order to take part in elections in their country of origin, immigrants should be able to claim up to 12 days' leave. Instruction in the mother tongue should be included in new school programmes, while the right to work should be guaranteed. On voluntary repatriation, Mrs Marinaro suggested that jobs be created and reserved for migrant workers who wished to go back and that they must also be informed about the economic situation at home; if they did in fact return and then had problems in resettling, they must still be allowed to come back to the former host country. Mrs Marinaro held these measures to be justified by the fact that migrant workers, after some 40 years, were now an indissoluble part of European society and should be able to exert pressure from grass-roots level towards creating a people's Europe as well as contributing to the North-South dialogue. She mentioned in passing that in some countries (like Belgium and certain German *Länder*) towns had introduced the dangerous machinery of limiting the number of migrant workers from non-member countries who could be registered. She also regretted that the battle against entry of clandestine labour was producing harsher and harsher measures against the migrant workers concerned instead of stiffer penalties for employers and firms; measures adopted aimed to encourage migrants to return but were making their repatriation no less forced than their departure from home had frequently been. Mrs Marinaro was therefore calling for measures that were more binding on the Member States in order more effectively to safeguard the rights and preserve the dignity of these workers.

Mr Giovanni Papapietro (*Com/I*) then rose to present his report on application of the Council Directive of 25 July 1977 on the education of migrant workers' children,¹ who in some Member States represented a substantial percentage of those at school. Calling, in turn, for civil and political rights for all immigrants, he insisted that any Member States that failed to apply the Community directives on the development of

teaching both the language of the host country and the language of the country of origin should be brought before the Court of Justice. He also wanted to see the Member States operating a system of initial and continuous teacher training tailored to the specific needs of these children. Mr Papapietro went on to highlight what he felt was the flaw in pilot projects that failed to link teaching in schools with the social and civil cooperation of migrant workers' families, an omission which he believed was causing the problems of integration and the trouble in finding jobs which was forcing young migrants 'to follow in their father's footsteps'. Foreign culture, he said, must not simply be tolerated, for it was also a source of enrichment for the host country.

The debate which followed was concerned solely with the Marinaro report. The Papapietro report was adopted without debate.

Mrs Dorothee Piermont (*Rainbow/D*) announced that the Political Affairs Committee endorsed the guidelines of the Marinaro report and then emphasized the importance of applying a genuine repatriation policy, free of any coercion. Mrs Hedy d'Ancona (*Soc/NL*) said that the Socialist Group fully agreed with the rapporteur's analysis, adding, in particular, that migrants must all have the right to vote and stand for election in local and regional elections. Any repatriation policy—which must be voluntary and would therefore have to involve substantial financial support—must be backed up by children's education programmes and a real information policy, with repatriation aid that must be personalized. Another speaker who endorsed the report, though he regretted that it did not distinguish clearly enough between migrants of Community and non-Community origin, Mr Ferruccio Pisoni (*EPP/I*) asked for the Community to be given the appropriate means to meet migrants' cultural, training and security needs and for workers from non-member countries to be treated like those of the Community. Also

¹ OJ L 199, 6.8.1977; Bull. EC 6-1984, point 2.1.54.

approving the Marinaro report, Mrs Jacqueline Hoffmann (*Com/F*) found all the measures for public safety, economic modernization and the expulsion of migrants to be symptoms of racism and xenophobia. All the statements blaming immigrants for today's insecurity and unemployment and making them out to be a brake on development and the modernization of the economy reflected the desire of the parties of the Right to shirk their responsibilities. In conclusion, she supported the points concerned with the free choice of repatriation, equality of treatment and a single status of migrant worker. But she argued that the right to vote was a legal and constitutional issue, pointing out that most of the time immigrants remained citizens of their country of origin, to which they were still deeply attached, and hoped to return to their homeland, where they regularly participated in elections. She therefore urged that nothing be done that might tend towards forced integration of these workers. In contrast, Mrs Raymonde Dury (*Soc/B*), in complete agreement with the Marinaro report, felt that immigration was an irreversible phenomenon mainly because the children of migrants wanted to go on living in the Community. It was a social phenomenon and must be treated as such. All migrants were therefore entitled to know how they stand as regards the law and should have the right to vote in local elections. If restrictive measures were imposed on immigrants today, tomorrow it might well be the turn of the unemployed, then women, and maybe even the disabled.

Calling for realism and moderation Mrs Nicole Chouraqui (*EDA/F*) said that if its amendments were not adopted her group would vote against a report which right from the outset made no attempt to distinguish between Community migrant workers and immigrants from non-member countries. Though inspired by generosity and fellow feeling, the report finally made utopian and unrealistic proposals which took no more account of the economic and social situation in the Member States than it did of the Commission's proposals or the

Economic and Social Committee's opinion. There were three points on which her group differed. To begin with, she was against giving voting rights to immigrants. Were French technical cooperation assistants allowed to vote in Africa? She went on to say that it would be both unrealistic and unfair to give the mother tongue and the language of the home country equal status. Observing that there were 52 African dialects, she contended that to make them equal with French, English, Italian or German would not help to build Europe but the Tower of Babel. The outcome would not be a multicultural society but 'the loss of our own cultural identity'. Priority must be kept for the language of the host country. Finally, she did not think that repatriated immigrants could be allowed to return to the host country at their own convenience, since this might set up, with no consideration for Europe's economic situation, a constant flow, a chaotic coming and going of immigrants. What Mrs Chouraqui did want to see was a constructive educational policy that would foster integration by creating receptive attitudes and respecting the identities of one and all. Mr Daniel Ducarme (*Lib/B*) also considered that the Marinaro report was off-target in not taking up Parliament's proposals for introducing a family policy and for education that assured a minimum degree of integration. The aim must be to achieve a balance between rights and responsibilities. 'Neither racist nor xenophobic', the European Right condemned the deliberate lumping together in the Marinaro report of the two categories of migrant, said Mr Jean-Marie le Chevallier (*ER/F*), who based his claims on the recent comments of the French Foreign Minister—to the effect that the report was in places ambiguous, to say the least, confusing the free movement of Community nationals between the territories of the Member States with the migration problems of nationals of non-member countries within the Community, when the differences between the groups involved and respect for powers following from the Treaties warranted separate texts. Mr Le Chevallier held that it was unacceptable for

non-European immigrants to become fully fledged citizens of the Community and enjoy the civil, political, economic, social and educational rights granted to nationals of the Member States, when at the same time they had no wish either to be naturalized or to be treated on the same footing. In his view, to vote for this Communist report was to sacrifice Europe's historical identity and oneness; it meant surrendering Europe to Islamic and Soviet totalitarianism; it was to introduce new causes of civil war. The Community should develop an ambitious birth and family policy to people Europe with Europeans and promote the development of non-member countries, particularly in Africa, by stepping up the cooperation policy that had made a hesitant start with Lomé III. Mr Le Chevallier described the Marinaro report as a response to the wish of President Boumediene to see Europe peopled by foreign populations; the President had said at the UN in 1978 that one day millions of people would leave the southern and poor regions of the world and break into the relatively accessible areas of the northern hemisphere, in search of their own survival, and, added Mr Le Chevallier, not necessarily without arms.

At the end of the debate Mr Peter Sutherland, Member of the Commission with special responsibility for social affairs, reaffirmed that any marginalization was unacceptable and that the Community was a multicultural society. Every effort must be made to resist xenophobia and racial prejudice and migrant workers must be helped by means of coherent policies and in particular by an education policy for their children.

At the request of the Chairman of the Committee on Social Affairs and Employment, Mr Michael Welsh (*ED/UK*), Parliament finally decided to postpone the vote on the Marinaro report until its May sittings. Mr Welsh indicated that the political groups were largely agreed that the 70 amendments (out of 160) that had not been tabled before the Committee should be dealt with in a further report. The Papapietro report on

the education of migrant workers' children was adopted as it stood.

2.4.6. Parliament gave opinions on a number of Commission proposals, including:

- a Directive on the easing of controls and formalities applicable to nationals of the Member States when crossing intra-Community borders (→ point 2.1.5);
- a Regulation on customs debt (→ point 2.1.24);
- a twentieth Directive allowing derogation from the sixth VAT Directive for the benefit of farmers in the Federal Republic of Germany (→ point 2.1.46);
- a recommendation on social security for volunteer development workers (→ point 2.1.60);
- a Directive on the approximation of the laws of the Member States relating to the noise emission of rail-mounted vehicles (→ point 2.1.72);
- two Directives on the indication of prices for non-food products and for food-stuffs (→ point 2.1.74);
- an amendment to the Regulations on the harmonization of certain social legislation relating to road transport and on the introduction of recording equipment in road transport (→ point 2.1.99).

2.4.7. Parliament also passed resolutions concerning:

- The recognition of national university degrees and professional qualifications at European level: Parliament urged the Commission to find ways of securing acceptance of the principle of overall harmonization in the Member States and to promote the development of European study programmes at universities, with the aim of removing the technical and administrative barriers to greater access to economic activities and greater mobility for students, teachers and researchers;
- The new Commission's priorities in the field of social affairs and employment: Parliament called on the Commission to institute—in close cooperation with the social

and trade organizations and the institutions concerned—an integrated European social policy consistent with the economic conditions, the essential priorities being to promote employment and combat unemployment; on working conditions, the House wanted to see a new flexibility and more dynamic attitudes; the priorities here were greater employee participation in company decision-making, improving vocational training and guidance, enhancing living and working conditions, harmonizing social security schemes and assisting disadvantaged groups;

- The creation of jobs in the Community: in three resolutions Parliament, calling for measures to harmonize taxation and to boost the competitiveness of European companies, urged the Council and the Commission to propose suitable measures to achieve as soon as possible the convergence and consistence necessary for effective joint action to combat unemployment at Community level; the House also called for a broadening of the social dialogue to give the greatest possible stimulus to economic recovery and the use of new technologies through the necessary consensus;

- Youth unemployment: in one resolution Parliament called on the Commission and the Council to prepare a multiannual European plan for work and employment in order to disseminate throughout the Community any positive experiences in the field of job creation and, for that purpose, to make provision for the widest possible access to opportunities for additional finance in ECU by means of Community loans, either from the European Social Fund, or in the form of productive investments by the Member States or large-scale infrastructure projects; in a second resolution the House made a series of proposals concerning training and the need to encourage young people setting up in business or launching economically viable projects, and called for the mutual recognition of degrees and professional qualifications;

- The Environment Summit in May 1985 and the OECD meeting in June 1985: deploring the global problems raised by the

violations of the environment in the industrialized countries, Parliament considered there was justification for putting maximum pressure on countries which failed to comply with international environmental standards and called for appropriate resources to be made available to implement the policies advocated in the United Nations Environment Programme, bearing in mind the economic benefits to be derived in the long term from sound economic management;

- The follow-up to the FAO World Conference on Fisheries:¹ noting that this first Conference was considered by all concerned to be a success and that a full chapter had been devoted to fisheries in the third Lomé Convention, Parliament recommended that the Community collaborate fully with FAO and, on a regional basis, with the developing countries in implementing the strategy and action programmes approved by the World Fisheries Conference; noting the legal obstacles preventing full EEC membership of FAO fishery bodies, the House asked the Commission to find solutions to this problem;

- A fixed link across the Channel: strongly in favour of such a link, Parliament urged the British and French Governments to consider the possibility of Community finance to support the project in its initial stages and for the necessary infrastructure at each end;

- Escalating protectionism by the United States against Community Steel imports: believing that this increasingly protectionist policy on the part of the Americans ran completely counter to statements by the American Government in support of free trade, Parliament considered that the Community was the victim of discrimination, compared with other countries which had been authorized to increase their steel exports to the United States; it therefore called—almost unanimously—on the Commission to take without delay the counter-measures available under GATT rules, for

¹ Bull. EC 7/8-1984, point 2.1.159.

which similarly sensitive areas such as agriculture, coal or chemicals might be considered;

- The Western Economic Summit in Bonn: in one resolution Parliament welcomed the decision to consider convening a top-level conference to reform the international monetary system, which it hoped would be held in parallel with the negotiations on trade and tariff problems; in a second resolution it called on the Member States represented at the Bonn Summit and on the Commission to make proposals to reduce American interest rates, reduce the US budgetary deficit and current account deficit, and to prevent new protectionist measures being taken and reduce existing Japanese protectionist measures; a third resolution called upon the Commission to propose that the developing countries participate in the GATT negotiations, while a fourth addressed the problem of the debt burden of the Latin American countries and urged the Bonn Summit to identify the appropriate instruments for reducing the burden;

- The deliberations of the European Council on European Union and the progress of deliberations in the national parliaments on the draft Treaty establishing the European Union: ¹ in one resolution Parliament urged that an intergovernmental conference on European Union be held by next June at the latest and be given a mandate to negotiate a draft Treaty in the form of a genuine legal, concrete and specific draft, and that it undertake its mission on the basis of the *acquis communautaire*, the report drawn up by the Dooge Committee² and the draft Treaty adopted by Parliament;¹ in a second resolution the national parliaments were asked to cooperate in their further work on the draft both as a means of influencing and monitoring the work of governments and also of developing the dialogue with the European Parliament.

2.4.8. Exercising its budgetary powers, Parliament adopted on 16 and 17 April a number of decisions (→ point 2.3.5) and resolutions closing the procedure for grant-

ing discharges to Community institutions and organs for 1983.³ It decided, however, to defer the grant of discharge to the Commission in respect of the second, third, fourth and fifth European Development Funds for 1983, considering that careful appraisal of the Council's recommendations concerning these Funds—not yet in Parliament's hands—was an essential prerequisite to taking the discharge decisions for 1983.

2.4.9. In the fields of political cooperation and of human rights Parliament passed resolutions on:

- terrorism: unreservedly condemning these expressions of hate and violence, Parliament urged the ministers responsible in the Member States not to confine themselves to informal meetings but to decide at last at Community level on concrete measures to combat these outrages effectively;
- the situation in southern Africa: in three resolutions the House condemned the policy of the South African Government and urged the Commission to consider certain measures of economic boycott;
- the murders of three intellectuals in Chile: appalled by these acts, Parliament called for the use of all political, economic and legal instruments to compel the Chilean regime to end all forms of repression and terror and to move rapidly towards the restoration of democracy and the safeguarding of human rights;
- the ruthless violation of human rights and the bloody reign of terror in Turkey: the House called for an end to the death sentences and the execution of sentences pronounced upon Kurdish fighters, and urged the Turkish authorities to improve the conditions of political detainees;
- the official visit of General Stroessner, President of Paraguay, to the Federal Republic of Germany: the House urged the German authorities to cancel the visit and

¹ OJ C 77, 19.3.1984; Bull. EC 2-1984, points 1.1.1, 1.1.2 and 2.4.12.

² Bull. EC 3-1985, points 2.4.3 and 3.5.1.

³ OJ C 122, 20.5.1985.

called for the release of all political prisoners in Paraguay;

- the massacre of prisoners of war in Iran: Parliament condemned the acts of barbarism committed in Iran—including the practice of quartering victims—and all inhuman tortures inflicted on prisoners of war; appealing to Iran to stop flouting human rights in this way and to comply with the provisions of the Geneva Convention concerning prisoners of war, the House called on the Council to communicate the Community's indignation and concern officially

to the Iranian Government, irrespective of any interests at stake in the conflict.

Council

2.4.10. The Council held three meetings in April. The table below lists the number, place and date of each meeting, the names of the Council President and Commission representatives and the main items of business. A more detailed account of specific items can be found in the sections of the Bulletin referred to in the footnotes.

Table 5 — *Council meetings in April 1985*

Number, place and date of meeting	Subject	President	Commission	Main items of business
997th Brussels 22 and 23 April	Agriculture	Mr Pandolfi	Mr Andriessen	1985/86 price review ¹
998th Luxembourg 23 and 24 April	Budget	Mr Fracanzani	Mr Christopher- sen	Meeting with Parliament delegation concerning general budget for 1985 New draft general budget for 1985 and intergovernmental agreement on non-refundable advances for 1985 ²
999th Luxembourg 29 and 30 April	Foreign affairs	Mr Andreotti	Mr Christopher- sen Mr Natali Mr Cheysson Mr De Clercq	New own resources Bonn summit Spanish and Portuguese accession Yugoslavia ³ Statement on beef imports by Canada ⁴ Malta ³

¹ Agriculture.

² Financing Community activities.

³ Relations with other countries and regions.

⁴ Relations with industrialized countries.

Commission

Activities

2.4.11. From 21 to 27 April Mr Delors was in the United States, where he met President Reagan, members of his administration, industrialists, bankers and academics.

Decisions, communications and proposals

2.4.12. The Commission approved a proposal for a Council Regulation on a Community aid scheme for non-documentary cinema and television co-productions (→ point 1.3.1). The programmes to be assisted would be selected by the Commission with help from a group of experts.

On the basis of the communication transmitted in February and the conclusions of the European Council at the end of March, the Commission adopted a proposal for a Regulation on integrated Mediterranean programmes.

Two proposals for Directives, one on the harmonization of excise duties on wine, and the other on rules on indirect taxes which affect the consumption of alcoholic drinks, were laid before the Council.

In a working paper on the scientific and technical strategy of the Community, the Commission informed the Council of the progress made in implementing the framework programme for Community scientific and technical activities for the period 1984-87 and set out some initial ideas for reviewing it.

At its March meeting in Brussels, the European Council decided to designate 1987 European Environment Year. The Commission set out the main guidelines on which it would be organized.

The Commission also approved the guidelines and objectives of its information and communications policy for 1985-88.

With the signature of the third ACP-EEC Convention, the Council was called upon

to lay down provisions governing relations between the overseas countries and territories and the Community. The Commission accordingly approved a proposal for a Council Decision on the association of the overseas countries and territories with the Community for the period 1985-90.

Court of Justice

Analysis of judgments delivered between 1 January and 31 March 1985

Free movement of goods

2.4.13. The Court confirmed its previous judgments relating to the evaluation of price rules in relation to Article 30 EEC, stating that this article prohibits fixing a minimum price for the retail sale of fuel when that price is fixed in some cases on the basis of the ex-refinery prices in the importing country.¹

Similarly, the Court indicated the incompatibility of national provisions which fix the retail price for books, in so far as these rules prevented importers of books from fixing a retail price which they deemed to be suitable in the case of books published in the Member State concerned and then reimported, or in some cases published in another Member State.²

Furthermore, the Court held that a Member State had failed to fulfil its obligations under Article 30 EEC by excluding from the benefit of a preferential postal tariff newspapers and periodicals published in other Member States, posted and distributed in the first-mentioned State.³

As regards export restrictions, the Court confirmed its earlier decisions and held that national rules prohibiting the exportation

¹ Judgment of 29 January 1985, Case 231/83 *Cullet and Others v Centre Leclerc*.

² Judgment of 10 January 1985, Case 229/83 *Association des centres distributeurs Leclercq and Thouars Distribution*.

³ Judgment of 14 March 1985, Case 269/83 *Commission v France*.

of waste oils to other Member States were incompatible with Article 34 EEC.¹

Customs union

2.4.14. In a series of decisions the Court interpreted the rules on customs relief for scientific instruments and apparatus under the Council Regulations of 10 July 1975² and 28 March 1983³ and the Unesco Convention.⁴

Commission

2.4.15. Case 41/83 concerns the application of competition law to public undertakings.⁵

British Telecom is responsible for public telecommunications installations in the United Kingdom by virtue of delegated powers to this effect. This responsibility is undertaken without any form of intervention from British official authorities.

The Commission found that there was an abuse of a dominant position within the meaning of Article 86 of the Treaty and stated that BT was obliged to put an end to it.⁶ BT complied with this decision, but the Italian Republic brought an action under Article 173 of the Treaty. The Court held that the circumstances of the case—resort to the use of delegated legislative powers—did not relieve BT of the obligations imposed by Article 86 of the Treaty. The Court also confirmed that the use of such powers to eliminate the retransmission of telex messages at prices considerably lower than those based on traditional tariffs amounted to a breach of Article 86 of the Treaty.

Freedom of movement and social provisions

2.4.16. In Case 267/83⁷ the question arose whether the wife of a migrant worker, who by reason of marital discord was no longer living with her husband, had the right to remain in the country where the migrant worker was employed. The Court noted

that Article 10 of the Regulation of 15 October 1968 (1612/68),⁸ relating to freedom of movement for workers within the Community, in providing that members of the migrant worker's family had the right to install themselves with him, did not require that any member of the family should co-habit permanently with the worker. It was therefore not to be implied that there must be a permanent common family dwelling. This interpretation was in accordance with the spirit of Article 11 of the Regulation, which gives the members of the worker's family the right to take up any activity as an employed person throughout the territory of the Member State concerned even if the activity was pursued at a place far removed from the residence of the migrant worker.

2.4.17. By an important judgment given on 13 February 1985 in Case 293/83⁹ the Court of Justice ruled that the imposition of a registration fee, enrolment fee or 'minerval' as a condition of access to vocational training on students who are nationals of other Member States, where the same fee is not imposed on students who are nationals of the host Member State, constitutes discrimination on grounds of nationality prohibited by Article 7 of the Treaty.

The term 'vocational training' was regarded as including in this case instruction in the art of strip cartoons provided by an insti-

¹ Judgment of 7 February 1985, Case 173/83 *Commission v France*.

² OJ L 184, 15.7.1975.

³ OJ L 105, 23.4.1983.

⁴ Judgment of 29 January 1985, Case 234/83 *Gesamthochschule Duisberg v Hauptzollamt München Mitte*; Judgment of 7 March 1985, Cases 6 and 30/84 *Firma Nicolet Instrument GmbH v Hauptzollamt Frankfurt/Main*; Judgment of 27 March 1985, Case 4/84 *Goethe Universität v Hauptzollamt Frankfurt/Main*.

⁵ Judgment of 20 March 1985, *Italy v Commission*.

⁶ Decision of 10 December 1982 (82/861), OJ L 360, 21.12.1982.

⁷ Judgment of 13 February 1985, Case 267/83 *Diatta v Land Berlin*.

⁸ OJ L 257, 19.10.1968.

⁹ *Gravier v City of Liège*; compare also the judgment of 13 July 1983 in Case 152/82 *Forcheri v Etat Belge*.

tution of advanced artistic education where that institution prepares students for a qualification for a particular profession, trade or employment or provides them with skills necessary for such profession, trade or employment.

The court gave the following justification for the application in this case of the rule prohibiting discrimination on grounds of nationality imposed by Article 7 of the Treaty:

(i) whilst the organization of education and educational policy do not as such form one of the matters falling within Community competence, access to and participation in educational courses and apprenticeship, especially as regards vocational training, were not matters lying outside the scope of Community law;

(ii) the common policy of vocational training referred to in Article 128 of the Treaty constitutes an indispensable factor in the activities of the Community;

(iii) access to vocational training is likely to encourage freedom of movement of persons by enabling them to obtain a qualification in the Member State where they intend to work and giving them an opportunity of completing their training and developing their special talents in the Member State whose vocational training covered the appropriate specialization. The Court also considered that the conditions of access to vocational training fall within the field of application of the Treaty, so that the rules imposed by Article 7 of the Treaty could properly be applied in this case.

2.4.18. In Cases 249/83 and 122/84, in which judgment was given on 27 March,¹ the Court held that the 'minimum means of subsistence' established by the Belgian Law of 7 August 1974 cannot be classified under any of the branches of social security listed in Article 4 of Regulation No 1408/71 of 14 July 1971,² but does constitute a 'social advantage' within the meaning of Regulation No 1612/68 of 15 October 1968³ relating to freedom of movement for workers within the Community.

The benefit in question must therefore, if the rule of non-discrimination between workers of different nationalities is not to be infringed, be granted to Community nationals established in Belgium on the same conditions as it is to Belgian nationals. In particular it cannot, in the case of non-Belgian nationals, be made conditional on a requirement of residence in Belgium for at least five years, where this requirement is not imposed on Belgian nationals.

2.4.19. By judgment of 28 March in Case 275/83,⁴ national rules imposing deductions by way of contribution on statutory pensions for old age, retirement and survivorship were held contrary to Community law (Article 33 of Regulation No 1408/71 of 14 June 1971 on the application of social security schemes for migrant workers²) when these pensions are paid to Community nationals who, because they reside in another Member State, are not entitled to sickness or maternity benefits from the institution of the Member State making the deductions, and the benefit of the deductions is paid to that institution.

2.4.20. In three cases involving preliminary rulings, Cases 135/83, 179/83 and 186/83,⁵ the Court was called upon to rule on the question whether Article 1(1) of Council Directive 77/187 of 14 February 1977⁶ on the approximation of the laws of the Member States relating to the safeguarding of employees' rights in the event of transfer of undertakings, businesses or parts of businesses⁷ also covered the situation where the transferor of the business was bankrupt

¹ *Hoeckx v Social Welfare Centre, Kalmthout; Scrijver v Social Welfare Centre, Chastre.*

² OJ L 149, 5.7.1971.

³ OJ L 257, 19.10.1968.

⁴ *Commission v Kingdom of Belgium.*

⁵ Judgment of 7 February 1985, *Abels v Bedrijfsvereniging voor de Metaalindustrie en Electrotechnische Industrie; Industriebond FNV and Others v The State of the Netherlands; Botzen and Others v Rotterdamsche Droogdok Maatschappij BV.*

⁶ OJ L 61, 5.3.1977.

⁷ Under this provision the Directive applies to 'the transfer of an undertaking, business or part of a business to another employer as a result of a legal transfer or merger'.

or had been granted leave to suspend his payments. The Court ruled that this provision does not apply to the transfer of an undertaking, business or part of a business in a situation where the transferor has been declared bankrupt and the undertaking or business forms part of the assets in the bankruptcy, although the Member States are at liberty to apply the principles of the Directive to such a transfer on their own initiative. The Directive does however apply where an undertaking, business or part of a business is transferred to another employer in the context of a procedure such as the suspension of payment of debts by judicial order.

2.4.21. In Case 284/83,¹ decided on 12 February, it was held that the termination by workers of their employment contract following a declaration by the employer that he was suspending payments cannot be treated as a collective redundancy imposed by the employer within the meaning of Council Directive 75/129 of 17 February 1975² on the approximation of the laws of the Member States relating to collective redundancies. The Court held that this Directive is applicable only where the employer is actually contemplating collective redundancies or has drawn up a plan for collective redundancies.

2.4.22. In its judgment of 28 March in Case 215/83³ the Court held that the present state of Belgian legislation does not fully meet the requirements of the Directive of 17 February 1975.² First, the protection of workers envisaged by the Directive is not guaranteed with a sufficient degree of legal certainty when redundancies are the consequence of the closure of an undertaking such closures remaining subject to specific national rules. Secondly, Belgian law incorrectly withholds this protection from certain categories of workers outside the exceptions exhaustively listed in the Directive.

Equal treatment for men and women

2.4.23. According to Article 1 of Council Directive 75/117⁴ of 10 February 1975 on

the approximation of the laws of the Member States relating to the application of the principle of equal pay for men and women, this principle implies the elimination of all discrimination based on sex in relation to all the elements and conditions of remuneration for the same work or work to which equal value is attributed.

On 30 January in Case 143/83⁵ the Court held a national law inconsistent with this provision since, while it ensured equal pay 'for the same work'. The Court accepted that in relation to this latter type of work the principle was ensured in the context of collective agreements at national level, but pointed out that not all workers are organized and some may work in a sector not subject to a collective agreement. Whilst it was true that the Member States could leave the task of achieving the principle of equal pay primarily to the two sides of industry, they were not thereby relieved of the obligation of ensuring, by means of appropriate national rules, that all workers benefit from the protection envisaged by the Directive to its full extent, and particularly in cases where no effective protection is otherwise ensured.

Transport

2.4.24. In Joined Cases 91 and 92/84⁶ the Court interpreted one of the exceptions to the provisions of Council Regulation No 543/69 of 25 March 1969 on the harmonization of certain social legislation relating to road transport.⁷ The exception (in Article 14a(2)(c)) concerns the carriage of live animals from a farm to and from local markets. The Court ruled that in this context 'local market' must be understood as meaning 'the market which, having regard to geographical circumstances, is the nearest to a particular farm and at which it is possible

¹ *Dansk Metalarbejderforbund v Nielsen*.

² OJ L 48, 22.2.1985.

³ *Commission v Kingdom of Belgium*.

⁴ OJ L 45, 19.2.1975.

⁵ *Commission v Kingdom of Denmark*.

⁶ *Director of Public Prosecutions v Sidney Hackett Ltd*.

⁷ OJ L 77, 29.3.1969; OJ L334, 24.12.1977.

to buy or sell, as the case may be, according to the needs of normal, average-sized farms which may be considered typical of the area in question.'

2.4.25. In Case 2/84¹ the Court interpreted Council Directive 75/130² of 17 February 1975 on the establishment of common rules for certain types of combined road/rail carriage of goods between Member States. It held that the Italian Republic had failed to fulfil its obligations under this Directive by requiring transport authorization for road vehicles registered in the Federal Republic of Germany and sent to Italy by rail to Lugano, where this is the nearest suitable rail unloading station to the point of unloading of the goods and the haulier can prove the distance covered by rail in accordance with the provisions of Article 3 of the Directive. The Court thus upheld the Commission's view that this Directive liberalizing combined road/rail carriage of goods between Member States applies also to carriage between Member States involving transit through a non-member country, where the nearest station to the point of unloading is on the territory of the non-member country.

Environment

2.4.26. Environmental questions form the subject of the Court judgment of 7 February³ concerning the application of the Directive of 16 June 1975⁴ on the disposal of waste oils. The arrangements provided for by this Directive involve a certain number of restrictions on those holding, collecting and disposing of waste oils: requirement of prior approval for those disposing of waste oil, assignment of zones to undertakings collecting waste oils. The Court was asked whether these requirements were compatible with the principles of freedom of trade, free movement of goods and free competition; it replied that the Directive was valid. The Court emphasized that the objective justifying these requirements was a matter of general interest and recognized the protection of the environment as 'one

of the essential objectives of the Community'. It also drew attention to the care taken in the Directive to ensure observation of the principles of proportionality and non-discrimination whenever restrictions appeared necessary.

The Court also recognized that national rules prohibiting the burning of waste oils as a fuel in small installations were compatible with the Directive.

ECSC

2.4.27. In *Nuovo Campsider v Commission*⁵ a request was made for an interim measure ordering the Commission to ensure that the exports of scrap metal to third countries were blocked at the level of 450 000 tonnes per month in order to ensure the supply of scrap metal to Italian electric steel works. By Order of 6 March 1985 the President of the Court rejected the request for interim measures. The Order points out that the Commission is required to act under Article 59 of the ECSC Treaty whenever Community undertakings are confronted with a serious shortage and indirect means are not sufficient to deal with it. Whilst recognizing that a state of serious shortage has not yet come about, the Order states that this situation would arise if the price for scrap metal were to reach such a level that a significant part of Community industry was no longer able to pay the price asked.

Composition of chambers

2.4.28. Since 16 January last, the chambers of the Court of Justice have been made up as follows:

First Chamber

G. Bosco, President of Chamber;
R. Joliet and T.F. O'Higgins (who has replaced A. O'Keefe), judges.

¹ Judgment of 28 March 1985, *Commission v Italian Republic*.

² OJ L 48, 22.2.1975.

³ Case 240/83 *Procureur de la République v Association de défense des brûleurs d'huiles usagées*.

⁴ OJ L 194, 23.7.1975.

⁵ Judgment of 6 March 1985, Case 25/85 R.

Second Chamber

O. Due, President of Chamber;
P. Pescatore and K. Bahlmann, judges.

Third Chamber

C. Kakouris, President of Chamber;
U. Everling and Y. Galmot, judges.

Fourth Chamber

G. Bosco, President of Chamber;
P. Pescatore, T. Koopmans, K. Bahlmann
and T.F. O'Higgins, judges.

Fifth Chamber

O. Due, President of Chamber;
C. Kakouris, U. Everling, Y. Galmot and
R. Joliet, judges.

2.4.29. New cases

Case	Subject	Basis
ESCS — Steel		
81/85 Usinor SA v Commission	Annulment of the Commission Decision of 20 February 1985 notifying the applicant of production quotas granted for the first quarter of 1985	Article 33 ECSC
99/85 Alphasteel Ltd v Commission ¹	Annulment of the Commission Decision of 18 March 1985 notifying the applicant of production quotas granted for the second quarter of 1985	Article 33 ECSC
193/85 Stahlewerke Peine-Salzgitter AG v Commission ²	Commission's failure to act on a letter from the applicant asking for adjustment of its quotas for the first quarter of 1985	Article 33 ECSC
115/85 Cockerill-Sambre SA v Commission ³	Annulment of the Commission Decision of 22 March 1985 concerning a request for adjustment of production quotas for the first quarter of 1985	Article 33 ECSC
120/85 Cockerill-Sambre SA v Commission ³	Annulment of the Commission Decision of 29 March 1985 notifying the applicant of production quotas granted for the second quarter of 1985	Article 33 ECSC
Free movement of goods		
80/85 1. Nederlandse Bakkerij Stichting; 2. Dam and Others V Edah BV ⁴	Are national rules setting a minimum retail price for a product (in this case bread) contrary to Articles 7 and 30 EEC?	Article 177 EEC
87 and 88/85 Société Coopérative des Laboratoires de Pharmacie Legia v Minister for Health ⁴	Is national legislation requiring an importer of medicinal products based in another Member State to maintain premises and technical equipment in the Member State of import, even though he possesses such facilities in his home State, contrary to Article 30 EEC and the Second Directive (75/319/EEC)?	Article 177 EEC
Customs union		
65/85 HZA Hamburg-Ericus v Van Houten International GmbH	In the case of so-called <i>Ankunftsverträge</i> ('arrival contracts'), do the costs of establishing the weight on arrival also form part of the transaction value if those costs are to be borne by the buyer?	Article 177 EEC

Case	Subject	Basis
Freedom of establishment and freedom to provide services		
79/85 Segers v Bestuur van de Bedrijfsvereniging voor Bank- en Verzekeringswezen, Groot-handel en Vrije Beroepen ⁴	Is a distinction drawn for purpose of sickness insurance between the director and large shareholder of a private limited company incorporated under Dutch law, and a director and large shareholder of a private limited company incorporated under the laws of another Member State but conducting business only in Netherlands, compatible with Community law, in particular Articles 52, 58, 60 and 66 EEC and Regulation 1408/71?	Article 177 EEC
98/85 Bertini and Bisignani v Regione Lazio and Unità Sanitaria Locale RM 30 and Unità Sanitaria Locale LT 4 ¹	Do Articles 3(c) and Article 57(3) EEC require all the Member States to lay down certain conditions for admission to medical studies?	Article 177 EEC
Taxation		
73/85 Kerrutt v Finanzamt Mönchengladbach-Mitte	Which provisions of the Sixth VAT Directive (77/388/EEC) apply to a 'parcel' of contracts for the sale of a plot of land and the erection of a building? Is double taxation (in this case VAT and tax on the acquisition of real property) compatible with Community law?	Article 177 EEC
Competition		
89/85 Ahlström Oy and Others v Commission ²	Annulment of Decision 85/202/EEC relating to a proceeding under Article 85 EEC, which found among other things that by concerting on wood pulp prices the applicants had infringed Article 85(1) EEC	Article 173 EEC
104/85 Bowater Inc. v Commission	Annulment of the same Decision 85/202/EEC insofar as it concerns the applicant	Article 173 EEC
114/85 Pulp, Paper and Paperboard Export Association of the United States (KEA) and Others v Commission	Annulment of Article 1(1) to (3), Article 2 and Article 3 of the same Decision 85/202/EEC	Article 173 EEC
116/85 St Anne-Nackawick Pulp and Paper Company Ltd v Commission	Annulment of Article 1(1), (4) and (5) of the same Decision 85/202/EEC insofar as it concerns the applicant	Article 173 EEC
117/85 International Pulp Sales Company v Commission	Annulment of Article 1(1) to (3) of the same Decision 85/202/EEC insofar as it concerns the applicant	Article 173 EEC
Social policy		
71/85 Staat der Nederlanden v Federatie Nederlandse Vakbeweging (FNV) ⁴	Interpretation of Directive 79/7/EEC, on equal treatment for men and women, in relation to Dutch legislation on unemployment benefit which denies entitlement to benefit to married women who are not heads of household or permanently living apart from their husbands	Article 177 EEC

Case	Subject	Basis
84/85 United Kingdom v Commission ⁵	Annulment of the Decision of 19 December 1984, concerning applications by the United Kingdom for ESF assistance, insofar as that Decision purports to reduce grants from the ESF to the United Kingdom in respect of measures for young people under 25	Article 177 EEC
Free movement of workers		
66/86 Lawrie-Blum v Land Baden-Württemberg, represented by the Oberschulamt, Stuttgart	Do Article 48 EEC and Regulation 1612/68 give a national of another Member State (in this case married to a national) the right to be appointed a trainee teacher, where a traineeship is necessary in order to obtain a teaching qualification, but trainees have civil service status and must therefore in principle be nationals of the Member State concerned?	Article 177 EEC
Agriculture		
69/85 Wünsche Handelsgesellschaft mbH & Co. v the Federal Republic of Germany, represented by the Bundesamt für Ernährung und Forstwirtschaft	Compliance of the judgment in Case 345/82 with general principles of law, in particular the right to a fair hearing (in this case concerning the accuracy of the statistics used by the Commission)	Article 177 EEC
97/85 and 97/85 R Union Deutsche Lebensmittelwerke GmbH and Others v Commission ²	Annulment of the Commission Decision of 25 February 1985 on the implementation of butter promotion measures on the Berlin (West) market, and suspension of the application of the Decision until the Court has given judgment in the main action	Articles 173 and 185 EEC
Commercial policy		
82 and 83/85 , 82/85 R and 83/85 R Eurasian Corporation Ltd v Commission ⁶	Annulment of two (telexed) Commission Decisions of 22 and 25 March respectively, refusing requests that the Commission should approach the Thai authorities with a view to the issue of export certificates in respect of excess quantities of tapioca on the grounds that part of the tapioca is stored in a warehouse for forwarding to Portugal; application for order requiring the Commission to make such approaches at once	Articles 173 and 186 EEC
90/85 Handelsonderneming J. Mikx BV v Minister van Economische Zaken ⁶	Does Regulation 3420/83 restrict imports of shot-cartridges intended for target shooting but suitable for hunting?	Article 177 EEC
Administrative questions		
64/85 Watgen v Caisse de Pension des Employés Privés	Compatibility of the rules governing the transfer of pension rights laid down in Luxembourg legislation with Article 11(2) of Annex VIII to the Staff Regulations; direct applicability of that provision	Article 177 EEC

Case	Subject	Basis
Miscellaneous		
78/85 Group of the European Right v European Parliament ⁴	Annulment of the decision of the President of the European Parliament dated 28 September 1984 setting up a 'Committee of Inquiry into the Rise of Fascism and Racism in Europe'	Article 173 EEC
Infringements		
85/85 Commission v Belgium ⁴	Tax on residences other than the principal residence: Article 12(b) of the Protocol on the Privileges and Immunities of the European Communities and Articles 5 and 7 EEC	Article 169 EEC
93/85 Commission v United Kingdom ¹	Refusal to pay interest following delay in entering own resources: Article 10(2), first subparagraph, and Article 11 of Regulation 2891/77	Article 169 EEC
96/85 Commission v France ¹	Second practice as a doctor or dentist: Articles 48, 52 and 59 EEC	Article 169 EEC
100/85 Commission v Belgium ⁶	Incomplete transposal of the Nurses Directives, 77/452/EEC and 77/453/EEC	Article 169 EEC
101/85 Commission v Luxembourg ⁶	Prohibition on the importation and sale of milk substitutes: Article 30 EEC	Article 169 EEC
118/85 Commission v Italy	Directive 80/723/EEC on the transparency of financial relations between Member States and public undertakings	Article 169 EEC
124/85 Commission v Greece	Restriction of fresh beef and veal imports to certain cuts only: Article 22(1) of Regulation 805/68	Article 169 EEC

Disputes between the Community and its staff

v Commission:

77/85 Rawes v Commission

91/85 Christ *née* Clemen and Others v Commission⁵ — Annulment of the salary statements of temporary staff paid from the research appropriations

122/85 Totaro v Commission

v Court of Justice: 92/85 Hamai v Court of Justice⁵

v Economic and Social Committee: 94 and 95/85 Polenz v Economic and Social Committee¹

¹ OJ C 116, 10.5.1985.

² OJ C 127, 24.5.1985.

³ OJ C 130, 29.5.1985.

⁴ OJ C 110, 4.5.1985.

⁵ OJ C 112, 7.5.1985.

⁶ OJ C 119, 14.5.1985.

2.4.30. Judgments

Date and case	Held
Commercial policy 22.4.1985: 82/85 R and 83/85 R Eurasian Corporation Ltd v Commission	The interim measures sought are refused
Infringements 25.4.1985: 207/83 Commission v United Kingdom ¹	By prohibiting the retail sale of certain goods imported from other Member States unless they are marked with or accompanied by an indication of origin the United Kingdom has failed to fulfil an obligation incumbent on it under Article 30 EEC

Disputes between the Community and its staff

v Court of Auditors

21.3.1985: 108/84 De Santis v Court of Auditors — Judgment for the applicant v Council

27.3.1985: 12/84 Kypreos v Council — Application dismissed

Orders for removal from the Court Register

25.3.1985: 109/81 and 111 and 112/82 — Pace *née* Porta and Stein v Commission¹ OJ C 124, 21.5.1985.

Economic and Social Committee

226th plenary session

2.4.31. The Economic and Social Committee held its 226th plenary session on 24 and 25 April. It was chaired by Mr Gerd Muhr, Chairman of the Committee. The session was marked by the presence of Mr Pflimlin, President of the European Parliament. In his welcoming speech, Mr Muhr congratulated Parliament on having launched the idea of what might be called a new European constitution—the European Union.

Mr Pflimlin made a rapid survey of recent developments in the Community. Speaking of the Dooge Committee, he said 'This report echoes the European Parliament's

views on the need for a new treaty establishing a European Union. ... Firstly, there is consensus on the need to grant the European Parliament at least some legislative power, in order to make controls more democratic; the Economic and Social Committee would play a useful part in this.'

Opinions on Commission proposals, communications and reports

2.4.32. The Committee adopted unanimously an opinion on the proposal for a Council Directive on the easing of controls and formalities applicable to nationals of the Member States when crossing intra-Community borders.¹

¹ OJ C 47, 19.2.1985; Bull. EC 12-1984, point 2.1.9.

The Committee welcomed the determination shown to abolish police and customs checks, with a standardization of regulations at the Community's internal borders, including a further improvement in the most advanced positions reached under bilateral treaties. Such improvements, it was stressed, must be brought in not only at road and rail crossings, but also at various airports in the Member States. The Committee also underlined the need for a more rapid introduction of the European passport; in a number of Member States there already appeared to have been a deplorable delay, given that the date set was 1 January 1985.

The Committee also pointed out that some Member States believed they could resolve their monetary problems by imposing exchange controls on travellers. Such controls, whose legal basis was challenged, were administered by the customs authorities. They were prejudicial to the free movement of persons. The Committee therefore considered it vital, if this major difficulty was to be removed, to strengthen European monetary solidarity and to move further along the road towards a common currency.

In connection with the control of non-commercial goods carried by travellers, further tax harmonization and an increase in the value and quantity of duty-free allowances were desirable.

Finally, the Committee expressed surprise that the proposal for a Directive considers the problem of checks at the Community's external frontiers only in the explanatory memorandum, and does not put forward practical measures.

2.4.33. The Committee adopted an opinion on the Commission communication, accompanied by a draft resolution, on a new approach to technical harmonization and standards by 52 votes to 39 with one abstention.¹

The Committee approved the new approach to overcoming the difficulties involved in removing technical barriers to trade. The system proposed by the Commission should

allow a reduction in the number of unduly detailed 'product-by-product' directives. This was considered of vital importance for the creation of a genuine market.

The Committee also felt that where consumers' and/or workers' interests were at stake in the laying down of standards, representatives of these groups should be effectively involved in decision-making by the European Committee for Standardization and the European Committee for Electro-technical Standardization.

It stressed, however, that the new strategy should not lead to a jettisoning of the old approach, which had achieved satisfactory standardization results in such areas as motor vehicles, metrology and electrical products.

The Committee felt that the Commission's new approach would require adoption by the Council of directives to establish a general safety policy for products placed on the market or used within firms. It called on the Commission to consider what steps to take against non-member countries which take unfair advantage, without offering reciprocity, of the scope for penetrating the Community market offered by intra-EEC standardization.

The Workers' Group, which voted against the opinion, issued a minority statement explaining their opposition by the fact that their call for the creation by the Community of a tripartite standards body for preparing draft security standards had been rejected. The Group nevertheless supported the principles of technical harmonization and standards.

2.4.34. The Committee unanimously adopted an opinion on the proposal for a Council Directive on the approximation of the laws of the Member States relating to roll-over protection structures incorporating two pillars and mounted in front of the driver's seat on narrow-tracked wheeled agricultural or forestry tractors.² It

¹ Bull. EC 1-1985, point 1.3.1 *et seq.*

² Bull. EC 11-1984, point 2.1.10.

endorsed the principles set out in this proposal, which seeks to improve the safety of narrow-track tractors, which are most prone to lateral tilt.

2.4.35. The Committee adopted almost unanimously two proposals for Regulations in the customs field. The first concerns the amendment of the Regulation of 2 July 1979¹ on the repayment or remission of import or export duties.² The second relates to the entry in the accounts and terms of payments of the amounts of the import duties or export duties resulting from a customs debt.³

It welcomed the first proposal, which would transfer to the Member States the decision-making powers—hitherto exercised by the Commission—concerning the repayment or remission of duties. It endorsed the view that the right to repayment or remission should be forfeited in cases where non-compliance with the procedural requirements is due to serious negligence or deception on the part of the person concerned. It was, however, opposed to the new proposal to cut the amount of repaid or remitted duty by 1% (up to a maximum of 1 000 ECU), arguing that such a measure was not warranted and, what is more, would result in different legal treatment for comparable circumstances.

In the case of the second proposal, the Committee recommended that the proposed provisions and the related provisions on the incurrance of customs debt and on persons liable for payment should be embodied in one regulation instead of three.

2.4.36. The Committee adopted an opinion almost unanimously on the ninth report from the Commission to the Council on the European Regional Development Fund. It took the view that if resources are not to be increased, a means must be found of improving their effectiveness by involving the regions in solving their specific problems and by a clearer identification of objectives and of available sources of financing.

The ninth report shows that an attempt has already been made to do this. However, it

also reveals that per capita aid has sometimes been greater in the non-assisted regions than in assisted regions. This was considered undesirable and an explanation was demanded. It was also seen as unfortunate that nine tenths of aid has been directed to infrastructure, an area in which Member States always concentrate their attention.

2.4.37. The opinion on the proposal for a Council Regulation laying down the conditions for access to the arrangements under the Revised Convention for the Navigation of the Rhine relating to vessels belonging to the Rhine Navigation⁴ was adopted unanimously. The Committee felt it essential that the international Rhine regime and the Central Commission for the Navigation of the Rhine, on the one hand, and the Community and its institutions on the other should coexist harmoniously. It agreed, therefore, that a Community regulation should lay down provisions for the entry into force in all the Member States of the implementing provisions adopted by the CCNR. It pointed out, however, that the terms of the Community regulation must be identical in all respects to the CCNR implementing provisions.

2.4.38. Finally, the Committee adopted unanimously an opinion on the changes to the present arrangements for production refunds on starch and starch products.⁵

In particular, it felt that transitional, compensatory measures were needed for the maize-meal industry and that greater recourse to substitutes should not be allowed to lead to a drop in the use of Community raw materials. It also emphasized that the abolition of the 'equilibrium' premium for potato producers was not adequately offset by application of a coefficient of 1.65 to maize refunds.

In general terms, the Committee took the view that the proposals were fraught with

¹ OJ L 175, 12.7.1979.

² OJ C 22, 24.1.1985; Bull. EC 12-1984, point 2.1.42.

³ OJ C 41, 13.2.1985; Bull. EC 12-1984, point 2.1.40.

⁴ OJ C 48, 20.2.1985; Bull. EC 1-1985, point 2.1.66.

⁵ OJ C 341, 21.12.1984; Bull. EC 11-1984, point 2.1.96.

difficulties and dangers for cereal and potato starch production, and for the food industry and other user industries.

European Investment Bank

Operations in April

2.4.39. In April the European Investment Bank announced loans for investment within the Community totalling 261.5 million ECU¹ — 257.2 million in Italy and 4.3 million in the United Kingdom. Of this total, 63 million ECU was provided from the resources of the new Community borrowing and lending instrument (NCI).² Outside the Community the Bank lent 10 million ECU for investment in Tunisia and 4.75 million to two ACP States, Suriname and Zaire, under the second Lomé Convention.

Community

Italy

2.4.40. Loans of LIT 367 500 million were granted, including LIT 90 000 million under the NCI for projects for introduction of advanced technologies, protection of the environment, support for industrial innovation, in particular in small businesses, and rationalization of energy consumption.

A loan of LIT 100 000 million to Italtel went towards the introduction of advanced technologies in the Mezzogiorno's telecommunications industry. The investment, which involves the modernization of three telecommunications and telematic equipment factories in Abruzzi, Campania and Sicily, is to help convert production to digital systems.

LIT 60 000 million was allocated for investments designed to safeguard Europe's cultural heritage and protect the environment—a loan of LIT 30 000 million to Tuscany will go towards a project designed to avoid a repetition of the 1966 flooding of Florence which damaged many historical

treasures and to rationalize the use of water resources. Specifically, it entails the enlargement of an escape channel on the River Arno and the construction of a dam and a small hydroelectric power station. A loan of LIT 30 000 million to Emilia-Romagna will be used for waste water collection and treatment works in an effort to reduce pollution in the basins of the River Po and several of its tributaries.

A total of LIT 107 500 million went towards industrial innovation and modernization, including two global loans of LIT 60 000 million and 30 000 million from NCI resources to Mediocredito Centrale and the Banca Nazionale del Lavoro for small and medium-sized production schemes in industry and the related services in the centre and north of the country. Loans of LIT 13 000 million were granted to consolidate the textile sector, LIT 8 000 million to Benetton for the modernization of a clothing factory in Veneto and LIT 5 000 million to Gruppo Finanziario Tessile for the reconstruction and modernization of nine clothing factories in Piedmont. Both projects aim at increasing productivity through the introduction of new technologies and materials and greater automation. Lastly, a loan of LIT 45 000 million granted to Sorin Biomedica will go towards the introduction of new product lines and the expansion of production capacity in a plant manufacturing biomedical products in Piedmont.

In the energy field, the Bank granted a global loan of LIT 70 000 million to Banca Nazionale del Lavoro and LIT 30 000 million to Istituto Mobiliare Italiano to finance small and medium-size industrial and infrastructure schemes designed to promote more rational utilization of energy in the centre and north of the country.

United Kingdom

2.4.41. A loan of UKL 2.5 million went towards the construction of a chemical

¹ The conversion rates at 31 December 1984 used by the EIB in statistics for the first quarter of 1985 were: 1 ECU = BFR 44.72, DKR 7.99, DM 2.23, DR 91.04, FF 6.83, HFL 2.52, IRL 0.72, LIT 1 371, LFR 44.72, UKL 0.61, USD 0.71.

² OJ L 298, 25.10.1978; Bull. EC 10-1978, point 2.1.10.

plant by Tolaram Polymers Ltd in Hartlepool in north-east England. The plant will create 64 new jobs in an area of exceptionally high unemployment—about 20%—and in 1986 will start producing polyester chips for use in the group's spinning plants, mainly outside the Community.

Outside the Community

Mediterranean Region

2.4.42. In Tunisia the Bank lent 10 million ECU for small-scale agricultural projects in the form of a global loan to the Banque Nationale de Développement Agricole. The loan, which comes under the Second Financial Protocol between the Community and Tunisia, was made up of 7 million ECU from the Bank's own resources with a 3% interest subsidy from the Community

budget and 3 million ECU on special terms from Community budgetary resources.

ACP States

2.4.43. Under the second Lomé Convention, loans totalling 4 million ECU drawn on risk capital were granted to the Nationale Ontwikkelingsbank (NOB) in Suriname for the financing of small and medium-size projects in industry, agro-industry, mining, tourism and forestry. The Bank granted a further 250 000 ECU, also drawn on risk capital, to NOB to finance technical assistance to undertakings and 500 000 ECU to the Development Bank of the Great Lake States for a feasibility study on the extraction of dissolved methane from the waters of Lake Kivu in Zaire and its potential for use in the cement-making industry in Katana.



PART THREE
DOCUMENTATION

1. ECU

Values in national currencies of one ECU

31 April ¹	
Belgian franc and Luxembourg franc (convertible)	45.0320
Belgian franc and Luxembourg franc (financial)	45.2493
German mark	2.23512
Dutch guilder	2.53353
Pound sterling	0.582452
Danish krone	8.07752
French franc	6.81764
Italian lira	1 429.73
Irish pound	0.714631
Greek drachma	98.5744
United States dollar	0.724279
Swiss franc	1.87117
Spanish peseta	125.373
Swedish krona	6.51489
Norwegian krone	6.46057
Canadian dollar	0.989365
Portuguese escudo	126.749
Austrian schilling	15.7458
Finnish mark	4.67522
Japanese yen	182.048
Australian dollar	1.11428
New Zealand dollar	1.59533

¹ O J C 108, 2.5.1985

NB. Explanatory notes on the ECU and 'green' rates can be found in Bull. EC 7/8-1982, points 3.1.1 to 3.1.3, and Bull. EC 10-1984, point 3.1.1.

Representative rates ('green' rates)

Conversion rates into national currencies for the ECU used in connection with the common agricultural policy

April	
National currency	Value in national currency of one ECU
Belgian franc and Luxembourg franc	44.9008 ¹
	46.4118 ²
Danish krone	8.23400 ¹
	8.41499 ²
German mark	2.39792 ³
	2.41047 ⁴
	2.38516 ²
Greek drachma	77.2479 ¹
	90.5281 ²
French franc	6.93793 ⁴
	6.49211 ¹
	7.10590 ⁵
	6.86866 ²
Irish pound	0.725690 ¹
	0.750110 ²
Italian lira	1 341.00 ¹
	1 432.00 ²
Dutch guilder	2.70178 ³
	2.71620 ⁴
	2.68749 ²
Pound sterling	0.618655

¹ For seeds.

² For other products.

³ For cereals and durum wheat.

⁴ For milk and milk products.

⁵ For pigmeat and wine.

2. Additional references in the Official Journal

3.2.1. This section lists the titles of legal instruments and notices of Community institutions or organs which have appeared in the Official Journal since the last Bulletin was published but relating to items appearing in earlier issues of the Bulletin; the references were not available when the Bulletin went to press.

The number of the Bulletin and the point to which this additional information refers is followed by the title shown on the cover of the Official Journal, the number of the issue and the date of publication.

Bull. EC 12-1984

Point 2.4.22

Special report of the Court of Auditors on the system of aid for liquid skimmed milk used as animal feed

OJ C 91, 12.4.1985

Bull. EC 1-1985

Points 2.4.29 to 2.4.34

Opinions adopted by the Economic and Social Committee during its session on 30 and 31 January

OJ C 87, 9.4.1985

Bull. EC 2-1985

Point 2.1.99

Commission Decision of 13 February 1985 on the preferential tariff charged to glasshouse growers for natural gas in the Netherlands

OJ L 97, 4.4.1985

Point 2.2.3

Proposal for a Council Regulation on the application of the Agreement in the form of an exchange of letters between the European Economic Community and the Portuguese Republic concerning the implementation of specific financial aid for improving agricultural and fisheries structures in Portugal

OJ No C 86, 4.4.1985

Points 2.4.22 to 2.4.25

Opinions adopted by the Economic and Social Committee during its session on 27 and 28 February

OJ C 104, 25.4.1985

3. Infringement procedures

Initiation of proceedings for failure to implement directives

3.3.1. In April the Commission sent letters of formal notice for failure to incorporate directives into national law (the Commission not having been informed of national implementing measures) in the following 16 cases:

Customs union

- Commission Directive of 26 July 1984 fixing standard rates of yield for certain inward processing operations and laying down certain rules for the calculation of import duties¹ (France, Netherlands).

Internal market and industrial affairs

- Council Directive of 19 July 1982 laying down measures to facilitate the effective exercise of the right of establishment and freedom to provide services in hairdressing² (France, Ireland, Luxembourg, Greece).

- Second Council Directive of 13 December 1976 on coordination of safeguards which, for the protection of the interests of members and others, are required by Member States of companies within the meaning of the second paragraph of Article 58 of the Treaty, in respect of the formation of public

¹ OJ L 245, 14.9.1984.

² OJ L 218, 27.7.1982.

limited liability companies and the maintenance and alteration of their capital, with a view to making such safeguards equivalent¹ (Italy).

- Council Directive of 28 September 1981 on the approximation of the laws of the Member States relating to veterinary medicinal products² (Netherlands).

- Council Directive of 28 September 1981 on the approximation of the laws of the Member States relating to analytical, pharmaco-toxicological and clinical standards and protocols in respect of the testing of veterinary medicinal products² (Netherlands).

- Council Directive of 29 June 1982 on measures to facilitate the effective exercise of freedom of establishment and freedom to provide services in respect of activities of self-employed persons in certain services incidental to transport and travel agencies (ISIC Group 718) and in storage and warehousing (ISIC Group 720)³ (Belgium, France, Ireland, Italy, Greece).

Agriculture

- Council Directive of 30 June 1982 concerning certain products used in animal nutrition⁴ (France).

- Forty-first Commission Directive of 19 November 1982⁴ amending the Annexes to the Council Directive of 23 November 1970 concerning additives in feedingstuffs⁵ (France).

- Third Commission Directive of 21 December 1982⁶ amending the Annex to the Council Directive of 23 November 1976 on the marketing of straight feedingstuffs⁷ (France).

- Council Directive of 18 April 1983⁸ on the fixing of guidelines for the assessment of certain products used in animal nutrition (France, Luxembourg).

- Forty-fourth Commission Directive of 29 November 1983⁹ amending the Annexes to the Council Directive of 23 November 1970 concerning additives in feedingstuffs⁵ (France, Luxembourg).

- Commission Directive of 20 December 1983¹⁰ amending the Commission Directives of 18 November 1971,¹¹ 27 April 1972,¹² and 15 June 1978,¹³ establishing Member States methods of analysis for the official control of feedingstuffs (France).

- Council Directive of 19 July 1982¹⁴ amending Annex II to the Council Directive of 23 November 1976 relating to the fixing of maximum levels for pesticide residues in and on fruit and vegetables¹⁵ (France).

- Commission Directive of 12 April 1983¹⁶ establishing exceptions from the Council Directive of 21 December 1976 for certain products which contain other foodstuffs and only a small percentage of meat or meat product¹ (France, Luxembourg).

- Council Directive of 21 December 1982 on the notification of animal diseases within the Community¹⁷ (Luxembourg).

Environment, consumer protection and nuclear safety

- Council Directive of 22 March 1982 on limit values and quality objectives for mercury discharges by the chloralkali electrolysis industry¹⁸ (Ireland).

Reasoned opinions

3.3.2. The Commission delivered 49 reasoned opinions in the following cases:

Customs union

- Failure to incorporate correctly into national law the Commission Directive of 17 December 1981¹⁹ laying down certain provisions for implementing the Council Directive of 24 July 1979 on the harmonization of procedures for the release of goods for free circulation²⁰ (Italy).

Internal market and industrial affairs

- Failure to inform the Commission of national measures to give effect to the Council Directive of 15 July 1980 on the approximation of the laws of the Member States relating to the exploitation and

¹ OJ L 26, 31.1.1977.

² OJ L 317, 6.11.1981.

³ OJ L 213, 21.7.1982.

⁴ OJ L 347, 7.12.1982.

⁵ OJ L 270, 14.12.1970.

⁶ OJ L 383, 31.12.1982.

⁷ OJ L 32, 3.2.1977.

⁸ OJ L 126, 13.5.1983.

⁹ OJ L 350, 13.12.1983.

¹⁰ OJ L 15, 18.1.1984.

¹¹ OJ L 279, 20.12.1971.

¹² OJ L 123, 29.5.1972.

¹³ OJ L 206, 29.7.1978.

¹⁴ OJ L 234, 9.8.1982.

¹⁵ OJ L 340, 9.12.1976.

¹⁶ OJ L 112, 28.4.1983.

¹⁷ OJ L 378, 31.12.1982.

¹⁸ OJ L 81, 27.3.1982.

¹⁹ OJ L 28, 5.2.1982.

²⁰ OJ L 205, 13.8.1979.

marketing of natural mineral waters¹ (Belgium, Ireland, Netherlands).

- Failure to inform the Commission of national measures to give effect to the Council Directive of 30 June 1981² amending for the second time the Council Directive of 17 November 1976 on the approximation of the laws of the Member States concerning fruit juices and certain similar products³ (France).

- Failure to inform the Commission of national measures to give effect to the first Commission Directive of 28 July 1981 laying down Community methods of analysis for verifying that certain additives used in foodstuffs satisfy criteria of purity⁴ (France).

- Failure to inform the Commission of national measures to give effect to the Council Directive of 21 January 1980 concerning the mutual recognition of diplomas, certificates and other evidence of formal qualifications in midwifery and including measures to facilitate the effective exercise of the right of establishment and freedom to provide services⁵ (France, Italy, Luxembourg).

- Failure to incorporate correctly into national law the Council Directive of 21 January 1980 concerning the mutual recognition of diplomas, certificates and other evidence of formal qualifications in midwifery and including measures to facilitate the effective exercise of the right of establishment and freedom to provide services⁵ (Germany, Netherlands).

- Failure to inform the Commission of national measures to give effect to the Council Directive of 21 January 1980 concerning the coordination of provisions laid down by law, regulation or administrative action relating to the taking up and pursuit of the activities of midwives⁵ (France, Italy, Luxembourg).

- Failure to incorporate correctly into national law the Council Directive of 21 January 1980 concerning the coordination of provisions laid down by law, regulation or administrative action relating to the taking up and pursuit of the activities of midwives⁶ (Germany, Netherlands).

- Failure to inform the Commission of national measures to give effect to the Council Directive of 22 December 1980⁷ amending, consequent on the accession of Greece, the Council Directive of 21 January 1980 concerning the mutual recognition of diplomas, certificates and other evidence of formal qualifications in midwifery and including measures to facilitate the effective exercise of the right of establishment and freedom to provide services⁶ (Germany, Italy, Luxembourg).

- Failure to inform the Commission of national measures to give effect to the Council Directive of 16 December 1980 on the approximation of the

laws of the Member States relating to the fuel consumption of motor vehicles⁷ (Belgium).

- Failure to inform the Commission of national measures to give effect to the Council Directive of 16 December 1980 on the approximation of the laws of the Member States relating to the engine power of motor vehicles⁷ (Belgium).

- Failure to inform the Commission of national measures to give effect to the Commission Directive of 15 December 1982⁸ adapting to technical progress the Council Directive of 25 June 1979 on the approximation of the laws of the Member States relating to the roll-over protection structures of wheeled agricultural or forestry tractors (static testing)⁹ (Belgium, Italy).

- Failure to inform the Commission of national measures to give effect to the Commission Directive of 28 March 1983¹⁰ adapting to technical progress the Council Directive of 25 July 1978 on the approximation of the laws of the Member States relating to the driver's seat on wheeled agricultural or forestry tractors¹¹ (Belgium, Italy).

- Failure to inform the Commission of national measures to give effect to the Council Directive of 26 May 1983¹² amending the Council Directive of 27 July 1976 on the approximation of the laws of the Member States relating to the installation of lighting and light-signalling devices on motor vehicles and their trailers¹³ (Belgium, France, United Kingdom).

- Failure to inform the Commission of national measures to give effect to the Council Directive of 16 June 1983¹² amending the Council Directive of 20 March 1970 on the approximation of the laws of the Member States relating to measures to be taken against air pollution by gases from positive-ignition engines of motor vehicles¹⁴ (Belgium, France, United Kingdom).

- Failure to inform the Commission of national measures to give effect to the Council Directive of 7 June 1982¹⁵ adapting to technical progress the Council Directive of 4 November 1976 on the approximation of the laws of the Member States relating to radio interference caused by electrical household appliances, portable tools and similar

¹ OJ L 229, 30.8.1980.

² OJ L 189, 11.7.1981.

³ OJ L 311, 1.2.1975.

⁴ OJ L 257, 10.9.1981.

⁵ OJ L 33, 11.2.1980.

⁶ OJ L 133, 11.2.1980.

⁷ OJ L 357, 31.12.1980.

⁸ OJ L 386, 31.12.1982.

⁹ OJ L 179, 17.7.1979.

¹⁰ OJ L 109, 26.4.1983.

¹¹ OJ L 255, 18.9.1978.

¹² OJ L 151, 9.6.1983.

¹³ OJ L 262, 27.9.1976.

¹⁴ OJ L 76, 6.4.1970.

¹⁵ OJ L 222, 30.7.1982.

equipment¹ (France, United Kingdom, Luxembourg).

- Failure to inform the Commission of national measures to give effect to the Council Directive of 24 July 1979² amending the Council Directive of 4 March 1974 on the approximation of the laws of the Member States relating to the type-approval of wheeled agricultural or forestry tractors³ (Italy).

- Failure to inform the Commission of national measures to give effect to the Council Directive of 24 June 1980 on the approximation of the laws of the Member States relating to the operating space, access to the driving position and the doors and windows of wheeled agricultural or forestry tractors⁴ (Italy).

- Failure to inform the Commission of national measures to give effect to the Commission Directive of 7 June 1982⁵ adapting to technical progress the Council Directive of 4 November 1976 on the approximation of the laws of the Member States relating to the suppression of radio interference with regard to fluorescent lighting luminaires fitted with starters¹ (United Kingdom, Luxembourg).

- Failure to inform the Commission of national measures to give effect to the Commission Directive of 1 July 1982⁶ adapting to technical progress the Council Directive of 4 November 1976 on the approximation of the laws of the Member States relating to electrical energy meters¹ (Luxembourg).

- Failure to incorporate correctly into national law the Council Directive of 22 March 1977 to facilitate the effective exercise by lawyers of freedom to provide services⁷ (Germany).

- Failure to inform the Commission of national measures to give effect to the Council Directive of 28 September 1981 on the approximation of the laws of the Member States relating to veterinary medicinal products⁸ (Ireland).

- Failure to inform the Commission of national measures to give effect to the Council Directive of 28 September 1981 on the approximation of the laws of the Member States relating to analytical, pharmaco-toxicological and clinical standards and protocols in respect of the testing of veterinary medicinal products⁸ (Ireland).

- Rules on the hallmarking of silver-plated articles (failure to implement the judgment of the Court of Justice in Case 220/81 *Robertson* [1982] ECR 2349) (Belgium).

- Laws relating to frontier areas (Greece).

Employment and social affairs

- Discrimination in regard to conditions of employment and working conditions in respect of

workers who are nationals of other Member States employed by the Consiglio Nazionale delle Ricerche (Italy).

Agriculture

- Ban on imports of bananas of Community origin (Greece).

- Supplementary levy on milk and milk products (Italy).

- Restrictions on imports of milk from Germany (Italy).

- Forwarding of hatchery statistics (Italy).

Personnel and administration

- Levying of taxes on secondary residences in the case of officials and other staff of the European Communities (Belgium).

- Transfer of pension rights (Luxembourg).

Environment, consumer protection and nuclear safety

- Failure to inform the Commission of national measures to give effect to the Commission Directive of 23 October 1981⁹ adapting to technical progress for the third time the Council Directive of 23 June 1967 on the approximation of laws, regulations and administrative provisions relating to the classification, packaging and labelling of dangerous substances¹⁰ (Netherlands).

- Failure to inform the Commission of national measures to give effect to the Commission Directive of 25 March 1982¹¹ adapting to technical progress for the fourth time the Council Directive of 27 June 1967 on the approximation of laws, regulations and administrative provisions relating to the classification, packaging and labelling of dangerous substances¹⁰ (Netherlands).

Financial institutions and taxation

- Failure to inform the Commission of national measures to give effect to the Council Directive of

¹ OJ L 336, 4.12.1976.

² OJ L 205, 13.8.1979.

³ OJ L 84, 28.3.1974.

⁴ OJ L 194, 28.7.1980.

⁵ OJ L 222, 30.7.1982.

⁶ OJ L 252, 27.8.1982.

⁷ OJ L 78, 26.3.1977.

⁸ OJ L 317, 6.11.1981.

⁹ OJ L 351, 7.12.1981.

¹⁰ OJ 196, 16.8.1967.

¹¹ OJ L 106, 21.4.1982.

5 March 1979 coordinating the conditions for the admission of securities to official stock exchange listing¹ (Belgium, Germany, Italy, Luxembourg).

- Failure to inform the Commission of national measures to give effect to the Council Directive of 17 March 1980 coordinating the requirements for the drawing up, scrutiny and distribution of the listing particulars to be published for the admission of securities to official stock exchange listing² (Belgium, Germany, Italy, Luxembourg).

- Failure to inform the Commission of national measures to give effect to the Council Directive 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 listing³ (Belgium, Germany, Italy, Luxembourg).

Proceedings terminated

3.3.3. The Commission decided not to continue the following infringement proceedings:

Cases in respect of which a reasoned opinion had been sent

Internal market and industrial affairs

- Monopoly on importing and marketing manufactured tobacco (France).
- Rules on the marketing of margarine (France).
- Ban on importing and manufacturing certain sweets (Italy).
- Temporary security in connection with the award of public supply contracts (Italy).
- Need to submit an application to import cotton yarn originating in Egypt (France).

- Imports of shirts originating in Portugal and released for free circulation (France).

Competition

- Aids to the steel industry (Italy, Germany, United Kingdom, Italy).

Employment and social affairs

- Circular issued by the Belgian Ministry of Education failing to exempt nationals of another Member State who are working in Belgium from payment of students' fees (Belgium).

Agriculture

- Obstacles to imports of Italian wine (France).
- Export certificate for common wheat flour (Greece).

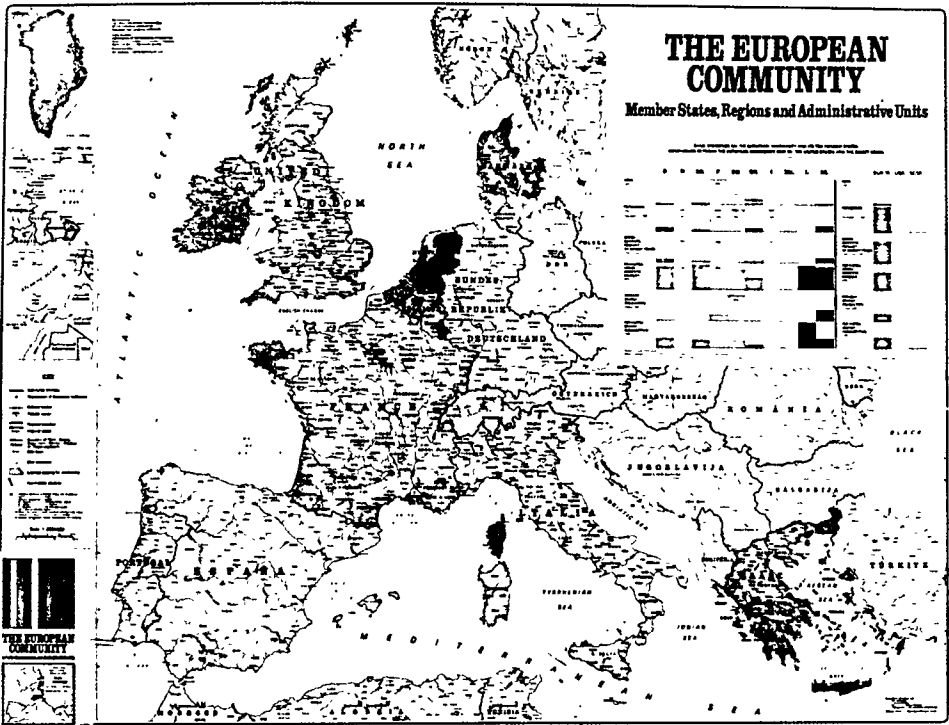
Financial institutions and taxation

- New levy on alcoholic beverages and manufactured tobacco (France).
- Discriminatory taxation of potable spirits through the use, for tax purposes, of the law governing designations of origin (VAT) (Italy).

¹ OJ L 66, 16.3.1979.

² OJ L 100, 17.4.1980.

³ OJ L 48, 20.2.1982.



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