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COUNCIL OF THE EUROPEAN COMMUNITIES GENERAL SECRETARIAT

PRESS RELEASE

5466/92 (Presse 44)

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1563rd Council meeting

- 1 -

- AGRICULTURE -

Brussels, 30 and 31 March 1992

President: Mr Arlindo CUNHA,

Minister for Agriculture of the Portuguese Republic

ard/AM/ac

The Governments of the Member States and the Commission of the European Communities were represented as follows:

Belgium:

Mr André BOURGEOIS Minister for Agriculture Denmark: Mr Laurits TOERNAES Minister for Agriculture Mr Nils BERNSTEIN State Secretary for Agriculture Germany: Federal Minister for Food, Agriculture Mr Ignaz KIECHLE and Forestry Mr Walter KITTEL State Secretary, Federal Ministry of Food, Agriculture and Forestry Greece: Mr Sotirios HATZIGAKIS Minister for Agriculture Spain: Mr Pedro SOLBES MIRA Minister for Agriculture France: Mr Louis MERMAZ Minister for Agriculture Ireland: Mr Joe WALSH Minister for Agriculture

- 2 -

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Italy:						
Mr	Giovanni	GORIA				
Luxembourg:						

Mr René STEICHEN

Netherlands:

Mr Piet BUKMAN

Portugal:

Mr Arlindo CUNHA	Minister for Agriculture
Mr Alvaro AMARO	State Secretary, Ministry of Agriculture
United Kingdom:	
Mr John GUMMER	Minister of Agriculture, Fisheries and Food
Mr David CURRY	Parliamentary Secretary, Agriculture

- 3 -

Viticulture

Fisheries

Minister for Agriculture

Minister for Agriculture and

Minister for Agriculture, Nature Conservation and

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<u>Commission</u>:

Mr Ray MAC SHARRY

Member

DEVELOPMENTS IN AND FUTURE OF THE COMMON AGRICULTURAL POLICY

In the context of the Council's discussions on the reform of the CAP the Presidency and the Commission held a series of bilateral talks with Member States' delegations in order to help find an overall solution.

After these talks, which were very positive and productive, the Council noted that there was a general desire to continue the discussions on reform and agreed to resume its deliberations on the subject at its next meeting.

MILK SECTOR - EXTENSION OF THE QUOTA SYSTEM

Pending definitive conclusions for the milk sector under the reform of the CAP, and given that the current milk quota system ended on 31 March 1992, the Council adopted by qualified majority, and without prejudice to any future measures that might be taken regarding the milk sector under the reform of the CAP, three Regulations extending the current quota system for a further year.

- 4 -

TOBACCO

As the discussions on the revision of the common organization of the tobacco market in connection with the reform of the CAP are still going on, it will not be possible for a decision on such revision to be taken in time for it to be applied as from the beginning of 1992/1993. The Council therefore adopted a number of measures essential for the coming marketing year.

- 5 -

This involved maintaining the maximum guaranteed quantities for each variety and group of varieties at the level of the quantities set for the previous harvest and setting the cut-off (the limit on price and premium reductions where the maximum guaranteed quantity is exceeded), which was raised to 23%.

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GATT

1. The Council noted the Commission's assessment of the latest conclusions of the GATT Soya Panel.

- 6 -

After its discussion the Council established the following guidelines;

- (a) the GATT Panel's latest conclusions could not be accepted;
- (b) the Community support system adopted unanimously by the Council in December 1991 could not be altered and would therefore apply during the 1992/1993 marketing year;
- (c) solutions to the problems at issue could be sought with the trade partners during the Uruguay Round negotiations.
- 2. The Council was briefed by Mr Mac Sharry on the progress of the Uruguay Round negotiations. While confirming its reservations on the agricultural aspects of the draft conclusions put forward by the GATT Director-General, Mr Dunkel, the Council also confirmed the Community's willingness to play a constructive part in further negotiations and to help find an overall solution covering all sectors which were the subject of negotiations.

30/31.III.92 ard/AM/ac

FIXING OF PRICES FOR AGRICULTURAL PRODUCTS AND RELATED MEASURES (1992/1993)

- 7 -

The Council heard an introductory statement by the Commission setting out the broad lines of its price proposals for 1992/1993, which essentially involved renewing the current prices pending a decision on the reform of the CAP.

After an initial exchange of views during which the delegations gave their reactions, the Council instructed the Special Committee on Agriculture to start examining the proposals so that it could continue its discussion at its next meeting.

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The Council extended the 1991/1992 marketing year in the milk and beef-and-veal sectors by two months, until 31 May 1992.

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DROUGHT

The Council established a favourable position on the proposal for a Regulation on the transfer to Portugal of 382 000 tonnes of cereals held by intervention agencies in certain Member States.

The transfer was needed to meet the shortage of feed-grain and common and durum wheat due to the drought in Portugal which had lasted since autumn 1991.

- 8 -

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OTHER DECISIONS CONCERNING AGRICULTURE

The Council adopted:

 a Regulation amending Regulation (EEC) No 3659/90 on products subject to the supplementary trade mechanism during the second stage of Portuguese accession. The amendment deleted milk and cream in small packings from the list of products subject to the supplementary trade mechanism in Portugal, thus facilitating the integration of the Portuguese market into the Community market;

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- a Regulation amending Regulation (EEC) No 790/89 fixing the level of additional flat-rate aid for the formation of producers' organizations and the maximum amount applied to aid for quality and marketing improvement in the nut- and locust bean-growing sector. The aim of this Regulation is to enable the basis for calculating such aid to be altered in the event of unfavourable weather conditons;
- a Regulation amending Regulation (EEC) No 1442/88 on the granting for the 1988/1989 to 1995/1996 wine years of permanent abandonment premiums in respect of wine-growing areas and repealing Regulation (EEC) No 2239/86 on a specific common measure to improve wine-growing structures in Portugal. Under this amendment the Community system for the permanent abandonment of wine-growing areas is extended to Portugal as from the 1991/1992 wine year, although the country will retain the abandonment premiums currently applicable to the undertakings it has already entered into;

30/31.III.92 ard/AM/ac

 a Decision amending Seventh Decision 85/355/EEC on the equivalence of field inspections carried out in third countries on seed-producing crops and Seventh Decision 85/356/EEC on the equivalence of seed produced in third countries. The amendment continues until 30 June 1995 the equivalence measures applicable to Austria as regards maize and to Australia as regards lucerne and sunflower seed and extends equivalence to Morocco.

OTHER MISCELLANEOUS DECISIONS

Relations with Morocco

The Council:

- adopted a Decision on the conclusion of the Agreement in the form of an exchange of letters concerning the temporary extension from 1 March 1992 to 30 April 1992 of the Agreement between the European Econommic Community and the Kingdom of Morocco on relations in the sea fisheries sector and the Protocol annexed thereto;
- at the same time adopted a Regulation opening, allocating and providing for the administration of a Community tariff quota for prepared or preserved sardines originating in Morocco for the period 1 March 1992 to 30 April 1992.

The quota amounts to 3 500 tonnes, of which 20% is divided between certain Member States and 80% forms the Community reserve.

Fisheries policy

The Council adopted:

- a Decision on the conclusion of an Agreement in the form of an Exchange of Letters concerning the provisional application of the Protocol establishing, for the period 1 January 1992 to 30 September 1993, the fishing opportunities and the financial compensation provided for in the Agreement between the European Economic Community and the Government of the People's Republic of Mozambique on fisheries relations;
- a Decision on the conclusion of an Agreement in the form of an Exchange of Letters concerning the provisional application of the Protocol establishing, for the period from 1 January 1992 to 31 December 1993, the fishing rights and the financial compensation provided for in the Agreement between the European Economic Community and the Government of the Republic of Guinea on fishing off the Guinean coast.

Anti-dumping

The Council adopted:

- a Regulation imposing a definitive anti-dumping duty on imports of certain polyester yarns (man-made staple fibres) originating in Taiwan, Indonesia, the People's Republic of China and Turkey and collecting definitively the provisional duty;
- a Regulation amending Regulation (EEC) No 112/90 imposing a definitive anti-dumping duty on imports of certain compact disc players originating in Japan and the Republic of Korea.

30/31.III.92 ard/AM/ac

Appointments

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The Council replaced:

- a member and two alternate members of the Advisory Committee on Education and Training in the field of Architecture;
- a member of the Advisory Committee on Veterinary Training.

INBOUND MESSAGE RECEIVED ON MAR 27 AT 09:39 [ASSIGNED// WRUE0417]
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COMPUTER MESSAGE :

FROM : C.E.C. - G.P.P. TO : C.E. WASHINGTON - WASHINGTON REF : 2087030813 - 27-03-1992 15:22

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DG - BIO

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BRUSSELS, 27 MARS 1992

NOTE BIO(92) 76 AUX BUREAUX NATIONAUX CC.: AUX MEMBRES DU SERVICE DU PORTE PAROLE

CONSEIL AGRICULTURE (BRUXELLES, LES 30 ET 31 MARS 1992) (G. KIELY)

LE CONSEIL DES COMMUNAUTES EUROPEENNES TIENDRA SA 1563E SESSION -AGRICULTURE - LE LUNDI 30 MARS A PARTIR DE 11H ET LE MARDI 31 MARS 1992 AU BATIMENT CHARLEMAGNE A BRUXELLES, SOUS LA PRESIDENCE DE M. ARLINDO CUNHA, MINISTRE DE L'AGRICULTURE DU PORTUGAL.

L'ORDRE DU JOUR DU CONSEIL COMPORTERA LES POINTS SUIVANTS:

EVOLUTION ET AVENIR DE LA POLITIQUE AGRICOLE COMMUNE (DOC. COM(91)258)

AVANT L'OUVERTURE FORMELLE DU CONSEIL LE LUNDI 30 MARS 1992 A 19H LA PRESIDENCE ORGANISERA DANS LA JOURNEE UNE SERIE DE RENCONTRES BILATERALES AFIN D'ETABLIR LA LISTE DES POINTS QUI RESTE LES PLUS DIFFICILES. A PARTIR DE 19H SUR LA BASE DES ENTRETIENS, DES TRAVAUX MENES CES DERNIERES SEMAINES PAR LE GROUPE A HAUT NIVEAU ET DES RESULTAS DES DERNIERS CONSEIL, LES MINISTRES SE REUNIRONT DANS L'IDEE NON PAS DE CONCLURE CETTE FOIS-CI, MAIS DE FAIRE ENCORE PROGRESSER LE DEBAT.

SECTEUR DES PRODUITS LAITIERS:

NCI SAFEFax 03/27/92 09:40 ET REF: WRUE0417 FR:DELEGATION OF EUROPE T0:2024291766

- PROROGATION DU REGIME DES QUOTAS. CE REGIME VIENT A ECHEANCE AU 1ER AVRIL PROCHAIN. DANS SON PROJET DE REFORME DE LA PAC, LA COMMISSION PROPOSE DE LE PROLONGER POUR UNE NOUVELLE PERIODE DE HUIT ANS.

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DANS CE CADRE, ELLE PROPOSE AUSSI UNE REDUCTION DE 30/0 NETS DES QUOTAS EN TROIS TRANCHES EGALES DE 10/0 POUR CHACUNE DES CAMPAGNE

1992/93 A 1994/95 AINSI QUE LA CONSOLIDATION EN REDUCTION DEFINITIVE DE LA SUSPENSION DE 4,50/0 DES QUOTAS PREVUE EN 1997. EN ATTENDANT UNE DECISION DU CONSEIL SUR LA REFORME DE LA PAC LA PROROGATION POUR UNE CAMPAGNE DU REGIME DES QUOTAS LAITIER DEVRAIT ETRE ETUDIEE.

FROPOSITIONS DANS LE SECTEUR DU TABAC POUR LA RECOLTE 1992. (DOC. COM(92)54)

EN ATTENDANT QUE LE CONSEIL SE PRONONCE SUR LA REFORME DE L'ORGANISATION COMMUNE DU MARCHE DU TABAC PROPOSEE PAR LA COMMISSION (DOC. COM(91)339) CELLE CI A PROPOSE DE MAINTENIR LA QUANTITE MAXIMALE GARANTIE, POUR LA RECOLTE 1992 A LEUR NIVEAU DE 1991. ELLE PROPOSE AUSSI DE PORTER DE 150/0 A 300/0 LE BUTOIR (REDUCTION MAXIMALE DU PRIX ET DE LA FRIME QUE PERMET LE MECANISME DE STABILISATION EN CAS DE DEPASSEMENT DE LA QMG).

URUGUAY ROUND - VOLET AGRICOLE

LE CONSEIL PROCEDERA A SON TOUR DE TABLE HABITUEL SUR LES NEGOCIATIONS DU GATT. MR MAC SHARRY FERA ETAT DES CONTACTS QU'IL

A EUS A PARIS LES 26 ET 27 MARS 1992 A L'OCCASION DE LA REUNION MINISTERIELLE DE L'OCDE.

PROPOSITION DE PRIX AGRICOLES 1992/1993 (DOC. COM(92)94)

LA COMMISSION PRESENTERA LES PROPOSITIONS DE PRIX ET MESURES CONNEXES POUR LA CAMPAGNE 1992/93 QU'ELLE A ARRETEES RECEMMENT.

APPROBATION DE LA LISTE DES POINTS 'A' QUI SONT LES 4 POINTS SUIVANTS:

ADOPTION DU REGLEMENT DU CONSEIL MODIFIANT LE REGLEMENT (CEE) NO 3659/90 RELATIF AUX PRODUITS SOUMIS AU MECANISME COMPLEMENTAIRE AUX ECHANGES PENDANT LA DEUXIEME ETAPE DE L'ADHESION DU PORTUGAL. (DOC. COM(92)48)

LA PRESENTE PROPOSITION DE REGLEMENT À POUR OBJET LA SUPPRESSION DE LA LISTE DES PRODUITS SOUMIS AU MECANISME COMPLEMENTAIRE AUX ECHANGES (MCE) AU PORTUGAL DU LAIT ET DE LA CREME DE LAIT EN PETITS EMBALLAGES. CETTE SUPPRESSION DEVRAIT PERMETTRE UNE MEILLEURE INTEGRATION AU MARCHE COMMUNAUTAIRE EN CE QUI CONCERNE LES ECHANGES AVEC LE PORTUGAL DES PRODUITS EN CAUSE.

ADOPTION DU REGLEMENT DU CONSEIL MODIFIANT LE REGL. (CEE) NO 790/89 FIXANT LE MONTANT DE L'AIDE SUPPLEMENTAIRE FORFAITAIRE A LA CONSTITUTION D'ORGANISATIONS DE PRODUCTEURS AINSI QUE LE MONTANT MAXIMAL DE L'AIDE A L'AMELIORATION DE LA QUALITE ET DE LA COMMERCIALISATION DANS LE SECTEUR DES FRUITS A COQUE ET DES CAROUBES. (DOC. COM(92)2)

CE REGLEMENT VISE A MODIFIER LA BASE DE CALCUL DE L'AIDE AU

DEMARRAGE DES ORGANISATIONS DE PRODUCTEURS CONSTITUEES EN 1991. EN EFFET, SUR LA BASE DE LA REGLEMENTATION ACTUELLE, CES ORGANISATIONS AURAIENT RECU UNE AIDE PARTICULIEREMENT BASSE ETANT DONNE QUE LA QUANTITIE COMMERCIALISEE EN 1991 - PREMIERE ANNEE DEPUIS LA CONSTITUTION ET EN CONSEQUENCE BASE DE CALCUL DE L'AIDE - A ETE TRES FAIBLE EN RAISON D'UNE MAUVAISE RECOLTE. POUR CETTE RAISON, LA COMMISSION PROPOSE DE PREVOIR, AU CHOIX DES ORGANISATIONS, LA PREMIERE OU LA SECONDE CAMPAGNE DE COMMERCIALISATION SUIVANT LA DATE DE LA RECONNAISSANCE.

ADOPTION DU REGLEMENT DU CONSEIL MODIFIANT LE REGLEMENT (CEE) NO 1442/88 RELATIF A L'OCTROI, POUR LES CAMPAGNES VITICOLES 1988/89 A 1995/96, DE PRIMES D'ABANDON DEFINITIF DE SUPERFICIES VITICOLES (DOC. COM(92)49)

LE PRESENT REGLEMENT A POUR BUT DE COMPTABILISER AU FEOGA-GARANTIE TOUS LES RELIQUATS DES ANCIENNES CAMPAGNES.

ADOFTION DE LA DECISION DU CONSEIL MODIFIANT LA DECISION 85/355/CEE CONCERNANT L'EQUIVALENCE DES INSPECTIONS SUR PIED DES CULTURES PRODUCTRICES DE SEMENCES EFFECTUEES DANS DES PAYS TIERS, AINSI QUE LA DECISION 85/356/CEE CONCERNANT L'EQUIVALENCE DES SEMENCES PRODUITS DANS DES PAYS TIERS. (DOC. COM(92)74)

LA PRESENTE PROPOSITION PREVOIT UNE PROROGATION DE LA PERIODE D'EQUIVALENCE APPLICABLE A L'AUTRICHE POUR LE MAIS ET A L'AUSTRALIE POUR LA LUZERNE ET LE TOURNESOL JUSQ'AU 30 JUIN 1995. POUR LE MAROC ELLE DONNE L'EQUIVALENCE EN CE QUI CONCERNE DES ESPECES VARIEES.

AMITIES,

B. DETHOMAS

SENT BY SPP AT : FRI MAR 27 12:47:34 MET 1992

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NO D ACCES	:	53982
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VARIANT	:	1
TITRE	:	AGRICULTURAL COUNCIL OF 30/31 MARCH 1992
DATE DU DOCUMENT	:	92/03/31
LANGUE	:	EN
PARTIE ENCODEE	:	FULL

Prior to the Council meeting the Presidency and the Commission met with each Minister individually principally on CAP reform to establish Ministers' willingness to reach conclusions in the near future and to determine the main demands of Ministers. The general reactions to these bilaterals is that progress was made and Ministers are prepared to make a serious effort to conclude the discussions. It is not yet clear whether the Presidency intends to push for an agreement at the next Council. There will be a short CAP Reform discussion Tuesday. Milk:

As the milk quota regime is due to expire at the end of March the Commission asked the Council to take a decision to extend the present arrangements for 1 year. This extension however, would be without prejudice to any decision on the quota that may be taken in the context of CAP reform, including the 1% global reduction in 1992, the question of compensation for the 4.5% quota suspension, as well as the demand of some countries for adaptations to the quota.

In introducing the proposal Mr Mac Sharry was emphatic on the above and urged the Council to take action to avoid complications at a later date. The quota regime he said with its complexities is a "gold mine" for lawyers and the Council should avoid opening up new problems by introducing further legal uncertainties and complexities.

The Ministers adopted the proposals i.e. extension of the existing quota situation until 31.3.1993, on the basis that it does not prejudice future decision on the quota.

Tobacco:

In view of the fact that the Council has not taken a decision on CAP reform the Commission believed it necessary for legal reasons to make interim proposals i.e. maintain existing MGQs and increase the penalty limit for exceeding the MGQ from 15% to 30%.

In urging the Council to accept the proposal Mr Mac Sharry pointed out that

- the tobacco regime costs 400 ECU/ha and globally has doubled in cost in a few years.
- in some cases the MGQ has been exceeded by 1000%, due to the inadequate level of the penalty.
- the proposal was in the interest of the genuine producer and would hit those producing for speculative reasons.
- recognises that Ministers from producing countries have some technical questions they wish to have addressed but believes that these are questions for the CAP reform discussion.
- pointed out to Ministers from the main producing countries that the principle of support for the tobacco regime was coming under serious pressure and it was in their producers interests' that order be put into the regime.

Council agreed to extend the maximum guaranteed quantities unchanged and

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to increase the penalty for exceeding the MGQ to 23% (from 15% at present).

Marketing year:

On a proposal from the Commission the Council decided to prolong the marketing years for milk and beef until the end of May (would normally expire on April 1st and 6th respectively). It should be noted that the Parliament will not give its opinion on the price package until its May session - therefore it is not possible for Council to take a final position on prices before May.

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NO D ACCES : 53997 NUMERO DE DOCUMENT: BIO/92/76 VARIANT : 2 TITRE : AGRICULTURAL COUNCIL OF 30/31 MARCH 1992 DATE DU DOCUMENT : 92/03/31 LANGUE : EN PARTIE ENCODEE : FULL

CAP Reform:

The Council resumed this morning with a brief discussion on CAP reform. Commenting on Monday's bilateral meetings on reform, Mr Mac Sharry said that he was very pleased with the discussions and that the reform process has taken a substantial step forward. This view was shared by the Presidency who indicated that a document may be presented at the next Council which would reflect the views expressed in the bilaterls. He felt that the next step in the negotiations would be a major one.

During the bilaterals, nine Ministers showed a clear willingness to reach conclusions soon - a number indicated that June 1st is the latest deadline.

Only one Minister raised the question of principles again. During the brief discussion in Council on Tuesday those Ministers who spoke endorsed the above position pointing out that enough discussion has now taken place on reform and that it is time to take decisions.

It is clear from today's discussion that the negotiations have now entered the final phase - conclusions could be reached at the next Council or the following one.

Portuguese Drought:

Commissioner Mac Sharry presented a proposal to make 382,000 tonnes of intervention cereals available for sale on the Portuguese market to help ameliorate the serious situation caused by the drought there. This will be available to the Portuguese intervention agency by May 1st. The resale price on the Portuguese market will be decided by the Management Committee.

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END OF DOCUMENT REACHED



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NOTE BIO (92) 76 (suite 3) AUX BUREAUX NATIONAUX CC: AUX MEMBRES DU SERVICE DU PORTE PAROLE

Council of Agricultural Ministers, Brussels, 31 March 1992 (G. Kiely)

GATT/Soya Panel

Ministers discussed these points over lunch. For the record Ministers had a further discussion during the formal session. Summarising the discussion the Presidency said that:

- the soya panel is a political issue and should de dealt with in a political manner;
- that the Council is unanimous in describing the panel's conclusions as unacceptable;
- that the conclusions are based on principles in the Dunkel document of December which have not been accepted by the Community;
- that there is no question of the present regime being changed this year i.e. present arrangements will apply, at least for the next harvest.

On the Uruguay Round Mr Mac Sharry informed the Ministers of the high level bilaterals between the EC and the US and his meeting with US Secretary Madigan, pointing out that some progress was being made, but that no major breakthrough was in sight.

The Council, according to the Presidency's summary, reiterated its unanimous opposition to the Dunkel proposal and urged the Commission to continue to endeavour to advance the discussions.

Price Package:

Mr Mac Sharry presented the price proposals for 1992/93 to the Council, emphasising that the Commission had chosen a roll-over of existing mechanisms merely to avoid interfering with the CAP reform discussions. In the absence of reform and given the structural imbalance on the markets, the situation would demand a much more penal price package than proposed but he believed that a conclusion to reform is in sight and therefore has proposed a roll-over.

In their initial reactions, all Ministers welcomed the Commission approach and said it was the "wisest" and most appropriate one.

At this stage there would only seem to be two problems with the package, common to a number of Ministers i.e. the impact on cereal prices and the fact that the temporary increase in the suckler cow premium granted last year (once-off) is not to be continued.

In regard to cereals there were a number of different suggestions such as:

- reduce the basic co-responsibility levy from 5% to 3%
- refund the 5% and 3% co-responsibility levies to those temporarily setting aside 15% of their arable land
- leave the matter aside, indeed leave the whole price package aside until reform is decided and then examine the dossier.

Responding Mr Mac Sharry pointed out that the impact on cereals arises from decisions already taken i.e. Heads of State decision on stabilisers in 1988, and that without reform cereai producers would probably face a penalty of this level each year in future. (Some Ministers pointed out that reform was much more attractive than the price package.)

On maintaining the suckler cow premium at its present level he recalled how some delegations were opposed to this once off increase last year and are now asking that it be made permanent. He also dismissed the point made that given that a margin of ECU 2 billion between the guideline and expenditure may arise this year there is no case for price cuts. The guideline is a ceiling he said, not a target for expenditure. He also pointed out that last year we needed ECU 2 billion more than foreseen for one sector (beef). Given the nature of the proposals he felt conclusions could be reached without too much difficulty.

A.O.B:-

Drought:- (Sp, Port, Greece)

Portugal, Spain and Greece informed the Council of the serious problems confronting them due to drought and indicated that they expected Community solidarity as far as assistance is concerned.

Mr Mac Sharry said that the Commission had already taken action for Portugal i.e. grain from intervention and would send some experts there to evaluate the situation.

In the case of Spain and Greece he said that more information would have to be provided before the Commission could assess the situation.

Soft Fruit: (U.K)

In response to the UK, Mr Mac Sharry informed the Council that the Commission is bringing forward a proposal for a Council decision aimed at helping the Community's soft fruit sector amounting to ECU 8 m and aimed at improving Community varieties and yield and improving mechanisation. Bananas: (France)

A number of Ministers intervened on this point emphasising the political and economic importance of bananas in countries and regions which have been traditional Community suppliers and that their interest must be protected. Others also raised the interest of Community consumers and the need for freer trade. In response Mr Mac Sharry said that the Commission was fully aware of the implications for all concerned and that a number of different objectives had to be taken account of i.e. internal market, the interests of Community producers and ACP exporters and compatibility with our international obligations.

Olive Oil:- (Greece)

Mr Mac Sharry was unable to accept a request from Greece to open intervention for olive oil. He recalled to Council that when the problems in the sector were brought to his attention in December he introduced an Aids to Private Storage Scheme which has been effective in stabilising the market. Unfortunately there was not a great use of APS in Greece, but nevertheless to bring forward the date for opening intervention would run counter to the objectives of the reformed regime.

Wine:- (Italy)

Mr Mac Sharry said that he could not accept an Italian request to grant national aid to bridge the price gap between that paid for compulsory and preventative distillation - but of course the Council could decide unanimously to do so.

In the event the Council accepted the request with Spain and the UK abstaining, while Denmark need Parliamentary approval.

Next Council: April 28/29th (at least) Lux.

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B. DETHOMAS

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