



COUNCIL OF THE EUROPEAN COMMUNITIES
GENERAL SECRETARIAT



PRESS RELEASE

5541/86 (Presse 32)

1067th meeting of the Council
- Foreign Affairs -
Brussels, 10 - 11 March 1986

Presidents:

Mr H. VAN DEN BROEK
Minister for Foreign Affairs
of the Kingdom of the Netherlands

and

Mr F. BOLKSTEIN
Minister for External Trade
of the Kingdom of the Netherlands

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

Belgium:

Mr Paul DE KEERSMAEKER State Secretary for European Affairs
and Agriculture
Mr H. DE CROO Minister for External Trade

Denmark:

Mr Knud-Erik TYGESEN State Secretary,
Ministry for Foreign Affairs

Germany:

Mr Hans-Dietrich GENSCHER Federal Minister for Foreign Affairs
Mr Lutz STAVENHAGEN Minister of State,
Federal Ministry of Foreign Affairs
Mr Dieter VON WURZEN State Secretary,
Federal Ministry for Economic
Affairs

Greece:

Mr Théodoros PANGALOS Deputy Minister for Foreign Affairs

Spain:

Mr Pedro SOLBES State Secretary for Relations with
the European Communities
Mr Luis DE VELASCO State Secretary for Trade

France:

Mrs Catherine LALUMIERE State Secretary attached to the
Minister for Foreign Relations
with responsibility for
European Affairs

Ireland:

Mr George BERMINGHAM Minister of State for Foreign
Affairs
Mr Edward COLLINS Minister of State, Department of
Trade

Italy:

Mr Giulio ANDREOTTI	Minister for Foreign Affairs
Mr Mario FIORET	State Secretary, Ministry for Foreign Affairs
Mr Giovanni PRANDINI	State Secretary, Ministry for External Trade

Luxembourg:

Mr Robert GOEBBELS	State Secretary for Foreign Affairs
--------------------	-------------------------------------

Netherlands:

Mr H. VAN DEN BROEK	Minister for Foreign Affairs
Mr W.F. VAN EEKELEN	State Secretary for Foreign Affairs
Mr F. BOLKESTEIN	Minister for External Trade

Portugal:

Mr Pedro PIRES DE MIRANDA	Minister for Foreign Affairs
Mr Vitor MARTINS	State Secretary for European Integration

United Kingdom:

Sir Geoffrey HOWE	Secretary of State for Foreign and Commonwealth Affairs
Mrs Lynda CHALKER	Minister of State, Foreign and Commonwealth Office
Mr Alan CLARK	Minister for Trade

o

o

o

Commission:

Mr Claude CHEYSSON	Member
Mr Willy DE CLERCQ	Member

RELATIONS WITH TURKEY

The Council took note of a statement by Mr CHEYSSON on the broad lines of the Commission communication on the free movement of workers and on the timetable for a certain number of outstanding dossiers in the context of EEC-Turkey relations. After an exchange of views, the Council instructed the Permanent Representatives Committee to collaborate closely with the Commission on the further examination, in the light of the Council's exchange of views, of the dossiers to be covered with a view to the Association Council meeting to be held at the beginning of the autumn.

RELATIONS WITH THE GULF STATES

On the basis of information provided by Mr CHEYSSON, who had recently returned from a visit to Kuwait on 5-7 March 1986, the Council took note of the Commission's intention of shortly submitting to it proposals for directives with a view to the conclusion of a co-operation agreement between the Community and The Gulf Co-operation Council (GCC) in the spirit of the joint communiqué issued after the meeting at Ministerial level in Luxembourg on 14 October 1985.

RELATIONS WITH THE UNITED STATES

The Council heard a statement by Mr DE CLERCQ on the talks that had just been held with a United States delegation on the United States' requests regarding the consequences of enlargement on certain United States agricultural exports.

The Council held a detailed discussion which also covered certain other matters under dispute.

After that discussion the Council gave its full support to the approach adopted by the Commission.

EEC/JAPAN RELATIONS : COUNCIL CONCLUSIONS

1. At its meetings on 18 February and 10 March 1986, the Council held a detailed examination of the Community's relations with Japan, on the basis of the Commission communication dated 7 February 1986.

2. The Council took note of the efforts recently undertaken by the Japanese authorities on the foreign exchange markets in order to implement the recommendations of the Group of 5 of 22 September 1985, and of the measures to stimulate domestic demand announced by the Japanese Government in October and December 1985. It appreciates the statements by the Prime Minister and members of the Japanese Government, reflecting the Government's intention to open up markets, increase the value of the yen, instigate changes in the structure of the economy in order to increase the propensity to import and stimulate domestic demand, and to ensure a better balance between savings and investments. It acknowledges the active part taken by the Japanese authorities in the the impetus given to international monetary co-operation in the field of exchange rates since the meeting of the Group of 5 in New York in September.

3. However, the Council would stress the need to achieve tangible results as soon as possible, in order to relieve the increasing strain which Japan's overall current account surplus is placing on the multilateral trade and payments system. Japan's surplus on current account in fact amounted to nearly 50 thousand million dollars in 1985 and seems likely to increase still further, even irrespective on the trend in oil prices.

4. In this context, the Council recalls its conclusions of 22 October 1985, in particular with regard to the incorporation by the Japanese Government in its economic policy objectives of a quantified target with a timetable for a significant increase in its imports of manufactured goods and processed agricultural products, as a complement to its action programme. The Council therefore considers it highly important that Japan should:

- indicate when, to what extent and by what means a significant increase of manufactured goods and processed agricultural products imports into Japan can be expected; such an indication would increase Japan's credibility vis-à-vis its trading partners;
- take further steps, at an early date, to stimulate domestic demand effectively;
- avoid measures which would weaken the effect on the trade imbalance of the recent efforts to strengthen the yen and stimulate internal demand;
- speed up the liberalization of Japanese financial markets;
- and introduce the structural reforms of the economy needed so that the Japanese economy can become more integrated with the economies of its partners.

5. The Council strongly supports the Commission's intentions to:
- arrange with the Japanese Government regular and detailed joint monitoring of the implementation of the Japanese action programme and other market opening measures;
 - keep up pressure on Japan for a greater and more effective liberalization against firm deadlines of Japanese markets (visible obstacles, non-tariff measures, standards and certification procedures and terms for investment in Japan) particularly in certain specific sectors such as the alcoholic beverages sector;
 - keep constantly under review the redress available to the Community in GATT to combat unfair trade, including anti-dumping actions, and to study thoroughly the practical use of GATT Article XXIII.2;
 - press the Japanese Government to mitigate the effects of the trade imbalance by increasing multilateral untied aid.
6. The Council affirms the necessity to re-establish a true balance of advantage between Japan and the Community, an objective already set out in its conclusions of 19 March 1985.

In particular, the Council:

- note that, in the context of the General Agreement on Tariffs and Trade, and in particular in the context of the new round of multilateral negotiations and its preparation, the present imbalance of real advantages between Japan and her partners will have to be dealt with. For Japan to be able to benefit from further concessions from the Community which would be substantially to her advantage will require a fundamental change in Japan's propensity to import manufactured and processed agricultural products;
- notes that the Presidency will take appropriate steps to see that discussions between the Member States and the Commission begin as soon as possible, in the light of discussions in the ECO/FIN Council, on the difficulties encountered by Community financial institutions on the Japanese market, in particular to provide a full range of financial services to European undertakings in order to identify common interests;

- also noted that the Presidency will arrange for an exchange of views at Community level on the subject of Japanese investments in Europe.

7. The Council is aware that in the interests of Japan and the Community, and of improving the balance of the world economic system, it is necessary to step up, expand and intensify relations between Japan and the Community in all possible areas. The Council took note of the Commission's proposals for strengthening the dialogue in a number of areas (science and technology, industrial co-operation, economic and financial policy, monetary questions and North-South issues, including the debt problem), and of the Commission's intention to present further proposals for examination in the relevant Community fora.

8. The Council generally welcomed the Commission recommendations aimed at stepping up Community efforts to increase its share of the Japanese market and mobilizing the resources needed for the purpose.

THE COMMUNITY'S FINANCIAL PROBLEMS

The Council took note of questions raised by the Italian and a number of other delegations, concerning the financing of Community policies, which were also being studied by the Economic and Financial Affairs Council in the context of budgetary discipline.

It also noted that the Economic and Financial Affairs Council would return on 28 April next to the problems concerning the 1987 reference framework.

CANCER PREVENTION

The Council noted that the Commission had just submitted a report on the conclusions of the high-level experts on progress in the Community proceedings on cancer prevention.

That report will be discussed by the Ministers for Health at a meeting planned for the end of May together with the proposals that the Commission has already submitted in this area, which are at present being examined, the Permanent Representatives Committee having been instructed to prepare for the ministers' proceedings.

The problem of cancer prevention was discussed at the Council meeting on Foreign Affairs on 17 December 1985 following the initiative by France and Italy submitted to the European Council meeting in Milan and discussed again at the European Council meeting in Luxembourg. The initiative proposed the creation of a European cancer prevention programme, with the emphasis on prevention and research.

TEXTILES: RENEWAL OF THE MFA AND THE BILATERAL AGREEMENTS

The Council approved the negotiating directives enabling the Commission to negotiate the continuation of the arrangement on international trade in textiles (MFA) and the renewal of the bilateral agreements and arrangements.

These terms of reference come within the general guidelines laid down by the Council on 22 July 1985, which were the subject of a Community statement to the GATT Textiles Committee.

The approved terms of reference will enable the Commission to begin negotiations with the other parties to the MFA at the next meeting of the Textiles Committee on 3-4 April in Geneva.

Bruxelles, le 7 mars 1986.

NOTE BIO(86)67 AUX BUREAUX NATIONAUX
CC AUX MEMBRES DU SERVICE DU PORTE-PAROLE

Preparation du Conseil Affaires Etrangeres (F. LE BAIL)

Le Conseil Affaires Etrangeres debutera par un dejeuner
lundi 10 mars et se poursuivra jusqu'a mardi.

Trois sujets a l'ordre du jour :

TURQUIE :

Mr Cheysson fera au Conseil une presentation des
propositions que la Commission vient d'adopter pour ce pays :
virement 10 MUC pour l'aide speciale et proposition concernant
la libre-circulation des travailleurs. Cette presentation ne
devrait pas faire l'objet d'un debat.

JAPON :

Le Conseil devrait adopter des conclusions qui s'inspireront
largement des propositions faites par la Commission a savoir,
maintien de la pression sur le Japon pour l'ouverture de son
marche, approfondissement de la cooperation avec ce pays et
l'intensification des efforts de la Communaute vers le marche
japonais.

AMF :

Ce point sera traite mardi matin. Des progres importants
ont ete realise et on s'attend a ce que la Commission recoive un
mandat de negociation. 4 points restent sur la table : les deux
reserves globales espagnole et portugaise, la liberalisation ou
non du trafic de perfectionnement passif et les plafonds globaux
pour les huit produits sensibles.

Le Conseil pourrait egalement traiter soit en seance soit au
dejeuner, des relations Etats-Unis/Communaute, plus
particulierement des problemes lies a l'elargissement.

Amities,


H. PAEMEN

DE : C.C.E. BRUXELLES - GPP46 - G.P.P.
A : C.E. WASHINGTON - WASHINGTON
REF: 17:06 11-03-86 000024771 - 000028442

REF NR 56859-BIO

P1 BERL 1/19 + STRASBOURG
NOTE BIO

BRUXELLES, LE 17 MARS 1986

NOTE BIO(86)67/1 AUX BUREAUX NATIONAUX
CC. AUX MEMBRES DU SERVICE DU PORTE-PAROLE

CONSEIL AFFAIRES GENERALES (F. LE BAIL)

JAPON :

LE CONSEIL A ADOPTE EN FIN DE SOIREE UNE DECLARATION ENERGIQUE SUR LES RELATIONS ENTRE LA COMMUNAUTE ET LE JAPON, REPRENANT EN GRANDE PARTIE LES PROPOSITIONS FAITES PAR LA COMMISSION. SUR LE PLAN COMMERCIAL, MAINTIEN DE LA PRESSION SUR LE JAPON. LE CONSEIL PERSISTE A DEMANDER AU JAPON QUE CELUI-CI SE FIXE UN OBJECTIF QUANTIFIE D'IMPORTATION ASSORTI D'UN CALENDRIER, QU'IL INDIQUE QUAND ET COMMENT SES PARTENAIRES PEUVENT S'ATTENDRE A UNE AUGMENTATION DE SES IMPORTATIONS DE PRODUITS MANUFACTURES ET AGRICOLES TRANSFORMES. LE CONSEIL SOUTIEN EGALEMENT L'INTENTION DE LA COMMISSION D'ETUDIER LA POSSIBILITE D'UTILISER L'ARTICLE XXIII : 2 DU GATT A L'EGARD DU JAPON. IL AFFIRME LA NECESSITE DE REETABLIR L'EQUILIBRE COMMERCIAL ENTRE LE JAPON ET LA COMMUNAUTE ET INDIQUE EN PARTICULIER QUE LE JAPON N'OBTIENDRA PAS DE NOUVELLES CONCESSIONS DE LA PART DE LA COMMUNAUTE DANS LE CADRE DU NOUVEAU ROUND S'IL NE CHANGE PAS SA CAPACITE D'IMPORTATION.

SUR LE PLAN MONETAIRE ET FINANCIER, DES DISCUSSIONS SE TIENDRONT DANS LE CADRE DU CONSEIL ECO/FIN SUR LES DIFFICULTES QUE RENCONTRENT LES INSTITUTIONS FINANCIERES EUROPEENNES SUR LE MARCHE JAPONAIS, D'AUTRE PART, LE CONSEIL DEMANDE AU JAPON D'ACCELERER LA LIBERALISATION DE SES MARCHES FINANCIERS.

ENFIN, LE CONSEIL CONFIRME QU'IL EST NECESSAIRE D'INTENSIFIER LA COOPERATION AVEC LE JAPON DANS TOUS LES DOMAINES OU CELA EST POSSIBLE, AINSI QUE LA NECESSITE D'ACCROITRE LES EFFORTS DE LA COMMUNAUTE POUR AUGMENTER SA PRESENCE SUR LE MARCHE JAPONAIS.

RELATIONS COMMUNAUTE/ETATS-UNIS :

MR DE CLERCQ A ATTIRE L'ATTENTION DES MINISTRES SUR LE PROBLEME QUE VIENNENT DE SOULEVER LES ETATS-UNIS A PROPOS DES CONSEQUENCES DE L'ELARGISSEMENT SUR LEURS EXPORTATIONS AGRICOLES. IL A RECOMMANDE AU CONSEIL D'ADOPTER UNE ATTITUDE FERME A L'EGARD DES ETATS-UNIS. LA COMMUNAUTE DEVRAIT ETRE PRETE A NEGOCIER AVEC LES ETATS-UNIS MAIS UNIQUEMENT DANS LE CADRE DE L'ARTICLE XXIV : 6 DU GATT, C'EST-A-DIRE EN PRENANT EN CONSIDERATION L'ENSEMBLE DES CONSEQUENCES A LA FOIS POSITIVES ET NEGATIVES DE L'ELARGISSEMENT. LE CONSEIL A DONNE UN SOUTIEN UNANIME A CETTE APPROCHE.

TURQUIE :

MR CHEYSSON A PRESENTE AU CONSEIL LES PROPOSITIONS QUE VIENT D'ADOPTER LA COMMISSION A SAVOIR : PROPOSITION DE VIREMENT DE 10 MUC ET PROPOSITION CONCERNANT LA LIBRE-CIRCULATION DES TRAVAILLEURS. IL A MIS L'ACCENT SUR L'APPROCHE PROGRESSIVE QUI EST CELLE DE LA COMMISSION QUI ENVISAGE LA TENUE D'UN CONSEIL D'ASSOCIATION COMME ETAPE FINALE D'UN PROCESSUS DE NORMALISATION. LA DELEGATION GRECQUE A FAIT ETAT DES DIFFICULTES QUE LUI POSENT LES RELATIONS AVEC LA TURQUIE. +

H.D.	
D.H.D.	
INFO.	
TRADE	
AGRI.	FD
LEGAL	
FINANC.	
SCIENTIF.	ALL
SUP. AG.	
ADM.	
C.F.	

Bruxelles, le 11 mars 1986
NOTE BIO(86)67/2 AUX BUREAUX NATIONAUX
CC. AUX MEMBRES DU SERVICE DU PORTE-PAROLE

CONSEIL AFFAIRES GENERALES (F. LE BAIL)

MANDAT AMF ET ACCORDS BILATERAUX :

A l'issue d'une journée entière de difficiles discussions, le Conseil a adopté le mandat de négociation pour le renouvellement de l'Accord Multifibre et des accords textiles bilatéraux. "Il s'agit d'un mandat équilibré qui permet à la fois de garantir les intérêts de l'industrie textile de la Communauté - qui a encore besoin pour une certaine période de temps de consolider sa restructuration - mais aussi qui permet de s'engager résolument sur la voie de l'assouplissement de notre régime à l'importation qu'attendent nos partenaires en voie de développement" a estimé Mr De Clercq.

Le mandat adopté prévoit le renouvellement de l'AMF comme cadre du commerce des produits textiles pour une période de 4 à 5 ans tout en précisant que l'objectif final de la Communauté reste le retour aux règles du GATT.

Pour les accords bilatéraux AMF, ce mandat apporte une certaine souplesse par rapport aux accords existants. La couverture des produits reste la même et il n'y aura pas de cut-backs pour les pays dominants. Le mandat prévoit en outre : une diminution du nombre des accords négociés, une diminution du nombre des limitations quantitatives contenues dans ces accords (l'objectif étant la suppression de 25% des limitations existantes), une augmentation des seuils de déclenchements des sorties de panier rendant ainsi plus difficile la mise en œuvre de nouvelles restrictions quantitatives ainsi qu'une flexibilité automatique et plus importante entre quote-parts régionales. Cette flexibilité accrue jouera également pour le trafic de perfectionnement passif.

Le mandat prévoit une différenciation entre pays exportateurs, les pays dominants se voyant octroyer des taux de croissance plus faibles par rapport aux autres fournisseurs et surtout par rapport aux pays les moins avancés.

Pour les pays préférentiels, les arrangements seront maintenus avec Malte, le Maroc et la Tunisie, l'accord avec l'Égypte actuellement de type AMF sera transformé en arrangement de type préférentiel et la Communauté recherchera un arrangement avec la Turquie. La couverture et les mécanismes de ces arrangements resteront inchangés mais la flexibilité et les transferts seront améliorés au cas par cas.

La Communauté est ainsi prête à entamer les négociations sur le renouvellement de l'AMF au Comité des Textiles qui se tiendra à Genève les 3 et 4 avril prochains. D'autre part, la Commission va entamer très rapidement les conversations exploratoires avec les pays tiers en vue de la conclusion des accords et arrangements bilatéraux.

Amitiés,

G. ANOUIL

