

COUNCIL OF THE EUROPEAN COMMUNITIES

PRESS RELEASES

PRESIDENCY: BELGIUM

JULY-DECEMBER 1977

Meetings and press releases November-December 1977

Meeting number	Subject	Date
480 <sup>th</sup>	Agriculture/Fisheries	7-8 November 1977
481 <sup>st</sup>	Economics/Finance	21 November 1977
482 <sup>nd</sup>	Foreign Affairs/Finance	21 November 1977
483 <sup>rd</sup>	Foreign Affairs	21-22 November 1977
484 <sup>th</sup>	Budget	22 November 1977
485 <sup>th</sup>	Development Co-operation	28 November 1977
486 <sup>th</sup>	Fisheries	5-7 December 1977
487 <sup>th</sup>	Budget	7 December 1977
488 <sup>th</sup>	Environment	12 December 1977
489 <sup>th</sup>	Agriculture	12-13 December 1977
490 <sup>th</sup>	Public Health	13 December 1977
491 <sup>st</sup>	Energy	13 December 1977
492 <sup>nd</sup>	Posts and Telecommunications	15 December 1977
493 <sup>rd</sup>	Economics/Finance	19 December 1977
494 <sup>th</sup>	Foreign Affairs	19-20 December 1977
495 <sup>th</sup>	Transport	20-21 December 1977

COUNCIL OF THE EUROPEAN COMMUNITIES  
GENERAL SECRETARIAT

PRESS RELEASE

LIBRARY

480th meeting of the Council

- Agriculture/Fisheries -

Brussels, 7 and 8 November 1977

President: Mr Antoine HUMBLET  
Minister for Agriculture and  
Small Firms and Trades of the  
Kingdom of Belgium

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

Belgium:

Mr Antoine HUMBLET                      Minister of Agriculture and  
Small Firms and Trades

Denmark:

Mr Poul DALSGER                      Minister of Agriculture  
Mr Svend JACOBSEN                    Minister of Fisheries

Germany:

Mr Hans-Jürgen ROHR                  State Secretary,  
Federal Ministry of Agriculture

France:

Mr Pierre MEHAIGNERIE                Minister of Agriculture  
Mr Marcel CAVAILLE                    State Secretary,  
Ministry for Public Investments  
and Regional Development with  
special responsibility for  
Transport (Fisheries)  
Mr Jacques BLANC                      State Secretary,  
Ministry of Agriculture

Ireland:

Mr Jim GIBBONS                      Minister for Agriculture

Italy:

Mr Giovanni MARCORA                  Minister of Agriculture

Luxembourg:

Mr Jean HAMILIUS	Minister of Agriculture
Mr Albert BERCHEM	State Secretary, Ministry of Agriculture

Netherlands:

Mr A.P.L.M.N. VAN DER STEE	Minister of Agriculture and Fisheries
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United Kingdom:

Mr John SILKIN	Minister of Agriculture, Fisheries and Food
Mr Gavin STRANG	Parliamentary Under Secretary of State, Ministry of Agriculture, Fisheries and Food
Mr Robert MacLENNAN	Parliamentary Under Secretary of State, Department of Prices and Consumer Protection

The Commission:

Mr Finn Olav GUNDELACH	Vice-President
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DESSERT APPLES

The Council adopted the Regulation partially suspending the CCT on dessert apples. The autonomous duties will be fixed at 6% (instead of 14%) for a period expiring on 31 January 1978.

The Council also requested the Commission to make a study of price trends for fruit and vegetables in the EEC, and to submit a report for its next meeting, planned for 12 and 13 December 1977.

IMPORTS OF BEEF AND VEAL

After a survey of the various import arrangements for beef and veal in force in the Community, the Council recorded its agreement on extending for one year the Regulation on the import of beef and veal originating in certain ACP States.

This extension will make it possible for exports of beef and veal originating in Botswana, Kenya, Madagascar and Swaziland to benefit until 31 December 1978 from duty-free entry and a reduction of 90% in import charges into the Community, provided this reduction is offset by an export charge levied by the producing country.

The Council also took note of the Commission's undertaking to submit a communication at the next meeting on all the problems involved in imports of beef and veal, including the allocation of quotas, to enable the Council to hold a general debate on the import arrangements to be made in this particular sector.

MEDITERRANEAN AGRICULTURE

On the basis of a reasoned statement by Vice-President GUNDELACH and the document which had been forwarded by the Commission beforehand, the Council held an exchange of views on the agricultural problems affecting the Mediterranean regions of the Community.

During the discussion the various delegations made known their initial reactions on this issue and urged the need for the Commission to submit specific proposals in this sector to the Council in the near future. The Council will be required to discuss them at its forthcoming meetings.

CASTOR BEANS

The Council discussed the advisability of introducing special measures to encourage the production of castor beans in the Community. This it agreed to in principle for an experimental period.

It agreed to instruct the Special Committee on Agriculture to finalize the arrangements for implementing rules to this end so that the Council could take a decision on the matter at a forthcoming meeting.



CO-RESPONSIBILITY IN THE MILK SECTOR

On the basis of a communication just received from the Commission and after full consultations with professional organizations, the Council discussed specific measures connected with the co-responsibility levy in the milk sector.

The discussion enabled members of the Council to form a political assessment of the various aspects of the programme put forward by the Commission, both as regards the internal measures to be taken in order to develop the market for and the consumption of milk products in the Community and the search for new markets outside the Community.

The Community instructed the Special Committee on Agriculture to carry out a technical examination of the Commission communication and the various delegations' suggestions and to report back to it at regular intervals on the progress of their work.

CONVERSION IN THE WINE SECTOR

After hearing a statement by the French delegation on the financing of operations now in progress to renew vine stocks in certain regions, the Council took note of the Commission's intention to submit in the near future a proposal concerning the implementation of common measures in this sector and providing for transitional arrangements in order to avoid an interruption in the renovation schemes now in progress.

ALCOHOL

After hearing a statement by the French delegation on the proposal for the common organization of the market in alcohol, the Council took note of progress made in this area.

Bearing in mind the other sectors where Community rules are still lacking, it reiterated its instructions to the Special Committee on Agriculture to expedite technical examination of the Commission's proposal.

AGRI-MONETARY QUESTIONS

The Council held a policy debate on agri-monetary problems on the basis of the proposal for a Regulation on the progressive dismantling of monetary compensatory amounts during a seven-year period, and on the basis of the report on the use of the European unit of account in the agricultural policy.

The Council agreed to continue its discussions in this field in the light of the opinions expected from the European Parliament and the Economic and Social Committee, with the aim of re-establishing in due course the single market for agricultural products in the Community.

To this end, it instructed the Special Committee on Agriculture to examine the Commission proposal thoroughly and to report back on its findings as soon as possible.

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At this juncture, the Council took formal note of a statement by the United Kingdom delegation on the subject of the application after 31 December 1977 of Article 2a of Regulation (EEC) No 974/71. This Article authorizes the payment of monetary compensatory amounts in exporting countries with strong currencies in the case of exports to countries whose currencies have been devalued. The

United Kingdom delegation advocated extending the present arrangements until the European unit of account is introduced into the Community budget, and this view was shared by the Commission representative. Consequently, the Member States concerned may continue to apply the present arrangements until further notice.

### SALES ON BOARD SHIPS

The Council took formal note of a statement by the Danish delegation relating to certain measures designed to prevent certain abuses arising in connection with the sale of agricultural products on board ships. After noting that certain Community products were at present placed at a disadvantage because of the absence of Community rules on this point, it instructed the Special Committee on Agriculture to spare no effort in working out a suitable overall solution for general rules which would cover such sales, and agreed to enter this item on the agenda of its next meeting.

HERRING FISHING

Following the line of thought developed in the Council meeting on 25 October on the possible consequences of the ban on herring fishing in the North Sea until 31 December 1977 and having regard to additional information obtained since then, the Council agreed to grant an exceptional quota of 600 tonnes to certain coastal fishermen fishing off the French coast between Etaples and the Seine estuary. This derogation is restricted to fishermen using low tonnage vessels equipped with gill nets or drift nets.

The Council also noted that the Commission intended to conduct a more general study of cases which for social reasons justified derogating from the ban on herring fishing for certain categories of fishermen engaged in fishing on a small scale and using special equipment, providing that any ban decided upon should not prejudice the objectives of conserving herring stocks.

DURUM WHEAT - PASTA PRODUCTS

The Council noted statements by the German and Belgian delegations concerning the situation on the market in pasta products and the measures to be taken to eliminate possible distortions of competition in this sector, particularly as regards supplying the pasta products industry with durum wheat.

The Commission representative gave an assurance that the Commission would bear in mind the comments made by the different delegations when it defined its position on the problems raised, particularly also as regards the possible re-introduction of monetary compensatory amounts for durum wheat.

MISCELLANEOUS STATEMENTS

The Council noted the following statements, together with Commission replies and reactions by other delegations, where appropriate, concerning:

- the situation on the hops market (Belgian delegation);
- the chilling of poultrymeat (Danish delegation);
- distortions of competition in the pigmeat sector caused by monetary compensatory amounts (United Kingdom delegation);

MISCELLANEOUS DECISIONS

The Council adopted in the official languages of the Communities

- the Regulations
  - amending the nomination for certain agricultural products, various Regulations concerning these products and the Common Customs Tariff;
  - concerning import arrangements for certain textile products originating in the Socialist Federal Republic of Yugoslavia;
  - concerning the arrangement for importation into the Benelux countries of jute yarn originating in the Kingdom of Thailand, and repealing Regulation (EEC) No 1273/77;
  - adopting special measures in respect of imports of certain steel nuts from Taiwan;
  - amending Regulation (EEC) No 950/68 on the Common Customs Tariff;
  - on the system for guaranteeing the stabilization of export earnings from certain commodities on behalf of the ACP States and the Overseas Countries and Territories associated with the Community, and repealing Regulation (EEC) No 158/76;
- the Directive on the approximation of laws, regulations and administrative provisions relating to the classification, packaging and labelling of paints, varnishes, glues, printing inks and related products;

- the Decisions

- authorizing the Commission to take part in negotiations concerning a draft Protocol to the Barcelona Convention for the protection of the Mediterranean Sea against pollution from land-based sources;
- on approval of the accession of the European Atomic Energy Community to the Agreement on the implementation of a joint European project in the field of metallurgy on the topic "Equipment for Gas Turbines" (COST Projects 50/51/52);
- fixing a Community target for a reduction in the consumption of primary sources of energy in the event of difficulties in the supply of crude oil or petroleum products.

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The Representatives of the Governments of the Member States of the European Coal and Steel Community, meeting within the Council, adopted in the official languages of the Communities the Decision on Community supervision of imports of coal originating in non-member countries.

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COUNCIL OF THE EUROPEAN COMMUNITIES  
GENERAL SECRETARIAT

PRESS RELEASE

LIBRARY

481st meeting of the Council  
- Economics/Finance -

Brussels, 21 November 1977

President: Mr Gaston GEENS  
Minister for Finance  
of the Kingdom of Belgium

21.XI.77

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

Belgium:

Mr Gaston GEENS Minister for Finance  
Mr Willy CLAES Minister for Economic Affairs

Denmark:

Mr Knud HEINESEN Minister for Finance  
Mr Per HAEKKERUP Minister for Economic Affairs  
Mr Kurt HANSEN State Secretary, Ministry of Economic Affairs

Germany:

Mr Hans APEL Federal Minister for Finance  
Mr Otto LANDSDORFF Federal Minister for Economic Affairs  
Mr Otto SCHLECHT State Secretary, Federal Ministry of Economic Affairs  
Mr Manfred LAHNSTEIN State Secretary, Federal Ministry of Finance

France:

Mr Robert BOULIN Minister responsible for Economic and Financial Affairs

Ireland:

Mr George COLLEY Minister for Finance

Italy:

Mr Gaetano STAMMATI Minister for the Treasury



ANNUAL REPORT ON THE ECONOMIC SITUATION IN THE COMMUNITY

The Council adopted the annual report on the economic situation in the Community and the economic policy guidelines for each Member State for 1978.

The report, which comprises both an analysis of the economic situation and an outline of the economic outlook and objectives for 1978, lays down the guidelines which each Member State should follow in its economic policy in the coming year. It will be brought to the attention of national Parliaments so that they can take it into account during budget debates.

The report will be published in the Official Journal of the European Communities in the next few days.

ECONOMIC AND MONETARY UNION

The Commission presented to the Council a communication on the prospects for economic and monetary union.

In the Commission's view, progress towards economic and monetary union should make a decisive contribution to the achievement of the common objectives of stability, growth and employment. It would strengthen the integration of the Community at a time when the prospect of further enlargement is taking shape. Its achievement would be a decisive factor in restoring order within the international monetary system.

The Commission accordingly put forward a programme for the next five years which envisages in particular alignment of economies, the achievement of a single market and the development of policies to deal with structural and social problems in the Community.

This communication is to be examined by the European Council on 5 and 6 December 1977.

ADJUSTMENT OF SHORT AND MEDIUM TERM CREDIT MECHANISMS

As regards short-term credit mechanisms, the Council formally noted that the Board of Governors of the Central Banks intended

- to double debit and credit facilities
- to examine the problem of increasing the quotas at the next five-yearly review which should take place before March 1979.

As regards medium term credit mechanism, the Council, on the basis of an opinion submitted to it by the Monetary Committee, expressed itself favourably disposed towards the suggestions made in this connection by the Belgian presidency in July of this year and invited the Commission to submit proposals on the matter as soon as possible.

INVESTMENTS AND LOANS IN THE COMMUNITY

In view of the forthcoming meeting of the European Council on 5 and 6 December, the Council held an exchange of views, on the basis of the reports submitted by the Committee on Economic Policy and the Monetary Committee, on the Commission communication relating to investment and lending in the Community.

IMPROVING CO-ORDINATION OF NATIONAL ECONOMIC POLICIES

On the basis of the Commission communication the Council held a discussion, in which all delegations expressed a desire for better co-ordination of the economic and financial policies of the Member States.

At the close of this discussion the Council asked the Committees with special responsibility for the co-ordination of the economic and financial policies of the Member States to examine, in their own fields and on the basis of the Commission communication, how this goal could be achieved.

It asked these Committees to submit their opinions at an early date so that it could reach a decision on the matter at one of its first meetings next year.

MUTUAL ASSISTANCE IN THE FIELD OF DIRECT TAXATION

The Council agreed in principle on the text of the Directive (1) laying down arrangements for mutual assistance by the tax authorities of the Member States in the field of direct taxation.

The international scale of tax evasion and tax avoidance makes it necessary for such practices to be combatted internationally. Collaboration between national tax authorities is an important step in this direction.

The scope of the Directive goes beyond existing bilateral mutual assistance between some Member States, extending it to the whole of the Community.

The Directive provides for a system for the exchange of information such as would enable taxes on income and capital to be correctly determined. Such exchanges may take place automatically or at the instigation of a Member State, depending on the circumstances.

The Directive also makes provision for the arrangements of inquiries by one Member State on behalf of another Member State for the purpose of obtaining the information requested. The possibility of officials from one Member State being present on the territory of another Member State is also provided for.

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(1) The Danish delegation entering a reservation.



The mutual assistance arrangements also include provisions to preserve the confidentiality of the information obtained.

Finally, the Directive provides for co-operation between the Member States and the Commission with a view to improving mutual assistance arrangements and drawing up additional regulations, if need be.

This Directive reflects the Member States' firm resolve to combat international tax evasion and avoidance in a practical manner.

It will be finally adopted by the Council at one of its forthcoming meetings after it has been finalized in the official languages of the Communities, provided that the Danish delegation withdraws its reservation.

CREDIT INSTITUTIONS

Furthering the process of establishing a Community market in the banking sector, which was begun by the Directives liberalizing certain capital movements and by the adoption of the Directive of 28 June 1973 entailing the abolition of certain restrictions on freedom of establishment and freedom to supply services, the Council agreed on a first Directive on the co-ordination of laws to facilitate the taking up and pursuit of the business of credit institutions.

The Directive encompasses a very broad spectrum of institutions within its scope so as to protect savings under equivalent conditions of competition between credit institutions.

Institutions seeking authorization must fulfil various conditions regarding inter alia their own funds and the persons managing their business. Assessment of economic necessity in the founding of an institution or the setting up of branches in another Member State will be abolished in due course. The arrangements for such branches are clarified and institutions existing prior to the entry into force of the Directive are included in the arrangements thus introduced.

With regard to operating conditions for credit institutions, the use of the names "bank" and "savings bank" is regulated. Collaboration is arranged between the supervisory authorities responsible for credit institutions. The situation of such institutions will be examined on a regular basis, using harmonized ratios.

The way is also paved for the establishment of more complete arrangements for branches of credit institutions which have their head office outside the Community.

The extent of the differences between national laws has made it essential that progress be made by stages. Hence, an Advisory Committee has been set up to promote more intensive co-ordination and to examine any problems which might arise in implementing the Directives already adopted on liberalization and co-ordination of national laws on credit institutions and their business.

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COUNCIL OF THE EUROPEAN COMMUNITIES  
GENERAL SECRETARIAT

PRESS RELEASE

LIBRARY

482nd Council meeting  
- Foreign Affairs/Finance -  
Brussels, 21 November 1977  
President: Mr Henri SIMONET  
Minister for Foreign Affairs  
of the Kingdom of Belgium

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

Belgium:

Mr Henri SIMONET	Minister for Foreign Affairs
Mr Gaston GEENS	Minister for Finance
Mr Mark EYSKENS	State Secretary, Budget

Denmark:

Mr K.B. ANDERSEN	Minister for Foreign Affairs
Mr Niels ERSBØLL	State Secretary, Ministry for Foreign Affairs

Germany:

Mr Klaus VON DOHNANYI	Minister of State Federal Ministry of Foreign Affairs
Mr Joachim HIEHLE	State Secretary, Federal Ministry of Finance

France:

Mr Robert BOULIN	Deputy Minister for Economic Affairs and Finance
Mr Jean-François DENIAU	State Secretary to the Minister for Foreign Affairs

Ireland:

Mr Michael O'KENNEDY	Minister for Foreign Affairs
Mr George COLLEY	Minister for Finance

Italy:

Mr Gaetano STAMMATI	Minister for the Treasury
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Luxembourg:

Mr Jacques POOS

Minister for Finance

Mr Jean HAMILIUS

Deputy Minister for Foreign Affairs

Netherlands:

Mr M. VAN DER STOEL

Minister for Foreign Affairs

Mr W.F. DUISENBERG

Minister for Finance

United Kingdom:

Mr Frank JUDE

Minister of State,  
Foreign and Commonwealth Office

Mr Joel BARNETT

Chief Secretary to the Treasury

Commission:

Mr Roy JENKINS

President

Mr Christopher TUGENDHAT

Member

Mr Richard BURKE

Member

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APPLICATION OF ARTICLE 131 OF THE ACT OF ACCESSION

The Council carried out a thorough study of the problems raised by the application of Article 131 of the Act of Accession. In concluding its discussion it ascertained that it could not take a decision at this stage, and thus agreed to submit the matter to the European Council on 5 and 6 December 1977.

REGULATION ON VAT OWN RESOURCES

The Council worked out a joint position regarding the Regulation on VAT own resources.

This Regulation contains specific arrangements for determining the basis or assessment of VAT own resources, and provisions concerning accounts, the making available of own resources and measures of control.

Together with the new Regulation implementing the decision of 21 April 1970 on the replacement of financial contributions from Member States by the Community's own resources, this Regulation should enable the own resources system to be fully implemented.

This joint position will now be communicated to the European Parliament, in accordance with the conciliation procedure.



NEW REGULATION No 2/71

The Council reached a joint position on a new Regulation No 2/71, except for the provisions of that Regulation concerning the application of Article 131 of the Act of Accession.

This Regulation is aimed at ensuring, as from 1 January 1978, the integral application of the own resources arrangements. It lays down provisions for accounts and the making available of own resources (customs duties, agricultural levy and VAT) and those relating to measures of control. It also lays down detailed rules for the functioning of Commission cash resources as from 1 January 1978.

The text of this joint position will be forwarded to the European Parliament in accordance with the conciliation procedure.

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COUNCIL OF THE EUROPEAN COMMUNITIES  
GENERAL SECRETARIAT

PRESS RELEASE

LIBRARY

483rd meeting of the Council

- Foreign Affairs -

Brussels, 21 and 22 November 1977

President: Mr Henri SIMONET,  
Minister for Foreign Affairs  
of the Kingdom of Belgium

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

Belgium:

Mr Henri SIMONET	Minister for Foreign Affairs
Mr Willy CIAES	Minister for Economic Affairs

Denmark:

Mr K.B. ANDERSEN	Minister for Foreign Affairs
Mr Jørgen Peder HANSEN	Minister for Greenland
Mr Neils ERSBØLL	State Secretary, Ministry of Foreign Affairs

Germany:

Mr Hans-Dietrich GENSCHER	Federal Minister for Foreign Affairs
Count Otto LAMBSDORFF	Federal Minister for Economic Affairs
Mr Klaus VON DOHNANYI	Minister of State, Federal Ministry of Foreign Affairs
Mr Otto SCHLECHT	State Secretary, Federal Ministry of Economic Affairs

France:

Mr Louis de GUIRINGAUD	Minister for Foreign Affairs
Mr René MONORY	Minister for Industry, Commerce and Craft Trades
Mr Jean-François DENIAU	State Secretary to the Minister for Foreign Affairs

Ireland:

Mr Michael O'KENNEDY	Minister for Foreign Affairs
Mr Martin O'DONAGHUE	Minister for the Economy and Development

Italy:

Mr Arnaldo FORLANI	Minister for Foreign Affairs
Mr Vito ROSA	State Secretary to the Merchant Navy

Luxembourg:

Mr Gaston THORN	Minister for Foreign Affairs
Mr Jean HAMILIUS	Deputy Minister for Foreign Affairs

Netherlands:

Mr M. VAN DER STOEL	Minister for Foreign Affairs
Mr R.F.M. LUBBERS	Minister for Economic Affairs

United Kingdom:

Mr David OWEN	Secretary of State for Foreign and Commonwealth Affairs
Mr Edmund DELL	Secretary of State, Department of Trade
Mr Frank JUDD	Minister of State, Foreign and Commonwealth Office

Commission:

Mr Roy JENKINS	President
Mr Wilhelm HAFERKAMP	Vice-President
Mr Finn Olav GUNDELACH	Vice-President
Mr Claude CHEYSSON	Member
Vicomte Etienne DAVIGNON	Member
Mr Antonio GIOLITTI	Member

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FOOD AID

The Council heard a statement by Mr CHEYSSON, Member of the Commission, apprising the Council of the importance which the Commission attached to the acceptance of its proposals on the volume of the skimmed-milk food aid programme for 1977 and 1978. He drew the Council's attention to the large-scale food aid requirements still existing in the developing countries, which warranted a continuing major effort on the part of the Community in this area.

The Council noted that this matter would be dealt with in detail at its meeting on development co-operation questions on 28 November 1977.

TEXTILE NEGOTIATIONS

The Council heard an interim progress report from Vice-President HAFERKAMP on the current bilateral textile negotiations with some 30 countries which are scheduled to close at the end of this month.

It noted with satisfaction that certain parts of the negotiations had already been successfully concluded and expressed the wish that the remaining negotiations could also be terminated within the desired period on the basis of the brief adopted by the Council.

Most delegations took this opportunity to make statements on various aspects of the negotiations.

RELATIONS WITH CHINA

The Council adopted a decision authorizing the Commission to negotiate an agreement between the Community and the People's Republic of China and laying down directives for that purpose. These negotiations, as is known, are to be for the conclusion of a non-preferential trade agreement.

It is to be expected that following this decision by the Council the Commission will shortly address an invitation to China for the opening of negotiations before the end of the year.

RELATIONS WITH ASEAN

At the request of the German delegation the Council dealt with the question of the extension of relations with the ASEAN countries (to which it attaches great importance) and with that delegation's suggestion for a meeting at Ministerial level between both sides.

IRON AND STEEL PROBLEMS

The Council heard a statement by Viscount DAVIGNON, Member of the Commission, on the Community's iron and steel problems. The statement included an analysis of the steel market situation and domestic measures necessary to avert a crisis at the level of both the organization of the markets and the realignment of structures in the iron and steel industry. The Commission representative also outlined Commission thinking on the financial resources required to implement domestic restructuring and redeployment measures. He ended by summarizing the situation as regards trade in iron and steel products with third countries.

The Council held a wide-ranging discussion on all these problems, which concluded with a statement by the Council President that the Council shared the Commission's concern over the seriousness of the crisis at present blighting the Community iron and steel industry in the broader world crisis in that sector.

The Council recognized the need for a Community approach to tackle the crisis and that undertakings would therefore have to be more disciplined in implementing the price and production arrangements planned.



The Council also recognized the need for the Commission to provide for immediate measures to support the restructuring of industry and to aid the redeployment of workers worst affected by the crisis and by redeployment.

Finally, the Council called upon the Commission to draw up the necessary proposals which would enable the Council, after examining them, to take a decision at its meeting on 19 and 20 December, thereby enabling all the measures for adoption to apply as from 1 January 1978.

PREPARATIONS FOR THE EUROPEAN COUNCIL

Acting in accordance with the general terms of reference received from the European Council, the Council set about preparing the issues likely to appear on the agenda for the next European Council meeting on 5 and 6 December next.

RELATIONS WITH YUGOSLAVIA

After taking note of the communication submitted to it by the Commission concerning the opening of negotiations with Yugoslavia for the conclusion of a new agreement in the spirit of the Belgrade joint declaration of 2 December 1976, the Council instructed the Permanent Representatives Committee to formulate negotiating directives on the basis of the communication and to report back at the next Council meeting in December.

FISHERIES : EXTERNAL ASPECTS

The Council took stock of a number of issues concerning external relations in fisheries.

More particularly:

- it examined the current state of relations with Poland, the German Democratic Republic and the USSR, especially as regards the progress of negotiations on framework agreements with those countries. The Council confirmed its support for the Commission position that under the present circumstances no fishing rights should be extended or restored for these countries beyond 1 December.

In view of the commitments entered into by the Community under ICNAF, the Council also adopted a Regulation extending until the end of the year the autonomous arrangements applicable to USSR vessels and authorizing such vessels to continue a certain amount of fishing in the ICNAF 1 zone off the coast of Greenland;

- examined a Commission recommendation concerning additional Directives for the negotiation of fisheries agreements between the Community, Guinea-Bissau, Cape Verde, Mauritania and Senegal.

In view of the importance of finding swift and satisfactory solutions to the problems facing certain Community fishermen in the waters concerned, the Council agreed in principle to the guidelines contained in the Commission recommendation. It instructed the Permanent Representatives Committee to continue its discussions on this matter so that it could finalize the negotiating directives in the near future;

- it took note - as regards relations with Yugoslavia in the fisheries sector - that the Commission would make all necessary endeavours to ensure that Community fishermen could continue to fish in Yugoslav waters.

#### GREENLAND

The Council took note of a statement by the Danish delegation with regard to Greenland.

## REGIONAL POLICY

On the basis of a Commission communication on regional policy guidelines, the Council examined in detail certain questions arising in connection with those guidelines and the adaptation of regional policy legislation.

These questions concerned in particular the periodic reports to be drawn up by the Commission and the action to be taken on them by the Council, the examination of the allocation of national shares, the definition of infra-structures eligible for Fund aid, the procedure for fixing the Fund's endowment and the introduction of multi-annual overall programming alongside the annual budgetary procedure.

Another essential question involved the fixing of the amount to be entered in the 1978 budget for the Regional Fund. As part of the budgetary procedure, and to permit that procedure to progress normally, the Council

- rejected the European Parliament amendment consisting in the restoration of the commitment appropriation of 750 million UA initially proposed by the Commission, which resulted in the restoration of the commitment appropriation of 398 million UA which it had entered in the draft budget
- undertook to re-examine this matter in the course of consultations with the European Parliament to be held on 7 December with the hope of reaching agreement with the European Parliament on a figure representing a substantial real increase in Fund activity.

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These measures were taken to allow the European Council to rule on the key questions in the matter.

With regard to the other questions mentioned above, the Council instructed the Permanent Representatives Committee to continue its work in the light of today's discussions so that the Council could act before the end of the year.

UNCTAD - COMMON FUND

The Council took stock of the UNCTAD negotiations in progress in Geneva on the establishment of a common fund and took the necessary steps to enable the Community to make a useful contribution to the final phase of these negotiations.

MISCELLANEOUS DECISIONS

Commercial policy

The Council adopted in the official languages of the Communities the Regulations

- amending Regulation (EEC) No 1279/77 suspending the application of indicative ceilings established by Regulations (EEC) Nos 3230/76, 3231/76, 3233/76, 3234/76 and 3235/76 for imports of certain products originating in Austria, Finland, Norway, Portugal and Sweden;
- opening, allocating and providing for the administration of tariff quotas for certain types of paper and paperboard of subheadings ex 48.01 C II and 48.01 F of the Common Customs Tariff, originating in Portugal (1978);
- amending Regulation (EEC) No 316/77 concerning the application of an anti-dumping duty on chains for cycles and motor cycles, originating in Taiwan;
- opening, allocating and providing for the administration of Community tariff quotas for
  - newsprint falling within subheading No 48.01 A of the Common Customs Tariff (1978) and extending this quota to certain other types of paper
  - certain hand-made products
  - certain hand-woven fabrics, pile and chenille falling within headings Nos ex 50.10, ex 55.07, ex 55.09 and ex 58.04 of the Common Customs Tariff;
- on the tariff treatment of certain products intended for use in the construction, maintenance and repair of aircraft.



The Council authorized the Commission to negotiate exchanges of letters between the European Economic Community on the one hand and Israel, Algeria, Morocco and Tunisia on the other concerning the import into the Community of preserved fruit salads originating in those countries (renewal for 1978 of the import arrangements).

The Council authorized the Commission to negotiate an exchange of letters with Algeria concerning the import into the Community of tomato concentrates originating in Algeria (extension for 1978 of the voluntary restraint arrangements).

#### Relations with the ACP States and the OCT

The Council adopted in the official languages of the Communities the Regulation extending Regulation (EEC) No. 3328/75 renewing the arrangements for the reduction of import charges on beef and veal products originating in the African, Caribbean and Pacific States.

The Council also adopted in the official languages of the Communities the decisions giving a discharge to the Commission in respect of the implementation of operations under the 1st, 2nd and 3rd EDFs for the financial year 1975.

#### Food aid

Under the 1975 and 1976 programmes for aid in the form of milk products, the Council agreed to the allocation to Vietnam and Egypt of quantities remaining in the reserves for these programmes, viz.:

to Vietnam: 6,009 tonnes of skimmed-milk powder  
to Egypt : 269 tonnes of butteroil.

ECSC/EURATOM

The Council adopted in the official languages of the Communities the Decisions

- adjusting the portion of administrative expenditure of the European Coal and Steel Community to be covered by levies on the production of coal and steel;
- giving guidelines to the Commission for the negotiation of a Safeguard Agreement between the European Atomic Energy Community, France and the International Atomic Energy Agency.

Social Questions

The Council adopted in the official languages of the Communities the Regulation amending Regulations (EEC) Nos 1408/71 and 574/72 on the application of social security schemes to employed persons and their families moving within the Community.

On a proposal by the French Government, the Council appointed Mr Maurice RAMOND, Inspector at the Inspection Générale des Affaires Sociales, an alternate member of the Committee of the European Social Fund in place of Mr CULAUD, who has resigned, until such time as all members of the Committee are replaced.



COUNCIL OF THE EUROPEAN COMMUNITIES  
GENERAL SECRETARIAT



PRESS RELEASE

LIBRARY

484th Council meeting  
- Budget -  
Brussels, 22 November 1977

President: Mr Mark EYSKENS,  
State Secretary for the Budget  
of the Kingdom of Belgium

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

Belgium:

Mr Mark EYSKENS State Secretary for the Budget

Denmark:

Mr Niels ERSBØLL State Secretary, Ministry for Foreign Affairs

Germany:

Mr Joachim HIEHLE State Secretary, Federal Ministry of Finance

France:

Mr Pierre BERNARD-REYMOND State Secretary to the Minister for Economic Affairs and Finance (Budget)

Ireland:

Mr Martin O'DONOGHUE Department for Economic Planning and Development

Italy:

Mr Antonio MAZZARRINO Deputy State Secretary, Ministry of the Treasury

Luxembourg:

Mr Jean DONDELINGER Ambassador, Permanent Representative

Netherlands:

Mr J.H. LUBBERS

Ambassador, Permanent  
Representative

United Kingdom:

Mr William NICOLL

Minister, Deputy Permanent  
Representative

Commission:

Mr Christopher TUGENDHAT

Member

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NEW FINANCIAL REGULATION

As part of the procedure for consultation between the European Parliament and the Council on the new financial regulation, the Council met a delegation from the European Parliament comprising Mr COLOMBO (President), Mr SPENALE (Vice-President), Messrs LANGE, AIGNER and BANGEMANN (Vice-Chairmen of the Committee on Budgets), Mr SHAW (Rapporteur on the 1978 budget), Lord BRUCE of DONINGTON, and Messrs COINTAT and SPINELLI (Members of the Committee on Budgets).

This meeting was the occasion for a second discussion of the draft financial regulation, in particular as regards certain questions left outstanding at the Conciliation Committee meeting on 7 November 1977, namely those of transfers of appropriations, comments, control and research appropriations.

Discussion of these questions and of certain related matters raised by the same draft enabled the two parties to narrow their differences of opinion on the amended draft, although the question of control was set aside for a subsequent meeting fixed for 7 December so that the Council and the European Parliament might acquaint themselves with the opinion issued on this matter by the Court of Auditors. This meeting should make it possible to finalize the text of the new regulation in time for it to apply from 1 January 1978.

DRAFT GENERAL BUDGET FOR 1978

The Council held an exchange of views on certain budget questions concerning the draft general budget for 1978, in order to prepare its position prior to embarking on a dialogue with the delegation from the European Parliament under the budget procedure.

In the course of the dialogue with the European Parliament delegation, the participants fully explained their respective positions particularly on the European Parliament's amendments and proposed modifications, and on the more general problems connected with the establishment of the 1978 budget.

The Council also informed the European Parliament delegation that, at its meeting on 21 November 1977, it had adopted common guidelines on the draft Regulations regarding VAT own resources and the full application of the own resources system as from 1 January 1978 (new Regulation 2/71).

The parties to the dialogue also took note of the Council's conclusions on the Regional Fund, which are summarized in Press Release 1361/77 (Presse 148) of 21 and 22 November 1977.

It was agreed that similar steps would be taken in the further application of budget procedure as regards the 1978 food aid programme, upon which the Council is to act at its meeting on development on 28 November 1977.

In the light of this exchange of views, the Council went on to give a second reading to the draft general budget of the European Communities and to a vote on the amendments and proposed modifications. Following discussion, it was agreed that the modified draft budget - amounting provisionally to about 12,145 MEUA in payment appropriations and 12,362 MEUA in commitment appropriations - would be forwarded to the European Parliament so that the latter could take a final decision on it at its plenary sitting in December.



MISCELLANEOUS DECISIONS

The Council adopted in the official languages of the Communities the Regulations

- amending for the third time Regulation (EEC) No 2453/76 on the transfer to the Italian intervention agency of frozen beef and veal held by the intervention agencies of other Member States;
  - amending Regulation (EEC) No 2452/76 on the transfer to the Italian intervention agency of butter held by the intervention agencies of other Member States.
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COUNCIL OF THE EUROPEAN COMMUNITIES  
GENERAL SECRETARIAT

PRESS RELEASE

LIBRARY

485th Council meeting  
- Development Co-operation -  
Brussels, 28 November 1977  
President: Mr Lucien OUTERS,  
Minister for Development  
Co-operation  
of the Kingdom of Belgium



28.XI.77

Netherlands:

Mr J.P. PRONK

Minister for Development  
Co-operation

United Kingdom:

Mrs Judith Hart

Minister for Overseas Development

Commission:

Mr Claude CHEYSSON

Member

SPECIAL ACTION IN THE CONTEXT OF THE CIEC

At the final ministerial session of the CIEC the developed countries agreed on a special action programme of 1,000 million dollars to help meet the immediate needs of the low-income countries.

The Community contribution to this programme amounts to 385 million dollars which the Community has chosen to pay to a special account of the International Development Association (IDA).

The Council agreed on the brief to be given to the Community representatives for the negotiation of the agreement to be concluded with the IDA on the use of the Community contribution.

This Council decision will enable the Community contribution to be put to rapid use in accordance with the purpose of the special action, which is to give prompt assistance to a number of particularly needy countries.

The bulk of the Community contribution will go to developing countries with a GNP per capita of not more than 280 dollars.

COMMUNITY GENERALIZED PREFERENCES FOR 1978

After consulting the Associated States concerned and the ACP States, the Council adopted the generalized preference scheme for 1978.

The new offers made by the Community, for 1978, concern mainly the optimum use of the preferences already granted by the Community, bearing in mind the substantial and systematic improvements granted over previous years and the disquieting developments in the economies of the Community Member States. Overall, the amount of trade covered (possible preferential imports) should total 5.1 thousand million UA for industrial products and 1.3 thousand million UA for agricultural products.

Whilst the overall offer for industrial products (chapter 25.99 of the CCT) is only slightly up on that for 1977, the Council has decided on a significant improvement to facilitate imports by raising to nine the number of tariff quotas for which a Community reserve is set aside. As regards textiles, the 1977 system has been extended for six months with no adjustment, owing to the state of crisis experienced by the textile industry in several Community regions and also to take account of the current textile negotiations. As regards jute and coir, complete suspension of tariff duty is scheduled as from 1 January 1978, following the Agreements concluded with the exporter developing countries concerned.

The Council decided to extend preferences to Romania for a number of additional products by comparison with 1977.

For the LDC's the Council agreed to suspend, in 1978, the application of ceilings for all semi-sensitive and non-sensitive industrial products - with the exclusion, however, of textile products. This measure follows on from that decided in 1977 (suspension of cut-offs) and falls under the new approach in force since 1977 instituting special arrangements for the least competitive countries.

As regards processed agricultural products (chapters 1 to 24 of the CCT), the Council agreed to the inclusion of a number of new products (in particular horses for slaughter and other horses, certain varieties of shellfish and mollusca, limes, mixtures of tropical fruit and certain fruit and vegetables, during winter).

Furthermore, the Council decided to renew all agricultural quotas (canned pineapple other than in slices, pineapples in slices, soluble coffee and cocoa butter, Virginia tobacco and other tobacco) and included a Community reserve to include in these quotas a proportion representing the Community reserve.

28.XI.77

RELATIONS WITH THE NON-GOVERNMENTAL ORGANIZATIONS (NGOs)  
SPECIALIZING IN DEVELOPMENT CO-OPERATION

The Council agreed to the procedure to be followed when using the Community appropriations set aside for co-operation with NGOs and to the general guidelines for the use of such appropriations.

The Council expressed satisfaction at the adoption of these texts, which provided a formal basis for continuing the extremely fruitful co-operation between the Community and the NGOs.



28.XI.77

CO-ORDINATION AND HARMONIZATION OF DEVELOPMENT CO-OPERATION  
POLICIES

The Council made further progress at this meeting, in its discussions on the implementation of its Resolution of November 1976 on the co-ordination and harmonization of the development co-operation policies of the Member States and the Community.

Following up its Resolution of 22 March 1977 on the co-ordination of emergency and humanitarian aid projects, the Council agreed to rules for organizing such co-ordination. This will involve close co-operation between a Commission co-ordinator and the Member States. The Council also took note of the list of contingency measures which may currently be invoked in the Member States and the Community in the event of disasters. The Resolution of 22 March thus becomes fully operational.

The Council was informed of a proposal from the Belgian delegation on the co-ordination of bilateral aid and agreed to a Resolution the purpose of which - over and above existing co-ordination arrangements for Community and Member States' aid - is, by means of meetings

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(<sup>1</sup>) see Annex

in an ad hoc framework, to better co-ordinate the bilateral activities of two or more Member States in a country or group of particular developing countries or when the implementation of joint projects is involved.

This new form of co-ordination is to be carried out both in Europe and on the spot.

The Council also noted an oral statement by Mr CHEYSSON, member of the Commission, on progress in the field of co-ordination and harmonization. It requested the Commission to widen the scope of its activities both on a sectoral level and in accordance with a country-by-country approach.

The Council also agreed - because of the importance of the subject and in order to be able to hold a thorough debate - to postpone until its next meeting its general discussion of the reciprocal implications of development co-operation policy and the other Community policies.

AID FOR NON-ASSOCIATED DEVELOPING COUNTRIES

A general consensus emerged in the Council in favour of the programme submitted by the Commission for the use of the 45 MUA appropriation entered in the 1977 budget for financial and technical aid for non-associated developing countries. These appropriations can now be committed by the Commission before the end of the year.

The Council worked out for the Commission a number of guidelines for the 1978 programme. The appropriations in the budget for this programme amount to 60 MEUA.

The Council also noted that there was now a consensus on the principle of establishing a basic regulation defining the framework for Community action in the matter of financial and technical aid for non-associated countries.

The debate enabled positions to be brought substantially closer on a number of outstanding questions. The Council, subject to application, if necessary, of the conciliation procedure with the European Parliament, proposed to conclude its debate at its next meeting so that the Regulation could apply in time for the 1978 budget.

## FOOD AID

### Milk products

The Council - by an overwhelming majority - worked out a guideline to the effect that food aid in the form of skimmed-milk powder in 1978 should total approximately 150,000 tonnes. It was agreed that the Budget Council would soon take the budgetary decision concerning the relevant appropriations to be entered in the 1978 budget.

### Cereals

The Council agreed to instruct the Commission, within the framework of a new International Cereals Agreement, to negotiate an increase in the Community's contribution under the Food Aid Convention as part of an effort by all donor countries, both traditional and potential, towards the world target of 10 million tonnes.

The Council instructed the Permanent Representatives Committee to examine the other matters outstanding in connection with the forthcoming negotiation of the Food Aid Convention.

ANNEXCO-ORDINATION OF THE DEVELOPMENT CO-OPERATION POLICIES  
OF THE MEMBER STATES AND OF THE COMMUNITY

The Council:

Whereas further progress could be achieved with a view to obtaining better co-ordination of the bilateral policies of the Member States and of the Community policy,

Whereas the detailed rules and procedures laid down for this purpose by the Resolution of 8 November 1976, in particular in paragraph 3, are pertinent and whereas they should be put fully into effect,

agrees:

- to seek more specific results and more significant progress in this sector by organizing meetings in an ad hoc framework, where two or more Member States consider it worthwhile to better co-ordinate their bilateral activities in a country or group of particular countries or when the implementation of joint projects is involved.
- to keep these meetings open to the other Member States and the Commission and to hold them on two levels:
  - in Europe, where contacts will make it easier to create the necessary climate for co-operation, the political will being more easily expressed at that level;

- on-the-spot, where contacts will be directed more towards co-ordination of the projects of the Member States and of the Community.
  
- to invite the Presidency to encourage such meetings, as soon as two or more Member States or the Commission so request.
  
- to request the Commission to widen the scope of its co-ordination activities which should be organized in a more systematic way, whether on a sectoral level or in accordance with the country-by-country approach, since this role of providing information and stimulus is essential for a better harmonized development of the Member States' bilateral co-operation policies.

MISCELLANEOUS DECISIONS

Trade policy

The Council adopted, in the official languages of the Communities,

- Regulations:

- suspending the autonomous Common Customs Tariff duties
  - = for mechanically propelled aircraft of an unladen weight exceeding 15,000 kg, falling within subheading ex 88.02 B II c);
  - = for certain agricultural products;
- concerning Community tariff quotas or arrangements for the import of products originating in various countries of the Mediterranean Basin for 1978;
- opening, allocating and providing for the administration of Community tariff quotas for Port wines, Madeira wines and Setubal Moscatel falling within the heading ex 22.05 of the Common Customs Tariff, originating in Portugal (1978);

- Decisions:

- on the conclusion of the Agreement in the form of an exchange of letters renewing the Trade Agreement between the EEC and the Argentine Republic;
- authorizing the Commission to open negotiations for the conclusion of agreements extending the Interim Agreements between the European Economic Community and the Maghreb countries.

The Council also adopted a Regulation concluding the Additional Protocol to the Agreement establishing an association between the European Economic Community and Malta, which was signed on 27 October 1977.

28.XI.77

EEC-Turkey Association

After recording the completion of the procedures required in the Member States of the Community for the entry into force of the Acts signed on 30 June 1973 in Ankara, in connection with the extension of the EEC-Turkey Association to the three new Member States, the Council adopted the Regulation concluding the EEC-Turkey Supplementary Protocol. This Regulation together with the various texts signed at Ankara on 30 June 1973 will be shortly published in the Official Journal.

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The Council adopted, in the official languages of the Communities, a Regulation amending Regulation (EEC) No 986/68 laying down general rules for granting aid for skimmed milk and skimmed-milk powder for use as feed.

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PRESS RELEASE

LIBRARY

486th meeting of the Council

- Fisheries -

Brussels, 5, 6 and 7 December 1977

President: Mr Antoine HUMBLET

Minister for Agriculture  
and Small Firms and Traders  
of the Kingdom of Belgium

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

Belgium:

Mr Antoine HUMBLET

Minister for Agriculture and  
Small Firms and Traders

Denmark:

Mr Svend JACOBSEN

Minister for Fisheries

Mr Jørgen HERTOFT

State Secretary,  
Ministry of Fisheries

Germany:

Mr Josef ERTL

Federal Minister of Agriculture

Mr Hans-Jurgen ROHR

State Secretary,  
Federal Ministry of Agriculture

France:

Mr Marcel CAVAILLE

State Secretary,  
Ministry for Public Investments  
and Regional Development with  
special responsibility for  
Transport (Fisheries)

Ireland:

Mr Brian LENIHAN

Minister for Fisheries

Italy:

Mr Vito LATTANZIO

Minister for Shipping and  
Transport

Mr Vito ROSA

State Secretary for Shipping

Luxembourg:

Mr Jean HAMILLIUS

Minister of Agriculture

Mr Albert BERCHEM

State Secretary,  
Ministry of Agriculture

Netherlands:

Mr A.P.L.M.N. VAN DER STEE

Minister of Agriculture and  
Fisheries

United Kingdom:

Mr John SILKIN

Minister of Agriculture,  
Fisheries and Food

Mr Bruce MILLAN

Secretary of State for Scotland

The Commission:

Mr Finn Olav GUNDELACH

Vice-President

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Fisheries policy

The Council held a detailed discussion on the principles which should serve as a guide in working out the final fisheries arrangements.

The discussion enabled the Council to record both a resolve to reach an agreement and the complexity of the technical aspects of this issue. It therefore agreed to suspend its meeting until 16 January 1978, when the Council would meet again to give a decision on the arrangements for fisheries.

Since the various aspects of this problem are interdependent, the Council invited the Commission to present it with a set of proposals relating to both the external and internal fisheries aspects.

Finally, existing rules, both Community and national, will be extended until 31 January 1978, until which date Member States will also undertake to maintain a standstill of fishing activity at its present level.

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With regard to certain external aspects of the fisheries policy, the Council took the opportunity afforded by this meeting to approve further directives for the Commission to negotiate with Guinea Bissau, Mauritania and Senegal. The object of these negotiations is to ensure fishing activity for vessels of the Member States of the Communities in the waters of those countries.

The Council also called upon the Commission to submit proposals to maintain the right of Community fishermen to fish in Yugoslav waters.

Finally, the Council stressed the importance of the consultations now in progress with certain third countries - the Faroe Islands and Norway - with a view to establishing reciprocal fishery arrangements for 1978.

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Under the heading of decisions required under existing regulations governing marketing arrangements in the fisheries sector, the Council adopted the Regulations fixing for the 1978 fishing year:

- the guide prices for the fishery products listed in the Annexes to Regulation (EEC) No 100/76;
- the intervention prices for fresh or chilled sardines and anchovies;
- the Community producer prices for tunny intended for the canning industry.

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## MISCELLANEOUS DECISIONS

### Relations with Turkey

The Council adopted in the official languages of the Communities the Regulations laying down certain quotas and arrangements for 1978 for imports into the Community of certain Turkish products (refined petroleum products, cotton yarn and fabrics, machine-made carpets and certain agricultural products, in connection with generalized preferences).

### Commercial policy

The Council also adopted in the official languages of the Communities the Regulations:

- temporarily suspending the autonomous Common Customs Tariff duties on a number of tropical products;
- temporarily suspending, as from 1 January 1978, the autonomous Common Customs Tariff duties on certain industrial products;
- opening, allocating and providing for the administration of Community tariff quotas for 1978 for:
  - unwrought magnesium falling within subheading 77.01 A of the Common Customs Tariff;
  - raw silk (not thrown) falling within heading No 50.02 of the Common Customs Tariff;
  - yarn, entirely of silk, not put up for retail sale, falling within heading ex 50.04 of the Common Customs Tariff;
  - yarn spun entirely from waste silk, not put up for retail sale, falling within subheading 50.05 A of the Common Customs Tariff;
- increasing from 2,311,000 to 2,511,000 tonnes the volume of the Community tariff quota opened for 1977 by Regulation (EEC) No 2931/76 for newsprint falling within subheading 48.01 A of the Common Customs Tariff.

Common agricultural policy

The Council adopted in the official languages of the Communities the Regulation extending until 31 December 1982 the possibility of marketing the Quality III category of certain fruits and vegetables, in particular apples.

It also adopted in the official languages of the Communities the Regulation fixing the activating prices for table wines for the period from 16 December 1977 to 15 December 1978, namely:

<u>Type of wine</u>	<u>Activating price</u>
R I	1.89 UA/degree/hl
R II	1.89 UA/degree/hl
R III	29.43 UA/hl
A I	1.77 UA/degree/hl
A II	39.23 UA/hl
A III	44.79 UA/hl

The effect of this decision is to increase the level of the activating price by 3.5%, which is the same percentage as adopted for guide prices, and thus to maintain last year's ratio between guide price and activating price, i.e. 93% of the guide price.

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The Council adopted in the official languages of the Communities the Regulation on the import arrangements for Greek wines in 1978.

This Regulation provides for the opening in 1978 of a Community tariff quota of 430,000 hl by volume. The duty applicable within the limits of this tariff quota is 15% of the CCT, as in 1977.

#### Export credits

The Council adopted the Decision on the position to be taken by the Community in the international negotiations in progress on the application of certain guidelines in the field of export credit. It should be recalled that the period of validity of the guidelines currently applied expires on 31 December 1977.

#### Relations with Portugal

The Council approved the Decision authorizing the Commission to open negotiations for the conclusion of an agreement extending the Interim Agreement between the European Economic Community and Portugal.



Social affairs

On a proposal from the Commission, the Council appointed Miss A.M. LEES, County Planning Officer, as a member of the Committee of Experts of the European Foundation for the Improvement of Living and Working Conditions to replace Mr E.J. ROBERTSON, who has resigned, for the remainder of the latter's term of office, which runs until 19 September 1979.

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PRESS RELEASE

LIBRARY

487th meeting of the Council

- Budget -

Brussels, 7 December 1977

President: Mr Mark EYSKENS  
Secretary of State for the Budget  
of the Kingdom of Belgium

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

Belgium:

Mr Mark EYSKENS State Secretary for the Budget

Denmark:

Mr Niels ERSBØLL State Secretary,  
Ministry of Foreign Affairs

Germany:

Mr Joachim HIEHLE State Secretary,  
Federal Ministry of Finance

France:

Mr Pierre BERNARD-REYMOND State Secretary to the Minister  
responsible for Economic and  
Financial Affairs (Budget)

Ireland:

Mr Martin O'DONOGHUE Minister for Economic Planning  
and Development

Italy:

Mr Antonio Mario MAZZARRINO Deputy State Secretary,  
Ministry of the Treasury

Luxembourg:

Mr Jean DONDELINGER Ambassador,  
Permanent Representative

Netherlands:

Mr J.H. LUBBERS

Ambassador,  
Permanent Representative

United Kingdom:

Mr Denzil DAVIES

Minister of State to the  
Treasury

Commission:

Mr Christopher TUGENDHAT

Member

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NEW FINANCIAL REGULATION

Under the conciliation procedure, a meeting took place between the Council and a delegation from the European Parliament, consisting of Mr COLOMBO (President), Mr LANGE (Chairman of the Committee on Budgets), Mr AIGNER (Vice-Chairman of the Commission on Budgets), Mr SHAW (Rapporteur for the 1978 budget), Lord BRUCE of DONINGTON and Mr SPINELLI (Members of the Committee on Budgets), on the new Community financial Regulation.

The object of this third meeting was to examine the provisions of the draft Financial Regulation dealing with the right of investigation bearing in mind the Opinion delivered by the Court of Auditors on this point.

The discussions made it possible for a common viewpoint to be expressed on all the problems examined.

In the light of the results of today's conciliation, and once it has received the new Opinion of the European Parliament, due next week, the Council will take a decision enabling the Financial Regulation to enter into force on 1 January 1978.

1978 DRAFT GENERAL BUDGET

The Council continued its discussions on matters relating to the 1978 draft general budget which were still in abeyance after its meeting on 22 November 1977, viz. the appropriations to be entered for the Regional Fund and for food aid.

At the meeting with the delegation from the European Parliament, which was held in the course of budgetary co-operation, both parties put their respective views on the various aspects of these two problems and on other general problems.

Referring to the Regional Fund, the Council informed the European Parliament of the European Council's decision to set the commitment appropriation for 1978 at 580 MEUA.

In the case of food aid in the form of skimmed-milk powder, the Council approved the appropriations necessary for the supply of 150,000 tonnes in accordance with the conclusions reached by the Development Council on 28 November. The net amount for these operations is 53.6 MEUA.

After the European Parliament has debated at its plenary session in Strasbourg next week, the budget will be finally adopted.

PRESS RELEASE

LIBRARY

488th Council meeting

- Environment -

Brussels, 12 December 1977

President:

Mr Luc DHOORE,  
Minister of Health and the Environment  
of the Kingdom of Belgium

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

Belgium:

Mr Luc DHOORE

Minister for Health and the Environment

Denmark:

Mr Niels MATTHIASSEN

Minister for the Environment

Mr Holger LAVESSEN

State Secretary,  
Ministry of the Environment

Germany:

Mr Werner MAIHOFER

Federal Minister of the Interior

Mr Gerhart Rudolf BAUM

Parliamentary State Secretary,  
Federal Ministry of the Interior

France:

Mr Michel D'ORHANO

Minister for Culture and the Environment

Ireland:

Mr Sylvester BARRETT

Minister for the Environment

Italy:

Mr Mario PEDINI

Minister for the Environment

Mr Giorgio POSTAL

Deputy State Secretary,  
Ministry for Scientific Research



Luxembourg:

Mr Joseph WEYLAND

Deputy Permanent Representative

Netherlands:

Mrs I. VORRINK

Minister for Health and the  
Environment

United Kingdom:

Mr Denis HOWELL

Minister of State at the  
Department of the Environment

Commission:

Mr Lorenzo NATALI

Vice-President

COMMUNICATION FROM THE FRENCH DELEGATION

At the beginning of the meeting the Council noted a communication from Mr D'ORNANO, Minister and Head of the French delegation, on future Council discussions on the environment.

Given the increasing importance of environmental protection, the communication emphasized the desirability of more frequent, less formal and more political meetings being held, of stepping up co-operation in the sphere of prevention, of drawing up European conventions on the quality of life and of implementing a European resources policy.

The Council agreed to discuss the various ideas thrown up by this communication at a subsequent meeting on the environment.

## TITANIUM DIOXIDE

The Council agreed in principle to the Directive on waste from the titanium dioxide industry.

This Directive is part of the European Communities' environmental action programme of 22 November 1973 and contains three aspects:

- the requirement to obtain prior authorization for the main elimination operations for waste from the titanium dioxide industry (discharge and dumping in water; storage and tipping on the ground; injection into the ground);
- monitoring of the waste and of the environment in which the elimination operations are carried out, and which also extends to elimination operations other than those carried out in water as well as to the waste itself;
- a plan for the progressive reduction and eventual elimination of pollution caused by waste from the titanium dioxide industry. This plan requires Member States to draw up national programmes by 1 July 1980 for the reduction of pollution caused by existing industries. Such programmes are to be harmonized at Community level on a proposal from the Commission. In the case of new industries, prior authorization must be obtained from the Member States. Such authorization will be granted only to firms which give an undertaking to use such materials, processes and techniques as are least damaging to the environment.

The Directive also obliges the Member States to supply the Commission with information relating to the above three aspects and to prepare periodic reports on the progress made in the prevention and reduction of pollution caused by such waste.

SURFACE FRESH WATER

Resuming its discussion of 14 June 1977, the Council adopted in the official languages of the Communities a Decision establishing a common procedure for the exchange of information on the quality of surface fresh water in the Community.

This Decision provides for the regular forwarding by Member States to the Commission of information on certain data concerning the quality of the waters sampled by the measuring stations appointed by the Member States and in accordance with certain uniformly fixed parameters. On the basis of this information, the Commission will send an annual summary report to all Member States.

TOXIC AND DANGEROUS WASTE

Continuing its discussions on the proposal for a Directive on toxic and dangerous wastes to which it had signified its agreement in principle on 14 June 1977, the Council agreed to set up a Committee on adaptation to scientific and technical progress and on the conditions under which matters were to be brought before the Committee by the Commission.

After technical and legal editing the final text of the Directive will be adopted in the official languages of the Communities and published in the Official Journal as soon as possible.

BIRD CONSERVATION

The Council reached general agreement on the main features of a proposal for a Directive on bird conservation, the purpose of which is to conserve numerous species of birds by restricting the numbers which may be sold or hunted. It also lists prohibited means of hunting and capture and provides special protection for certain habitats.

The discussion resulted in a broad concensus and helped to make inroads into the matters still outstanding, in particular the exact number of species which may be hunted and sold and the detailed arrangements for the protection of habitats.

The Council agreed to a Resolution on habitats whereby the Commission would submit to the Council, after a reasonable period following the adoption of the Directive, a list of the zones to which special protection would be granted. The Council took note of the Commission's intention to submit appropriate proposals for criteria concerning the delimitation, the choice, the organization and the methods of administering the special protection zones and asked the Commission to take account, in its proposals of the proportion of the zones in question occupied by special protection areas: a minimum for such areas would enable the objectives of the Directive to be met and measures to be laid down to prohibit hunting and to monitor other specific activities incompatible with the peaceful existence of birds.

Following the debate on this subject, the Council agreed to instruct the Permanent Representatives Committee to continue its work on the matter in the light of the day's discussions, so as to enable the Council to reach a final decision at one of its forthcoming meetings.

AIR POLLUTION

The Council conducted a general discussion on possible Community measures against air pollution caused by sulphur compounds.

This discussion was based on three fundamental points which served as ground lines for the Council meeting, viz.:

- the determination of criteria for sulphur dioxide and suspended particulates in the atmosphere;
- quality standards for these same substances, including particulates;
- the use of fuel-oils with the aim of decreasing sulphurous emissions.

In the course of the meeting various delegations conveyed their comments regarding the principles and foreseeable implementing rules and drew attention to their misgivings and wishes in this connection.

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The remaining items on the agenda concerning water pollution caused by wood pulp mills and the quality of water for human consumption were held over to a subsequent Council meeting.

MISCELLANEOUS DECISIONS

The Council adopted in the official languages of the Communities a series of acts relating to the common transport policy, viz. the Regulations:

- on the measures necessary to achieve comparability between the accounting systems and annual accounts of railway undertakings;
- amending Regulation (EEC) No 543/69 on the harmonization of certain social legislation relating to road transport;
- on the bringing into force of the European Agreement concerning the work of crews of vehicles engaged in International Road Transport (AETR);
- amending Regulation (EEC) No 1463/70 on the introduction of recording equipment in road transport;
- on the fixing of rates for the carriage of goods by road between Member States;

and the Directive on the mutual recognition of diplomas, certificates and other evidence of formal qualifications for road haulage operators and road passenger transport operators, including measures intended to encourage these operators effectively to exercise their right to freedom of establishment.

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PRESS RELEASE

LIBRARY

489th meeting of the Council

- Agriculture -

Brussels, 12 and 13 December 1977

Presidents: Mr Antoine HUMBLET,  
Minister for Agriculture and  
for Small Firms and Trades  
of the Kingdom of Belgium  
and  
Mr Poul DALSGER,  
Minister for Agriculture  
of the Kingdom of Denmark

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

Belgium:

Mr Antoine HUMBLET                      Minister of Agriculture and  
Small Firms and Trades

Denmark:

Mr Poul DALSGER                      Minister of Agriculture  
Mr Hans Jørgen KRISTENSEN              State Secretary,  
Ministry of Agriculture

Germany:

Mr Hans-Jürgen ROHR                      State Secretary,  
Federal Ministry of Agriculture

France:

Mr Pierre MEHAIGNERIE                      Minister of Agriculture  
Mr Jacques BLANC                      State Secretary,  
Ministry of Agriculture

Ireland:

Mr Jim GIBBONS                      Minister of Agriculture

Italy:

Mr Giovanni MARCORA                      Minister of Agriculture  
Mr Ferdinando RUSSO                      Under-Secretary of State,  
Ministry of Health

Luxembourg:

Mr Jean HAMILIUS Minister of Agriculture  
Mr Albert BERCHEM State Secretary,  
Ministry of Agriculture

Netherlands:

Mr A.P.L.M.M. VAN DER STEE Minister of Agriculture and  
Fisheries

United Kingdom:

Mr John SILKIN Minister of Agriculture,  
Fisheries and Food  
Mr Gavin STRANG Parliamentary Under Secretary  
of State,  
Ministry of Agriculture,  
Fisheries and Food

The Commission:

Mr Finn Olav GUNDELACH Vice-President

1978 PRICE REVIEW

The Council heard an introductory statement by Mr GUNDELACH, Vice-President of the Commission, who submitted the Commission's proposals for the 1978 agricultural prices and for certain ancillary measures. The Council noted in this connection that the Commission reserved the right to make further proposals - particularly with regard to certain agri-monetary measures - when the Council discussed the subject at a later date.

Members of the Council were asked to give their initial reactions to the approach adopted by the Commission in its proposals and to certain specific aspects of the proposals.

The Council said it was grateful to the Commission for submitting its proposals sufficiently early to enable the Council to prepare the ground adequately for the complex decisions to be taken. The Council agreed to forward the Commission's proposals to the European Parliament and the Economic and Social Committee for their Opinions; it instructed the Special Committee on Agriculture to commence its technical examination of the dossier without delay so that the Council could discuss at its forthcoming meetings.

13.XII.77

DEVELOPMENT OF MEDITERRANEAN REGIONS

The Council heard a statement by Mr GUNDELACH by way of introduction to the Commission communication on the guidelines for the development of the Community Mediterranean regions which was accompanied by measures in the agricultural sector.

In his statement Mr GUNDELACH emphasized particularly that the measures proposed -- which concerned regional policy, structural adjustments and the improvement of the market organization machinery -- were designed to help make Mediterranean agriculture more competitive with agricultural production both in other Community regions and in third countries, while avoiding increased protectionism and the creation of new structural surpluses.

After hearing this statement the members of the Council gave their first general reactions to the proposals; they stressed the need to expedite work in this field, on the basis of the practical proposals which the Commission would be submitting.

The Council instructed the Special Committee on Agriculture to prepare its future discussions.

WINE SECTOR

The Council held an exchange of views on the Commission report on the application of the reference price to certain liqueur wines (on the basis of Article 9(3) of Regulation 816/70 laying down additional provisions for the common organization of the market in wine).

Discussion centred on the level of the reference price and on the application, from 1 January 1978, of the countervailing charge to certain quality liqueur wines from third countries.

Since decisions concerning this matter are taken by the Commission under Management Committee procedure, the Council took note of the report and requested the Commission to bear in mind the various points made during the day's discussions, in particular the idea that the relevant provisions of the basic wine regulation should be applied as soon as possible.

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The Council also discussed matters connected with the financing of the current vine conversion programme beyond 1 January 1978.

In this connection the Council adopted the following Resolution:

"With a view to avoiding an interruption in aid from the Guidance Section of the European Agricultural Guidance and Guarantee Fund (EAGGF) in favour of projects aimed at the improvement of the basic structure of areas under vines in Languedoc-Roussillon, the Council, in examining the relevant Commission proposals, shall decide on the necessary measures so that those projects for the improvement of areas under vines which were up to now eligible for EAGGF aid in this region and are introduced in respect of the year 1978, can benefit from EAGGF, Guidance Section aid."

The formal decision on financing will be taken as soon as possible once the opinion requested of the European Parliament has been received.

VETERINARY MATTERS

The Council agreed to three Directives on veterinary matters.

The first Directive makes some amendments to the ban on the use of the Spinchiller process for chilling fowl carcasses and allows the use of the counter-flow process. Provision is, however, made for some derogations up to 15 August 1982 for establishments in operation on 1 January 1978, provided that the carcasses they produce are intended for the home market.

The second Directive establishes Community criteria for national plans for the accelerated eradication of brucellosis, tuberculosis and enzootic leukosis in cattle.

The third Directive extends to 31 December 1978 the validity of certain derogations in respect of brucellosis and tuberculosis granted to Denmark, Ireland and the United Kingdom.



BEEF AND VEAL

As agreed at its meeting on 7 and 8 November 1977, the Council examined all the decisions to be taken by 31 December 1977 to enable beef and veal to be imported under certain special arrangements in 1978.

The following figures were agreed in the course of this examination:

- 50,000 tonnes as the deficit to be covered by Community imports of meat intended for the processing industry for 1978
- 200,000 head of cattle as the Community's import requirements for 1978 in respect of young male bovine animals weighing 300kg or less, intended for fattening.

The Council also discussed what action to take on the following proposals for Regulations

- on the opening, allocation and administration of a Community tariff quota for frozen beef and veal falling within subheading 02.01 A II b) of the Common Customs Tariff (1978)
- increasing by 8,000 head the Community tariff quota opened for the period from 1 July 1977 to 30 June 1978 for animals of certain mountain breeds
- on levies applicable to imports of certain adult bovine animals and beef from Yugoslavia.

Following this discussion, at the close of which there appeared to be a degree of consensus the Council agreed to act on these proposals as soon as it had received the European Parliament's Opinions.

FRUIT AND VEGETABLES

The Council embarked on an exchange of views on the proposal for a Regulation amending the basic Regulation on fruit and vegetables with a view to granting increased Community preference for certain citrus fruits.

Certain delegations had misgivings about the advisability of discussing the matter at this stage and the Council accordingly instructed the Special Committee on Agriculture to study the technicalities in more detail so that the Council could apply itself to the matter again at its next meeting on agriculture, scheduled for 23 and 24 January 1978.

SALES ON BOARD SHIP

The Council recorded its agreement on the amended Regulation on certain measures to prevent abuses resulting from the sale of agricultural products on board ship.

This amended Regulation lays down, for each product, the maximum quantities which may be covered by a "travellers" exemption, and empowers the Member States to decide whether to authorize this exemption. The Council also agreed to request the Commission to submit to the Management Committee a proposal for a Regulation re-introducing a right to refunds for the products concerned in these cases.

This Regulation will enter into force on 1 February 1978; it will be finalized by the appropriate procedure so that it may be formally adopted at one of the next meetings.

AGRI-MONETARY QUESTIONS

The Council agreed to a 2.5% devaluation of the green rate of the French franc from 1 February 1978. This devaluation will have the effect of increasing agricultural prices expressed in French francs by 2.564% and decreasing the monetary compensatory amounts by 2.9 points.

Furthermore, the Council held a detailed exchange of views on the Commission proposal on the introduction of an automatic system for the progressive dismantling of monetary compensatory amounts, and on the Commission report on the use of the EUA in the common agricultural policy.

At the end of its exchange of views the Council agreed that this important issue would appear on the agenda for its forthcoming meetings. The Special Committee on Agriculture will accordingly continue its study of the various problems involved.

Lastly, the Council noted the agreement of the Member States to the extension until 31 December 1978 of the application of Article 2a of Regulation No 974/71. This provision lays down, in practice, that the monetary compensatory amounts to be granted to imports by Italy and the United Kingdom will continue to be paid by the exporting Member States.

STRUCTURAL POLICY

The Council noted a statement by the Commission representative concerning the four proposals for Directives which the Commission has just forwarded to the Council.

These proposals relate to:

- the modernization of farms;
- an increase in the rate of EAGGF participation in the Directive on mountain and hill farming and farming in certain less-favoured areas;
- measures to encourage the cessation of farming and the re-allocation of utilized agricultural areas for the purposes of structural improvement;
- the programme to accelerate drainage operations in the less-favoured areas of the West of Ireland.

On the same occasion the Commission lodged its second report on the application of the Directives of 17 April 1972 on the reform of agriculture, covering the period up to 31 December 1975.

The exchange of views conducted by the Council enabled the delegations to give their first reactions to those proposals and to the report, and their wishes and more general concern regarding structural policy.

Finally, the Council instructed the Special Committee on Agriculture to prepare its future discussions on the matter.

Agricultural questions

The Council adopted, in the official languages of the Communities,

- the Regulations
  - amending for the second time Regulation (EEC) No 1348/76 laying down general rules for the import of wines, grape juice and grape must;
  - amending for the fourth time Regulation (EEC) No 1876/74 concerning the addition of alcohol to products in the wine sector;
  - amending Regulation (EEC) No 1169/77 in respect of the exchange rates applicable to the 1976 tobacco harvest;
- the Decision concerning employment aid for certain slaughterhouses in Northern Ireland.

MISCELLANEOUS DECISIONS

The Council adopted, in the official languages of the Communities,

- the Regulation totally or partially suspending Common Customs Tariff duties on certain products falling within Chapters 1 to 24 of the Common Customs Tariff, originating in Malta (1978);
- the Directives
  - on the co-ordination of laws, regulations and administrative provisions relating to the taking up and pursuit of the business of credit institutions <sup>(1)</sup>;
  - on the approximation of the laws of the Member States relating to the colouring matters which may be added to medicinal products;

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(<sup>1</sup>) See Press Release No 1359/77 (Presse 146) of 21 November 1977.

-- a Decision amending Decision 75/458/EEC concerning a programme of pilot schemes and studies to combat poverty <sup>(1)</sup>.

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Following a proposal from the French Government, the Council appointed Mr A. NOE and Mr A. FAUSSAT as members of the Advisory Committee of the Euratom Supply Agency to replace, respectively, resigning members, Mr HOUDAILLE and Mr P. LEONARDI for the remainder of their term of office, which runs until 28 March 1979.

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<sup>(1)</sup> See Press Release No 1240/77 (Presse 135) of 28 October 1977

COUNCIL OF THE EUROPEAN COMMUNITIES  
GENERAL SECRETARIAT

PRESS RELEASE

LIBRARY

490th meeting of the Council

- Public Health -

Brussels, 13 December 1977

President: Mr Luc DHOORE  
Minister for Public Health  
and the Environment  
of the Kingdom of Belgium

1475/77 (Presse 166)



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

Belgium:

Mr Luc DHOORE Minister for Health and for Family Affairs

Denmark:

Mr Egon JENSEN Minister of the Interior

Germany:

Mrs Antje HUBER Minister for Youth, Family Affairs and Health

France:

Mrs Simone VEIL Minister of Health

Ireland:

Mr Charles HAUGHEY Minister for Health and Social Welfare

Italy:

Mr Luciano DAL FALCO Minister of Health

Luxembourg:

Mr Emil KRIEPS Minister of Health

Netherlands:

Mr R.A. van SWINDEREN

Deputy Permanent Representative

United Kingdom:

Mr David ENNALS

Secretary of State for Social  
Services

Commission:

Mr Henk VREDELING

Vice-President

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AGENDA OF THE MEETING

The Ministers of Health of the nine Member States, meeting with the Commission for the first time at Community level, held a preliminary discussion on various problems of major importance existing in all the Member States.

The following four items were on the agenda:

- Economic aspects of health;
- Health education policies, with particular reference to smoking, drug abuse in sports and nutrition;
- Measures to combat certain illnesses, and in particular the problem of vaccinations;
- Mutual assistance in the event of disasters or exceptionally serious illnesses.

In view of the circumstances mentioned above this meeting was of an exploratory nature; it did, however, provide an opportunity for strengthening the spirit of co-operation between the Member States in a field of common interest.

ECONOMIC ASPECTS OF HEALTH

The Ministers for Health conducted a detailed exchange of views on the economic aspects of health.

The discussions enabled each delegation to outline the situation in its own country and the major policy decisions already taken or to be taken with a view to curbing health expenditure. The delegations also stated the importance they attached to the studies now being prepared on this subject by the Commission, and expressed the wish that these be continued with a view to evolving specific suggestions for action to be taken in this area by the Member States (e.g. with regard to sickness prevention, consumption of medicines, etc.).

In this connection, the delegations assured the Commission of their full and active co-operation.

HEALTH EDUCATION

The Ministers held a general discussion on health education policies, with particular reference to smoking, drug abuse in sport and nutrition. They emphasized the importance of anti-smoking campaigns in health education.

At the close of their discussion, the Ministers agreed to request the Commission to compile basic documentation on the measures taken by the Member States in this field and to draw up suggestions for Community measures.

MEASURES TO COMBAT CERTAIN ILLNESSES

The Ministers for Health conducted a lengthy discussion on measures to combat certain illnesses, in particular the problem of vaccinations, after which they agreed to ask the Commission to look into ways of improving information and co-operation on this subject between the Member States.

MUTUAL ASSISTANCE IN THE EVENT OF DISASTERS

The Ministers for Health took note of the documentation submitted on this subject by the Commission and asked the Commission to continue its work in this area.

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PRESS RELEASE

LIBRARY

491st meeting of the Council

- Energy -

Brussels, 13 December 1977

President: Mr Willy CLAES,  
Minister for Economic Affairs of the  
Kingdom of Belgium





Netherlands

Mr J.H. LUBBERS

Ambassador,  
Permanent Representative

United Kingdom

Mr Tony BENN

Secretary of State for Energy

Mr Dickson MABON

Minister of State for Energy

Commission

Mr Guido BRUNNER

Member

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ENERGY SITUATION

In accordance with its Decision of 14 January 1977, the Council examined the energy situation in the Community and in the world.

To this end it had before it a Commission communication - introduced at the meeting by Mr BRUNNER - describing the major trends which emerged on the Community energy market in 1977 and the main factors governing or influencing international developments.

The exchange of views enabled the members of the Council to conduct a general debate on the problems of particular significance in the Community energy policy, namely the objectives of this policy, energy prices, problems concerning coal, nuclear energy, energy savings, etc.

On the subject of energy prices, the Council took note of work in progress within the Commission and asked the latter to continue its analyses in close contact with the Member States with a view to producing data which would be used in formulating future guidelines for the Community energy policy.

RATIONAL USE OF ENERGY

In the context of the Community action programme on the rational utilization of energy, the Council agreed on a Directive on the performance, maintenance and regulation of heat generators and the insulation of the distribution system in new buildings.

This Directive aims to establish a Community framework for making energy savings on new heating systems and appliances for the production of domestic hot water in non-industrial buildings. However, appliances for which type-testing is not practical will be the subject of a subsequent proposal after appropriate technical study.

The Directive stipulates that the energy-saving objective must be pursued by inspections carried out by the Member States at the time of manufacture or installation of heat generators to ascertain whether they comply with minimum output levels corresponding to the form of energy used. From 1 January 1981, generators may not be installed unless they have passed such inspection.

The Directive also lays down that Member States must, by 1 July 1980, prescribe adequate thermal insulation for the hot-water distribution and storage system and for connections to remote-heating systems.

RATIONAL USE OF ENERGY - FINANCIAL AID TO DEMONSTRATION PROJECTS

The Council examined the proposal for a Regulation on the granting of financial aid to demonstration projects in the field of energy saving.

This proposal is designed to encourage the carrying out of projects for new techniques which enable energy to be saved by an improvement in yield.

At the conclusion of the discussion, the President noted that there was a favourable attitude towards the introduction of such a scheme, but that some delegations needed more time to consider certain procedural aspects and the criteria for selecting projects. The Council accordingly instructed the Permanent Representatives Committee to complete the work on these aspects at Committee level, if possible, so that this proposal could be rapidly adopted by the Council.

COAL SECTOR

The Council continued its discussions on the introduction of Community financial measures to promote the use of coal for electricity generation.

The debate gave Council members the opportunity of clarifying their approach to the problems posed by this question and particularly the question of whether and to what extent the object of these measures should be to promote a diversification of Community energy sources in the direction of coal, including imported coal, or, whether they were intended in the main to promote the use of Community coal.

The Council instructed the Permanent Representatives Committee to continue its work on the subject in the light of today's debate.

The Council also held a brief exchange of views on the proposal concerning the introduction of Community aid for financing cyclical stocks of hard coal, coke and patent fuel. It agreed to return to this question at a forthcoming meeting on the basis of new proposals from the Commission.

At the beginning of the discussions on this point, the President had informed the Council that a delegation consisting of producers and workers in the coal industry had just handed him two memoranda on the Community's coal policy, expressing concern about the present situation in this sector.

REFINING PROBLEMS

The Council held an exchange of views on the problems posed by the definition of a Community approach to refining problems.

It took formal note of the Commission's intention to submit an overall assessment of the situation in the Community refining industry and proposals for remedying the difficulties facing this sector before the next meeting of the Energy Committee on 30 January 1978.

The Council will return to these problems at its next meeting on Energy, with a view to deciding jointly on the measures which might be taken to cope with the situation.

ENERGY OBJECTIVES FOR 1985

The Council took note of the second Commission report on the achievement of Community energy policy objectives for 1985.

It also examined a draft Resolution designed to adapt certain aspects of the energy objectives for 1985 adopted by the Council in December 1974.

On this subject, the Council adopted a common approach as regards, firstly, the reduction of the Community's dependence on imported energy and the share of oil in energy consumption, and, secondly, the reduction to be made between now and 1985 in the relationship between the growth rate of energy consumption and the growth rate of economic activity, which should enable very large energy savings to be made.

With regard to the other parts of the Resolution, the Council instructed the Permanent Representatives Committee to continue its discussions with a view to submitting a final text to the Council for its next meeting.

### INTERIM REPORTS

The Council took note of two interim reports by the Permanent Representatives Committee on the progress made in work on two proposals for Regulations on the granting of financial support for projects to exploit alternative energy sources and on the procedures for the taking of a Council Decision to grant Community support for projects to exploit hydrocarbon exploration projects.

### WORK PROGRAMME

The Council took stock of the progress made in the work programme for 1977, and adopted a target programme for 1978 to serve as a basis for its work during that year.

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PRESS RELEASE

LIBRARY

492nd Meeting of the Council

- Posts and Telecommunications -

Brussels, 15 December 1977

President: Mr Léon DEFOSSET,  
Minister for Posts  
and Telecommunications  
of the Kingdom of Belgium



Netherlands:

Mr M.H.M. VAN HULTEN

State Secretary, Ministry of  
Transport and Water Control

United Kingdom:

Mr William NICOLL

Deputy Permanent Representative

Commission:

Mr Etienne DAVIGNON

Member

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AGENDA OF THE MEETING

At this first meeting of the Council and the Representatives of the Governments of the Member States meeting within the Council, which was devoted to postal and telecommunications affairs, the following items were discussed:

Postal affairs:

- the application of internal rates in postal links between Member States;
- the abolition of the charge for submission to Customs for consignments of a non-commercial character (small postal packets and parcels);
- the harmonization of address coding, automatic reading and sorting systems;

Telecommunications:

- the respective roles of the public administrations responsible for managing the telecommunications monopoly and of the private sector;
- the trends in prices charged to the user of telecommunications services;
- the co-ordination of projects for the development of telecommunications networks in the Community.

The discussions at the meeting were of an exploratory nature on most of these subjects and were intended to give impetus to the work in progress in the sectors which affect postal and telecommunications affairs, and to open up prospects on certain specific questions.

POSTAL LINKS BETWEEN MEMBER STATES

The Council held a discussion on the application of internal rates (internal rates to letters weighing not more than 20 g and to postcards) in postal links between Member States, and particularly as regards the advisability of applying them in reciprocal postal links between the nine Member States.

At the close of the debate, which enabled both the budgetary and administrative aspects and the political aspects of the matter to be examined in depth, the Council acknowledged the political impact which the aim pursued would have on the European endeavour and agreed to ask the Commission to study all the financial and technical implications. Pending the report to be submitted by the Commission to the Council, Member States would ensure that the difference between the internal and external rates applicable to the other Member States did not increase.

SMALL POSTAL PACKETS AND PARCELS

The Council held an exchange of views on the abolition of the charge for submission to customs for consignments of a non-commercial nature (small postal packets and parcels).

The question arose in the Council of assessing whether this charge, which, moreover, is not levied in all the nine Member States, should be abolished in order to reduce costs for the addressees of small packets and of thus expressing in practical terms its commitment to a Europe for every man.

The Council agreed to the need to make progress in this area and noted the Commission's intention of making proposals regarding the administrative aspects in order to facilitate the abolition of the charge by making it possible for the small packets in question to be identified in advance.

HARMONIZATION OF ADDRESS CODING

After a brief exchange of views on the harmonization of address coding, automatic reading and sorting systems, the Council agreed to ask the Commission to study this series of problems in collaboration with experts of the Member States in order to seek an optimum degree of technical collaboration in this field.

STATEMENT ON TELEVISION

The Council took note of a communication from the Italian delegation on certain problems relating to television.

The Council agreed to ask the Commission to study the suggestions made by the Italian delegation.

TELECOMMUNICATIONS

The Council discussed the three subjects mentioned in connection with telecommunications.

On the respective roles of the public administrations responsible for managing the telecommunications monopoly, and of the private sector and on the question of the trend in prices to the user, the Council decided to ask the Commission to study the general problems raised, together with experts from the Member States and in the light of the work undertaken within the European Conference of the Ministers for Posts and Telecommunications.

After a discussion on the co-ordination of projects for the development of telecommunication networks in the Community, the Council recorded the Commission's intent to draw up a list of the main techniques which are used, or are on the drawing-board for the national administrations, to consult with the CEPT and to work on the further definition of new electronics-based technologies (integrated electronic system).

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COUNCIL OF THE EUROPEAN COMMUNITIES  
GENERAL SECRETARIAT

PRESS RELEASE

LIBRARY

493rd meeting of the Council

- Economics/Finance -

Brussels, 19 December 1977

President:

Mr Gaston GEENS,  
Minister for Finance  
of the Kingdom of Belgium

19.XII.77

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

Belgium:

Mr Gaston GEENS Minister for Finance

Denmark:

Mr Jens KAMPMANN Minister for Fiscal Affairs

Mr Paul GERSMANN State Secretary,  
Ministry of Fiscal Affairs

Mr Kurt HANSEN State Secretary,  
Ministry of Economic Affairs

Germany:

Mr Hans APEL Federal Minister for Finance

Mr Otto SCHLECHT State Secretary,  
Federal Ministry of Economic Affairs

France:

Mr Robert BOULIN Minister responsible for Economic  
and Financial Affairs

Ireland:

Mr George COLLEY Deputy Prime Minister  
Minister for Finance

Italy:

Mr Gaetano STAMMATTI Minister for the Treasury

Luxembourg:

Mr Jacques POOS Minister for Finance

Netherlands:

Mr J.H. LUBBERS

Ambassador,  
Permanent Representative

United Kingdom:

Sir Donald MAITLAND

Ambassador,  
Permanent Representative

Commission:

Mr François-Xavier ORTOLI

Vice-President

Mr Christopher TUGENDHAT

Member

Mr Richard BURKE

Member

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ACTION TO BE TAKEN FOLLOWING THE MEETING OF THE EUROPEAN COUNCIL  
ON 5 AND 6 DECEMBER 1977

To prepare the ground for a detailed discussion of the Commission communication to the European Council on economic and monetary union, the Council asked the Permanent Representatives Committee and the specialized economic and financial committees (the Monetary Committee, the Committee of Governors of the Central Banks and the Economic Policy Committee) to conduct a prior examination of the communication.

The Council also pointed out that the European Council had spoken in favour of increased convergence of short-term economic policies by better co-ordination of national short-term economic policy instruments and their insertion into a Community framework and procedure.

The Council undertook to examine the problem at a forthcoming meeting on the basis of the reports which would be forwarded by the various working parties and specialized committees to which it had entrusted the study of the Commission communication on the matter.

The Council in conclusion requested the Commission to submit as soon as possible its proposal for the establishment of a new instrument for Community lending and borrowing in accordance with its instructions from the European Council.

STRENGTHENING OF THE MECHANISM FOR MEDIUM-TERM FINANCIAL ASSISTANCE

After examining the Commission proposal, the Council adopted, subject to a provisional reservation by the United Kingdom delegation, a Decision on the adjustment of medium-term financial assistance.

The purpose of this Decision is to double the commitment ceilings of the Member States and at the same time to adjust the rules governing conditions for assistance and surveillance of compliance with the conditions subscribed to. Henceforward, commitment ceilings and operations for granting assistance will be expressed in European units of account.

This Decision will be published in the Official Journal of the European Communities once the United Kingdom delegation has withdrawn its reservation.

ADOPTION OF THE REGULATION ON VAT OWN RESOURCES AND THE NEW  
REGULATION No 2/71

The Council adopted, in the official languages of the Communities these two Regulations on which it had evolved common guidelines at its meeting on 21 November 1977 and the purpose of which is to ensure that the full system of own resources is implemented. Since the European Parliament had declined to initiate the conciliation procedure, it was possible to adopt both texts without amendments.

The former of these Regulations, which supplements the work already begun by the adoption in May this year of the sixth VAT Directive, contains specific elements for determining the basis for levying own resources accruing from VAT and provisions relating to the control of these resources.

The new Regulation No 2/71 lays down budgetary and financial provisions which are to govern the accounting, making available and use of the Communities' own resources from 1 January 1978.

EXCISE DUTIES ON MANUFACTURED TOBACCO

The Council adopted in the official languages of the Communities the Directive laying down special criteria to apply during the second stage of harmonization of structures to the excise duties which Member States apply to manufactured tobacco.

This Directive provides that during the second stage, which extends from 1 July 1978 (1 January 1979 for Ireland) to 31 December 1980, Member States shall apply a specific element of the excise duty on cigarettes which may not be less than 5% or more than 55% of the amount of the total tax burden (proportional component of the excise duty + specific component of the excise duty + VAT).

DUTY-FREE ALLOWANCES APPLICABLE IN INTERNATIONAL TRAVEL

The Council adopted, in the official languages of the Communities, the Directive granting Denmark a derogation for a five-year period beginning on 1 January 1978 from the application of the harmonized rules relating to exemption from turnover tax and excise duty on imports in international travel.

The Council considered that progress in the attainment of economic and monetary union and, in particular, in fiscal harmonization did not yet allow the full application of such rules in Denmark without the risk of serious economic consequences.

The derogation accorded by this Directive authorizes Denmark to restrict duty-free imports of tobacco products, alcoholic beverages (distilled beverages and spirits of an alcoholic strength exceeding 22°) and beer.



MUTUAL ASSISTANCE IN THE FIELD OF DIRECT TAXATION

The Council adopted in the official languages of the Communities the Directive to which it had agreed in principle at its meeting on 21 November 1977 <sup>(1)</sup> concerning mutual assistance by the competent authorities of the Member States in the field of direct taxation.

BUDGETARY ASPECTS OF THE 1978/1979 AGRICULTURAL PRICES

The Council noted a statement by Mr TUGENDHAT, Commissioner with responsibility for budgetary matters concerning the implications for the budget of the proposals on agricultural prices recently submitted to the Council by the Commission.

DATE OF THE NEXT MEETING

The Council decided to hold its next meeting on economic and financial matters on 20 February 1978 under the Danish Presidency.

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<sup>(1)</sup> See Presse Release 1359/77 (Presse 146) of the same date.

PRESS RELEASE

LIBRARY

494th meeting of the Council

- Foreign Affairs -

Brussels, 19 and 20 December 1977

Presidents:           Mr Henri SIMONET,  
                          Minister for Foreign Affairs  
  
  and  
  
  Mr Willy CLAES,  
                          Minister for Economic Affairs  
  
  of the Kingdom of Belgium

20.XII.77

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

Belgium:

Mr Henri SIMONET                      Minister for Foreign Affairs  
Mr Willy CLAES                         Minister for Economic Affairs

Denmark:

Mr E.B. ANDERSON                     Minister for Foreign Affairs  
Mr Niels ERSBØLL                     State Secretary  
   Ministry of Foreign Affairs

Germany:

Mr Klaus von DOHNANYL               Minister of State,  
   Federal Ministry of Foreign  
   Affairs  
Mr Otto SCHLECHT                     State Secretary  
   Federal Ministry of Foreign  
   Affairs

France:

Mr René HONORY                       Ministry for Industry, Trade and  
   Craft Trades  
Mr Jean-Francois DENIAU              State Secretary, attached to the  
   Minister for Foreign Affairs  
Mr Claude COULAIS                    State Secretary, attached to the  
   Minister for Industry, Trade  
   and Craft Trades

Ireland:

Mr David ANDREWS                     Minister of State,  
   Ministry of Foreign Affairs

Italy:

Mr Aranldo FORLANI

Minister for Foreign Affairs

Mr Carlo DONAT CATTIN

Minister for Foreign Affairs

Minister for Industry

Luxembourg:

Mr Gaston THORN

Minister for Foreign Affairs

Mr Jean HAMULIUS

Deputy Minister for Foreign Affairs

Netherlands:

Mr J.H. LUBBERS

Ambassador,  
Permanent Representative

United Kingdom:

Mr Edmund DELL

Secretary of State for Trade

Mr Frank JUDD

Minister of State,  
Foreign and Commonwealth Office

Commission:

Mr Roy JENKINS

President

Mr François-Xavier ORTOLI

Vice-President

Mr Fin Olav GUNDELACH

Vice-President

Mr Lorenzo NATALI

Vice-President

Mr Claude CHEYSSON

Member

Mr Guido BRUNNER

Member

Vicomte Etienne DAVIGNON

Member

Mr Antonio GIOLITTI

Member

Mr Christopher TUGENDHAT

Member

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IRON AND STEEL PROBLEMS

The Council examined in detail the whole range of internal and external measures to be introduced on 1 January 1978 in order to resolve the present crisis in the Community iron and steel industry; at the end of the discussions, the Council reached an overall policy agreement.

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With regard to the external measures, the Council invited the Commission to propose, along the lines of the OECD declaration, that all the countries which export steel to the Community, conclude with the Commission bilateral arrangements for price restraint so as not to provoke a disturbance on the Community market which was based on Community minimum prices. This could only be achieved if at the same time assurances were given on the maintenance of traditional trade patterns on the basis of 1976, taking into account the trend towards lower consumption forecast for 1978.

The Council also took note of the action which the Commission would be taking to terminate the disturbances on the Community market.

From 1 January 1978, pending the conclusion of bilateral agreements which should be concluded by the end of ~~June~~<sup>March</sup>, the following measures will apply:

*corrigendum*  
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*175*

- in accordance with the provisions of GATT on dumping, the publication in the Official Journal of a basic price reflecting the lowest production costs in the exporting country in which normal conditions of competition exist;
- compulsory indication of the delivery price in the automatic import licences;
- recording by the customs administrations on behalf of the Commission of any differences between the published basic price and the declared delivery price;
- the immediate imposition by the Commission of temporary countervailing duties.

In order to enable the system to become fully operative on 1 January, those automatic licences which were unused on 20 December 1977 will be cancelled and must therefore be re-submitted. There will be exceptions for goods consigned by ship before 20 December 1977 and goods on rail (especially for the Eastern European countries) which will be accepted until 31 December. However, the normal anti-dumping rules will apply to such imports.

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Pending the conclusion of the price and quantity arrangements to be negotiated by the Commission with third countries, the Council agreed in principle to a measure banning Community undertakings from aligning their prices on tenders for iron and steel and pig iron products from certain third countries. This measure will be introduced when the agreements with third countries have entered into force.

The Council also approved the crisis measures for the internal market, in both their aspects i.e. the steps to be taken to increase prices and establish greater restraint on the Community market, and also the Commission's ideas on the re-organization of the iron and steel industry.

The Council gave its assent to measures for correcting the distortions on the market, with the aim of ensuring that the price regulations were obeyed by dealers in iron and steel products.

It also took part in consultation on the minimum prices which the Commission is to fix from 1 January for concrete reinforcement bars, wide hot-rolled strip and laminated merchant bars.

Finally, the Council took note of the various measures which the Commission intended to take as part of its crisis plan, viz. in particular increasing the guide prices by 15% in the course of 1978, a 5% increase being applied on 1 January 1978, and obliging undertakings

- in the steel industry in general to issue certificates of conformity for certain steel products;
- producing merchant bars, sections, coils and concrete reinforcement bars to supply certain data on their deliveries of these products.

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In order to implement all these measures and attain the objective of restructuring the Community steel industry, the Council, having noted

- the Commission's intention of reserving the appropriation of 32 MEUA intended to balance the ECSC budget exclusively for re-structuring the Community steel industry, creating alternative employment as part of the conversion policy for the steel industry and granting social aid for relocation of labour;



- the Commission's intention of providing a framework for national aid in accordance with the provisions of the Treaty and requesting the assent of the Council, pursuant to the first paragraph of Article 95, to the measures necessary, taking into account the objectives set out in the previous paragraph;
- the Commission's intention of submitting the general objectives for steel for 1985-1990 to the Council for consultation as soon as they have been drawn up;
- the proposals made by the Commission to transfer the customs duties on ECSC products to the operational budget of the ECSC;

decided in principle to allocate 32 MEUA to the operational budget of the ECSC for 1978 and undertook to adopt the appropriate measures in due course. Detailed allocation procedures will be determined later.

20.XII.77

TEXTILES - REPORT ON THE BILATERAL NEGOTIATIONS AND EXTENSION  
OF THE MULTIFIBRE ARRANGEMENT

The Council studied in detail the Commission report on the negotiations and talks held over the past two months with almost all countries supplying textiles at low prices.

These negotiations and talks were conducted under terms of reference drawn up by the Council in October. The main aim was to obtain a certain stabilization of imports of textile products into the Community, viz. the ordered development of all textile imports over the next five-year period (1978/1982) so that they are kept within limits bearable for the Community textile industry. The latter would thus have the breathing space necessary for it to modernize its **structures**. The agreements negotiated also guarantee supplier countries security of access to the Community market.

The Council endorsed the results of all the negotiations carried out by the Commission.

The various bilateral agreements will be signed and concluded as soon as possible in accordance with customary procedure.

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In view of the above, the Council was also able to accept that the Community should consent to the extension of the Multifibre Arrangement for a period of four years. It was understood, however, that where a bilateral agreement was not ratified by the supplier concerned or was later denounced, the Community would fully reserve its rights.

On completion of their discussion, the Council expressed satisfaction at the results obtained in what is a particularly sensitive sector and its appreciation of the work carried out by the Commission and the negotiators.

REGIONAL POLICY

In an attempt to reach an overall decision on the new regional policy texts and in particular the revised Regulation concerning the European Development Fund, the Council held a lengthy discussion on the outstanding problems, i.e. the final distribution of national shares, the creation on a non-quota section and the inclusion in a Regulation of the overall endowment of the Regional Fund agreed upon by the European Council.

In connection with the overall endowment, the Council agreed that the draft budget for the years 1978 to 1980 would be drawn up in accordance with the amounts decided upon by the European Council, namely 1978: 580 MEUA, 1979: 620 MEUA, 1980: 650 MEUA.

As regards the distribution of national shares, the Council discussed the method to be used to calculate the figures for distributing between the Member States the additional allocation of 2% for France decided by the European Council.

The Council considered in depth the creation of a non-quota section. No delegation raised any objection in principle to this Commission proposal. It was nevertheless noted that in view of the fact that it was an innovation, further work would be needed in particular as regards the scope, the types of programme to be approved, the endowment of this section in relation to the whole of the Fund and other implementing arrangements.

The Council instructed the Permanent Representatives Committee to continue its work in the light of discussions held today and to submit to it an overall solution to the problems outstanding.

RELATIONS WITH JAPAN

At its meeting in Brussels on 5 and 6 December 1977, the European Council asked the President of the Commission to continue and intensify his consultations with the Japanese Government on the problems arising in trade relations between the EEC and Japan.

The President of the Commission made a detailed statement to the Council on the main points to emerge from his talks on 16 December with Mr USHIBA, Japanese Minister for International Economic Relations.

After the exchange of views which followed this statement, the Council asked the Commission to continue consultations with the Japanese Government and agreed to hold a thorough discussion of all the problems surrounding relations with Japan at its meeting in February 1978.

EURATOM-IAEA RELATIONS

The Council noted the progress made in the negotiations between Euratom and the IAEA on the inspection procedures to be introduced for certain nuclear installations located in the seven Member States which are signatories to the Verification Agreement.

EURATOM-CANADA NUCLEAR CO-OPERATION AGREEMENT

The Council noted a statement by Mr BRUNNER, Member of the Commission, describing the last phase of the recently completed negotiations with Canada. It approved the conclusion of the exchange of letters - finalized during the negotiations between the Commission and Canada - supplementing or interpreting the provisions relating to safeguards of the 1959 Euratom-Canada nuclear co-operation agreement.



RELATIONS WITH SPAIN

The Council adopted negotiating directives for the Commission, to enable negotiations to be resumed with Spain with a view to supplementing the agreement between the latter and the European Economic Community.

CITRUS FRUIT

The Council discussed the Commission recommendation for an improvement of the Community tariff concession for various Mediterranean countries in respect of certain citrus fruit. It instructed the Permanent Representatives Committee to continue examining the matter.

### RELATIONS WITH LEBANON

The Council agreed to ask the European Investment Bank to make 20 MUA available from its own resources as exceptional aid to Lebanon in the form of loans for reconstruction projects. It also decided that the Community would guarantee these loans.

### MEDITERRANEAN POLICY

The Council heard a statement from Mr GUNDELACH commenting on the recent Commission communication on the guidelines for the development of the Mediterranean regions of the Community and measures in the agricultural sector. It noted that the Commission intended to add to its proposals as soon as possible.

The Council took note of the comments made by the various delegations in response to this statement and confirmed the instructions given to the Permanent Representatives Committee in June to maintain an overall picture of this matter.

RELATIONS WITH YUGOSLAVIA

The Council examined progress in the establishment of the negotiating directives for the conclusion of a new agreement with Yugoslavia in the spirit of the Joint Declaration made in Belgrade on 2 December 1967. It instructed the Permanent Representatives Committee to advance its proceedings in the matter and report to the Council at its next meeting in January 1978 so as to enable it to take a decision on the directives.

Moreover, so as to ensure that Community fishermen could continue to fish in Yugoslav waters until a fisheries agreement could be negotiated and concluded between Yugoslavia and the Community in the first half of 1978, the Council authorized Italy to extend for six months the arrangements entered into with Yugoslavia in 1977 whereby Italy and Yugoslavia agreed to an interpretation which enabled them to continue to apply the fisheries agreement which they had signed on 15 June 1973.

1978 BUDGET

The Council examined the increases in "non-compulsory expenditure" of 34 MEUA in appropriations for payment and 80 MEUA in appropriations for commitments, together with 135 MEUA in payments and 183 MEUA in commitments for the Regional Fund, approved by the European Parliament on 15 December 1977.

Pursuant to the last subparagraph of Article 203(9) of the EEC Treaty, the Council in turn also recorded its agreement to these increases and to the new rates for appropriations for commitment and appropriations for payment resulting therefrom.

The European Parliament having also set the rate applicable to resources accruing from VAT (rate provided for in the second subparagraph of Article 4(1) of the Decision of 21 April 1970) at 0.64%, the Council in turn also agreed to this rate.

The European Parliament was immediately informed of this outcome.

NORTH/SOUTH RELATIONS AND COMMON FUND

In preparation for the ministerial session of UNCTAD scheduled to take place in Geneva in March, the Council agreed, on a proposal from Commissioner CHEYSSON, to take a general look at the matter of North/South relations at one of its forthcoming meetings in January or February and to take up the matter of the Common Fund again at its meeting in March.

RELATIONS WITH GREECE

The Council prepared the way for the 45th meeting of the EEC-GREECE Association Council, to be held at ministerial level, and for the 5th ministerial meeting of the accession negotiations with Greece, both of which took place in the late afternoon of Monday 19 December.

EXPORT CREDITS

The Council adopted the Decision prolonging in its entirety the Decision of 14 March 1977 on the application of certain guidelines in the field of export credits either until revised guidelines are put into effect by the European Economic Community or until 30 June 1978, whichever is the earlier.

REVIEW OF THE EUROPEAN SOCIAL FUND

The Council adopted in the official languages of the Community all the texts relating to the review of the Social Fund, thus enabling the revised Fund to be implemented as from 1 January 1978.

It should be noted that, under Article 123 of the EEC Treaty, the object of the Social Fund is to render the employment of workers easier and to increase their geographical and occupational mobility.

For the financial year 1978 the Social Fund will be endowed with:

- 569.5 MEUA in commitment appropriations
- 538.8 MEUA in payment appropriations.

In reviewing the Fund, the Council endeavoured to make assistance and management more efficient, rational and incisive particularly in the light of the serious employment situation within the Community.

While retaining the possibility of assistance from the Fund in support of Community policies or for specific joint action, the Council wished to satisfy the demand for a greater concentration of aid from the Fund on the most serious problems, in particular the regional structural imbalances as regards employment.

The Council also wished to give a positive demonstration of Community solidarity by providing that operations carried out in regions marked by especially serious or prolonged imbalances in employment - namely Greenland, the French Overseas Departments, Ireland, Northern Ireland and the Mezzogiorno - would qualify for a higher rate of intervention.

Moreover the Council decided on intervention from the Social Fund for women of 25 or over who wish to exercise a professional activity for the first time or after a long absence or who have lost their jobs. This assistance is designed to alleviate the difficulties experienced by women starting or returning to work, because of their lack of professional qualifications or insufficient qualifications. This assistance from the Fund for women covers adaptation programmes for instructors where these persons pursue their activities in areas relating to womens' employment.

In addition, decisions on assistance from the Fund already taken in the past but expiring at the end of this year (textile and clothing, young people, migrant workers) have been extended until 31 December 1980.

Amongst the rules, particular importance has been given to those on the fixing by the Commission of multi-annual guidelines for the management of the Fund which will facilitate the assessment and selection of applications for assistance from the Fund.



Finally, of the administrative and financial provisions adopted by the Council, special note should be taken of those which concern the simplification of aid, the calculation of assistance from the Funds, the procedure to be followed in submitting an application, and the granting of advances once the Member State concerned certifies that the operation has begun: these provisions will enable the Fund resources to be managed in a more rational and expeditious fashion and help speed up payments, thereby assisting the promoters of operations.

The Council was delighted at the results obtained in a relatively short time, given the complexity and magnitude of the problems involved: the Council received the Commission proposals at the end of March 1977, was able to settle a preliminary set of problems on 28 June 1977 and reached agreement on all the texts on 28 October 1977. The European Parliament - in the light of the positive outcome of the Council's discussions - did not request that the conciliation procedure be opened and the Council was thus able formally to adopt all the texts on the review of the Social Fund on 20 December 1977.

CYPRUS

The Council adopted directives for the opening of negotiations with Cyprus for the conclusion of a Protocol laying down the arrangements for trade in the agricultural sector from 1 January 1978 to 31 December 1979. It also agreed on measures to be applied autonomously to Cyprus, in the agricultural sector, during the first three months of 1978.

The Council also adopted a Regulation concluding the EEC-Cyprus Additional Protocol signed on 15 September 1977 and due to enter into force on 1 February 1978. To cover the period between 1 January and 1 February 1978 it also adopted a Regulation extending certain provisions of the arrangements currently applicable to trade between the Community and Cyprus.

PROCEEDINGS OF THE COUNCIL

The Council took note of the customary report informing it of the state of progress on the main problems under examination by the Council sitting other than as the Council for Foreign Affairs. This document should enable the Foreign Affairs Council to maintain an overall picture of the Community's activities .

MAGNESIUM IMPORTS

The Council agreed to a second increase of 1,400 tonnes in the volume of the Community tariff quota opened for 1977 for unwrought magnesium.

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MISCELLANEOUS DECISIONS

Trade

The Council agreed in principle on Community accession to the 1963 International Olive Oil Agreement as extended by the Protocol of 23 March 1973 and, pending the completion of the necessary internal procedures, adopted the Decision on the provisional application by the European Economic Community of the Protocol on 23 March 1973 extending the 1963 International Olive Oil Agreement.

The Council adopted in the official languages of the Communities the Regulations

- amending Regulation (EEC) No 1736/75 on the external trade statistics of the Community and statistics of trade between Member States;
- derogating in favour of Denmark from Regulation (EEC) No 1445/72 concerning the nomenclature of goods for the external trade statistics of the Community and statistics of trade between Member States (NIMEKE);
- fixing, for the first four months of 1978, Community quantitative export quotas for certain types of copper ash and residues and for certain types of copper, aluminium and lead waste and scrap.

EFTA

The Council adopted in the official languages of the Communities the Regulations

- on the conclusion of the Agreement extending (until the entry into force of the Additional Protocol or 31 December 1978 at the latest) the Interim Agreement between the European Economic Community and the Portuguese Republic;

- concluding the Agreement between the European Economic Community and the Portuguese Republic regarding prepared or preserved tomatoes falling within subheading 20.02 C of the Common Customs Tariff;
- implementing Decisions Nos 2/77 and 3/77 of the Joint Committees set up under the Agreement between the European Economic Community and, on the one hand, the Republic of Austria and, on the other, the Swiss Confederation on the application of the rules on Community transit.

### Mediterranean

The Council adopted the necessary provisions for the conclusion of the Agreements extending the Interim Agreements between the European Economic Community and Algeria, Morocco and Tunisia respectively (until the Co-operation Agreements enter into force or until 30 June 1978, whichever is the earlier).

- The Council adopted in the official languages of the Communities the Regulation concluding the exchanges of letters
- with Israel, Algeria, Morocco and Tunisia concerning fruit salads;
  - with Algeria concerning tomato concentrates.

The Council also adopted in the official languages of the Communities the Council Regulations opening, allocating and providing for the administration of Community tariff quotas for prepared or preserved sardines falling within subheading 16.04 D of the Common Customs Tariff and originating in Morocco and Tunisia respectively.

Agriculture

The Council adopted in the official languages of the Communities

- the Regulations:

- amending Regulation (EEC) No 878/77 as regards the exchange rate for the French franc to be applied in agriculture;
- laying down special measures in respect of castor seeds;
- extending Regulation (EEC) No 3310/75 on agriculture in the Grand Duchy of Luxembourg;
- relating to the organization of a survey on the structure of agricultural holdings in 1979/1980;
- on the opening, allocation and administration of a Community tariff quota for frozen beef and veal falling within subheading 02.01 A II b) of the Common Customs Tariff;
- increasing the Community tariff quota opened for the period 1 July 1977 to 30 June 1978 by Regulation (EEC) No 1331/77 for animals of certain mountain breeds;
- on levies applicable to imports of certain adult bovine animals and beef from Yugoslavia;

- the Directives:

- laying down additional provisions relating to the statistical surveys to be carried out by Member States on bovine livestock;
- extending the derogations granted in respect of classical swine fever to Denmark, Ireland and the United Kingdom;
- amending Directives 66/400/EEC, 66/401/EEC, 66/402/EEC, 68/193/EEC, 69/208/EEC, 70/458/EEC and 70/457/EEC on the marketing of beet seed, fodder plant seed, cereal seed, seed potatoes, material for the vegetative propagation of the vine, seed of oil and fibre plants, vegetable seed and on the common catalogue of varieties of agricultural plant species.

The Council took note of the Commission report on measures applicable to grape juices (and grape musts) imported into the United Kingdom and Ireland for the production of British and Irish wines.

### ECSC questions

The Council gave the assents requested by the Commission,

- pursuant to Article 56(2)(a) of the ECSC Treaty in favour of:
    - S.A. Luchaire, France
    - Rockwool - Isolation S.A., France
    - Country Produce Ltd., United Kingdom;
  - pursuant to paragraph 2 of Article 54 of the ECSC Treaty regarding the granting of an industrial loan to BOC Limited for the execution of a project intended to supply the British Steel Corporation's factories at Redcar and South Teesside with industrial gas;
  - pursuant to paragraph 2 of Article 54 of the ECSC Treaty for the financing of the construction by STEAG Aktiengesellschaft, at Bergkamen, of a 700-MW coal-fired monobloc power station
- and took part in the consultation pursuant to Article 6(1) of Commission Decision 528/76/ECSC on the financial aid awarded by the Member States to the coal industry in 1977.

### Social Questions

On a proposal from the Irish Government, the Council appointed Mr M. CASHELL, Department of Labour, a full member of the Advisory Committee on Safety, Hygiene and Health Protection at Work, to replace Mr B. O'RIORDAN, full member, who has resigned, for the remainder of the latter's term of office i.e. until 4 May 1978.

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PRESS RELEASE

LIBRARY

495th Council meeting

- Transport -

Brussels, 20 and 21 December 1977

President:

Mr Jos CHABERT,  
Minister of Transport  
of the Kingdom of Belgium



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

Belgium:

Mr Jos CHABERT Minister for Transport

Denmark:

Mr Kjeld OLESEN Minister for Public Works and Transport

Mr Jørgen HALCK State Secretary,  
Ministry of Public Works and Transport

Germany:

Mr Heinz RUHNAU State Secretary,  
Federal Ministry of Transport

France:

Mr Marcel CAVAILLE State Secretary to the  
Minister for Equipment and  
Regional Development  
(Transport)

Ireland:

Mr Padraig FAULKNER Minister for Tourism and  
Transport

Italy:

Mr Vito LATTANZIO Minister for Transport

Luxembourg:

Mr Joseph WEYLAND Deputy Permanent Representative

Netherlands:

Mr E. A. van SWINDEREN

Deputy Permanent Representative

United Kingdom:

Mr John HORAM

Parliamentary Secretary,  
Ministry of Transport

Commission:

Mr Richard BURKE

Member

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INTERNATIONAL TRANSPORT BY COACH AND BUS

The Council agreed to the Decision amending the directives for the negotiations on the rules applicable to occasional international carriage of passengers by coach and bus between the European Economic Communities and third countries which are members of the European Conference of Ministers for Transport.

This Decision is intended to enable the negotiations between the Community and Austria, Spain, Greece, Finland, Norway, Portugal, Sweden, Switzerland, Turkey and Yugoslavia, all of which are members of the ECMT, to be concluded.

The Agreement thus negotiated will be the first transport agreement with third countries to which the Community is a contracting party and will liberalize occasional international carriage of passengers by coach and bus between the countries concerned and between them and the Community.

In order to solve some problems which have arisen in the course of these negotiations, the amendment to the directives introduces a reciprocal information procedure and entrusts certain tasks connected with the administration of the Agreement to the Secretariat of the European Conference of Ministers for Transport.

TAXATION OF COMMERCIAL ROAD VEHICLES

The Council took note of the progress made on the proposal for a first Directive on the adjustment of national taxation systems for commercial road vehicles.

The proposal forms a first step towards the charging of infrastructure costs to the transport industry, a principle designed to bring about healthier competition between hauliers and between the different forms of transport and to place it on a more rational footing.

The Council agreed to continue its discussions on this matter on the basis of a compromise worked out by the Presidency and to take a decision on it at a future meeting before the end of June 1978.

COMMUNITY QUOTA

The Council adopted in the official languages of the Communities a Regulation amending the Community quota for the carriage of goods by road between Member States.

This decision raises the total number of authorizations to 2,835, broken down as follows:

Belgium	318
Denmark	203
Germany	512
France	491
Ireland	60
Italy	383
Luxembourg	84
Netherlands	458
United Kingdom	326

These figures represent a 20% across-the-board increase over the authorizations currently granted, the total number of which has not been increased since 1975, and will enable Member States to meet the strong demand for authorizations as reflected in the rising level of use.

The Council recorded its agreement on a model book of record sheets that were simpler than those of the previous model and also agreed to continue Community financing of the classification and taping of the information on the record sheets completed by hauliers for checking and statistical analysis purposes.

CARRIAGE OF GOODS BY ROAD

The Council agreed to the Directive amending the first Council Directive on the establishment of common rules for certain types of carriage of goods by road between Member States.

In taking this decision, the Council agreed to increase from 50km to 100km the total distance as the crow flies for which frontier carriage has been liberalized.

It was also agreed to provide for the liberalization of the carriage of vehicles which have broken down (the carriage of damaged vehicles has been liberalized since 1962) and the carriage of spare parts for aircraft.

DRIVING LICENCES

The Council recorded its agreement in principle on the introduction of a Community driving licence and instructed the Permanent Representatives Committee to

- continue examining the proposal from the Presidency, giving special priority to:

- the mutual recognition of national licences;

- the establishment of a Community model for national licences;

to enable the Council to take a decision at its next meeting.

TEMPORARY LAYING-UP OF VESSELS

The Council signified its agreement in principle to the Decision amending the Directives on the opening of negotiations with Switzerland for an Agreement on the implementation of regulations for the temporary laying-up of vessels for the transport of goods and applicable to certain inland waterways.

The amended proposal proved necessary in view of the opinion delivered by the Court of Justice in July 1976 concerning the incompatibility of the initial draft Agreement with the provisions of the Treaty.

Certain material difficulties which emerged regarding the inland waterways to which the Agreement should apply led the Council to instruct the Permanent Representatives Committee to examine the *de facto* and *de jure* situation and report back.



COMMITTEE ON TRANSPORT INFRASTRUCTURES

The Council agreed to the institution of a consultation procedure and to the setting up of a Committee on Transport Infrastructures.

This procedure will replace that of the Council Decision of 28 February 1966 by extending consultation in this field to cover the stage of plans and programmes and enabling a number of questions which are essential for appraising Community interest to be dealt with, i.e. the examination of the criteria for the optimum choice of investments, the integration of the objectives of the common transport policy with those of other Community policies and the study of estimated transport requirements.

The aforementioned proposal for a Decision sets out the concept of Community interest, extends notification to cover plans and programmes which are of significance for an appraisal of projects of Community interest and finally stipulates that projects may be notified once they have been sufficiently identified. Since the legal basis for the Decision is Article 75 of the EEC Treaty, the projects referred to are only those concerning road, inland waterway and rail transport.

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The forum for this consultation procedure will be the Committee, which will be the focus for co-operation between the Commission and the Member States and between the Member States themselves. The Committee will organize the exchange of information on plans and programmes, examine the choice between investment criteria and study requirement forecasts. It will examine divergences between forward studies and projects, plans and programmes and permit detailed study of any other question concerning the Community transport network.

The Council instructed the Permanent Representatives Committee to continue its examination of the proposal for a Regulation concerning aid to projects of Community interest in the field of transport infrastructure so that it could act on the proposal at a forthcoming meeting.

#### CODE OF CONDUCT FOR LINER CONFERENCES

The Council took note of a new Commission proposal submitted to the Council on 15 December concerning accession to the Convention on a Code of Conduct for Liner Conferences.

It instructed the Permanent Representatives Committee to examine this proposal and to report back in time for it to take a decision by the end of June 1978.

### SUMMER-TIME

The Council took stock of progress on the proposal for a Directive on summer-time arrangements.

The Council hoped that the problems encountered could be overcome in the first half of 1978 and to this end, drew the attention of the Ministers of Foreign Affairs to the matter.

### WORKING PROGRAMME

The Council took note of the transport matters in the Commission communication on priority business for the Council working programme to 1980.

The communication contains a list of priorities for action which the Commission would like the Council to take in this period. They are grouped under the following headings:

Inland transport: (general policy, road, railways and waterways); shipping; air transport and ports policy.

The Council stated that it would endeavour to take account of these priorities in its future proceedings.

MISCELLANEOUS DECISIONS

Unilateral import arrangements for 1978 in respect of State-trading countries

The Council adopted the unilateral import arrangements applicable for 1978 in respect of State-trading countries. In view of the general economic situation in the Community, the increase in import quotas does not, as a general rule, exceed 5%. Special provisions have also been laid down for the textile sector with a view to co-ordinating the Community's unilateral policy with the new commercial policy implemented in this sector. However, the provisions adopted are transitional, since the Council agreed to adopt the definitive arrangements in respect of imports of textile products from these third countries by 1 March 1978.

Relations with the ACP States and the OCT

In accordance with the request of 7 July 1977 from the Republic of Djibouti and in response to the desire expressed by the ACP States, the Council formally confirmed the Community's agreement to the accession to the Lomé Convention of Djibouti which became independent on 27 June 1977.

The Council adopted in the official languages of the Communities the Regulation amending Regulation (EEC) No 706/76 on the arrangements applicable to agricultural products and certain goods resulting from the processing of agricultural products originating in the ACP States or the OCT.

In response to requests from the ACP States, the Council adopted the Regulations on the implementation of Decisions Nos 11/77 and 12/77 of the ACP-EEC Council of Ministers derogating from the definition of the concept of originating products in order to take account of the special situation of Mauritius

- with regard to certain textile products;
- with regard to its tuna products.

The Council adopted an amendment to the Decision of 29 June 1976 on the association of the OCT by extending the list of products eligible for the STABEX system.

#### 1978 budget

The Council approved the new Financial Regulation applicable to the general budget of the European Communities which will enter into force on 1 January 1978. This Regulation replaces the Financial Regulation of 25 April 1973.

This Regulation, which was the subject of fruitful conciliation with the European Parliament, contains some important changes:

- it takes into account, in particular, the adjustment of the budgetary powers of the Institutions resulting from the Treaty of 22 July 1975;
- it introduces the European unit of account in the budget;
- and, finally, it brings up to date and simplifies budgetary procedures.

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EFTA

The Council adopted in the official languages of the Communities the Regulations derogating from the provisions of list A on the application of the Decision annexed to Protocol No 3 of the EEC/EFTA Joint Committees concerning the definition of the concept of "originating products" and methods of administrative co-operation (consolidation of the texts relating to the rules of origin and administrative co-operation).

The Council also adopted in the official languages of the Communities the Regulations on the application of the Decisions of the EEC/EFTA Joint Committees supplementing and amending the No 3 Protocols concerning the definition of the concept of "originating products" and methods of administrative co-operation and replacing certain Decisions of the Joint Committees (extension of the existing derogation until 31 December 1978).

Approximation of laws

The Council adopted in the official languages of the Communities

- the Directives

- amending Directive 70/156/EEC on the approximation of the laws of the Member States relating to the type-approval of motor vehicles and their trailers;

- on the approximation of the laws of the Member States relating to
  - the interior fittings of motor vehicles (identification of controls, tell-tales and indicators);
  - the defrosting and demisting systems of motor vehicles;
  - windscreen wiper and washer systems of motor vehicles.

### Commercial Questions

The Council adopted, in the official languages of the Communities, the Regulation maintaining in effect the rules whereby imports into Italy of electric filament lamps from certain State-trading countries are subject to import authorizations.

The Council also adopted in the official languages of the Communities the Regulation increasing (from 3,800 t. to 4,100 t.) the Community tariff quota opened for 1977 by Regulation (EEC) No 3010/76 for raw silk (not thrown) falling within heading No 50.02 of the Common Customs Tariff.

Lastly, the Council adopted in the official languages of the Communities the Regulation increasing the volume of the Community tariff quota opened for 1977 for unwrought magnesium falling within subheading No 77.01 A of the Common Customs Tariff.

Agricultural questions

The Council adopted in the official languages of the Communities the Regulations

- on certain measures to end abuses resulting from the sale of agricultural products aboard ship;
- extending certain interim measures for the conservation and management of fishery resources.

ECSC questions

The Council gave the assent requested by the Commission on a draft Commission Decision (ECSC) concerning limitation periods in proceedings and enforcement of sanctions under the Treaty establishing the ECSC.

The Representatives of the Governments of the Member States of the European Coal and Steel Community, meeting within the Council, adopted the Decisions

- on certain tariff measures for the first half of 1978;
  - on the nomenclature and the rate of conventional duties for certain products;
  - on temporary imports and exports of scrap, exports of rolling mill cylinders and exports of alloy steel scrap to third countries.
-