

COUNCIL OF THE EUROPEAN COMMUNITIES

PRESS RELEASES

PRESIDENCY: BELGIUM

JANUARY-JUNE 1987

Meetings and press releases June 1987

<b>Meeting number</b>	<b>Subject</b>	<b>Date</b>
1170 <sup>th</sup>	Industry	1 June 1987
1171 <sup>st</sup>	Energy	2 June 1987
1172 <sup>nd</sup>	Budget	2 June 1987
1173 <sup>rd</sup>	Transport	9 June 1987
1174 <sup>th</sup>	Consumer Protection	10 June 1987
1175 <sup>th</sup>	Internal Market	11 June 1987
1176 <sup>th</sup>	Agriculture	15-18 June 1987
1177 <sup>th</sup>	Economics/Finance	15 June 1987
1178 <sup>th</sup>	Finance/Agriculture	15 June 1987
1179 <sup>th</sup>	General Affairs	22 June 1987
1180 <sup>th</sup>	Transport	24-25 June 1987
1180 <sup>th</sup> continued	Transport	30 June 1987
1181 <sup>st</sup>	Foreign Affairs	27-28 June 1987
1182 <sup>nd</sup>	Agriculture	30 June 1987

COUNCIL OF THE EUROPEAN COMMUNITIES  
GENERAL SECRETARIAT

PRESS RELEASE

6774/87 (Presse 89)

1170th Council meeting

- Industry -

Luxembourg, 1 June 1987

President: Mr Philippe MAYSTADT  
Minister for Economic Affairs  
Kingdom of Belgium

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

Belgium:

Mr Philippe MAYSTADT Minister for Economic Affairs

Denmark:

Mr Nils WILHJELM Minister for Industry

Germany:

Mr Martin BANGEMANN Federal Minister for Economic Affairs

Mr Dieter von WÜRZEN State Secretary, Federal Ministry of Economic Affairs

Greece:

Mr Constantinos LYBEROPOULOS Ambassador, Permanent Representative

Spain:

Mr Carlos WESTENDORP Y CABEZA Ambassador, Permanent Representative

France:

Mr François SCHEER Ambassador, Permanent Representative

Ireland:

Mr Albert REYNOLDS Minister for Industry and Commerce

Italy:

Mr Pietro CALAMIA Ambassador, Permanent Representative

Luxembourg:

Mr Jacques POOS

Minister for Economic Affairs

Mr Johny LAHURE

State Secretary for Economic  
Affairs

Netherlands:

Mr P.C. NIEMAN

Ambassador, Permanent  
Representative

Portugal:

Mr Luis Manuel PEGO TODO-BOM

State Secretary for Industry  
and Energy

United Kingdom:

Sir David HANNAY

Ambassador, Permanent  
Representative

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Commission:

Mr Karl-Heinz NARJES

Vice-President

Mr Peter SUTHERLAND

Member

IRON AND STEEL POLICY - President's conclusions

In accordance with the conclusions it had adopted at its meeting on 19 March 1987, the Council heard the Commission's report on its talks with Eurofer and the undertakings and governments concerned. The Council confirmed that the rules of the code of aid currently in force had been fully complied with.

Together with the Commission, it noted that the closures currently proposed by the undertakings were not sufficient to resolve the difficulties arising from the existence of substantial surplus production capacity.

Whilst reaffirming that it was for the undertakings themselves to decide which plant had to be closed, the Council asked the Commission to put forward Community measures which might prompt those undertakings to reduce existing surplus capacity without jeopardizing the situation of undertakings which had become profitable again.

The Council and the Commission confirmed that alongside the rationalization of the European steel industry, accompanying measures to cover the social, occupational retraining and regional reconversion aspects should be laid down, in compliance with the provisions on aid.

The Council noted that the Commission would submit proposals to it before the end of July covering all aspects of restructuring so that the Community steel industry might quickly become competitive again, in an orderly framework and in such a way as to keep to a minimum the regional and social consequences of unavoidable closures. These proposals would have to take account of the special interests of Spain and Portugal in accordance with the Accession Treaty and provide for measures aimed at harmonious integration for them.

In this connection, the Council noted the Commission's conclusion that, in the future, it would be possible to set up a simpler and more transparent quota system which would be updated in the light of actual situations and would include Community restructuring incentives.

The Council stressed the importance it attached to the implementation of the external aspects.

The Council agreed to take a decision on these questions at its meeting on 21 September 1987 on the basis of the Commission's proposals.

MISCELLANEOUS DECISIONS

The Council adopted in the official languages of the Communities a Decision concerning the extension (by 5 years until the end of 1992) of the period of validity of Council Decision 85/214/EEC of 26 March 1985 and Council Decision 86/23/EEC of 4 February 1986 (in the context of the CADDIA programme).

ECSC

The Representatives of the Governments of the Member States, meeting within the Council, adopted in the official languages of the Communities a Decision on certain measures to be applied, in respect of State-trading countries, to trade in iron and steel products covered by the ECSC Treaty.

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PRESS RELEASE

6775/87 (Presse 90)

1171st meeting of the Council

- Energy -

Luxembourg, 2 June 1987

President: Mr Philippe MAYSTADT  
Minister for Economic 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 Philippe MAYSTADT                    Minister for Economic Affairs  
Mr Firmin AERTS                         State Secretary for Energy

Denmark:

Mr Svend Erik HOVMAND                 Minister for Energy

Germany:

Mr Dieter von WURZEN                   State Secretary,  
Federal Ministry of Economic Affairs

Greece:

Mr Anastassios PEPONIS                Minister for Industry, Energy  
and Technology

Spain:

Mr Carlos WESTENDORP Y CABEZA        Ambassador, Permanent Representative

France:

Mr François SCHEER                    Ambassador, Permanent Representative

Ireland:

Mr Michael SMITH                        Minister of State at the Ministry  
of Energy

Italy:

Mr Pietro CALAMIA                      Ambassador, Permanent Representative

Luxembourg:

Mr Marcel SCHLECHTER

Minister for Energy

Netherlands:

Mr P.C. NIEMAN

Ambassador, Permanent Representative

Portugal:

Mr Luis Manuel PEGO TODO-BOM

State Secretary for Industry and Energy

United Kingdom:

Sir David HANNAY

Ambassador, Permanent Representative

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Commission:

Mr Nicolas MOSAR

Member

ENERGY MARKET - COUNCIL CONCLUSIONS

The Council held an exchange of views on the current situation and outlook in the energy market. Whilst noting that the short-term energy situation was relatively favourable, it stressed that developments in the medium to longer term needed to be monitored closely in view of the numerous uncertainties and the expected tightening of energy markets in the coming years. It invited the Commission to continue its analysis of the energy outlook, both inside and outside the Community, and to report regularly to the Council on this subject.

The Council invited Member States to support this work by making their own assessments available to the Commission and by co-operating in the Commission's forthcoming review of national energy policies.

ENERGY EFFICIENCY - COUNCIL CONCLUSIONS

Confirming the conclusions it had reached on 26 November 1986, the Council examined the situation with regard to energy efficiency in the Community, on the basis of a communication from the Commission, and once again underlined the necessity of maintaining and strengthening initiatives in this area. The Energy Ministers recognized that the attainment of the Community's objective of a further improvement in energy efficiency of 20% by 1995 will be an important factor in reducing the risks of future tightening in the energy markets.

The Council stressed the importance of exchanges of experience between the Member States and the Commission on the application and effect of energy efficiency measures. It was recognized that the forthcoming Commission review of Member States' energy policies would prove a useful framework for such exchanges.

The Council welcomed the general approach outlined in the Commission communication of 13 May 1987 and invited the Commission to carry out a detailed examination of specific energy efficiency initiatives in the Community and to submit appropriate proposals to the Council. The Council noted that the Commission intended to submit an initial proposal on an energy consumption certificate for buildings.

NATURAL GAS - COUNCIL CONCLUSIONS

The Council welcomed the communication on natural gas forwarded to it by the Commission.

After examining the communication in detail and reiterating the "Community energy policy objectives for 1995" (\*), it drew up the following conclusions:

1. As regards the probable future share of total energy demand accounted for by natural gas, the Council notes that:
  - the existing projections used as a basis by Member States confirm the maintenance of this share in 1995, in line with the objectives adopted for that year;
  - the use of natural gas should continue to contribute to at least the same extent to the diversification of the Community's energy sources. Particular attention should be paid to developments in total energy demand, in the interrelationships between the various sources of energy, in any new uses of natural gas and in the evolution of the gas industry.
  
2. As regards security of supply:
  - (a) The Council notes that the outlook for the Community in 1990 and beyond has improved considerably since the studies undertaken in 1982 by the Commission. In fact:
    - import forecasts have been revised downwards over the last few years;
    - according to the figures available, underground storage will exceed previous estimates by 20% in 1990;

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(\*) See Council Resolution of 16.9.1986 (OJ No C 241, 25.9.1986, p. 1).

- the Community's gas supplies are sufficiently diversified until at least the turn of the century, owing in particular to the fact that:

(i) new deposits of natural gas have been discovered within the Community and existing reserves have been revalued;

(ii) long-term supply contracts already existing within the Community have been extended and new supply contracts have been concluded with Norway by the gas companies of several Member States;

- the Community's present gas grids are gradually being extended and progressively integrated, although the problems arising from the geographical situation of certain Member States are appreciated.

(b) Notwithstanding the possibility of persistently low oil prices, natural gas exploration and production on an economic and commercial basis in the Community should be continued, and if need be stepped up as provided for in the Community energy policy objectives for 1995.

3. The Council emphasizes the importance of the greatest possible convergence in the approach of the Community, the Member States and economic operators to natural gas problems and accordingly draws attention to the advisability of intensifying consultation and the exchange of information.

4. The Council notes that integration of the gas grid improves security of supply, is a major factor in achieving a natural gas market in the Community and must be encouraged on economic bases:

(a) The gas industry should continue the process of integrating European gas grids. In this regard particularly important developments are, for example:

- the recent conclusion of new supply contracts;
- the decision to transport a proportion of Norwegian gas supplies for the Community via a new pipeline;
- the planned connection of the peripheral grid of the Iberian peninsula with the European grid, including the linking of Spain with Portugal.

(b) Co-operation between Member States' gas companies is particularly important. Such co-operation should be encouraged in the event, in particular, of an interruption of supplies on the grounds that it is an essential condition for maintaining an acceptable level of supply security Community-wide.

(c) The Community and the Member States should encourage further integration of the gas grid, having regard at all times to the geographical situation of certain Member States.

5. Finally, the Council points to the ecological advantages of the use of natural gas.
6. The Council also draws attention to the possibilities which the financial instruments available at Community level can open up for assistance towards investment in the sector of gas.
7. The Council notes that the Commission will continue, in collaboration with Member States' experts, to assess the security situation and other developments in the Community's gas supplies (including grid infrastructures) in the context of the Community energy policy objectives for 1995.

#### LIGNITE AND PEAT

On the basis of a working document from the Commission departments on Community financial measures to aid the lignite and peat industries, the Council held an exchange of views on the subject which allowed particularly those delegations directly involved to voice their concerns.

The Council took note of a statement from the Commission regarding its approach to further work on this dossier which would in the meantime remain before the Council.

### REFINING PROBLEMS

The Council began by taking note of the Commission's analysis concerning the refining of petroleum and imports of petroleum products, which outlined the main developments having taken place in this area over the last few months, particularly as regards the process of restructuring the Community refining industry and the patterns of trade in petroleum from third countries.

The Council then held a discussion on the basis of a Commission study of the costs borne by the refining industry in the Member States in order to comply with environmental legislation. The Council agreed to resume discussion of the dossier at a future Energy Council meeting once a technical examination had been made within the Council's subordinate bodies.

### NUCLEAR ENERGY ISSUES

The Council took note of progress made on the various reports and proposals the Commission had forwarded to the Council since it last met.

The Council stressed the importance it attached to these proceedings being concluded as soon as possible.

ESTABLISHMENT OF THE INTERNAL MARKET IN THE SPHERE OF ENERGY

At the Commission's initiative, the Council held an initial exchange of views on the general problem of the completion of the internal market in the sphere of energy. It stressed the importance it attached to this dossier. The Council supported the Commission's wish first to draw up, with the help of the parties concerned, an inventory of the existing obstacles and then in due course to submit to the Council appropriate proposals for the progressive elimination of such obstacles before the end of 1992.

## MISCELLANEOUS DECISIONS

### Research

The Council adopted in the official languages of the Communities,

- the Decision authorizing the Commission to negotiate a Co-operation Agreement between the European Atomic Energy Community and Japan in the field of controlled thermonuclear fusion;
  
- the Decision approving amendments to the Statutes of the Joint European Torus (JET), Joint Undertaking.

### Appointment

Acting on a proposal from the Portuguese Government, the Council appointed Mr Vitor Pereira Crespo and Mr José Maria Ribeira Moreira de Araujo, Members of the Scientific and Technical Committee until 31 March 1988.

### Fisheries

The Council adopted in the official languages of the Communities the Regulation concerning the conclusion of the Agreement between the European Economic Community and the Government of the Republic of The Gambia on fishing off The Gambia and adopting provisions for its application.

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PRESS RELEASE

6810/87 (Presse 92)

1172nd meeting of the Council

- Budget -

Luxembourg, 2 June 1987

President: Mr Guy VERHOFSTADT  
Minister 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 Guy VERHOFSTADT Minister for the Budget

Denmark:

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

Germany

Mr Hans TIETMEYER State Secretary,  
Federal Ministry of Finance

Greece:

Mr Yannis PAPANTONIOU State Secretary for Economic  
Affairs

Spain:

Mr José BORRELL State Secretary for Finance

France:

Mr Alain JUPPE Minister attached to the Minister  
for Economic Affairs, Finance and  
Privatization, with responsibility  
for the Budget

Ireland:

Mrs Marie GEOGHEGAN-QUINN Minister of State for European  
Affairs

Italy:

Mr Enrico PIETROMARCHI Deputy Permanent Representative

Luxembourg:

Mr Jean-Claude JUNCKER Minister for the Budget

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Netherlands:

Mr P.R.H.M. van der LINDEN

State Secretary,  
Ministry of Foreign Affairs

Portugal:

Mr Rui ALVAREZ CARP

State Secretary for the Budget

United Kingdom:

Mr Peter BROOKE

Minister of State, Treasury

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Commission:

Mr Henning CHRISTOPHERSEN

Vice-President

PRELIMINARY DRAFT SUPPLEMENTARY AND AMENDING BUDGET No 1/87

Before examining preliminary draft supplementary and amending budget No 1/87, the Council had a meeting with a delegation from the European Parliament. The delegation was led by Mr DANKERT (Vice-President of the European Parliament) and was composed of the following members:

Mr COT	Chairman of the Committee on Budgets
Mr CORNELISSEN	Member of the Committee on Budgets
Mr COLOM I NAVAL	Member of the Committee on Budgets
Mrs SCRIVENER	Member of the Committee on Budgets
Mrs BARBARELLA	Member of the Committee on Budgets
Mr PRICE	Member of the Committee on Budgets
Mr AIGNER	Chairman of the Committee on Budgetary Control

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The Council subsequently held a detailed discussion on the problems arising in the context of the 1987 budget and in particular on preliminary draft supplementary and amending budget No 1/87 which had just been submitted by the Commission.

It looked in particular at the following issues raised by the proposals made by the Commission in preliminary draft supplementary and amending budget No 1/87:

- utilization of the remaining VAT margin;
- the proposal for a Regulation amending Regulation No 729/70;
- the decrease in revenue from the usual own resources in 1987.

In conclusion, the Council instructed the Permanent Representatives Committee to continue examining the preliminary draft budget and the Presidency proposed to return to it in the light of developments in the current proceedings.

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PRESS RELEASE

6813/87 (Presse 95)

1173rd meeting of the Council  
- Transport -

Luxembourg, 9 June 1987

President: Mr Herman de CROO,  
Minister for Transport  
and Foreign Trade,  
Kingdom of Belgium



Italy:

Mr Enrico PIETROMARCHI Deputy Permanent Representative

Luxembourg:

Mr Marcel SCHLECHTER Minister for Transport, Public Works and Energy

Netherlands:

Mrs N. SMIT-KROES Minister for Transport and Public Works

Portugal:

Mr Oliveira MARTINS Minister for Public Works, Transport and Communications

United Kingdom:

Mr David ELLIOTT Deputy Permanent Representative

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For the Commission:

Mr Stanley CLINTON DAVIS Member

Mr Peter SUTHERLAND Member

AIR TRANSPORT

The Council continued examining in detail all the questions arising in the air transport sector, on the basis of the Presidency's overall compromise concerning market access, focusing its discussions on the key issues here, viz. routes between hub and regional airports, multiple designation and fifth freedom rights.

Although the discussion enabled considerable progress to be made on this subject, the Council was unable to reach agreement on the compromise proposal.

In order to arrive at a final solution before the end of the month, the Council asked the Permanent Representatives Committee with this in mind to prepare for its discussions at its meeting on 24 and 25 June.

MISCELLANEOUS DECISIONS

Plan for the transnational development of the supporting infrastructure for innovation and technology transfer - SPRINT programme

Pursuant to its agreement in principle of 19 March, the Council formally adopted a Decision amending Decision 83/624/EEC concerning a plan for the transnational development of the supporting infrastructure for innovation and technology transfer (1983-1985) - definition phase.

The revision of the SPRINT programme, the initial results of which are very positive, aims at continuing and intensifying the efforts already made in this field and at rapidly and harmoniously integrating the new Member States to enable them to benefit from the programme. The revision mainly provides for the extension of the original 1984-1986 SPRINT programme by two years, 1987 and 1988 - updating the list of priority actions - with an additional appropriation of 8,6 MECU which increases the appropriation for the overall period to 18,6 MECU.

Assessment of the results obtained and the experience gained during the definition phase covered by the present programme should make it possible to draw up a five-year programme for the transnational promotion of innovation and technology transfer from 1989 to 1994.

Customs union

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

- increasing the volume of the Community tariff quota, opened for 1987, for ferro-chromium containing not less than 6% by weight of carbon falling within subheading ex 73.02 E I of the Common Customs Tariff (from 120 000 tonnes to 220 000 tonnes),
- opening, allocating and providing for the administration of a Community tariff quota for certain magnesium grades falling within subheading ex 77.01 A of the Common Customs Tariff (220 tonnes zero-rated for the period 1 July 1987 to 30 June 1988),
- opening, allocating and providing for the administration of a Community tariff quota for certain eels falling within subheading ex 03.01 A II of the Common Customs Tariff (5 250 tonnes zero-rated for the period 1 July 1987 to 30 June 1988).

Relations with Mediterranean countries

The Council adopted in the official languages of the Communities two Regulations opening, allocating and providing for the administration of Community tariff quotas (1987/1988) for:

- (a) apricot pulp falling within subheading ex 20.06 B II(c) I(aa) of the Common Customs Tariff and originating in Turkey (90 tonnes zero-rated for the period 1 July 1987 to 30 June 1988),
- (b) certain wines having a registered designation of origin, falling within subheading ex 22.05 C of the Common Customs Tariff and originating in Morocco (50 000 hl zero-rated - in compliance with the reference price - for the period 1 July 1987 to 30 June 1988).

Fisheries

The Council adopted in the official languages of the Communities a Regulation fixing the minimum mesh size (35 mm) for pelagic trawls used in fishing for blue whiting in that part of the area covered by the Convention on Future Multilateral Co-operation in the North-East Atlantic Fisheries which extends beyond the maritime waters falling within the fisheries jurisdiction of Contracting Parties to the Convention.

Agricultural policy

The Council adopted in the official languages of the Communities a Regulation amending Regulation (EEC) No 1676/85 on the value of the unit of account and the conversion rates to be applied for the purposes of the Common Agricultural Policy (abolition of the temporary limit on the use of the ECU which therefore becomes the permanent agricultural unit of account).

Appointment

On a proposal from the Irish Government, the Council appointed Mrs Patricia O'DONOVAN a member of the Advisory Committee on Safety, Hygiene and Health Protection at Work in place of Mr D. BRANIGAN, member, who has resigned, for the remainder of the latter's term of office, which runs until 16 December 1988.

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PRESS RELEASE

6814/87 (Presse 96)

1174th meeting of the Council  
- Consumer Protection and Information -

Luxembourg, 10 June 1987

President: Mr Philippe MAYSTADT,  
Minister for Economic Affairs  
of the Kingdom of Belgium

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

<u>Belgium</u>	:	
Mr Philippe MAYSTADT		Minister for Economic Affairs
<u>Denmark</u>	:	
Mr Nils WILHJELM		Minister for Industry
<u>Germany</u>	:	
Mr J. GRUENHAGE		Deputy Permanent Representative
<u>Greece</u>	:	
Mr Panayotis ROUMELIOTIS		Minister for Trade
<u>Spain</u>	:	
Mr Francisco Javier ELORZA		Deputy Permanent Representative
<u>France</u>		
Mr Jean ARTHUIS		State Secretary attached to the Ministry of Economic Affairs, Finance and Privatization
<u>Ireland</u>	:	
Mr Seamus BRENNAN		Minister of State at the Department of Industry and Commerce
<u>Italy</u>	:	
Mr Enrico PIETROMARCHI		Deputy Permanent Representative

Luxembourg :

Mr Johnny LAHURE

State Secretary,  
Ministry of Economic Affairs

Netherlands :

Mr A.J. EVENHUIS

State Secretary for Economic  
Affairs and Foreign Trade ,

Portugal :

Mr Pedro José RIBEIRO DE MENESES

Deputy Permanent Representative

United Kingdom :

Mr David ELLIOTT

Deputy Permanent Representative

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Commission :

Mr Giorgis VARFIS

Member

### SAFETY OF TOYS

Pending the Opinions of the European Parliament and the Economic and Social Committee, the Council established a joint position on the proposal for a Directive on the harmonization of laws concerning the safety of toys. This proposal relates to an industrial sector of obvious importance for every Member State and deals with a subject - the safety and protection of children - which is of deep concern to every family living in the Community.

The Council stated that it would take a final position on the proposal once the Opinions of the European Parliament and the Economic and Social Committee were known.

### DANGEROUS IMITATION PRODUCTS

The Council agreed to a Directive on the harmonization of laws on products which, appearing to be other than they are, endanger the health or safety of consumers. The aim of the Directive is to ban products which resemble foodstuffs and which for this reason may lead consumers, especially children, to place them in their mouths, thus causing risks to health.

The Directive contains a provision to the effect that two years after it comes into force the Council may adjust it, on the basis of a report from the Commission, in particular with a view to extending its scope to cover dangerous imitations other than imitations of foodstuffs.

INDICATION OF PRICES

- Non-food products
- Foodstuffs

The Council continued examining two proposals for Directives on consumer protection in respect of the indication of prices. At the end of its discussion it approved the following conclusions <sup>(1)</sup>:

"The Council agrees to take the new Commission proposals as a basis for further proceedings. It agrees forthwith to adopt the following fundamental elements:

- (a) specific lists of products prepackaged in pre-determined quantities will be drawn up. Where such products are covered by ranges of quantities fixed by means of Community Directives, they will be subject to the provisions of paragraphs (b) to (d) below;
- (b) products included in these lists and sold in certain fixed Community ranges must be exempted from the obligation to indicate the unit price;
- (c) where products are sold in Community ranges other than those referred to above, the Member States may either require the unit price to be indicated or exempt the products concerned from this requirement;
- (d) there will be a transitional period during which all existing national provisions can be kept in force.

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<sup>(1)</sup> One delegation maintained a reservation on these conclusions.

(e) the Council intends to adopt new Community ranges on the basis of a Commission proposal.

The Council requests the Permanent Representatives Committee to pursue its proceedings on the basis of and in keeping with the fundamental elements set out above and to finalize the detailed provisions of the draft Directives so as to enable the Council to proceed with their adoption at the earliest opportunity."

CONSUMER REDRESS

The Council agreed to the following Resolution:

"THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to the Memorandum and the supplementary communication from the Commission on consumer redress,

Having regard to the Council Resolution of 23 June 1986 concerning the future orientation of the policy of the European Economic Community for the protection and promotion of consumer interests,

Having regard to the Resolution of the European Parliament of 13 March 1987 on consumer redress,

Considering the obstacles confronting consumers who seek compensation in connection with complaints and in the event of injury suffered owing to the purchase or use of defective products or inadequate services;

Considering the right of consumers to such compensation by means of rapid, effective and inexpensive procedures, which could also benefit the other economic partners;

Whereas this principle is an integral part of the European Community's programmes to help consumers;

Considering the Community economic context where, on the whole, consumer choice is becoming ever wider but where, at the same time the conditions of supply are becoming less and less perceptible to the individual consumer;

Whereas the growing Community dimension of the problem of consumer redress calls for greater interest on the part of the Commission in complaints and disputes arising from professional activities across frontiers and from direct contacts between consumers in one Member State and professional or trade undertakings in another Member State;

Considering the important role of consumer organizations and of public bodies and institutions whose duties include consumer protection,

1. WELCOMES with interest the Communication sent to it by the Commission and notes the Commission's analysis of the way in which consumers' interests could in future be taken into account in the area of consumer redress; ASKS the Commission to supplement it in view of the enlargement of the Community;
2. RECOGNIZES the importance of an appropriate treatment of consumers' complaints and the value of providing appropriate means of redress;
3. REAFFIRMS in particular its commitment to principles aimed at improving consumer redress;
4. TAKES NOTE of the Commission's action programme in this area and of the budgetary needs which the Commission considers to be required for its implementation;
5. REQUESTS the authorities of the Member States in which practical initiatives launched with the assistance of the Commission have produced positive results to give appropriate attention to such initiatives in order to examine the possibility of implementing them on a wider basis;
6. STRESSES the important role of consumer organizations and of public bodies and institutions whose duties include consumer protection in the area of consumer redress and CALLS on the Member States to help them fulfil this task;
7. ASKS the Commission to continue to study the role of these organizations, bodies and institutions as intermediaries or as direct agents in consumer redress and to examine whether a Community initiative would be suitable in this area."

SAFETY OF CONSUMERS IN RELATION TO CONSUMER PRODUCTS

The Council approved the following resolution:

"THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to the Council Resolution of 23 June 1986 concerning the future orientation of the policy of the European Economic Community for the protection and promotion of consumer interests.

Whereas, pursuant to Article 2 of the Treaty, the task of the European Economic Community is to promote throughout the Community a harmonious development of economic activities, a continuous and balanced expansion and an accelerated raising of the standard of living;

Whereas the improvement of the quality of life is one of the tasks of the Community and as such implies inter alia protecting the health and safety of consumers;

Whereas the fulfilment of this task requires a consumer protection and information policy to be implemented Community-wide;

Whereas in its Resolution of 23 June 1986 the Council approved the objectives of the Community consumer protection policy as set forth in the Commission communication entitled "A new impetus for consumer protection policy" and provision was made in the timetable for implementing the proposed measures contained in the Annex to the communication for the preparation of a report on the general obligation to place safe products on the market;

Whereas it is desirable that, in completing the internal market, the Community should take the measures necessary to ensure a high level of consumer protection, particularly as regards the quality and safety of products;

Whereas the Commission has submitted to the Council a communication on the safety of consumers in relation to consumer products in which it expresses the view that the Community must adopt a harmonization directive imposing in particular a general obligation on manufacturers, traders and importers to produce and market only safe products,

WELCOMES with interest the Commission communication and NOTES its analysis of the current situation as regards general legislation on consumer safety;

ACKNOWLEDGES the importance for consumer protection of producing and marketing only safe products;

NOTES the Commission's intention of preparing and submitting a proposal introducing a general obligation to this effect so as to enable the Council to act in good time."

COMMUNITY INFORMATION AND AWARENESS CAMPAIGN ON CHILD SAFETY

The Council:

- WELCOMED with interest the Commission communication on an information and awareness campaign for the safety of children;
  - NOTED the importance of focusing on the most serious and most frequent categories of child accidents and on priority target groups;
  - REQUESTED the Commission, as a first step, to discuss with the Member States, as appropriate, with consumer organizations what action might be taken;
  - REQUESTED the Commission to submit a report to it on the outcome of these discussions before the end of 1987 accompanied, if appropriate, by proposals for a campaign that could start in 1988.
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COUNCIL OF THE EUROPEAN COMMUNITIES  
GENERAL SECRETARIAT



PRESS RELEASE

6950/87 (Presse 97)

1175th Council meeting  
- Internal Market -

Luxembourg, 11 June 1987

President: Mr Paul de KEERSMAEKER,  
State Secretary for  
European 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 Paul de KEERSMAEKER State Secretary for European Affairs

Denmark:

Mr Nils WILHJEM Minister for Industry

Germany:

Mr Otto SCHLECHT State Secretary,  
Federal Ministry of Finance

Greece:

Mr Elias LYMBEROPOULOS Deputy Permanent Representative

Spain:

Mr Pedro SOLBES MIRA State Secretary for Relations  
with the European Communities

France:

Mr Bernard BOSSON Minister with responsibility for  
European Affairs

Ireland:

Mr Seamus BRENNAN Minister of State,  
Department of Industry and Commerce

Italy:

Mr Enrico PIETROMARCHI Deputy Permanent Representative

Luxembourg:

Mr Robert GOEBBELS

State Secretary for Foreign Affairs

Netherlands:

Mr P.R.H.M. VAN DER LINDEN

State Secretary for Foreign Affairs

Portugal:

Mr Victor MARTINS

State Secretary for European  
Integration

United Kingdom:

Mr David ELLIOTT

Deputy Permanent Representative

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Commission:

Lord COCKFIELD

Vice-President

REPORT ON THE WHITE PAPER

The Council took note of the Commission's presentation of its second report concerning the White Paper on completing the internal market.

MOTOR VEHICLES AND THEIR TRAILERS

MOTOR VEHICLES AND THEIR TRAILERS (OFF ROAD)

Pending the Opinions of the European Parliament and the Economic and Social Committee, the Council established a common position on two proposals for Directives introducing a number of additions and improvements to Directive 70/156/EEC on the harmonization of laws relating to the type-approval of motor vehicles and their trailers.

The Council will be taking a final decision on these two proposals after it has received the Opinions of the European Parliament and the Economic and Social Committee.

SOUND POWER LEVEL OF TOWER CRANES

The Council agreed on the Directive amending Directive 84/834/EEC on the harmonization of laws relating to the permissible sound power level of tower cranes. Among other things, the Directive defines the permissible levels of airborne noise emitted by a tower crane at the operator's position, and also the method which should be used to measure such noise.

SIMPLIFICATION OF COMMUNITY TRANSIT ARRANGEMENTS

The Council adopted the Regulation amending Regulation No 222/77. This Regulation, the first of the measures in the White Paper on completing the internal market, simplifies the guarantee system for Community transit. In particular, it abolishes the guarantee applicable to internal Community transit operations in respect of goods worth less than 50 000 ECU. The Regulation is due to enter into force on 1 July 1988.

CUSTOMS DEBT

The Council agreed on the Regulation on customs debt. The main aim of the Regulation is to strengthen the measures in force since 1979 in the form of a Directive defining the various situations in which a customs debt is incurred on importation or exportation.

Adoption of the Regulation will mark an important step towards the establishment of a Community customs code.

TEMPORARY IMPORTATION OF CONTAINERS

The Council agreed on the Regulation concerning the arrangements for the temporary importation of containers. These arrangements establish the conditions for the temporary use of containers within the customs territory of the Community with total relief from import duties.

BORDER CONTROLS

The Council held a detailed discussion on the easing of border controls on the basis of two Presidency compromises relating to a draft Directive and a draft Resolution on co-operation. Conscious of the link between the easing of border controls and the need for increased co-operation on security among the Member States, the Council noted that circumstances were not such as to enable it to adopt the two draft acts at this stage. It accordingly instructed the Permanent Representatives Committee to continue its discussions on the basis of the texts which had been submitted for examination by the Council.

RIGHT OF RESIDENCE

The Council continued its discussions on the proposal for a Directive on right of residence, focussing on the key outstanding questions set out in a compromise from the Presidency.

At the end of the discussion, the Council noted that conditions were not yet ripe for reaching agreement on the proposal. It accordingly instructed the Permanent Representatives Committee to pursue the matter actively so that the Council could take a decision as soon as possible.

PUBLIC MOBILE COMMUNICATIONS

The Council reached a consensus - to be confirmed by one delegation - on a Recommendation and a Directive designed to encourage the transition from the present incompatible systems in the Community to a future second-generation cellular digital mobile communications system providing efficient mobile telephony services throughout the Community.

The Recommendation contains both a schedule for the co-ordinated and gradual introduction of the new services in the Member States and common functional specifications already broadly acceptable to telecommunications administrations, the CEPT (European Conference of Postal and Telecommunications Administrations) and the industry concerned.

The Directive is designed to make certain frequency bands available exclusively to the new European system in all the Member States.

This allocation of frequency bands will be gradual, in line with a timetable observing the deadlines laid down in the Recommendation.

Provision has accordingly been made for two 9 MHz frequency bands (905-914 and 950-959 MHz) to be allocated to the new services from 1991, the final aim being to extend these bands to 25 MHz (890-915 and 935-960 MHz) 10 years later.

SIMPLE PRESSURE VESSELS

Pending receipt of the Opinion of the European Parliament, the Council reached broad agreement on the Directive on the harmonization of the laws relating to simple pressure vessels (compressed-air tanks, tanks for motor vehicles, storage vessels for certain gases).

In line with the new approach to standardization, this Regulation covers the safety aspects of the vessels concerned and outlines the surveillance procedures for different levels of pressure.

COMMUNITY PATENT

The Council instructed the Permanent Representatives Committee to continue examining this question on the basis of the proposed compromise submitted by the Belgian Presidency for the three problems outstanding (conditions for the entry into force of the Agreement relating to Community patents, the financial arrangements and translation of the patent specification) in order to enable the Council to reach an overall agreement and convene an intergovernmental conference to finalize the agreement at the beginning of 1988.

DANGEROUS PREPARATIONS

The Council heard a report from the Presidency on the progress made on the proposal for a Directive on the harmonization of laws relating to the classification, packaging and labelling of dangerous preparations. The President appealed to the delegations to make every possible effort to reach a compromise - in particular by withdrawing all technical reservations - so that the Directive could be adopted in the near future.

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COUNCIL OF THE EUROPEAN COMMUNITIES  
GENERAL SECRETARIAT

PRESS RELEASE

7019/87 (Presse 104)

1176th Council meeting  
- Agriculture -

Luxembourg, 15, 16, 17 and 18 June 1987

President: Mr Paul de KEERSMAEKER,  
State Secretary for European  
Affairs and Agriculture of  
the Kingdom of Belgium

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

Belgium:

Mr Paul DE KEERSMAEKER                      State Secretary for European  
Affairs and Agriculture

Denmark:

Mrs Britta SCHALL HOLBERG                      Minister for Agriculture

Germany:

Mr Ignaz KIECHLE                              Federal Minister for Food,  
Agriculture and Forestry

Mr Walter FLORIAN                              State Secretary,  
Federal Ministry of Food,  
Agriculture and Forestry

Mr Walter KITTEL                              State Secretary,  
Federal Ministry of Food,  
Agriculture and Forestry

Greece:

Mr Yiannis POTTAKIS                              Minister for Agriculture

Spain:

Mr Carlos ROMERO HERRERA                      Minister for Agriculture,  
Fisheries and Food

France:

Mr François GUILLAUME                              Minister for Agriculture

Ireland:

Mr Michael O'KENNEDY                              Minister for Agriculture

Italy:

Mr Filippo Maria PANDOLFI                    Minister for Agriculture

Luxembourg:

Mr Marc FISCHBACH                            Minister for Agriculture and  
Viticulture

Mr René STEICHEN                            State Secretary,  
Ministry of Agriculture and  
Viticulture

Netherlands:

Mr Gerrit BRAKS                             Minister for Agriculture

Portugal:

Mr Alvaro BARRETO                           Minister for Agriculture,  
Fisheries and Food

Mr Arlindo CUNHA                            State Secretary for Agricultural  
Development

United Kingdom:

Mr John McGREGOR                            Minister for Agriculture

Mr John GUMMER                              Minister of State,  
Ministry of Agriculture,  
Fisheries and Food

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Commission:

Mr Frans H.J.J. ANDRIESSEN .              Vice-President

CONCILIATION MEETING WITH THE EUROPEAN PARLIAMENT

A conciliation meeting on socio-structural measures was held on 15 June.

The European Parliament delegation was headed by Mr CLINTON, Vice-President of the Parliament, and consisted of Mr COLINO SALAMANCA, Chairman of the Committee on Agriculture, Mr THAREAU, Rapporteur of the Committee on Agriculture, Mr FRUH, First Deputy Chairman of the Committee on Agriculture, Mr PROVAN, member of the Committee on Agriculture, Mr GRAEFE ZU BARINGDORF, member of the Committee on Agriculture, Mr MIZZAU, Rapporteur of the Committee on Budgets, Mr GUERMEUR, Mr WOLTJER and Mrs MARTIN, members of the Committee on Agriculture, Mr MAHER, member of the Committee on Regional Policy and Mr DEVEZE, Deputy Chairman of the Committee on Agriculture.

At the end of the conciliation meeting, the Council agreed to the European Parliament's request that the following subparagraph be added to Article 1 of the Regulation implementing the socio-structural measures in question:

"(ii) to help improve farm efficiency by developing and re-organizing farm structures;"

The following joint declaration was then adopted:

"The European Parliament, the Council and the Commission observe the need to:

- restore the balance between supply and demand for agricultural products, with structural policy supplementing, but not substituting for, price policy;
- reduce surplus agricultural output by effective control of those factors of production which are detrimental to health and the environment, including excessive use of chemical inputs and by encouraging the extensification and alternative use of soils;
- improve structural policy in rural areas in keeping with an overall view of the problems, with due regard for the equilibrium of the European countryside;
- revitalize economic and social activity in sensitive farming areas, by improving structural conditions and by promoting activities to create jobs in rural environments.

The European Parliament, the Council and the Commission recognize the importance of family structures in European agriculture and confirm their determination to maintain this family element by appropriate measures.

The European Parliament, the Council and the Commission agree that the position thus arrived at may form a reference framework for implementation of the measures adopted.

They note that these measures will, in time, be evaluated. The Council and the Commission undertake to involve the European Parliament in this review."

SOCIO-STRUCTURAL MEASURES

Following the conciliation meeting with the European Parliament on 15 June, the Council formally adopted the Regulation concerning measures to adjust socio-structural policy on which a common approach had already been agreed by the Council in March 1987 (see Press Release 4899/87) (Presse 33)).

The aims of this set of measures (as indicated in Article 1 of the Regulation) are recapitulated hereafter:

- to help restore equilibrium between production and market capacity;
- to help improve the efficiency of holdings by developing and re-organizing their structures;
- to maintain a viable agricultural Community, including mountain and hill areas and less-favoured areas;
- to contribute to the protection of the environment and the lasting conservation of the natural resources of agriculture.

The measures are to apply for a period of three years from the date of entry into force of the Regulation.

FIXING OF PRICES FOR AGRICULTURAL PRODUCTS AND CERTAIN RELATED  
MEASURES 1987-1988

Following long and very detailed negotiations on all the problems posed by the fixing of agricultural prices and certain related measures for the financial year 1987-1988, the Council was forced to conclude that it was not at present able to reach overall agreement, despite the fact that there was a favourable attitude to several parts of the Commission's compromise proposal.

It will resume its discussion on the issue with a view to achieving a positive outcome.

IMPORTS OF MAIZE AND SORGHUM INTO SPAIN

Pending the Opinion of the European Parliament, the Council agreed in principle to the Regulation laying down detailed rules of application for the Agreement between the European Economic Community and the United States of America concerning the conclusion of negotiations under Article XXIV(6) of the GATT, approved on 30 January 1987.

This Regulation will be formally adopted later as an "A" item.

VETERINARY QUESTIONS

The Council embarked on a discussion of the following veterinary questions, which form part of the objectives for completion of the internal market.

- Breeding of pure-bred animals of the bovine species

By a qualified majority the Council adopted the Directive on the acceptance for breeding purposes of pure-bred breeding animals of the bovine species.

This proposal provides for further harmonization of the acceptance of such animals and their semen for breeding.

Member States will have to comply with this Directive no later than 1 January 1989. However, Spain and Portugal will have an additional period of three years in which to comply.

- Classical swine fever

The Council recorded its agreement in principle to four proposals which, pursuant to the commitment given on 7 April 1987, are intended to continue measures to control classical swine fever for a further period of four years.

The Council accordingly

- extended the financial means provided by Decision 80/1096/EEC and to that end provided for an estimated contribution of about 35 MECU;
- reinforced certain aspects of Directive 80/217/EEC introducing control measures.

In particular, provision has been made for measures to increase control of the movement of products from an area in which there is vaccination as a result of the emergence of sources of classical swine fever. Member States will in future ensure that live pigs may no longer leave such vaccination areas and that their meat is reserved for the domestic market;

- supplemented Directive 80/1095/EEC so as to provide for the forwarding by Member States of plans supplementing their programmes for the control of classical swine fever;
- extended until 31 December 1991 the derogations allowed to Member States which are officially free from classical swine fever and which are not therefore required to import live pigs or the meat thereof from Member States continuing to vaccinate.

The Council will formally adopt these texts after they have been finalized in the official languages of the Communities.

- Animal health problems affecting intra-Community trade in meat products (African swine fever)
- Health problems affecting intra-Community trade in fresh meat
- Health problems upon importation of bovine animals and swine and fresh meat from third countries
- Health problems affecting intra-Community trade in meat products

The Council agreed to instruct the Permanent Representatives Committee to continue its examination of these problems.

#### FOODSTUFFS/ANIMAL FEEDINGSTUFFS

The following three proposals concerning these sectors form part of the relay programme for completion of the internal market.

#### - Extraction solvents

The Council recorded its agreement to the Directive laying down Community rules for extraction solvents used in the food sector, in particular the drawing up of positive lists of solvents which are authorized either for all uses or subject to certain quite specific conditions of use.

Member States will have to conform to this Directive no later than 36 months after its notification.

It will be formally adopted as soon as it has been finalized in the official languages of the Communities.

- Pesticide residues in animal feedingstuffs

The Council recorded its agreement to the Directive supplementing Community laws on animal feedingstuffs in order to protect animal and human health. This mainly involves fixing maximum levels for pesticide residues in animal feedingstuffs.

Member States will have to comply with this Directive no later than 3 December 1990.

It will be formally adopted as soon as it has been finalized in the official languages of the Communities.

- Flavourings

The Council agreed to instruct the Permanent Representatives Committee to continue its examination of this matter.

## MISCELLANEOUS DECISIONS

### Other agricultural decisions

The Council adopted in the official languages of the Communities the Directives:

- amending Directive 70/524/EEC concerning additives in feedingstuffs in respect of Carbadox;
- amending Directive 70/524/EEC concerning additives in feedingstuffs in respect of Olaquinox.

### International Sugar Agreement

The Council adopted in the official languages of the Communities the Decision authorizing the Commission to participate in the negotiations on a new international sugar agreement.

### Fisheries policy

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

- the conclusion of the Agreement between the European Economic Community and the Republic of Seychelles on fishing off Seychelles;
- concerning the conclusion of the Agreement amending the Agreement between the European Economic Community and the Government of the Democratic Republic of Madagascar on fishing off the coast of Madagascar, signed at Antanarivo on 28 January 1986.

The Council also adopted in the official languages of the Communities the Regulations opening, allocating and providing for the administration of Community tariff quotas for certain fishery products.

### Education

The Council adopted in the official languages of the Communities the Decision adopting the European Community Action Scheme for the Mobility of University Students (ERASMUS) (see Press Release, 6502/87 (Presse 72) of 14 May 1987).

### Social affairs

The Council adopted in the official languages of the Communities the following conclusions on the development of continuing vocational training for adult employees in undertakings:

"THE COUNCIL OF THE EUROPEAN COMMUNITIES,

1. TAKES NOTE of the Commission communication on the development of continuing training for employees in undertakings in the European Community;
2. RECALLS its Resolution of 22 December 1986 on an action programme on employment growth, which states that the Community needs to have "a labour force that has both the skills and the flexibility necessary to meet the changing requirements of industry and commerce" and that, in this context, the Council wishes "to bring about ..... an increase in the levels of training and retraining opportunities available to adults";

3. CONSIDERS that, especially in view of the pace of technological change, the completion of the internal market and the achievement of technological progress in the Community call for a significant effort in the area of training for employers and employees with a view to more efficient management of human resources;
4. CONSIDERS IN ADDITION that the adjustment of undertakings to the new economic environment concerns employees as well as employers and public authorities; that continuing vocational training is an instrument both for increasing employees' ability to meet changing professional requirements and for improving the productivity of the undertaking;
5. NOTES WITH INTEREST the joint opinion adopted on 6 March 1987 in the context of the social dialogue, in which both sides of industry considered that "in-service training should enable employees to adapt swiftly and continuously to structural changes in the firm";
6. CONSIDERS it desirable that continuing vocational training measures should be encouraged by both sides of industry and the public authorities and that both sides of industry should agree on needs and on the appropriate methods;
7. NOTES that, after consulting the relevant bodies - in particular the Advisory Committee on Vocational Training - and both sides of industry, the Commission intends to propose shortly a Community action programme for the development of continuing vocational training which will, inter alia:
  - (a) concentrate, in view of the existing programmes for young people, on adult employees in undertakings;

also as far as possible enable those seeking work, including the unskilled, to be associated with it;

- (b) take account of the characteristics of small and medium-sized undertakings with a view to encouraging and raising the level of vocational qualifications in such undertakings;
- (c) take account of any special problems encountered by women in continuing vocational training;
- (d) promote, by the most appropriate means, an awareness among all the interested parties of the benefits and opportunities offered by continuing vocational training; in this connection, for example, take into consideration new teaching tools and methods, including new techniques such as open learning and distance learning, which should be actively circulated among the various participants in continuing vocational training;
- (e) take into consideration the importance of instructor training, the value of exchanges of instructors and the opportunities for technical assistance;
- (f) promote the acquisition of recognized vocational qualifications and of the skills necessary to practise a profession;
- (g) identify research topics of common interest and provide for an exchange of available research results;

8. NOTES that, in the implementation of continuing vocational training, undertakings and employees are still encountering a variety of obstacles and constraints, particularly as regards the adjustment of working hours, and that the effectiveness of the investment required in continuing vocational training accordingly requires that Community work aimed at easing such obstacles and constraints should continue.

#### Commercial policy

The Council adopted in the official languages of the Communities the Decision concluding the Protocol of Accession of the Kingdom of Morocco to the General Agreement on Tariffs and Trade.

The Council also adopted in the official languages of the Communities the Decision concluding a Convention between the European Economic Community, the Republic of Austria, the Republic of Finland, the Republic of Iceland, the Kingdom of Norway, the Kingdom of Sweden and the Swiss Confederation, on a common transit procedure.

In addition, the Council adopted in the official languages of the Communities the regulations:

- temporarily suspending the autonomous common customs tariff duties on a number of industrial products;
- replacing Annexes to Regulation (EEC) No 3420/83 on import arrangements for products originating in State-trading countries not liberalized at Community level.

Appointment

On a proposal from the Danish Government, the Council appointed Mr Niels Lykke JENSEN a member of the Advisory Committee on Vocational Training to replace Mr Chr. AAGAARD HANSEN, who has resigned, for the remainder of the latter's term of office, which lasts until 14 July 1987.

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COUNCIL OF THE EUROPEAN COMMUNITIES  
GENERAL SECRETARIAT

PRESS RELEASE

7018/87 (Presse 103)

1177th Council meeting  
- Economic and Financial Affairs -

Luxembourg, 15 June 1987

President: Mr Mark EYSKENS  
Minister for Finance  
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 Minister for Finance

Denmark:

Mr Anders ANDERSEN Minister for Economic Affairs

Mr Pallo SIMONSEN Minister for Finance

Germany:

Mr Gerhard STOLTENBERG Minister for Finance

Mr Hans TIETMAYER State Secretary, Federal Ministry of Finance

Greece:

Mr Constantin SIMITIS Minister for Economic Affairs

Spain:

Mr Guillermo de la DEHESA ROMERO State Secretary for Economy and Planning

France:

Mr Edouard BALLADUR State Secretary with responsibility for Economic Affairs, Finance and Privatization

Ireland:

Mrs Maire GEOGHEGAN-QUINN Minister of State for European Affairs



STRENGTHENING OF THE EUROPEAN MONETARY SYSTEM

The Council heard interim reports from the Chairman of the Monetary Committee and the Chairman of the Committee of Governors of the Central Banks on the progress made by these two Committees in discussing the strengthening of the European Monetary System.

At the close of an exchange of views, the Council requested the two Committees to continue their discussions on the subject, so that final reports could be submitted to it in September.

DIRECTIVE ON THE MUTUAL RECOGNITION OF LISTING PARTICULARS FOR  
ADMISSION TO STOCK EXCHANGE LISTING

The Council reached a majority position on a draft Directive, based on Article 54(2) of the EEC Treaty, to obtain mutual recognition of the listing particulars which are to be used for the admission of securities to official stock-exchange listing. Once listing particulars have been drawn up in accordance with the provisions of Directive 80/390/EEC of 17 March 1980 and approved by a competent authority in one Member State, they may be used for admission to other stock exchanges in other Member States, without having to be approved again by the host authorities.

In this way the issuer will only have to draw up one set of listing particulars, provided that he makes applications for admission to several stock exchanges simultaneously or within short intervals of one another.

Mutual recognition will apply both to full listing particulars and to those subject to certain partial exemptions from the information requirements.

However, the host authorities may require, in addition to a translation of the listing particulars, the inclusion of information specific to the host market.

In order that the Council can adopt the Directive formally, this item will be on the agenda for the General Affairs Council on 22 June 1987.

AMENDMENT OF THE REGULATION ON OWN RESOURCES

The Council held a conciliation meeting with a delegation from the European Parliament on the draft Regulation amending Regulation (EEC, EURATOM, ECSC) No 2891/77 implementing the Decision of 21 April 1970 on the replacement of financial contributions from Member States by the Communities' own resources.

The European Parliament delegation was led by Mr BARON CRESPO, Vice-President of the European Parliament; its members were Messrs COT, SCOTT HOPKINS and CORNELISSEN, Chairman, second Vice-Chairman and third Vice-Chairman of the Committee on Budgets and rapporteur respectively, and Mr AIGNER, Mrs LENTZ-CORNETTE and Mr COLOM Y NAVAL, Chairman, member and deputy member respectively of the Committee on Budgetary Control.

As a result of the discussions, the points of view of the two institutions were brought considerably closer.

At the close of the conciliation meeting, the President of the Council noted that some questions which had been dealt with during conciliation were still being examined in the Council.

The Head of the European Parliament delegation stated that he thought the points of view were close enough for the European Parliament to be able to deliver a new Opinion.

FINANCIAL IMPLICATIONS FOR SPAIN AND PORTUGAL OF THE PROGRAMME FOR  
DISPOSAL OF BUTTER STOCKS

The Council noted that the Commission had recently referred to it a report on the financial implications for Spain and Portugal of the programme for disposal of butter stocks decided on by the Council. The Council instructed the Permanent Representatives Committee to examine the report and to report back to the Council at its meeting on 13 July 1987.

CREDIT INSURANCE AND SURETYSHIP INSURANCE

Working on the basis of an overall compromise proposal from the Presidency, the Council held an in-depth discussion on the amendment, as regards credit insurance and suretyship insurance, of Directive 72/239/EEC on the co-ordination of rules on the taking-up and pursuit of the business of direct insurance other than life assurance.

At the close of the discussion, the President noted that positions had moved much closer together, although some delegations were unable to agree to the compromise at this stage. This being the case, the President stated his intention of bringing the matter to the attention of the General Affairs Council on 22 June 1987 in order that in the intervening period the delegations concerned could reassess the component parts of the compromise resulting from discussion.

DIRECTIVE ON LEGAL EXPENSES INSURANCE

The Council agreed in principle on a Council Directive on the co-ordination of the laws, regulations and administrative provisions relating to legal expenses insurance.

The 1st co-ordinating Directive allowed the Federal Republic of Germany to retain a specialization requirement on its territory, viz., to prohibit undertakings which transact legal expenses insurance from transacting in other classes of insurance. This requirement was a barrier to the free establishment in the Federal Republic of Germany of undertakings originating in other Member States, where there was no such requirement.

The Directive which has just been approved does not confine itself to abolishing the specialization requirement in the Federal Republic of Germany; to achieve the same objective as the German legislation was seeking through specialization, viz., to avoid any conflict of interest between the person insured against legal expenses and his insurer, the Directive lays down a series of measures regarding the organization and management of insurance undertakings and the terms of insurance contracts.

To cater for a situation in which a conflict of interests arises despite all these precautions, provision will have to be made for an arbitration or equivalent procedure.

Contracts of legal expenses insurance will have to provide expressly that the insured person is free to choose a lawyer. However, a Member State may make contracts limited to cases arising from the use of road vehicles on its territory exempt from this obligation if other restrictive conditions are fulfilled. This option refers particularly to the automobile clubs in certain Member States.

The Directive should achieve two objectives: to help complete the internal market in insurance, and to protect policy holders.

Reference framework for the financial year 1988

The Council adopted in the official languages of the Communities a Decision laying down the reference framework for the financial year 1988 as follows:

IN MECU

1. Maximum amount of net expenditure on agricultural markets

C/A	P/A
22 757	22 757

The Council notes that the agricultural guidelines for the reference framework for the 1988 budget must be seen against the background for an exceptionally difficult budgetary situation and that it may become necessary at a later stage to take into consideration the exceptional circumstances provided for in the second paragraph of Article 2 of the Council's conclusions of 4 December 1984.

2. Non-compulsory expenditure

C/A	P/A
11 035,0	9 910,3

3. Other compulsory expenditure

C/A	P/A
4 029,8	3 972,8

4. Total

C/A	P/A
37 821,8	36 640,1

PRESS RELEASE

7017/87 (Presse 102)

1178th Council meeting  
- with the participation of the Ministers  
for Finance and the Ministers for Agriculture -

Luxembourg, 15 June 1987

Presidents:

Mr Mark EYSKENS,

Minister for Finance  
of the Kingdom of Belgium

Mr Paul DE KEERSMAEKER,

State Secretary for European Affairs  
and Agriculture 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	Minister for Finance
Mr Paul DE KEERSMAEKER	State Secretary for European Affairs and Agriculture

Denmark:

Mr Anders ANDERSEN	Minister for Economic Affairs
Mr Palle SIMONSEN	Minister for Finance
Ms Britta SCHALL HOLBERG	Minister for Agriculture

Germany:

Mr Gerhard STOLTENBERG	Minister for Finance
Mr Ignaz KIECHLE	Federal Minister for Food, Agriculture and Forestry
Mr Hans TIETMEYER	State Secretary, Federal Ministry of Finance
Mr Walther FLORIAN	State Secretary, Federal Ministry of Food, Agriculture and Forestry
Mr Walter KITTEL	State Secretary, Federal Ministry of Food, Agriculture and Forestry

Greece:

Mr Constantin SIMITIS	Minister for Economic Affairs
Mr Yiannis POTTAKIS	Minister for Agriculture

Spain:

Mr Carlos ROMERO HARRERA	Minister for Agriculture, Fisheries and Food
Mr Guillermo de la DEHESA ROMERO	State Secretary for Economic Affairs and Planning

France:

Mr Edouard BALLADUR                   Ministre d'Etat, with responsibility  
for Economic Affairs, Finance and  
Privatization

Mr François GUILLAUME                 Minister for Agriculture

Ireland:

Mr Michael O'KENNEDY                 Minister for Agriculture

Ms. Maire GEOGHEGAN-QUINN           Minister of State with special  
responsibility for EEC matters

Italy:

Mr Filippo Maria PANDOLFI           Minister for Agriculture

Mr Pietro CALAMIA                    Ambassador,  
Permanent Representation

Luxembourg:

Mr Jean-Claude JUNCKER               Minister attached to the Minister  
for Finance

Mr Marc FISCHBACH                    Minister for Agriculture and  
Viticulture

Mr René STEICHEN                    State Secretary,  
Ministry of Agriculture and  
Viticulture

Netherlands:

Mr O.C.R. RUDING                     Minister for Finance

Mr Gerrit BRAKS                     Minister for Agriculture

Portugal:

Mr Miguel CADILHE                    Minister for Finance

Mr Alvaro BARRETO                    Minister for Agriculture, Fisheries  
and Food

Mr Rui ALVAREZ CARP                 State Secretary for the Budget

Mr Arlindo CUNHA                    State Secretary for Agricultural  
Development

United Kingdom:

Mr Nigel LAWSON

Chancellor of the Exchequer

Mr John MACGREGOR

Minister for Agriculture,  
Fisheries and Food

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Commission:

Mr Jacques DELORS

President

Mr Henning CHRISTOPHERSEN

Vice-President

Mr Frans H.J.J. ANDRIESEN

Vice-President

PROGRESS OF NEGOTIATIONS ON AGRICULTURAL MATTERS

Following the letter from President DELORS dated 27 May 1987, the Council, with the participation of the Ministers for Finance and the Ministers for Agriculture, held a wide-ranging exchange of views on the progress of the negotiations relating to the Commission proposals on agricultural prices and on related measures for 1987/1988.

At the end of the exchange of views the President noted that the negotiations would be continued in the appropriate Council meetings in the light of the day's discussions.

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PRESS RELEASE

7120/87 (Presse 110)

1179th Council meeting

- General Affairs -

Luxembourg, 22 June 1987

President: Mr Leo TINDEMANS  
Minister for Foreign Relations  
of the Kingdom of Belgium

PRESS RELEASE

7120/87 (Presse 110)  
COR 1

PRESS RELEASE OF 22 JUNE 1987 - GENERAL AFFAIRS COUNCIL

On page 10, the second paragraph should read as follows:

"The Council invites the Commission to explore the possibilities for specific pragmatic actions in the field of industrial co-operation with those countries concerned which desire such co-operation, in particular in the form of joint ventures between European enterprises and enterprises from those countries. These actions should take into account ...."



Ireland:

Mr Brian LENIHAN Minister for Foreign Affairs

Italy:

Mr Giulio ANDREOTTI Minister for Foreign Affairs

Luxembourg:

Mr Jacques F. POOS Minister for Foreign Affairs

Mr Robert GOEBBELS State Secretary for Foreign Affairs

Netherlands:

Mr H. VAN DEN BROEK Minister for Foreign Affairs

Mr P.R.H.M. VAN DER LINDEN State Secretary for Foreign Affairs

Portugal:

Mr Victor MARTINS State Secretary for European Affairs

United Kingdom:

Sir Geoffrey HOWE Secretary of State for Foreign and Commonwealth Affairs

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Commission:

Mr Jacques DELORS President

Mr Henning CHRISTOPHERSEN Vice-President

Mr Claude CHEYSSON Member

Mr Willy DE CLERCQ Member

Mr Stanley CLINTON DAVIS Member

RELATIONS WITH LATIN AMERICA

1. With reference to the conclusions of the European Council in The Hague on 26 and 27 June 1986 and in accordance with the objectives set out in the joint declaration of intent annexed to the Treaty of Accession of Spain and Portugal, the Council and the Representatives of the Governments of the Member States of the Community reaffirm the particular importance which, for historical, political, economic and cultural reasons, they attach to the strengthening and development of relations between the European Community and Latin America.

The history of relations between the peoples of Europe and Latin America is founded on common values and interests, and demonstrates a common aspiration towards a conception of society based on respect for human rights and leading to a similar view of the political and economic world order. This common background justifies a substantial strengthening of ties between the two worlds. It therefore follows that the European Community and Latin America have an active joint role to play in building the international society of the future.

2. The Community and its Member States believe that this is a particularly appropriate time to intensify all aspects of relations with the Latin American countries, in view of a number of promising developments which could bring the two regions closer together, in particular the return to democratic government and the setting up of regional integration areas. Moreover, it is in the interests of both parties that Latin America should overcome the serious economic problems facing it in the present state of the international economic environment, and bearing in mind the constraints related to the burden of its foreign debt.

3. The European Community therefore considers that, while bearing in mind its own constraints, it is necessary to implement a consistent overall strategy for strengthening relations and co-operation between the Community and its Member States on the one hand and Latin America and its States and regions on the other, a strategy which takes account of the diversity of situations and requirements in the various parts of Latin America. Such a strengthening must be accompanied by improved presentation and would be favoured by increased co-ordination of the already considerable resources which are deployed bilaterally by Member States. Drawing attention to the Community's presence in the region requires inter alia improved presentation of its action and its policies particularly thanks to greater co-operation between Member States' diplomatic representations and the Commission.

Moreover, the Community and the Member States will give support to any effort to increase European public awareness of matters relating to Latin America, the latter's links with the countries of the Community and the prospects for effective and mutually advantageous co-operation.

4. The Community and its Member States agree that it is in the common interest to support the efforts of the countries of Latin America which are pursuing rigorous economic adjustment policies with the aim of re-establishing economic growth and financial stability.
5. To promote better understanding of each other's point of view, the Community and its Member States would make clear that they are willing to intensify co-operation and consultation on economic and commercial matters modelled on the exercise conducted successfully at the Punta del Este Conference. Using whatever opportunities arise and in compliance with the role and prerogatives of the relevant multilateral institutions, informal consultations could be arranged.

The aim of such consultations would be to promote better understanding of each other's point of view and, within the relevant multilateral institutions, to further the "sustained growth" advocated by the IMF and the World Bank at their meeting in Seoul.

6. The twelve Member States of the Community agree that increased co-operation and consultation on economic and commercial matters should be accompanied by the stepping up of political relations.

The Twelve will, by their actions, continue to support the establishment of democracy in all Latin American countries and endeavour to strengthen democratic governments in the region.

They are following with special interest the attempts of certain Latin American countries to set up political co-operation bodies (for example, the Rio Group) with a view to giving positive consideration to any possibilities there may be for contacts between the Twelve and such representative groups.

They will actively encourage contacts between the Latin American Parliaments on the one hand and the European Parliament and the national Parliaments of the Twelve on the other. When the time comes they will support, in both practical and political terms, the creation of a Central American Parliament and of any other regional parliament.

- ° The Twelve stress that intensified relations between the two regions must be supported both by individual contacts between countries and within the appropriate international bodies.

7. With a view to strengthening relations and co-operation with Latin America, the Community and its Member States agree on the following guidelines:

- Official development assistance (ODA) granted by the Community will be continued, improved and concentrated in particular on the less developed countries of Latin America. It will be focused especially on rural development and on ensuring greater food security. Efforts will be made to improve the effectiveness of assistance notably by means of improved co-ordination with other sources of financing, in particular the Member States, international financial institutions and other sources of official assistance.
- Efforts to achieve regional integration will be actively supported and encouraged. The Community is ready to give Latin America the benefit of its own experience in certain specific areas by means of schemes such as support and funding for projects and programmes with a regional impact, the implementation according to appropriate procedures of cumulative origin rules and harmonized systems of industrial standards, co-operation on new technology, the setting up and operation of regional bodies.
- In the area of trade, the Community's objective is to promote the development of reciprocal trade. From this point of view, the Community attaches great importance to the new multilateral negotiations launched by the Punta del Este Conference in 1986 and to the undertakings entered into on that occasion. It will endeavour in this context to take account of the export interests of the countries of Latin America.

At the same time, the Community will continue its efforts to ensure stable, and if possible broader, access to the Community market, in particular through more effective use of the Generalized System of Preferences and a policy in support of the structural diversification of production and exports, based on the whole range of co-operation instruments available, notably trade promotion.

- Special emphasis will be placed on industrial co-operation in the broad sense. It will be for the Latin American countries to create to that end a more favourable environment for attracting European investment. Co-operation between businessmen in the two regions, particularly in the form of joint ventures, will be encouraged. To that end, and in addition to the Member States' individual initiatives, the Community will make efforts to identify areas of mutual interest, to arrange contacts between potential partners, and to develop back-up schemes for joint ventures, in particular in trade promotion, training and information. These schemes will also be developed on the spot, in particular in co-operation with public and private organizations which are active in the sector, such as chambers of commerce.

The development and strengthening of scientific and technical co-operation involving a more ambitious approach to training and the development of joint research projects in areas of mutual interest will also help promote joint ventures. In this context energy co-operation will be developed and stepped up, enabling the benefit of Community experience in energy efficiency and new and renewable energy sources to be passed on.

- Under the heading of technical co-operation, special attention will be paid to the training of administrators and technicians in order to encourage the proper management both of national and regional administrations and of undertakings.
  
- In view of the new dimension that the accession of Spain and Portugal has conferred on relations with Latin America, the Community and its Member States will also lay particular emphasis on the expansion of their activities in the field of information and communication, due account being taken of the cultural dimension of relations between the two regions.
  
- The possibility of implementing a co-operation programme on combating drug trafficking will be explored with certain Latin American countries.

The objective of giving a new impetus to the flow of export credits will be given consideration in the course of exchanges of views between the Member States on their risk-taking policies vis-à-vis the various Latin American countries, taking into account the progress made in their adjustment policies.

8. The prospect of intensified relations will lead to consideration of a gradual strengthening of Commission representation in Latin America on an appropriate regional basis.
  
9. The Council requests the Commission, taking account of these guidelines, to continue its work on the strengthening of relations between the Community and Latin America and to submit appropriate concrete proposals to it accordingly.  
  
The Representatives of the Governments of the Member States, for their part, agree to take the appropriate steps to implement the guidelines falling within the competence of the Member States.
  
10. The Council agrees to assess the implementation of these guidelines periodically, with a view to establishing the appropriate conclusions in the light of the objectives sought.

INDUSTRIAL CO-OPERATION WITH CERTAIN LDCs IN LATIN AMERICA, ASIA,  
THE GULF AND THE MEDITERRANEAN

The Council considers that industrial co-operation between firms in Europe and local firms is a process particularly suited to the situation and the problems of certain countries, which are often at an intermediate stage of development, in Latin America, Asia, the Gulf and the Mediterranean. This type of co-operation makes it possible, in particular, to reinforce the role of the private sector and to encourage the development of an entrepreneurial class in these countries, enhancing adjustment possibilities, increasing the efficiency of their economies, improving the prospects for growth and for solutions to debt problems. Industrial co-operation thus contributes to development while at the same time furthering the interests of European enterprises involved.

The Council recognizes that enterprises themselves are the principal instrument for such co-operation, which essentially involves their own responsibility. On the side of the industrialized countries, the role of the public authorities is limited: it consists mainly of improving the general framework within which decisions concerning investment and industrial co-operation are taken or, in certain specific cases, stimulating the flow of private capital by improved use of existing financial instruments. On their side, the authorities of the developing countries have the fundamental responsibility for creating an environment favourable to external investment.

Member States, the Community and certain international institutions (such as the World Bank, notably through the IFC, and perhaps in the future, MIGA) possess a fairly wide range of instruments for encouraging industrial co-operation. The Council considers that the Community should continue the activities it has initiated in this area, and should supplement, where necessary, the activities of Member States and international institutions. The Community's involvement should be complementary and should not lead to a duplication of effort. It should be addressed to medium and even to small enterprises, given that large enterprises are more self-reliant and that in any event they are likely to benefit from the majority of the actions envisaged.

The Council invites the Commission to explore the possibilities for specific pragmatic actions in the field of industrial co-operation with those countries concerned which desire such co-operation. These actions should take into account the diversity of the countries concerned and the Community's special role in encouraging regional integration among developing countries and could, in particular, be developed in the following fields:

- industrial standards: this involves, in particular, assistance to the LDCs in adopting internationally recognized standards so as to promote regional integration and their export capacity;
- financial and technical co-operation: this entails, where appropriate, improved use of the financial instruments available to the Community, in order to encourage investment in those countries concerned which so desire.

- information on investment opportunities: this could be improved, for example, by means of data banks and the establishment of joint investment committees in LDC business centres to improve contacts between the representatives of business circles and public authorities so as to identify problems linked to the climate and legal environment for investments;
- scientific and technical co-operation, which can pave the way for opportunities for industrial co-operation;
- training and economic information: this involves improving information (data banks) on training opportunities in Europe for LDC supervisory and managerial staff, setting up specific training programmes for LDC managers and officials working in areas linked to foreign investment, and strengthening training provided locally by European instructors in the LDCs.

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The Council invites the Commission to report back to it on the options it has explored and, if necessary, submit specific proposals in this area, which it will evaluate case-by-case having regard to their individual merits and their complementarity with other measures undertaken.

EXERCISE OF IMPLEMENTING POWERS CONFERRED ON THE COMMISSION

Further to the Declaration annexed to the Single Act asking the Community authorities to adopt, before the Act enters into force, the principles and rules on the basis of which the Commission's powers of implementation will be defined in each case, the Council, on the basis of a proposal from the Commission, recorded its agreement to a Regulation laying down the procedures for the exercise of implementing powers conferred on the Commission.

The Council's decision derived from the desire to find a fair balance between two points of concern, viz.:

- on the one hand, the objective of simplification and rationalization, which underlies the exercise and encourages a limit on the number of procedures;
- on the other hand, the need to offer a sufficiently wide range of procedures to cope with the widely differing situations which arise.

The Regulation states that, except in specific cases where it reserves the right to exercise its implementing powers directly, the Council will, in the acts which it adopts, confer on the Commission powers for the implementation of the rules which it lays down. The Council will specify the essential elements of those powers.

The Council may make the exercise of those powers subject to detailed arrangements which must conform to the procedures set out below:

PROCEDURE I

The Commission shall be assisted by a Committee of an advisory nature composed of the Representatives of the Member States and chaired by the representative of the Commission.

The representative of the Commission shall submit to the Committee a draft of the measures to be taken. The Committee shall deliver its opinion on the draft, within a time limit which the Chairman may lay down according to the urgency of the matter, if necessary by taking a vote.

The opinion shall be recorded in the minutes; in addition, each Member State shall have the right to ask to have its position recorded in the minutes.

The Commission shall take the utmost account of the opinion delivered by the Committee. It shall inform the Committee of the manner in which its opinion has been taken into account.

PROCEDURE II

The Commission shall be assisted by a Committee composed of the Representatives of the Member States and chaired by the Representative of the Commission.

The Representative of the Commission shall submit to the Committee a draft of the measures to be taken. The Committee shall deliver its opinion on the draft within a time limit which the Chairman may lay down according to the urgency of the matter. The opinion shall be delivered by the majority laid down in Article 148(2) of the Treaty in the case of decisions which the Council is required to adopt on a proposal from the Commission. The votes of the Representatives of the Member States within the Committee shall be weighted in the manner set out in that Article. The Chairman shall not vote.

The Commission shall adopt measures which shall apply immediately. However, if these measures are not in accordance with the opinion of the Committee, they shall be communicated by the Commission to the Council forthwith. In that event:

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Variant (a)

The Commission may defer application of the measures which it has decided for a period of not more than one month from the date of such communication.

Variant (b)

The Commission shall defer application of the measures which it has decided for a period to be laid down in each act adopted by the Council, but which may in no case exceed three months from the date of communication.

The Council, acting by a qualified majority, may take a different decision within the time limit referred to in the previous paragraphs.

PROCEDURE III

The Commission shall be assisted by a Committee composed of the Representatives of the Member States and chaired by the Representative of the Commission.

The Representative of the Commission shall submit to the Committee a draft of the measures to be taken. The Committee shall deliver its opinion on the draft within a time limit which the Chairman may lay down according to the urgency of the matter. The opinion shall be delivered by the majority laid down in Article 148(2) of the Treaty in the case of decisions which the Council is required to adopt on a proposal from the Commission. The votes of the Representatives of the Member States within the Committee shall be weighted in the manner set out in that Article. The Chairman shall not vote.

The Commission shall adopt the measures envisaged if they are in accordance with the opinion of the Committee.

If the measures envisaged are not in accordance with the opinion of the Committee, or if no opinion is delivered, the Commission shall without delay submit to the Council a proposal relating to the measures to be taken. The Council shall act by a qualified majority.

Variant (a)

If, on the expiry of a period to be laid down in each act to be adopted by the Council under this paragraph but which may in no case exceed three months from the date of referral to the Council, the Council has not acted, the proposed provisions shall be adopted by the Commission.

Variant (b)

If, on the expiry of a period to be laid down in each act to be adopted by the Council under this paragraph, but which may in no case exceed three months from the date of referral to the Council, the Council has not acted, the proposed provisions shall be adopted by the Commission, save where the Council has decided against the said measures by a simple majority.

The following procedure may be applied where the Council confers on the Commission the power to decide on safeguard measures:

- the Commission shall notify the Council and the Member States of any decision regarding safeguard measures.

It may be stipulated that before adopting this decision the Commission shall consult the Member States in accordance with procedures to be determined in each case.

- Any Member State may refer the Commission's decision to the Council within a time limit to be determined in the act in question.

Variant (a)

The Council, acting by a qualified majority, may take a different decision within a time limit to be determined in the act in question.

Variant (b)

The Council, acting by a qualified majority, may confirm, amend or revoke the decision adopted by the Commission. If the Council has not taken a decision within a time limit to be determined in the act in question, the decision of the Commission is revoked.

In addition, it is stated that this Decision shall not affect the procedure for the exercise of the powers conferred on the Commission in acts which predate its entry into force.

Where such acts are amended or extended the Council may adapt the procedures to conform with those set out in Articles 2 and 3 or retain the existing procedures.

Finally, it is agreed that the Council shall review the procedures provided for in this Decision on the basis of a report submitted by the Commission before 31 December 1990.

PREPARATION FOR THE EUROPEAN COUNCIL

The Council prepared for the meeting of the European Council to be held in Brussels on 29 and 30 June, the main theme of which would be the dossier on "Making a success of the Single Act - A new frontier for Europe".

MAKING A SUCCESS OF THE SINGLE ACT - A NEW FRONTIER FOR EUROPE

The Council assessed the state of preparation of this dossier on the basis of a report submitted by the Presidency which would serve as a basis for the proceedings of the ministerial "conclave" on the subject to be held on 27 and 28 June at the Egmont Palace in Brussels in order to prepare for the discussion of the matter by the European Council.

FIXING OF MAXIMUM PERMITTED RADIOACTIVITY LEVELS

After hearing an introductory statement by Mr CLINTON DAVIS, Member of the Commission, the Council took note of the formal proposal from the Commission laying down maximum permitted radioactivity levels for foodstuffs, feedingstuffs and drinking water in cases of abnormal levels of radioactivity or of a nuclear accident.

The Council directed the Permanent Representatives Committee to examine this dossier without delay, in view of the importance and urgency of this matter, in order to ensure that the deadline of 31 October for its decisions was met.

RELATIONS WITH THE UNITED STATES

- Trade bills

The Council:

- = noted the information given by the Commission concerning the recent trend towards protectionist legislation in the United States;
- = reiterated the concern which it had expressed in this connection at its May meeting;
- = expressed its full support for the action which the Commission proposed taking to influence the legislative process during the visit to Washington by Vice-President ANDRIESEN and Commissioner DE CLERCQ from 6 to 9 July.

- Agreement on citrus/Mediterranean preferences:

Pasta

The Council:

- = noted the information given by the Commission on progress with the pasta dossier and its intentions regarding the continuation of negotiations with the United States;
- = pointed out that the "pasta" aspect could under no circumstances be separated from the August 1986 Agreement on citrus/Mediterranean preferences, of which it forms an integral part;

= requested the Commission, in close consultation with the Member States and in compliance with the principles and mechanisms of the common agricultural policy, to make every effort to find a satisfactory solution to this problem as soon as possible.

#### URUGUAY ROUND - TROPICAL PRODUCTS

The Council took note of the proposal submitted by the Commission concerning the Community offer on tropical products and undertook to examine it rapidly with a view to making concrete proposals in the framework of the Uruguay Round.

#### PREPARATION FOR UNCTAD VII

The Council discussed the general guidelines for the position to be adopted by the Community and its Member States at UNCTAD VII which was to begin in Geneva on 9 July 1987.

It reached very broad agreement on this question and asked the Permanent Representatives Committee to finalize that position.

CREDIT INSURANCE AND SURETYSHIP

The Council adopted in the official languages of the Communities the Council Directive amending, as regards credit insurance and suretyship insurance, First Directive 73/239/EEC on the co-ordination of laws, regulations and administrative provisions relating to the taking-up and pursuit of the business of direct insurance other than life assurance.

The First Co-ordinating Directive gave the Federal Republic of Germany the right, on its territory and pending further co-ordination, to demand specialization of undertakings practising credit insurance and suretyship insurance.

German law thus sought to avoid the cyclical nature and "high risk" of the credit branch in particular, leading in an economic crisis to the bankruptcy of multi-branch insurance companies with serious consequences for a very large number of insured persons or third parties due to be compensated.

As the requirement of specialization in the Federal Republic of Germany constitutes an obstacle to the freedom of establishment of undertakings from other Member States, the Directive therefore makes provision for the abolition of that requirement, accompanied by provisions applicable throughout the Community which impose additional financial guarantees for the credit insurance branch: constitution of an additional so-called "equalization" reserve and a considerable increase in the guarantee fund.

Like the Directive on legal expenses, on which the ECOFIN Council recorded its agreement in principle on 15 June and which was also adopted today, the credit insurance Directive seeks the twin objectives of contributing to the achievement of a real common market in insurance and improving consumer protection.

LEGAL EXPENSES INSURANCE

Following the agreement in principle reached on 15 June 1987, the Council adopted in the official languages of the Communities the Directive on the co-ordination of laws, regulations and administrative provisions relating to legal expenses insurance (see Press Release 7018/87 (Presse 103) of 15.VI.87).

MISCELLANEOUS DECISIONS

Amendment of the anti-dumping Regulation

The Council adopted the Regulation amending Regulation (EEC) 2176/84 on protection against dumped or subsidized imports from countries not members of the European Economic Community.

The purpose of this complement to the basic Regulation is to prevent circumvention of the anti-dumping duties on products originating from a given country by screwdriver operations.

Experience gained in applying Regulation No 2176/84 shows that the assembly in the Community of products whose importation as finished products is subject to an anti-dumping duty may be at the root of certain difficulties.

For this reason, where

- assembly or production is carried out by an undertaking which is related to or associated with any of the manufacturers whose exports of the like product are subject to a definitive anti-dumping duty,
  - assembly or production was begun or substantially increased after the opening of the anti-dumping procedure,
  - the value of the parts or materials used in the assembly or production operation and originating in the country of origin of the product subject to an anti-dumping duty exceeds by at least 50% the value of all other parts or materials used,
- an anti-dumping duty will be collected.

Export credits

The Council adopted an amendment to the Decision of 4 April 1978 on the application of certain guidelines in the field of officially supported export credits.

The purpose of the Decision is to transpose into Community law, with a view to its application in the Community, the agreement reached between the Participants in the Arrangement on Guidelines during the first half of 1987 reinforcing discipline in the field of officially supported export credits and in particular tied aid credits.

Adaptation Protocols to the Ankara Agreement

The Council decided to sign the Protocol on economic adaptation and the Protocol on technical and formal adaptation to the Association Agreement with Turkey and a Protocol on the ECSC-Turkey Agreement, following the accession of Spain and Portugal to the Community. The Member States which are already contracting parties to the Ankara Agreement will sign the last two Protocols.

In addition, in accordance with Article 238 of the EEC Treaty the Council also agreed to consult the European Parliament on the Protocols on economic and technical adaption.

Admission of securities to official stock-exchange listing

Following the discussion on 15 June 1987, the Council also adopted in the official languages of the Communities the Directive on the mutual recognition of listing particulars to be published for the admission of securities to official stock-exchange listing (see Press Release 7018/87 (Presse 103) of 15.VI.1987).

Appointments

The Council appointed, on a proposal from the Spanish Government and the Commission, Mr Pedro de EUSEBIO RIVAS, Mr Jose MANZANARES NUNEZ and Mr Julio SANCHEZ FIERRO, members of the Management Board of the European Centre for the Development of Vocational Training, in the categories of Government representatives, representatives of workers' organizations and representatives of employers' organizations respectively, until 16 December 1988.

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COUNCIL OF THE EUROPEAN COMMUNITIES  
GENERAL SECRETARIAT



**PRESS RELEASE**  
7293/87 (Presse 111)

1180th meeting of the Council  
- Transport -

Luxembourg, 24 and 25 June 1987

President: Mr Herman de CROO  
Minister for Transport  
and Foreign Trade of the  
Kingdom of Belgium

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

Belgium:

Mr Herman de CROO

Minister for Transport  
and Foreign Trade

Denmark:

Mr F. Noer CHRISTENSEN

Minister for Transport and  
Public Works

Mr Joergen HALCK

State Secretary,  
Ministry of Public Works

Germany:

Mr Jürgen WARNKE

Federal Minister for Transport

Greece:

Mr Costas BADOUVAS

Minister for Transport and  
Communications

Spain:

Mr Abel CABALLERO

Minister for Transport and  
Communications

France:

Mr Jacques DOUFFIAGUES

Minister attached to the Minister  
for Infrastructure, Housing, Town  
and Country Planning and Transport,  
with responsibility for Transport

Ireland:

Mr John WILSON Minister for Communications

Italy:

Mr Giuseppe SANTONASTASO State Secretary for Transport

Luxembourg:

Mr Marcel SCHLECHTER Minister for Transport, Public Works and Energy

Netherlands:

Mrs N. SMIT-KROES Minister for Transport and Public Works

Portugal:

Mr Oliveira MARTINS Minister for Public Works, Transport and Communications

Mr Gonçalo Manuel BOURBON SEQUEIRA BRAGA State Secretary for Transport and Communications

United Kingdom:

Mr Paul CHANNON Secretary of State for Transport

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For the Commission:

Mr Stanley CLINTON DAVIS Member

Mr Peter SUTHERLAND Member

AIR TRANSPORT

The Council reached a consensus on a package of measures in the air transport sector on condition that a solution was found to the specific problem arising in the context of the draft Decision on capacity and market access with regard to Gibraltar airport.

The Council agreed to resume its discussions on 30 June 1987 in order to be able to complete the formal adoption of all the texts at that meeting.

The main features of the substance of the agreement are set out below:

I. FARES

The Directive provides for a Community system for approving the fares on scheduled air services between Member States.

Fares will be subject to approval by the authorities of the Member States concerned. This approval will be automatic if the fares comply with certain criteria. Consultation and arbitration procedures are laid down for cases where disagreement on a given proposal nonetheless remains; arbitration decisions will be binding if confirmed by the Commission.

Air carriers will be able, in certain circumstances, to offer discount and deep-discount fares. Discount fares may be set at a level between 65% and 90% of the normal "economy class" fare; the deep-discount zone extends from 45% to 65% of the reference fare.

Member States wishing to maintain or conclude more flexible arrangements are free to do so.

## II. CAPACITY AND MARKET ACCESS

### - Capacity

The Decision stipulates that air carriers will receive automatic approval for the capacity increases provided for in all bilateral routes provided the resulting shares of capacity do not exceed the 55%/45% limit in the first two years and the 60%/40% limit in the third year. Nevertheless, a Member State whose air carriers have suffered serious financial damage arising from the implementation of these arrangements may request a re-examination of the provisions for the third year. A decision will then be taken as to whether or not these provisions should be applied in their entirety.

Capacity increases for one season will also be approved automatically in certain specified circumstances and on condition that the resulting shares of capacity do not exceed the above limits.

- Market access

The Decision lays down provisions on access for Community air carriers to routes between Member States that they are not yet operating on:

- Member States may designate two or more of their air carriers to operate scheduled air services to each of the other Member States. They may not however designate more than one air carrier on a given route unless the volume of traffic on the route exceeds certain defined levels;
- Community air carriers will be authorized to establish third and fourth freedom scheduled air services between hub airports on the territory of a Member State and regional airports on the territory of another Member State. In order to prevent any major disturbance of existing air traffic systems and to give the Member States concerned the necessary time to adjust, a limited number of airports will however be temporarily excluded from the scope of this provision;
- third and fourth freedom air carriers may combine services to or from two or more points in another Member State or States provided that no traffic rights are exercised between the combined points.

Services provided in accordance with these provisions will be subject to controls on the capacity shares referred to above except where they are operated on routes between hub airports and regional airports using aircraft with not more than 70 seats.

Moreover, subject to certain conditions, the Decision gives Community air carriers the right ("fifth freedom rights") to provide scheduled air services between Member States other than their own state of registration.

### III. APPLICATION OF THE RULES ON COMPETITION TO AIR TRANSPORT

Two Regulations concern application of the rules on competition to the air transport sector.

The first lays down detailed procedures for the application of Articles 85 and 86 to international air transport between Community airports.

The second lays down that the Commission may grant block exemptions with regard to the application of Article 85(1) to certain categories of agreements and concerted practices.

CARRIAGE OF GOODS BY ROAD

Access to the market

1. On the basis of a compromise proposal from the Presidency, the Council continued its discussions on the proposal for a Regulation on access to the market for the carriage of goods by road between Member States.

After noting that there was broad agreement on this compromise, the Council instructed the Permanent Representatives Committee to examine in more detail the questions outstanding so that the Regulation could be adopted as soon as possible.

2. The Council made a further increase of 40% in the Community quota for 1987, fixing the total number of Community authorizations allocated to each Member State for 1987 as follows:

Belgium	1 036
Denmark	929
Germany	1 735
Greece	293
Spain	1 014
France	1 488
Ireland	341
Italy	1 424
Luxembourg	404
Netherlands	1 553
Portugal	416
United Kingdom	902
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Total	11 535

It also provided for the possibility of each additional authorization granted under this Regulation for 1987 being converted into six authorizations of short duration.

3. On the basis of a proposal from the Presidency, the Council adopted a Resolution on the elimination of distortions of competition in the transport of goods by road.

Conditions under which non-resident carriers may operate national transport services

The Council made an initial examination of three proposals on the conditions under which non-resident carriers may operate national transport services (cabotage), on the basis of an overall report from the Permanent Representatives Committee.

It then instructed the Committee to continue with the discussions on the subject with a view to these texts being adopted at an early date.

Access to the occupation of carrier of goods by waterway in national and international transport

The Council approved <sup>(1)</sup> a Directive on access to the occupation of carrier of goods by waterway in national and international transport and on the mutual recognition of diplomas, certificates and other evidence of formal qualifications for this occupation.

Roadworthiness tests

The Council held an initial discussion on the proposal for a Directive amending Directive 77/143/EEC on the approximation of the laws of the Member States relating to roadworthiness tests for motor vehicles and their trailers.

In the context of Community action on road safety, the aim of the proposal is to extend roadworthiness tests to cover both cars and light goods vehicles.

After its discussion, the Council instructed the Permanent Representatives Committee to continue with discussions to enable it to reach an agreement on the proposal.

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<sup>(1)</sup> One delegation maintained a parliamentary scrutiny reservation on this Directive.

General speed limits

On the basis of a draft submitted by the Presidency, the Council examined the question of harmonizing general speed limits in the European Community.

It noted that at this stage conditions were not ripe for an agreement on this issue. The Council therefore invited the Permanent Representatives Committee to continue its discussions with a view to enabling the Council to reach an agreement as soon as possible.

Major transport infrastructure projects

On the basis of a draft submitted by the Presidency, the Council examined the possibility of carrying out certain studies on major transport infrastructure projects.

The Council instructed the Permanent Representatives Committee to examine the matter further and agreed to return to the subject at its next meeting.

MISCELLANEOUS DECISIONS

Commercial policy - customs union

The Council adopted in the official languages of the Communities the Regulations opening, allocating and providing for the administration of Community tariff quotas for:

- a certain variety of polyvinylpyrrolidone falling within subheading ex 39.02 C XIV a) of the Common Customs Tariff;
- certain polyester sheets falling within subheading ex 39.01 C III a) of the Common Customs Tariff;
- sherry falling within heading No ex 22.05 of the Common Customs Tariff and originating in Spain (1987/1988);
- Malaga wines falling within heading No ex 22.05 of the Common Customs Tariff and originating in Spain (1987/1988);
- Wines from Jumilla, Priorata, Rioja and Valdepenas falling within heading No ex 22.05 of the Common Customs Tariff and originating in Spain (1987/1988).

The Council also adopted in the official languages of the Communities the Regulation temporarily suspending the autonomous Common Customs Tariff duties on certain white beans falling within subheading No ex 07.05 B I of the Common Customs Tariff.

Relations with the ACP States and the OCT

The Council adopted in the official languages of the Communities the Regulations opening, allocating and providing for the administration of a Community tariff quota for rum, arrack and tafia, falling within subheading 22.09 C I of the Common Customs Tariff:

- originating in the African, Caribbean and Pacific States (ACP) (1987/1988);
- originating in the overseas countries and territories associated with the European Community (1987/1988).

The Council also adopted in the official languages of the Communities the Regulation and the Decision revising the amounts for the documentary requirements:

- in Protocol No 1 concerning the definition of the concept of "originating products" and methods of administrative co-operation to the third ACP-EEC Convention;
- in Annex II, concerning the definition of the concept of "originating products" and methods of administrative co-operation to Decision 86/283/EEC on the association of the overseas countries and territories with the European Economic Community.

Moreover, following the conclusion of the negotiations for the accession of the Kingdom of Spain and the Portuguese Republic to the third ACP-EEC Convention, the Council adopted the following texts:

- Decision on the signing, subject to conclusion, of the Protocol to the third ACP-EEC Convention following the accession of the Kingdom of Spain and the Portuguese Republic to the European Communities;

- approval of the draft Decision of the ACP-EEC Council of Ministers on the advance implementation of the Protocol to the third ACP-EEC Convention following the accession of the Kingdom of Spain and the Portuguese Republic to the European Communities;
- Regulation on the application of the Decision of the ACP-EEC Council of Ministers on the advance implementation of the Protocol to the third ACP-EEC Convention following the accession of the Kingdom of Spain and the Portuguese Republic to the European Communities;
- Decision amending Decision 86/47/EEC establishing arrangements for trade between Spain and Portugal on the one hand and the overseas countries and territories (OCT) on the other;
- Regulation amending Regulation (EEC) No 486/85 concerning the arrangements applied to agricultural products and to certain goods resulting from the processing of agricultural products originating in the African, Caribbean and Pacific States (ACP States) or in the overseas countries and territories (OCT).

Relations with the EFTA countries

The Council adopted a joint position on draft Recommendation No 1/87 and draft Decision No 1/87 of the EEC-Switzerland/Austria Joint Committees - Community transit - amending the Agreement between the European Economic Community and the Swiss Confederation/Republic of Austria on the application of the rules on Community transit.

Internal Market

The Council adopted in the official languages of the Communities the following Directives as part of the programme for completion of the internal market by 1992:

- on roll-over protection structures mounted in front of the driver's seat on narrow-track wheeled agricultural and forestry tractors;
- on the approximation of the laws of the Member States relating to simple pressure vessels
- amending certain Directives on the approximation of the laws of the Member States relating to:
  - = industrial products with respect to the distinctive letters indicating the Member States;
  - = common provisions for both measuring instruments and methods of metrological control;
  - = the ranges of nominal quantities and nominal capacities permitted for certain prepackaged products;
  - = the permissible sound power level of tower cranes;
  - = type-approval of motor vehicles and their trailers;
  - = type-approval of motor vehicles and their trailers (off road).

Consumer Protection

The Council adopted in the official languages of the Communities the Resolutions on:

- consumer redress
  
- consumer safety.

(See press release No 6814/87 Presse 96 of 10.VI.1987).

The Council also adopted in the official languages of the Communities the Directive on the approximation of the laws of the Member States concerning products which, appearing to be other than they are, endanger the health or safety of consumers (see press release No 6814/87 Presse 96 of 10.VI.1987).

Public mobile communications

The Council adopted in the official languages of the Communities:

- the Recommendation on the co-ordinated introduction of public pan-European digital mobile communications in the Community;
  
- the Directive on the frequency bands to be made available for the co-ordinated introduction of public pan-European digital mobile communications in the Community.

(See press release No 6950/87 Presse 97 of 11.VI.1987).

Civil protection

The Council and the Representatives of the Governments of the Member States adopted in the official languages of the Communities the Resolutions on the introduction of Community co-operation on civil protection (published in press release No 6733/87 Presse 82 of 25.V.1987).

Environment

The Council adopted in the official languages of the Communities the Decision authorizing the Commission to negotiate on behalf of the Community, with a view to the adoption by the International Commission for the Protection of the Rhine of the draft Recommendation to the contracting parties designed to supplement, in respect of chloroform, Annex IV to the Convention for the Protection of the Rhine against Chemical Pollution.

Agricultural policy

The Council adopted in the official languages of the Communities the Regulation on special arrangements for imports of maize and sorghum into Spain for 1987 to 1990 (see Press release No 7019/87 Presse 104 of 15-18.VI.1987).

The Council adopted by a qualified majority in the official languages of the Communities the Regulation opening, allocating and providing for the administration of a Community tariff quota for the period from 1 July 1987 to 30 June 1988 at 4% duty:

- of 42 600 head of heifers and cows, other than those intended for slaughter, of certain Alpine breeds falling within subheading ex 01.02 A II of the Common Customs Tariff;
- of 5 000 head of bulls, cows and heifers, other than those intended for slaughter, of certain Alpine breeds, falling within subheading ex 01.02 A II of the Common Customs Tariff.

ECSC

The Council gave its assent under the second paragraph of Article 54 of the Treaty establishing the European Coal and Steel Community to the granting of a global loan to Interbanca - Banca per finanziamenti a medio e lungo termine - for the financing of investment programmes which contribute to facilitating the marketing of Community steel.

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 extending the term of validity of a zero-duty tariff quota for laser-irradiated, grain-oriented electrical sheet and plate.

#### Appointments

The Council renewed for a period of six years as from 17 October 1987 the terms of office of Mr BRIXTOFTE, Mr SUBIRATS PINANA, Mr RYAN, Mr ANGIOI and Mr BOTELHEIRO MORENO as members of the Court of Auditors on proposals from the Danish, Spanish, Irish, Italian and Portuguese Governments respectively.

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PRESS RELEASE

7296/87 (Presse 114)

1180th meeting of the Council

- Transport -

Luxembourg, 30 June 1987

(continuation of the meeting on 24 and 25 June 1987)

President: Mr Herman de CROO  
Minister for Transport  
and Foreign Trade  
of the Kingdom of Belgium



Luxembourg:

Mr Marcel SCHLECHTER

Minister for Transport, Public Works  
and Energy

Netherlands:

Mr Ch. R. van BEUGE

Deputy Permanent Representative

Portugal:

Mr Conçalo Manuel BOURBON  
SEQUEIRA BRAGA

State Secretary for Transport and  
Communications

United Kingdom:

Mr Paul CHANNON

Minister for Transport

o

o

o

For the Commission:

Mr Stanley CLINTON DAVIS

Member

Mr Peter SUTHERLAND

Member

AIR TRANSPORT

After hearing the positions of each delegation on the set of texts submitted for formal approval by the Council, the President noted that the texts had not obtained the necessary unanimity.

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MISCELLANEOUS DECISIONS

Other decision in the transport field

The Council adopted in the official languages of the Communities a Regulation amending Regulation (EEC) No 3164/76 on the Community quota for the carriage of goods by road between Member States (see Press Release No 7293/87 Presse 111, pages 8 and 9).

Fisheries

The Council adopted in the official languages of the Communities a Regulation amending Regulation (EEC) No 4034/86 fixing, for certain fish stocks and groups of fish stocks, the total allowable catches for 1987 and certain conditions under which they may be fished, in accordance with the following tables:

Species	Zone	TAC 1987 (in tonnes)	Shares available to the Community for 1987 (in tonnes)
Cod	IIa (EC zone) IV	175 000	158 100
Herring	Vb (EC zone), VIa North (9), VIb	49 700	44 600

Stock			Member State	1987 Quota (tonnes)
Species	Geographical regions	Zone		
Cod	Norwegian Sea, North Sea	IIa (EC zone), IV	Belgium	5 640
			Denmark	32 380
			Germany	20 530
			Greece	
			Spain	
			France	6 960
			Ireland	
			Italy	
			Luxembourg	
			Netherlands	18 300
			Portugal	
			United Kingdom	74 290
			Available for Member States	
			EEC Total	158 100

# **COUNCIL OF THE EUROPEAN COMMUNITIES**

1181st meeting of the Council

- Foreign Affairs -

Brussels, 27-28 June 1987

President: Mr. Leo TINDEMANS  
Minister of Foreign Affairs  
Kingdom of Belgium

An official press release was unavailable. This meeting was a special conclave of the Council to prepare the European Council's deliberations on the Commission's communication 'The Single Act: A new frontier for Europe,' COM(87) 100. Both the communication and the conclusions of the European Council of 29-30 June 1987 can be consulted on AEI-EU.

PRESS RELEASE

7299/87 (Presse 115) G

1182nd Council meeting

- Agriculture -

Brussels, 30 June 1987

President: Mr Paul DE KEERSMAEKER,  
State Secretary  
for European Affairs  
and Agriculture  
of the Kingdom of Belgium



Italy:

Mr Filippo Maria PANDOLFI                    Minister for Agriculture

Luxembourg:

Mr Marc FISCHBACH                            Minister for Agriculture  
and Viticulture

Netherlands:

Mr Gerrit BRAKS                              Minister for Agriculture

Portugal:

Mr Alvaro BARRETO                            Minister for Agriculture,  
Fisheries and Food

United Kingdom:

Mr John MCGREGOR                             Minister for Agriculture

Commission:

Mr Frans H.J.J. ANDRIESEN                    Vice-President

FIXING OF PRICES FOR AGRICULTURAL PRODUCTS AND CERTAIN RELATED MEASURES (1987/1988)

After hearing the conclusions of the European Council, in particular with regard to agri-monetary matters, and after long negotiations, the Council agreed by a qualified majority on the final overall compromise proposal submitted by the Commission and annexed hereto.

More specifically in connection with the mechanism for stabilizing prices for vegetable oils and fats, the Council agreed that the Commission's proposal would be studied further and be the subject of consultations with the Community's main trading partners. The conclusions would be forwarded to the next European Council in Copenhagen.

With regard to the oilseed sector the Council agreed on a solution compatible with the aforementioned decision regarding a stabilizing mechanism and favoured an arrangement covering only the 1987/1988 marketing year. (See Annex, p. 3.)

As part of an overall compromise the Council also agreed to the proposal for a Regulation on the protection of designations used in the marketing of milk and milk products.

The formal adoption of the texts in accordance with the overall solution thus approved will take place shortly.

MISCELLANEOUS DECISIONS

Other agricultural decisions

The Council adopted in the official languages of the Communities the Regulation on the transfer of 50 000 tonnes of barley held by the Spanish intervention agency to Sardinia, which has been suffering from a prolonged drought since September 1986.

The Council also adopted in the official languages of the Communities the Regulation amending Regulation (EEC) No 1569/72 laying down special measures for colza, rape and sunflower seed. The aim of the Regulation is to harmonize certain details concerning additional amounts in the oilseed sector with existing provisions for calculating monetary compensatory amounts.

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COMMISSION COMPROMISE  
(Amendments to its original proposals)

CEREALS

1. Prices

- Maintenance of the present intervention price for breadmaking common wheat, breadmaking rye and maize and maintenance of the present 5% differential between the intervention price for breadmaking common wheat on the one hand and that of feed common wheat, feed rye, barley and sorghum on the other (thus: status quo);
- Whilst maintaining the objective of a ratio of the price of durum wheat to the price of common wheat of 120/100, fixing for 1987/88 of a reduction in the intervention price of durum wheat of 2.7% (instead of 4.71% as originally planned).

2. Monthly increases

Monthly increases for the intervention price for November onwards until May inclusive (thus, seven monthly increases) at the level proposed by the Commission (2.70 ECU/t/month for durum wheat and 2 ECU/t/month for the other cereals).

3. Intervention

- Alteration in the intervention system;
- Activation of buying-in only if the average Community price is below the intervention price (activation threshold) and only from October to May. As regards common wheat, the intervention measures are activated separately for breadmaking wheat and feed wheat (for the latter, at the intervention price minus 5%). However, for Italy, Spain, Greece and Portugal, these buying-in arrangements will apply from August onwards.

Market price: quotations recorded in a small number of Community representative export ports minus a standard amount representing freight costs between production and exporting areas. The ports are to be chosen in relation with the relevant cereals.

- Without prejudice to the measures referred to above, the Commission undertakes to adopt particular intervention measures in accordance with Article 8 of Regulation (EEC) No 2727/75 where prices on an isolated market drop sharply.
- Buying-in at a price equal to 94% of the intervention price, this reduced price being increased by the monthly increases laid down for the relevant months.

4. Other measures

- Maintenance of the principle of 50% compensation of the income loss suffered by producers of durum wheat by a corresponding increase in the aid, which brings the amount of aid to 121.80 ECU/ha;
- Maintenance of the special increases for breadmaking common wheat and breadmaking s.e. (respectively 3.59 and 8.97 ECU/tonne);
- Maximum moisture content rate for buying-in: 14.5%. The Council notes the Commission's undertaking to ensure that, for the 1987/88 marketing year, intervention at 15% will be allowed in any region in which the 14.5% limit would raise practical problems. In exceptional cases the 15% rate could be increased to 15,5%.
- Relaxation of the qualitative criteria for durum wheat by setting the maximum percentage of ingredients which are not these cereals of impeccable quality at 12% in order to allow for the reincorporation of common wheat under this heading and for an increase in the percentage of broken grains to 6%. (\*)

5. As regards Spain, the Commission undertakes to take, during July, special action as regards intervention in the form of buying-in if average prices on the Spanish market during the relevant month are liable to lead to massive buying-in subsequently.

6. The Commission undertakes to standardize buying-in payment deadlines (90-120 days).

7. Reselling from intervention

The Commission undertakes to adapt the resale conditions laid down by Regulation (EEC) No 1836/82 to allow for the new intervention arrangements so that, inter alia, the minimum selling price will correspond to the support price actually applied.

8. Coresponsibility Levy

- This provision has engendered agri-monetary problems. With a view to solving these, the Commission will continue its examination of the situation with a view to adoption of such appropriate measures as may be necessary.
- For the marketing year 1987/88, by derogation from the provisions of paragraph 5 of article 4 of R/2727/75, at the request of the Member state, the Commission may authorise (following management committee procedure) this Member State to levy a tax at the point of the first sale (collection). Such a derogation may only be given if it does not affect the terms of competition.
- The Member States having used, in 1986/87, the facility laid down in Article 4a(4) of Council Regulation (EEC) No 2727/75 allowing direct exemption of small farmers from the levy are authorized to renew this arrangement for 1987/88.

9. Accession compensatory amounts

Following the alteration to the intervention system, the accession compensatory amounts will be calculated on the basis of the support price actually applied.

RICE

1. Intervention

Adaptation of the system as for cereals.

(\*) The Commission undertakes to re-examine the Greek request that Greece be authorized to accept for intervention during the 1987/88 marketing year durum wheat with a maximum of 14% of ingredients which are not basic cereals of impeccable quality, including no more than 5% "other cereals" and 6% "broken grain

2. Prices

Maintenance of the target price at present level.

3. Determination of varieties qualifying for aid (Indica), and classification.

Fixing by the Council of the varieties and other supplementary features before 31 December 1987. Council Decision on classification at same time.

4. The Commission states that in relation to Article 18 of R/1418/76, it does not intend to make proposals to place so-called "identical goods" traffic outside the IPT arrangements.

SUGAR

- Prices: maintenance of present price;
- Storage costs: fixing of the monthly amount of reimbursement of storage costs at 0.49 ECU/100 kg (calculated with a rate of interest of 9%).
- The Council recognises the need to take measures rapidly in order to solve the problem of the refining margin for cane sugar in the United Kingdom. The Commission undertakes to submit appropriate proposals in good time.
- The Council notes the Commission's intention to put forward, under its proposals to be presented in the near future on the sugar production quota system, Community aid measures allowing of the adaptation of the sugar beet processing industry in the Azores during the transitional period laid down in the Accession Treaty, and that these measures will be applicable with effect from the 1987/88 marketing year onwards.
- The Spanish sugar cane industry is exempted, on a degressive basis, during the transitional period, from participation in the sugar storage arrangements.

OILSEEDS

1. Price reduction

- 3% rape (maintenance of the premium proposal for double-low rape)
- 0% sunflower
- 3¼ soya.

2. Guaranteed maximum quantities

- quantities: Commission proposals
- cut-off : 1987/88 10%

With regard to the first marketing year, the Council agreed unanimously. For the subsequent marketing years, the Commission maintained its proposal:

- cut-off : 1988/89 15%
- 1989/90 20%
- 1990/91 elimination.

### 3. Intervention arrangements for rape and sunflower - adaptation similar to cereals

- Period: 1 October - 31 May
- Monthly increases: maintenance of 7 increases, from 1 November onwards for rape and from 1 December onwards for sunflower, at the 1986/1987 marketing year level, reduced by 20%.
- Intervention: activation if the Community market prices are below the intervention price (corrected by the cut-off); buying-in at 94%.

### 4. Portuguese problem

Introduction of a production aid for sunflower seed produced and processed in Portugal restricted to 31 December 1990 the amount of which is equal to the difference between the Portuguese price and the world market price plus import customs duties into Portugal.

### OLIVE OIL

Maintenance of the Commission's proposals except with regard to the production aid for small growers, the ceiling of which is set at 200 kg.

Also, abolition of the provisions restricting oil-growing areas production of which is eligible for the production aid.

The Council declares its intention to introduce in 1991 the olive oil consumption aid in Portugal and in Spain at the level existing in the Community of Ten, corrected by the difference between the respective intervention prices and the incidence of the customs duties on competing oils.

### STABILIZATION MECHANISM

The Commission proposal on the stabilization mechanism for oils and fats will be the subject of an additional study and of consultations with the Community's main trading partners. The conclusions will be brought to the attention of the next European Council in Copenhagen.

COTTON

Maintenance for this year of the present system of calculation of the aid on the basis of unginned cotton.

Financing of mechanization within producers' groups.

Maximum guaranteed quantities - quantity : Commission proposal.  
- cut-off : 1987/88 15 %  
1988/89 20 %  
1989/90 25 %  
1990/91 elimination

LAND UTILIZATION

The Commission will prepare an overall study of the various forms of non-utilization of farmland with a view to the discussions by the Council in the autumn.

The Commission will intensify its programme for studying alternative speculative projects, in particular the production of high-protein crops for human consumption.

MILK

1. To promote the reorganization of milk production, the Member States are authorized to resell to certain categories of dairy farmer in the relevant areas, quotas bought up in the context of a cessation-of-farming programme (\*), applied at national, regional or collection area level.
2. Acceptance for intervention of butter manufactured from sweet cream (NIZO process or equivalent) (1).
3. The transitional period for intervention purchases of salted butter ends at the beginning of the 1989/90 marketing year.
4. The Commission to entertain for consideration under Regulation (EEC) 355/77 restructuring programmes in the dairy sector according to the new criteria established by the Commission.
5. Increase by 100 000 tonnes of the "delivery" quotas in Spain, 50 000 tonnes to derive from a "direct sales" quota transfer (Management Committee procedure) and 50 000 tonnes to derive from an increase in the Community reserve.
6. Adoption of the proposal concerning the naming of milk and milk products.

The Commission has undertaken to ensure that there will be no contradiction between the provisions of Article 3(2) of this proposal and Directive 79/112/EEC.

7. Insofar as there is an agreement on points 1 to 6, the Commission's preparedness to propose, and the Council's to adopt, an adaptation of the quota system enabling the Member States to organize a system of temporary transfer of individual reference quantities between producers delivering to the same purchaser. The Member States will be authorized to restrict the system to certain categories of producer according to objective criteria.

8. The Council takes note of the Commission's intention to reconsider, after consultation of the Management Committee for Milk and Dairy Products, the coefficient of increase of 0.26 % referred to in article 9 paragraphe 2 of R/1371/84.

(\*) The Commission would inform the Council that the programme for the cessation of farming included in conjunction with the authorization given to Member States to sell quotas refers exclusively to the programme for the cessation of farming in the dairy sector.

(1) The Commission would inform the Council that the rules will not specify the NIZO manufacturing process, but the result to be obtained (i.e. a butter, with a PH which should not exceed a maximum level to be fixed by the Management Committee procedure.

SHEEPMEAT

The Commission withdraws its proposal concerning the amendment of the definitions of "eligible ewes" and "eligible goats". It will make a further analysis of these problems in its report on the subject planned for July.

The proposal concerning a headage limit on the ewe premium stands, but the Council will decide on this question when deciding on the Commission's proposals for the adaptation of the sheep and goatmeat regime.

The Commission intends to review the question of a possible extension of the claw-back arrangements for exports when reviewing the sheepmeat regime.

The Commission undertakes to reconsider the margin between the green rate and the actual (market) rate which occurs in its proposals for adapting the COM in sheepmeat and goatmeat.

WINE

Compulsory distillation

The Council accepts the fact that the percentage of 85% utilization relative to the average of the reference production quantities, which was adopted in the Dublin text, currently creates insurmountable problems for the management of the compulsory distillation scheme. As a temporary measure the Council is asking the Commission to employ a figure which more closely reflects the actual situation, without making any changes to the Dublin text. In the case of Greece the Council agrees that special arrangements should be made in 1987/88 and 1988/89, when implementing the compulsory distillation scheme to take account of the difficulties encountered in Greece in determining yields per hectare.

Control

Agreement on the guidelines adopted by the SCA (cf. Annex II 5524/1/87 Rev. 1 Add. 2 and text of enacting terms page 6, and Commission declaration page 7 footnote 1).

The Commission has noted the views expressed by some delegations with regard to its proposal concerning restrictions on replanting rights submitted as part of the 1986/87 prices package. In the light of the increasing production and falling consumption of wine in the Community, the Commission continues to take the view that additional structural measures are necessary to stabilize the market in this sector and accordingly asks the Council to resume its examination of the proposal as soon as possible.

FRUIT AND VEGETABLES

Fresh tomatoes

Commission proposals maintained but reexamination of the arrangements valid for 1987/88 in the framework of the 1988/89 proposals.

Basic and buying-in prices

Commission proposals maintained in view of the adjustments to the green rates.

Conversion factors

The Commission will take the necessary steps to ensure that for tomatoes, pears, apples, peaches and oranges the conversion factors relating to size and quality class are fixed for 1987/88 at a level which corresponds to 50% of the difference between the conversion factors fixed previously and those laid down in Regulation (EEC) No 3587/86, with no conversion-factor exceeding 1.

In addition, for 1987/88 the variety conversion-factor will be fixed at 1 for San Marzano tomatoes and 0.85 for other plum tomatoes and Passe Crassane pears.

The remainder of the difference referred to above will be eliminated for 1988/89.

Satsumas and clementines

The Commission will present the Council with a proposal amending Regulation (EEC) No 1035/72 so as to introduce a system of basic and buying-in prices for satsumas and clementines together with a mechanism for reducing prices the following year if the quantities withdrawn from the market exceed a maximum quantity.

For the forthcoming marketing year it will make a proposal to fix these price levels on the basis of the prices recorded on the markets in the surplus areas with the lowest prices.

At the same time it will examine the need to introduce similar arrangements for mandarins and nectarines and will make appropriate proposals to the Council.

#### Processing aids for oranges

Pending the report on the market situation for citrus fruit, including the operation of Regulation (EEC) No 2601/69, which the Commission intends to present in accordance with the undertaking given during the discussions on the conclusion of the agreement with the United States on citrus fruit and pasta products, the Commission will make the necessary proposals to enable processing aid to be granted in respect of 1987/88 for oranges of the Shamouti variety (3 000 tonnes of raw material) and the Cadenera, Castellana and Macetera varieties (total of 10 000 tonnes of raw material).

#### Intervention timetable

In the case of all fruit and vegetables covered by the intervention system the Commission will study, by reference to the particulars concerning the phasing of national production and prices which will be forwarded to it by all Member States, whether the periods for which the basic and buying-in prices apply should be changed. It will report to the Council and, if necessary, make suitable proposals on the occasion of the 1988/89 price fixing.

#### Aids linked to contracts between tomato growers and processors

As regards the grant of the 2% premium, the percentage to be fixed as a significant percentage of contracts concluded with producer groups may be different in the case of Spain and Portugal. During the "verification of convergence" phase in the case of Spain and during the first stage in the case of Portugal the degree to which producer groups have developed should be taken into account.

#### Dried grapes

In line with the Community declaration during the accession negotiations (internal document 298 (E) of 19 April 1985, footnote 2, p. 48), the Commission undertakes to present the Council with appropriate measures for extending the production aid arrangements for dried grapes to Spain and Portugal in time for them to be applied from the 1988/89 marketing year.

These proposals will take the special features of production and processing in the two countries into account.

### Compensatory amounts for tomatoes

For the purposes of Articles 118(3)(a) and 304(3)(a) of the Act of Accession concerning the fixing of a compensatory amount for the processed tomato products, the Commission undertakes not to fix such a compensatory amount until it finds that the absence of one would create abnormal conditions of competition between Spanish or Portuguese processors on the one hand and processors in the rest of the Community on the other.

### TOBACCO

The Commission maintains its proposals on prices and premiums for groups I, II and III. In the case of group IV it proposes keeping the levels applying for 1986/87 and in the case of group V it proposes limiting the reduction in the norm price to 6% and the reduction in the premium to 4%.

The Commission will closely monitor production and marketing trends for the Burley and Virginia varieties in the Community. Should the need arise, it will not fail to take appropriate market management measures to deal with any difficulties.

### HOPS

The Council recognizes the need to take appropriate steps to deal with the difficulties facing hop powers in some regions of the Community where mainly bitter varieties are grown and where production is declining. The Council notes the Commission's intention to continue to follow trends in this sector, including the need to switch to different varieties, with close attention. In the framework of its proposal on aid for 1986 the Commission will propose structural measures to assist groups or federations of producers which meet certain criteria.

### PROCESSING AND MARKETING OF AGRICULTURAL PRODUCTS IN PORTUGAL

The Council notes the serious structural deficiencies as regards the processing and marketing of agricultural products in Portugal.

It therefore requests the Commission to make a substantial increase in the appropriations available for financing investment projects submitted by Portugal under Regulation 355/77.

This should be done by transfer of appropriations entered for measures reserved for the new Member States.

AGRIMONETARY QUESTIONS

A. Changes in green rates

I. FORMER POSITIVE MCAs

- (a) IMMEDIATE REDUCTION by  
- 1 switch-over point  
- 0,5 neutral margin point

However, in the case of the Netherlands, instead of an increase in the neutral margin, the agricultural conversion rate is changed so as to dismantle 0,5 of an MCA point.

- (b) 1 POINT REDUCTION AT THE BEGINNING OF THE 1988/1989 MARKETING YEAR by reduction in DM prices compensated for by GERMAN NATIONAL AID equal to the 2 VAT points which will disappear at the end of 1988 without this aid being related to production.

- (c) Elimination of remainder at the beginning of the 1989/1990 marketing year (the amount should be minimal and should cover only a small number of products).

II. Member States - Negative MCAs: the green rates for sheepmeat are unchanged unless specified below

1. B.L.E.U. and Denmark: for livestock products, dismantlement of the monetary gap by 1,520 points for B.L.E.U. and 2,060 points for Denmark; for crop products, dismantlement of 2,560 points for all these countries.

2. France: Commission proposal unchanged (except for beef/veal: additional dismantlement of 1,5 points), i.e. milk, 1,8 points; cattle, 1,5 points; other livestock products except pigmeat, 3,2 points; wine, 2,8 points, and other crop products, 5,0 points of dismantlement.

3. Ireland: Commission proposal unchanged (except for beef/veal: additional dismantlement of 1,5 points), i.e. pigmeat, 1,2 points; cattle, 2,8 points, other livestock products, 1,3 points, and crop products, 6,0 points of dismantlement.

4. Italy: dismantlement: for wine, of 3,3 points; for fresh fruit and vegetables and tobacco, of 5 points, and for the other sectors, of 4,0 points.

5. United Kingdom: dismantlement of 5 points, except for beef/veal: dismantlement of 4,5 points.

6. Greece: dismantlement so that prices increase by 15% for cereals, tobacco, sugar, wine, olive oil and sheepmeat; by 10% for eggs and poultry, pigmeat and other vegetable products; by 7% for other products. No MCAs for Retsina wine.

7. Portugal: dismantlement of 14 points (12,3 points for sheep and structures).

8. Spain: dismantlement of 5,5 points.  
In addition, in all Member States additional dismantling of negative MCAs resulting from 0,5 switch-over point operation referred to in I.a except for the B.L.E.U., Denmark, Italy, Greece and Portugal.

(\*) This switch-over operation affects all agricultural products

B. FUTURE MCA SYSTEM

Retention of the switch-over system

(a) As regards "ARTIFICIAL" MCAs

- 25% elimination through reduction in ECU prices, at the beginning of the following marketing year, with the possibility of a compensatory national social aid not linked to production.
- Elimination of 50% of the balance at the beginning of the 2nd marketing year following realignment, with the 1979 Gentlemen's Agreement being maintained.
- Elimination of the remainder at the beginning of the 3rd marketing year following realignment, with the 1979 Gentlemen's Agreement being maintained.

(b) As regards "NATURAL" MCAs

- Maximum 30% elimination at the time of realignment.
- Programme for dismantling the balance in two equal stages at the beginning of the two marketing years following realignment.

The system will be re-examined before 1 July 1988 in the light of a joint report by the Ministers for Finance and for Agriculture.

1. Introduction of MCAs for olive oil and certain processed products

The Commission will introduce MCAs for olive oil, certain fruit preserves, cooking fats and certain products coming under Regulation (EEC) No 3033/80.

B. Calculation for MCAs

1. Prices

Option for the Commission (Management Committee procedure) to base MCA calculation directly on market prices in the cereals and milk sectors, provided the latter are not more than 7,5% and 5% respectively lower than the intervention prices; 20% reduction in price used for beef/veal (instead of 15% at present); prices to be 7,5% lower than the target price in the oilseeds sector.

2. Pigmeat

For pigmeat the Commission will adjust the green rates, using the Management Committee procedure, so as to prevent the creation of MCAs. However, this adjustment must not result, in the Member State concerned, in the difference between the monetary gap applicable in the pigmeat sector and that applicable in the cereals sector being more than 8 points.

3. Neutral margin

Extension of the present maximum neutral margin (5 points) for wine to the poultrymeat (5 points) and olive oil (10 points) sectors.

4. Monetary coefficient

For products attracting MCAs, the monetary coefficient will be derived from the enlarged monetary gap. For eggs and poultrymeat, the enlarged neutral margin will be taken into account.

5. Products listed in Annex II

The Commission is willing to raise the minimum threshold for application of the MCAs (\*)

to 100 ECU/100 kg for beef and lamb, veal and sweet lupins

and to 50 ECU/100 kg for other products of differential accounts similar to that applying to wine, but with a 5 points neutral margin.

(\*) Currently 2 ECU/100 kg, guidance for a threshold of between 3 and 5 ECU/100 kg.

SPECIAL CASE OF GREECE

(A) The Commission proposes a devaluation by 15% of the green rate of the drachma for measures of a socio-structural nature;

(B) In addition, in the light of information to be sent by the Greek authorities, the Commission will, at the earliest opportunity, send appropriate proposals to the Council for:

- structural measures for certain sectors significantly affected, such as citrus fruit and olives;
- markets:
  - \* measures to cover the feed grain deficit by transferring cereals from intervention stocks in other Member States;
  - \* an adjustment by 15% of the green rate of the drachma for sheepmeat.