



**EUROPEAN PARLIAMENT**  
Secretariat

# **EUROPE TODAY**

*State of European Integration*

1982 – 1983

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Directorate-General for Research and Documentation

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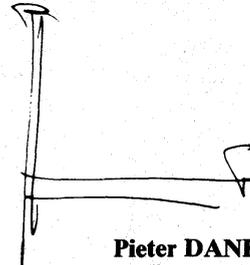
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## FOREWORD

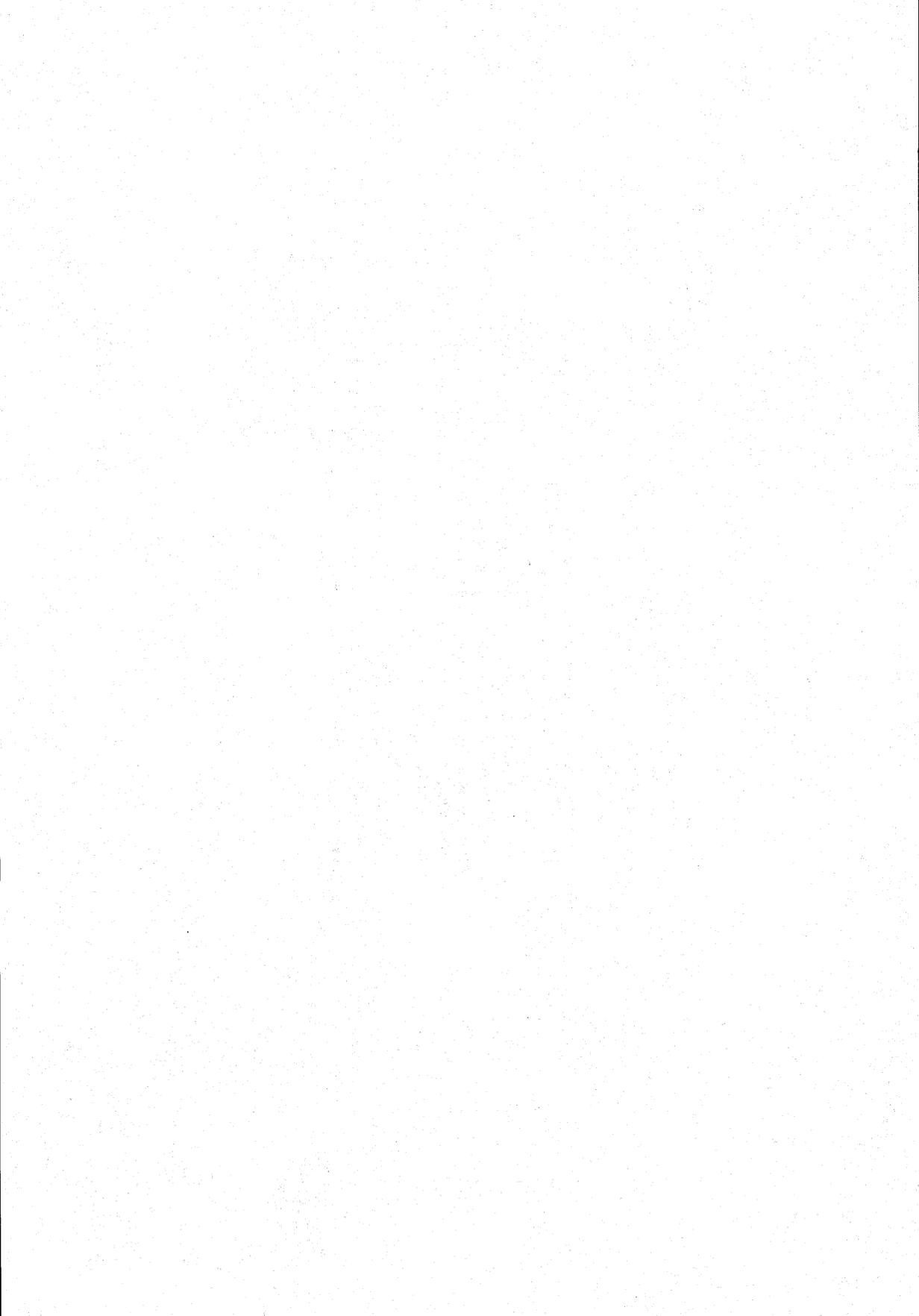
The countries of Europe can effectively respond to modern economic conditions only if they leave national interests behind them and devote their energies to the common European weal.

It is on the legal side of European integration that 'Europe Today' concentrates, and it is a pleasure for me to introduce this, the seventh edition. The purpose of this compendium drawn up by the officials of the Directorate-General for Research and Documentation is to provide a guide to the legal bases for the Community's activities and to outline its main features. Originally intended for Members of the European Parliament, this handbook has also been well received by political movements, universities, professional bodies and the media.

This edition of 'Europe Today' will undoubtedly prove invaluable at a time when the prospect of European elections will revive public interest in the achievements of the European Communities over the past 30 years.

A handwritten signature in black ink, consisting of a vertical line with a small loop at the top, a horizontal line extending to the right, and a small flourish at the end.

**Pieter DANKERT**



## INTRODUCTION

1. This handbook is a collection of the most important legislative acts of the European Community in their most recent form, and is designed to give an overall picture of the latest stage reached in the political and legal development of the Community. In principle it is kept up to date by annual amendment.

It has been found that there are so many amendments each year, that a completely new edition is required: it has therefore been decided to abandon the original loose-leaf format in favour of that now adopted.

Its purpose is to furnish politicians, journalists and other observers of the European scene with a handy source of information on the legal position in various sectors of the Community, together with indications of where more exhaustive information can be found.

2. The text has been so arranged as to present the European Communities as a political organization. The institutional structure of the Community and its decision-making procedures have therefore been separated from the more specialized chapters and placed at the beginning in a chapter of their own. This is followed, by chapters on the internal structure of the Communities (creation of the common market and economic policies) and, on external economic relations and the associations.
3. In view of its size and scope, the material has had to be presented in the form of brief entries headed by keywords and confined to those decisions which are regarded as essential. The sole criterion has been that of political relevance. Any attempt to include all legal provisions would have necessitated a publication far exceeding the scope envisaged and however concise the presentation, would have led to a volume of unmanageable proportions. Consequently, technical details have almost without exception been omitted. The decisions included are given in the form currently available at the date of publication; brief reference is frequently made to earlier developments and those projects which are still being elaborated.

4. *Layout*: the text is subdivided according to the decimal system. The figure preceding the decimal point indicates the chapter and each figure following the decimal point indicates a subdivision of the preceding section.

*Example:*

- 1.4     **Evolution of political structures**
- 1.41    **Expansion of institutions**
- 1.411   European Parliament
- 1.4111  Further developments provided for in treaties.

5. *How to read the pages:*

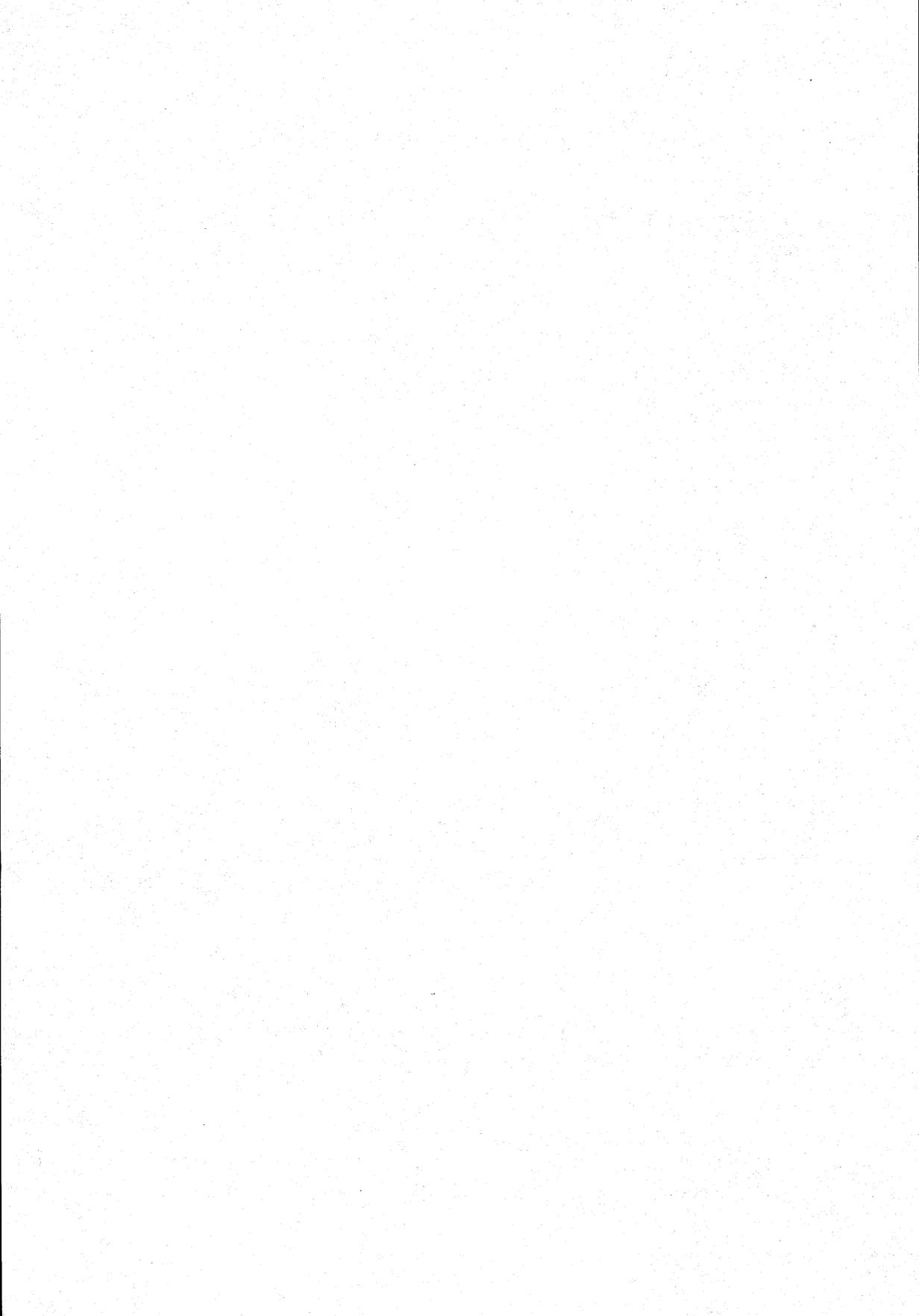
- left-hand column:  
  legal authority for the decision (article of a treaty or legal act, etc., adopted by an organ of the Communities, together with date or number)
- central portion:  
  content of the decision, etc.
- right-hand column:  
  sources from which the information is derived or publication in which the decision, etc., has appeared.

*The principal sources are as follows:*

- Official Journal of the European Communities:  
  Number/Year
  - Bulletin of the European Communities:  
  Number/Year
  - General Reports of the Commission on the Activities of the Communities:  
  Number/Institution
  - Reports and other documents of the European Parliament:  
  Number/Session.
6. The ISIC list used in the text to describe certain economic activities is the revised 1958 edition ('International Standard Industrial Classification of Economic Activities', United Nations, Series M, No 4 Rev. 1, New York 1958).

7. In view of the number of amendments to the basic texts on agriculture normally only the most recent amendment is indicated beside the original text.
8. The value of this work will be considerably enhanced by the readiness of its users to share their experience of its use in practice; any suggestions to be considered for incorporation in future editions and any constructive criticism of the present contents should be addressed to:

Directorate-General for Research and Documentation  
(Europe Today)  
European Parliament,  
L-2920 Luxembourg



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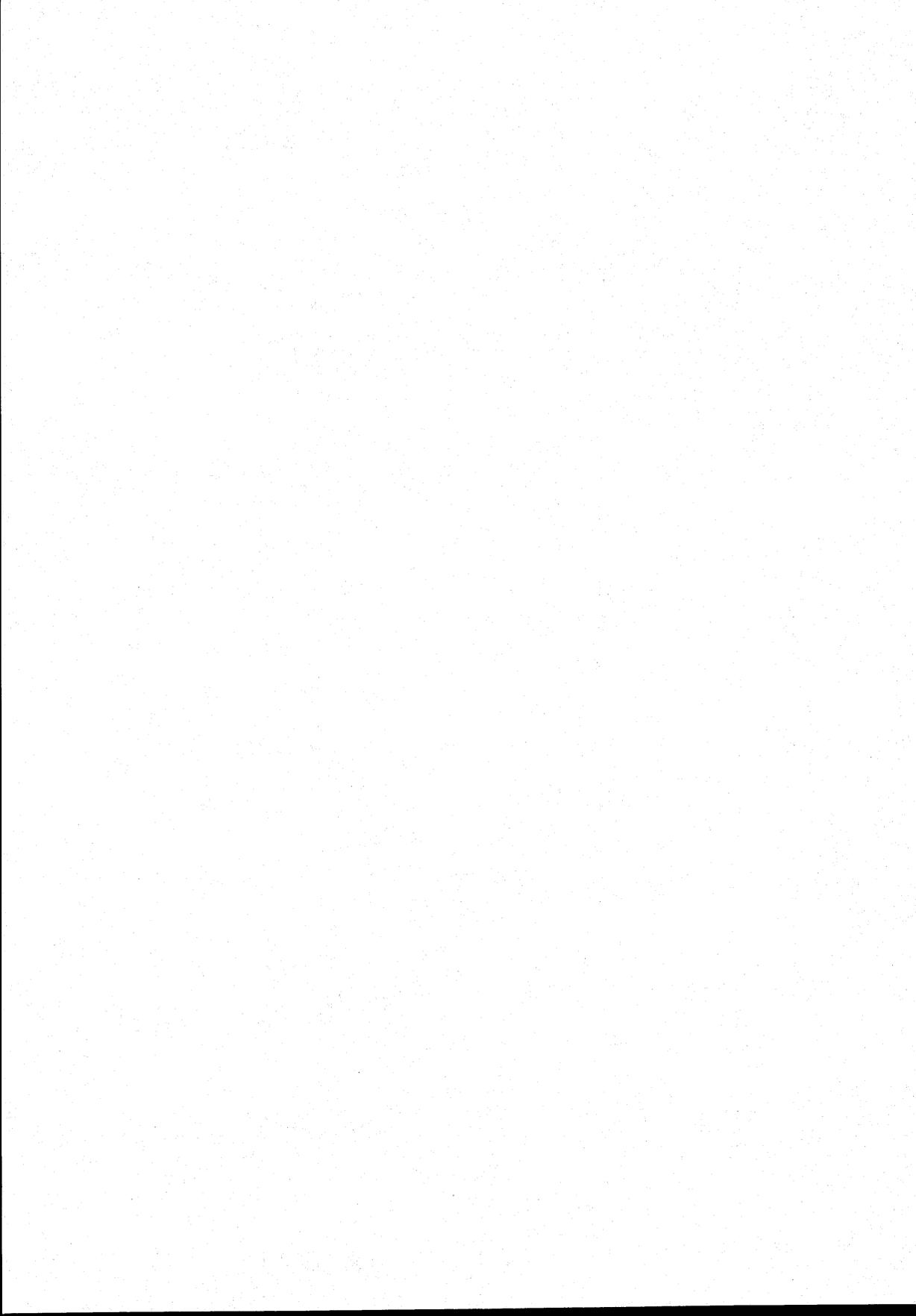
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## ABBREVIATIONS

AASM	Assoc. African States and Madagascar
Act of	
Accession	Act concerning the conditions of accession and the adjustments to the Treaty
ACP	African, Caribbean and Pacific States
Addit. Prot.	Additional Protocol
AETR	European Agreement concerning the work of crews of vehicles engaged in international road transport
Agric.	Agriculture, agricultural
Agrmt	Agreement
AP	Agricultural policy
Art.	Article
ASEAN	Assoc. of South-East Asian Nations
Assoc.	Association, associated
Assoc.	
Agrmt	Association Agreement
Assoc. C	Association Council
Bull.	Bulletin
C	Council
CAP	Common Agricultural Policy
CARICOM	Caribbean Community
CCT	Common Customs Tariff
CECLA	Latin American Special Coordination Commission
CELEX	European Legal Data Base

CEPAL	Economic Committee for Latin America
CICT	Commission on International Community Trade
CID	Centre for Industrial Development
CIEC	Conference on International Economic Cooperation
CJEC	Court of Justice of the European Communities
CM	Common market
CMEA	Council for Mutual Economic Assistance
COM	Common organization of the market(s)
COMECON	Council for Mutual Economic Assistance
Comm.	Commission
Commun.	Communication
Comm. Sec.	Commission Secretariat
Conv.	Convention
Coop.	Cooperation
COREPER	Committee of Permanent Representatives
COST	Conference on Scientific and Technological Organization
CREST	Scientific and Technical Research Committee
Cttee	Committee
Dec.	Decision
Decl.	Declaration
Dir.	Directive
EAEC	European Atomic Energy Community
EAEC Tr.	Treaty establishing the EAEC
EAGGF	European Agricultural Guidance and Guarantee Fund
EC	European Community, European Communities
ECE	Economic Commission for Europe
ECG	European Cooperation Grouping
ECSC	European Coal and Steel Community
ECSC Tr.	Treaty establishing the ECSC
ECU	European Currency Unit
EDF	European Development Fund
EEC	European Economic Community
EEC Tr.	Treaty establishing the EEC
EFTA	European Free Trade Assoc.
EIB	European Investment Bank

EMS	European Monetary System
EMU	Economic and Monetary Union
ENEL	Italian National Electricity Board
EP	European Parliament
ERDF	European Regional Development Fund
ESC	Economic and Social Committee
ESF	European Social Fund
EUA	European unit of account
FEA	French Equatorial Africa
FAO	Food and Agriculture Organization
Finan.	Financial
Fob	Free on Board
FRG	Federal Republic of Germany
GATT	General Agrmt on Tariffs and Trade
GDP	Gross Domestic Product
GR	General Report
GRULA	Group of Latin American Heads of Mission
GSP	Generalized system of preferences
HA	High Authority of the ECSC
ICRC	International Committee of the Red Cross
IEA	International Energy Agency
IFAD	International Fund for Agricultural Development
ILO	International Labour Organization
IMF	International Monetary Fund
Impl. Conv.	Implementing Convention
Impl. Reg.	Implementing Regulation(s)
INFCE	International Nuclear Fuel Cycle Evaluation
ISIC	International Standard Industrial Classification
JET	Joint European Torus
LAFTA	Latin American Free Trade Assoc.
LDC	Least Developed Countries
MCA	Monetary Compensatory Amounts
Merger Tr.	Treaty establishing a single Commission of the European Communities (8.8.65 OJ 152/67)
MFA	Multifibre Arrangement

MMB	Milk Marketing Board
MO	Market organization
Nat. govt	National government
NCI	New Community Instrument
NGO	Non-Governmental Organization(s)
OCT	Overseas Countries and Territories
OD	Overseas Department(s)
OEА	Organization of American States
OECD	Organization for Economic Cooperation and Development
OJ	Official Journal
OQ	Oral Question
X Par.	Paragraphs
Parl.	Parliament, parliamentary
Prog.	Programme
Prop.	Proposal, proposed
Prot.	Protocol
Pt.	Point
Qual.	Qualified
Rec.	Recommendation(s)
Reg.	Regulation(s)
Rep.	Report
Res.	Resolution(s)
RP	Rules of Procedure
SELA	Latin American Economic System
SMU	Small and medium undertakings
STABEX	System for stabilizing export earnings
Subpar.	Subparagraph
Suppl.	Supplement
SYSMIN	System for mineral products
t.	tonne(s)
TIR	International Road Transport
Tr.	Treaty, Treaties
Transit.	Transitional
u. a.	Units of account
UNCTAD	UN Conference for Trade and Development

UNESCO	United Nations Education, Scientific and Cultural Organization
UNICEF	United Nations International Childrens Emergency Fund
UNO	United Nations Organization
UNRWA	United Nations Relief and Works Agency
VAT	Value-added tax
Vol.	Volume
WD	Working Document
WFP	World Food Programme
WQ	Written Question

0. **SYSTEMS OF GOVERNMENT OF  
MEMBER STATES**

Constitution of 1831

**BELGIUM, Constitutional Monarchy**

*Executive:*

King (right to veto laws, not exercised)  
Cabinet (responsible to King and Parliament)

*Legislature:*

Chamber of Representatives:

212 Members

Life: 4 years

Elections by universal suffrage based on proportional representation

Minimum age to vote: 18 years; to be elected: 25 years

Senate:

181 Members + 1 Member as of right (Prince Albert)

Life: 4 years

106 Senators elected directly

50 elected by provincial councils

25 coopted by Senate

Minimum age to vote: 18 years; to be elected: 40 years

**Communities and Regions**

Belgium comprises *four language regions*:

- *the French-language region*: provinces of Hainaut, Luxembourg, Namur and Liège (except the eastern part) and district of Nivelles (Walloon Brabant);

0. (contd)
- *the Flemish-language region*: provinces of West Flanders, East Flanders, Antwerp and Limburg, and districts of Louvain and Hal-Vilvorde (Flemish Brabant);
  - *the bilingual region of Brussels* — Capital: 19 communes of the conurbation;
  - *the German-language region*: in eastern part of province of Liège.

Belgium comprises *three cultural communities* – French, Flemish and German.

It consists of *three regions* – Flanders, Wallonia and Brussels.

The functioning of the communities and regions, which were provided for when the Constitution was revised from 1967 to 1971, was laid down by the special law of 8 August 1980.

#### *Flanders*

Council of the Flemish Community is made up of senators directly elected by the people.

Provisionally,

- until the elections of 8 November 1981 it was made up of members of the two chambers representing the Flemish language group;
- since the elections and pending the revision of Articles 53 and 54 of Constitution relating to Senate, it is made up of *directly elected* members of the Flemish-language group of two chambers.

Flemish Executive is made up of nine members elected by Council from its own membership.

During the four years following the legislative elections of 8 November 1981, posts in the Executive are allocated proportionately amongst the political groups within the Council.

0. *Wallonia:*

(contd)

Council of French (cultural) Community is composed in the same way, *mutatis mutandis*, as Flemish Council, with same provisional measures.

Walloon Regional (economic) Council is made up of members of French-language group of Senate, directly elected in four Walloon provinces and in Walloon Brabant (except Brussels). Same provisional periods apply: in first provisional period, Council comprised members of language group of Chamber and of Senate, who are directly elected, and coopted senators, currently, in second provisional period, it consists solely of directly elected members.

Executive of French Community, comprising three members, and Walloon Regional Executive, comprising six members, are elected by their respective Councils from their own members. Same provisional measure applies as for Flemish Executive during the four years following the legislative elections of 8 November 1981.

Matters relating to culture, personalization and economic life are governed by law. In Flanders all such matters fall within competence of Council and Flemish Executive. In Wallonia cultural and personalization matters are responsibility of the Community, while economic matters are covered by the Region.

*In the case of Brussels:*

provided for by Article 107 quater of Constitution, no special law has yet been adopted.

0. *In the case of the German cultural community*, a Council has been set up under Constitution composed of 25 elected members with consultative powers *vis-à-vis* Government and with legislative powers in local cultural affairs.

(contd)

#### **Provincial Level**

Each of 9 provinces in Kingdom has a Provincial Council which is directly elected for four years and which is responsible for all provincial matters (budget, management of provincial assets, economic expansion, housing, cultural infrastructures, etc.). The permanent deputies – Provincial Executive – are elected by Council from its own members and form a college presided over by Governor, who is appointed by King.

#### **Commune Level**

Each commune has a Communal Council which is directly elected by the people for six years. The aldermen are appointed by Council from its own members and together with the burgomaster, who is appointed by King, form executive college of the commune. Brussels conurbation, comprising 19 communes, has been given special status to protect Flemish-speaking minority in Brussels.

Constitution of 5 June 1953

### **DENMARK, Constitutional Monarchy**

*Executive:*

Queen (must approve laws)

Cabinet nominated by Sovereign

0.  
(contd)

*Legislature:*

Unicameral system

Diet (Folketing):

179 Members

Life: 4 years

Elections by universal suffrage based on proportional representation

Minimum age to vote: 18 years; to be elected: 18 years

**Administrative organization**

14 *counties*. Administered by *county council*, directly elected for four-year period by citizens of county. County councils can consist of 13 to 31 members. Individual counties themselves decide on number, which is not dependent on number of inhabitants. Chairman of county council is county mayor, who is elected from councillors.

*Duties:* Regional planning including construction and maintenance of major highways (county roads). Administration of hospitals and some secondary schools. Finally, counties share responsibility with municipalities for certain social and cultural tasks.

275 *municipalities*. Administered by municipal council consisting of 5 to 25 members (in certain large towns, from 13 to 31 members). As with counties, this number is not dependent on number of inhabitants and is decided by town council itself.

*Duties:* All local tasks which do not fall within competence of counties. This applies in particular to social sector, education and highway construction. Also implementation of certain decisions taken at county or national level.

For municipalities of *Copenhagen* and *Frederiksberg*, special rules apply which do not come under above system of counties and municipalities.

0. Similarly, the *Faeroes* and *Greenland* enjoy certain local powers which are constitutionally similar to municipal autonomy (i.e. regulations are laid down by statute and can be amended by statute), but are wider-ranging in substance.

Constitution  
(Basic Law)  
of 23 May 1949

## **GERMANY, Federal Republic of**

### *Executive:*

#### President

The President is Head of State elected by Federal Assembly (Bundesversammlung) (Federal Diet plus same number of deputies from the 'Länder') for period of five years. President represents Federation under international law. He proposes Chancellor to Diet and is empowered to dissolve Diet on a proposal from Chancellor if Chancellor fails to gain majority on motion for vote of confidence.

#### Chancellor

The Chancellor is head of Federal Government and, unlike his Ministers, is elected by Diet. He is the only member who may be forced to resign by a (constructive) vote of no confidence – i.e. by election of his successor. He is entitled to issue policy directives for the members of his government.

### *Legislature:*

#### Federal Diet (Bundestag)

The Bundestag is the institution which represents the people in which deputies elected by general, direct, free, equal and secret ballot decide laws, control government and its policies and elect Chancellor.

518 Members in all  
496 deputies with full voting rights  
22 Berlin deputies appointed by Berlin Chamber of Deputies, with limited voting rights  
Duration of legislature: 4 years.

0. Federal Council (Bundesrat)

(contd)

The Federal Council ensures that the 'Länder' take part in legislation and Federal administration. It is made up not of deputies, but of 45 members of the 'Land' Governments (three to five per 'Land').

Federal Constitutional Court

The Court has jurisdiction in connection with constitutional disputes, in particular, interpretation of the Basic Law and ensuring that Federal law and 'Land' law are compatible with Constitution; also has jurisdiction in connection with disputes between Federal and 'Land' institutions and with complaints by individuals on constitutional grounds.

The 11 'Länder'<sup>1</sup> have the following State institutions:

- 'Land' governments (Landesregierungen) (senates in the three city States of Berlin, Bremen and Hamburg) as the executive;
- Regional Diets (Landtage) (city councils in Hamburg and Bremen and Chamber of Deputies in Berlin). These bodies consist of directly-elected representatives with responsibility for legislation and appointment and supervision of executives;
- Constitutional courts;

The rural districts and municipalities also have elected organs of self-government (district parliament, municipal council, etc.), although the local authority constitutions and electoral systems differ in the individual 'Länder' depending on historical and other factors (occupation law).

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<sup>1</sup> Baden-Württemberg, Bavaria, Berlin, Bremen, Hamburg, Hessen, Lower Saxony, North Rhine-Westphalia, Rhineland-Palatinate, Saarland, Schleswig-Holstein. Berlin's full membership of the Federation has been suspended by the occupying powers. However, Berlin representatives sit in Federal Diet and Federal Council, but have limited voting rights as regards legislative or similar provisions with external effect.

Federal laws contain a so-called 'Berlin Clause' and come into force in Berlin only after they have been adopted by Chamber of Deputies.

0. Legislative power is shared between the Federation and the 'Länder'. A distinction is drawn between exclusive, concurrent and enabling legislation.

(contd)

Examples of exclusive legislation are as follows:

- Federal legislation: foreign affairs, defence, post and telecommunications, nationality, railways;
- 'Land' legislation: law and order, education.

As regards concurrent legislation (e.g. civil law, criminal law and commercial law) 'Länder' have authority to legislate only to extent to which Federation does not use its right to formulate legislation.

As regards enabling legislation (e.g. higher education, press, cinema, protection of the environment, town and country planning) Federation is entitled only to lay down a general outline, details of which are left to the 'Land' legislature.

Constitution of 4 October 1958

## **FRANCE, Republic**

*Executive:*

President of the Republic

(elected by universal suffrage for 7 years by an absolute majority, in default of which the two most successful candidates are voted for in a second ballot): can dissolve the National Assembly.

Government

(nominated by President without consulting Assembly)  
responsible to National Assembly

0.

0. *Legislature:*

(*contd*) National Assembly

491 Members

Life: 5 years

Elections by universal suffrage based on majority system. Second ballot if no candidate gains an absolute majority

Minimum age to vote: 18 years; to be elected: 23 years

Senate

305 Members (October 1980)

Length of mandate: 9 years

One-third of members re-elected every three years. Representatives of regional government organs elected at *département* level by an electoral college (composed of National Assembly Members, Departmental Councilors and delegates of the Municipal Councils) by a majority system in two ballots (*département* entitled to 4 seats or less) or by proportional representation (*département* entitled to 5 seats or more).

Minimum age to be elected: 35 years

#### **Administrative organization**

The Law of 2 March 1982 on the rights and freedoms of communes, *départements* and regions introduces a fairly substantial degree of decentralization:

(a) *regions* become administrative units. They are run by a regional council elected by direct universal suffrage.

A regional Chamber of Auditors consisting of magistrates appointed for life is set up.

(b) *départements* are now under the authority of the chairmen of the general council who becomes the chief executive of the *département* and prepares and implements the decisions of the general council

0. (elected by cantons under direct universal suffrage for six years, half the seats being renewable every three years).  
(*contd*)

Each *département* is subdivided into several *districts* which are further subdivided into a number of *cantons* headed by a *Sub-Prefect*.

(c) The 36 000 communes are under authority of mayor and municipal council. Municipal council is elected by universal suffrage every six years and appoints mayor from among its own members.

Acts drawn up by the communal authorities are fully enforceable in law. Financial and administrative supervision is abolished.

The Law of 7 January 1983 allocates responsibilities to the communes, *départements*, regions and the State chiefly in the field of regional planning, economic development, town planning and housing.

A subsequent law will cover the transfer of responsibilities in the field of social measures, health, transport, education and culture.

Constitution of 9 June 1975

### **GREECE, Republic**

President of Republic, elected for 5 years by Chamber of Deputies. Term of office renewable once.

#### *Executive:*

Prime Minister chairs Council of Ministers. Government responsible to Chamber of Deputies and to President of Republic.

0.  
(contd)

*Legislature:*

Unicameral system, between 200 and 300 deputies (number fixed by law); at present 300.

Life: 4 years

Electoral system determined by law: at present combination of majority system and proportional representation.

Compulsory voting.

Minimum age to vote: 20 years (will be lowered to 18); to be elected: 25 years

**Administrative organization**

51 Departments (*Nomos*) under the authority of prefect (*Nomarhis*) appointed by Government.

Region of Athens enjoys special status.

264 Municipalities (*Dimos*) with over 10 000 inhabitants under authority of mayor (*Dimarhos*) and Municipal Council (*Dimotikon Symboulion*) with 9 to 21 members elected by the citizens.

5 772 Communes (*Kinoties*) with less than 10 000 inhabitants under authority of mayor (*Proedros Kinotitos*) and Municipal Council (*Kinotikon Symboulion*) with 5 to 7 members elected by the citizens.

Constitution of  
29 December 1937

**IRELAND, Republic**

President (elected for 7 years by universal suffrage) – Bills passed by both Houses require his signature for enactment into law.

*Executive:*

Government supported by majority in Dáil Éireann (House of Representatives).

0. *Legislature:*  
(contd) bicameral system 'Oireachtas'

Dáil Éireann:

166 Members (number varies according to population)

Life: 5 years

Elections by universal suffrage based on proportional representation by means of single transferable vote

Minimum age to vote: 18 years; to be elected: 21 years

Seanad Éireann (Senate):

60 Members

11 nominated by Prime Minister

3 nominated by National University of Ireland

3 nominated by Trinity College, Dublin

43 elected on basis of proportional representation from panels representing vocational groups by an electoral college comprising members of the Dáil, outgoing Senate, and members of County Councils and County Borough Councils

Minimum age to be elected: 21 years

#### **Administrative organization**

Principal local authorities consist of 27 County Councils (there are 26 counties of which one is divided into two administrative areas) and four County Borough Councils, – which serve the four largest cities, Dublin, Cork, Limerick and Waterford. Members are directly elected for term of five years.

Their functions relate to the following eight groups: (1) Housing and Building; (2) Road Transportation and Safety; (3) Water Supply and Sewerage; (4) Development Incentives and Controls; (5) Environmental Protection; (6) Recreation and Amenity; (7) Agriculture, Education,

0. Health and Welfare; and (8) Miscellaneous Services. They conduct their affairs under general supervision of Department of the Environment.  
(contd)

The work of every local authority is divided into two categories:

1. Major or policy functions performed by elected members in Council – they include budgeting taxation, borrowing, bye-laws and development plans.
2. Executive functions performed by County or City Manager – they relate to staff and day-to-day administration.

Constitution of  
1 January 1948

## **ITALY, Republic**

### *Executive:*

President of Republic, elected for 7 years by both Chambers (Senate and Chamber of Deputies);  
can dissolve both Chambers

Government (nominated by President)  
must enjoy confidence of both Chambers

### *Legislature:*

Parliament (bicameral system, the two houses having identical functions and powers)

Chamber of Deputies:

630 deputies

Life: 5 years

Elections by universal suffrage based on proportional representation (Presidential Decree No 361 of 30 May 1957) with 32 electoral colleges (constituencies);

Minimum age to vote: 18 years; to be elected: 25 years

0.

Senate:

(contd)

315 members, plus five members appointed for life on grounds of special merit by President of Republic, plus all ex-Presidents of the Republic  
Life: 5 years

Elections by universal suffrage based on mixed system combining the advantages of the simple majority and proportional representation systems. (Law No 64 of 27 December 1958 implemented Article 57, first paragraph, of the Constitution by introducing single-member constituencies on a regional basis).

Minimum age to vote: 25 years; to be elected: 40 years

#### **Administrative organization**

20 *regions*, of which 5 are special statute regions (with certain autonomous features). Institutions of ordinary statute regions are:

- a) *Regional Council*, composed of elected members whose office is incompatible with those of deputy, senator, or member of another Regional Council; exercises legislative and regulatory powers as well as other functions conferred on it by Constitution and national laws; it can submit bills to Parliament;
- b) *Regional Government*: composed of members elected from and by Regional Council, it is the executive body of the region;
- c) *President of Regional Government*, who represents region, promulgates regional laws and regulations and directs administrative functions delegated to the region by the State.

The special statute regions have institutions similar to those of ordinary statute regions but have greater legislative powers.

0. Each region has a statute laying down rules governing internal organization of region. For ordinary statute regions, statute is decided by Regional Council by absolute majority, and approved by national law. For special statute regions, it is established by Constitutional Law.  
(contd)

Legislative powers conferred upon regions are laid down in Article 117 of Constitution. Law No 281 of 16 May 1970 implemented Article 119 of the Constitution, which provides for financial autonomy of regions. Remaining aspects of system of regional administration put into practice by series of laws and delegated decrees.

Government Commissioner, resident in regional capital, supervises administrative functions carried out by State and coordinates them with those carried out by region.

Subordinate territorial units within regions are provinces and communes. They are entrusted with administrative functions of purely local interest envisaged by laws of Italian Republic, as well as administrative functions delegated to them by the regions.

Two autonomous provinces of Trento and Bolzano have a special position, since their institutions have similar powers to those of regional institutions (e. g. legislative powers).

### **LUXEMBOURG, Constitutional Monarchy**

*Executive:*

Grand Duke  
Government

0.  
(contd)

*Legislature:*

Unicameral system

Chamber of Deputies:

59 Members

Life: 5 years

Elections by universal suffrage based on proportional representation

Minimum age to vote: 18 years; to be elected: 21 years

**Administrative organization**

124 communes under authority of burgomaster appointed by the Grand Duke from those elected to Communal Council (elections every six years by universal suffrage). However, the Grand Duke may opt to appoint burgomaster from outside Communal Council.

Communal Council decides on all matters of purely communal interest, save where exceptions are provided for by law.

Constitution of 1814

**NETHERLANDS, Constitutional Monarchy**

*Executive:*

Government, i.e. Sovereign and Ministers

can dissolve chambers (separately or together)

The members of Government may not be members of the States-General

*Legislature:*

States-General

0.  
(contd)

Second Chamber:

150 Members

Life: 4 years

Election by universal suffrage based on proportional representation

Minimum age to vote: 18 years; to be elected: 25 years

First Chamber:

75 Members

Life: 4 years

Minimum age to be elected: as for Second Chamber.

#### **Administrative organization**

Eleven provinces administered by a Queen's Commissioner with assistance of Provincial Executive (College van Gedeputeerde Staten) and representative body, the Provincial Council (Provinciale Staten).

- *Queen's Commissioner* is chairman of Provincial Executive and Provincial Council. In meetings of latter he has a consultative voice. He is a government official and has certain supervisory duties on behalf of Government.
- *Provincial Council* consists of between 39 and 83 members, depending on area and population of province. It is elected for four years, has autonomous powers and shares authority for implementation of laws and decrees. It draws up provincial budget, which is subject to approval by Crown, on basis of proposals by Provincial Executive. It may levy provincial taxes and fix charges and also have share in Provincial Fund.

0.  
(contd)

— *Provincial Executive* consists of six members elected by Provincial Council from its members. Under chairmanship of Commissioner, Provincial Executive is responsible for day-to-day administration and implementation of tasks assigned to Provincial Council.

807 municipalities administered by a Burgomaster (Burgemeester) a Municipal Executive (College van Burgemeester en Wethouders) and Municipal Council (Gemeenteraad).

— *Burgomaster* is appointed by Crown for period of six years. He is a government official and Chairman of Municipal Executive and Municipal Council. He has an advisory voice in Municipal Council.

— *Municipal Council* consists of between 7 and 45 members, depending on population of municipality, elected for four years. It has autonomous powers, shares authority for implementation of laws, decrees or provincial ordinances. On basis of proposals from Municipal Executive, it draws up municipal budget, subject to approval by Provincial Executive and may appeal to the Crown if this approval is withheld.

— *Aldermen on Municipal Executive (College van Burgemeester en Wethouders)* are elected by Municipal Council from among its own members for period of four years. Number of aldermen varies between 2 and 6 depending on population of municipality. Together with Burgomaster they form municipal executive body. Municipality may levy taxes and fix charges and also has a share in the Municipal Fund.

Approximately 180 Water Control Boards and Fen Polder Boards, which are autonomous territorially-based bodies with their origins in the distant past. They are responsible for maintaining the dykes and controlling the water level in the polders. Costs are borne by landowners via taxes. *Organs:* assembly of landowners elects a Drainage Board, the Chairman of which is known a 'dijkgraaf' or 'watergraaf'. Drainage Board may draw up regulations, known as 'keuren', which may include penal sanctions.

South IJsselmeer Polders Public Authority (Openbaar Lichaam Zuidelijke IJsselmeerpolders) includes the Flevoland Polder (apart from the municipalities of Dronten and Lelystad) and the Markerwaard, which may

0. possibly be reclaimed. Headed by a sheriff ('landdrost') who exercises duties and powers which in a municipality, are assigned to council, executive and burgomaster. He is assisted by advisory bodies. The area is not divided into provincial and municipal authorities.

(contd)

*Cooperation between municipalities:* Rhine Delta Public Authority (Openbaar Lichaam Rijnmond) is responsible for promoting the particular interests of the 16 municipalities in the region of the Rhine delta. Executive chosen by and from a major council, itself directly elected by inhabitants of municipalities in question. Rhine Delta Authority has powers similar to those of an executive council. In addition, there are various other bodies for cooperation between municipalities, under the Joint Organization Act of 1 April 1956 (Netherlands Official Gazette No K. 120).

A particular case of cooperation between municipalities is the Eindhoven Conurbation (Agglomeratie Eindhoven) which comprises 11 municipalities. It was set up by virtue of the Law of 16 June 1976 (Netherlands Official Gazette, No 344).

Constitution based on  
common law

## **UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND, Constitutional Monarchy**

### *Executive:*

Queen (must authorize laws)

Cabinet

Prime Minister, leader of majority party in Commons

### *Legislature:*

House of Commons

650 Members

Life: 5 years

Election by a simple majority

Minimum age to vote: 18 years; to be elected: 21 years

0. House of Lords  
(*contd*) (total membership variable)  
803 hereditary peers  
329 life peers (nominated by Queen on Government advice)  
45 other *ex officio* members (High Court judges, bishops)

### **Administrative organization**

#### *England and Wales*

53 counties exist, within which there are 369 district councils: also parish councils with limited functions. Six of these counties are 'metropolitan' counties in large urban areas.

Each area governed by an independent, locally-elected council with separate functions which elects its own chairman.

#### *Greater London*

The Greater London Council administers a population of about 7 million, sharing functions with 32 London borough councils. All these bodies governed by elected representatives.

#### *Scotland*

There are nine large regions, divided into 53 districts, each with its own elected council. In Orkney, Shetland and the Western Islands, there are all-purpose elected councils.

#### *Northern Ireland*

26 district councils are responsible for limited local services. Major services, such as roads, education, health and housing are run by central departments and without elected councils.

1. **COMMUNITIES**

1.1 **Institutions**

1.11 **EUROPEAN PARLIAMENT**

ECSC Tr., Art. 20–25  
EEC Tr., Art. 137–144  
EAEC Tr., Art. 107–114

Conv. of 25 March 1957 on  
certain Institutions common  
to the EC, Art. 1

C Dec. and Act  
of 20 Sept. 1976

Parliamentary organ of the three Communities (ECSC, EAEC, EEC) with  
consultative, supervisory and decision-making powers.

Composition on 1 January 1982:

Belgium . . . . .	24 members
Denmark . . . . .	16 members
FR of Germany . . . . .	81 members
France . . . . .	81 members
Greece . . . . .	24 members
Ireland . . . . .	15 members
Italy . . . . .	81 members
Luxembourg . . . . .	6 members
Netherlands . . . . .	25 members
United Kingdom . . . . .	81 members
	<hr/>
	434 members

*Places of work*

The seat of Community institutions is fixed by common agreement between  
the govts of the Member States.

ECSC Tr., Art. 77  
EEC Tr., Art. 216  
EAEC Tr., Art. 189

Dec. Repres.  
gov. Member States  
8. 4. 1965

1.11  
(contd)

*Provisional location of institutions.*

OJ 152/67

Luxembourg, Brussels and Strasbourg remain provisional places of work of institutions. The EP Secretariat and its departments remain in Luxembourg.

Eur. Council  
23/24. 3. 1981

The Heads of State or Government were unanimous in deciding to confirm *status quo* as regards provisional places of work of European institutions.

Comm. Bull.  
3/81

EP res.  
7. 7. 1981

Pending final decision on a single location for its departments and meetings, EP decided:

OJ C 234/81

- to hold its part-sessions in Strasbourg,
- to hold its committee and political group meetings generally in Brussels,
- that, to cope with dispersal of its working places and, in particular, to save a large section of Parliament's staff from having to travel constantly from one working place to another, a review must be made of the operation of Secretariat and its departments.

1.111

**Powers**

(a) of supervision

*vis-à-vis* Comm.:

- questions (written, oral, question time),
- discussion of annual *General Report*,

EEC Tr., Art. 140

EEC Tr., Art. 143

1.11/1.111

EEC Tr., Art. 206b

1.111  
(contd)

— granting of *discharge* in respect of the implementation of the budget,

EEC Tr., Art. 144

— *motion of censure*

(two-thirds majority of the votes cast and a simple majority of members of EP): if adopted, Comm. must resign as a body,

— supervision by participation of Comm. representatives in committee meetings,

*vis-à-vis* C and Conference of Foreign Ministers:

— questions (written, oral, question time).

(b) budgetary powers

progressive reinforcement:

— Tr. of 22 April 1970

— Tr. of 22 July 1975

ECSC Tr., Art. 49-50

*Creation of revenue:*

EEC Tr., Art. 201

EAEC Tr., Art. 173

— under the Tr., the nature of revenue is fixed by decision equivalent to the Tr.

C Dec. of 21 April 1970

— the amount of revenue is fixed at the time of adoption of the budget, up to a given ceiling.

OJ L 94/70

ECSC Tr., Art. 78

EEC Tr., Art. 203

EAEC Tr., Art. 177

Joint Decl.

EP-C-Comm.

4 March 1975

*Creation of expenditure:*

— the nature of expenditure depends in the last resort on the legislative power of C, unless the conciliation procedure is initiated,

OJ C 89/75

1.111  
(contd)

- the amount of expenditure is determined by the budgetary authorities:
- for obligatory expenditure the last word is with C;
- for non-obligatory expenditure the last word is with EP, unless the maximum rate has been exceeded.

ECSC Tr., Art. 78d and g  
EEC Tr., Art 205a and 206b  
EAEC Tr., Art. 179a and  
180b

*Control of revenue and expenditure:*

discharge is given to Comm. by EP following recommendation from C on the basis of a report prepared by the Court of Auditors; in the case of the operational expenses of the ECSC the separate report drawn up by Court of Auditors is used.

ECSC Tr., Art. 78h  
EEC Tr., Art. 209  
EAEC Tr., Art 183

*Budgetary regulations:*

depend on the legislative power of C, unless the conciliation procedure is initiated.

RP EP Rule 25  
ECSC Tr., Arts 95, 96  
EAEC Tr., Art. 204  
EEC Tr., Art 236

(c) participation in legislation

- EP may, or must be consulted by C,
- EP is entitled to take up any matter on its own initiative,
- EP must be consulted when Treaties are to be amended,
- Conciliation procedure between C and EP (with the assistance of Comm.). The purpose of this procedure is to settle varying positions of C and EP in the case of acts which have appreciable financial implications.

OJ C 89/75

Joint Decl.  
4 March 1975

1.112 **Structure**

RP EP Rules 21-25

*Bureau:*

President

12 Vice-Presidents; 5 Quaestors (without right to vote)

Enlarged Bureau:

Members of the Bureau and chairmen of political groups

RP EP Rules 91-107

Political Affairs Committee; Committee on Agriculture; Committee on Budgets; Committee on Economic and Monetary Affairs; Committee on Energy and Research; Committee on External Economic Relations; Legal Affairs Committee; Committee on Social Affairs and Employment; Committee on Regional Policy and Regional Planning; Committee on Transport; Committee on the Environment, Public Health and Consumer Protection; Committee on Youth, Culture, Education, Information and Sport; Committee on Development and Cooperation; Committee on Budgetary Control; Committee on the Rules of Procedure and Petitions; Committee on the Verification of Credentials; Committee on Institutional Affairs; Committee of Inquiry into the Situation of Women in Europe.

RP EP Rules 26-28

*Political Groups:*

Minimum strength of a political group: 21 representatives (or 15 from at least two Member States, 10 from at least three Member States)

1.112	Composition of EP on 1 February 1983	
(contd)	Socialist Group . . . . .	125 representatives
	Group of European People's Party (Christian Democratic Group) . . . . .	117 representatives
	European Democratic Group . . . . .	63 representatives
	Communist and Allies Group (SF, Ind. Sin.) . . . . .	48 representatives
	Liberal and Democratic Group . . . . .	38 representatives
	Group of European Progressive Democrats . . . . .	22 representatives
	Group for the Technical Coordination and Defence of Independent Groups and Members . . . . .	11 representatives
	Non-attached . . . . .	10 representatives

RP EP Rule 113

*Secretariat (Luxembourg):*

Secretary-General

5 Directorates-General

- for Sessional and General Services
- for Committees and Inter-Parliamentary Delegations
- for Information and Public Relations
- for Administration, Personnel and Finance
- for Research and Documentation

1.12 **COUNCIL**

EEC Tr., Art. 145 – 153

Merger Tr., Art. 2

Communiqué Summit  
Conf. 1974

Merger Tr., Art. 4

EEC Tr., Art. 148  
ECSC Tr., Art. 28

EEC Tr., Art. 149

Luxembourg Agrmt  
of 30 Jan. 1966

EEC Tr., Art. 148  
EAEC Tr., Art. 118  
ECSC Tr., Art. 28

Act Acc. of Greece  
of 28. 5. 79, Arts 12,14

*Structure:*

- composed of representatives of the Member States in the persons of their Foreign, Finance, Social Affairs, Justice, Education, Agriculture, or Transport Ministers, etc.
- Heads of Government can also constitute C;
- is presided over for 6 months by each of the Foreign Ministers in turn;
- is assisted by the Committee of Permanent Representatives of the Member States.

8 GR EC, Ann

*Procedure:*

Convened by its President on his own initiative or at the request of one of its members or of the Comm. Decisions by unanimous vote or by simple or qual. majority, according to the Tr.

- can amend Comm. proposals only by unanimous vote;
- matters considered by one Member State to affect its 'vital interests' can be settled only by an unanimous decision of C;
- if a qual. majority is required, votes are weighted as follows: Belgium 5, Denmark 3, France 10, FR of Germany 10, Greece 5, Ireland 3, Italy 10, Luxembourg 2, Netherlands 5, United Kingdom 10.

9 GR EEC, Par. 13

*Qualified majority:*

45 votes on proposals from the Comm.  
45 votes cast by at least 6 Member States in all other cases.

1.12  
(contd)

**Powers:**

Legislative organ of EC in cases set out in Tr.  
All important decs. taken by C.

**Permanent Representatives**

Member States' ambassadors to EC function as Permanent Representatives.

They have deputies to deal with technical matters (see 1.203).

The Committee of Permanent Representatives

- prepares the work of the Council,
- carries out tasks allocated to it by the Council.

Merger Tr., Art. 4

1.121

**Association Councils**

Attached to C are Assoc. Councils comprising members of C, Comm. and governments of the assoc. countries or groups of countries, to supervise implementation of these Associations.

For information concerning individual Assoc. Councils, see Chapter 6.

Lomé Conventions  
of 28 Feb. 1975 and  
of 31 Oct. 1979

1.122

**European Council**

Conference of Heads of State or Government of the Member States, which has been meeting thrice yearly since 1974. Not a Community organ, but can, acting as 'Council', take decisions in accordance with the procedures set out in the Treaties.

Function: to stimulate and coordinate Community activities.

**COMMISSION**

EEC Tr., Art 155 – 163  
 Merger Tr., Art. 9 – 19

*Structure:*

14 Members nominated by Member States for 4 years; may be reappointed.  
 Last reappointed: 1 January 1981. From among these 1 President and  
 5 Vice-Presidents nominated for 2 years (6 January 1981 to 5 January 1983):

— reappointed at end of 1982.

Members are completely independent in the performance of their duties.  
 Members guilty of serious misconduct may be compulsorily retired by  
 CJEC.

In 1965 executives of EEC, ECSC and EAEC were merged to form a single  
 Comm.

*Powers (differ according to the Treaties):*

- entitled to initiate measures and take decisions in cases laid down in Tr.,
- supervises proper implementation of EC decisions,
- ensures observance of Tr. provisions and provisions laid down by EC  
 organs,
- represents EC,
- implements the budget on its own responsibility.

EEC Tr., Art. 211  
 EAEC Tr., Art. 185  
 ECSC Tr., Art. 78 c  
 EEC Tr., Art. 205  
 EAEC Tr., Art. 179

*Relations to other EC organs:*

- to EP:  
 responsible to EP (see 1.111),  
 submits annually to EP general report on EC activities,

EEC Tr., Art. 144  
 EEC Tr., Art. 143  
 Merger Tr., Art. 18

1.13 — to C:  
(*contd*)

to amend a Comm. proposal, C must act unanimously. C may request Comm. to submit proposals.

EEC Tr., Art. 149  
EEC Tr., Art. 152

1.131 **Association Committees**

Attached to the Comm. are Association Committees which are responsible for countries or groups of countries, with which Association Agreements exist and whose task is to prepare the work of the Assoc. Councils. For information concerning individual Assoc. Comms. See Chapter 6.

1.14 **EUROPEAN COURT OF JUSTICE**

*Task:*

to ensure observance of the law in interpretation and application of the Treaties.

EEC Tr., Art. 164  
ECSC Tr., Art. 31  
EAEC Tr., Art. 136  
Conv. of 25 March 1957 on  
certain Institutions common  
to the EC, Arts 3, 4  
EEC Tr., Arts 165/168

*Composition:*

— 11 Judges, 5 Advocates General  
appointed for 6 years by common accord of Member States' governments.  
Partial replacement every 3 years  
Appointments are renewable  
The Judges elect CJEC President  
3 chambers formed by CJEC

CJEC Statutes of 18 April  
1951 and 17 April 1957

1.14 Jurisdiction (see 1.31, 1.331)  
(contd)

EEC Tr., Arts 169 – 186  
ECSC Tr., Arts 33 – 44

EEC Tr., 183  
ECSC Tr., 40

Jurisdiction based on the Tr., but may be determined by agreement in individual cases

Where not explicitly conferred on CJEC, jurisdiction in cases involving EC may devolve upon Courts of the Member States.

*Procedure:*

Suits may be filed by: Member States, EC Institutions and private persons in cases laid down by the Tr.

- written procedure,
- oral procedure,
- written application (applicant's name, subject matter of the dispute, etc.),
- hearing of evidence,
- speeches by Counsel and submission by the Advocate General,
- CJEC judgments have immediate effect and are final.

OJ L 350/74

OJ L 238/79

Codified version of the Rules of Procedure

OJ C 39/82

1.15 **EUROPEAN COURT OF AUDITORS**

*Establishment:*

Treaty of 22 July 1975, entered into force on 1 June 1977.

OJ L 359/77

RP of  
4 Dec. 1974  
12 Sept. 1979 and  
27 May 1981

1.15  
(contd)

*Task:*

to carry out audit.

*Composition:*

- 10 members – President elected from among their number for 3 years – chosen from among persons who belong or have belonged in their respective countries to external audit bodies or who are especially qualified for this office;
- appointed for 6 years by C, acting unanimously after consulting EP. Members eligible for re-appointment. Initially 4 members appointed for 4 years only;
- completely independent in performance of their duties, in general interest of EC.

*Powers:*

- to examine accounts of all revenue and expenditure of all bodies set up by EC in so far as relevant constituent instrument does not preclude such examination, to establish whether revenue has been received and expenditure incurred in a lawful and regular manner and whether financial management has been sound;
- permanent audit, even before closure of accounts for financial year but subsequent to commitment or authorization of expenditure;
- audit based on records and, if necessary, performed on the spot in the institutions of EC and in Member States, in liaison with national audit bodies;
- to draw up annual report to be published in the OJ together with replies of the institutions: separate report is drawn up by Court of Auditors stating whether accounting other than that for administrative revenue and expenditure has been conducted by ECSC in a regular manner;

ECSC Tr., Art. 7  
EEC Tr., Art. 4  
EAEC Tr., Art. 3

ECSC Tr., Art. 78e  
EEC Tr., Art. 206  
EAEC Tr., Art. 180

RP of EP  
Rule 51

ECSC Tr., Art. 78f  
EEC Tr., Art. 206a  
EAEC Tr., Art. 180a

CAEC Rep. 1977

OJ C 313/79

- 1.15 (contd)
- to submit, at any time, observations on specific questions and deliver opinions at request of one of the institutions;
  - to assist EP and C in exercising their powers of control over implementation of budget;
  - to attend and speak at meetings of the appropriate EP committees;
  - to adopt its annual report or opinions by a majority of its members;
  - to issue opinions on Comm. proposals concerning financial regulations.

1.16 **ECONOMIC AND SOCIAL COMMITTEE**

EEC Tr., Arts 193-198  
 EAEC Tr., Arts 165-170  
 Conv. of 25 March 1957 on  
 certain Institutions common  
 to the EC, Art. 5

Structure:

from 1 January 1981: . . . . .	156 members
Belgium . . . . .	12 members
Denmark . . . . .	9 members
FR of Germany . . . . .	24 members
France . . . . .	24 members
Greece . . . . .	12 members
Ireland . . . . .	9 members
Italy . . . . .	24 members
Luxembourg . . . . .	6 members
Netherlands . . . . .	12 members
United Kingdom . . . . .	24 members

- Members appointed by C, acting unanimously, from lists submitted by Member States of candidates representing various categories of economic and social activity;

- 1.16  
(*contd*)
- Appointments for 4 years, renewable;
  - Chairman and officers elected by ESC for 2 years from among own members;
  - ESC include specialized sections for principal fields covered by the Tr.

*Advisory role of ESC:*

- ESC *must* be consulted in cases laid down in Tr., e.g. cases concerning free movement of workers, freedom of establishment, freedom to supply services, and in all cases where approximation of provisions laid down by national laws, regulations or administrative action entails amendment of national legislation;
- ESC, *may* be consulted if considered necessary by C or Comm.  
Since 1974, ESC may now act on its own initiative.

EEC Tr., Arts 49, 54, 63, 100  
Reg. of 13 June 1974

OJ L 228/74

C Dec of 12 Feb. 1974

Bull. EC 2-1974  
point 2505

ECSC Tr., Art. 18

1.17      **CONSULTATIVE COMMITTEE OF THE ECSC**

*Structure:* not less than 60 and not more than 84 members, comprising equal numbers of producers, workers, consumers and traders.

Belgium: 8; Denmark: 3; Federal Republic of Germany: 19; France: 13; Greece: 3; Ireland: 3; Italy: 8; Luxembourg: 4; Netherlands: 5; United Kingdom: 18.

- In the case of producers and workers, members appointed by C from lists of candidates,
- Appointment for two years, renewable,
- Chairman and other officers elected by Committee for a term of one year,

ECSC Tr. Arts 46, 54, 65  
and 66

- 1.17 — *Must* be consulted in cases laid down in Tr., e.g. general objectives and programmes; information and broad lines of High Authority's action,  
(*contd*) — *May* be consulted if considered necessary by C or Comm.

1.18 **EUROPEAN INVESTMENT BANK**

EEC Tr., Art. 129

*Independent public institution set up within the Community by the Treaty of Rome*

The members of the European Investment Bank are the 10 Community Member States.

EEC Tr., Art. 130

*Task:*

To contribute to the balanced and steady development of the common market by granting long-term loans or guarantees to undertakings and public or financial institutions to finance investment which

- permits the development of less advanced regions;
- is used for the conversion of undertakings or for the creation of new activities;
- serves the joint interests of several Member States or of the Community as a whole.

The Bank has also been entrusted with certain tasks on behalf of third parties. In the Community these relate to:

- Euratom loans;
- operations pursuant to the New Community Instrument (NCI) for borrowings and loans.

Outside the Community they relate to:

- venture capital from the European Development Fund (EDF) for the countries of the Lomé Convention;
- special loans from the budget for the Mediterranean countries.

Financing of private and public projects up to 50% of cost of fixed assets.

Granting of 'global loans' to intermediary institutions for the industrial activities of small and medium-sized undertakings or infrastructures and for small-scale energy saving investment.

EEC Tr., Art. 130

*Field of activity:*

Originally limited to territories of Member States of EC, field of activity of EIB has been gradually extended under various agreements, conventions or decisions which provide a basis for financial cooperation between the Community and various third countries, to Turkey, 58 African, Caribbean and Pacific States which are signatories to the Lomé Convention, to Portugal, Yugoslavia, Malta, the Maghreb countries (Algeria, Morocco and Tunisia), the Mashreq, countries (Egypt, Jordan, Lebanon and Syria), Israel and Cyprus. In most of these countries financial cooperation comprises, in addition to loans from the Bank's own resources, assistance provided on special terms from budgetary resources which the Bank administers as the Community's representative.

Prot. on the Statute  
of the EIB, Art.4

1.18  
(contd)

*Resources:*

Member States have each subscribed share of Bank's capital. Protocol No 1 of the Treaty of Accession stipulates that Greece will subscribe 112.5 million EUA, thus increasing Bank's capital from 7087.5 million EUA to 7200 million EUA.<sup>1</sup>

Prot. on the Statute  
of the EIB, Arts 4, 5, 6

Bank borrows most of the funds required to carry out its tasks on national and international capital markets.

*Structure:*

Administrative structure of Bank comprises:

- Board of Governors of EIB comprises one Minister appointed by each Member State, usually the Finance Minister.
- Board of Directors: Directors and alternates appointed by Board of Governors for period of five years following nomination by Member States, but one Director and one alternate appointed by Commission of EC for same period. After accession of Greece Board of Governors will comprise 19 Directors and 11 alternates (as against 18 and 10 respectively before its entry).
- Management Committee, the Bank's 'motor', composed of President and four Vice-Presidents appointed for term of six years by Board of Governors on proposal from Board of Directors.

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<sup>1</sup> Unit of account used by EIB is European unit of account.

1.18  
(contd)

**EIB financing operations within the Community<sup>1</sup>**  
Sectoral breakdown

Sectors	1981					1958-1981			
	Number		Amount (in million EUA)			Number		Amount (in million EUA)	
	Total	of which: global loan allocations	Total	of which: global loan allocations	% of total	Total	of which: global loan allocations	Total	of which: global loan allocations
Energy, communications and other infrastructures	218	110	2 349.2	38.6	83.3	792	160	13 079.8	81.3
Energy	47	3	1 419.8	2.4	50.3	288	19	6 359.7	23.2
Communications	137	107	600.8	36.2	21.3	346	141	4 342.7	58.1
Water supply and distribution	25		229.2		8.1	131		2 110.5	
Housing	5		88.6		3.1	9		226.2	
Global loan (unallocated portion)	4		11.6		0.5	8		40.7	
Industry, agriculture and services	905	860	472.3	288.3	16.7	3 165	2 621	4 149.4	938.6
Industry	858	836	394.5	273.2	14.0	2 902	2 474	3 643.3	896.4
Agriculture, forestry									
fisheries	13	13	4.1	4.1	0.2	121	118	63.1	24.3
Services	13	11	43.7	11.0	1.5	36	29	65.4	17.9
Global loans (unallocated portion)	21		30.0		1.0	106		377.6	
<b>Grand total</b>	<b>1 123</b>	<b>970</b>	<b>2 821.5</b>	<b>326.9</b>	<b>100.0</b>	<b>3 957</b>	<b>2 781</b>	<b>17 229.2</b>	<b>1 019.9</b>

<sup>1</sup> From EIB own resources.

Source: Annual reports, EIB.

1.18  
(contd)

**Financing within the Community in 1981**  
Breakdown by project location

	Loans from own resources and guarantees		Loans from NCI resources	Total	
	Million ECU	%	Million ECU	Million ECU	%
Belgium	182.5	6.5		182.5	5.4
Denmark	142.9	5.1		142.9	4.3
FR of Germany <sup>1</sup>	292.0	10.3		292.0	8.7
Greece	159.2	5.6		159.2	4.7
France	226.7	8.0	40.3	267.0	7.9
Ireland <sup>2</sup>	325.3	11.5	17.3	342.6	10.2
Italy <sup>3</sup>	1 251.3	44.4	448.3	1 699.6	50.6
United Kingdom	218.8	7.8	33.9	252.7	7.5
Non-member countries <sup>4</sup>	22.8	0.8		22.8	0.7
<b>Total</b>	<b>2 821.5</b>	<b>100.0</b>	<b>539.8</b>	<b>3 361.3</b>	<b>100.0</b>

<sup>1</sup> Of which guarantee operations 282.1 m ECU.

<sup>2</sup> Of which EMS subsidized loans total 289.6 m ECU.

<sup>3</sup> Of which EMS subsidized loans total 735.5 m ECU; subsidized loans as Community aid for earthquake areas total 328.2 m ECU.

<sup>4</sup> Loan for project in Tunisia of direct interest to Community, made in accordance with the second paragraph of Article 18 (1) of the Bank's Statute.

1.18  
(contd)

**EIB lending within the Community in 1980**  
Breakdown by project location

	Own resources		NCI resources	Total	
	million u.a.	%	million u.a.	million u.a.	%
Belgium	153.2	5.6		153.2	5.2
Denmark	81.1	3.0	18.1	99.2	3.4
FR of Germany	14.2	0.5		14.2	0.5
France	279.0	10.1		279.0	9.5
Ireland	334.3 <sup>2</sup>	12.1	41.7 <sup>3</sup>	376.0	12.7
Italy	1 152.5 <sup>2</sup>	41.9	137.8 <sup>3</sup>	1 290.3	43.7
United Kingdom	688.0	25.0		688.0	23.3
Non-member countries <sup>1</sup>	50.9	1.8		50.9	1.7
<b>Total</b>	<b>2 753.2<sup>2</sup></b>	<b>100.0</b>	<b>197.6<sup>3</sup></b>	<b>2 950.8</b>	<b>100.0</b>

<sup>1</sup> Loans made in accordance with the second paragraph of Article 18 (1) of the Bank's Statute empowering the Board of Governors to authorize the Bank to contribute towards financing projects outside, but of direct interest to, the Community.

<sup>2</sup> Of which EMS subsidized loans from EIB own resources: Ireland: 259.3 m u.a. - Italy: 631.0 m u.a. : Total: 890.3 m u.a.

<sup>3</sup> Of which EMS subsidized loans from NCI resources: Ireland: 41.7 m u.a. - Italy: 88.0 m u.a. : Total: 129.7 m u.a.

1.18  
(contd)

**Financing operations outside the Community in 1981 and from 1963 to 1981**

Country	1981		From 1963 to 1981	
	Amount (in million EUA)	% of total	Amount (in million EUA)	% of total
<b>Ordinary operations</b>				
North Mediterranean countries				
Spain	40.0	8.2	40.0	1.4
Greece	—	—	341.4 <sup>1</sup>	12.0 <sup>2</sup>
Portugal	79.0	16.2	380.0	13.3
Turkey	10.0	2.1	115.0	4.0
Yugoslavia	—	—	50.0	1.8
Maghreb				
Algeria	10.0	2.1	30.0	1.1
Morocco	30.0	6.2	56.0	2.0
Tunisia	12.0	2.5	41.0	1.4
Mashreq				
Egypt	—	—	65.0	2.3
Jordan	3.0	0.6	18.0	0.6
Lebanon	12.0	2.5	35.0	1.2
Syria	—	—	15.7	0.6
Other countries				
Cyprus	12.0	2.5	12.0	0.4
Israel	30.0	6.2	30.0	1.1
Malta	—	—	3.0	0.1
ACP-OCT	158.4	32.5	701.5	24.6
<b>Total</b>	<b>396.4</b>	<b>81.4</b>	<b>1933.6</b>	<b>67.8</b>
<b>Special operations</b>				
Mediterranean countries				
Turkey	39.0	8.00	590.0	20.7
Greece, Morocco, Malta	—	—	37.8 <sup>1</sup>	1.3 <sup>2</sup>
Syria and Jordan	—	—	—	—
ACP-OCT (of which venture capital)	51.4	10.6	291.6	10.2
<b>Total</b>	<b>90.4</b>	<b>18.6</b>	<b>919.4</b>	<b>32.2</b>
<b>Grand Total</b>	<b>486.8</b>	<b>100.0</b>	<b>2853.0</b>	<b>100.0</b>

<sup>1</sup> Operations with special conditions financed from budget resources of Member States either directly (Turkey) or through the European Development Fund (OCT) and entered ex-balance sheet in the Special Section of the Bank.

<sup>2</sup> Greece: 1963-80.

1.2

## Legal measures

EC's legislative powers not all-embracing, but are limited to spheres and procedures laid down in the Tr. The *form of a measure and the manner of its adoption* depend on its content and objective.

EEC Tr., Art. 3

1.201

### Types of official act:

- *Regulations* (in ECSC Tr: 'Decisions'), comparable to national laws, have general application and confer obligations and entitlements directly upon natural and legal persons in the Member States.
- *Directives* (in ECSC Tr: 'Recommendations'), in practice extremely detailed, are *binding only upon Member States* but may *confer entitlements upon natural and legal persons*.
- *Decisions* are rulings applicable to individual cases and are addressed to individuals or States.
- *Opinion, Recommendations*
- Programmes
- International agreements of the EC
- Provisions relating to international organization (RP, Statutes, appointments)
- Budget: adoption or rejection
- Discharge

EEC Tr., Art. 189  
EAEC Tr., Art. 161  
ECSC Tr., Art. 14

e.g. EEC Tr., Arts 18, 111,  
113, 228

ECSC Tr., Art. 6, Par. 2  
EAEC Tr., Art. 101

e.g. EEC Tr., Art. 162

EEC Tr., Arts 199 to 209  
RP of EP  
Ann. II

EEC Tr., Art. 206c  
RP of EP Rule 52

CJEC, Case 33  
Coll. Vol. XVI,

1.2/1.201

1.202 **Decision-making procedure**

There are various decision-making procedures. In general they are as follows:

- C decides on Comm. proposal after consulting:
  - EP
  - ESC
  - EP and ESC
  - ECSC Consultative Committee

In certain cases provision is also made for independent decision by the institutions (e.g. the settlement of the language question by C, decision on RP by EP). Such special cases are as follows:

- Committee procedure:

C has often (e.g. in agric. and customs legislation) empowered Comm. to issue Impl. Reg. to implement its rules: in most of such cases a committee, composed of representatives of Member States, must be involved before Comm. can act.

For details of procedures see 3.411

- Budgetary procedure (see 1.232)

EEC Tr., Art. 155, 4th indent

1.203 **Decision-making within the individual organs**

In the C authority is distributed over several levels:

- proposed measures are examined by *specialized working parties* composed of representatives of Member States and Comm. and chaired by a delegate of that Member State whose representative is currently President of C. Chairmen of working parties are assisted by C. Secretariat;
- proposed measures then examined by the *Committee of Permanent Representatives* (Member States' ambassadors or their deputies). If

Provisional RP C, Rule 16  
Merger Tr., Art. 4

1.203  
(contd)

these are agreed, C automatically gives formal approval (as an 'A item on the Agenda'); otherwise proposed measures are examined by C, which approves or refers them back. If approved, they are drawn up in EC languages, adopted by C as rule at its next meeting, signed by C President and published or forwarded to those to whom they are addressed.

According to measure concerned, C decides by *simple or qual/majority or by unanimous vote*.

9 GR EEC, Par. 13

EEC Tr. Art. 148  
C Decl. of 29 Jan. 1966

Comm. acts as body, deciding by majority vote.

OJ L 89/68

RP Comm., Rule 1  
Comm. Dec. of 3 April 1968

— Except with regard to certain agric., levies, subsidies and refunds (entailing decisions liable to constant revision), which individual members are authorized to 'fix and alter for and on behalf of the Comm.'

— Working out of proposals in close contact with Member States through consultation with national experts. Proposals with more extensive material implications are submitted to nat. govts before finalization.

9 GR EEC, Par. 13

C Decl. of 29 Jan. 1966

Comm. frequently alters proposals before their finalization by C on account of,

— EP's opinion:

— Need for compromise in C;

EEC Tr., Art. 149, Par. 2  
EAEC Tr., Art. 119, Par. 2

1.204

### **Consultation of Parliament**

EP has adopted special provisions for responding to requests for opinions:

OJ C 90/81

— The opinion incorporates a vote on amendments to the Comm. prop., then on prop. amended or otherwise, then on motion for a resolution contained in the rep. and any amendments to it and finally a vote on motion for a resolution as a whole (Rule 32).

RP of EP  
Rules 32 to 39

1.203/1.204

1.204  
(contd)

- On technical props., EP may delegate power to take a decision to a committee (Rule 33).
- A cttee may request that a report be adopted without debate (Rule 34).
- If EP rejects a Comm. prop., Comm. is requested to withdraw its prop. If Comm. refuses to do so, EP may decide not to vote on motion for a resolution (Rule 35).
- EP may postpone the vote on motion for a resolution if Comm. refuses to adopt EP's amendments (Rule 36).
- Where Comm. withdraws its prop. or substantially amends it, EP must be consulted once again (Rule 37).
- Conciliation procedure (Rule 38) and review of C decisions to ensure their compliance with opinion of EP (Rule 39).

See also resolutions on institutional affairs 1.4111, particularly those concerning relations between EP and C.

Due consultation of EP in cases provided for by the Tr. constitutes an essential formality, disregard of which means that measure concerned is void. The requirement is not satisfied by C simply asking for opinion (Judgment on isoglucose).

Judgments of CJEC  
138 and 139/79

Reports of  
CJEC 1980-7

**DECISION-MAKING IN INDIVIDUAL SECTORS**

Free movement of goods (see 2.12)

Competition (see 2.412, 2.422)

Approximation of taxes (see 2.51)

Common agricultural policy (see 3.1)

Common economic policy (see 4.03, 4.16)

Common research policy (see 4.2211, 4.2221, 4.2232)

Common energy policy (see 4.2331, 4.2341)

Common transport policy (see 4.2412, 4.2422)

Common social policy (see 4.31)

**Approximation of laws**

In the absence of special provisions, this proceeds in accordance with EEC Tr., Arts 100-102.

EEC Tr., Art. 100, Par. 1

*Acting unanimously on Comm. proposals, C issues directives containing model laws which Member States must enact as national laws or regs.*

EEC Tr., Art. 100, Par. 2

*EP and ESC must be consulted if implementing such directives would involve amendment of existing national legislation.*

EEC Tr., Art. 101, Par. 2

*C, acting by qual. majority on Comm. proposals, issues directives to eliminate distortions of competition arising from differences in nat. provisions laid down by law, reg. or administrative action.*

EEC Tr., Art. 101, Par. 2

*Comm. and C may take any other appropriate measures provided for in Tr. to eliminate such distortions.*

EEC Tr., Art. 102

*In particular Comm. addresses recommendations to Member States when the adoption or amendment of nat. legislation may result in distortion of competition.*

1.22      **DECISION-MAKING PROCEDURE DURING  
EXPANSION OF COMMUNITIES**

1.221      **Procedure for expansion of EC by accession**

*First Stage:*

- *Application to C by applicant State.*

*Second Stage:*

- *Comm. submits its opinion (not binding on C).*
- *C asks Comm. to negotiate the terms of accession treaty (in practice the accession negotiations with UK, Ireland and Denmark were mainly handled by C alone).*

*Third Stage:*

- *unanimous decision on admission by C (under ECSC Tr., procedure completed at this stage with deposit of instrument of accession).*

*Fourth Stage:*

- *Agreement between Member States and applicant State.*

*Fifth Stage:*

- *Ratification of agreement by all contracting States.*

*Criticism by EP:*

See resolution referred to in 1.4111 on role of EP in negotiation and ratification of accession treaties and treaties and agreements concluded with third countries

EEC Tr., Art. 237, Par. 1  
EAEC Tr., Art. 205, Par. 1

ECSC Tr., Art. 98

ECSC Tr., Art. 98

EEC Tr., Art. 237 Par. 2  
EAEC Tr., Art. 205, Par. 2

1.2211 EXPANSION OF EC ON 1 JANUARY 1973

May 1967  
1/2 Dec. 1969  
June 1970 to Jan. 1972  
19 Jan. 1972  
22 Jan. 1972

Denmark, UK, Ireland and Norway applied to C for membership. In accordance with the Resolution of the Summit Conference of The Hague, formal accession negotiations were carried out between 1970 and 1972.

Formal positive opinion of Comm.

C decision concerning admission of the new States into the ECSC, the EEC/EAEC and Treaty between old and new States covering conditions of accession to EEC and EAEC.

OJ L 73/72

OJ L 73/72

OJ L 73/72

C Dec. of 1 Jan. 1973

Treaties ratified in Denmark, United Kingdom and Ireland, and rejected in Norway. Enlargement operative as from 1 January 1973. Details of the accession, adjustment of existing Treaties and special provisions for new members, (concerning, *inter alia*, the transitional period) are settled in 'Acts of Accession' together with 11 annexes and 30 protocols.

OJ L 2/73

In view of Norway's failure to accede, special adjustments were made in relation to the Act of Accession (in particular in regard to Community institutions).

*Fundamental principle of Accession Treaties:*

All Community decisions, in particular Community law applicable to original and new Member States alike.

*Exception:* transitional measures covering agriculture, free movement of goods, etc. with special rules for new Member States. Valid until 31 Dec. 1977 at the latest.

(For details, see the respective chapters.)

On 1 April and on 4 June 1974 the British Government at Meeting of C expressed reservations with regard to conditions of accession. The last of these reservations (correction mechanism for contributions of a Member State in the case of budget deficits; relations with New Zealand) were resolved at the Dublin Summit Conference.

Bull. EC 3-1974  
point 1104

Bull. EC 6-1974  
points 1102-7  
Bull. EC 3-1975  
points 1101-6

In consequence the British Government recommended the electorate to vote 'yes' in the Referendum on whether or not UK should remain in EC.

Referendum was held on 5 June 1975 and showed 67.2% of votes in favour of staying in EC.

Act Acc, Arts 2 - 4  
Act Acc, Art. 9

10/11 March 1975

1.2212 *ENLARGEMENT OF EC ON 1 JANUARY 1981*

Greece (1975), Portugal (1977) and Spain (1977) applied for membership of EC. EC accepted these applications. The Treaty of Accession with Greece was signed in Athens on 28 May 1979 and entered into force on 1 January 1981.

1.2213 *CHANGE IN STATUS OF GREENLAND*

On 19 May 1982, Danish Government initiated procedure for amending the Tr. with a view to obtaining a change in status of Greenland within EC following referendum which took place on 23 February 1982 (52% for withdrawal, 46,1% for continued membership).

Doc. 1 - 380/82

Memorandum  
Danish Govt.

1.222 **Procedure for expansion of EC by Association**

EEC Tr., Art. 238

**General Procedure**

*First Stage:*

— Comm. negotiates assoc. agrmt.

*Second Stage:*

— C asks EP for opinion.

*Possible intermediate stage:*

— Amendment of Tr. according to EEC Tr. Art. 236 (see 1.224).

*Third Stage:*

— C takes unanimous decision on association.

EAEC Tr., Art. 206

e.g. EEC-Greece Assoc. Agrmt  
9 July 1961, Arts 65, 71  
EEC-Turkey Assoc. Agrmt  
12 Sept. 1963, Arts 23, 27

1.222  
(contd)

Implementation of assoc. agrmt by:

— Assoc. C (composed of members of govts of EC Member States, C and Comm. and of govt of Assoc. State) in 'cooperation' with EP and ESC (see 6.1).

OJ 26/63  
OJ 217/64

1.223

### **Major amendment of EC Treaties**

#### **Under EEC Tr. and EAEC Tr.**

If action by Community proves necessary to attain one of its objectives and if Tr. has not provided the necessary powers C, acting unanimously on Comm. proposal and after consulting EP, takes appropriate measures.

#### **Under ECSC Tr.**

##### *First possibility:*

If dec. or rec. of Comm. appears necessary to attain one of ECSC's objectives set out in Arts 2 – 4 of ECSC Tr., and if the case is not provided for in the Tr.

Comm. takes dec. or makes rec. with C's unanimous assent and after consulting the Consultative Committee;

##### *Second possibility:*

If difficulties in applying Tr. or economic or technical changes necessitate adaptation of rules governing Comm.'s powers,

EEC Tr., Art. 235  
EAEC Tr., Art. 203

ECSC Tr., Art. 95 Par. 1

ECSC Tr., Art. 95 Par. 3

1.223 and if proposed amendments neither conflict with Arts 2–4 of ECSC Tr. nor  
(*contd*) interfere with distribution of powers.

ECSC Tr., Art. 95, Par. 4

C (by  $\frac{2}{3}$  majority) and Comm. jointly submit prop. amendments to CJEC and then, if found in order, to EP. They enter into force if approved by EP ( $\frac{3}{4}$  of the votes cast and  $\frac{2}{3}$  of its members).

1.224 **Extension of EC Treaties to confer new powers on EC organs**

EEC Tr., Art. 236  
EAEC Tr., Art. 204  
ECSC Tr., Art. 96

*First Stage:*

Prop. amendments submitted to C by govt of a Member State by Comm.

*Second Stage:*

EP delivers opinion; Comm. gives opinion only when the prop. comes from a nat. govt (not under ECSC Tr.)

*Third Stage:*

C decides whether to call conference of representatives of govts of Member States; if C so decides (under ECSC Tr., by  $\frac{2}{3}$  majority), then:

*Fourth Stage:*

C President convenes conference and amendments are determined by common accord.

*Fifth Stage:*

Amendments enter into force after ratification by all Member States.

1.23 **BUDGETARY POWERS**

Joint Decl. EP-C-Comm.  
of 4 March 1975

1.231 **Conciliation procedure**

OJ C 89/75

EP RP Rule 38

Generally speaking, the type of expenditure is governed by the legislative power of the Council. The amount of expenditure is fixed during the budgetary procedure. The increase in the budgetary powers of the EP involves its participation in the legislative acts of the Council. The conciliation procedure means that the EP can play an active part in the process of preparing and adopting the decisions which give rise to significant expenditure or revenue for the Communities; the purpose of the conciliation procedure is, with the active assistance of the Commission, to reach an agreement between EP and C, which makes the final ruling, at the end of the conciliation procedure, and if necessary after a further opinion of the EP.

On 18 December 1981 Comm. submitted to the C a commun. designed to improve conciliation procedure.

COM(81) 816 final

1.232 **Budgetary procedure**

At the beginning of the year EP establishes its budgetary policy guidelines for budget for next financial year.

ECSC Tr. Art. 78  
EEC Tr. Art. 203  
EAEC Tr. Art. 177  
EP RP Ann. II

1.2321 **THE FIVE STAGES OF THE PROCEDURE**

*First Stage:*

Each institution draws up, before 1 July (15 May 1983), an estimate of its expenditure for the following year.<sup>1</sup>

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The dates given in parentheses indicate the adjusted time schedule for examining the budget for the 1984 financial year, by agreement between the EP, C and Comm. with a view to increasing the time for examining budget documents.

1.2321  
(contd)

On the basis of a report prepared by the Secretary-General of the EP and following an internal procedure involving the enlarged Bureau of the EP, the Committee on Budgets prepares the draft estimate of expenditure of the EP, which is adopted at the plenary sitting in June.

Comm. consolidates estimates, attaches its opinion, and presents them to C and to EP by 1 September (June 1983).

*Second Stage:*

Council:

- *consults* institutions concerned whenever it intends to depart from the preliminary draft budget;
- establishes draft budget, acting by qual. majority;
- places it before EP not later than 5 Oct. (5 September 1983).

*Third Stage:*

EP:

- has 45 days in which to state its position (27 October 1983);
- *may propose modifications* to compulsory expenditure, acting by an absolute majority of votes cast;
- *may amend* those parts of the draft budget which concern non-compulsory expenditure, acting by a majority of its members.

*Fourth Stage:*

Council:

- has 15 days to complete its second reading (22 November 1983);
- may modify each of the amendments, acting by qual. majority;

- 1.2321 (contd)
- may, acting by qual. majority, reject proposed modifications which do not result in an increase in overall expenditure of any institution;
  - may, acting by a qual. majority, accept proposed modifications which result in an increase in overall expenditure of any institution;
  - forwards modified draft budget to EP by 5 December (28 November 1983).

*Fifth Stage:*

EP:

- has 15 days to complete its second reading (15 December 1983);
- is informed of C's decision regarding the proposed modifications;
- rules on the modifications made to its amendments by C, acting by a majority of its members and by three-fifths of the votes cast;
- adopts the budget accordingly, *not later than 20 December*. The President of EP declares budget finally adopted;
- may reject draft budget as a whole on serious grounds, acting by majority of its members and two-thirds of votes cast.

1.2322 *LIMITS OF BUDGETARY POWERS*

- Each institution exercises the powers described above in compliance with the provisions of Tr. and the acts adopted in consequence of Tr.;

CSC Tr. Art. 78 (10)  
EC Tr. Art. 203 (10)  
AEC Tr. Art. 177 (10)

ECSC Tr. Art. 78 (9)  
EEC Tr. Art. 203 (9)  
EAEC Tr. Art. 177 (9)

1.2322  
(contd)

- a maximum rate of increase for non-compulsory expenditure is determined by Comm. The institutions must conform to this during the course of the budgetary procedure. EP may, exercising its right of amendment, further increase the total amount of that expenditure to a limit not exceeding half the maximum rate. A new rate may be determined jointly by EP and C if the activities of the Communities require that this maximum rate should be exceeded.
- As a rule, the budgetary authority has retained in preliminary draft budget, the classification of compulsory and non-compulsory expenditure proposed by the Commission in preliminary draft budget in expectation of future developments.

Joint Decl.  
30 June 1982

On 30 June 1982, after several budgetary disputes between C and EP on the definition of compulsory expenditure within the meaning of EEC Tr., Art. 203, the two arms of budgetary authority and Comm. adopted a list of such expenditure, which basically comprises:

OJ C 194/82

- Titles 1 and 2 of the budget concerning the EAGGF, Guarantee Section;
- certain chapters of Titles 3 and 4 concerning the EAGGF, Guidance Section and common fisheries policy;
- flat-rate repayments to Member States, in particular of costs incurred in collecting own resources (Title 8);
- part of Title 9 on development aid.

Compulsory expenditure amounts to about 75% of the budget.

1.2323

### *COOPERATION BETWEEN EP AND C DURING BUDGETARY PROCEDURE*

C-EP Agrmt.

In accordance with Resolution No 3 annexed to the agreement of 22 April 1970 strengthening the budgetary powers of EP, a cooperation procedure has been established, in consequence of which:

OJ C 124/71

1.2323 — C receives a delegation of EP before adopting draft budget (second  
(*contd*) stage) and before making a ruling during second reading (fourth stage).  
Further meetings may take place.

— C takes part in the discussions of the Committee on Budgets and in the  
plenary sessions.

On 30 June 1982 EP, C and Comm. adopted a joint declaration in which  
institutions undertook to strengthen budgetary cooperation in order to  
reach agreement in particular on rate of increase of non-compulsory  
expenditure.

OJ C 194/82

1.2324 **IMPROVEMENT OF CERTAIN BUDGETARY  
MACHINERY**

EP Opinion

1.23241 For several years EP has examined jointly with C and Comm. (trialogue)  
the following questions with a view to improving the budgetary procedure in  
the Communities. The following in particular have been examined:

EP Doc. 150/78  
OJ C 163/78

- inclusion of borrowings in the budget;
- inclusion in the budget of credits from financial cooperation and the  
European Development Fund;
- budgetary nomenclature, particularly transfers of appropriations;
- transparency of the budget, particularly as regards the decentralized  
management of appropriations;
- implementation of the budget, in particular the power which Comm.  
derives from the Treaty (Art. 205 EEC);
- extension to five years of the multiannual estimates and their coordina-  
tion with the economic and monetary activities of the Community.

The work was prepared by an *ad hoc* working party of the Committee on  
Budgets. C and Comm. forwarded their replies to EP Opinion in writing.

- 1.23242 Parliament has adopted several resolutions defining its position on budgetary questions:
- April 1981: resolution on interinstitutional dialogue on certain budgetary questions; OJ C 101/81
  - June 1981: resolution on the future of EC budget. OJ C 172/81
- EP Res. 10 April 1981
- EP Res. 13 July 1981

- 1.23243 Joint Declaration of 30 June 1982 – basically covers following points:
- classification of expenditure, including new budget lines;
  - EP's margin for manoeuvre;
  - legal basis for implementation of expenditure;
  - financial ceilings provided for by C regs.

1.2325 *OPERATIONAL BUDGET OF ECSC*

- EP Res. of 13 Dec. 1978
- This budget is adopted by Comm. after consulting EP (customary law).  
 EP has called upon Comm. to examine the possibility of integrating ECSC and EEC activities in accordance with the treaties in force. OJ C 6/79

1.233 **EC's resources**

1.2331 *NATURE OF OWN RESOURCES*

- ECSC Tr., Arts 49-51
- ECSC has two sources of revenue:
  - levies on the production of coal and steel, the rate of which is fixed by Comm. at not more than 1% (currently 0.31%);

1.2331  
(contd)

— funds obtained by borrowing, with a view to granting loans to companies.

In addition it has revenues arising from its investments. The rate of the levy may exceed 1% if C authorizes it, acting by a two-thirds majority.

— Since 1971 the own resources of the EEC and EAEC consist of:

- agricultural levies and levies on sugar,
- customs duties arising from common external tariff,
- revenues arising from value-added tax (VAT) up to a limit not exceeding 1% applied on a uniformly determined basis. This directive is applied by the nine Member States from the 1980 budget onwards.

OJ L 94/70

OJ L 145/77

EEC Tr., Art. 201  
EAEC Tr., Art. 173  
C Dec. of 21 April 1970

C Dir. 388  
of 17 May 1977

1.2332

#### Sources of Loans

EC has following possibilities for obtaining loans:

- ECSC loans (see 1.2331);
- Euratom loans;
- EIB loans (see 1.18);
- EEC loans.

EAEC may raise loans with a view to financing research or investments. The general terms of loans raised are fixed by C. Ceiling: 2000 million ECU.

OJ L 88/77  
OJ L 12/80  
OJ L 78/82

EEC may contract loans:

EAEC Tr., Art. 172  
C Dec. of 29 March 1977  
C Dec. of 20 Dec. 1979  
C Dec. of 15 March 1982

1.2331/1.2332

EEC Tr., Art. 235  
C Reg. of 17 Feb. 1975  
C Dec. of 15 March 1976  
C Dec. of 17 May 1977  
C Reg. of 16 March 1981

1.2332  
(contd)

- either in order to re-lend funds to one or more Member States in balance of payments difficulties caused by rise in prices of petroleum products. Loans were contracted to assist Italy and Ireland. The ceiling for loans is 6 000 million ECU in principal;
- or under NCI.

OJ L 46/75  
OJ L 77/76  
OJ L 132/77  
OJ L 73/81

C Dec. of 16 Oct. 1978  
C Dec. of 14 May 1979  
C Dec. of 22 July 1980

EEC may contract loans up to a maximum of 1 000 million EUA to finance investment projects which contribute to greater convergence and integration of the economic policies of the Member States. Priority objectives: energy, industry and infrastructure sectors, taking into account the regional impact of the projects and the need to combat unemployment. Two tranches, each of 500 million EUA, were authorized.

OJ L 298/78  
OJ L 125/79  
OJ L 205/80

EP Res. of 12 April 1978

After conciliation, EP secured the following agreement from C:

OJ C 108/78

- loans may exceed 1 000 million EUA;
- borrowings must be entered in the annual budget;
- Comm.'s budgetary powers must be respected; Comm. will decide on the eligibility of projects; EIB will decide on the granting of loans.

C Dec. of 15 March 1982

After funds provided for under 'NCI 1' had been used up, C authorized Comm. to contract loans up to a ceiling equivalent to 1 000 million ECU in principal. In future investment projects for small and medium-sized undertakings will be eligible ('NCI 2'). On 24 April 1982 C confirmed this new tranche of 1 000 million ECU, after EP had adopted a favourable resolution.

OJ L 78/82

EP Res. of 23 April 1982

Comm. has made a new proposal ('NCI 3') for 3 000 million ECU.

OJ L 116/82

COM(82) 601 final

C Reg. of 3 Aug. 1979  
C Dec. of 3 Aug. 1979

It should be noted that loans granted from its own resources by the EIB and those granted pursuant to the above decision of 16 October 1978 to aid investment in the less prosperous Member States (Ireland and Italy) may

OJ L 200/79  
OJ L 200/79

1.2332 carry an interest subsidy financed by the budget of the Communities,  
(*contd*) provided that these States participate effectively and fully in the mechanisms of the EMS.

1.2333 *PARTICULAR PROBLEMS*

Acces. Tr.,  
Arts 124 - 127

1.23331 — *Accession of Greece*: full payment from 1981 of agricultural levies, including compensatory amounts: up to the end of 1985 full payment of customs duties on the basis of notional CCT; from 1 Jan. 1986 full payment of customs duties levied; VAT or financial contribution calculated on the basis of GNP, due in full from 1 Jan. 1981, with refund to Greece of 70 % in 1981, 50 % in 1982, 30 % in 1983, 20 % in 1984 and 10 % in 1985.

C Reg. of 17 May 1976

1.23332 — *Corrective mechanism*: in 1976, following the renegotiation of the conditions of accession of the United Kingdom, setting up of a mechanism to ensure, in principle, that the amount of own resources paid out by each country is 'acceptable' in view of each country's economic situation. The mechanism, the purpose of which is to allocate payments from the Community budget to Member States which fulfil the conditions of application, has not yet been applied because of the stringency of these conditions.

OJ L 131/76

COM(79) 462 final  
and 620 final

Concl. of Eur. Council  
of 30 May 1980

In 1979 the United Kingdom drew attention to the considerable difference between the own resources which it made available and the payments it received from the Community. At the request of the European Council, the Commission proposed:  
1. to modify the financial mechanism by abolishing certain conditions of application-payments calculated in instalments, the balance of payments

OJ C 158/80

C Reg. of 27 Oct. 1980

1.23332  
(contd)

criterion and the maximum payment limited to 3 % of the budget or 250 million EUA;

2. to assist the United Kingdom by introducing additional measures to establish special investment programmes and permit increasing convergence and integration of the Member States' economic policies.

Owing to these two measures the United Kingdom's own resources payments in 1980 and 1981 will be reduced by 2585 million EUA. The United Kingdom's net contribution should be 609 million EUA in 1980 and 730 million EUA in 1981.

OJ L 284/80

On 25 May 1982 C stated that it was in favour of financial compensation, which was later set at 1092 million ECU for UK and 210 million ECU for Federal Republic of Germany for 1982 financial year.

Bull. EC 5/82

EP Res. of 16 Dec. 1982

Although EP had always reluctantly accepted C's decisions on this matter, at end of 1982 when Comm. wanted to utilize savings made in management of EAGGF to make compensatory payments to two countries involved EP rejected: supplementary and amending budget concerned on grounds that C had not shown any clear political will to find a definitive solution to problem of financial imbalances in EC budget.

OJ C 13/83

EP Res. of 15 Nov. 1979

In November 1979 EP had already recommended establishment of a lasting system of financial equalization between Member States within an EC framework, based on concept of *per capita* gross domestic product and organized within framework of EC budget.

OJ C 309/79

Comm. Commun.  
of 17 Nov. 1982

Comm. believes that problem of UK contribution should be resolved in long run by the development of EC policies in non-agricultural field which would introduce a better balance of expenditure into the EC's budget.

COM 82-767 final

In January 1983 Comm. amended its proposals along lines requested by EP:

EP Res. of 10 Feb. 1983	1.23332 (contd)	<p>— supplementary measures in favour of the UK; 692 million ECU;</p> <p>— specific measures of EC interest relating to energy strategy; 400 million ECU to the UK, 210 million ECU to Federal Republic of Germany.</p> <p>EP approved these proposals and adopted the corresponding supplementary budget No 1/83.</p>	<p>COM(83) 30 final</p> <p>COM(83) 31 final</p> <p>OJ C 68/83</p>
Comm. Commun. of 23 Nov. 1978	1.23333	<p>— <i>Ceiling of own resources</i>: as early as 1978 Comm. examined the measures to be adopted to deal with the situation which will arise when the Community budget becomes too large to be financed from existing own resources. Following the rejection of the budget on 13 December 1979, C affirmed, on 11 February 1980, that 'an improvement in the CAP with the aim of considerably reducing the growth rate of agricultural expenditure was absolutely essential in order to ensure that the 1% own resources limit was not exceeded, having regard to the resources required for other policies'.</p> <p>This question arose again in connection with mandate given to Comm. by C on 30 May 1980 for development of new policies without the 1% VAT ceiling being exceeded.</p> <p>However lack of balance in EC, budget gave rise to proposals which are now before C:</p>	Suppl. 8/78 – Bull. EC Bull. EC 2-1980, p. 49
EP Res. of 9 April 1981		— EP Res. on own resources, in favour of raising the VAT ceiling;	EP Doc. 1-772/80 OJ C 101/81
Comm. Commun. of 4 Feb. 1983		— Green paper submitted by Comm. to the same end and also proposing improved diversification of the financing system.	COM(83) 10 final
C Reg. of 17 May 1977		— <i>Coresponsibility levy on milk deliveries</i> : in order to achieve a gradual improvement in the relationship between dairy production and market	OJ L 131/77

1.23332/1.23333

1.23333  
(contd)

requirements, a levy is charged by the dairies, at present at a rate of 2 % of the target price for milk. This levy is regarded as one of the measures to regularize the agricultural markets, and the product of the levy is treated in the budget as negative expenditure. EP prefers to consider the levy as budget revenue.

OJ L 140/82

1.234

### **Implementation and control of budget**

#### *Provisions of treaties*

Comm. implements budget on its own responsibility.

If budget has not been voted by beginning of financial year, a sum may be spent each month in respect of any chapter or other subdivision provided that it does not exceed one-twelfth of budget appropriations for preceding financial year or one-twelfth of those provided for in draft budget (whichever is the smaller amount).

C may authorize expenditure exceeding one-twelfth; where such an authorization covers non-compulsory expenditure, EP may take a different decision in following month on the part in excess of one-twelfth.

Comm. submits annually to C and EP accounts of preceding financial year, and financial statement of assets and liabilities.

EP, on recommendation from C acting by qual. majority, gives discharge to Comm. in respect of implementation of budget, after examining annual report of Court of Auditors.

ECSC Tr., Art. 78c  
EEC Tr., Art. 205  
EAEC Tr., Art. 179

ECSC Tr., Art. 78b  
EEC Tr., Art. 204  
EAEC Tr., Art. 178

ECSC Tr., Art. 78d  
EEC Tr., Art. 205 a  
EAEC Tr., Art. 179a

ECSC Tr., Art. 78g  
EEC Tr., Art. 206b  
EAEC Tr., Art. 180b  
EP Rep. 1979  
EP Decisions 1979  
Audit Court. Rep. 1980  
EP Rep. 1980

EP Doc. 1-100/82  
EP Doc. 1-925/81  
Doc. 1-136  
OJ L 224/81  
OJ C 344/81  
EP Doc. 1-100/82

1.234  
(contd)

Comm. presents every year to EP separate report by Court of Auditors on accounts of ECSC, relating to implementation of administrative budget.

The Budget is drawn up in European currency units (ECU).

The European currency unit (ECU) is expressed as the weighted sum of the currencies of the Member States. It is determined by Comm. on basis of exchange rates recorded each day on exchange markets. Daily rates for conversion of ECU into the various national currencies are published each day in series C of the OJ.

The ECU is also applied to ECSC transactions, to the EIB and the EDF.

Value as at 3 Feb. 1983: 1 ECU = BFR 44.95; DM 2.30; HFL 2.52; UKL 0.61; DKR 8.07; FF 6.51; LIT 1319.9; IRL 0.69; USD 0.93; DR 77.81.

OJ L 345/80

OJ L 356/77

OJ C 30/83

#### *Implementing rules*

(a) Financial Regulation, applicable to the general budget of the Communities covering:

- general principles;
- presentation and structure of the budget;
- implementation of the budget;
- conclusion of contracts, inventories, accountancy;
- responsibility of authorizing officers, financial controllers, accounting officers and administrators of advance fund;
- presenting and auditing accounts;
- special provisions applicable to the EAGGF, Food Aid, research and investment appropriations and the Publications Office.

OJ L 356/77

EP Doc. 469/76

434/77

OJ C 6/77

A detailed review of Finan. Reg. is at present being carried out.

OJ C 119/81

ECSC Tr., Art. 78b  
EEC Tr., Arts 107 and 208  
ECSC Tr., Arts 181 and 182  
C Dec. of 16 Dec. 1980  
Fin. Reg. of 21 Dec. 1977

C Reg. of 21 Dec. 1977  
EP Opinion

Prop. C Reg.  
of 12 Dec. 1980

1.234 (b) Implementation of Decision of 21 April 1970 concerning replacement of  
(contd) financial contributions by own resources.

Own resources are established by Member States and made available to Comm.

*Control of revenue and expenditure*

Control is exercised:

- at national level by the competent authorities in Member States,
- at Community level, in following order:
  - by authorizing officer;
  - by internal controller (DG XX of Comm.);
  - by external controller (Court of Auditors);
  - by Parliament, which gives a discharge to Comm. on a recommendation from C.

(a) Control by Member States

Control by competent authorities in Member States is of great importance since 85 % of budget consists of expenditure incurred and revenue collected by national administrations.

Measures taken:

- Member States undertake verification and inquiries related to establishing and making available Community's own resources. Comm. takes part, at its own request, in their control procedures;
- mutual assistance among Member States for recovery of claims resulting from operations forming part of system of financing of EAGGF, and agricultural levies and customs duties;

EP Opinion C Res. of 16 Dec. 1975	1.234 ( <i>contd</i> )	— stricter prevention of and proceedings against irregularities in financing of common agricultural policy;	OJ C 57/77 OJ C 298/75
Comm. Rec. of 3 Feb. 1975		— reciprocal and direct exchanges of information between authorities of Member States on all matters relevant to campaign against irregularities and fraudulent practices to detriment of EAGGF, Guarantee Section.	OJ L 44/75
C Dir. of 27 June 1977		— inspection by Member States of commercial documents of undertakings receiving or making payments in order to ensure that transactions forming part of system of financing by EAGGF, Guarantee Section, are actually carried out and are executed correctly.	OJ L 172/77
C. Reg. 1468 of 19 May 1981 EP Opinion		— mutual assistance between competent authorities of Member States and between these authorities and Comm. for ensuring correct application of Community customs and agricultural regulations;	OJ L 144/81 OJ C 2/74 EP Doc. 65/73

Measures being drawn up:

Comm. Prop. Dec.		— extension of field of application of C Dir. of 15 March 1976 to cover VAT, excise duties and other charges applying to consumption;	OJ C 249/76 EP Doc. 366/76
Comm. Prop.		— draft for Treaty amending Treaties establishing European Communities so as to permit adoption of common rules on protection under criminal law of financial interests of Communities and prosecution of infringements of provisions of those Treaties.	EP Doc. 290/76

(b) Community control

C Reg. of 21 Dec. 1977		Control procedures are laid down by the Treaties and the Financial Regulation of 21 December 1977. In addition, special measures have been taken as part of the rules establishing the various agricultural, social and regional funds. The following should also be mentioned:	OJ L 356/77
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C Reg. of 21 Jan. 1974

1.234  
(contd)

— powers and obligations of officials appointed by the Commission to take part in control measures carried out by Member States on own resources;

OJ L 20/74

C Reg. No 283 of 7 Feb. 1972  
Prop. Reg. 19 March 1979  
EP Opinion

— prevention of irregularities and recovery of sums wrongly paid as part of financing of common agricultural policy and organization of an information system in this field.

OJ L 36/72  
OJ C 88/79  
OJ C 140/79

The Commission has adopted various measures, particularly internally, in order to reinforce these controls:

EP 37.478  
COM(75) 3599

— reorganization and reinforcement of internal checks at the Commission;

— planned spot checks and random sampling checks;

— special control assignments in several sectors (dairy products, olive oil, beef and veal, wine, cereals);

— building up documentation centres (at the disposal of authorized paying officers) which cover Community and national regulations and which have a bearing on Community finance.

### (c) Parliamentary control

EP Res. of 15 June 1976

EP adopted a resolution on role and function of parliamentary control of Community resources and expenditure. It considers that its control functions should:

OJ C 159/76  
EP Doc. 143/76

— be such as to combine internal and external control with a view to drawing political conclusions;

— cover on a permanent and retrospective basis all Community resources and expenditure;

— make use of close and permanent assistance of Court of Auditors and help of Community and national administrations;

- 1.234 — be such as to induce the institutions to take action on comments  
(*contd*) appearing in decisions giving discharge.

In 1979, EP replaced existing Control Sub-Committee of the Committee on Budgets by independent Committee on Budgetary Control with powers of information and investigation concerning the implementation of Community expenditure, covering *inter alia*:

- the forwarding, both by the Community institutions and by the national authorities, of all documents;
- the hearing of officials or experts from the Community institutions and Member States;
- the carrying out of inspection visits of the Community institutions and national bodies.

1.235

**Budget of the EC – 1983 <sup>1</sup>****Revenue****Own resources***(million ECU)*

Member States	Sugar and isoglucose levies	Agr. levies	CCT duties	VAT own <sup>2</sup> resources	Total	%
				Current financial year		
Belgium	68.1	175.5	415	387.4	1 046.1	4.9
Denmark	39.6	6.2	150	226.3	422.1	2.0
Germany (FR)	264.8	209.8	2 200	3 215.9	5 890.5	27.6
Greece	21.3	39.8	120	175.1	356.2	1.7
France	328.6	97.7	1 250	2 620.3	4 296.6	20.1
Ireland	9.1	2.8	105	107.1	224.1	1.0
Italy	122.9	307.9	770	1 548.4	2 749.2	12.9
Luxembourg	—	0.1	4.5	24.6	29.2	0.1
Netherlands	81.2	222.8	660	595.5	1 559.5	7.3
United Kingdom	77.4	495.8	1 900	2 326.5	4 799.8	22.5
<b>Total</b>	<b>1 013.2</b>	<b>1 558.5</b>	<b>7 574.5</b>	<b>11 227.6</b>	<b>21 373.8</b>	<b>100.0</b>

— Miscellaneous revenue: 184.7

— Surplus from previous years: 1 337.4

— Total revenue: 22 895.8

VAT rate: 0.7941

**Expenditure***(million ECU)*

%

Operating expenditure of the instit.	1 153.4	5.0
Intervention appropriations comprising:	21 742.6	95.0
EAGGF, Guarantee	14 050.0	64.6
EAGGF, Guidance	651.2	3.0
Fisheries policy	70.1	0.3
Regional policy	2 161.8	9.9
Social policy	1 410.6	6.5
Energy, industry, research, transport	1 186.7	5.5
Repayments, guarantees on loans, misc.	1 123.3	5.2
Cooperation with developing and third countries	966.5	4.4
Miscellaneous	122.3	0.6

<sup>1</sup> After adoption of amending and supplementary budget No 1/83.<sup>2</sup> Greece's financial contribution based on GNP.

1.3 **Legal matters**

1.31 **COMMUNITY LAW**

*Object:* attainment of aims set out in Treaties.

A body of regulations, practices, interpretations and judicial rulings, the result of combined efforts of national authorities and Community institutions.

*Basic legislation:* treaties and related texts.

*Secondary legislation:* legislative instruments of the institutions. C and Comm. make *regulations* ('decisions' in ECSC Tr.) – having application, binding in their entirety and directly applicable in all Member States; issue *directives* ('recommendations' in ECSC Tr.) – binding, as to result to be achieved, on each Member State to which they are addressed, but leaving free choice of form and methods;<sup>1</sup> take *decisions* ('make recommendations' in ECSC Tr.) – binding on those to whom they are addressed.

*Judgments of the Court of Justice*

*Object:* to ensure Community law is uniformly applied.

- (a) Rulings in actions brought on grounds of legality and in actions in which the CJEC has unlimited jurisdiction (see 1.331).
- (b) Preliminary rulings on:  
interpretation of Treaties:

EEC Tr., Art. 189  
EAEC Tr., Art. 161  
ECSC Tr., Art. 14

EEC Tr., Art. 177  
EAEC Tr., Art. 150

<sup>1</sup> CJEC has repeatedly confirmed that in exceptional circumstances provisions arising from Community directives may have direct effects on individuals subject to them, thus conferring on these individuals rights enforceably by them in national courts. (See Case 148/78 (*Ratti*), CJEC Reports, 1979, p. 1629).

- 1.31 validity and interpretation of acts of Community institution;  
(*contd*) interpretation of statutes of bodies established by act of C, where those statutes so provide.

Courts of first instance and various courts of appeal as well as several supreme courts in Member States have referred matters to CJEC under EEC Tr., Art. 177.

1.32 **COMMUNITY LAW AND NATIONAL LAW**

*General obligations laid down in Treaties*

Member States take all appropriate measures to ensure fulfilment of obligations arising from Tr. or acts of institutions, and abstain from any measure which might jeopardize attainment of aims of Treaties.

EEC Tr., Art. 5  
EAEC Tr., Art. 192  
ECSC Tr., Art. 86

1.321 **Precedence of Community law**

*Definition of relationship at Community level:*

Where Community and national laws conflict, aims and terms of Tr. demand that Community law must prevail.

No domestic legislation can be incompatible with the law established by Tr. and thus having independent legal foundation; otherwise the legal basis of EC itself would be called into question.

As members of EC, States have, by accepting the supremacy of Community law, definitively forsworn some part of their own legal sovereignty.

e.g. Case 6/64  
(*Costa v ENEL*)

CJEC Reports  
Vol. X/64

1.321  
(contd)

*Direct application of Community regulations:*

Judges may not apply national law covering concrete cases if this conflicts with Community law.

National judges must apply directly Community rulings which, even though addressed only to Member States, embody a special obligation and do not leave implementation to discretion of States. This can thus confer rights on third parties concerned, which must be upheld.

When problems arise (classification of a product) national authorities may adopt implementing measures, in conformity with Community provisions and without laying down generally binding interpretations.

National judges are under a duty to give unqualified effect to provisions of Community law, refusing if necessary to apply any contrary provisions of national legislation, even if adopted subsequently.

CJEC Reports  
Vol. LX/63

CJEC Reports  
Vol. XVI/70

CJEC Reports,  
1978/629

e.g. Case 26/62  
(*Van Gend & Loos v  
Netherlands Tax  
Authorities*)

e.g. Case 74/69 Bremen  
(*Main Customs Office v  
Freihafen-Waren-Import-  
Gesellschaft Krohn & Co.*)

e.g. Case 106/77  
(*Italian Tax Authorities  
v Simmenthal SA*)

1.322

**Definition at national level**

**BELGIUM**

*Constitution*

The exercise of certain powers may be transferred by treaty or by law to international legal bodies.

*Court rulings*

In *Belgian State v 'Le Ski' Dairy*, the Court did not regard conflict between international treaty and national law as a conflict between laws and therefore ruled out application of principle '*lex posterior derogat legi priori*'. What is valid for an international treaty also applies to Community law. Hence judges are required 'not to apply internal legislation which conflicts with provisions of the Treaty'.

Journal des Tribunaux  
No 4750-1971

Judgment of Belgian  
Court of Cassation  
(Section 1) 27 May 1971

1.322 DENMARK  
(contd)

*Constitution*

Constitution Art. 20,1

The powers attributed by the Constitution to the Danish authorities can be delegated by law to international authorities set up by virtue of an international convention in order to promote cooperation and the rule of international law.

FEDERAL REPUBLIC OF GERMANY

*Constitution (Basic Law)*

Art. 24, Par. 1

Federal Republic can transfer sovereign rights, by legislative process, to international institutions.

Art. 25

The general rules of public international law are a constituent part of Federal law, take precedence over laws and embody directly applicable rights and obligations for inhabitants of the Federal Republic.

Art. 100, Par. 2

Where there is any doubt in a dispute as to whether rules of international law are a constituent part of Federal law and create directly applicable rights and obligations for individuals, appeal must be made to Federal Constitutional Court.

*Court rulings*

Federal Constitutional  
Court  
9 June 1971

Community law takes precedence over national laws. Judgments of CJEC in context of proceedings for preliminary rulings are binding. Moreover courts must also apply legal provisions deriving from autonomous external jurisdiction, which, however, have direct effect within State and override and supersede national law.

Collected Decisions  
German Constitution  
Court Vol. 31,173

Federal Finance Court  
10 July 1968

1.322  
(contd)

Drew a distinction between validity and interpretation of Community law and its applicability in national law. Decisions valid in constitutional law can be incompatible with Community law.

Collected Decisions  
of German Federal  
Finance Court Vol. 93, 102

Federal Constitutional  
Court  
29 May 1974

This court has reserved the right to judge the compatibility of EC regulations with fundamental rights defined by the Constitution. It follows from this that it can rule that a Community regulation is inapplicable in the Federal Republic when it conflicts with fundamental rights.

Collected Decisions  
of German Constitutional  
Court, Vol. 37, 271

## FRANCE

### *Constitution*

Arts 54 and 55

If Constitutional Council declares that a clause of an international agreement conflicts with Constitution, ratification or adoption requires amendment to Constitution.

Treaties or agreements which have been duly ratified or approved take precedence, from date of publication, over laws, provided treaties or agreements also applied by other parties to treaty.

Precedence of international law over existing internal laws seems established and allows no laws to be passed which conflict with international law.

### *Court rulings*

#### Case-law

The judgment in the *Indirect Taxation Authority v Ramel* case recognizes that Community regulations have the force of an international treaty and, as such, 'higher authority than ordinary laws'; it thus confirms the primacy of Community law.

Journal des Tribunaux  
No 4726-1971

French Supreme Court  
of Appeal (commercial  
section) 8. 5. 1973

Where the Court of Justice of the European Communities has defined the meaning and scope of applicable Community provisions, this interpretation must be respected by the national courts.

Gazette du Palais 1973  
No 5, Jurispru. p. 659

French Court of Cassation  
24 May 1975

1.322  
(*contd*)

Decision in the case of *Revenue Authority v Sàrl Weigel and Cafés Jacques Fabre* affirms priority of Community law even over national law subsequently enacted: the Treaty of 25 March 1957 establishing the EEC, takes precedence over national law under Art. 55 of the Constitution. It establishes an independent order of law which is an integral part of the law of Member States and for this specific reason the legal structure created by it is directly applicable to the nationals of these States and is binding on their judicature. An Appeal Court has decided therefore correctly that in the present case, Art. 95 of the Treaty is to be applied in the place of Art. 265 of the Customs Code, although the latter text was of later date.

Recueil Dalloz Sirey,  
1975, p. 497 *et seq.*

It would be idle to argue that Art. 55 of the Constitution subordinates the authority which it confers on Treaties ratified by France to the requirement that it should be applied by the other contracting party, when within the framework of Community law the failure of a Member State to meet its obligations arising from the Treaty of 25 March 1957 is subject to the recourse provided by Art. 170 of the Treaty which excludes the possibility of action based on a lack of reciprocity being used as an argument before national courts.

Constitutional Council  
of 30 Dec. 1976

Concerning the relationship between the Community and French sovereignty in the context of a directly-elected European Parliament, the French Constitutional Court concluded that direct elections would *not* affect national sovereignty.

French OJ of 31 Dec.  
p. 7651 = EP  
Bull. 45/1976-77

## IRELAND

### *Constitution*

The Irish Constitution was amended by referendum on 10 May 1972 in order to permit Irish membership of the EC and to enable Ireland to fulfil the obligations arising from her membership.

Keesings Contemp.  
Archives p. 25333

1.322 ITALY  
(contd)

*Constitution*

Legislation conforms to generally recognized rules of international law.

Agrees, on condition that other States do likewise, to restrictions on sovereignty called for by the legal requirement to safeguard peace and justice.

*Court rulings*

Asked to rule on possible conflict between law on nationalization of electricity undertakings (setting up of ENEL) and EEC Tr., the court acknowledged that treaties placing restrictions on sovereignty may be concluded and that, on certain conditions, it is admissible to apply them on basis of ordinary law.

In its grounds for judgment, however, court expressed the view that Article 11 of the Constitution does not accord law ratifying EEC Tr. a special position in relation to other laws. It did not give a ruling on precedence of Community law.

In view of some courts Parliament can approve a treaty which restricts sovereignty. However, if treaty not according to correct procedure for passing constitutional laws, it is accorded no special status in national law.

In this judgment the Constitutional Court conceded the constitutional legality of EEC Tr., Art. 189, and thus affirmed the precedence of Community law.

Following rulings of the Italian courts whereby only national legal provisions could be applied, the Constitutional Court declared that such provisions were unconstitutional even if their content were the same as that of Community regulations. Recourse to internal legal provisions to apply Community regulations could not only lead to a delay in their application, which is in direct contravention of Article 189, second

Art. 10, Par. 1  
Art. 11

Constitutional Court  
7 March 1964

Constitutional Court  
27 Dec. 1973

Constitutional Court  
22 Oct. 1975

Foro Italiano,  
Vol. 1 1964—Column  
465

Foro Italiano  
Volume 2 1974 –  
Column 314

Gazzetta Ufficiale  
No 281 of 22 Oct. 1975  
9th GR EC (1975)  
Para. 520

1.322 paragraph, of the Treaty of Rome, but would also have an even more  
(*contd*) serious consequence, namely that such legal requirements, as internal provisions would no longer be subject to interpretation by the Court of Justice of the Communities.

## LUXEMBOURG

### *Constitution*

Art. 49a Amended on 25 October 1956: exercise of legislative, executive and judicial powers normally under constitutional jurisdiction can be transferred temporarily by treaty to international institutions.

### *Court rulings*

Supreme Court 14 July 1954 Judges must apply the provisions of a relevant international treaty, even if this conflicts with national law of later date, since a legally ratified international treaty has precedence over ordinary law.

Pasicrisie Lux.  
Vol. XVI – p. 150

## NETHERLANDS

### *Constitution*

Art. 60, Par. 3 No judicial examination made of legal status of international treaties.

Art. 63 Should developments in international law so require, a treaty can depart from provisions of Constitution. Such derogations must be expressly approved.

Art. 65, Par. 1 Treaty provisions which are binding on individuals come into force from date of publication.

Art. 66

1.322  
(contd)

Valid legal provisions not to be applied if they conflict with generally binding provisions of international treaties ratified before or after enactment of national law.

Art. 67, Par. 2

Articles 65 and 66 also apply to provisions of international organizations to which legislative, executive and judicial powers have been transferred by international treaty.

The principle of treaties having precedence over laws not disputed.

## UNITED KINGDOM

### *Constitutional position*

The position in the United Kingdom is marked by the existence of principles which *a priori* make it difficult to ensure the priority and application of Community law. The undertaking of international obligations is a prerogative of the Crown; the application to domestic law of obligations resulting from international agreements is a prerogative of Parliament. It follows that an international obligation legally entered into by the Crown can in no way affect the rights or obligations of individuals until Parliament has taken the necessary steps to enable the international obligation to have effect in the body of domestic law.

Thus, in order to introduce Community law into the national legal system, the European Communities Act 1972 enacted that Community law will be “recognized and available in law . . . and . . . enforced, allowed and followed accordingly”. Community law is therefore applied by Act of Parliament, but not as law emanating from Parliament.<sup>1</sup>

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<sup>1</sup> See J.-P. Puissechet, *l'Élargissement des Communautés Européennes*. Éditions techniques et économiques (Paris 1974), p. 118 et seq.

Court of Appeal London,  
22 May 1974

1.322 *Legal decision*  
(contd)

In its decision of 22 May 1974 the Court of Appeal stated that Community treaties were henceforward part of UK law.

Report on the work  
of the CJEC 1974  
CMLR 74 p. 91

1.33 **LEGAL PROTECTION, PETITIONS**

1.331 **Legal protection by CJEC**

from measures applying Treaties or in their interpretation:

(a) **annulment and default proceedings before**

CJEC alleging maladministration by Community institutions or their failure to act.

Valid grounds for complaint are:

- lack of competence,
- infringement of essential procedural requirement,
- infringement of Treaty or implementing provision,
- misuse of powers.

Following are entitled to lodge complaints:

- *Member State. Comm. or C* against acts of C or Comm. (except recommendations or opinions);
- any natural or legal persons against acts of commission or omission by EC institutions which directly and individually affect them;

EEC Tr., Art. 173, Par. 1  
EAEC Tr., Art. 146, Par. 1

EEC Tr., Arts 173, Par. 2,  
175, Par. 3  
EAEC Tr., Arts 146 Par. 2,  
148, Par. 3

EEC Tr., Art. 175 Par. 1, 2  
EAEC Tr., Art. 148, Par. 1, 2

1.331  
(contd)

— *Member State or Community institution* if C or Comm. in default;

ECSC Tr., Art. 33, Par. I,  
Art. 35

— *Member State or C* against Comm. Dec. or Rec. or its failure to act;

ECSC Tr., Art. 38

— *Member State or Comm.* against acts of EP or C decisions, but only for lack of competence or infringement of essential procedural requirements;

ECSC Tr., Art. 33, Par. 2  
Art. 35

— *Undertakings or associations* against Commission Decs. or Recs. or its failure to act (under specified conditions);

**(b) Cases in which CJEC has unlimited jurisdiction:**

these cover:

ECSC Tr., Art. 36  
EEC Tr., Art. 172  
EAEC Tr., Art. 144

— pecuniary sanctions imposed by executive bodies on persons and undertakings subject to Community law;

ECSC Tr., Art. 40  
EEC Tr., Art. 179  
EAEC Tr., Art. 152

— measures connected with Staff Regulations or Conditions of Employment of EC servants;

ECSC Tr., Art. 37

— an express or implied decision by Comm. refusing to recognize an allegation by a Member State that an action or failure to act on its part is such as to provoke fundamental and persistent disturbances in the economy of that State;

**(c) Claims for damages**

CJEC can order payment of damages either upon application or when giving an annulment judgment against:

ECSC Tr., Art. 40  
EEC Tr., Arts 178 and 215  
EAEC Tr., Arts 151 and 188

— EC, for any damage caused by its institutions or its servants in performance of their duties;

ECSC Tr., Art. 34

1.331  
(*contd*)

— Comm., if it fails to take steps called for by judgment of annulment;

ECSC Tr., Art. 47

— Comm., for any breach of professional secrecy causing damage to an undertaking.

1.332

### **Petitions to EP**

RP EP Rule 48

*EP accepts petitions* relating to Community activity. Referred to relevant committee for examination. Cttee can report to Parliament and may ask for petition to be forwarded to C or Comm.

EP gives extensive application to the provisions of its RP on this matter.

1.34

### **PRIVILEGES AND IMMUNITIES**

Merger Tr., Art. 28;  
Protocol on Privileges and  
Immunities of EC of 8 April  
1965

*EC and EIB* enjoy privileges and immunities necessary for performance of their tasks: inviolability of premises and buildings; exemption from taxes and customs duties; same treatment for official communications and transmission of documents as that accorded to diplomatic missions; freedom from censorship of communications.

*Members of EP:* facilities in respect of customs and exchange control; Parliamentary immunity during part-sessions (can be waived by EP); immunity from prosecution because of opinions expressed in the performance of their duties.

*Representatives of Member States*, their advisers and technical experts, and members of the EC advisory bodies enjoy the customary privileges.

1.34  
(contd)

*Officials and other servants:* immunity from legal proceedings in respect of acts performed in an official capacity; freedom from immigration restrictions; facilities in respect of currency or exchange regulations; right to import furniture, personal effects and motor-car free of duty on taking up their post and re-export them free of duty on termination of their duties; exemption from national taxes on salaries, wages and emoluments paid by EC. In application of income taxes, wealth taxes and death duties and for the purposes of Double Taxation Conventions, officials are, in certain circumstances, deemed to have retained their domicile for tax purposes in their country of origin at the time of entering the service of the Communities.

Members of EP and certain officials of EC institutions issued with *laissez-passer* recognized as valid travel document within territory of Member States and, in certain circumstances, of third countries.

1.35

## **STAFF REGULATIONS**

OJ C 100/72

### *Purpose:*

To set out rights and obligations of staff in relation to EC institutions.

### *Definition of 'official'*

'Official of the Communities' is any person appointed to an established post on the staff of one of the EC institutions.

Staff Regulations,  
Art. 1

1.34/1.35

Staff Regulations,  
Arts 11 – 26

1.35  
(contd)

*Rights and obligations*

Officials serve EC exclusively, must neither seek nor take instructions from any government or authority outside their institution.

Governments must respect officials' independence.

Officials who are candidates for elective public office must apply for leave on personal grounds. The Appointing Authority must decide whether any official elected to such office can continue in active employment or should apply for leave on personal grounds.

Strictest confidence on facts, documents or information.

Privileges and immunities are accorded solely in interest of EC.

*Recruitment – career*

Basic principles: purpose of recruitment; necessary preconditions, e.g. must be national of a Member State; publication of selection procedure; open competition; geographical distribution; no posts can be reserved for nationals of particular Member State.

Officials of institutions receive priority in recruitment to vacant permanent established posts (promotion, transfer, internal competition).

Appointments permanent. Entry at first step in starting grade. One or two grades for every post.

*Remuneration*

Remuneration reviewed each year by C on prop. from Com.

Staff Regulations,  
Arts 27–34

Staff Regulations,  
Art. 65

*Taxes*

Tax on salary calculated individually according to salary and family circumstances. Tax deducted at source, proceeds entered as revenue in EC budget.

Staff Regulations,  
Art. 77

*Pension*

Officials entitled to retirement pension after 10 years' service or from age 60. Maximum pension 70% of final basic salary at last grade and step in which official has spent at least one year, and after 35 years of pensionable service and from age 60.

Staff Regulations,  
Art. 83

Officials pay one-third of total pension contribution equivalent to 6.75% of basic salary.

Pension exempt from national tax.

*Staff Committees, Disciplinary Boards*

Staff are consulted on problems affecting them through elected representatives.

Staff Regulations,  
Art. 9

- *Staff Committee*: represents interests of staff; consulted on amendments to Staff Regs. and Impl. Regs.; shares in management and supervision of social welfare bodies set up by institution.
- *Joint Committees*: supervision of selection procedure, etc.
- *Reports (or promotion) Committee*
- *Disciplinary Board*

Staff Regulations,  
Arts 86-91

1.35 *Disciplinary action, complaints by staff, protection of staff rights*

(contd)

Failure, whether intentional or through negligence, to fulfil obligations makes official liable to disciplinary action.

Officials may submit applications or complaints to appointing authorities.  
Officials may bring disputes with institutions before CJEC.

1.4 **Development of political structures**

1.41 **EXTENSION OF POWERS OF THE INSTITUTIONS**

1.411 **European Parliament**

1.4111 *DEVELOPMENT PROVIDED FOR IN TREATIES*

Direct elections

**Procedure for introduction of direct elections: Proposals by EP, decision by C, adoption by Member States.**

In accordance with EP proposals, C adopted on 20 September 1976 a text introducing direct elections and changing the number of representatives.

Following ratification by all Member States, this text entered into force on 1 July 1978. The first elections were held on 7–10 June 1979.

OJ C 32/75

OJ L 173/78, p. 30

Basic characteristics of EC electoral law.

- during transitional period national electoral systems to be used thereafter European electoral system (to be drawn up by EP);
- national parliamentary mandate compatible with EP mandate;
- term of EP representatives: 5 years;
- elections to take place simultaneously in Member States.

EEC Tr., Art. 138  
EAEC Tr., Art. 108  
ECSC Tr., Art. 21

EP Res. of 14 Jan. 1975

Art. 7

Art. 5

Art. 3

Art. 9

EP Res. of 10 July 1975	1.4112 <i>FURTHER AIMS OF EP</i>	<p>General:</p> <p>participation on an equal footing in the legislative process and considerable extension of powers.</p> <p>In particular:</p> <ul style="list-style-type: none"> <li>— parliamentary right of initiative;</li> <li>— conciliation procedure no longer subject to time limits;</li> <li>— participation in the appointment of members of the Commission;</li> <li>— participation in political cooperation and in all coordination and consultation procedures between the Member States.</li> </ul>	OJ C 179/75, p. 28
Final Decls.	1.4113 <i>MANDATE OF 19 – 20 OCTOBER 1972 AND 9 – 10 DECEMBER 1974 FROM HEADS OF STATE OR GOVERNMENT</i>	<ul style="list-style-type: none"> <li>— Strengthening EP's powers of control and legislation.</li> <li>— Improvement of EP's relations with C and Comm.</li> <li>— Measures by EC institutions to allocate roles and responsibilities in work of Economic and Monetary Union.</li> </ul>	6th GR EC and 8th G Annex
Vedel Rep.	1.4114 <i>PROPOSALS BY 'VEDEL' WORKING PARTY (appointed by the Commission)</i>	<ul style="list-style-type: none"> <li>— Greater participation by EP in major legislative decisions and other measures, by: <ul style="list-style-type: none"> <li>(a) sharing in decisions on Tr. amendments, application of Art. 235 of EEC Tr., admission of new members, ratification of international agreements;</li> </ul> </li> </ul>	Supp. 4/72 – Bull. E

1.4114 (contd) (b) right of suspensive veto (right to demand a fresh decision from C) in areas of special political importance;

- extended powers of decision and control in budgetary sector;
- EP to be consulted on appointment of Comm. President.

1.4115 *COMM. PROPOSALS*

— To improve relations between the institutions, and strengthen EP's powers of control:

- more political debates at EP;
- where Comm. intends to disregard general political approach of debates it will so inform EP, explaining its reasons;
- extended consultation on all important matters in coal and steel sector;
- information on progress in negotiations on trade agreements;
- Comm. statement before EP on measures to be taken in response to proposed amendments.

— Measures for allocation of powers and responsibilities with a view to Economic and Monetary Union:

- second reading (consultation) whenever C intends to depart substantially from EP opinion,
- budgetary powers (see 1.23).

1.4116 *PROPOSALS BY MR TINDEMANS*

— recognition, at first unofficial and subsequently to be given legal value through a Treaty amendment, of Parliament's *right to take initiatives*,

Comm. proposal  
of 30 May 1973

EP Doc. 103/73

Comm. proposal  
of 13 June 1973

EP Doc. 68/73

Comm. proposal  
of 6 June 1973

COM(73) 1000

Report on European  
Union of 29 Dec. 1975

Suppl. 1/76 – Bull. I

1.4114/1.4116

1.4116 the Council undertaking to consider the solutions which Parliament  
(contd) addresses to it;

- *recognition of Parliament's right to consider all questions within the competence of the Union*, whether or not they are covered by the Treaties;
- *organization of an annual debate on the state of the Union* and the functioning of the institutions;
- recognition of Parliament's right of approval when the President of the Commission is elected.

1.412 **Council**

- *Mandate of the 1972 and 1974 Summit Conferences:*

Improvement of working methods (e.g. through harmonization of national cabinet meetings), as from 1975 Heads of Government meet at least three times a year as C.

Waiver of unanimity in decision-making process, strengthening of role of Permanent Representatives, increased delegation of executive powers to Comm., closer integration (Secretariat) with cooperation in the foreign policy field.

- *Achieved so far:*

Regular liaison between C and Comm., in order to avoid contradictions between decisions of individual specialized ministerial councils, working programme covering a six-month period, grouping of related items on the agenda, speeding up of decision-making procedure, in individual cases decisions taken by majority vote, Heads of Government meet as C. As from 1975 foreign policy cooperation more closely connected with C.

Final Decls.

6th GR EC  
8th GR EC, Annex

C Res. of 4 – 5 Feb. 1974

C Press communiqué  
of 8 Feb. 1974

1.42 **PLANS FOR PROMOTING INTEGRATION**

1.421 **Foreign policy**

*'Fouchet Plan' (for political union)*

Plan for a UNION OF STATES, submitted by France on 2 Nov. 1961 after conferences of 10–11 Feb. 1961 (Paris) and 5 May and 18 July 1961 (Bonn).

Aims: cooperation in foreign and defence policy.

Die Politische Union  
Dokumentensammlung  
pubd. by EP, January 1964

*Organization:*

Heads of State or Government meet every four months.

Unanimous decisions.

Chairmanship by four-monthly rota.

Consultative Assembly to submit recommendations and questions (to be answered by C within four months).

**Executive Comm. of senior officials, who preside in turn on four-monthly rota, with no right of initiative.**

Commission to sit in Paris.

Subject to unanimous approval of 'Six', membership of Union open to Member States of Council of Europe.

*Counter-proposals by other members of 'Six'*

Secretary-General independent of Member States;

Revision of Union Tr., to strengthen powers of its institutions; Parliament elected by universal direct suffrage; Introduction of majority dec. in Union C.

- 1.421 — *Collapse of project* on 17 April 1962, due to failure to reach agreement  
(contd) among 'Six'.  
— *Meetings of Foreign Ministers ('Davignon Procedure')*

Hague Conference of  
1-2 Dec. 1969  
1st Foreign Ministers' report  
EP report of 3 April 1973

Committee of heads of political departments of Foreign Ministries set up in October 1970 as a result of Hague Conference to prepare Foreign Ministers' conferences at regular intervals, for harmonization of certain sectors of foreign policy. Report presented after each meeting by C President-in-Office to EP Political Affairs Cttee, and once yearly to plenary session of EP.

EP Doc. 155/70  
EP Doc. 12/73

2nd Foreign Ministers'  
report of 23 July 1973

At least four annual meetings of Foreign Ministers. Setting up of working parties to study individual problems and 'Groups of correspondents' to prepare work of Cttee. of heads of political departments. Increased cooperation of Member States' ambassadors to third countries and in international organizations.

7th GR EC, p. 50

Subjects: 'All important foreign policy matters.' Each State undertakes not to establish its own position definitively without first consulting its partners as part of the process of political cooperation.

Letter of C President to EP  
President of Feb. 1975

Close liaison with C and Comm.

EP 39.916

Parliament: as well as existing contacts, since February 1975, parliamentary questions concerning political cooperation are answered by C.

1.422 **Economic and Monetary Union**

- 'Werner Plan' submitted as result of Hague Conference of 1-2 Dec. 1969  
(see 4.16).

Werner Report  
of 8 Oct. 1970

OJ C 136/70

1.422  
(contd)

- Proposals of the European Council of 6 July 1978 (Bremen).
- Effective entry into force of European Monetary System.
- Introduction of European Monetary System (see 4.16).

Bull. EC 6/1978, p. 17

Bull. EC 2/1979

1.43

## **EUROPEAN UNION**

### EUROPEAN POLITICAL COMMUNITY (1952–1954)

Constitution for a European Community was drawn up in connection with proposals for European Defence Community by *ad hoc* Assembly (ECSC Common Assembly, 9 specially elected members of Consultative Assembly of C of Europe, and 13 observers). Adopted by that Assembly on 10 March 1953, but not adopted by Member States.

*Proposal:* 'European Community' with federal structure. Art. 2 sets out tasks and aims in general terms.

#### *Legislature:*

First Chamber, elected by universal suffrage.

Second Chamber, Senate, nominated by nat. parliaments.

Draft Treaty concerning  
the Statute of the  
European Community  
of 10 March 1953

1.43  
(contd)

*Executive:*

European Executive Council responsible to both Chambers, President nominated by Senate; Council of Member States' Ministers assuring liaison between Executive Council and nat. govts.

*Judiciary:*

Federal Court (Court of ECSC)

Union of States (1961 – 1962) (see Fouchet Plan, 1.421)

1.431 **European Union (1972 proposals)**

— *Plan:*

Transformation of all relations between Member States into a 'European Union' by 1980.

— *Mandate:*

Comm., EP, CJEC to draw up reports by mid-1975.

8th GR EC, Ann.

— *CJEC Report:*

Demands binding and uniform legal rules for Union, and safeguards for individual rights. Provisions to be adopted to prevent conflict between existing EC law and new juridical structure.

EP 39.850

Summit Conference  
Final Decl.  
of 20 Oct. 1972

Summit Conference  
Final Decl.  
of 9-10 Dec.  
1974

15 July 1974

- 25 June 1975
- 1.431 — *Comm. Report:*  
(*contd*)
- All tasks which can no longer be efficiently carried out by Member States alone should be passed on to Union – in particular those relating to economic and monetary union. Institutions of the Union must have direct powers of decision and control as well as financial resources; they must perform a judicial function.
- Proposal:* collegiate European government, independent of nat. govts., combining all existing executive functions of C and Comm. Legislature: bicameral system (Chamber of Peoples – Chamber of States). During transitional period: participation of Ministerial Committee (consisting of national ministers) in decision-making process.
- Bull. Suppl. 5/75
- 
- 10 July 1975
- *EP Report:*
- EU must be a pluralistic and democratic community. Authority in all fields, which can no longer be effectively governed by individual States. Organization: independent decision-making centre, participation on equal terms, of Parliament in decision-making process a Court of Justice, Economic and Social Council and Audit Office.
- Transitional* period necessary. During transitional period: direct elections, strengthening of powers of EP, participation in appointment of members of Comm., conciliation procedure in the case of all proposals where C chooses to depart from opinion of EP.
- Submission of a programme by Comm. for transitional period.
- Setting up of a 'Charter of Civil Rights by EC'.
- Doc. 174/75  
OJ Annex 193 10 July 1975
- 
- 17 July 1975
- Report of Economic and Social Committee:
- EC Bull., Suppl. 9/75
- 
- Summit Conference Final  
Decl. of 9–10 Dec. 1974
- By end of 1975: comprehensive report of Belgian Prime Minister Tindemans.
- 8th GR EC, p. 340

**Report on European Union by Mr Leo Tindemans to the European Council: Mr Tindemans proposed that the European Council should define the various elements of European Union as follows:**

(1) European Union implies that we present a united front to the outside world. We must tend to act in common in all the main fields of our external relations whether in foreign policy, security, economic relations or development aid. Our action is aimed at defending our interests but also at using our collective strength in support of law and justice in world discussions.

(2) European Union recognizes the interdependence of the economic prosperity of our States and accepts the consequences of this: a common economic and monetary policy to manage this prosperity, common policies in the industrial and agricultural sectors and on energy and research to safeguard the future.

(3) European Union requires the solidarity of our peoples to be effective and adequate. Regional policy will correct inequalities in development and counteract the centralizing effects of industrial societies. Social action will mitigate inequalities of income and encourage society to organize itself in a fairer and more humane fashion.

(4) European Union makes itself felt in people's daily lives. It helps to protect their rights and to improve their life style.

(5) In order to achieve these tasks European Union has given institutions with the necessary powers to determine a common, coherent and all-inclusive political view, the efficiency needed for action, the legitimacy needed for democratic control. The principle of the equality of all our States continues to be respected within the Union by each State's right to participate in political decision making.

1.431  
(contd)

(6) Like the Community whose objectives it pursues and whose attainments it protects European Union will be built gradually. So as to restart the construction of Europe straight away and increase its credibility its initial basis is the political commitment of the States to carry out in different fields specific actions selected according to their importance and the chances of success.

(For details please consult the relevant chapters.)

Eur. Comm.  
29-30 Nov. 1976

Action taken by European Council on Tindemans report:

Bull. EC 11-1976

(1) Need to build European Union by strengthening practical solidarity of the 9 Member States both internally and in their relations with outside world, and gradually to provide Union with instruments and institutions necessary for its operation.

(2) Gradual establishment of European Union by consolidating and developing what has been achieved within EC, with existing Tr. serving as a possible basis for new policies. Achievement of economic and monetary Union. Priority for action to combat inflation and unemployment. Need to draw up a common energy and research policy and a genuine EC regional and social policy.

(3) Search for a common foreign policy by making best use of possibilities for cooperation between governments.

(4) Enhancement of authority and efficiency of EC institutions, support of the peoples for these institutions, confirmation of role of the European Council as a driving force.

(5) Request to Foreign Ministers and Comm. to draw up an annual report. Five annual reports published from 1977 to 1981.

Bull. EC suppl.  
8/77, 1/79,  
9/79, 4/80, 3/81

**Report by 'Three Wise Men' on the European institutions**

At its meeting of 5 December 1978, the European Council asked three prominent persons (Mr Biesheuvel, Mr Dell and Mr Marjolin) to submit practical proposals with a view to ensuring, in compliance with Tr., the smooth running of EC and progress towards European Union.

Report submitted in October 1979.

Conclusions of the European Council meeting of 1 and 2 December 1980 on role of institutions:

(1) European Council: definition of its role – to give policy guidelines; where Community topics are concerned, the preparation of meetings and the implementation of conclusions are matters for C and the Permanent Representatives Cttee.

(2) C: the Council of Foreign Affairs is responsible for ensuring consistency in activities of the Community and continuity in its work; its role is therefore one of providing impetus and coordination. The Permanent Representatives Cttee confirmed in its role as negotiator in elaboration of common positions. The vital role of the presidency was reaffirmed.

(3) Comm.: recognition by all representatives of importance of Comm.'s role and of the need to maintain the balance established among the institutions by Tr. and the powers allocated to each institution. More frequent delegation of powers to Comm.

(4) Parliament: EP resolutions should be taken into account, and EP kept better informed; improvement in conciliation procedure to ensure its completion in not more than three consultation meetings or within a maximum time limit of three months.

ISBN 92-824-0066-

1.433 **Recent government initiatives**

1.4331 *THE FRENCH MEMORANDUM SUBMITTED ON 13 OCTOBER 1981  
TO THE MEMBER STATES AND THE EUROPEAN INSTITUTIONS*

Bull. EC 11-1981

The French Government believed that it was essential to revitalize European integration as a means of overcoming economic crisis and of affirming existence of Europe as a political entity. It ruled out institutional innovations, and did not envisage possibility of raising ceiling for own resources in the immediate future. It noted that certain initiatives did not necessarily require participation of all the Member States.

The French Government proposed a series of specific initiatives in the fields of economic policy (Community loans), employment policy (European social area), agricultural policy, industrial policy, etc.

In the field of institutions, memorandum raised possibility of adjustment within the framework laid down in Tr.: possibility for taking votes in C, except in cases where vital national interest is invoked, a more active role for EP in legislative process, study of relations between the EP and national parliaments.

1.4332 *DRAFT EUROPEAN ACT: POLITICAL INITIATIVE BY GERMAN  
AND ITALIAN GOVERNMENTS AND FOREIGN MINISTERS – MR  
GENSCHER AND MR COLOMBO – SUBMITTED TO THE EURO-  
PEAN COUNCIL MEETING OF 26–27 NOVEMBER 1981.*

Bull. EC 11-1981

The Member States would reaffirm their political will to develop whole complex of relations between them and create a European Union with following aims: to strengthen EC, common foreign policy, security policy and independence, cultural cooperation, legal union, joint action against terrorism.

1.4332  
(contd)

With regard to institutions, all decision-making structures were to be brought together under responsibility of the European Council. EP would debate all matters falling within terms of reference of the Communities and EPC; it would consider a half-yearly report by European Council. Its role would be extended, notably in matters of consultation and conclusion of international treaties.

The number of Councils was to be increased (cultural cooperation and justice). Role of Presidency-in-Office in EPC would be increased; provision was to be made for establishment of an EPC secretariat. A Member State invoking vital interest would have to state in writing its specific reasons for doing so in order to prevent the undue blocking of C decisions which could be reached by a majority.

Comm. would be closely associated with work of the various Councils and EPC. Presidency of EP would be consulted on appointment of President of Comm. EP would hold a debate on nominations. CJEC would be given new powers, notably in matters of interpretation of texts and arbitration.

The European Act would be revised after five years with a view to enshrining progress achieved in a treaty on European Union.

EP regards draft European Act as a positive initiative and calls on C to take decisions by beginning of 1983 at the latest. It expresses the desire to be involved in the work, and asks for due recognition of the initiatives on institutional affairs which EP has already taken with a view to drawing up a treaty on European Union.

EP Res.  
15 Oct. 1982

OJ C 292/82

## — Establishment of Committee on Institutional Affairs

EP Res.  
9 July 1981

Simultaneous with adoption of the resolutions on institutional affairs (see 1.4111), establishment by EP of a Committee on Institutional Affairs with task of drawing up amendments to the existing Tr. aimed at establishing European Union. Reform proposals adopted by EP will be sent directly to competent constitutional bodies for ratification.

OJ C 234/81

## — EP's position on reform of Treaties

EP Res.  
6 July 1982

The survival and development of existing Communities are threatened by lack of a structure enhancing cohesion of the common policies and institutions. The situation outside Community and economic and social challenges within it demand institutional reform. The objectives of Union are to strengthen political, economic and social solidarity among peoples of Europe while respecting human rights and values and democratic freedoms; and to contribute to world peace and security and economic and social development of all countries.

OJ C 238/82

The assignment of new tasks to Union will be governed solely by subsidiarity principle: that is, only those tasks which can be better accomplished in common than by Member States separately and those which call for a contribution from the Union will be passed on. EP has indicated following areas: economic policies, monetary policy, policy for society, relations with other countries, security.

To accomplish these tasks, the Union must be endowed with institutions which, having been established in accordance with principle of separation of powers, will ensure the legitimacy and democratic control of

1.434  
(contd)

Community decisions and participation of the Member States. The institutions of the present Community prefigure those of Union, but their balance will be adjusted in order to place legislative power of Union in the hands of C and EP. The financial autonomy of Union will be increased.

— Future development

Committee on Institutional Affairs has been asked to develop guidelines described above in consultations with political, economic and social authorities at national and Community level, in preparation for a debate at the September 1983 part-session.

On the basis of EP's debates and reactions of national parliaments, Committee on Institutional Affairs will prepare a preliminary draft treaty, to be submitted to EP in autumn 1983.

## 2. THE COMMON MARKET

### 2.1 Free movement of goods

#### 2.10 OBJECTIVES

- elimination of customs duties between Member States and of quantitative and qualitative restrictions on trade.

#### 2.11 REQUIREMENTS OF TREATIES

ECSC Tr., Art. 4(a)  
EAEC Tr., Art. 93  
EEC Tr., Arts 30, 31, 32, 33, 34

Abolition of customs duties on imports and exports, charges having equivalent effect and all quantitative restrictions.

EEC Tr., Arts 12-17

Progressive abolition of customs duties, including those of a fiscal nature

EEC Tr., Art. 33

Gradual increase of global quotas.

EEC Tr., Art. 35

Accelerated abolition of quantitative restrictions where possible.

EEC Tr., Arts 9-11

Creation of customs union within 12 years

EEC Tr., Art. 36

Prohibitions and restrictions allowed if on grounds of public morality, public policy or public security, etc.

#### 2.12 DECISION-MAKING PROCEDURES

*C adopts independently* (in practice in cooperation with Comm.):

e.g. C Dec., 5 May 1966  
and 17 Dec. 1970

- measures for defining concept 'originating products' *vis-à-vis* Assoc. States

OJ 1966, p. 1445  
OJ L 284/70



**PRESENT STATE OF INTEGRATION**

C Dec., 26 July 1966  
C Reg., 28 June 1968

- (a) Abolition 18 months earlier than planned, on 1 July 1968, of customs duties on industrial and agric. products except a maximum duty of 25 % for some agric. products not subject to COM.

OJ 165/66  
OJ L 172/68

Acces. Tr., Arts 32, 38

For new Member States, abolition of customs duties as from 1 July 1977.

OJ L 197/73

Comm. Dec., 27 Feb. 1973

Certain customs duties may be retained subject to Comm. authorization.

- (b) Gradual abolition of charges having equivalent effect; many cases are still under examination.

- (c) Travel:

— simplified inspection of travellers and vehicles at frontier posts within EC;

OJ L 167/68

— abolition of 'Green Card' check at frontier posts within EC as from 25 May 1974;

— regulation of turnover taxes and excise duties applicable in international passenger transport (see 2.5223).

OJ L 366/78  
OJ L 206/82

Derogation accorded to Denmark relating to rules governing turnover tax and excise duty applicable in international travel.

OJ L 336/77  
OJ L 206/82

C Dir., 19 Dec. 1978  
C Dir., 29 June 1982

C Dir., 19 Dec. 1977  
C Dir., 29 June 1982

- (d) Common External Customs Tariff.

OJ L 335/78

C Reg., 18 March 1969  
C Reg., 14 May 1979  
EP Opinion  
Prop.  
Amended Prop.  
EP Opinion

- (e) EC transit procedure, in force since 1 Jan. 1970, simplifies customs formalities in respect of goods transport.

OJ L 77/69  
OJ L 123/79  
OJ C 140/79  
OJ C 241/79  
COM (80) 354/final  
EP Doc. 1-544/79  
OP C 59/80

Acces. Tr., Art. 42  
Comm. Commun.,  
(18 Oct. 1978)  
CJEC cases, 'Cassis de Dijon'  
of 20 Feb. 1979 and 'Frans  
Nederlandse Maatschapij, voor  
Biologische Producten'  
of 17 Dec. 1981

2.13  
(contd)

- (f) Prohibition of measures having effect equivalent to quantitative restrictions, from 1 Jan. 1975 in the enlarged Community. These measures have in fact been increasing in recent years. Comm. is attempting to check this tendency and can refer to recent jurisprudence of CJEC in doing so.

Bull. EC 10-78  
1979 ECR 649  
1981 ECR 3277

General C Progr. of  
28 May 1969  
Suppl. of 21 May 1973  
CJEC case 'Cremonini/Vrantovich'  
of 2 Dec. 1980

- (g) Removal of technical obstacles to trade in industrial goods; mutual recognition of nat. provisions, to make possible production at common market level and offer consumers a better choice; essential element of EC's industrial policy; important decision by Court of Justice

OJ C 76/69  
OJ C 38/73  
1980 ECR 3583

Comm. Commun.,  
24 Jan. 1980  
Prop. for Dec., 25 Aug. 1980  
EP Opinion, 16 Oct. 1980

Comm. proposes new approach to information on standards and technical regulations, thereby making this policy preventive. Hitherto it was primarily intended to remove existing obstacles. EP approves new approach.

COM (80) 30/final  
OJ C 256/80  
OJ C 253/80  
EP Doc. 1-440/80

150 directives have been adopted to date by C. At the end of 1982 a further 55 proposals were under examination by C.

C Dir. 70/32

- (h) Tenders for public works contracts: public authorities may not give preference to national undertakings nor may imported products be excluded. Where necessary, the Commission initiates the procedure laid down in Art. 169.

OJ L 13/70

C Dir. 80/767 of  
22 July 1980

Adoption by the Council of the directive coordinating procedures for the award of public supply contracts. All goods in free circulation may be offered for public works contracts awarded in the Member States. Dir. does not apply to purchases by transport and telecommunications services and by water, gas and electricity supply services.

OJ L 13/77  
OJ L 215/80

C Dir.  
EP Opinion

Supplement with a view to the agreement on public works contracts as part of the multilateral GATT trade negotiations.

OJ L 215/80  
EP Doc. 1-814/79  
OJ C 117/80

2.13 *Progress achieved:*  
(contd)

Comm. Progr., 28 April 1971

- (i) Harmonization of customs laws; Comm. programme only partly implemented. Numerous proposals are before C for examination.

Comm. Prop., 9 July 1982

- (j) Simplification of customs procedures and formalities.

Draft C Res. on adoption of specific measures to relax checks on individuals at internal Community borders.

OJ C 197/82

- (k) EP concern that administrative barriers at internal frontiers in EC are imperilling progress achieved towards integration and hampering further realization of free movement of goods.

EP Doc. 132/77  
OJ C 163/77

Comm. Prop., 9 July 1982

Comm. Prop. to C for a reg. simplifying formalities in intra-Community trade.

OJ C 203/82

RP Opinion, 22 Jan. 1982  
Comm. Prop., 19 March 1982

On basis of EP opinion, Comm. amended prop. for reg. introducing arrangements for movement within the Community of goods for temporary use.

OJ C 40/82  
OJ C 247/82

EP Rep.  
EP Opinion

- (l) EP calls for simplification and harmonization of procedures governing imports and exports and continuation of efforts towards harmonization of customs legislation.

EP Doc. 376/77  
OJ C 229/77

Comm. Progr., 8 March 1979  
EP Opinion

- (m) Programme covering several years for the attainment of the customs union: uniform customs legislation with harmonization of sanctions; closer cooperation between the national customs administrations; greater use to be made of Art. 155 of EEC Tr.

OJ C 84/79  
EP Doc. 1-339/80

Comm. Progr., 1 Feb. 1980

- (n) 1980 programme on the attainment of the customs union. Comm. communication to EP.

COM (79) 742/final

EP Res. of 17 June 1982

- (o) EP Res. to C on adoption of 21 directives with a view to improving the functioning of the internal market.

OJ C 182/82

## 2.2 **Rights and freedoms**

### 2.21 **WORKERS' FREEDOM OF MOVEMENT**

#### 2.210 **Objectives**

EEC Tr., Art. 7

Same treatment for foreign workers as for nationals of Member States, freedom of movement throughout territory of EC.

#### 2.211 **Requirements of Treaties**

ECSC Tr., Art. 69

— Abolition of all restrictions based on nationality upon employment in coal and steel industries, subject to limitations imposed by health and public policy requirements;

EEC Tr., Art. 48 (1, 2, 3)

— Abolition by end of transitional period of all discrimination based on nationality between workers of Member States as regards employment, remuneration and other conditions of work and employment, except where justified by public policy, security or health;

EEC Tr., Art. 50

— Joint programme for encouraging exchange of young workers;

EEC Tr., Art. 51

— Adoption of system to ensure, for migrant workers and entitled dependants aggregation of qualifying periods and payment of benefit within social security scheme (see also 4.335);

EAEC Tr., Art. 96 (1)

— Abolition of all restrictions based on nationality upon access by Member States' nationals to skilled employment in nuclear energy field, except those justified by public policy, security or health.

2.212 **Decision-making procedures**

EEC Tr., Art. 49

- (a) *C acting on Comm. prop. and after consulting ESC,*  
— issues Dirs. or makes Reg. for progressive realization workers' freedom of movement.

EAEC Tr., Art. 96 (2)

- (b) *After consulting EP, C, acting by qual. majority on prop. from Comm., which has consulted ESC,*  
— issues Dirs. for achieving free movement of skilled workers in nuclear energy field.

EEC Tr., Art. 51

- (c) *C acting unanimously on Comm. prop.,*  
— adopts social security measures necessary for workers' freedom of movement.

EEC Tr., Art. 54 (3, d)

- (d) *Comm. enacts independently,*  
— Impl. Regs. enabling workers to remain on territory of another Member State.

2.213 **State of integration**

C Reg. of 15 Oct. 1968  
(replaces C Reg. of  
25 March 1964)

- All Member States' nationals entitled to work as wage or salary-earners in territory of another Member State according to legal and administrative provisions applying there.

OJ L 257/68

C Dir. of 15 Oct. 1968

- Abolition of restrictions on movement and residence within EC for workers of Member States and their families except those justified by public policy, security or health.

OJ L 257/68

- Equal treatment of and for immigrant workers on conditions of employment and work, esp. as regards remuneration, dismissal, reinstatement, etc.: same social and tax advantages, equal rights on joining trade unions, and on housing.

2.213 — Cooperation between Member States' central employment services and  
(*contd*) with Comm. in matching jobs wanted and jobs vacant.

— Organs entrusted with running systems:

1. European Coordination Office for Vacancy Clearance
2. Advisory Committee assisting Comm.
3. Technical Committee

C Dir. of 25 Feb. 1964

Coordination of special measures on movement and residence of foreign nationals justified on grounds of public policy, security or health (see 2.22).

OJ 56/64

Decl. of 25 March 1964 by  
Member States'  
Representatives in C

Recognition of need for special goodwill when examining question of allowing recognized refugees, as defined in 1951 Agreement, resident in territory of one Member State to enter that of another for purpose of accepting employment as wage or salary-earners.

OJ 78/64

1st General Programme of  
8 May 1964 of  
Member States'  
Representatives in C

Fostering of exchanges within EC of young worker (18–30 years) with basic qualifications who want to complete training in another Member State while gainfully employed.

OJ 78/64

C Dec. of 15 Oct. 1968

Extension of application of Arts. 48 and 49 of EEC Tr., and implementing measures to French overseas departments.

OJ L 257/68

Comm. Reg. of 29 June 1970

Right of workers to remain in a Member State after having been employed there.

OJ L 142/70

C Dir. of 18 May 1972

Extension to workers exercising this right of C Dir. of 25 Feb. 1964

OJ L 121/72

C Reg. of 9 Feb. 1976	2.213	Preparation of comparable statistics concerning workers from outside EC working within EC.	OJ L 39/76
Opinion of Specialist Committee on free movement of workers 19 Feb. 1974	(contd)	Measures designed to avoid legislative differences which might permit agencies for temporary employment to avoid their responsibilities to disadvantage of workers: provision for exchange of information between Member States.	8 GR EC. Par. 225
Reg. of 9 Feb. 1976		Measures concerning admission of workers from other Member States to leading positions in trade union organizations.	OJ L 39/76
C Dir. of 25 July 1977		Education of children of migrant workers: Member States obliged to provide free tuition in language of host country and in children's mother tongue. Directive to enter into force on 25 July 1981.	OJ L 199/77
	2.214	<b>Work in progress</b>	
Prop. Dir. of 4 Nov. 1976 EP Opinion, 15 Nov. 1977		Proposal for Directive to combat illegal migration into EC from third countries and illegal employment. Rejected by EP in its Opinion of 15 November 1977.	OJ C 277/76 OJ C 299/77
Am. Prop., 22 Mar. 1978 EP Opinion, 10 Oct. 1978		Re-submitted with amendments of EP by Comm. Since then has been before C pending adoption.	OJ C 97/78 OJ C 261/78
Prop. Dir., 25 July 1979 Am. Prop. Dir., 27 June 1980 Am. Prop. Dir., 22 Oct. 1980		Proposal for a Directive on the right of residence for nationals of Member States in the territory of another Member State.	OJ C 207/79 OJ C 188/80 OJ C 292/80
	2.215	<b>Prospects</b>	
3rd programme for medium-term economic policy, Par. 110		Workers' freedom of movement to be enhanced by, — information on labour situation and job opportunities in the various Member States,	OJ L 49/71

- 2.215 — general and detailed forecasts in sphere of employment,  
(*contd*) — more effective measures for settling migrant workers in their new working environment,  
— mutual recognition of professional qualifications.

2.22 **RIGHT OF ESTABLISHMENT  
AND FREEDOM TO PROVIDE SERVICES**

2.220 **Objectives**

EEC Tr., Arts 52-56

- (a) Abolition of all restrictions, based on nationality, on establishment and provision of services by natural and legal persons;  
(b) Coordination of rules on taking up and pursuing self-employed activities (including services), and mutual recognition of professional qualifications.

2.221 **Requirements of Treaties**

EEC Tr., Art. 66

EEC Tr., Arts 52, 59 and 60

Provisions common to right of establishment and freedom to provide services:

- During transitional period: progressive realization of freedom of establishment (access to self-employed activities and right to set up and manage undertakings) and freedom to provide services (industrial, commercial, craftsmen's and professional activities pursued for remuneration, in so far as not governed by provisions on freedom of movement for goods, capital and persons);  
— No new restrictions to be introduced;

EEC Tr., Arts 53 and 62

2.215/2.221

EEC Tr., Arts 54 and 63

2.221  
(contd)

- Drawing up of general programmes (not in themselves mandatory) setting out general conditions under which and stages by which freedom of establishment for each type of activity and service attained.

EEC Tr., Art. 66

Common provisions on right of establishment and freedom to provide services:

EEC Tr., Art. 55 (1)

- Not covered:

activities which in any Member State are connected, even occasionally, with exercise of official authority;

EEC Tr., Art. 55 (2)

activities covered by C ruling;

EEC Tr., Art. 56 (1)

- Tr. does not prejudice applicability of provisions laid down by law, regulation or administrative action providing for special treatment for foreign nationals on grounds of public policy, security or health;

EEC Tr., Art. 57

- The taking up and pursuing of self-employed activities facilitated by mutual recognition of diplomas and other professional qualifications; coordination of nat. legal provisions.

Special provisions on freedom to provide services:

EEC Tr., Art. 61 (1)

- in field of transport, under EEC Tr. provisions relating to transport (EEC Tr., Arts 74–84);

EEC Tr., Art. 61 (2)

- in field of banking and insurance, to keep pace with progressive liberalization of movement of capital (EEC Tr., Arts 67–73).

EEC Tr., Art. 64

- liberalization beyond limits of general programme, if economic situation permits;

EEC Tr., Art. 65

2.221 — restrictions still obtaining not to involve distinctions on grounds of  
(*contd*) nationality.

## 2.222 **Decision-making procedures**

(a) *C, acting on Comm. prop. after ESC and EP have been consulted, unanimously:*

EEC Tr., Art 54 (1) and  
63 (1)

— draws up general programmes for achieving right of establishment and freedom to provide services;

*by qual. majority:*

EEC Tr., Art 54 (2) and  
63 (2)  
EAEC Tr., Art. 96 (2)

— issues Dirs. to implement general programmes or achieve freedom of establishment or freedom to provide services as regards certain professions.

(b) *C, acting on Comm. prop. after consulting EP, issues:*

EEC Tr., Art. 57 (2)

— Dirs. to coordinate nat. legal provisions on taking up and pursuing, as self-employed persons, certain specially-protected activities (banking, medicine, pharmacy, etc.) and self-employed activities covered by legislation in at least one Member State;

EEC Tr., Art. 56 (2)

— Dirs. to coordinate nat. legislation providing for special treatment for foreign nationals on grounds of public policy, security or health (without consulting EP);

EEC Tr., Art. 57 (1)

— Dirs. on mutual recognition of diplomas and other professional qualifications;

EEC Tr., Art. 57 (2)

— Dirs. to coordinate nat. legal provisions on taking up and pursuing other self-employed activities.

2.221/2.222

2.222 (c) *C, on Comm. prop., acting unanimously:*  
(contd)

EEC Tr., Art. 59 (2)

— may extend provisions on freedom to provide services to nationals of third countries;

*acting by qual. majority:*

EEC Tr., Art. 55 (2)

— may exclude certain activities from provisions on right of establishment.

2.223 **State of integration**

2.2231 *GENERAL*

General Programmes of  
18 Dec. 1961

Deadline (1 Jan. 1970) for abolishing restrictions on freedom of establishment and freedom to provide services not observed.<sup>1</sup>

OJ 2/62

Mutual recognition of diplomas and other professional qualifications and coordination of nat. legal provisions on taking up and pursuing activities to be completed by time restrictions are abolished. Possibility of transitional measures based on production of evidence of having actually and legally pursued such activities.

OJ 2/62

C Res.,  
6 June 1974  
EP Opinion

Mutual recognition of diplomas, certificates and other evidence of formal qualifications.

OJ C 98/74  
OJ C 55/74

**Services**

— Those who are already benefiting include:

— Member States' nationals resident within Community;

Dec. CJEC of 21 June 1974

Case 2/74 (1974) ECR

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<sup>1</sup> In *Reyners* case CJEC ruled that at end of transitional period Member States would no longer have right to maintain restrictions on freedom of establishment, since from that moment Art. 52 would have direct application.

2.2231  
(contd)

- companies with registered office within EC and formed according to laws of a Member State;
- restrictions still to be abolished concern:
  - entry, exit and residence;
  - treatment differing from that of own nationals;
  - change of location of service operation or provider of services;
  - transfers of funds;
  - payments for services;
- until restrictions are abolished, most favourable treatment is applied without discrimination on grounds of nationality.

#### **Right of establishment**

- Those who are already benefiting include:
  - as regards establishment:
    - nationals of Member States;
    - companies formed according to laws of a Member State and with registered office there;
  - as regards setting up of agencies, branches or subsidiaries:
    - nationals of one Member State resident in territory of another;
    - companies, having no more than their registered office in EC, must be genuinely and permanently bound up with economy of a Member State;

2.2231  
(contd)

- restrictions still to be abolished concern:
  - entry and residence;
  - differing treatment of nationals of other Member States as regards their activities or rights;
  - activities of nationals of non-member countries (even when such restrictions are applied irrespective of nationality);
  - cessation of aids to establishment.

C Decl. of 16 Nov. 1971

Procedure laid down for speeding up current work on mutual recognition of diplomas in respect of right of establishment; Comm. asked to study, together with national experts on higher education, the question of such recognition.

5th GR EC Par. 157

#### **Attainment of freedom of establishment**

C Dir. of 25 Feb. 1964  
superseded by  
C Dir. of 21 May 1973  
C Dir. of 17 Dec. 1974

(a) Abolishing restrictions on movement and residence for Member States' nationals with regard to establishment and provision of services.

OJ 56/64  
OJ L 172/73

C Dir. of 25 Feb. 1964  
amended by  
C Dir. of 17 Dec. 1974

(b) Right to remain in territory of another Member State after having been active there in a self-employed capacity.

OJ L 14/75

C Dir. of 31 May 1963

(c) Coordinating special measures for entry and residence of foreign nationals justified on grounds of public policy, security and health.

OJ 56/64  
OJ L 14/75

(d) Removing all prohibitions of or obstacles to payments where these constitute sole hindrance to provision of services.

OJ 86/63

2.2232

*RULES FOR INDIVIDUAL OCCUPATIONS*

C Dir. of 7 July 1964	— Mining and quarrying	OJ 117/64
C Dir. of 13 March 1969	— Prospecting and drilling for petroleum and natural gas	OJ L 68/69
C Dir. of 28 Feb. 1966	— Production and distribution of electricity, gas and water	OJ 42/66
C Dir. of 7 July 1964	— Manufacturing and processing industries falling within ISIC Major Groups 23–40: Transitional measures	OJ 117/64
C Dir. of 4 March 1969	— Manufacture of corrective appliances for sight and hearing (without examination of human organs)	OJ L 59/69
C Dir. of 25 Feb. 1964 Comm. Rec. of 12 Jan. 1965 <sup>1</sup>	— Wholesale trade: Transitional measures Certification of practice of occupation in country of origin	OJ 56/64 OJ 24/65
C Dir. of 30 Nov. 1970	— Wholesale coal trade and activities of intermediaries in the coal trade: Transitional measures	OJ L 267/70 ibid.
C Dir. of 15 Oct. 1968 Comm. Rec. of 22 May 1969 <sup>1</sup>	— Retail trade: Transitional measures Certification of practice of occupation in country of origin	OJ L 260/68 OJ L 146/69
C Dir. of 4 June 1974	— Trade in and distribution of toxic products: Transitional measures	OJ L 307/74
C Dir. of 25 Feb. 1964	— Activities of intermediaries in trade, industry and crafts: Transitional measures Certification of practice of occupation in country of origin	OJ 56/64 OJ 24/65
Comm. Rec. of 12 Jan. 1965 <sup>1</sup> C Dir. of 13 Dec. 1976	— Activities of self-employed insurance agents and brokers: Transitional measures	OJ L 26/77

<sup>1</sup> Superseded by Comm. Commun. of 31 May 1974 (OJ C 81/74) relating to the nine Member States.

C Dir. of 24 April 1972	2.2232 ( <i>contd</i> )	Approximation of laws on motor vehicle insurance against civil liability and enforcement of obligation to insure	OJ L 103/72
Dir. Cons. 24 July 1973		— Direct insurance other than life insurance (taking up and pursuit) <sup>2</sup>	OJ L 228/73
		— Corrigendum to 1st Dir.	OJ L 5/78
C Dir. of 5 March 1979		— Direct life assurance (taking up and pursuit) – 1st Dir.	OJ L 63/79
C Dir. of 29 June 1976		— Amended provisions	OJ L 189/76
C Dir. of 30 May 1978		— Coordination of laws, regulations and administrative provisions relating to Community co-insurance	OJ 151/78
C Dir. of 25 Feb. 1964		— Reinsurance and retrocession	OJ 56/64
C Dir. of 12 Jan. 1967		— Real estate business (except surveying), ISIC 6901	OJ 10/67
		— Other business services, such as enquiry and advertising agencies, interpreting	OJ 10/67
C Dir. of 15 Oct. 1968		— Eating, drinking and lodging establishments, camp-sites (ISIC Groups 852, 853): Transitional measures	OJ L 260/68
Comm. Rec. of 22 May 1969 <sup>1</sup>		Certification of practice of occupation in country of origin	OJ L 146/69
C Dir. of 15 Oct. 1968		— Manufacture of food, beverages and tobacco (ISIC Major Groups 20, 21): Transitional measures	OJ L 260/68 ibid.
Comm. Rec. of 22 May 1969 <sup>1</sup>		Certification of practice of occupation in country of origin	OJ L 146/69

<sup>1</sup> Superseded by Comm. Commun. of 31 May 1974 (OJ C 81/74) relating to the nine Member States.

<sup>2</sup> The Directive on the abolition of restrictions on freedom of establishment was rendered obsolete by the judgment handed down in the Case 2/74.

	2.2232 (contd)	— Film industry	
C Dir. of 13 May 1965		— 2nd Dir. on cinemas specializing in foreign films, import and screening quotas, dubbing	OJ 85/65
C Dir. of 15 Oct. 1963		— Implementation in respect of film industry of provisions of General Programme for abolition of restrictions on freedom to provide services	OJ 159/63
Comm. Rec. of 8 April 1964		— Implementation of General Programme	OJ 63/64
C Dir. of 15 Oct. 1968		— Film distribution	OJ L 260/68
C Dir. of 29 Sept. 1970		— Film production	OJ L 218/70
C Dir. of 24 Oct. 1967		— Forestry and logging	OJ 263/67
C Dir. of 14 Dec. 1964, 16 Dec. 1970		— Agriculture and horticulture	OJ L 8/71
C Dir. of 28 June 1973		— Self-employed activities of banks and other financial institutions	OJ L 194/73
C Dir. of 12 Dec. 1977		— Coordination of laws, regulations and administrative provisions relating to taking up and pursuit of business of credit institutions	OJ L 322/77
C Dir. of 22 March 1977		— Freedom of lawyers to provide services	OJ L 78/77
C Dir. of 16 June 1975		— Mutual recognition of diplomas, certificates and other medical qualifications, and measures aimed at facilitating effective exercise of right of establishment and freedom to provide services	OJ L 167/75
C Statement		— On adopting the text concerning freedom of establishment and freedom to provide services for doctors within the Community	OJ C 146/75
C Dir. of 16 June 1975		— Coordination of provisions laid down by law, regulation or administrative action in respect of activities of doctors	OJ L 167/75
C Dir., 26 Jan. 1982		— Both C Dirs, on medical qualifications (75/362 and 75/363) of 16 June 1975 supplemented by Dir. 82/76 on part-time training for doctors	OJ L 43/82

C Dir. of 16 June 1975	2.2232 (contd)	— Creation of Advisory Committee on Medical Training	OJ L 167/75
C Dec. of 16 June 1975		— Creation of Committee of Senior Officials on Public Health	OJ L 167/75
C Dec. of 27 June 1977		— Amending Dec. setting up Committee of Senior Officials on Public Health	OJ L 176/77
C Rec. of 16 June 1975		— Special rules relating to nationals of Grand Duchy of Luxembourg holding diplomas in medicine conferred in a third country	OJ L 167/75
C Rec. of 16 June 1975		— Clinical training of doctors	OJ L 167/75
C Dir. of 25 July 1978		— Mutual recognition of diplomas, certificates and other evidence of formal qualifications of practitioners of dentistry, including measures to facilitate effective exercise of right of establishment and freedom to provide services	OJ L 233/78
C Dir. of 25 July 1978		— Coordination of provisions laid down by law, regulation or administrative action in respect of activities of dental practitioners	OJ L 233/78
C Dec. of 25 July 1978		— Setting up of Advisory Committee on the Training of Dental Practitioners	OJ L 233/78
C Dec. of 25 July 1978		— Setting up of Committee of Senior Officials on Public Health	OJ L 233/78
C Dir. of 18 Dec. 1978		— Mutual recognition of diplomas, certificates and other evidence of formal qualifications in veterinary medicine, including measures to facilitate effective exercise of right of establishment and freedom to provide services	OJ L 362/78
C Dir. of 18 Dec. 1978	— Coordination of provisions laid down by law, regulation or administrative action in respect of activities of veterinary surgeons	OJ L 362/78	
C Dec. of 18 Dec. 1978	— Setting up of Advisory Committee on Veterinary Training	OJ L 362/78	
C Rec. of 18 Dec. 1978	— Special provisions for nationals of Grand Duchy of Luxembourg who hold a diploma in veterinary medicine conferred in a third country	OJ L 362/78	

C Statement of 23 Dec. 1978	2.2232 (contd)	— Prophylaxis and inspection of animal foodstuffs and foodstuffs of animal origin	OJ C 308/78
C Dir. of 27 June 1977		— Mutual recognition of diplomas, certificates and other evidence of formal qualifications of nurses responsible for general care, including measures to facilitate effective exercise of right of establishment and freedom to provide services	OJ L 176/77
C Dir. of 27 June 1977		— Coordination of provisions laid down by law, regulation or administrative action in respect of activities of nurses responsible for general care	OJ L 176/77
C Dir., 14 Dec. 1981		— Dirs on freedom of establishment in the health sector (for doctors, dentists, veterinary surgeons and nurses) supplemented by Dir. 81/1057 with regard to acquired rights	OJ L 385/81
C Dec. of 27 June 1977		— Setting up Advisory Committee on Training in Nursing	OJ L 176/77
C Dir. of 20 May 1975		— Special medicinal products: Second Directive on coordination of laws, regulations and administrative provisions	OJ L 147/75
C Dir. of 16 June 1975		— Itinerant activities: Transitional measures	OJ L 167/75
C Dir. of 12 Nov. 1974		— Inland and international transport: Carriage of passengers and goods by road	OJ L 308/74
Comm. Rec. of 26 May 1978		— Admission in Ireland to occupation of road passenger transport operator in national and international transport operations	OJ L 159/78
Comm. Rec. of 19 Sept. 1977 Comm. Rec. of 16 Dec. 1977		— Admission to occupations of road haulage operator and road transport passenger operator	OJ L 248/77 OJ L 25/78
C Dir. of 12 Dec. 1977		— Mutual recognition of diplomas, certificates and other evidence of formal qualifications for goods haulage operators and road passenger transport operators, including measures intended to encourage these operators effectively to exercise their right to freedom of establishment	OJ L 334/77

C Dir. of 16 June 1975	2.2232 (contd)	— Auxiliary occupations connected with travel, transport and storage; customs agents: Transitional measures	OJ L 167/75
C Dir. of 16 June 1975		— Various activities pursued by self-employed persons (communications, domestic service): Transitional measures	
C Dir. 80/154/EEC of 21 Jan. 1980 EP Opinion		— Mutual recognition of diplomas, certificates and other evidence of formal qualifications in midwifery; measures to facilitate effective exercise of right of establishment and freedom to provide services	OJ L 33/80 EP Doc. 75/70 OJ C 101/70
C Dir. 80/155/EEC of 21 Jan. 1980 EP Opinion		— Coordination of provisions laid down by law, regulation or administrative action relating to taking up and pursuit of activities of midwives	OJ L 33/80 ibid.
C Dec. 80/156/EEC of 21 Jan. 1980		— Creation of Advisory Committee on Training of Midwives	ibid.
C Dec. 80/157/EEC of 21 Jan. 1980		— Amendment of Dec. 75/365/EEC setting up Committee of Senior Officials on Public Health	ibid.
C Dir. 82/470, 29 June 1982 EP Opinion		— Measures to facilitate effective exercise of freedom of establishment and freedom to provide service in respect of activities of self-employed persons in certain services incidental to transport and travel agencies (ISIC Group 718) and in storage and warehousing (ISIC Group 720).	OJ L 213/82 OJ 201/66
C Dir. 82/489, 19 July 1982 EP Opinion		— Measures to facilitate effective exercise of the right of establishment and freedom to provide services in hairdressing.	OJ L 218/82 OJ C 103/72
		Attainment of freedom to provide services	
C Dir. of 26 July 1971		— public works contracts: Coordination of procedures for awarding contracts: setting up of Advisory Committee on Public Works Contracts	OJ L 185/75
Decl. by Member States' Representatives in C		Announcement of contracts; nomination of concessionaires; award of subcontracts	OJ C 82/71

C Dir. of 26 July 1972	2.2232 ( <i>contd</i> )	Procedures and conditions for publication of notices of public works contracts and licences for public works published in OJ of EC	OJ 176/72
EP Opinion		Amendment of Dir. coordinating procedures for award of public supply contracts	OJ C 287/79 EP Doc. 1-814/79 OJ C 117/80
		Attainment of freedom of establishment in agriculture	
C Dir. of 2 April 1963		— for agricultural workers from other Member States who have worked as such for two years	OJ 62/63
C Dir. of 2 April 1963		— on agricultural holdings that have been abandoned or left uncultivated	OJ 62/63
		— legislation on agricultural leases to farmers from other Member States	OJ 190/67
C Dir. of 25 July 1967		— for farmers resident in another Member State in respect of:	
		changing farms	OJ 190/67
		access to cooperatives	ibid.
		access to the various forms of credit	OJ L 93/68
		access to the various forms of aid	OJ L 308/68
C Dir. of 30 Nov. 1970		— attainment of freedom of establishment for self-employed persons in agriculture and market gardening.	OJ L 267/71

2.224 **Work in progress**

Props. for C Dir. on attainment of freedom of establishment and freedom to provide services in following sectors:

— Architects

EP requests C for new consultation owing to radical developments in this profession in interim period

OJ 239/67

OJ C 72/68  
OJ C 291/80

EP Opinion  
EP Res., 17 Oct. 1980

	2.224 (contd)	Creation of Advisory Committee on Education and Training in Field of Architecture	COM (77) 530
EP Opinion		— Research, design, consultation and technical application (esp. engineering activities)	OJ C 99/69 OJ C 51/70
EP Opinion		— (Self-employed) commercial agents Coordination of Laws of Member States	OJ C 13/77 OJ C 239/78
		Amendment to Prop. for Dir.	OJ C 56/79
		— Coordination of provisions laid down by law, regulation or administrative action in respect of certain activities in the field of pharmacy	OJ C 35/81
		— Mutual recognition of diplomas to facilitate the effective exercise of the right of establishment relating to certain activities in the field of pharmacy	OJ C 35/81
		Creation of Advisory Committee on Pharmaceutical Training	OJ C 92/81
		Proposals for directives coordinating national provisions on taking up and pursuit of activities in the field of insurance:	
EP Opinion		— Direct indemnity insurance (other than life insurance)	OJ C 32/76 OJ C 36/78
		amended Prop. for Dir.	COM (78) 63
EP Opinion		— Direct insurance	OJ C 190/79 OJ C 265/80
		amended proposal on insurance policies	OJ C 355/80
EP Opinion		— Legal expenses insurance	OJ C 198/79 OJ C 260/81
		amended proposal	OJ C 78/82
EP Opinion		— Credit insurance	OJ C 245/79 OJ C 291/80
		amended proposal	COM (82) 255
EP Opinion		— Civil liability insurance in respect of use of motor vehicles	OJ C 214/80 OJ C 287/81
		amended proposal	OJ C 78/82
EP Opinion		— Supplement to Dir. 73/239 on direct insurance as regards tourist assistance	OJ C 51/81 OJ C 149/82

2.23      **FREE MOVEMENT OF CAPITAL**

2.230      **Objective**

Res., 22 March 1971

Communiqué  
Heads of State  
16 Dec. 1974

Free movement of capital not later than 1980.

Confirmation of previous declarations of intent to achieve Economic and Monetary Union

OJ C 28/71

8th GR EC Enc.

2.231      **Requirements of Treaties**

EC Tr., Arts 67, 68, (2), 69

To extent necessary for proper functioning of common market, progressive abolition during transitional period of *restrictions* on movements of capital and of *discrimination* based on nationality or place of residence.

Liberalization from 1 Jan. 1962 of current payments connected with movement of capital.

Enactment by C of Directives implementing Art. 67 of EEC Tr.

Non-discriminatory application of domestic rules to liberalized movements of capital.

EC Tr., Arts 68 (1), 70, 71

Liberal granting of necessary *exchange* authorizations.

Progressive coordination of national exchange policies in respect of movement of capital between Member States and third countries.

Wherever possible, no new exchange restrictions.

EC Tr., Art. 68 (3)

*Loans* to be issued by one Member State in another only after prior agreement between States concerned.

EC Tr., Art. 72

Notification to Comm. of movements of capital to and from third countries.

EC Tr., Art. 73 (2)

2.231  
(*contd*)

Protective measures by a Member State following authorization by Comm. in the event of disturbances in the functioning of its capital market; on grounds of secrecy or urgency, Member State may take measures itself; after consulting the Monetary Committee Comm. may decide that these measures must be amended or abolished.

ECSC Tr., Art. 51

Funds obtained from loans issued may only be used by Comm. to grant loans; issue of loans by the Comm. on the markets of the Member States is subject to the rules in force in these markets (see EEC Tr., Art. 68 (3)).

No State to be obliged to give guarantee for issue of loans by EC.

Comm. may guarantee loans and take over guarantees for loans granted direct to undertakings by third parties.

EAEC Tr., Art. 172

EC may borrow on capital market of a Member State to finance research projects and investments in accordance with legal provisions applying to domestic loan issues, or if no such provisions exist, by agreement with State in question.

2.232

### **Decision-making procedures**

(a) *C on proposal of Comm. with latter having consulted Monetary Cttee, by qual. majority, issues:*

EEC Tr., Art. 69

— *Directives aimed at abolishing restrictions on movements of capital.*

(b) *C on proposal of Comm., by unanimous vote, issues:*

EEC Tr., Art. 70 (1)

— *Directives aimed at coordination of foreign exchange policy*

- EEC Tr., Art. 70 (2)      2.232  
 (contd)
- by qual. majority, decides:
- Amendment or abolition of special national provisions aimed at alleviating foreign exchange difficulties.
- (c) *Comm. may, after consulting Monetary Cttee, issue:*
- Recommendations aimed at reducing foreign exchange restrictions on movements of capital.
  - Authorizations for national protective measures during disturbances of capital markets (C may revoke by qual. majority).
  - Decisions on amendment or abolition of national protective measures, prompted by disturbances of capital market.
- EEC Tr., Art. 71 III
- EEC Tr., Art. 73 (1)
- EEC Tr., Art. 73 (2)

- 1st C Dir., 11 May 1960      2.233      **State of integration**
- Implementation of EEC Tr., Art. 67      OJ 43/60
- (a) Greatest possible liberalization of capital movements relating to: direct investment, investment in real estate, personal capital transactions, short-term and medium-term credits in respect of commercial transactions, transfers in performance of insurance contracts, acquisition, imports and exports of securities dealt in on a stock exchange (excluding units of unit trust).
  - (b) Currency restrictions may be maintained in respect of issue of securities of enterprises, acquisition of securities not dealt in on a stock exchange, foreign bonds issued on a foreign market and denominated in national currency, short-term trade credits and non-commercial loans and credits.
- 2nd C Dir., 18 Dec. 1962      Extension of scope of 1st Directive to:
- Transactions in connection with services
  - Transfers of migrant workers' savings
  - Deat duties, damages, royalties, etc.
- OJ 9/63

2.233  
(contd) The 1st and 2nd Directives constitute minimum obligations; the Member States have frequently gone further. However, many restrictions have been imposed on free capital movements since 1971. Their objective has been to restrict inflow, or outflow, of capital.

Comm. Rec., 25 July 1977

Code of conduct relating to transactions in transferable securities

OJ L 212/77

C. Dir. 79/279, 5 March 1979  
Amended by C. Dir. 82/148,  
3 March 1982

Coordination of the conditions for the admission of securities to official stock exchange quotation.

OJ L 66/79

OJ L 62/82

Comm. Decs,  
20 June 1975 and 29 Sept. 1976

Italy authorized to maintain restrictions on capital transactions.

OJ L 158/75

OJ L 268/76

OJ L 45/78

Comm. Dec., 22 Dec. 1977

Denmark, Ireland and United Kingdom authorized, under EEC Tr., Art. 108 (3), to take protective measures relating to transactions in securities and, in the case of United Kingdom, to direct investments and certain capital movements of a personal nature. In December 1978 Ireland also took protective measures under Art. 109 whereby the United Kingdom is treated in the same way as the other Member States.

C Dir., 21 March 1972

Monetary authorities must have available the appropriate instruments for regulating international capital movements effectively and neutralizing the effects of such movements on the domestic monetary situation. (See also 2.5.)

OJ L 91/72

C Dir., 17 March 1980  
amended by C. Dir., 3 March 1982  
EP Rep.  
EP Opinion

Coordination of the requirements of the drawing-up, scrutiny and distribution of the listing particulars to be published for the admission of securities to official stock exchange listing.

OJ L 100/80

OJ L 62/82

EP Doc. 186/73

OJ C 11/74

Capital movements were liberalized in Greece on 1 January 1981, excluding (for a period not determined) direct investments in the Community and transfers of the proceeds of investments made before 1975.

EC Bull. 5/79

OJ L 291/79

E. P. Res. 15. 4. 83	2.233 (contd)	Condemns tourist exchange controls imposed by French Govt.	OJ C 128/83
Case 203/80		First interpretation of A 67 (1). As this article not of direct effect, Member States may restrict capital movements in absence of liberalising Community régime. <i>Case G. Casati</i>	OJ C 330/81
	2.234	<b>Work in progress</b>	
Prop. for Dir. amended 2 June 1977 EP Rep. EP Opinion		Coordination of provisions regarding collective investment undertakings for transferable securities.	OJ C 171/76 COM(77) 227 EP Doc. 532/76 OJ C 57/77
Prop. for Dir. amended 25 June 1980 EP Opinion		Intended to ensure that companies in the Community and in third countries whose securities are admitted to official stock exchange quotation in the Community publish a half-yearly report every financial year within three months of the end of the relevant six-month period.	OJ C 29/79 COM(80) 332 OJ C 85/80
Prop. for Dir., 21 June 1979		Second amendment to the First Directive implementing Article 67 of the EEC Treaty: amending lists B and C.	COM(79) 328

## 2.3 **Company law**

### 2.30 **OBJECTIVES**

Mutual recognition of companies and legal persons.

Creation of Community legal machinery required for establishment of undertakings or groups of undertakings.

Coordination of national legislation on company law, in particular for protection of interests of shareholders and third parties.

### 2.31 **REQUIREMENTS OF TREATIES**

EEC Tr., Art. 54 (3) (g)

Coordination, for protection of shareholders and third parties, of provisions safeguarding companies including cooperative societies, and other legal persons governed by public or private law, save for those which are non-profit-making.

EEC Tr., Art. 52

Progressive abolition of restrictions on setting up of agencies, branches or subsidiaries (see 2.223).

EEC Tr., Art. 220

Mutual recognition of companies and legal persons.

Retention of legal personality when their seat is transferred from one country to another.

Merger possibilities for companies governed by laws of different countries.

EEC Tr., Art. 58

Prerequisites for application of provisions on freedom of establishment and freedom to provide services:

— formation of company in accordance with law of a Member State;

2.31 — registered office, central administration or principal place of business  
(contd) within EC.

EAEC Tr., Art. 45-51

Status of Joint Undertakings in nuclear industry.

## 2.32 STATE OF INTEGRATION

Gen. Progr. Title VI

Deadline for coordination of safeguards required of companies (end of 1964) not met.

OJ 2/62

C Dir. of 9 March 1968

*First Directive*

OJ L 65/68

EP Opinion

Coordination of general safeguards (disclosure, validity of obligations entered into on behalf of a company).

OJ 96/66

C Dir. of 14 Dec. 1976

*Second Directive*

OJ L 26/77

EP Opinion

Formation of stock-holding company, maintenance and alteration of its capital.

OJ C 114/71

C Dir. of 9 Oct. 1978

*Third Directive*

OJ L 295/78

EP Opinion  
Second EP Opinion

— mergers of public limited liability companies in a Member State.

OJ C 129/72

OJ C 95/75

C Dir. of 25 July 1978

*Fourth Directive*

OJ L 222/78

EP Opinion

— Annual statement of accounts of company (breakdown and contents of annual statement, situation report, methods of valuing assets).

OJ C 129/72

C Dir., 17 Dec. 1982

*Sixth Directive*

OJ L 378/82

EP Opinion

— Division of public limited liability companies in a Member State.

OJ C 129/72

OJ C 95/75

Conv. of 29 Feb. 1969

— Convention on mutual recognition of companies and legal persons.

Suppl. 4/71

— Bull. EC

2.31/2.32

**WORK IN PROGRESS****A. Coordination of provisions safeguarding shareholders and third parties**

Prop. Dir.	(a) Fifth Directive	OJ C 131/72
EP Opinion	— structure of limited company (composition, powers and obligations of its organs).	OJ C 149/82
Prop. Dir.	(b) Seventh Directive	
Prop. amendment EP Opinion	— consolidated balance sheet (standards for drawing up and evaluating group accounts).	OJ C 121/76 OJ C 14/79 OJ C 163/78
Prop. Dir.	(c) Eighth Directive	OJ C 112/78
Prop. amendment EP Opinion	— approval of persons responsible for carrying out statutory audits of annual accounts of limited liability companies.	OJ C 317/79 OJ C 140/79

**B. On basis of EEC Tr., Art. 235 (cases not provided for in Tr.)**

Prop. Reg.	(a) Statute of European company	OJ C 124/70
Prop. amendment EP Opinion	— enables enterprises with activities not restricted to satisfaction of purely local needs to reorganize their activities at Community level by concentration and merger measures;	Comm. Doc. (75) 150 fin. OJ C 93/74
	— available to companies governed by laws of individual States and to holding companies and subsidiaries of companies governed by a number of different legal systems;	
	— not subject to laws of any individual State;	
	— introduces dual structure (Board of Management and Supervisory Board);	
	— company registered in European Commercial Register under supervision of CJEC;	

2.33  
(contd)

- creation of European factory committees and representation of employees on company's board;
- taxation system of State in which company or management has its seat to be applied.

(b) Creation of joint undertakings

Facilitation of creation of bodies at EC level concerned with provision of services in public interest and of enterprises to carry out activities important in general European interest for technological development or supply of raw materials;

- creation of Joint Undertakings (analogous to EAEC Tr., Art. 45 ff.) in hydrocarbons sector;
- comparable proposal for petroleum industry companies;

(c) Control of concentrations (obligation to notify Comm. of certain transactions concerning concentration of undertakings);

(d) European 'cooperation grouping'

- Creation of European cooperation grouping modelled on association of business interests existing under French law, for purpose of cooperation between, in particular, small and medium-sized undertakings engaged in business activities in territory of various Member States.

**C. International conventions**

- draft Conv. on international mergers.
- Draft Conv. on bankruptcies, winding-up and similar proceedings.

Prop. Reg.  
EP Opinion

Prop. Reg.  
EP Opinion  
Prop. amendment

Prop. Reg.  
EP Opinion  
Prop. amendment

OJ C 106/71  
OJ C 46/72

OJ C 92/73  
OJ C 23/74  
Comm. Doc  
(81) 773 fin.

OJ C 14/74  
OJ C 163/77  
OJ C 103/78

Suppl. 13/73 –  
Bull. EC

Suppl. 2/82  
Bull. EC

Prop. Res.  
EP Opinion

2.33  
(contd)

#### D. Multinational undertakings

— multinational undertakings and EC Regulations.<sup>1</sup>

OJ C 114/73  
OJ C 5/75

### TAXATION SYSTEM

#### A. State of integration

— indirect taxes on raising of capital,

OJ L 249/69  
OJ 119/65

— variation of field of application of reduced rate of capital duty provided for in respect of certain company reconstruction operations by Article 7 (1) (b) of Dir. concerning indirect taxes on raising of capital,

OJ L 103/73  
OJ C 138/72

— fixing common rates of capital duty,

OJ L 103/73  
OJ C 78/71

— amendment to Article 5 (2) of Dir. concerning indirect taxes on raising of capital.

OJ L 303/74  
OJ C 76/74

#### B. Work in progress

— common taxation system applicable to mergers, hive-offs and transfers of assets among companies of various Member States,

OJ C 39/69  
OJ C 51/70

— common taxation system applicable to parent companies and subsidiaries of various Member States,

OJ C 39/69  
OJ C 51/70

— harmonization of systems of company taxation and of withholding taxes on dividends,

OJ C 253/75  
OJ C 278/76

C Dir. of 17 July 1969  
EP Opinion

C Dir. of 9 April 1973  
EP Opinion

C Dir. of 9 April 1973  
EP Opinion

C Dir. of 7 Nov. 1974  
EP Opinion

Prop Dir.  
EP Opinion

Prop Dir.  
EP Opinion

Prop. Dir.  
EP Opinion

<sup>1</sup> Proposal withdrawn by the Commission in July 1980.

Prop. Dir.  
EP Opinion

2.33  
(contd)

— elimination of double taxation (arbitration procedure),

OJ C 301/76

OJ C 163/77

Prop. Dir.  
EP Opinion

— Indirect taxes on transactions in securities.

OJ C 133/76

OJ C 259/76

## RIGHTS OF WORKERS

### A. State of integration

— approximation of laws of Member States relating to collective redundancies,

OJ L 48/75

OJ C 19/73

— harmonization of legislation of Member States on retention of rights and advantages of employees in case of mergers, take-overs and amalgamations,

OJ L 61/77

OJ C 95/75

— protection of employees in the event of the insolvency of their employer.

OJ L 283/80

OJ C 39/79

### B. Work in progress

— Information for and consulting of workers employed in undertakings with a complex structure, in particular a transnational structure.

OJ C 297/80

OJ C 292/82

OJ C 13/83

## QUOTATION OF SECURITIES ON THE STOCK EXCHANGE

### A. State of integration

— Coordination of conditions for admission of securities to official stock exchange quotation;

OJ L 66/79

OJ C 238/76

— Coordination of requirements for drawing up, scrutiny and distribution of listing particulars to be published for admission of securities to official stock exchange listing;

OJ L 100/80

OJ C 11/74

C Dir., 5 March 1979  
EP Opinion

C Dir., 17 March 1980  
EP Opinion

C Dir., 15 Feb. 1982  
EP Opinion

2.33  
(*contd*)

— Information which must be published on a regular basis by undertakings whose transferable securities are admitted to official stock exchange quotation;

OJ L 48/82  
OJ C 85/80

C Dir., 3 March 1982  
EP Opinion

— Amendment to the Dir. of 5 March 1979 and to the Dir. of 17 March 1980.

OJ L 62/82  
OJ C 66/82

#### B. Work in progress

Prop. Dir.  
Prop. amendment  
EP Opinion

— Collective investment undertakings for transferable securities;

OJ C 171/76  
Comm. Doc. (77)  
227 fin.  
OJ C 57/77

Prop. Dir.  
Prop. amendment  
EP Opinion

— Coordination of the requirements for drawing up, scrutiny and distribution of prospectus to be published when securities are offered for subscription or sale to the public.

OJ C 355/80  
Comm. Doc. (82)  
441 fin.  
OJ C 125/82

## 2.4 **Competition**

### 2.40 **OBJECTIVES**

- Realization of customs union unhampered by:
  - agreements and concerted practices which restrict competition,
  - abuse of dominant economic positions,
  - restrictive or distortive action by State affecting public or private undertakings;
- Creating favourable conditions for cooperation between or merger of undertakings to extent necessary for economic development;
- Consumer protection;
- Freedom of access for undertakings and free choice for consumers.

EP Doc. 31/72

OJ C 213/80

### 2.41 **REGULATION OF COMPETITION IN ECSC TREATY**

#### 2.411 **Requirements of ECSC Treaty**

Prohibition of measures or practices which discriminate between purchasers, between producers or between consumers and which interfere with purchaser's free choice of supplier;

Prohibition of specific State aids;

Establishment, maintenance and observance of normal competitive conditions; if necessary, direct influence by EC on production and market;

Prohibition of discriminatory and unfair pricing practices;

Publication of price lists and conditions of sale;

1st Comm. Report on  
Competition Policy

W.Q. No 644/80

ECSC Tr., Art. 4

ECSC Tr., Art. 5

ECSC Tr., Art. 60

ECSC Tr., Art. 63	2.411 ( <i>contd</i> )	Action by Comm. in cases in which discrimination is being systematically practised by purchasers, in particular under provisions governing contracts entered into by bodies dependent on a public authority;
ECSC Tr., Art. 65		Prohibition (legal invalidity) of agreements and concerted practices which may restrict competition;  Authorization by Comm. of agreements on specialization or joint buying or selling possibly subject to specified conditions and for limited periods;
ECSC Tr., Art. 66		Prior authorization by Comm. of all measures leading to concentration between undertakings. Authorization given provided concentration does not enable undertakings to determine prices or to evade rules of competition;  No prior authorization required when size of assets or undertakings concerned is insignificant;  Powers of decision and sanction by Comm. against public or private undertakings with dominant position shielding them against effective competition in a substantial part of the Common Market if that position used for purposes contrary to objectives of Tr.;
ECSC Tr., Art. 64-66		Fixing of fines or periodic penalty payments, by Comm., if ECSC. Tr. infringed;
ECSC Tr., Art. 67		Action by Comm. against measures by Member States liable to have appreciable repercussions on conditions of competition.

2.412      **Decision-making procedure under ECSC Treaty**

*Comm. after consulting:*

ECSC Tr., Art. 60 (2)

— *Consultative Cttee in accordance with ECSC Tr. may issue:*  
instructions on publication of prices,



2.413  
(contd)

Conditions for publication of price lists and conditions of sale applied by:

HA Dec. of 12 Feb. 1953

— coal and iron-ore undertakings,

OJ 2/53

HA Dec. of 2 May 1953

— iron and steel undertakings.

OJ 6/53

HA Dec. of 7 Jan. 1974

OJ 1/54

HA Dec. of 2 May 1953

Practices prohibited by Art. 60 (!) of ECSC Tr. Deviation from published price lists is discrimination if seller cannot prove that:

OJ 6/53

HA Dec. of 7 Jan. 1954

OJ 1/54

— transaction does not fall within categories covered,

— deviation is common to all comparable transactions.

HA Dec. of 11 Dec. 1963

Amendment and supplementation of decisions on publication of provisions in force for prices and disclosure as result of extension to cover producer's selling agencies.

OJ 187/63

Aligning of quotation on those of enterprises outside EG and rebates or special prices for indirect exports must be notified to Comm.

Comm. Prop. 1st Rep.  
Competition, April 1972

Adaptation of application of EEC Tr., Art. 60 by defining comparable transactions and separating prohibition of discrimination and obligation to disclose activities.

OJ 297/72

**(b) ECSC Tr., Art. 65, 66**

HA Dec. of 11 July 1953  
HA Dec. of 6 May 1954

As ECSC Tr. contains concrete provision, no Impl. Reg. for Art. 65 and 66 apart from decisions supplementing certain definitions (characteristics of control of an undertaking; exemption from prior authorization; information to be supplied to HA);

OJ 10/53

OJ 9/54

HA Dec. of 22 June 1967  
No 25/67 (of which consolidated text is published)

New application of ECSC Tr., Art 66 (3)

Exemption from requirement for prior authorization for:

— mergers between producers,

2.413 (contd)	— mergers between coal and steel-producing undertakings and undertakings outside ECSC,	OJ 154/67 OJ C 255/78
	— mergers between marketing undertakings;  if annual production of enterprises involved in merger does not exceed specified amounts or turnovers matching development of production and sales structures.	
ECSC Dec. 2495/78 of 27 Oct. 1978	Decision amending decision No 25/67 above. Conditions of exemption adapted to current economic situation.	OJ L 300/78
	Exemption from prior authorization extended to concentrations between undertakings covered by Art. 80 and undertakings which consume reduced quantities of steel.	
	Exemption limits also raised with respect to concentrations between distributors in the steel and scrap sector.	8th Comp. Rep. 1978
	<i>Coal:</i> Policy of prohibition of concentrations (ECSC Tr., Art. 65) has given way to policy of support aiming at allowing concentrations because of growing pressure of competition from crude oil and natural gas;	
Comm. Dec. of 19 Dec. 1969	Production subsidies for coking coal;	OJ L 2/70
Comm. Dec. of 22 Dec. 1970 Comm. Dec. of 10 Dec. 1971	Revision of EC system of measures for coal-mining industry; subsidies for total or partial closure of pits, for workers, for exceptionally large pithead stocks, etc. Obligation on all Member States to give Comm. full details of all aid.	OJ L 3/71 OJ L 13/72
	<i>Steel:</i> Comm. has defined competition policy with respect to structure of steel industry:	OJ C 12/70

- 2.413 (contd)
- favourable approach to vetting of applications for concentration of enterprises in order to improve competitiveness;
  - monitoring to see that concentrations do not lead to obstruction of effective competition (critical threshold is where production by group after concentration exceeds 12-13 % EC production);
  - ensuring that large groups remain independent of each other;
  - preventing alignment of market behaviour by large groups;
  - promotion of specialization or joint-selling agreements between small and medium-sized undertakings to improve production or sales conditions.

Commission's approach to current steel crisis.

12th Comp Rep  
para. 165-172

**(e) ECSC Tr., Art. 95**

Comm. Dec. No 715/78  
of 6 April 1978

Establishing limitation periods for proceedings and enforcement of sanctions under ECSC Tr.;

OJ L 94/78

Comm. Dec. 2320/81  
of 13 Aug. 1981

Promotion of re-structuring to reduce production capacity and prevention of undue distortion of competition through State aids. M. S. to report aid payments on 1/2 year basis;

OJ L 228/81

W. Q. No 751/79

Comm. explains ECSC Tr., Art. 4 (c).

OJ C 328/79

2.42 **REGULATION OF COMPETITION IN THE EEC TREATY**

2.421 **Requirements of EEC Treaty**

EEC Tr., Art. 3 (f)

No distortion of competition within CM;

EEC Tr., Art. 85 (1)	2.421 ( <i>contd</i> )	Prohibition (legal invalidity) of concerted action between undertakings that affects trade between Member States or restricts competition;
EEC Tr., Art. 85 (3)		Exemption from such prohibition for agreements or categories of agreements which contribute to improving production or distribution of goods or to promoting technical or economic progress, while allowing consumers a fair share of resulting benefit;
EEC Tr., Art. 86		Prohibition of practices abusing a dominant position within CM or a substantial part of it;
EEC Tr., Art. 89		Comm. ensures application of principles laid down in Art. 85 and 86;
EEC Tr., Art. 90, 37		Public undertakings subject to rules on competition in so far as application of rules does not obstruct performance of particular tasks assigned to them; Adjustment of State commercial monopolies during transitional period, to remove discrimination between individuals of Member States regarding conditions under which goods concerned are procured and marketed;
EEC Tr., Art. 92-94		State aid which distorts competition is prohibited; Certain kinds of aid compatible with EEC Tr.; other kinds of aid may be considered compatible; Comm. keeps existing aid arrangements under review;

2.422      **Decision-making procedure under EEC Treaty**

EEC Tr., Art. 87 (1)

- (a) *C. on prop. of Comm. and after consulting EP, may issue*
- Regs. or Dirs, to give effect to principles of law on competition (since 1 Jan. 1961 by qual. majority).

EEC Tr., Art. 94

2.422  
(contd)

(b) *C. on prop. of Comm., may make*  
— Impl. Regs. for review of State aid.

EEC Tr., Art. 90

(c) *Comm. may independently issue:*  
— directives or decisions on participation of public undertakings in competition;

EEC Tr., Art. 93

— decisions as to compatibility of State aids with CM,  
— guidelines (usually in form of Commun) as to what State aids would be compatible with CM;  
— *In exceptional circumstances C may, by unanimous vote and at a request of a Member State, declare aid to be compatible with CM.*

(d) *Comm. after consulting:*

— *Advisory Cttee on Restrictive Practices and Monopolies, takes:*

C. Reg. of 6 Feb. 1962  
EEC Tr., Art. 85, 86

Decisions under EEC Tr., Art. 85, 86 or Reg. for application of EEC Tr., Art. 85 (3) to categories of agreements or concerted practices.

OJ 13/62

2.423

### **State of integration**

#### **A. Implementation and enforcement of Arts 85 and 86 of EEC Tr.**

— Arts 85 and 86 directly applicable provisions of EEC Tr.;

— undertakings may request 'negative clearance' from Comm. that concerted practice in question does not fall within Arts 85 or 86;

C. Reg. No 17/62 of  
21 Feb. 1962  
(amended and supplemented  
by C. Regs of 10 July 1962  
7 Nov. 1963 and 29 Dec. 1971)

OJ C 13/62  
(OJ C 58/62  
OJ C 162/63  
OJ L 285/71)

Case 31/80	2.423 (contd)	— L'Oreal S.A. v De Nieuwe AMCK: a communication under Art. 85 (1) advising action will not be taken is not a negative clearance under Art. 85 (3).	1980 ECR 3775
Comm. Notice		— Notice pursuant to Art. 19 (3) of C reg 17 concerning application for negative clearance; legal certainty of 'comfort letters' strengthened — any Member State or undertaking with legitimate interest may bring complaint to Comm.; Comm. may act on own initiative. Comm. has power to request information and to investigate documents; — obligation to notify in order to obtain exemption from Comm. under Art. 85 (3) EEC Tr.;	OJ C 343/82
Comm. Reg. No 99/63 of 25 July 1963		— establishing rules governing hearings provided for by Arts 19 (1) and (2) of C Reg. of 21 Feb. 1962;	OJ C 127/63
Comm. Notice of 25 Sept. 1982		— post of Hearings Officer created (1 Sept. 1982) to ensure proper conduct of oral hearing stage of competition proceedings, notice also clarifies certain procedural rules.	OJ C 251/82
C. Reg. No 2988/74 of 26 Nov. 1974		— concerning limitation periods in proceedings and enforcement of sanctions under EEC rules relating to transport and competition;	OJ L 319/74
Comm. Reg. No 27/62 of 6 Feb. 1962 (amended by Comm. Reg. of 26 July 1968)		— form and content concerning application and notification under Reg. of 6 Feb. 1962;	OJ C 35/62 (OJ L 189/68)
Case 792/79 R of 10 Jan. 1980		— Comm. has inherent powers to adopt interim measures: <i>Camera Care v Commission.</i>	1980 ECR 119
Comm. Dec. of 18 Aug. 1982		— FORD WERKE AG: first use of powers to adopt interim measures.	OJ L 256/82

2.423  
(contd)

**B. Interpretation of Arts 85 and 86 of EEC Tr.**

Interpretation of EEC competition law

(a) through individual Comm. decisions (subject to judicial review by CJEC and by referrals made to CJEC by national courts under Art. 177 EEC Tr. and

(b) through other Community acts.

(i) Examples of individual decs. and judgments concerning Art. 85 (1) and (3) of EEC Tr.:

— restrictive pricing practices:

*Dyestuffs* case; concerning uniform parallel price increases made by competing firms;

1972 Euro. Ct.  
Report 619

*GERO-Fabriek*; concerning resale price maintenance;

OJ L 16/77

— distribution practices:

*Consten & Grundig v Commission*; parallel imports into a distributor's exclusive territory must remain possible;

1966 ECR 299

— cooperation between undertakings:

*Vacuum Interrupters*; concerning the creation of a joint venture by two competing undertakings;

OJ L 48/77

*Bayer/Gist-Brocades*; concerning specialization agreement;

OJ L 30/76

— licensing practices:

*Centrafarm v Sterling Drug* and *Centrafarm v Winthrop*; enunciating rule that owner of industrial property may not use his exclusive rights to prevent importation of products which have been sold either by himself or affiliated company or by a licensee in another Member State where he also owns rights concerned.

1974 ECR 1147  
1974 ECR 1183

— quota fixing:

The *Pisana* case: – restrictive agreement where management consultancy firm, which collected and distributed info, named even though only a third party to agreement.

OJ L 75/80

Cases 41/69, 45/69, 48/69

Comm. Dec. of  
22 Dec. 1976

Joined Cases 56 and 58/64

Comm. Dec. of  
20 Jan. 1977

Comm. Dec. of  
15 Dec. 1975

Cases 15/74 and 16/74

Comm. Dec. of  
20 Dec. 1979

Case 172/80	2.423 (contd)	— concerted practice: Gerhard Zuchner v Bayerische Vereinsbank A.G.: bank is an undertaking. 'concerted practice' defined	1982 CMLR 313
		Some examples concerning Art. 86:	
Case 6/72		— there may be abuse where undertaking in dominant position strengthens its economic position (e.g. through takeover or predatory pricing so as to eliminate competition in substantial part of CM: <i>Europemballage and Continental Can v Comm.</i> ;	1973 ECR 215
Joined Cases 6 and 7/73		— refusal to sell: <i>Commercial Solvents v Comm.</i> but see	1974 ECR 223
Case 77/77		<i>BP v Comm.</i>	1978 ECR 1513
		— discriminatory and unfair pricing:	
Case 27/76		<i>United Brands v Comm.</i> ;	1978 ECR 207
		— fidelity rebates: <i>Hoffman-La Roche v Comm.</i> , see also <i>Suiker Unie v Comm.</i>	1979 ECR 461
Case 85/76 Joined Cases 40-48, 50 54-56, 111, 113-114/73		— exercise of industrial property rights: <i>Hoffman-La Roche v Centrafarm</i>	1978 ECR 1139
Case 102/77		<i>Centrafarm v American Home Products</i> ;	1978 ECR 1823
Case 3/78		— effect on inter-State trade <i>Hugin v Comm.</i>	1979 ECR 1869
		(ii) Other Community Acts:	
		(a) general:	
C. Reg. 19/65 of 2 March 1965		— empowers Comm. to adopt Regs granting block exemptions to exclusive dealing arrangements and to licensing of industrial property rights,	OJ 36/65

C. Reg. 2821/71 of 20 Dec. 1971 (amended by C. Reg. 2743/72 of 19 Dec 1972)	2.423 (contd)	— empowers Comm. to adopt Regs granting block exemptions to concerted action involving application of standards or types, research and development and specialization;	OJ L 285/71 (OJ L 291/72)
Comm. Commun.		(b)licensing:	
		— lists those clauses in a patent licensing agreement, which will not be prohibited by Art. 85 (1) of EEC Tr.,	OJ 139/62
Prop. Reg.		— grants block exemption under Art. 85 (3) of EEC Tr. to patent licensing agreements fulfilling specified conditions (not yet definitively adopted by Comm.);	OJ C 58/79
		(c) exclusive dealing:	
Comm. Reg. 67/67 of 22 March 1967 (amended by Comm. Reg. 2591/72 of 8 Dec. 1972)		— grants block exemption under Art. 85 (3) of EEC Tr. to exclusive dealing agreements fulfilling specified conditions,	OJ 57/67 (OJ L 276/72)
Prop. Reg. Comm. Reg. 3577/82 of 23. Dec. 1982		— proposes amendments to Comm. Reg. 67/67 of 22 March 1962 (not yet definitively adopted by Comm), Regulation extended for 6 months	OJ C 172/82 OJ L 373/82
Comm. Commun.		— contracts made with commercial agents, whereby commercial agent undertakes to negotiate and/or conclude transactions in name and on behalf of undertaking or in his own name but on behalf of undertaking, do not fall into Art. 85 (1) of EEC Tr.;	OJ 139/62
		(d) agreements of minor significance:	
Case 5/69		— <i>Volk v Vervaecke</i> ,	1969 ECR 295
Comm. Commun. of 19 Dec. 1977		— without prejudice to any interpretation by CJEC, Comm. gives figures to serve as criteria for assessing whether or not an agreement between undertakings affects inter-State trade;	OJ C 313/77

2.423  
(contd)

(e) specialization:

— grants block exemption under Art. 85 (3) of EEC Tr. to specializa-  
tion agreements fulfilling certain conditions;

OJ L 292/72  
(OJ L 338/77)

— Extends application of above regulation to agreements undertaking  
to manuf. only certain products jointly; designed to benefit small  
and medium sized enterprises;

OJ L 376/82

(f) cooperation:

— guidelines as to permitted forms of cooperation between undertak-  
ings;

OJ C 75/68

— emphasises need for consistent cooperation where common action  
would ensure greater efficiency and dynamism

EP Doc 157/81  
EP Doc. 350/82

(g) sub-contracting:

— assesses sub-contracting agreements in relation to Art. 85 (1) of  
EEC Tr. with a view to eliminating doubts as to compatibility of this  
form of work with EC competition rules;

OJ C 1/79

(h) merger control and multinationals:

— obligatory notification to Comm. of takeovers or mergers involving  
undertakings with joint turnover exceeding 1000 million u. a.

OJ C 36/82

— development of multinational concerns is on the whole positive, but  
requires that certain measures also be taken, particularly with  
respect to: collective dismissals, retention of acquired rights by  
workers in the event of mergers or rationalization programmes,  
guarantees of investment in third countries, domestic mergers of

Comm. Reg. 2779/72  
of 21 Dec. 1972  
(amended by Comm. Reg.  
2903/77 of 23 Dec. 1977)

Comm. Reg. 3604/82  
of 23. Dec. 1982

Comm. Commun.

EP Rep.

Comm. Commun.

Prop. Reg. of 12 Dec. 1982

Comm. Communication of  
7 Nov. 1973  
Draft C decision of  
7 Nov. 1973

2.423 (contd)	companies, statute of the European limited liability company, checks on mergers, international cooperation in respect of collection of taxes and common regulations with regard to establishment of prices and royalties within concerns, legislation relating to concerns of companies, collection of information on the international activities of enterprises.	COM (73) 1930
EP Rep. EP Opinion	EP stresses that binding and legally enforceable norms must gradually be laid down for international undertakings and framework for their activities defined in one or more international agreements.	EP Doc. 292/74 OJ C 5/75
EP Rep. EP Opinion	To this end, EP calls upon Council and Comm. to conduct negotiations with parties concerned, governments and international organizations and undertakings.	EP Doc. 547/76 OJ C 118/77
<b>C. Individual sectors</b>		
<i>Agriculture:</i>		
EEC Tr., Art. 42	EC competition rules shall only apply to production of and trade in agricultural products to extent determined by C.;	
C. Reg. 26/62 of 4 April 1962	Articles 85 and 86 of EEC Tr. shall apply to agric. products subject to exception provided for in Art. 2 of C. Reg. 26/62.	O J 30/62
<i>Transport:</i>		
C. Reg. 141/62 of 26 Nov. 1962	C. Reg. 17/62 does not apply to transport sector;	OJ 124/62
C. Reg. 1017/68 of 19 July 1968	establishes complete code of competition rules for transport by rail, road and inland waterway;	OJ L 175/68
Case 167/73	CJEC held that Articles 85 and 86 of EEC Tr. are applicable to sea and air transport. As C. Reg. 17/62 does not extend to sea and air transport, Arts 88 and 89 of EEC Tr. are applicable;	1974 ECR 359
EP Rep. EP Res. of 17 Oct. 1980	EP calls for more competition in air transport sector, through e.g. deregulation and greater freedom of access;	EP Doc. 1-724/79 OJ C 291/80

Prop. Comm. Reg. of 5 Nov. 1981	2.423 (contd)	— to extend competition rules to air and sea transport sectors. Proposals seek to ensure effective application of the ban on restrictive practices and abuse of dominant positions;	OJ C 282/81
Prop. Comm. Reg. of 12 Nov. 1981		— to introduce flexible arrangements for exemption to impose minimal administrative burdens on firms	OJ C 291/81
EP Res. 18 June 1982		EP welcomes in principle a Reg. covering air transport sector	OJ C 182/82
EEC Tr., Art. 232 (2)		<i>Nuclear energy:</i>	
EAEC Tr., Art. 45 ff.		EC competition rules shall apply to nuclear energy industry to extent that they do not derogate from EAEC ('Euratom') Tr.;	
Comm. Dec. of 23 Dec. 1975		Provisions relating to joint ventures, suppliers, prices and nuclear materials; 'United Processors and KEWA' – application of EEC competition rules to nuclear energy industry.	OJ L 51/76
Case 59/75		<i>Commercial monopolies:</i>	
		(a) Art. 37 of EEC Tr. is directly applicable, meaning that all national rules not in conformity with said Art. are inapplicable,	1976 ECR 91
		<i>Pubblico Ministero v Manghera</i>	
		(b) problems still remain with French tobacco and alcohol monopolies and with Italian tobacco and match monopolies.	9th Comp. Rep. para. 200–206
		Many outstanding problems resolved	16th GREC paras. 238, 239
		<b>D. Aids granted by Member States</b>	11 GREC, Par. 180
		Comm. monitors State aids, in accordance with two main principles: aids must contribute towards reaching a durable solution to structural problems of EC and preventing any sterile outbidding:	

2.423  
(contd)

In light of worsening economic recession, a growing volume of State aids is being notified by Member States to the Comm.: these will only be authorized where they result in sound economic structures rather than shoring up obsolete structures which only transfer unemployment from one M.S. to another.

16th GREC para. 216

(a) State aids of a general nature; Comm. generally not in favour, although from annual Comp. Reports Comm. willing to allow aids promoting SMUs, furthering research and development, encouraging employment, to help temporarily firms in difficulty;

2nd Comp. Rep. 1972 para 116

(b) general outline of Commission's thinking on sectoral State aids:

Com (78) 221

— textiles,

1st Comp. Rep., para 171  
6th Comp. Rep., para 222

— Shipbuilding (this Dir. as extended supersedes four previous directives). New directive as extended designed to allow restructuring to increase competition; aims to avoid increase in State aid and excessive unemployment

OJ L 137/81  
(OJ L 371/82)

(c) State regional-aid systems; principles of coordination.

OJ C 31/79

Comm. Commun. of  
25 May 1978

5th C. Dir. of  
28 April 1981  
(extended on  
21 Dec. 1982)

Comm. Commun. of  
21 December 1978

#### **E. Public and other undertakings referred to in Article 90**

Articles 85 and 86 of EEC Tr. apply to public undertakings and undertakings to which Member States grant special or exclusive rights, but

EEC Tr. Art. 90 (1)  
and (2)

2.423 undertakings entrusted with operation of services of general economic  
(contd) interest or having character of revenue-producing monopoly are covered by  
comp. rules in so far as they do not obstruct performance of tasks assigned  
to them.

*BRT v SABAM and NV Fonior* gives useful interpretation of Art. 90 of  
EEC Tr. as does *Pabst & Richarz BNIA*.

1974 ECR 313  
OJ L 231/76

**Transparency of financial relations between Member States and public  
undertakings. 'Public undertaking' defined.**

OJ L 195/80

Validity of above Directive upheld France, Italy and UK v Comm.

#### **F. European trademark**

In August 1976 Comm. published memorandum on creation of EC  
trademark. Memorandum announced Prop for Reg. based on EEC Tr. Art.  
235 and creation of Community trademark office to administer system.

This would enable undertakings to distribute their products under same  
trademark throughout territory of CM.

10th GR EC  
Par. 145

To reduce likelihood of conflict between EC trademark and previous  
national trademarks, transitional solution envisaged: national trademarks  
will have priority for period of 10 to 15 years and conciliation body will be  
set up to settle disputes.

#### **G. Community patent**

On 15 December 1975 Member States signed in Luxembourg the Community  
Patent Conv.

OJ L 17/76

Case 127/73  
Comm. Dec. of  
26 July 1976

Comm. Dir. of  
25 June 1980

Tr. cases 188-190/80

2.423  
(contd)

Conv. supplements 1973 Munich Conv, signed by 16 European States.

OJ L 17/76

Luxembourg Conv. institutes single substantive patent law: Community patent, granted by European Patent Office to be set up in 1977, has same force in all Member States with regard to exercise of rights attaching thereto.

Prop. Comm. Reg.

seeks to grant exemption to certain categories of patent licensing agreements

OJ C 58/79  
OJ C 110/79

Case 258/79

Nungesser KG and Eisele v Commission:

— ags. giving licensee absolute territorial protection incompatible with A 85

not yet  
reported

## 2.5 **Harmonization of taxation**

### 2.50 **OBJECTIVES**

Harmonization of tax laws of Member States to prevent distortion of competition and restriction of free movement of goods, services and capital.

Tax harmonization action programme.

Suppl. Bull. EC  
8/67

Framework programme for harmonization of direct taxation aiming at eventual similarity of production costs and profitability of invested capital throughout EC.

Suppl. Bull. EC  
8/67

Recognition of need to harmonize excise duties, to harmonize tax treatment of interest payments and dividend receipts, to harmonize tax structures.

OJ C 28/71

Tax harmonization action programme:

Bull. EC 9/75

— convergence of VAT rates to eliminate internal tax barriers and any double imposition,

— Comm. prop. as regards excise duties must be adopted,

— Examination of tax divergences so as to secure freer movement of capital and to remove distortions in competition.

Scope for convergence of tax systems in EC.

Com (80) 139

### 2.51 **DECISION-MAKING PROCEDURES**

*C decides unanimously, on proposal of Comm.:*

— on approximation of national legislation;

EEC Tr., Art. 95 – 102

Comm. Commun. to C of  
2 Feb. 1967

Comm. Commun. to C of  
26 June 1967

C Res. of  
22 March 1971

Comm. Commun. to C of  
30 July 1975

Comm. Commun. to C of  
27 March 1980

EEC Tr., Art. 99, Par 2

EEC Tr., Art. 100, Par. 2

2.5/2.51

2.51 *EP and ESC to be consulted*  
(contd)

EEC Tr., Art. 98

*C authorizes by qual. majority on proposal of Comm. limited-period discharge from countervailing charges in trade between Member States.*

EEC Tr., Art. 97, Par. 2

*If Member State infringes EEC Tr., Art. 95 or 96, Comm. issues directives or decisions applicable to the Member State in question.*

2.52

**INDIRECT TAXES**

2.521

**Requirements of Treaties**

EEC Tr., Art. 95

Taxes on goods from other Member States not to exceed taxation imposed on similar domestic goods; taxation not to afford any protection, even indirect.

EEC Tr., Art. 96

Repayment of internal taxation on exported goods not to exceed direct or indirect internal taxation.

EEC Tr., Art. 99, 100

Turnover taxes, excise duties and other forms of indirect taxation to be harmonized. No general harmonization of tax laws provided for, except where measures by a Member State have significant effects on conditions of competition.

2.522

**State of integration**

Work done in two directions:

- removal of restrictions on free movement based on individual cases;
- approximation of national laws (e. g. proposals for a number of Dir. on excise duties).

Aim of approximation:

Abolition of countervailing levies and border taxes in trade, removal of frontier controls.

Stages:

Initially approximation of structures, later approximation of rates of taxation.

1st C Dir. 227 of 11 April 1967	2.5221 <i>TURNOVER TAX</i>	Framework for harmonization of VAT laws of Member States	OJ 71/67
2nd C Dir. 228 of 11 April 1967		Structure and procedures for applying common VAT system.	OJ 71/67
		<i>Objectives:</i>	
		<ul style="list-style-type: none"> <li>— short-term: abolition of taxation components which distort conditions of competition at national and Community level;</li> <li>— long-term: abolition of import levies and tax remissions on exports in trade between Member States.</li> </ul>	
		<i>Methods:</i>	
		<ul style="list-style-type: none"> <li>— introduction of common VAT system, simple and neutral with respect to origin of goods and services and, if possible, embracing retail trade;</li> <li>— later, harmonization of tax rates and exemptions;</li> <li>— taking account of tax and budgetary policy of Member States when introducing VAT system.</li> </ul>	
C Dec. of 21 April 1970		Stipulates that up to 1 % of VAT revenue be allocated to EC budget from 1975, provided that assessment basis of VAT harmonized.	OJ L 94/70
6th C Dir. 388 of 17 May 1977		Common system of VAT; uniform basis of assessment. Principal provisions include:	OJ L 145/77
EP Opinion Arts. 1 – 20		<ul style="list-style-type: none"> <li>— scope, territorial application, taxable persons, taxable transactions and their location, chargeable events and chargeability to tax, taxable amount, rates, exemptions and deductions;</li> </ul>	CJ C 40/74
Arts. 24–26		<ul style="list-style-type: none"> <li>— special schemes prescribed for small undertakings, for farmers and for travel agents;</li> </ul>	

<p>Art. 29</p> <p>8th C Dir. 1072 of 6 Dec. 1979 EP Opinion</p>	<p>2.5221 — VAT Advisory Committee set up. (contd)</p> <p>Rules governing reimbursement of VAT to taxable persons not resident in Member State of imposition.</p>	<p>OJ L 331/79 OJ C 39/79</p>
<p>11th C Dir. 368 of 26 March 1980</p>	<p>Exclusion of French overseas departments from scope of 6th C Dir.</p>	<p>OJ L 90/80</p>
<p>2.5222 <i>DUTIES ON RAISING OF CAPITAL</i></p>		
<p>C Dir. 355 of 17 July 1969</p>	<p>Abolition of stamp duty on issue of securities.</p>	<p>OJ L 249/69</p>
<p>C Dir. 79 of 9 April 1973</p>	<p>Harmonization of duty on subscription of capital: As from 1 January 1976 standard rate 1 %; reduced rate of 50 % replaced by rate of 0 to 0.5 %.</p>	<p>OJ L 103/73</p>
<p>C Dir. 553 of 7 Nov. 1974</p>	<p>Determination of basis to take account of actual value of subscribed capital.</p>	<p>OJ L 303/74</p>
<p>2.5223 <i>TAXES IN INTERNATIONAL TRAVEL</i></p>		
<p>Harmonization of legal and administrative provisions relating to exemption from turnover tax and excise duty on imports in international travel.</p>		
<p><i>Objective:</i></p>		
<p>To make population of Member States aware of reality of CM when importing goods of a non-commercial nature.</p>		
<p><i>Methods:</i></p>		
<p>C Dir. 169 of 25 May 1969 C Dir. of 17 Nov. 1981 Last amended by</p>	<p>(a) goods brought into EC as personal baggage exempt from VAT and excise duty up to 45 ECU per person (or 23 ECU per person under 15 years of age);</p>	<p>OJ L 133/69 OJ L 338/81 OJ L 206/82</p>

C Dir. of 29 June 1982  
EP Opinion

2.5223  
(contd)

- (b) goods crossing internal EEC frontier for non-commercial purposes exempt from VAT and excise duty up to 210 ECU per person (Member States may reduce this to 75 ECU per person under 15 years of age);
- (c) VAT and excise duty exemption limits applicable to tobacco, alcohol, perfumes, coffee and tea are given in Art. 4 of C Dir. 169 of 28 May 1969, as amended;

OJ C 117/80

Donations granted to Denmark.

- (d) Exemption from import charges up to 40 ECU in respect of goods considered as personal baggage;

OJ L 191/69  
(OJ L 366/78)

- (e) flat-rate import charges collected on small non-commercial consignments of agricultural products so as to avoid the collection of several different charges;

OJ L 361/73

- (f) Exemption from import charges for small consignments of agricultural products and other goods up to 30 ECU;

OJ L 366/78  
OJ C 261/78

- (g) relief from VAT and excise duties on small consignments within the Community;

OJ L 354/74  
(OJ L 366/78)

2.5224

### *EXCISE DUTIES*

The harmonization programme envisaged by the Commission covers the following products: mineral oils, manufactured tobacco, alcohol, beer, wine.

#### — *Manufactured tobacco*

Directives lay down general principles of harmonization and special criteria applicable during successive stages.

OJ L 303/72  
(OJ L 180/74  
OJ L 330/75  
OJ L 354/76  
OJ L 338/77)  
OJ C 21/69

C Reg. 1544 of 23 July 1969  
(amended by C Reg. 3061  
of 19 Dec. 1978)

C Reg. 3539  
of 18 Dec. 1973

C Reg. 3060  
of 19 Dec. 1978  
EP Opinion

C Dir. of 19 Dec. 1974  
(amended by C Dir. 1034  
of 19 Dec. 1978)

C Dir. 464 of 19 Dec. 1972  
(amended by C Dir. 318  
of 25 June 1974, 786  
of 16 June 1975 911  
of 21 Dec. 1976 and 805  
of 19 Dec. 1977)  
EP Opinion

2.5223/2.5224

2.5224  
(contd)

*First stage* (1 July 1973 – 30 June 1978): covered cigarettes which were made liable to specific excise duty and proportional excise duty.

*Second stage* (1 July 1978 – 31 Dec. 1980 extended until 31. Dec. 1983): specific excise duty determined by reference to total tax (excise duty plus VAT):

*Subsequent stages*: Rate of proportional excise duty and amount of specific excise duty must be same for all cigarettes and fairly reflect difference in the manufactures' delivery prices. Methods of collection of excise duty to be harmonized at final stage at latest.

Some definitions of manufactured tobacco.

Exempts French overseas departments from application of C Dir. 464 of 19 Dec. 1973 and of 2nd C Dir. 32 of 18 Dec. 1978.

OJ L 369/82

OJ L 10/79

OJ C 155/74  
OJ L 90/80

C Dir. of 21 Dec. 1982

2nd C Dir. 32  
of 18 Dec. 1978  
EP Opinion

C Dir. 369  
of 26 March 1980

2.523

### **Works in progress**

#### **VAT**

Introduction of common VAT system for used goods, works of art, antiques and collectors' items.

Application of VAT to hiring out of movable tangible property.

Programme for simplification of value added tax procedures and formalities in intra-Community trade.

Determining the scope of the 6th VAT Directive as regards exemption from value added tax on the final importation of certain goods.

OJ C 26/78  
(OJ C 136/79)  
OJ C 93/79

OJ C 116/79  
OJ C 4/80

OJ C 244/81

OJ C 291/81  
OJ C 50/81

Prop. for 7th C Dir.  
of 11 Jan. 1978  
(amended)  
EP Opinion

Prop. for 10th C Dir.  
of 23 April 1979  
EP Opinion

Comm. Commun. to C  
of 20 May 1981

Prop. for C Dir.  
of 24 June 1981  
EP Opinion

EP Opinion Prop for Reg. of 19 March 1982	2.523 (contd)	On basis of EP Opinion, Comm. amended prop. for reg. introducing arrangements for movement within the Community of goods sent from one Member State for temporary use in one or more other Member States.	OJ C 40/82 OJ C 247/82
Prop. for C Dir. of 19 July 1982		Determining common arrangements for the refund of value added tax levied on imports or purchases of goods and services in a Member State to taxable persons not established in Community territory.	OJ C 223/82
<i>Taxes on raising of capital</i>			
Prop. for C Dir. of 31 March 1976 EP Opinion		Transaction in securities — establishment of single taxation system to replace current taxes on stock exchange transactions; prescribes maximum rates and certain compulsory exemptions.	OJ C 133/76 OJ C 259/76
<i>International travel</i>			
Prop. for Dir. of 24 Oct. 1975 (amended) EP Opinion		— tax exemptions applicable to personal property of individuals on permanent importation from another Member State;	OJ C 267/75 (Letter 76/6997) OJ C 53/76
Prop. for Dir. of 24 Oct. 1975 (amended) EP Opinion		— tax exemptions for certain means of transport temporarily imported into one Member State from another;	OJ C 267/75 (Letter 76/6998) OJ C 53/76
Prop. 5th Dir. of 30 Nov. 1979 (amended) EP Opinion		Amending derogations granted to Ireland and Denmark under 3rd C Dir. 1032 of 15 Dec. 1978 and tax-free allowance limits.	OJ C 318/79 (Com/80/0308) OJ C 117/80
Prop. Dir. of 23 Jan. 1980 EP Opinion		Establishing common tax procedure (both VAT and excise duty) applicable to stores of vessels, aircraft and international trains, both within EC and in traffic with third countries.	OJ C 31/80 OJ C 147/80
<i>Excise duties</i>			
Prop. for Dir. of 7 March 1972 EP Opinion		Introduction of harmonized excise duty system for mineral oils, manufactured tobacco, alcohol, beer, wine and mixed beverages.	OJ C 43/72 OJ C 48/74

2.523 (contd)	Abolition of other special excise duties, except those which do not give rise to tax on importation or remission of tax on exportation and no frontier controls.	15th Gen. Report of EEC para. 250
Prop. for Dir. 7 March 1972 EP Opinion	Setting up Excise Duty Committee.	OJ C 43/72 OJ C 48/74
C Dir. of 29 Dec. 1982 EP Opinion	— <i>Manufactured tobacco</i>	
	Establishing 3rd stage of harmonization planned for 1. 1. 81 – 31. 12. 86 postponed.	OJ L 369/82 OJ C 13/83
Prop. for Dir. of 2 Aug. 1973 EP Opinion of 13 Jan. 1975	— <i>Mineral oils</i>	
	Proposes harmonization of excise duties; covers first stage in harmonization of excise duty structure relating to mineral oils  definition of products liable to excise duty, determination of chargeable event, conditions under which excise duty becomes due, arrangements covering importation and exportation, exemptions.	OJ C 92/73 OJ C 32/75
Prop. for Dir. of 23 Feb. 1972 (amended) EP Opinion	— <i>Alcohol</i>	
	Single rate of excise duty in each Member State; reduced rate for certain wine-based beverages; exemption for industrial alcohol.	OJ C 43/72 (Letter 74/24220) OJ C 48/74
Prop. for Dir. of 23 Feb. 1972 EP Opinion	— <i>Wines</i>	
	Introduction of excise duty in some Member States where none exists; minimum rate fixed immediately on entry into force of Dir. EP not in favour of extending excise duty to other Member States where none exists.	OJ C 43/72 OJ C 48/74
Comm. Prop. for Dir. of 23 Feb. 1972 EP Opinion of 5 April 1974	— <i>Beer</i>	
	Standardization of rates for beers of same category; fixing of relationship between rates applicable to various categories.	OJ C 43/72 OJ C 48/74

1st Comm. Commun. to C  
of 2 Aug. 1977  
2nd Comm. Commun. to C  
of 26 June 1979

2.523  
(contd)

Comm. proposes compromise enabling prop. Dirs. alcohol, wine and beer  
to be adopted.

Bull. EC 7/8-1977  
point 2.1.39  
Bull. EC 6-1979  
point 2.1.39

2.53

## **DIRECT TAXES**

2.531

### **Requirements of Treaties**

EEC Tr., Art. 3 (c)

Intervention by EC in direct taxation where this represents obstacle to free  
movement of persons, services or capital.

EEC Tr., Art. 100

Approximation of legal provisions directly affecting establishment or  
functioning of CM.

EEC Tr., Art. 220

Member States to enter into negotiations to secure abolition of double  
taxation within EC.

2.532

### **State of integration**

C. Res. of 10 Feb. 75  
C. Dir. 799 of 19 Dec. 77  
(amended by  
C Dir. 1070  
of 6 Dec. 1979)

Recognition of international dimensions of tax evasion and avoidance.  
Mutual assistance by authorities of Member States in field of direct taxation  
and VAT

OJ C 35/75  
OJ L 336/77  
(OJ L 331/79)

- measures to combat tax evasion and avoidance;
- strengthening collaboration between national revenue departments;
- exchange of information to determine income and wealth tax liabilities;
- permits investigations by one Member State on behalf of another, and  
officials of one Member State working in another.

C Dir. 308  
of 15 March 1976  
(amended by  
C Dir. 1071  
of 6 Dec. 1979)  
EP Opinion

Mutual assistance for recovery of claims resulting from operations forming  
part of system of financing the EAGGF, of agricultural levies, of customs  
duties and of VAT.

OJ L 73/76  
(OJ L 331/79)  
OJ C 19/79

2.523/2.532

Prop. Dir. of 16 Jan. 1969 EP Opinion	— Common tax system for mergers, separation and subscription of capital with respect to parts of undertakings involving companies from different Member States.	OJ C 39/69 OJ C 51/70
Comm. Commun. to C of 30 April 1980	Comm. gives fresh impetus to above prop. Dir. of 16 Jan. 1969.	Bull. EC 4-80 point 2.1.32
Prop. Dir. of 16 Jan. 1969 EP Opinion	— Common tax system for parent companies and subsidiaries belonging to different Member States.	OJ C 39/69 OJ C 51/70
Prop. Dir. of 21 Dec. 1976 EP Opinion	— Elimination of double taxation in connection with adjustment of transfers of profits between associated enterprises (arbitration procedure).	OJ C 301/76 OJ C 163/77
Prop. Reg. amended 30 April 1975	Creation of European Company; settlement of a number of tax problems (see also 2.33)	OJ C 124/70 Comm. (75) 150/fin.
	— Location of company domicile for tax purposes.	
	— Possibility of moving tax domicile from one Member State to another in connection with tax exemptions.	
	— Possibility of allowing losses suffered by permanent establishments, and in some cases even by subsidiaries, located in other Member States to be taken into account in Member State where tax domicile is located.	
Comm. Progr. of 30 July 1975	Establishment of tax conditions for economic and monetary union	Bull. EC 7/8-75
	— Establishment of longer term measures with a view to greater integration.	
Prop. for Dir. of 1 Aug. 1975 EP Rep.	Harmonization of systems of company taxation and of withholding taxes on dividends.	OJ C 253/75 Doc. 104/79
Interim EP Opinion	— Proposal based on partial imputation system.	OJ C 127/79

Prop. for Dir. of  
24 July 1978

2.533  
(*contd*)

— Proposal for a directive for the application of the above proposal for a directive to dividends received through a collective investment institution.

OJ C 184/78

Purpose: to achieve equality of tax treatment between direct company shareholders and those whose investment in shares is made through a collective investment institution.

Prop. Dir. of  
21 Dec. 1979  
EP Opinion  
19 May 1982

— On income tax and non-resident employed persons, whereby:

- (i) frontier workers should be taxed in country of residence with credit for any tax withheld in country of employment;
- (ii) other non-residents should be taxed on terms no less favourable than residents;
- (iii) income tax relief for insurance premiums and pension contributions should not be made conditional upon taxpayer being resident in Member State granting relief.

OJ C 21/80

OJ L 149/82

### 3. **REALIZATION OF COMMON AGRICULTURAL POLICY**

EEC Tr., Arts 38, 39 and  
Annex II

#### 3.0 **Objectives**

- To increase agricultural productivity by promoting technical progress, rationalizing agricultural production and optimum utilization of factors of production, especially labour.
- To ensure fair standard of living for agricultural community, in particular by increasing individual earnings of persons engaged in agriculture.
- To stabilize markets.
- To assure availability of supplies.
- To ensure supplies to consumers at reasonable prices.
- To establish a customs union, applicable to agricultural products, as a contribution to the harmonious development of world trade, the progressive abolition of restrictions on international trade, and the lowering of customs barriers.
- CAP must be achieved by end of transitional period at latest. Products concerned enumerated in Annex II of Tr., to which C may decide to make additions.

EEC Tr., Art. 110

The importance of Annex II of Tr. lies in the special treatment applicable to listed products as regards price and trading arrangements.

#### **Stage reached in integration**

Some objectives have been more or less achieved in the course of the years, others to a lesser extent. Economic and social circumstances and require-

3.0 (contd)      ments have of course changed considerably. The objective of raising productivity and securing supplies has in general been achieved by implementing flexible policy and management as circumstances have required.

As regards the objectives of ensuring a fair standard of living for the agricultural community, stabilizing markets and securing free movement of goods within the EEC, many obstacles have arisen.

On the question of reasonable prices for consumers, there are differences of opinion as between responsibilities to agricultural and consumer policy.

### 3.1      **Decision-making procedure**

Comm. proposals on the fundamental principles of the CAP were submitted following the Stresa Conference (June 1960).

They were adopted by C in December 1960. Market organization by the Member States on the basis of quantitative restrictions was abolished.

EP submits recommendations to C on the general direction of the CAP. Marketing policy should be aimed at:

- raising productivity,
- stabilizing agricultural markets, with outlets being found for the greatest possible quantities of all EC products,
- securing supplies at fair prices,
- ensuring that reasonable incomes can be earned in agriculture.

As regards prices policy, resolution pointed to the need for a hierarchy of prices, having regard to production guidelines.

EEC Tr. Art. 43  
(1) and (2) (first para.)

EP opinion

OJ 71/60  
EP Doc. 70/60

3.1 (contd) As to structural policy, resolution urged progressive development of family farms. EP considered funds earmarked for structural improvements inadequate, and called for an active structural policy.

Resolution concluded with a call for measures for the different production sectors.

These basic objectives were pursued by the following measures:

EEC Tr., Art. 43 (2) (iii)

C shall, on prop. from Comm. and after consulting EP, acting unanimously during first two stages and by qualified majority thereafter, make regulations, issue directives, or take decisions, without prejudice to any recommendations it may also make.

These regulations or directives concern in particular:

EEC Tr., Art 40 (2)

— establishment of common organizations of markets,

EEC Tr., Art. 40 (4)

— setting up of one or more agricultural guidance and guarantee funds,

EEC Tr., Art. 42

— application of rules on competition to production of and trade in agricultural products,

— and, more generally, all measures meeting objectives defined in Art. 39.

Comm., after consulting Management Cttee, decides on:

— implementation of provisions for COM,

— impl. provisions for application of network for collection of farm accountancy data,

— administration of EAGGF.

3.1 Comm., in cooperation with Cttee. for Implementation of Regulations,  
(*contd*) decides on:

- veterinary matters,
- questions concerning foodstuffs.

Comm. decides independently on the level of levies and refunds.

### 3.2 **Measures used**

Community organization of markets by means of common rules on competition, compulsory coordination of national MOs, or common organizations of markets (COMs).

- COM formula eventually decided on, together with the implementation of common rules on competition, comprises in particular: regulation of prices, aids to production and marketing, storage and carry-over arrangements, joint measures for stabilizing imports and exports and, if necessary, regulation of inward processing traffic. Discrimination between Member States, and between producers and consumers in the Community, is prohibited.
- Coordination of measures relating to vocational training, agricultural research and dissemination of agricultural knowledge with aid of jointly financed projects or institutions.
- Common structural improvement projects.

EEC Tr., Arts 40, 41

### **INTERNAL COMMON MARKET FOR AGRICULTURAL PRODUCTS**

Operation and development of common market for agricultural products must be accompanied by establishment of common agricultural policy.

Save as otherwise provided in Arts 39 to 46, rules laid down for establishment of common market apply to agricultural products. Provisions of Tr. relating to competition are also applicable to agriculture.

Setting up COMs presupposes abolition of all quantitative restrictions and all customs duties between Member States.

However, obstacles arising from discrepancies between national legislations on such matters as public health provisions are not thereby abolished. Obstacles in this form, which still occur frequently, can be removed by using the instrument of the directive. The relevant directives should, however, be incorporated into national legislation, a process that will take considerable time.

### **SELF-SUFFICIENCY RATE**

As far as most agricultural products are concerned Community of the Ten had a self-sufficiency rate of around 100.

Products with a self-sufficiency rate of above 100 are: barley, sugar, butter, full and skimmed milk-powder, poultrymeat.

Products with a self-sufficiency rate of around 100 are: wheat, rye, oats, potatoes, wine, eggs, cheese, beef and veal, pigmeat.

Below 100: vegetable oils and fats, maize, rice, fresh fruit and vegetables, citrus fruits, sheepmeat.

3.23

### **AGRICULTURAL MONETARY POLICY**

C Reg. 129/62  
modified by  
C Reg. 2543/73

The CAP involves the fixing of common prices and common financing of measures. It requires a common denominator for converting the relevant currencies. In 1962 the unit of account, defined in gold, was chosen as the common denominator. In April 1979 this was replaced by the ECU (European Currency Unit).

OJ 106/62  
OJ L 263/73

ECU

C. Reg. 652/79

ECU is a 'basket' unit equal to sum of the values of the following amounts:

OJ L 84/79

Deutschmark (DM):	0.828
Pound sterling (UKL):	0.0885
French franc (FF):	1.15
Italian lira (LIT):	109.00
Dutch guilder (HFL):	0.286
Belgian franc (BFR):	3.66
Luxembourg franc (LFR):	0.14
Danish krone (DKR):	0.217
Irish pound (IRL):	0.00759

Value of this unit of account varies from day to day and is published in OJ.

3.231

### **Representative rates (green rates)**

Since 1969 Community agriculture has been suffering from effects of absence of monetary union. After end of transitional period (1969) market unity resulting from conversion of common prices into units of account once more deteriorated considerably. Community nature of prices has been negated by different levels of inflation, interest rates, economic development and taxation. Weakening of common market adversely affects competition and EC budget.

3.231  
(*contd*)

Since then special representative rates (green rates) have been introduced. These differ from official parities with the ECU and are closer to market rates. Green rates are necessary to convert from common prices expressed in ECU to real currency expressed in national units (pounds sterling, French francs, German marks, etc.).

OJ L 106/77  
OJ L 295/82

Green rates may be adjusted to market rates, as has happened repeatedly. Devaluation of green rate has following effects:

- higher guaranteed prices expressed in national currency;
- lower import subsidies and export charges.

Since Italy and United Kingdom in particular are net importers of agricultural produce, devaluation of green currencies represents a saving for EAGGF.

3.232

### **Monetary compensatory amounts (MCAs)**

#### *Object*

To maintain value of price guarantees in national currencies during period of monetary instability. They prevent distortion of trade which would otherwise result from the existence of guaranteed prices at artificial rates of exchange (green rates).

#### *Operation*

MCAs compensate difference between representative rates used for converting guarantees into national currencies and: (a) central rate, in case of countries with fixed exchange rates, or (b) market rate, for those countries with flexible exchange rates.

3.232 (contd) They are levied or granted on trade between Member States and on trade with third countries. For countries with revalued currencies MCAs are levied on imports and granted on exports, and for countries with devalued currencies they are levied on exports and granted on imports.

MCAs are worked out on basis of average fluctuations of currencies which belong to the snake or, in the case of currencies outside the snake, on that of market rates.

MCAs became permanently established as all Member States allowed their currencies to float without adjusting their green currencies which were introduced in 1973 for new Member States and in 1975 for the others. This also had effect of shifting flow of trade between Member States and of affecting unity of market for agricultural products.

3.233 **Abolition of MCAs**

Amended Prop.  
of 14 Nov. 1977

Regular and differentiated dismantling of MCAs:

EP Doc. 390/7

- dismantling of existing MCAs over 7 years;
- dismantling of future MCAs, provided that adjustments to green currencies are limited to 5%;
- restriction of Member States' powers to introduce or amend representative rates.

Representative rates are fixed once a year by C.

EP Opinion

Favourable opinion on dismantling of existing MCAs over 7 years. Rejection of scheme for dismantling new MCAs; instead, green rates should be adapted regularly and permanently.

Doc. 104/78

3.233 Procedure for applying exchange rates and green currencies to granting aid  
(contd) for undertaking joint action in structural field.

*Impact of EMS on MCAs*

For Member States which participate in EMS (except Italy) and whose currencies are therefore tied to fluctuation margin of 2.25 %, MCAs reflect difference between central rate (rate of each currency in relation to ECU) and representative rate 'green' rate).

Unlike earlier currency snake, however, when parity of a currency in EMS changes, all central rates are adjusted, with result that all MCAs are also altered.

Italy, which does not participate in EMS, has a wider fluctuation margin (6 %) and its MCAs are calculated by old method. They reflect difference between average cash rate on exchange markets over one week (Tuesday to Tuesday) and 'green' rate/central rate relationship. This arrangement also applies to UK, which does not participate in EMS.

3.234 **Impact of European Monetary System (EMS) on CAP**

ECU incorporated into CAP to replace 'agricultural' unit of account.

Conversion of prices and amounts by means of specified coefficient (value of European currency unit - 'ECU' - is 21 % lower than that of EUA).

Introduction of ECU does not affect differences in agricultural prices resulting from green currency rates and MCAs.

EP favours reduction of MCAs. In the meantime the basic regulations should be codified.

3.24 **NEW GUIDELINES FOR CAP**

Comm. Communication

Comm. position on policy on future development of CAP.

Bull. EC 11/78

*European Council on CAP*

On 12 and 13 March 1979 in Paris, European Council (Council of Heads of State and Government) reaffirmed that fundamentals of CAP were one of achievements of European integration.

With regard to surpluses of certain products, it takes view that properly directed price policy and specific measures to control production can correct imbalances on certain markets and counteract build-up of new surpluses.

European Council attaches importance to improving structural policy, with particular regard to least-favoured regions.

3.241 **Adjustment of CAP**

EP's initial rejection of EC's general budget for 1980 helped to draw attention to high cost of CAP and in particular of surpluses. When submitting its price proposals for 1981 Comm. tabled a proposal for adjustment of CAP with a view to improving market equilibrium and monitoring of expenditure.

EP gave its opinion on this matter in connection with price fixing. It agrees that strict agricultural policy is necessary in view of general economic situation and feels that Comm. should develop strategy to rationalize production and structure of European agriculture; it moreover requests that a set of measures should be taken to ensure that structural surpluses can be avoided.

EP Opinion  
EP Res. of  
26 March 1980

EP Doc. 1-610/79  
OJ C 97/80

Comm. Reps,  
24 June 1981  
and 25 Oct. 1981

3.242

### Review of CAP

In accordance with C mandate of 30 May 1980, Comm. outlined its approach, as set out in the document on review of the CAP of 11 December 1980, to reform of the CAP, and submitted it to C and EP in the form of guidelines on European agricultural policy.

Bull. EC  
1/81 Supp.  
COM (81) 606

Comm. report provides an analysis of policy pursued hitherto in the following areas:

- prices policy,
- corresponsibility of producers for the marketing of surpluses,
- support measures,
- exports and imports policy,
- quality control policy,
- structural policy,
- direct income support,

and sets out measures the policy would need to incorporate to the end of 1988, in connection, *inter alia*, with the consequences of accession of Spain and Portugal to EC.

EP Opinion

On 17 June 1981, EP adopted a resolution in which it submitted recommendations to C and Comm. with a view to possible improvements to CAP.

OJ C 172/81

In its resolution, EP reaffirmed its commitment to principles of the CAP and acknowledged what had been achieved, but considered adjustment urgently necessary in respect of budgetary difficulties arising from forthcoming accession of Spain and Portugal, problems posed by surpluses in certain sectors, and the unsatisfactory structure of agricultural incomes in a number of EC areas.

It recommended in particular the production objectives proposed by the Comm. as meeting the need both to guarantee incomes and eliminate surpluses.

EP Opinion

3.242  
(contd)

*Implementation of the mandate of 30 May 1980*

OJ C 182/82

As regards agricultural aspects of the mandate, the EP took the view that improvements to CAP in accordance with principles of the CAP were fundamental to implementation of the mandate. It stressed maintenance of the Community preference, increased efficiency and better organization of production, with a view to improving restraints on both expenditure and surpluses, and an effort to deal with the problems arising from disparities in agricultural incomes.

3.25

**GUIDELINES ON THE DEVELOPMENT OF THE  
MEDITERRANEAN REGIONS OF THE COMMUNITY  
(‘Mediterranean package’ and ‘Integrated projects’)**

Comm. Commun.  
EP Opinion of 19 January 1978

Following Res. of 12 – 13 March 1976 on expediency of taking measures to assist agriculture in Mediterranean regions of EC, Comm. submitted first commun. on the subject to C on 1 April 1977.

EP Doc. 467/77  
OJ C 36/78

During 1978 regulations and directives were adopted in the following sectors:

- irrigation;
- restructuring and conversion of vineyards;
- improvement of public services in rural areas;
- development of common marketing projects in these regions;

3.242/3.25

- 3.25 (contd) — improved dissemination of agricultural knowledge where C Reg. 72/161 is not applied;
- support for producer groups;
- assistance to improve processing and marketing of agricultural products and forestry in certain regions;
- and in market organization:
- adjustment of aids and subsidies for processed fruit and vegetables;
- rationalization of fruit production;
- modification of COM for fresh fruit and vegetables;
- modification of COM for olive oil and wine.

Relevant arrangements and guiding principles are set out in various COMs and in EC measures relating to structural policy.

Despite these efforts, Mediterranean regions have continued to derive less benefit than other regions from process of integration and the effects of Community policies. These regions, moreover, are particularly vulnerable to the consequences of enlargement.

Comm. Commun. to C

In context of the Mandate of 30 May, Comm. submitted a new commun. to C on 'Mediterranean programmes - lines of action'.

COM (81) 637

EP Rep., 17 June 1982

This document, which could provide the basis for second stage in development of the Mediterranean regions of Community, centres on the need for global Community action. The establishment of these 'Integrated programmes' should involve action by all Community Funds in addition to EAGGF Guidance Section, including ERDF ('quota' and 'non-quota' sections), ESF, NCI and EIB.

OJ C 182/82  
EP Doc. 1-307/82

3.25 *Market organization*<sup>1</sup>  
(contd)

C Reg. 1562/78  
C Reg. 3089/78

(a) olive oil;

OJ L 185/78  
OJ L 369/78

C Reg. 1152/78  
C Reg. 1154/78  
C Reg. 1766/78  
C Reg. 1122/78

(b) fresh and processed fruit and vegetables:

OJ L 144/78  
OJ L 144/78  
OJ L 204/78  
OJ L 142/78

— amendments to COM (countervailing charges, reference prices, powers of producers' organizations, intervention system, particularly for fresh grapes, peaches and pears, financial compensation for oranges and lemons, special measures for withdrawing blood oranges from market and selling them to processing industry);

C. Reg. 1767/78

— marketing aid for products processed from lemons, special measures for processing tomato concentrates, skinned tomatoes, prunes and peaches in syrup;

OJ L 204/78

C Reg. 1431/82

(c) peas and field beans;

OJ L 162/82

C Dec. of 19 Dec. 1978

(d) wine.

3.26 **NATIONAL SUPPORT MEASURES**

The total amount of national aid to agriculture is considerable and far in excess of Community expenditure.

Agr. Situation  
1981 Rep., pt 362

The drop in agricultural incomes in 1981 has had a pronounced effect on national aid to farmers.

Agr. Situation  
Rep. 1978, pt 226

Although Comm. monitors the situation, EP has often criticized its work in this field in written and oral questions and in motions for resolutions. One of EP's criticisms centres on the Comm.'s failure to update and publish 1977 aggregate figures on national aid.

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<sup>1</sup> For details see the description of individual market organizations under 3.6.

### 3.3 **Financing of common agricultural policy**

#### 3.31 **PRINCIPLES**

C Reg. of 4 April 1962

Establishment of Fund divided into two sections:

OJ 30/62

C Reg. of 5 Feb. 1964  
C Reg. of 26 July 1966

*Guarantee Section:*

in 1983 budget, approx. 14 050 million ECU<sup>1</sup> to finance

- interventions on domestic market; these are designed to reduce quantities placed on EC markets and to guarantee a minimum price to producers;
- refunds on exports to third countries; these equal difference between Community prices and the generally lower prices on world markets.

OJ 34/64  
OJ 165/66

C Reg. of 8 May 1979  
amending Reg. 729/70  
EP Opinion  
C Reg., 31 Dec. 1980

*Guidance Section:*

- fixed in principle at 3755 million ECU for 1980–84 (635.8 million ECU in payment for 1983) to contribute towards financing (generally 25 to 45 %)
- projects for improvement of agricultural structures;
- general measures affecting social structures;
- measures benefiting less-favoured regions;
- structural measures in conjunction with COMs;
- joint measures for improvement of fisheries structures.

OJ C 6/79  
OJ L 367/80

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<sup>1</sup> ECU: see 4.142 in fine.

### 3.32 **PRESENT SYSTEM OF FINANCING**

C Reg. 729/70 of  
of 21 April 1970

Confirms functions of EAGGF and includes fund in EC budget financed by own resources as a whole.

OJ L 94/70

Ends system previously in operation, based on scales of contribution amongst Member States and clearing system relating to expenditure and resources of EAGGF.

Allows advances to be granted to national bodies responsible for payment of aid by way of 'guarantee'.

Divides responsibility for checking expenditure between Member States and Comm.

### 3.33 **MEASURES USED**

C Reg., 2 Aug. 1978  
C Reg., 24 May 1979  
C Reg., 29 Jan. 1980  
C Reg., 9 Nov. 1981  
C Reg., 17 May 1982  
C Reg., 15 Nov. 1982  
C Reg., 21 Dec. 1977

— General rules for financing of *interventions* by EAGGF, Guarantee Section: lists interventions intended to stabilize agricultural markets and financed by EAGGF; lays down the rules and conditions of financing intervention measures (purchase, storage, sale). There are numerous amendments and additions to this regulation.

OJ L 216/78  
OJ L 130/79  
OJ L 28/80  
OJ L 327/81  
OJ L 148/82  
OJ L 322/82

— Rules applicable to financing of *refunds* made by EAGGF, Guarantee Section: these rules are fixed individually by regulation establishing COM.

OJ L 356/77

— General financial regulations covering special provisions for EAGGF Guarantee Section (Arts 95 to 101):

— provisional and final commitment of expenditure, corresponding to advances made to national bodies responsible for making payment;

— transfers of appropriations;

— financial year in which expenditure is chargeable to accounts.

**EAGGF APPROPRIATIONS FOR 1983***(in millions of ECU)***A. Guarantee: 14 050**

Sectors	Refunds	Intervention, aids to production
Cereals	1 405	786
Rice	51	13
Milk products	2 065	2 048 <sup>(1)</sup>
Olive oil	5	737
Oilseeds	5	686
Sugar	1 048	488
Beef and veal	753	530
Pigmeat	150	30
Eggs and poultry	125	—
Fruit and vegetables	61	871
Wine	28	441
Tobacco	23	645
Sheepmeat	—	237
Fibre flax and hemp	—	24
Miscellaneous <sup>(2)</sup>	—	278
Processed products	300	—
MCAs (net)	240	—

<sup>1</sup> After deduction of co-responsibility levy 519 million ECU.<sup>2</sup> Seed, hops, bees, silk worms, cotton, peas, broad beans, field beans.**B. Guidance: 801.9 Commitments****635.8 Payments**

	Commitments	Payments
— Projects for improvement of agricultural structures	164.0	84.5
— General measures affecting social structures	133.7	131.9
— Measures benefiting less-favoured regions	381.6	316.0
— Structural measures in conjunction with COMs	95.6	80.2
— Measures affecting fisheries and marine sectors (including appropriations covered by Chapter 100)	27.0	23.2

**NB:** The remarks to Chapter 29 of the 1983 budget note, for information, that the following items may be deducted from the total cost of the guarantee section:

— agricultural levies and 'sugar' levies	2 571.7
— food aid refunds	258.0
— trade concessions (sugar, butter, beef & veal, cereals)	1 490.0
	<u>4 319.7</u>

3.34  
(contd)

*Relative magnitude of EAGGF expenditure in the Community*

The financial burden resulting from common agricultural policy for the Community as a whole and for each Member State in particular can be assessed in familiar economic terms: i.e. market support expenditure as proportion of total expenditure on foodstuffs and total agricultural expenditure as proportion of EC's gross domestic product. This financial burden is not to be confused with transfers which take place from consumers to producers and vice versa.

Years	Expenditure of EAGGF Guarantee Section as a percentage of EEC expenditure on foodstuffs	Expenditure of EAGGF Guarantee Sections as a percentage of EEC gross domestic product
1976 (EUR 9)	1.8	0.44
1977	2.1	0.48
1978	2.5	0.55
1979	2.8	0.59
1980	2.8	0.56
1981 (EUR 10)	2.6	0.50 (estimates)
1982	2.9	0.55 (estimates)

Source: The Agricultural Situation in the Community, 1982.

### 3.4 **Common organization of markets (COM)**

#### 3.40 **OBJECTIVES AND PRINCIPLES OF THE COM**

Whereas all COMs pursue same goal – i.e. to achieve objectives of EEC Tr., Art. 39 whilst at same time observing those of Art. 110 (harmonious development of world trade), means employed differ according to product (degree of self-sufficiency of EC for a particular product, storage facility, rapid variation of production as between one year and the next). Other factors are relevant: type of organization previously in existence in particular Member State (existence of quota system for sugar) and to some extent, time when COM was set up (experience with regard to other COMs; market position at time COMs were set up).

A variety of mechanisms – not necessarily enumerated in Tr. – may be employed to achieve the objectives.

Following three principles generally embodied in each COM:

- *Community preference* achieved either by levies or by external tariff, possibly in conjunction with supplementary charges. System of levies forms a screen which adjusts variations – at times very marked;
- of world market prices. Levies, which in most cases are applied to imports, affected exports of certain products in 1973 and 1974 (cereals, sugar) by reason of particularly high level of world market rates.

3.40  
(contd)

- Sheltered by this screen, *free movement of products* is ensured thanks to elimination of internal barriers (tariff or quantitative). It is accompanied by fixing of *single common price* for EC. The concept of a single price has been called into question by monetary instability which have led to introduction of 'monetary compensatory amounts' and transposition of prices fixed in ECUs into national currencies expressed in terms of a 'representative rate' (mostly different from parity declared to IMF but closer to real economic situation in agricultural sector).
- *Financial guarantee*: size and guarantees differ according to product. Following may be distinguished:
  - support prices covering approx. 72% of EC production (cereals, rice, sugar, milk, beef and veal and pigmeat, table wine, certain types of fruit and vegetables and fishery products). Producers are assured of these support prices by means of mandatory intervention measures applied on permanent basis or by intervention measures determined in accordance with criteria established beforehand;
  - supplementary aid to products covering approx. 2.5% of EC production, applied particularly in cases of low degree of self-sufficiency (durum wheat, olive oil, oil seeds, tobacco);
  - flat-rate amounts of aid per hectare covering only 0.6% of production (cotton seeds, flax and hemp, hops, silkworms, seeds, dehydrated fodder).

Export refunds form — if not a financial guarantee as such — at least an aid to sales.

A competitive bidding system for export refund amounts enables Comm. to control allocation of quantities for export and level of prices.

Finally it should be noted that some products (flowers, eggs, poultry) are not covered by financial guarantees.

These three principles, to which EP is committed, are now accompanied by a new element — as a result of the continuing surpluses in a number of

- 3.40 COMs and the concomitant increase in budget expenditure on price  
(*contd*) guarantees and export subsidies — in the form of a financial contribution by  
producers towards the disposal of surpluses on the world market.

In view of the precarious budgetary situation, which leaves little room for other policy sectors, the Community has accepted the principle that agricultural expenditure should for the time being rise less fast than the total funds available to the Community. A practical consequence of this principle is the introduction of guarantee thresholds for milk, cereals, rape-seed and tomato products. If these thresholds are exceeded, the intervention levels are lowered.

3.41 **INSTRUMENTS**

Decisions relating to operation of COMs are taken either by C after opinion of EP on proposals by Comm. (e.g. annual fixing of prices), and — in practice — after opinion of ESC, or by Comm. acting in accordance with Committee procedure, or by the Comm. acting autonomously.

3.411 **Committees**

3.4111 **MANAGEMENT COMMITTEES**

Each COM includes Management Committee composed of representatives of Member States under chairmanship of Comm. representative. Votes of Member States are weighted as in EEC Tr., Art. 148. Comm. does not take part in voting.

Comm. submits drafts for relevant measures and *immediately adopts the measures*. However, if these conflict with view of Committee, they are communicated to C by Comm. Comm. may defer implementation of measures by one month. C may take different decision within the period of one month.

3.4112      **COMMITTEES FOR IMPLEMENTATION OF  
REGULATIONS**

Free movement of goods within EC raises — in addition to problems of commercial management as such — problems relating to harmonization of commercial, health or veterinary provisions. From 1964 onwards directives have been issued relating to veterinary inspection problems in intra-Community trade in live animals and meat. In implementing these Directives Comm. is supported by Committees for Implementation of Regulations. Procedure is somewhat different from that appertaining to Management Committees despite repeated calls by EP for alignment of procedure of all these committees with that of Management Committees.

C Dec. of 20 July 1970

Same composition as for Management Committees.

OJ L 170/70

Contrary to Management Committee procedure, measures proposed by Comm. *are not applicable immediately* if they conflict with opinion, or in absence of opinion. Comm. must immediately submit to C a proposal relating to measures to be adopted. C adopts measures by qualified majority.

Subsequent procedure may follow two courses:

e.g. Standing Committee for Feedingstuffs

If, following delay of three months from date of reference to the C latter has not acted, measures proposed may be taken by Comm.

C Dir. of 19 July 1971

e.g. Standing Veterinary Committee

OJ L 179/71

C has in fact means of blocking application of proposed measures, which may be exercised within 15 days (rapid procedure) or within three months (standard procedure) if it decides against these measures by simple majority.

3.4112 Both Comm. – in proposal which was not accepted by C – and EP have  
(*contd*) always opposed possibility of C blocking application of proposed measures.  
This possibility was, however, confirmed in two directives dated 24 June  
1975 with existing procedures extended and right of appeal against decisions  
of Committee maintained in C.

3.4113 **CONSULTATIVE COMMITTEES**

Consultative Cttees on decision of Comm. for all products (include  
representatives of producers, and cooperative, trade, industry, agricultural  
and food industry employees, and consumers).

There are also Consultative Cttees for foodstuffs, agriculture, horticulture  
and forestry.

Comm. may consult Cttees on impl. provisions for COM.

3.42 **MARKET AND PRICE TERMINOLOGY <sup>1</sup>**

(a) In connection with external trade:

The *cif* price is used for calculating the levy. This is difference between  
*cif* price and threshold price. *Cif* price is world market price with respect  
to a frontier transit point, calculated by Comm.

*The threshold price* is basis for calculating levy on imported produce.  
Imports may not cross EC's frontiers with third countries below this  
price, and thus levy is equivalent to difference between threshold price  
and world market price (generally lower). Threshold price is fixed so  
that when transport costs are added, imported goods reach target price  
for domestic market (see target price).

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<sup>1</sup> See Bodo Börner: 'Das Interventionssystem der landwirtschaftlichen Markt-  
ordnungen der EWG', Agrarrecht der EWG, Cologne, 1969.

3.42  
(contd)

*The sluice-gate price* is required for calculating supplementary levy. In the case of goods processed from agricultural products, levy is not equal to difference between cif price and threshold price; to avoid market disruption in this case a supplementary levy is charged, equal to difference between lower free-at-frontier offer price and sluice-gate price.

*The free-at-frontier offer price* is quoted for all products imported from third countries. It is required for calculation of supplementary levy which is given by sluice-gate price minus lower free-at-frontier price.

*The second free-at-frontier offer price* is used as basis for calculating supplementary levy (see free-at-frontier offer price) when imports from certain third countries are at abnormally low prices compared with supplies from other third countries.

*The reference price* is used in MO for fruit, vegetables and fishery products for calculating countervailing charge to be imposed over and above customs duty on goods imported at unusually low prices.

*The minimum import price* serves same purpose as reference price and is applied to imports of certain fishery products as a special protection measure.

*Refunds* are subsidies for agricultural exports intended to bridge the difference between the world market price (where lower) and the EC price in order to make EC products competitive on the world market. Refunds are fixed by Comm.

(b) In connection with production planning:

*The target price* is market price aimed at by MOs to guarantee producers a minimum return. Interventions on Community market and at EC frontiers with third countries serve to achieve this target price, and intervention and threshold prices are therefore derived from it.

3.42  
(contd)

*The producer target price* relates only to MO for olive oil (see e.g. 3.6141). Unlike target price and market target price it is not meant to be obtained on market, but serves rather to calculate aid due to olive-oil producers; it corresponds to difference between market and producer target prices.

*The market target price* is a special kind of target price, introduced only in MO for vegetable fats in respect of olive oil. It, too, represents a declared target price without, however, guaranteeing producer target price.

*The basic price* is used in COMs for fruit and vegetables and pigmeat as basis for calculating buying-in price. Whereas with pigmeat, basic price corresponds to target price of other MOs, basic price of fruit and vegetables is not fixed as target price but calculated from certain market quotations from previous financial years.

*The guide price* takes place of target price in MO for beef and veal because it is desired market price.

*The norm price* fixed for soya beans and unmanufactured tobacco fulfils same function as target price.

(c) In connection with price support:

*The intervention price* is price at which intervention centres must buy up produce. It is guaranteed to producers as minimum return, and is slightly under target price and slightly higher than production price (difference – transport costs between farm and warehouse of intervention agency).

*The guaranteed minimum price* is used in the case of durum wheat for calculation of aid to producers. If intervention price for centre in area with highest surplus falls short of guaranteed minimum price, producers receive subsidy corresponding to difference.

3.42      *The withdrawal price* is price below which fruit and vegetable producers organizations will not release on to market goods supplied by their members (who receive payment in compensation).

In COM for wine a floor price is applicable to table wine. Marketing below this price may be prohibited.

*The activating price* is price which triggers off intervention in COM for wine.

*The reference price* is a guide price for common wheat which makes it possible for market price of wheat of bread-making quality to exceed EC intervention price for fodder wheat.

*The maximum aid price* is producer price level for soya meal at a given time which determines amount of aid in COM for peas and field beans.

### 3.421      **Calculating prices**

In drawing up its proposals for the prices of agricultural products for the 1983-84 marketing year the Commission has taken into account all the available data on price trends, production costs, agricultural incomes and the financial impact on the Community budget.

For the 1983-84 marketing year the professional organizations have already called for the application of the objective method, which the Commission used previously as a basis for its proposals. This method takes account of operating costs, comparable income from one Member State to another, a fixed coefficient of technical progress of 1.5 % and the trend in exchange rates over a reference period of three years.

3.421  
(contd)

In fact, the Commission's proposals and the Council's decision on the fixing of prices for 1983-84 drew attention to the following points:

- the review of the CAP which has been undertaken since the Mandate of 30 May,
- the basic guidelines presented by the Commission in its Memorandum on European agriculture (COM(81) 608 of 26. 10. 1981),
- certain commercial problems with the EEC's trading partners (United States),
- budgetary problems when the ceiling of 1 % of VAT is reached.

## 3.422 Prices and amounts fixed 1983-84

Table 1 – Prices adopted for the various products

	Type of price or amount	Common price		Period of application	Greece <sup>1</sup>	
		Amount (ECU/t)	Increase (%)		Amount fixed 1982/83 (ECU/t)	Amount fixed 1983/84 (ECU/t)
Common wheat	Target price	261.43	4.3	1. 8. 1983 – 31. 7. 1984	CP	CP
	Common single intervention price	184.58	3.0		CP	CP
	Reference price for bread wheat – average quality <sup>2</sup>	215.29	3.0		CP	CP
Durum wheat	Target price	355.42	4.8	1. 7. 1983 – 30. 6. 1984	CP	CP
	Intervention price	312.08	4.6		CP	CP
	Aid	99.81	7.5		66.14 <sup>3</sup>	77.36 <sup>3</sup>
Barley	Target price	238.17	4.3	1. 8. 1983 – 31. 7. 1984	CP	CP
	Common single intervention price	184.58	3.0		CP	CP
Rye	Target price	238.17	4.3	1. 8. 1983 – 31. 7. 1984	CP	CP
	Intervention price	184.58	3.0		CP	CP
Maize	Target price	238.17	4.3	1. 8. 1983 – 31. 7. 1984	CP	CP
	Common single intervention price	184.58	3.0		CP	CP
Rice	Target price – husked rice	523.16	5.3	1. 9. 1983 – 31. 8. 1984	CP	CP
	Intervention price – paddy rice	306.53	5.5		CP	CP
Sugar	Basic price for sugarbeet	40.89	4.0	1. 7. 1983 – 30. 6. 1984	CP	CP
	Intervention price for white sugar	534.70	4.0		CP	CP
Olive oil	Producer target price	3 194.20	5.5	1. 11. 1983 – 31. 10. 1984	CP	CP
	Intervention price	2 299.20	5.5		CP	CP
	Production aid	702.60	5.5		256.50	405.20

	Type of price or amount	Common price		Period of application	Greece <sup>1</sup>	
		Amount (ECU/t)	Increase (%)		Amount fixed 1982/83 (ECU/t)	Amount fixed 1983/84 (ECU/t)
Oilseeds	Target price					
	– colza and rape seed	482.20	4.0	1. 7. 1983 – 30. 6. 1984	CP	CP
	– sunflower seed	577.10	6.0	1. 8. 1983 – 31. 7. 1984	CP	CP
	Basic intervention price					
	– colza and rape seed	438.00	4.0	1. 7. 1983 – 30. 6. 1984	CP	CP
	– sunflower seed	527.10	6.0	1. 8. 1983 – 31. 7. 1984	CP	CP
	Guide (norm) price					
	– soya seed	561.70	6.5	1. 11. 1983 – 31. 10. 1984	CP	CP
	– flax seed	545.90	6.0	1. 8. 1983 – 31. 7. 1984	CP	CP
– castor seed	663.90	0.0	1. 10. 1983 – 30. 9. 1984	CP	CP	
Minimum price soya seed	494.30	6.5	1. 11. 1983 – 30. 9. 1984	CP	CP	
Minimum price castor seed	632.00	0.0	1. 10. 1983 – 30. 9. 1984	CP	CP	
Dried fodder	Fixed-rate aid	8.49	6.0	1. 4. 1983 – 31. 3. 1984	CP	CP
	Guide price	178.94	6.0		162.70	CP
	Aid for dried potatoes	15.78	6.0	1. 7. 1983 – 30. 6. 1984	5.73	9.08
Peas and field beans	Activating price	517.60	8.7			
	Guide price	334.40	6.5	1. 7. 1983 – 30. 6. 1984	CP	CP
	Minimum price	291.90	6.5			
Flax and hemp	Fixed-rate aid (per ha)					
	– fibre flax	355.12	6.0	1. 8. 1983 – 31. 7. 1984	83.76	118.37
	– hemp	322.52	6.0		76.07	107.51
Cotton	Target price	927.50	8.0		CP	CP
	Minimum price	881.20	8.0	1. 8. 1983 – 31. 7. 1984	CP	CP

	Type of price or amount	Common price		Period of application	Greece <sup>1</sup>	
		Amount (ECU/t)	Increase (%)		Amount fixed 1982/83 (ECU/t)	Amount fixed 1983/84 (ECU/t)
Table wine	Guide price (per degree/hl or per hl, according to type)	3.45	5.5	16. 12. 1983 – 31. 8. 1984	CP	CP
Type RI		3.45	5.5		CP	CP
RII		53.84	5.5		CP	CP
RIII		3.20	6.0		CP	CP
AI		71.74	5.5		CP	CP
AII		81.93	5.5		CP	CP
AIII						
Raw tobacco	Guide price Intervention price		4-7.5	1983 harvest	CP	CP
Fruit and vegetables	Basic price		4	1983/1984	4	4
Milk	Target price for milk Intervention price – for butter – for skimmed-milk powder – for cheese • Grana padano 30–60 days • Grana padano 6 months • Parmigiano-Reggiano 6 months	274.30 3 578.60 1 496.40 3 612.70 4 395.20 4 802.30	2.3 2.3 2.3 2.3 2.3 2.3	23. 5. 1983 – 31. 3. 1984	CP	CP
Beef and veal	Guide price for adult bovines (live weight) Intervention price for adult bovines (live weight)	2 070.90 1 863.80	5.5 5.5	23. 5. 1983 – 2. 4. 1984	CP	CP
Sheepmeat	Basic price (slaughter weight)	4 323.60	5.5	3. 5. 1983 – 2. 4. 1984	CP	CP

	Type of price or amount	Common price		Period of application	Greece <sup>1</sup>	
		Amount (ECU/t)	Increase (%)		Amount fixed 1982/83 (ECU/t)	Amount fixed 1983/84 (ECU/t)
Pigmeat	Basic price (slaughter weight)	2 053.87	5.5	1. 11. 1983 – 31. 10. 1984	CP	CP
Silkworms	Aid per box of silkworm eggs	106.00	6.0	1. 4. 1983 – 31. 3. 1984	73.02	84.01

Account has been taken of the activation of the guarantee thresholds in the appropriate cases.

<sup>1</sup> Prices in Greece are given only where they differ from common prices. CP = common price.

<sup>2</sup> The price is reduced by 10.40 ECU per tonne for 1982/83 and by 11.62 ECU per tonne for 1983/84 where intervention measures are applied in respect of the minimum breadmaking quality.

<sup>3</sup> For those regions of Greece which received no national aid before Greece joined, the Community aid is 23.21 ECU per ha for 1982/83 and will be 48.74 ECU per ha for 1983/84.

<sup>4</sup> Products in Annex II to Council Regulation (EEC) No 1035/72 of 18 May 1972 (% increase and period of application):

	1982/83	CP	Greece	
		1983/84	1983/84	
Cauliflowers	12	6.5	CP	23. 5. 1983 to 30. 4. 1984
Tomatoes	9	3.5	11.3	11. 6. 1983 to 30. 11. 1983
Peaches	12	6.5	13.3	1. 6. 1983 to 30. 9. 1983
Lemons	12	6.5	CP	1. 6. 1983 to 31. 5. 1984
Pears	12	3.5	CP	1. 7. 1983 to 30. 4. 1984
Table grapes	12	6.5	CP	1. 8. 1983 to 31. 10. 1983
Apples	11	3.5	CP	1. 8. 1983 to 30. 6. 1984
Mandarins	11	5.5	10.0	16. 11. 1983 to 28. 2. 1984
Sweet oranges	12	6.5	15.0	1. 12. 1983 to 31. 5. 1984
Apricots	-	6.5	CP	1. 6. 1983 to 31. 7. 1983
Aubergines	-	6.5	CP	1. 7. 1983 to 31. 10. 1983

For Greece, lower prices, are to be fixed for tomatoes, peaches, mandarins and oranges (price alignment and increase included). The common prices are applicable to cauliflowers, lemons, table grapes, apples, apricots and aubergines and are proposed for pears by price alignment.

**Monetary measures affecting agriculture**

C. Reg. 878/77  
last amended by  
C. Reg. 1668/82

Monetary instability in 1981 made it necessary to adjust exchange rates between various currencies within the EMS. These adjustments affected values of the green currencies, which at 29 June 1982 were as follows:

OJ L 106/77  
OJ L 184/82

1 ECU	=	42.9772	BFR/LFR
1 ECU	=	8.234	DKR
1 ECU	=	2.57524	DM
1 ECU	=	6.19564	FF
1 ECU	=	0.691011	IRL
1 ECU	=	1 289.00	LIT
1 ECU	=	2.75563	HFL
1 ECU	=	0.618655	UKL
1 ECU	=	64.8597	DR

C. Reg 129/78

In field of structural policy, representative rate is that rate in force on 1 January of year in which aid is granted.

OJ L 20/78

3.5 **Harmonization of provisions on production and marketing of agricultural products**

3.50 **OBJECTIVES**

Protection of public health

Protection of consumer (see also 4.6)

Removal of obstacles to trade

3.51 **REQUIREMENTS OF TREATY**

Legal basis for these measures is constituted by general provisions on elaboration and implementation of common agricultural policy and coordination of legal provisions.

EC Tr., Art. 100

3.52 **HARMONIZATION OF VETERINARY LEGISLATION**

3.520 *Objectives:*

- Free movement of products in EC,
- Protection of consumers against pathogens and dangerous substances,
- Prevention and combating of contagious diseases amongst animals, having regard to human health,
- Maintenance of healthy livestock important for farmers' incomes.

3.520 *Instruments:* Directives laying down standards to be met by products in order to be released for trade.  
(contd)

A decision was taken for a progressive adjustment in view of significant differences in the Member States.

*The liberalization of trade between the Member States* is not yet complete. Measures relating to national production are currently being implemented.

*The liberalization of trade with third countries* is just getting underway. Community regulations should be applied in the field of protection for consumer and animal health.

*Management* by the Standing Veterinary Committee (see 3.1).

Rules for procedures within the Standing Veterinary Committee

Comm., supported by EP, wants to abolish the C's power to block (rejection by simple majority of votes cast) decisions of the Standing Veterinary Committee.

A highly qualified veterinary committee made up of experts from the Member States advises Comm.

OJ L 172/75  
OJ L 186/81

3.521 **Intra-Community trade**

(a) Bovine animals and swine

*Objectives:* Joint system for control of animal diseases: tuberculosis and brucellosis

OJ L 26/77

OJ L 186/81

— Setting up of emergency fund to combat animal diseases.

OJ L 26/77

— Health regulations affecting imports of bovine animals, swine and fresh meat from third countries.

OJ L 302/77

OJ L 186/81

C Dec. 75/380  
and 81/477

C Dir. 77/98  
amended by  
C Dir. 81/476

C Dec. 77/97

C Dir. 72/462  
amended by  
C Dir. 81/476

3.520/3.521

3.521  
(contd)

(b) Fresh meat

*Objectives:* harmonization of hygiene and health requirements in slaughterhouses and during storage and transport.

Health requirements and control of intra-Community trade in meat-based products.

OJ 121/64  
OJ L 186/81

— Regulations on fresh meat and animal health.

OJ L 302/72  
OJ L 186/81

— Animal health regulations affecting meat production.

OJ L 47/80  
OJ L 186/81

Community arrangements to remove present inequality in Member States with regard to animal health regulations.

— Provisions relating to examination for trichinae upon importation from third countries of fresh meat derived from domestic swine.

OJ L 26/77  
OJ L 186/81

Control of imports of fresh meat.

*Hormones in veal*

On 31 July 1981, C reached a decision in principle on total prohibition of stilbene derivatives and thyrostatic substances pending more detailed regulations on the administering of synthetic hormones to animals.

OJ L 222/81

Imports from third countries must meet same standards as those imposed on intra-Community trade. This constituted first step towards Community regulation on use of hormones. C has not yet reached a decision on uniform controls for which Comm. has submitted proposals.

C Dir. 64/433  
amended by  
C Dir. 81/476

C Dir. 72/461  
amended by  
C Dir. 81/476

C Dir. 80/215  
amended by  
C Dir. 81/476

C Dir. 77/96  
amended by  
C Dir. 81/476

C Dir. 81/602

C. Prop.	3.521 (contd)	<i>State of integration</i> Intra-Community trade in fresh meat is still obstructed by divergent national regulations on health and veterinary medicine. Comm. is currently preparing new proposals designed to remove these obstructions.	OJ C 250/81 OJ C 255/81
Supplement C Dir. 71/118 amended by C Dir. 82/532  C Dir. 81/578	3.522	<b>Trade in fresh poultrymeat</b>  — Health provisions concerning preparation, storage, transport and refrigeration processes.  — Public health measures affecting intra-Community trade in fresh poultrymeat;  — List of poultry slaughterhouses approved by the Member States.	OJ L 55/71 OJ L 234/82  OJ L 209/81  OJ L 184/82
Comm. comm.			
C Dir. 70/373 amended by C Dir. 72/275  C Dir. 70/524 amended by Comm. Dir. 82/474  C Dir. 82/471  C Dir. 74/63  C Dir. 77/101 C Dir. 79/373  Comm. Reg. 3134/81	3.523	<b>Control of feedingstuffs</b>  — Introduction of Community methods of sampling and analysis for official control of feedingstuffs.  — List of permitted additives in animal feedingstuffs.  — Admission of certain products used in animal nutrition.  — Fixing of maximum permissible levels for harmful substances and products in feedingstuffs.  — Marketing of straight feedingstuffs. Trade in compound feedingstuffs. Control of quality and health requirements.  — Common standards for the water content of deep-frozen chickens.	OJ L 170/70 OJ L 171/72  OJ L 270/70 OJ L 213/82  OJ L 213/82  OJ L 38/74  OJ L 32/77 OJ L 86/79  OJ L 312/81

3.524 **Eradicating animal diseases**

In the last three years, the Community has caught up with the backlog in the harmonization of veterinary medicine and particularly as regards measures to combat epidemics.

Joint action to eradicate epidemics.

OJ L 145/77  
OJ L 173/82

Comm. report on an implementation programme for faster and more intensive means of combating various diseases forms part of proposal amending Directive 77/391.

OJ L 173/82

Establishment of EC criteria for national programmes to combat epidemics.

OJ L 15/78

Community measures for the control of foot-and-mouth disease.

EP Doc. 1-649/82

Rules governing the notification of animal diseases.

OJ C 248/81

Eradication of classical swine fever.

OJ L 325/80

Eradication of swine vesicular disease and financial measures for the implementation of the directive.

OJ L 325/80

Eradication of enzootic bovine leukosis.

OJ L 325/80

3.53 **HARMONIZATION OF LEGISLATION ON PLANT HEALTH**

3.530 Substances used to combat plant diseases are designed for use on plants and trees. Whenever trees whose leaves or fruit are intended for human or animal consumption are planted, they can constitute a danger to health. The substances used are, by definition, poisonous and can be dangerous for humans and animals. Hence the need to make their use subject to regulations.

3.530 (contd) The substances used are primarily pesticides, insecticides, fungicides and herbicides. The latter are not used against a disease but types of plants ('weeds'). Some substances are banned and others may only be used in specific quantities in farming and horticultural products.

Certain active substances have been banned since 1969.

### Management

The Standing Committee on Plant Health implements C directives and plays an important part in the harmonization of national legal and administrative measures. C directives include protective and prohibitive measures, procedures for identifying dangerous substances, rules governing marketing, use, importation etc.

### 3.531 Rules applicable to the marketing of seeds

Eight basic directives provide rules governing the admissibility of seeds, crop protection, purity of variety, etc.

A list of the admissible varieties for agricultural and vegetable crops is published regularly. It includes the varieties which cannot be subject to any market restrictions in any part of EC territory.

OJ C 349/81  
and  
OJ C 350/81

The Standing Committee on Plant Health controls:

- Protective measures against the introduction of organisms harmful to plants or plant products
- Pesticides – maximum levels for their residues in and on fruit and vegetables

OJ L 26/77  
OJ L 100/80

OJ L 340/76  
OJ L 234/82

Common catalogue  
of varieties

C Dir. 77/93  
amended by  
C Dir. 80/392 and 80/393

C Dir. 76/895  
amended by  
C Dir. 82/528

3.530/3.531

C Dir. 78/692

3.531 — Amendment to all previous directives on the marketing of beet seed,  
(*contd*) fodder plant seed, cereal seed, seed potatoes and the seed of oil and  
fibre plants.

OJ L 236/78

C Dir. 81/561

Amendment to the rules for the admissibility of agricultural plants,  
vegetable seed and seed potatoes.

OJ L 203/81

C Dir. 82/727

Amendment to the rules for the admissibility of the seed of oil and fibre  
plants.

OJ L 310/82

## 3.6 Common organization of the market (COM)

### 3.61 PLANT PRODUCTS

#### Cereals

3.611 COM achieved on 1 July 1967.

EC regulation covers common and durum wheat, rye, barley and maize, oats, Millets, sorghum, buckwheat and processed products: flour, fodder, etc.

In view of the fact that cereals are a primary commodity, fixing of guaranteed price for cereals has a considerable influence on organization of other markets, particularly as regards the prices for derived products, e.g. animal husbandry products.

#### Price system

Prices fixed by C each year for period from 1 August to 31 July of following year. These are prices at wholesale stage, goods delivered at warehouse, not unloaded, expressed in ECU.

— *Uniform Community target prices* for Duisburg, the centre in shortest supply. While target price not guaranteed, it does offer protection against fluctuations in world market prices through introduction of variable levy, which is bound to target prices through threshold price.

Target prices are composed of three elements: Community intervention price, market factor and freight costs Orleans-Duisburg. Market factor is intended to make some allowance for quality in pattern of prices.

— *Uniform Community intervention prices* are fixed for area with largest supply, in particular Ormes in the case of barley, maize and common wheat and rye a uniform intervention price for durum wheat.

C Reg. 2727/75 codif.  
amended by C.  
Reg. 1451/82

OJ L 281/75  
OJ L 164/82

3.611 · — *Guaranteed minimum price* for durum wheat; price at which interven-  
(contd) tion agencies must buy in.

— *Uniform Community threshold price.*

— *The reference price* for common wheat of bread-making quality is same as uniform Community intervention price plus an amount corresponding to difference in yield between wheat of bread-making quality and that which is unsuitable for bread-making. To be established in accordance with Management Committee procedure.

C Reg. 1453/82

The intervention target threshold and reference prices are subject to monthly increases throughout year to take account, of storage costs and orderly marketing.

OJ L 164/82

### **Intervention system**

Intervention agencies are required in principle to purchase cereals on sale at intervention price, provided that the specified minimum quality requirements are met.

C Reg. 1454/82

Lays down these quality requirements for common wheat, rye, barley, maize and durum wheat.

OJ L 164/82

Compensatory refunds may be awarded to private storage firms if they do not offer cereals remaining in their stores at end of marketing season for intervention on large scale.

C Reg. 2740/75

Possibility of special intervention measures (preventive intervention) when price levels fall, for example by support for private storage.

OJ L 281/75

### *Guarantee threshold*

Intervention is restricted, however, by the fixing of a guarantee threshold. Where average production for the last three marketing years exceeds the

3.611 fixed guarantee threshold of 119.5 m t, the common intervention and  
(contd) reference prices for the following marketing year are reduced by 1% for  
every 1 m t in excess of the threshold. The maximum reduction is 5%.

*Price support for quality cereals*

Purpose of means of intervention known as 'reference price' for wheat of bread-making quality is to bolster market price. It requires application of special intervention measure, 'intervention C', in event of slump in market price of wheat of bread-making quality. In such cases Comm., acting through Management Committee for Cereals, intervenes directly on market by issuing invitations to tender for certain types or quantities at reference price level.

The reference price is fixed for wheat of average bread-making quality and is higher than the intervention price for wheat used as a feeding stuff, barley and maize.

Quantities bought under 'intervention C' may be intended for:

- regulation of market;
- constitution of safety stocks and stocks for food aid;
- stocks to be used in event of a permanent policy on exports.

*Price support for durum wheat*

*Objectives:* to maintain the level of income of producers in these areas.

Aid is given to producers of durum wheat per hectare sown and harvested.

OJ L 351/76  
OJ L 164/82

The aid regulation is only applicable to certain qualities in certain areas of Italy, France and Greece. The list of areas is given in an annex to the regulation.

3.611 Aid is only granted where this crop constitutes a traditional and important  
(contd) part of agricultural production; applies also to mountain and less-favoured  
areas as defined in C Reg. 75/268 in Italy, France and Greece from 1983/84.

### **Regulation of trade**

#### *Imports*

A common uniform threshold price is applied to each product.

System of levies (possibility of abatement: cf. maize in the case of Italy).

The levy amount is increased by a premium to take account of the value of the ECU and of conversion rates. The purpose of this is to ensure the effectiveness of the levy system. A premium of 1.1 ECU/t of maize applies from 10 November 1982.

Import certificates.

#### *Exports*

Refunds are granted to cover difference between EC price and price on world market. Amount of refund is same throughout EC. It may vary according to destination.

Possibility of public invitation to tender for refunds.

#### *Cereal substitutes*

On account of replacement of cereals, particularly barley, in feedingstuffs by tapioca competitive difficulties may arise for Community-produced barley, which then has to be placed on world market with high export refunds. A similar competitive disadvantage arises on account of soya for processing into feedingstuffs, which is imported free of any duty or levy.

3.611      Solution has been found within framework of GATT and in voluntary  
(*contd*)      restriction (stabilization) of exports from Thailand to EC to 5.5 million t/  
year.

If, in the year following that in which the guarantee threshold is adjusted, imports of cereal substitutes such as manioc and maize gluten forage exceed a total of 15 million t, the Community guarantee threshold is increased by an amount equal to the difference between the 15 million t referred to above and the quantity actually imported.

Another instrument used to support the Community preference system is the exploitation of barley for use as forage in order to improve competitiveness in relation to manioc.

3.6111      *RICE*

COM in force since 1967.

OJ L 166/76  
OJ L 184/80

C Reg. 1418/76  
amended by  
C Reg. 1871/80

### **Price system**

Each year C fixes target price (valid for Duisburg) for husked rice and intervention prices for paddy rice; these prices are derived from target price but take into account conversion rates, manufacturing costs and value of by-products.

Intervention prices are fixed for Arles and Vercelli.

General rules concerning intervention.

Special intervention measures (to prevent massive offers to intervention agencies) in form of compensatory amounts.

Intervention occurs only rarely.

OJ L 166/76

C Reg. 1424/76 and  
1425/76

3.611/3.6111

3.6111 **Trade**  
(*contd*) **Imports**

Threshold price. Import licences with possible advance fixing of levies. Different levies depending on whether the rice is round-grained or long-grained.

*Exports*

Export certificates and export refunds (possibly by tendering procedure).

OJ L 166/76

*Work in progress*

Comm. is studying the way the COM functions and is preparing proposals for modifications.

C Reg. 1431/76

3.6112 **STARCH**

Possibility of granting production refund in respect of certain products used in manufacture of starch, potato starch and glucose. (These are maize, common wheat, potato starch, maize groats and meal intended for beer brewing and glucose manufacture, and broken rice also intended for brewing).

OJ L 281/75  
OJ L 184/80

The amounts to be paid by the manufacturer to the producer in the form of a minimum price (potatoes) or production refunds (maize, wheat, rice) were amended when the agricultural prices for 1982/83 were fixed.

Production refunds.

OJ L 164/82

The EP calls for the progressive abolition of all production refunds covering starch products.

EP Doc. 522/75  
OJ C 53/76

Basic C Reg. 2727/75  
amended by  
C Reg. 1877/80

C Reg. 1460/82

EP Opinion  
EP Res.

### **Sugar and isoglucose**

COM in effect since 1967 affects sugar-beet, beet and cane sugar and isoglucose.

OJ L 177/81  
OJ L 74/82

The regulation which expired in 1980 was replaced by a new regulation valid until 1985-86 pending a definitive regulation based on the EEC Tr.

Production is geared to sales outlets whilst the cost of exporting the sugar is borne in full by the producers.

Plentiful and poor harvests must eventually cancel each other out. Specialization is encouraged.

As regards the world market, EC is seeking accession to the International Sugar Agreement. Stringent checks are kept on preferential imports of cane sugar.

Regulation lays down production quotas and graduated guarantees.

### **Price and intervention system and regulation of production**

Target and intervention prices for white and unprocessed sugar fixed annually for Community region with largest surplus. Derived intervention prices fixed for other regions and areas where there is a shortage (Italy, UK and Ireland). Minimum price, linked to intervention price, is fixed for sugar beet. Since the intervention price is designed to ensure a minimum income for sugar-beet producers, manufacturers must pay producers a minimum price. Minimum prices for sugar generally vary according to whether they can be used for the production of A, B or C grade sugar.

3.612 In addition to compulsory intervention buying of 'A' and 'B' sugar, there is  
(contd) another type of intervention: the refund in respect of the production of  
sugar and isoglucose used in the chemical industry.

A basic price is fixed each year for sugar beet. This is used as a reference to  
fix the minimum price for beet in the 'A' and 'B' quota sections.

Comm. must fix amount of quality surcharge for sugar.

National aid granted in Italy for a given quantity of sugar.

#### **Production quota**

A production regulation for sugar and isoglucose has been laid down to  
cover five marketing years; the quotas may be revised if necessary from  
1984-1985.

Both the A quota (basic quota) with a full price guarantee and the B quota  
with a limited price guarantee are laid down for the five marketing years for  
each company. The A and B quotas are also laid down globally for all sugar-  
producing Member States.

Control of the quotas is left in the hands of the Member States which must  
apply Community standards. The allocation of quotas for Italy and France  
in respect of their overseas territories, leaves greater margin for manoeuvre  
in terms of control.

#### **Production levy**

Sugar manufacturers are required to pay an levy for 'A' and 'B' sugar as a  
contribution towards its marketing. The sugar manufacturer may claim  
60% of this levy back from sugar beet growers. The levy amounts to 2% of  
the intervention price for the A and B quotas. The maximum levy for the B  
quota has been fixed at 30% of the intervention price.

Any positive balance is carried over into the following price year.

C Reg. 1785/81

OJ L 177/81

3.612 Intervention agencies may not, unless so authorized by C decision taken in  
(*contd*) the light of the market situation, dispose of quantities of sugar in excess of  
the maximum quota ('C' sugar) on the common market.

**Contribution to storage costs**

Contribution to storage costs from manufacturers, refineries and importers are balanced by storage authorizations with a view to ensuring an even distribution of sales over the whole marketing year in the interests of regular supplies. This obligation to maintain minimum stocks constitutes an incidental guarantee for supplies.

**Trade regulations**

*Imports*

Levies.

Threshold price.

Import certificates.

*Exports*

Refunds.

3.6121 ***PROTOCOL No 7 OF THE SECOND LOMÉ CONVENTION***

Since Lomé Convention, maximum of 1 300 000 tonnes of unrefined sugar from ACP<sup>1</sup> countries allowed into EC without levy.

For unspecified period, EC undertakes to import from ACP countries, at guaranteed prices, specified quantities of unrefined or refined sugar, which ACP countries undertake to supply.

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<sup>1</sup> African, Caribbean and Pacific States associated with EC.

3.6121- (contd) System of preferential imports applies also to French overseas departments, to overseas regions and countries, and to India. Cane sugar from these countries benefits from same conditions of access.

Guaranteed prices are fixed yearly and must provide ACP producers with an income comparable to that of EC sugar-beet producers, (see 6.3414).

Differential contribution may be levied on basis of difference in refining margin for unrefined sugar, unrefined preferential sugar and sugar from overseas departments.

Refining subsidy for sugar from overseas departments to promote sales on EC market.

Contribution and subsidy are fixed yearly.

3.613

**Wine**

COM in force since 1970.

OJ L 54/79  
OJ L 227/82

**Price and intervention system**

For the purposes of the price system, table wines are divided into several types:

OJ C 238/82

(a) *Red table wines:*

- Type RI: red table wine, other than of type RIII defined below, of an actual alcoholic strength not less than 10° and not more than 12°;
- Type RII: red table wine, other than of type RIII, of an actual alcoholic strength not less than 13° and not more than 14°;
- Type RIII: red table wine originating from the vine variety Portuguese Blue;

C Reg. 337/79,  
amended by C Reg. 2144/82

EP Opinion, 9 July 1982

3.613  
(contd)

(b) *White table wines:*

- Type AI: white table wine, other than of types AII and AIII, of an actual alcoholic strength not less than 10° and not more than 12°;
- Type AII: white table wine originating from vine varieties of the Sylvaner type or of the Müller-Thurgau type;
- Type AIII: white table wine originating from vine varieties of the Riesling type.

*Guide prices* fixed annually for each type of table wine on basis of average prices recorded for type of wine in question during two preceding wine-growing years, and on basis of price trends during current winegrowing year.

OJ C 6/79 and 67/79

These trends are determined by calculation of 'weighted average price', also by fixing of 'representative price', calculated on basis of a number of quotation centres, thereby avoiding disruption of arrangements for putting intervention measures into operation.

Guide prices fixed at production stage, valid from 16 Dec. of year in which fixed until 15 Dec. of next year.

Prices expressed, according to type of wine, in u.a. per degree/hl or in u.a. per hl.

C fixes annually threshold price activating intervention system for each type of wine for which guide price is fixed.

**Intervention system**

C fixes activating price every year for each type of wine for which guide price is fixed. Its level varies according to quality but may not exceed 95 % of guide price and depends on:

- 3.613  
(contd)
- quantities available on the market,
  - quality of harvest,
  - need to ensure price stability.

According to the situation Comm. decides which type of intervention is most appropriate for restoring balance to the market.

#### **Other intervention measures**

(a) *Private storage aid for table wine and grape must with possibility of concluding long-term and short-term private storage contracts*

(b) *Re-storage aid*

To assist wine-growers carrying heavy stocks to clear their vats before harvesting begins, by storing the available wine elsewhere.

(c) *Aid for the use of must*

This aid is designed to improve the competitive position of must produced in the EC.

(d) *Aid for concentrated and rectified grape musts*

If it appears necessary on the basis of crop forecasts to enrich a considerable proportion of production, aid may be granted for concentrated must and rectified concentrated grape must produced within the Community which is used to increase the alcoholic strength.

The other intervention measure is distillation, which can be ordered by the Council only in case of serious disequilibrium.

#### **Distillations**

(a) *Preventive distillation*

When harvest forecasts or the need to improve the quality of the marketed product so dictate, preventive distillation may be introduced,

3.613 with effect from 1 September until 20 January at the latest.  
(contd)

(b) *Special distillation*

Up to a maximum of 5 million hectolitres may be introduced in the event of a price collapse during a wine year of surplus production.

(c) *Compulsory distillation*

May be introduced before 20 January when the year's output exceeds normal consumption by five months.

(d) *Distillation supplementary to long-term storage contracts (price-support guarantee)*

Aim is to guarantee wine-growers that their wine will not be disposed of at a price below the activating price provided that they have concluded long-term storage contracts.

(e) *Distillation of wine suitable for producing certain potable spirits*

Aim is to avert crisis situation in specific regions where the wines produced are suitable for yielding certain potable spirits of designated origin.

(f) *Distillation of wine obtained from table grapes, compulsory distillation of the by-products of wine-making (marcs and lees), additional distillation*

These compulsory distillation measures are intended to prevent the marketing of inferior-quality wines a low natural alcohol content.

3.613  
(contd)

The first three distillation measures represent the most significant innovation in the recent Regulation 2144/82, which was introduced after a series of marketing years in which the market had experienced severe crises with serious consequences for European producers.

OJ L 227/82

*Minimum price*

If, despite implementation of all other measures, including exceptional distillation, market price persists for three consecutive weeks below 85 % of guide price, a 'minimum price' may be fixed for relevant table wine. A new distillation arrangement is then made available at this price. In addition, commercial transactions are monitored to ensure that minimum price is complied with. All transactions below this price are prohibited.

*Improvement of quality*

The use of concentrated grape must for wine production.

OJ L 57/80

General rules for the description and presentation of wines and grape musts.

OJ L 57/80

Wine from table grapes cannot be marketed with the exception of wine from grapes grown under glass.

*Yield per hectare of quality wines p.s.r.*

The Member States will fix maximum yields per hectare for quality wines.

**Trade**

*Reference price*

Every year Comm. fixes reference price for a number of products. This is calculated on basis of guide price and acts as protection at Community frontier since it represents minimum entry price of imported wines.

OJ C 120/77

OJ C 190/77

C Reg. 453/80

C Reg. 461/80

Judgment of CJEC,  
20 April 1978  
Cases 80 and 81/77

3.613  
(contd)

*Imports*

Application of CCT. Import licence necessary.  
Special arrangements for Mediterranean countries.

*Exports*

Can be made conditional on submission of export licence.  
Refund can be varied according to country of destination.

C Reg. 454/80

**Control of production and planting**

Following prohibited: aids for new vine planting and replanting which have effect of increasing wine production beyond levels resulting from vineyard rationalization and afford no qualitative improvement. Exceptions possible in wine-growing zones.

OJ L 57/80

Only recommended or authorized vine varieties to be used for new wine planting, replanting or grafting.

Obligation to give notice of new planting or replanting. Exceptions to this rule possible in certain areas. The Council may, however, restrict planting and replanting in order to avoid structural surpluses. Comm. reports on this point each year.

Wine-growing zones of Community demarcated and vine varieties classified.

Viticultural land register replaced by system of statistical surveys.

OJ L 54/79  
OJ L 373/81

C Reg. 357/79  
last amended by  
C Reg. 3719/81

3.613

C Reg. 607/82	3.613 (contd)	Granting of temporary and permanent abandonment premiums in respect of certain areas under vines and of premiums for the renunciation of replanting.	OJ L 74/82
C Reg. 457/80		System of premiums for cessation of wine-growing in France and Italy.	OJ L 57/80
C Reg. 458/80 last amended by C Reg. 2991/81		Restructuring of vineyards.	OJ L 57/80 OJ L 229/81
C Reg. 454/80 EP Opinion, 15 Dec. 1978		Measures designed to adjust wine-growing potential to market requirements.	OJ L 57/80 OJ C 6/79
EP Res., 9 April 1981 EP Res., 17 Sept. 1981		EP has repeatedly drawn attention to difficulties faced by wine-growing sector. EP has stressed that problems are linked both to economic situation and lack of financial support for wine sector despite its importance for a large number of producers.	OJ C 101/81 OJ C 260/81
	3.614	<b>Vegetable oils and fats</b>	
C Reg. 136/66 last amended by C Reg. 1413/82		COM in force since 1966	OJ 172/66 OJ L 162/82
	3.6141	<b>OLIVE OIL</b>	
C Reg. 136/66 last amended by C Reg. 1413/82		COM in effect since 1966.	OJ L 172/66 OJ L 162/82
		Covers olives, olive residues and olive oil, whether crude, purified, or refined.	
		<b>Price, aid and intervention system</b>	
		C fixes producer target price each year for the marketing year from 1 Nov. to 31 Oct. of following year. It is fixed at a level 'fair to producers'. Representative market target price also fixed, at lower level, so as to ensure normal market for olive oil, account taken of prices for competing products. Difference between two prices represents aid granted to producers.	

3.6141 *Production aid*  
(contd)

Fixed by C at uniform level throughout the Community; its purpose is to help producers attain a fair income. It is granted:

- to individual oil producers, on the basis of the olive trees they cultivate, and of their yields fixed at a standard rate;
  
- to oil-producers who are members of producer groups recognized pursuant to Regulation No 1360/78, on the basis of the quantity of olive oil actually produced.

The aid is granted only for areas planted with olive trees at 31 Oct. 1978. Aid is granted to individual producers only if olives produced have been harvested.

**Intervention system**

The intervention price is fixed each year by C for a standard quality. For five months increases are fixed for intervention price to encourage phasing of sales over the year.

Only applies if party concerned has proved that the oil was produced within EC.

*Storage*

Intervention agencies must buy in, at intervention price, any olive oil of Community origin offered to them. To even out the effects of irregular

3.6141 harvests, C may decide that intervention agencies will build up a buffer  
(contd) stock. Recognized producer groups will be allowed to conclude storage  
contracts for oil they market.

#### *Consumption aid*

Aid granted for olive oil produced in Community when production target price minus production aid exceeds representative market price of olive oil. Aid equals sum covering difference between the two amounts, and is paid for olive oil packaged in the Community.

#### *Production refunds for the use of olive oil in the canning industry*

A production refund may be paid to facilitate the sale of olive oil for this purpose.

### **Trade**

#### *Imports*

Application of systems of levies

A levy may be imposed on imports if prices for olive oil imported from third countries are lower than threshold price. This price is applied at Community frontier and is calculated on basis of market target price fixed for the Community. Tender procedure applicable to imports. Safeguard clause may be applied. Special system for imports from Greece, Spain, Morocco, Tunisia, Algeria, Turkey and Lebanon.

OJ 130/67  
OJ L 264/72

C Reg. 171/67,  
amended by  
C Reg. 2429/72

#### *Exports*

Export refunds may be paid. If the world market price is high, export levies may be introduced.

C Reg. 3453/80

3.6141 **Control of production**  
(*contd*)

Because of certain abuses of system of aid, C has established principle of olive-grove register, cost of which will be paid partly from levy on aid payments.

OJ L 360/80

C Reg. 136/66  
amended any  
C Reg. 1585/80

3.6142 **OILSEEDS AND ALBUMINOUS SEEDS**

OJ L 172/66

3.61421 **COLZA, RAPE SEED AND SUNFLOWER SEED**

OJ L 160/80

**Price, aid and intervention system**

Target price, a genuine guide price, is fixed each year for colza, rape seed and sunflower seed. Also basic intervention price and derived intervention price which takes account of transport costs. An aid payment is also fixed, payable to producers; it represents difference between target price and world market price.

**Trade**

It is necessary to fix this aid, since oilseeds entering EC are exempt from levies or import duties. Seed oils are also imported without levy, and there is no import duty on oil cake. It is 10% *ad valorem* on crude vegetable oils, 15% on refined vegetable oils and 25% on margarine.

C Reg. 1614/79  
last amended by  
C Reg. 1984/82

3.61422 **SOYA BEANS**

OJ L 190/79  
OJ L 215/82

**Price, aid and intervention system**

Price, aid and intervention system aids per hectare harvested, based on target yield fixed by EC. Amount of aids covers difference between world market price and target price. Uniform amount of aid. Annually, target price fixed and world price determined for standard quality.

Minimum price guaranteed to producers.

3.6141/3.61422

C Reg. 1614/79

3.61422 Special measures for soya beans.  
(contd)  
*Imports*  
CCT: no duty.

OJ L 190/79

C Reg. 569/76  
last amended by  
C Reg. 1071/71

3.61423 LINSEED  
**Price, aid and intervention system**  
Price, aid and intervention system of linseed fixed annually. Amount of aid granted corresponds to difference between world market price and target price.  
*Imports*  
CCT: no duty.

OJ L 67/76  
OJ L 129/77

C Reg. 2874/77  
last amended by  
C Reg. 1425/82

3.61424 CASTOR BEANS  
**Price, aid and intervention system**  
Target price fixed annually. Aid equal to difference between market price and target price. Aid to be paid to oil mills.  
Conditions: conclusion of contracts with producers, who must receive specified guaranteed minimum price.  
General provisions and scope.

OJ L 332/77  
OJ L 162/82

C Reg. 1853/78  
and 2081/79

OJ L 212/78  
and OJ L 244/79

3.61422/3.61424

C Reg. 2169/81  
amended by  
C Reg. 1982/82

3.61425 COTTON SEEDS

Amount of aid granted corresponds to difference between world market price and target price.

OJ L 211/80  
OJ L 215/82

C Reg. 1119/78  
amended by  
C Reg. 1459/80  
EP Opinion

3.61426 PEAS AND FIELD BEANS  
(for animal feed)

OJ L 142/78  
OJ L 146/80  
OJ C 85/80

**Price, aid and intervention system**

Maximum price for aid (to be fixed annually) to enable producers to counter competition from producers of linseed meal.

Aid is equal to 45 % of difference between world market price for soya meal and activating price.

Conditions for granting aid: conclusion of contracts for guaranteed minimum prices (to be fixed by Comm.) between manufacturers of animal feedingstuffs and producers.

C Reg. 1035/72  
last amended by  
C Reg. 1738/82

3.615 **Fruit and vegetables**

COM in force since 1962.

List of products for which quality standards established (30 products) and those subject to price and intervention regulations (9 products).

Quality classes (Extra I, II and III) and quality controls. Exceptions apart, products for which quality standards exist can only be offered for sale if they conform to these standards.

Clear and indelible labelling. In retail trade, particulars of variety, origin and quality class. No exports of products in quality class III.

OJ L 118/72  
OJ L 190/82

3.615  
(contd)

### **Producers' organizations**

Member States may grant aid to producers' organizations (3, 2, 1 % of marketed value) during three years following date on which they were established. Producers' organizations may fix withdrawal prices below which they will not put goods supplied by their members on market. Member States may fix maximum withdrawal price.

Members of producers' organizations are compensated by intervention fund of the organization financed by contributions calculated on quantity of goods offered for sale.

Criteria fixed for whole Community. Member States may support intervention fund, either directly or through credit institutions, for maximum of five years from time of its establishment.

Strengthening of position of producers' organization in context of objectives pursued as part of policy for developing Mediterranean regions, in particular by means of supplementary aid. Producers' organizations authorized to make pre-emptive withdrawals of apples and pears from market.

### **Price system**

Basic and buying-in prices for EC fixed annually by C before start of marketing year. Basic price equal to arithmetical average of prices recorded on EC representative market(s) in production areas showing a surplus and having lowest prices during the three marketing years preceding date of establishment of basic price.

Buying-in prices, which are fixed separately for various products, are between 40 and 70 % of basic price.

There is intervention on markets by EC, at buying-in price, in event of serious crisis being declared by Comm., i.e. prices remaining below buying-in price for three successive market days.

C Reg. 325/79

OJ L 45/79

3.615      Buying-in is suspended as soon as prices have exceeded buying-in price for  
(*contd*)      three successive market days.

Products withdrawn from market by producers' organizations or bought in by EC are disposed of in following manner: free distribution to charitable organizations or 'economically weak' persons; for animal feed, either fresh or after processing; distillation.

Marketing premiums for oranges, mandarins, clementines and lemons. Premiums for processing lemons for juice and for sale to processing industries of blood oranges withdrawn from market.

Possibility of buying pears and peaches at intervention price under certain conditions. Relaxation of rules for determining crises in market.

### **Trade**

#### *Imports*

Application of CCT and countervailing charges in certain cases.

Each year C fixes reference price for various products equal to arithmetical average, plus marketing costs, of producer price of each Member State. These producer prices represent average price recorded during three previous years on representative market(s) in production areas where prices are lowest.

For each of products for which there is a reference price, an entry price is calculated each marketing day and for each origin, on basis of actual or importer/wholesale prices. Countervailing charge is levied when three entry prices are lower than reference prices, provided that at least one of them is 0.5 u.a. lower than reference price. This charge is added to tariff duty.

3.615 Protective measures to be taken by Comm. if market perturbed. National  
(*contd*) protective measures authorized under certain conditions.

*Exports*

Export refunds may be granted, with possibility of advance fixing.

3.6151 **PRODUCTS PROCESSED FROM FRUIT AND  
VEGETABLES**

COM in force since 1968.

OJ L 73/77  
OJ L 360/80

Covers 16 customs headings (dried, cooked, frozen products, etc. with or without addition of sugar).

COM for sugar and cereals has direct and appreciable influence on cost price of certain processed products containing sugar; different trade regulations applied according to products.

Harmonization with trade in basic products (cereals and sugar).

**Aid**

Aid for processing peeled tomatoes, tomato concentrates, and tomato, peach and dried prune juices.

OJ L 144/78

C Reg. 516/77  
last amended by  
C Reg. 3454/80

C Reg. 1152/78

Comm. Regs 1348/80  
and 1618/82

C Reg. 525/77

3.6151  
(*contd*)

Implementing provisions for aid.

OJ L 135/80  
OJ L 180/82

Aid covers difference between price of preserved foods from third countries and that of preserved foods produced in EC.

Aid to pineapple processing industry, with guaranteed minimum prices for producers.

OJ L 73/77

#### **Trade**

Liberalization of trade, but implementation from July 1975 of Regulation No 109/70 establishing common rules for imports from State-trading countries (Community information and consultation procedure, surveillance and protective measures).

OJ L 73/77  
OJ L 118/81

#### *Imports*

CCT and in certain cases levies calculated on sugar content of products.

Import charge on sugar substitutes (glucose and glucose syrup) in certain processed products. Import certificates and financial guarantees for products containing sugar.

C Reg. 521/77

Protective measures if market disturbed. Minimum price system.

OJ L 73/77

#### *Exports*

Refunds calculated on sugar content, special refunds for glucose and glucose syrup.

OJ L 73/77

Levies and refunds fixed in advance, using system of certificates involving commitments to import or export.

C Reg. of 2 July 1971

Regulations on inward processing trade may be suspended.

OJ L 151/71

3.6151

3.616

## **Raw tobacco**

### **Price system, premiums and interventions**

C Reg. 727/70  
amended by  
C Reg. 1461/82

OJ L 94/70  
OJ L 164/82

Annual fixing of norm prices and intervention prices for crop of following year.

Norm price fixed on basis of previous norm price. Intended to promote specialization matching economic structure and natural conditions of EC production, presupposing rational management and economic viability of undertakings.

From 1980 intervention threshold fixed to prevent disruptive intervention offers.

Intervention price is 90 % of norm price. It is price at which intervention agency is bound to buy in, i.e. minimum price at which growers can sell their product.

25 % of production is purchased in intervention; above this percentage intervention price is lowered.

C Reg. 1535/81

To encourage changeover to other varieties, special measures introduced up to end of 1983 marketing year, reducing intervention price to 80 % of target price for certain varieties.

OJ L 156/81

C Reg. 339/77

Production under contract, at 'contract price' negotiated freely between producers and buyers, is encouraged. Premiums in accordance with Article 43 (2) of the Treaty are granted to buyers of leaf tobacco from EC growers. In principle, premium represents difference between norm price and cost price 'conventional' of tobacco imported from third countries.

OJ L 48/77

If grower does not conclude contract with buyer, and hence no premiums are paid, leaf tobacco thus produced may be sold into intervention. A derived intervention price is fixed for packaged tobacco.

3.616 If price mechanism insufficient to steer production in desired direction, C  
(contd) adopts special measures, chiefly:

- lowering of intervention price, premiums and norm prices;
- exclusion from intervention buying of some or all qualities of tobacco variety in question.

### **Trade**

#### *Exports*

Difference between world market and EC prices may be covered by refund.

Amount of refund as a rule (Management Cttee decides exceptions) determined within limits of incidence of CCT duty, calculated on basis of average offer prices of third countries.

#### *Imports*

In case of serious disturbances of market, Member States may take temporary measures to regulate imports and exports. C. decides in what cases and within what limits such measures may be taken. In normal times, all quantitative restrictions are abolished. Only import duties are levied.

### **Aid**

In view of special problems of tobacco sector, programme of aids not tied to products proposed to C in cases where circumstances require.

3.617 **Certain products listed in Annex II to the EEC Treaty**

C Reg. 827/68  
amended by  
C Reg. 114/80

In force since 1 July 1968.

OJ L 151/68  
OJ L 16/80

Applies to products listed in Annex to Reg. (pure-bred breeding animals, tea, cider, cocoa-beans, honey, live horses, etc.).

Liberalization of trade.

CCT applicable.

Protective measures in case of disturbance of market. EC export refund permitted for certain products.

National export subsidies authorized for some products, however.

3.618 **Simple COMS for some plant products**

C Reg. 1308/70,  
amended by  
Greek Act  
of Accession

3.6181 ***FLAX FIBRES AND HEMP***

OJ L 146/70

No price system, but:

- flat-rate aid per hectare sown and harvested;
- aid for storage if market in disequilibrium;
- liberalization of trade with third countries;
- measures to improve quality
- measures to find new applications for product.

Prop. for Reg.

In case of persistent imbalance on market (surpluses) measures may be taken to promote use of flax fibres. They also provide for a kind of co-responsibility levy to finance measures.

EP Doc. 1-134/80

C Reg. 234/68

3.6182

**LIVE PLANTS AND ARTICLES OF FLOWER TRADE**

OJ L 55/68

**Quality standards system**

In order to encourage action by trade and joint trade organizations, following EC measures may be taken:

- measures to improve quality and stimulate demand;
- measures to provide better organization of production and marketing;
- measures to facilitate recording of market price trends.

When quality standards adopted, products can be marketed only if they conform to these standards.

Control of application of quality standards exercised by Member States, with the possibility of involving Management Cttee.

Fixing quality standards for flower bulbs.

OJ L 71/68  
OJ L 373/81

C Reg. 315/68  
amended by  
C Reg. 3718/81

**Regulation of trade**

CCT applied since 1 July 1968.

Minimum export prices may be fixed.

C Reg. 1696/71  
amended by  
C Reg. 235/79

3.6183

**HOPS**

OJ L 175/71  
OJ L 34/79

**Regulation of prices and aid**

Aid to production, amount being fixed by C.

Varying amounts of aid per hectare may be granted to hop growers according to crop variety. Aid is granted in accordance with market

3.6182/3.6183

3.6183  
(contd) situation, anticipated developments on market, developments of market prices outside Community and cost increases. It may be subject to a maximum ceiling in the likelihood of structural surpluses or market distortion.

C Reg. 1981/82

Production aid granted for following areas only: Bavaria, Baden-Württemberg, Rheinland-Pfalz, Ireland, Alsace and England.

OJ L 215/82

Comm. submits an annual report to C and EP on situation on common market as regards production and marketing of hops.

**Regulation of trade**

CCT applicable.

3.6184 **SEEDS**

C Reg. 2358/71  
amended by  
Greek Act  
of Accession

COM in operation since 1 July 1972 applicable to seed varieties listed in the annex.

OJ L 246/71

**Regulation of prices and aid**

General conditions for allocation and financing of aid. Aid may be granted per 100 kg of basic or certified seed produced. In case of rice, aid is paid to growers and not to seed multiplication firms.

C Reg. 1674/72  
amended by  
C Reg. 1659/81

OJ L 177/72  
OJ L 166/81

**Regulation of trade**

CCT applicable (12 %).

In addition, a compensatory levy is applied to maize hybrids and rice seed where free-at-frontier offer price from a specific point of origin plus CCT

3.6184 does not reach reference price. Reference price is equal to average of  
(contd) 'free-at-frontier' prices of last three marketing years.  
Obligations under GATT are also taken into consideration.

C Reg. 1117/78  
amended by  
C Reg. 1433/82

3.6185 **DRIED FODDER**

OJ L 142/78  
OJ L 162/82

**Price, aid and intervention system**

Flat-rate aid fixed yearly in order to improve EC supplies of vegetable proteins.

OJ L 171/78  
OJ L 218/82

Laying down minimum standards of quality and minimum raw protein contents as precondition of aid.

Guide price fixed annually at a level which is fair to producers.

Aid equal to difference between guide price and (lower) market price.

Conditions for granting aid:

- conclusion of contracts between processing industry and producers,
- processing of own harvest, or
- processing of harvest of one of the producer groups in question.

Supplementary aid for processing of fodder under certain conditions. Aid to storage, provided a contract has been concluded.

3.6185 **Regulation of trade**  
(contd) Provision is made for measures to be applied in event of market disturbances due to imports or exports.

3.619 **Products not covered by COM**

3.6191 **POTATOES**  
Proposal for COM.

OJ C 61/76  
OJ C 238/76

Comm. Prop.  
of 22 Dec. 1975  
EP Opinion,  
16 September 1976

3.6192 **ETHYL ALCOHOL**  
Proposals for COM to regulate production, trade, use, prices and trade with third countries now being studied.  
First proposal concerns ethyl alcohol of agricultural origin, and certain products containing alcohol.

OJ C 43/72

Prop. for Reg.  
of 1 March 1972

**Work in progress**

EP resolution calls for changes in Comm. Prop. to take account of new situation resulting from Accession. After numerous postponements Comm. presented its new and second proposal for a COM on 7 Dec. 1976. It was withdrawn.

EP Doc. 266/72

EP Opinion 1972

Re-amended proposal before EP.

OJ C 193/79

Prop. for Reg.

3.62 **ANIMAL PRODUCTS**

3.621 **Beef**

COM in force since 1968.

OJ L 148/68  
OJ L 329/79

**Price system and intervention**

Guide prices fixed annually for calves and full-grown cattle.

Support measures are intervention buying and private storage aids. They may be decided for Member States in which prices fall below a given level and when at the same time prices on representative EC markets are lower than 98 % of the guide price.

Community intervention measures are obligatory when prices for full-grown cattle are lower than 93 % of the guide price.

Intervention may be suspended in a Member State or a region of this Member State when market price for a certain quality or certain qualities are higher than maximum buying-in price.

OJ L 130/78  
OJ L 261/78

Intervention measures are regionalized to take into account differences in the conditions of price formation.

OJ L 132/73

**Application of intervention measures**

With a view to supporting the market, the Commission determines the quality and condition for sale of the products bought in by the intervention agencies.

OJ L 261/78  
OJ L 140/80

The Commission is authorized to limit intervention purchases to certain periods or certain products. Intervention may be suspended if the market price exceeds a certain level.

C Reg. 805/68  
amended by  
C Reg. 2916/79

C Reg. 995/78  
C Reg. 2226/78

C Reg. 1302/73

C Reg. 2226/78  
amended by  
C Reg. 1378/80

C Reg. 1358/80	3.621 (contd)	<i>Community grading scale for carcasses of adult bovine animals</i>	OJ L 140/80
last amended by C Reg. 2930/81		Classification on basis of conformation and degree of fat cover.	OJ L 293/81
C Reg. 1855/74		<b>Special measures</b>	
		When a substantial rise or fall in prices occurs in the Community the Council may take measures.	OJ L 195/74
C Reg. 1357/80		<i>System of premiums for suckler cows</i>	OJ L 140/80
last amended by C Reg. 1198/82		Purpose: to maintain the incomes of beef producers on farms not selling milk through the granting of premiums and supplementary premiums.	OJ L 140/82
Comm. Reg. 1244/82		Detailed rules	OJ L 143/82
C Reg. 870/77 amended by C Reg. 1200/82		<i>Premium for the slaughter of certain adult bovine animals (other than cows)</i>	OJ L 106/77 OJ L 140/82
		The amount of the premium may vary according to the time of slaughter. The EAGGF, Guarantee Section, finances 40 % of amount of premiums. Level of premiums depends on gap between market price and target price in any week.	
C Reg. 1200/82		In practice scheme operates only in UK. Applies to imports from Ireland intended for consumption in UK.	OJ L 140/82
Comm. Reg. 1245/82		Detailed rules.	OJ L 143/82
C Reg. 1201/82		<i>Premium for the birth of calves (fixed amount)</i>	OJ L 140/82
C Reg. 1201/82		Premiums of 32 ECU payable by EAGGF, Guarantee Section. In practice scheme operates only in Greece, Ireland, Italy and Northern Ireland.	OJ L 140/82
Comm. Reg. 1243/82		Detailed rules.	OJ L 143/82

C Reg. 1856/74	3.621	Sale of beef at reduced prices to certain categories of consumers to dispose of surplus stocks (in particular to welfare institutions in Italy).	OJ L 195/74
C Reg. 1857/74	( <i>contd</i> )	Advertising and publicity campaign to increase consumption of beef and veal.	OJ L 195/74

### **Trade**

#### *Imports*

C Reg. 425/77		Imports are subject to custom duties set out in Common Customs Tariff. These duties may be suspended or reduced in certain cases. Imports also subject to levies which are variable. They comprise the difference between price at which consignments are imported (including duties) and guide price. Where the price of adult bovine animals on representative markets of EC exceeds guide price levy applicable is gradually reduced. In converse situation, it is gradually increased.	OJ L 61/77
C Reg. 571/78			OJ L 78/78

Imports are conditional upon production of an import licence, which is issued subject to the lodging of a deposit guaranteeing that importation is effected during the period of validity of the licence. This deposit is forfeited if the operation is not effected, or only partially effected, within that period.

C Reg. 435/80		Application of special import regulations for beef from the ACP countries.	OJ L 55/80
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#### *Exports*

A refund corresponding to the difference between the quotations on the world market and prices in the Community. This may be varied according to end-use or destination and is conditional upon production of an export licence, which is issued subject to the lodging of a deposit.

C Reg. 2377/80		Application of special measures with respect to import and export licences for monitoring movements in imports, their volumes and destinations, by type of product.	OJ L 241/80
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3.621 Depending on the market situation, the scarcity clause or the safeguard  
(contd) clause provided for in the basic Regulation is applied to imports and  
exports.

3.622 **Dairy products**

COM in force since 1964

OJ L 148/68  
OJ L 140/82

**Price system**

A target price in respect of standardized whole milk containing at least 3.7 % fat, delivered to dairy, is fixed each year. The target price is the price it is aimed to obtain on producers' milk sales. It is not a guaranteed price.

**Intervention measures**

Intervention prices are fixed for the following derived milk products: butter, skimmed-milk powder, Grana-Padano and Parmigiano-Reggiano cheese.

The relative support given to the fat content in milk (through butter intervention) and the protein content (through skimmed-milk intervention) may vary according to the state of the market.

Rules of application for intervention measures on the market in butter and cream, particularly as regards the financing of storage measures.

OJ L 90/69  
OJ L 158/82

Aid for the private storage of butter and cheeses may be granted to supplement the action of intervention agencies in stabilizing markets.

Rules for the granting of aid for the private storage of Grana-Padano, Parmigiano-Reggiano and Provolone cheese.

OJ L 256/79

C Reg. 804/68  
amended by  
C Reg. 1183/82

Comm. Reg. 685/69  
amended by  
Comm. Reg. 1442/82

Comm. Reg. 2211/79

3.6221 *DISPOSAL OF SURPLUSES OF DAIRY PRODUCTS*

(a) *Skimmed-milk powder*

C Reg. 986/68  
Comm. Reg. 1089/77  
Comm. Reg. 1725/79  
last amended by  
Comm. Reg. 2851/80

Aid for denaturing of skimmed-milk powder for use as fodder and aid for skimmed milk processed into casein complete the price guarantee system. Rules for granting aid for skimmed milk processed into compound feedingstuffs and for skimmed-milk powder for use as feed. Extra aid can be granted in respect of liquid skimmed milk and skimmed-milk powder for use in producing compound feedingstuffs for poultry.

OJ L 169/68  
OJ L 131/77  
OJ L 199/79  
OJ L 296/80

Comm. Reg. 3015/79  
Comm. Reg. 756/70  
amended by  
Comm. Reg. 1331/82

Aid to skimmed-milk powder intended for feed for calves.

OJ L 337/79

Aid for skimmed milk processed into casein and caseinates.

OJ L 91/70  
OJ L 150/82

(b) *Butter*

Since 1977 the Community has taken a number of measures to stimulate consumption.

*General subsidy* for butter consumption.

*Marketing of butter for direct consumption*

Member States shall have the option of choosing one of the following measures for reducing the price of butter for direct consumption:

*Scheme A*

Granting a general subsidy for butter on the market, the Community contribution being limited to 75 % of the actual subsidy and not exceeding 50 ECU per 100 kg of butter.

*Scheme B*

For quantities and for periods of the year to be determined and with total Community financing:

— selling butter in public storage at a price equal to the intervention price less 90 ECU per 100 kg, and/or

OJ L 161/79  
OJ L 140/82

C Reg. 1269/79  
last amended by  
C Reg. 1186/82

- 3.6221 — granting a subsidy of 90 ECU per 100 kg to butter in private storage or  
(contd) butter on the market.

However, the United Kingdom shall grant for butter on the market a general subsidy not exceeding 45.94 ECU per 100 kg to be financed entirely by the Community.

Member States shall take all necessary steps to ensure that:

- the butter concerned is purchased only for direct consumption and that its final selling price reflects the subsidy or the price reduction granted;
- the butter is consumed in the Member State where the subsidy or the price reduction is granted.

Community financing of the aid shall be limited to butter of Community origin.

#### *Special subsidies*

Comm. Reg. 1901/78  
last amended by  
Comm. Reg. 1785 and  
1786/79

- Member States authorized either to implement a scheme for the short-term sale of specific quantities of butter with a reduction of 75 u.a. per 100 kg (Christmas butter), or to arrange sales over a longer period with a reduction of 35 u.a. per 100 kg.

OJ L 216/78  
OJ L 203/79

Comm. Reg. 262/79  
last amended by  
Comm. Reg. 2479/82

- Scheme for sale of intervention butter for manufacture of pastry products, ice cream and other foodstuffs by means of a standing invitation to tender.

OJ L 41/79  
OJ L 264/82

C Reg. 1761/78  
and 1762/78

- Scheme for sale of butter with reduction of 20 % on intervention price to persons receiving social security (50 u.a. per 100 kg).

OJ L 204/78

Comm. Reg. 2191  
and 2192/81

- Scheme for butter at reduced prices for orphanages, hospitals, the army and similar forces, social services and non-profit-making organizations (141 u.a. per 100 kg).

OJ L 213/81

Comm. Reg. 1728/82

- Sale at reduced prices of intervention butter in public and private storage for direct consumption as concentrated butter.

OJ L 189/82

3.6222

**THE GRADUAL RESTORATION OF BALANCE ON THE  
MARKET FOR MILK PRODUCTS**

Comm. Action Programme  
1977-1980  
EP Opinion of 13 Dec. 1976

Action programme involving radical measures to restore balance on market, with a very cautious price policy, in order to eliminate structural surpluses on dairy market. See also 3.25.

EP Doc. 247/76  
EP Doc. 343/76

Guidelines for European  
Agriculture – updated to  
10. 11. 81. para 69-76

Comm. proposed that deliveries of milk to dairies should not increase more rapidly than the growth of Community consumption i.e. by about 0.5 % per year (production objective).

COM (81) 608 final

EP Res., 26. 3. 82

Levies to be introduced aimed at ensuring producer participation in the cost of disposal of milk in excess of production objective fixed for each year. Levies should be fixed at level sufficient to cover the cost of disposal of any surplus.

OJ C 104/82

Measures adopted by C:

C Reg. 1079/77  
amended by  
C Reg. 1189/82

(a) creation of co-responsibility levy and other measures.

OJ L 131/77  
OJ L 140/82

Co-responsibility levy fixed at 2 % of the target prices for 1982/83. Levy at 1.5 % payable on first 60 000 kg of milk produced in less favoured regions as defined by Dir. 72/268/EEC.

Milk producers in Greece, Southern Italy and mountain regions exempt from levy.

If milk deliveries in 1982 exceed those in 1981 by more than 0.5 %. Comm. will propose an appropriate reduction in intervention prices for 1983/84.

C Reg. 1759/82

120 m ECU to be allocated among Member States for small scale milk producers.

OJ L 193/82

3.6222

3.6222  
(contd)

Return from co-responsibility levy is to be used to facilitate disposal of milk products by promoting consumption within and outside EC and by seeking new outlets and improved products. The return in 1980 was 222.9 m ECU and for 1981 508 m ECU.

Implementing provisions for the collection of the co-responsibility levy.

OJ L 131/77  
OJ L 264/82

Comm. Reg. 1822/77  
last amended by  
Comm. Reg. 2480/82

(b) programme for the distribution of milk to schools;

OJ L 177/77  
OJ L 268/82

Comm. Reg. 1598/77  
last amended by  
Comm. Reg. 2518/82

(c) Community action for the eradication throughout the Community of brucellosis, tuberculosis and leucosis among Bovidae;

OJ L 145/77  
OJ L 173/82

C Dir. 77/391  
amended by  
C Dir. 82/400

(d) measures regarding sales promotion, publicity and market research.

OJ L 98/78  
OJ L 28/82  
OJ L 230/78  
OJ L 61/82

Comm. Reg. 723/78  
Comm. Reg. 270/82 and 271/82  
Comm. Reg. 1993/78  
Comm. Reg. 507/82

Measures to develop the use of milk products of Community origin outside the Community.

Financing of up to 75 % of expenditure on technical assistance concerning the improvement in third countries of marketing conditions, consumer information and publicity.

## **Trade**

### *Imports*

A threshold price is fixed for pilot products, which are the most representative product within a given group of dairy products. It ensures that, account taken of protection needed by the processing industry, prices of imported products correspond to the target price for milk.

OJ L 151/68  
OJ L 67/76

C Reg. 823/68  
amended by  
C Reg. 561/76

Levies bring the wholesale price of imports up to the threshold price concerned.

3.6222  
(contd)

*Exports*

Export refunds may be granted to the extent necessary to permit the export of dairy products or certain processed products based on dairy products.

Export certificates are required for the export of dairy products in the event of advance fixing of refunds.

Rules governing export certificates and monitoring of exports.

OJ L 86/77

OJ L 28/69  
OJ L 213/75  
OJ L 272/81

Comm. Reg. 706/77

Comm. Reg. 210/69 and  
Comm. Reg. 2044/75  
amended by  
Comm. Reg. 2729/81

**Special arrangement for the import of butter and cheese  
from New Zealand**

Up to 31 Dec. 1980 UK authorized to import a progressively smaller tonnage of New Zealand butter at a price representing average in UK market during 1969 – 1972 inclusive.

OJ L 73/72

This exceptional arrangement for butter to be reviewed in 1983. Permitted imports for 1981 were 94000 tons and 92000 tons for 1982 at a price corresponding to approximately 75% of intervention price. This limitation of imports achieved by means of a gentlemen's agreement. Application of a special levy.

OJ L 52/81

Community quota for cheese negotiated in GATT 'Tokyo Round', comprising 6500 tonnes of cheddar cheese and 3000 tonnes of processed cheese.

3.6223

**'MILK MARKETING BOARDS' IN THE UK**

The UK is authorized, under certain conditions, to grant certain rights to MMBs, of which it must inform the Commission. The maintenance of such authorization is dependent upon the fulfilment of certain items of Community law as summarized in C Reg. 1422/78.

OJ L 171/78  
OJ L 188/79

C. Reg 1422/78  
Comm. Reg. 1565/79

3.6222/3.6223

3.623

### **Pigmeat**

COM in operation since 1967 and covers live pigs, excluding pigs used for breeding, meat and processed products such as sausages and preserves.

OJ L 282/75  
OJ L 307/80

#### **Regulation of prices and intervention**

The COM is based on three price levels:

- a) basic price: the aim is to contribute to stabilization of market prices and to prevent surpluses;
- b) buying-in price: or intervention price and
- c) sluice-gate price: fixed by Comm. at regular intervals in order to control imports.

#### **Intervention**

Products are bought into intervention as soon as Community market price for slaughtered pigs on representative markets falls below 103 % of basic price.

The buying-in price is fixed by Management Cttee at between 92 % and 78 % of basic price.

Aid may be granted for private storage on either an individual or a standard-rate basis.

General provisions for granting aid to private storage.

OJ L 171/78

Arrangements for granting aid to private storage.

OJ L 114/80

C Reg. 2759/75  
amended by  
C Reg. 2966/80

C Reg. 1423/78  
Comm. Reg. 1092/80

3.623 **Regulation of trade**  
(contd)

*Imports*

Imports are subject to a levy based on difference between prices on world market and in EC for quantity of fodder required to produce 1 kg of pigmeat in EC.

The sluice-gate price is used to supplement levy on products concerned from place of origin in question when import prices are low.

A CCT rate is applicable to certain products.

*Exports*

Application of refunds and certificates.

OJ L 282/75

C Reg. 2768/75

**Investment aid for pig production**

Application of interest rate subsidies in the context of Dir. No 72/159 on modernization of farms is restricted in the case of pig production.

OJ L 197/81

C Reg. 1945/81

3.624 **Eggs**

COM since 1 July 1967.

No price system, but measures:

- to improve organization of production, processing and sales;
- to improve quality;
- to improve short- and long-term production estimates;
- to monitor price trends.

OJ L 282/75  
OJ L 364/81

Regs 2771-2776/75  
amended by  
C Reg. 3643/81

Marketing standards fixed by C.

OJ L 282/75

Reg. 2772/75

3.623/3.624

3.624 **Regulation of trade**

(contd)

*Imports*

Protection of EC market by:  
Import certificates.

Import levies consisting of one fixed and one variable component.

In fixing levies, account taken of price of feed grain required to produce given quantity of eggs.

Supplementary amount where free-at-frontier offer price below sluice-gate price.

The sluice-gate price for each quarter is fixed by Management Cttee. and consists of two components, i.e. an amount equal to price on world market for quantity of feed grain required for production in third countries of 1 kilogram of eggs and a standard amount representing other feeding costs and overhead costs of production and marketing.

*Exports*

Refunds on exports may be varied according to destination.

If there is glut on market or if price levels are low, refund amount may temporarily be increased or the issue of import certificates may be suspended.

Marketing standards apply for grading by quality and weight, packaging, storage, transport, presentation and labelling.

3.625 **Poultrymeat**

Price system and trade: as for eggs (see 3.624).

3.626

### **Fishery products**

Fishery products covered by COM listed in Annex I of regulation.  
These are mostly products for everyday consumption.

OJ L 379/81  
OJ C 50/81

This regulation replaces Reg. 100/76. But until implementing provisions are laid down for Reg. 3796/81, Reg. 100/76 and legislation deriving therefrom will continue to apply.

Reg. 3796/81 was adopted following EP's insistence, in own-initiative and other reports, on the need for a common fisheries policy.

OJ C 50/81

### **Marketing standards**

C may lay down common standards notably in respect of quality, packaging of products and sales procedures.

OJ L 379/81

Responsibility for controls is left to Member States.

### **Producers' organizations**

Producers' organization means any fishermen's association recognized by the Member States and having as its aim rational organization of fishing and improvement of conditions for sale of products.

OJ L 379/81

Member States may grant aid to encourage formation and facilitate the operation of such organizations.

OJ L 379/81

One of the major innovations of this regulation is the obligation it imposes on non-members to join producers' organizations in some cases.

### **Price system**

Where withdrawal prices applied, producers' organizations grant members compensation in respect of certain products withdrawn from the market

C Reg. 3796/81  
EP Opinion, 12 Feb. 1981

EP Opinion

C Reg. 3796/81

C Reg. 3796/81 Art. 5

C Reg. 3796/81 Art. 6

3.626 (products in Annex I). For other products, it is left to their discretion  
(contd) whether or not to grant compensation.

Compensation financed by members' contributions to organisation's fund.

Guide prices and intervention prices are fixed for certain products annually before beginning of fish marketing year. Prices fixed so as to help stabilize market prices without leading to structural surpluses. Representative wholesale markets and ports fixed by Management Cttee procedure. Guide price fixed on basis of average prices over last three years on representative wholesale markets or ports.

The Community withdrawal price is between 70 % and 90 % of guide price, depending on the quality, freshness, size and weight.

**Community system for the conservation and management of fishery resources**

The new system makes provision in particular for measures to restrict fishing, standards for the utilization of resources, special provisions for coastal fishing and supervisory measures.

These provisions take account of the new situation following the establishment of fishing zones of 200 nautical miles.

*Right of access*

Community is retaining until 31 December 1992 derogation in respect of access laid down in 1972 Act of Accession and it is generalizing to 12 nautical miles of the 6 Mile limit laid down in the Act. Unless amended by C this system will remain in force until 31 December 2002.

The limit of 12 nautical miles takes account of rights of other Member States and new regulation also makes provision for a licensing system to

3.626 govern fishing activities of vessels longer than 26 metres in a specified  
(contd) fishing zone around the Shetland Isles.

The regulation provides for setting up of a Scientific and Technical Committee and a Management Committee under the auspices of Comm.

*Total allowable catches (TACs) and their allocation  
among the Member States*

C has adopted a regulation fixing total allowable catches (TACs) for each species. Allocation of available resources among the Member States takes account of traditional fishing activities, specific needs of regions particularly dependent on fishing and its related industries and loss of fishing grounds in waters of third countries.

The regulation also lays down provisions concerning by-catches accompanying certain species.

**Trade**

*Imports*

CCT applicable, but may be suspended for certain products.

Fixing of reference price by products, on basis of guide price.

In certain cases collection of countervailing charge, in addition to CCT, covering difference between entry price and reference price.

Imports may be limited or suspended – safeguard clauses.

Although mechanisms existing under the previous regulation have remained unchanged, import system has been strengthened and made more flexible.

C Reg. 198/83

OJ L 25/83

3.626 *Exports*  
(contd) Refunds may be made for exports.

3.6261 **EXTENSION OF ECONOMIC ZONES**

Following the session of the United Nations Conference on the Law of the Sea from 2 Aug. to 17 Sept. 1976, which failed to agree on any general extension of economic zones, the Community decided to increase its own fishing zone in the Atlantic and in the North Sea to 200 nautical miles from 1 Jan. 1977.

**Work in progress**

Pending adoption of a definitive COM, temporary regulations have been adopted.

— *External system*: Community has initialled a number of international agreements and held negotiations with various third countries.

A draft agreement on a system of reciprocal fishing rights has been signed with Norway and the Faeroe Isles. Consultations have been initiated with a number of West African states.

C has adopted fisheries agreement with Canada and new protocol with Senegal.

OJ C 255/76  
Doc. PE 1-560/80  
OJ C 327/80

OJ L 379/81

Prop. for Reg.,  
8 Oct. 1976  
EP Rep.  
EP Opinion

C Decs. 1053/81  
1054/81  
1055/81

3.627 **Sheepmeat and goatmeat**

Entry into force of COM on 20 Oct. 1980. COM differs from rules applicable to other sectors.

OJ C 239/78  
OJ L 183/80  
OJ L 140/82

Price is not yet a Community price.

Opinion of EP of 14. Sept. 78  
C Reg. 1837/80  
amended by  
C Reg. 1195/82

3.627  
(contd)

Intervention is not automatic and may take several forms. It applies only to certain categories of products and for a certain period.

The market is not a single Community market but is divided up into Community regions. Imports are controlled – according to product – either by import levies (negligible amount) or by application of the CCT and by quantitative restrictions.

OJ L 90/81

#### **Price system**

Every year C proposes *basic price* for marketing year for fresh or chilled sheep carcasses. Basic price is seasonally adjusted to take account of normal seasonal variations on EC sheepmeat market.

*Reference prices*, which are used for calculation of premiums, are fixed for each region for transitional period of five years.

*Intervention price* corresponds to 85% of seasonally adjusted basic price. Intervention purchases are limited to period between 15 July and 15 December. If market price falls below level corresponding to 85% of basic price, intervention purchases may be made.

#### **Intervention measures**

Intervention agency buying or aid to private storage may be introduced, if, between 15 July and 15 December, situation makes it necessary to support market – not yet applied.

#### **Income premiums**

These premiums take into account difference between the market price and reference price.

3.627  
(contd) They are calculated on the basis of difference between reference price in a given region and average market price multiplied by tonnage of meat produced per region. To obtain the per capita premium, figure obtained is divided by number of ewes registered in each region.

#### **Variable slaughter premium**

In regions where there is no intervention buying producers may receive a variable premium for slaughter of sheep if prices recorded on representative markets are below the guide level (85% of basic price). The variable slaughter premium is applied only in the United Kingdom.

Reg. 2661/80

In case of intra-Community trade, the COM stipulates that when premium is applied in a Member State, an equal amount is to be levied on export from Member State in question.

OJ L 276/80

Reg. 1239/82

The premium is not payable where products in question are exported to a non-Community country.

OJ L 143/82

#### **Granting of premium**

C Reg. 2643/80

Fixing of general rules

OJ L 275/80

Comm. Reg. 2660/80  
amended by  
Comm. Reg. 1237/82

Fixing of implementing provisions

OJ L 276/80

OJ L 143/82

#### **Intervention buying and private storage**

C Reg. 2644/80

Fixing of general rules

OJ L 275/80

Comm. Reg. 2658/80 and 2659/80

Fixing of implementing provisions

OJ L 276/80

#### **Trade arrangements**

Comm. Regs. 19/82 and 20/82

Trade control by means of system of import and export certificates.

OJ L 3/82

e.g. C Dec. 80/982 C Reg. 424/82	3.627 (contd)	<i>Imports</i> Imports from third countries regulated by quantitative agreements (import restrictions).  These imports are subject to a 10% <i>ad valorem</i> levy.	OJ L 275/80 OJ L 55/82
Comm. Reg. 1985/82		In the case of some Mediterranean countries and the ACP States, imports receive preferential treatment (reduced levy rate).	OJ L 215/82
		<i>Exports</i> Possibility of applying the refund system.	
C Dir. 82/177		<b>Production control</b>  Statistical studies are to be carried out over a three-year period beginning in 1982 with a uniform system for all the Member States.	OJ L 81/82

3.63      **PRODUCTS NOT COVERED BY ANNEX II OF THE TREATY**

**Regulation of trade in goods resulting from processing of agricultural products**

C Reg. 3033/80		This regulation for adoption of market rules is intended to compensate for fact that only those agricultural products referred to in Annex II of Tr. are dealt with by provisions drawn up as part of common agricultural policy.  Provisions adopted for basic products have an impact on cost price of processed products: it is therefore necessary, in particular in order to protect European processing industry, to harmonize cost of supplying raw materials on which these goods are based and to adjust arrangements designed to protect them. Products listed in regulation are mainly products processed from cereals, milk products, sugar and eggs.	OJ L 323/80
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3.63  
(contd)

### **Regulation of trade**

#### *Imports*

C Reg. 3034/80

Import duty consists of one fixed component consisting of an *ad valorem* customs duty and one variable component intended to cover difference between prices of these products and price of products from third countries.

OJ L 323/80

#### *Exports*

C Reg. 3035/80

General rules for granting export refunds for certain processed or non-processed agricultural products. Products in question, which are obtained from basic products or from processing basic products, are listed in Annexes to the regulation.

OJ L 323/80

### **Inward and outward processing traffic**

C Dir. 73/69  
amended by  
C Dir. 119/76

Harmonization of laws and administrative provisions governing *outward processing traffic*. (Export of products for re-import after processing or treatment.)

OJ L 58/69  
OJ L 24/76

C Dir. 73/69  
amended by  
Comm. Dir. 681/75

Harmonization of laws and administrative provisions governing *inward processing traffic*. (Import of products for re-export after processing or treatment.)

OJ L 58/69  
OJ L 301/75

3.7

### **Structural policy**

The term 'common agricultural policy' not specifically defined in Treaty. Art. 43 of EEC Tr. provides for implementation of measures referred to in Title II of EEC Tr., as well as of other measures not referred to, which may be introduced on Comm.'s initiative. Latter category includes measures to improve structures.

Comm. policy prices, rationalization of market and restructuring of agricultural prices (see also 3.1).

OJ 11/58

Res. of Agr. Conf. Stresa  
1958  
Comm. Memo. 1968  
'Mansholt Plan'

3.70

### **OBJECTIVES:**

To improve farm productivity by optimally combining factors of production. Policy must take full account of the specific social structure of the agricultural sector, regional variations, and the close link between agriculture and the economy under common structural policy.

3.71

### **INSTRUMENTS**

*EAGGF, Guidance Section*

Dirs. and Regs. with system of aid for projects designed to improve structures:

— through common measures; EAGGF generally bears 25% of their cost.  
Up to max. of 65% in certain regions.

OJ L 94/70  
OJ L 367/80

C Reg. 729/70  
amended by  
C Reg. 3509/80

3.7/3.71

3.711 **Management of structural policy in agriculture**

Management by *Standing Committee on Agricultural and Fisheries Structures*

Secretarial services provided by Comm.

Duties: Studies of Member States' structural policies, exchanges of information between Member States and Comm. on structural matters, opinions on Community and national structural policy, assisting Comm. in preparing the annual review of national structural policy measures.

An Advisory Committee on Questions of Agricultural Structure Policy assists the Commission.

3.72 **INITIAL STRUCTURAL POLICY**

Initially policy consisted in Comm.'s being responsible for coordination of national structural measures, on the assumption that structural handicaps had to be eliminated and that structural policy should operate in parallel with marketing policy in the field of regional development, and should reflect the general economic situation. It was also agreed that the Guidance Section of the EAGGF would, as far as possible, be entitled, for structural policy, to one third of funds paid out for the Guarantee Section.

The Member States were authorized provisionally to continue with their own structural policies, though in accordance with broad Community guidelines; at the same time, provision was also made for a financial mechanism, to be used *inter alia* to finance specific projects. The Community financed 25 % of national expenditure on so-called 'individual projects'.

C Reg. 17/64

OJ 34/64

3.73      **REORIENTATION OF COMMON AGRICULTURAL  
POLICY SINCE 1971**

3.730      **Objectives:**

- to prevent structural surpluses;
- to normalize price policy;
- to create modern farms.

In order to reorganize structures, C has adopted a resolution on following  
*common measures:*

OJ C 52/7  
OJ C 124/71

- measures to help those wishing to give up farming;
- measures to help those continuing farming;
- measures to provide farmers with occupational guidance and training;
- measures to improve marketing of agricultural products;
- measures to prevent increase in farmland;
- afforestation activities;
- authorization to Member States to grant aid, for period of five years, to young farmers receiving no investment aid under common measures;
- measures to stimulate regional development.

This resolution is the basis for common measures taken since 1971.

C Res. of 25 May 1971  
EP Opinion of  
18 Nov. 1971

C Reg. 729/70,  
amended by  
C Reg. 2788/72

3.730 Financing of common measures is laid down in Art. 6 of Reg. relating of  
(contd) financing of common agricultural policy.

OJ L 94/70  
OJ L 295/72

3.731 **Modernization of farms**

C Dir. 72/159 amended by  
C Dir. 81/528 and  
C Dir. 82/436

Selective system for aiding farms capable of development, valid until  
31 December 1982, extended to 31 December 1983.

OJ L 96/72  
OJ L 197/81 and  
OJ L 193/82

(a) Persons wishing to claim aid must fulfil following conditions:

- farm as main occupation;
- posses adequate occupational skill and competence;
- keep accounts;
- draw up development plan leading after six years to income comparable to average for non-agricultural workers in the region in question.

Assistance also for farmers with income comparable to that of other occupational groups but with farm structures jeopardizing maintenance of that income. For this category, interest-rate subsidy up to 80% of loan.

20% of income attained through development plan may consist of income from non-agricultural activities, provided 'earned income derived from farm business at least equal to comparable earned income for one-man work unit': therefore applicable only to farms with more than one-man work unit.

3.731 Comparable earned income assessed directly by comparison with that of  
(contd) workers in region or indirectly by reference to typical small farm in region.

C Dir. 76/837

(b) *Assistance for persons submitting development plans:*

OJ L 302/76

- allocation, by way of priority, of land released within Dir. 72/160;
- interest-rate subsidies max. 5%, subject to a ceiling, per man work unit. As general rule, no additional national aids except for construction of farm buildings and land improvement operations;
- provision of guarantees for loans contracted;
- aid for first four years of properly kept accounts;
- aid towards costs of cooperative schemes;
- aid for land improvement (land re-parcelling and irrigation).

Aid not usable for purchase of land, pigs or poultry. Aid for purchase of cattle or sheep only if sales from these on completion of development plan make up cover 60% of total proceeds.

C Dir. 77/390

(c) Authorization for Member States to extend investment aid scheme to farmers who are not capable of attaining comparable income levels. This aid is payable by Member States.

OJ L 145/77

(d) *Aid for other farms*

Other farms receive same aid for book-keeping if data collected are used for EC accounting network; recognized farmers' mutual aid associations may also receive this aid.

3.731  
(contd)

(e) *National aid*

Member States may give aid if interest remaining payable by beneficiary at least 5%.

National aid can be given to owners of farms not attaining comparable earnings and not yet eligible for aid to cessation of farming; aid may not be in excess of that for persons submitting modernization plans.

Abandoned zones: special system of national subsidies. C defines term 'abandoned zones'.

EAGGF reimburses Member States for 25% of expenditure.

(f) *Interest-rate subsidy in Italy*

In southern Italy the maximum interest-rate subsidy is 12%; in less-favoured regions of northern and central Italy maximum rate is 11%. In other regions maximum interest-rate subsidy is 9%.

OJ L 120/77

C Dec. 77/343

(g) *Guidance premium for production of beef and veal*

Granting of guidance premium per hectare for three years for production of beef and veal as provided for by C Dir. 72/159 on modernization of farms.

OJ L 153/73  
OJ L 349/78

C Dir. 73/131  
amended by  
C Dir. 78/1017

(h) *Investment support restrictions*

*Investment in the dairy sector*

Support is restricted, having regard to the surplus situation, to investment levels needed to maintain a comparable income for 1½ man work units per farm, with restrictions in the growth of dairy cow numbers.

3.731 *Investment support for pig breeding*  
(contd) Support is restricted to the investment level needed to maintain a pig farm of 550 head. *Objective:* to maintain a comparable income for 1½ man work units per farm.

**Current activities**

EP has asked the Comm. for measures to continue the structural policy beyond 1983. It has called for more stimulus to farming cooperatives, concentration of structural improvement measures in hill-farming and less-favoured regions, and more support to young farmers taking over a farm.

EP Opinion  
16 June 1982

EP Doc. 1-184/82  
OJ C 182/82

3.7311 **Support for young farmers**  
Young farmers who submit a development plan are entitled to special aid. Cooperative groupings of young farmers are entitled to special aid in addition to the starting-up premiums provided for in C Dir. 72/159.

C Dir. 81/528

OJ L 197/81

C Dir. 72/160  
amended by  
C Dir. 82/436

3.732 **Encouraging cessation of farming and utilization of released farmland to improve structure**  
The purpose of the measures is to improve agricultural incomes by giving an impetus to medium-sized farms – with priority to those that have a development plan – and in specific cases to take land out of agriculture for afforestation, or for recreational or public-health purposes.

OJ L 96/72  
OJ L 193/82

Aid to encourage cessation of farming may be granted to farmers and their employees who are between 55–65 years of age.

3.731/3.732

3.732 Annuities: for married and single persons.

(contd)

Member States may grant farmers premiums calculated on utilized agricultural area released, without reimbursement by EAGGF.

Following premiums reimbursable:

- to farmers aged 60–65 and to persons employed by them of like age;
- to widows and persons with more than 50 % disablement;
- to farmers aged at least 55, whose farms cover not more than 15 hectares, in countries where farm workers make up over 15 % of all workers (Italy and Ireland).

At least 85 % of utilized agricultural land released must be:

- leased for at least 12 years to farmers who have submitted development plans or, under certain conditions, to other farmers, or offered to land agencies;
- or permanently removed from agricultural use.

In general, 25 % of outlay is refunded. In areas where measures to promote cessation of farming had not been applied previously (Italy), proportion may be increased to 65 %.

C Proposal

**Increase in annual expenditure**

EP Doc. 1-1089/81

Grant of a flat-rate premium to those (e.g. pensioners) who give up their land.

Grant of a special premium to farmers who take early retirement, and (in certain areas) on inheritance by relatives.

**Occupational guidance and training***Objectives:*

- to develop occupational guidance and training for farmers, farm-labourers, and working members of family farms;
- to enable those concerned to implement new techniques in agriculture or to improve their knowledge of agriculture.

Support for a third objective, that of retraining for a non-agricultural occupation is provided by the European Social Fund.

Dir. provides for

- guidance:

Creation and expansion of occupational guidance services;

Bearing of cost of training these advisers;

- training:

Creation and expansion of training centres or courses;

Granting of premiums or allowances for attendance.

Luxembourg and Ireland do not have necessary structure to apply Dir. Special EC measures have been introduced for Italy, which also does not apply this Dir., for the development of agricultural advisory services.

Specific support measures for the training of leaders of cooperatives and producer groupings in certain areas. 60 % of eligible expenditure is reimbursed by the EAGGF.

C Dir. 72/161  
amended by  
C Dir. 81/529  
and 82/436

C Dir. 76/837  
C Dir. 77/343  
C Reg. 270/79

OJ L 96/72  
OJ L 197/81 and  
OJ L 193/82

OJ L 302/76  
OJ L 120/77  
OJ L 38/79

3.733  
(contd)

Proposed changes under this directive are aimed at:

OJ C 48/82  
OJ C 182/82

- raising the maximum eligible amounts in respect of training for farmers, working family members, of farm labourers, so as to maintain the monetary value of these subsidies;
- making a substantial contribution to achievement of the objectives of Reg. (EEC) 355/77, 1360/78 and 1361/78 on the granting of Community aid for educational and training courses for managing personnel, and personnel of producer groupings, cooperatives and other cooperative groupings in the marketing and processing of agricultural products.

3.734 **Specific joint measures affecting certain regions**

3.7340 This type of special joint action benefiting certain less-favoured regions has ushered in a new era in structural policy. Aid for improving agricultural structures under these measures is no longer spread over entire Community but is directed specifically at most backward regions and at certain sectors.

C Reg. 269/79

3.7341

**Forestry measures in certain Mediterranean zones**

OJ L 38/79

EAGGF financing of 50 % of eligible activities to a fixed maximum.

*Infrastructural improvements in certain less-favoured regions*

C Reg. 1760/78

EAGGF subsidies to a maximum of 40 %.

OJ L 204/78

C Reg. 1941/81	3.7342	<b>Belgium</b>	Integrated development programme for the South-East. The EAGGF reimburses up to 35 % of investment.	OJ L 197/81
C Reg. 1938/81	3.7343	<b>Federal Republic of Germany</b>	Improvements to agricultural infrastructure and water use in certain areas. The EAGGF reimburses 30 % of investment.	OJ L 197/81
C Dir. 78/627	3.7344	<b>France</b>	<i>Restructuring and conversion of winegrowing in certain areas of southern France.</i>	OJ L 206/78
C Dir. 79/359			EAGGF financial contribution of up to 35 %; for certain conversion measures of up to 50 %. Various kinds of premiums per converted hectare. Restructuring to be carried out by producer groups.	
C Dir. 79/359			<i>Registered conversion of vineyards</i>	OJ L 85/79
C Dir. 79/173			The EAGGF reimburses 50 % of eligible expenditure.	
C Dir. 79/173			<i>Collective irrigation project in Corsica</i>	OJ L 38/79
C Dir. 79/174			EAGGF subsidies to a maximum amount per hectare.	
C Dir. 79/174			EAGGF financing of certain irrigation projects at up to 50 %.	
C Dir. 79/174			<i>Protection of certain areas against flooding</i>	OJ L 38/79
C Reg. 1940/81			The EAGGF reimburses 35 % of eligible expenditure to a maximum amount.	
C Reg. 1940/81			<i>Integrated development programme for Losère</i>	OJ L 197/81
			Aimed at improving agriculture (pasture, woodland, stockraising).	
			The EAGGF reimburses 40 % of eligible costs.	

C Reg. 2395/79	3.7344 (contd)	<i>Measures to assist French overseas departments</i> Repairs to hurricane damage.	OJ L 275/79
C Dir. 81/527		<i>Development of agriculture in the departments</i> (irrigation, infrastructure, land improvements, afforestation, stock-raising) The EAGGF reimburses 40 % of eligible expenditure up to a fixed ceiling.	OJ L 197/81
	3.7345	<b>Greece</b> Stimulus to agricultural development in certain regions (infrastructure, land improvements, stockraising and agricultural training).	OJ C 84/82
Prop Reg. of 8 March 1982			
	3.7346	<b>Ireland</b> <i>Drainage in West-Ireland</i> Special programme for drainage in West of Ireland. Drainage in border areas between Ireland and Northern Ireland. The EAGGF reimburses 50 % of eligible expenditure.	OJ L 206/78 OJ L 214/81 OJ L 43/79
C Dir. 78/628 C Reg. 2195/81 C Dir. 79/197			
C Reg. 1820/80 amended by C Reg. 3073/82		<i>Special programme for the development of agriculture in the West of Ireland</i> (infrastructure, land improvements, production guidelines, marketing and processing, afforestation, training of counsellors) The EAGGF reimburses 50 % of eligible costs up to a fixed ceiling.	OJ L 180/80 OJ L 325/82
C Reg. 1054/81		<i>Promotion of the production of cattle for slaughter in Ireland and Northern Ireland</i> Various forms of aid.	OJ L 111/81
C Reg. 1055/81		<i>Veterinary inspection of cattle</i> The EAGGF reimburses 50 % of eligible costs.	OJ L 111/81

3.7347

**Italy**

C Reg. 270/79

*Development of agricultural training*

OJ L 38/79

Supplementary to C Dir. 72/161 (see 3.733).  
EAGGF subsidy up to a fixed maximum amount.

C Reg. 1362/78

*Collective irrigation works in Southern Italy*

OJ L 166/78

Subsidy to a maximum of 50 %.

C Reg. 1944/81

*Development of cattle, sheep and goat raising in mountain and hill country*

OJ L 197/81

Various forms of aid granted. Investment support and premiums for fattening calves and cows.

3.7348

**United Kingdom**

C Reg. 1939/81

Integrated development programme for the Scottish Western Isles.

OJ L 197/81

Measures to improve forestries, fisheries, marketing and processing of agricultural products, together with the economic sector.

The EAGGF reimburses 40% of eligible expenditure.

C Reg. 1942/81

*Measures to speed up agricultural development in Northern Ireland*

OJ L 197/81

The EAGGF reimburses 40% of eligible expenditure.

C Reg. 1943/81

*Promotion, marketing and processing of feeding stuffs*

OJ L 197/81

3.7349

**Greenland**

C Reg. 1821/80

*Development of sheep farming*

OJ L 180/80

The EAGGF reimburses 40% in the case of infrastructural measures, and 50% of other expenditure.

3.7347/3.7349

3.735

**Joint action on mountain and hill farming and farming in certain less-favoured areas**

C Dir. 75/268  
amended by  
C Dir. 76/400 and  
C Dir. 80/666

Supplements Council Directives 72/159, 160 and 161 on modernization of farms.

OJ L 128/75  
OJ L 108/76 and  
OJ L 180/80

**Objective:**

To maintain minimum level of agricultural activity in areas where price and structural policies are unable to ensure adequate income, because of physical handicaps.

**Criteria for special aid:**

These areas cover a quarter of agricultural land in use in EC, they contain over a million farms, but these account for only 10 % of EC production.

For mountain areas: physical disabilities resulting from either a short growing season or steep slopes or both. For less-favoured areas: combination of infertile land, low economic results and rural depopulation.

**Conditions for granting aids**

Annual compensatory allowance granted to farmers with at least three hectares (in some regions two hectares) of agricultural land in use who undertake to continue farming for at least five years.

**Support measures**

The Member States have forwarded to Comm. the list of less-favoured agricultural regions that meet the criteria of Article 3 of Dir. 75/268. Specific support arrangements include the following:

3.735  
(contd)

a compensatory allowance in the form of income support determined on the basis of permanent natural handicaps;

incentive arrangements comprising:

— granting of more favourable financial terms to farms with development problems by means of:

reduction of the minimum charge to be borne by recipients of the incentives provided for in Article 8 of Dir. 72/159;

an income subsidy or comparable measure;

— payment of a premium on conversion to production of beef and veal, sheepmeat and goatmeat;

— investment support for starting up in tourism or handicrafts in less-favoured agricultural regions where there is scope for such activities;

— support for collective investment in green-fodder production, and the improvement and management of meadow and hill-pasture land held in common;

— recognition of national support for investment.

Contributions of EAGGF, Guidance Section: 25 % of outlay refunded, but increases to 50 % in the case of Italy and Ireland.

Regional Fund may also be used to improve infrastructures in mountain regions and certain less-favoured areas.

3.736

### **Processing and marketing of agricultural products**

Community action to improve conditions under which agricultural products are processed and marketed

Amendment applicable to measures in certain regions.

*Aim:* to improve structure of agricultural markets and encourage adjustment and reorientation in agricultural sector.

OJ L 51/77  
OJ L 367/80

C Reg. 355/77  
amended by  
C Reg. 3509/80

3.735/3.736

3.736 (contd) As part of this EC action programme, aid may be granted from Guidance Section of EAGGF for implementation of projects which form part of specific programmes and which meet certain conditions. Programmes are drawn up by Member States and submitted to Commission for approval.

Approved measures are published in OJ.

A project is defined as any plan involving capital expenditure on equipment in accordance with aims of EC action programme.

Aid may be granted under Guidance Section of EAGGF to investments for rationalization and extension of storage capacity, packing, preservation, treatment and processing of agricultural products and improvement of marketing channels for price formation mechanisms.

Aid granted by EAGGF is equal to a maximum of 25% of investment (up to 30% in case of the least-favoured regions). Beneficiary must make minimum contribution of 50% while contribution of Member States must be not less than 5%.

As far as processing and marketing agricultural products are concerned, this EC action programme will gradually replace Reg. 17/64 on individual projects.

See also: 3.734: improvement of marketing and processing in various sectors in certain less-favoured regions.

**Modified implementation in certain less-favoured areas**

C Reg. 355/77 to be applied, as matter of priority to Mezzogiorno (Italy) and Languedoc-Roussillon (south of France) with 50% contribution from Guidance Section of EAGGF.

Special scheme for increased investment aid for marketing and processing milk.

Prop.  
EP Opinion

OJ C 88/79  
EP Doc. 127/79

C Reg. 1360/78  
C Reg. 2989/81  
C Reg. 3086/81

3.7361 **PROMOTION OF PRODUCER GROUPS  
AND ASSOCIATIONS**

OJ C 166/78  
OJ L 299/81  
OJ L 310/81

Common measures to grant gradually decreasing aid to recognized producer groups and associations:

- interest rebate up to maximum of 5% for 15 years;
- guarantees for loans contracted;
- flat-rate aid (50 000 u. a.) for setting up producer groups.

Differentiated implementation confined to certain less favoured areas, and for Belgium with regard to improving marketing structures. In these regions EAGGF refunds 25% – 50% of eligible expenditure.

Rules of application for establishment and administration.

Exporting arrangements concerning the economic activity of producer groupings.

Reg. applicable in the whole of Italy, southern France and French overseas territories, and whole of Belgium and Greece. However, Reg. is applied to individual products, except in Italy, where it covers all products.

C Reg. 2084/80  
C Reg. 1616/82

OJ L 203/80  
OJ L 180/82

**Producer groupings for specified products**

*Objective:* To alleviate structural inadequacies affecting supply and demand of agricultural products.

Amended basic regulation on 'oils and fats' provides for aid for groups of olive oil producers (see 3.6141).

Additional rules for hop growers (see 3.7371) and fruit and vegetable growers (see 3.615), fisheries products (see 3.7372), cotton and potatoes (see 3.61425).

C Reg. 1413/82

OJ L 162/82

3.737 **Community action sector by sector**

3.7371 **HOPS**

Aid to encourage setting up producers' organizations to adjust production to market requirements with a view to structural reorganization, and aid for production of other varieties of hops.

Producer groupings that comply with the regulations are entitled, in the first three years after they have been recognized, to assistance as follows: up to 3% of the value of products marketed in the first year, 2% in the second year and 1% in the third year.

Provisions on recognition and reimbursement of aid from Member States to recognized producer groupings. This measure ceased to be applicable in 1981.

OJ L 175/71  
OJ L 137/77

OJ L 86/73

C Reg. 1696/71  
amended by  
C Reg. 1170/77

C Reg. 879/73

3.7372 **FISHING**

Member States may under certain conditions grant aid for structural improvements. EAGGF, Guidance Section, may finance common measures to increase productivity, adapt production and marketing conditions, improve living standards of population depending on fishing for livelihood.

In its decision of 25 January 1983, C adopted a structures policy to be based on guidelines still to be defined.

For the three-year period 1982-84, 250 m ECU have been allocated, to be divided among three measures:

- (a) Adoption of fishing capacity;
- (b) Experimental fishing and joint undertakings;
- (c) Restructuring of inshore fishing and aquaculture.

OJ L 20/76

C Reg. 101/76

C Dec., 25 July 1978	3.7372 (contd)	Financial participation by the EAGGF in inspection and surveillance operations in the maritime waters of Denmark and Ireland.	OJ L 211/78
C Reg. 355/77		Processing and marketing of fishery products. Various programmes have been adopted under this regulation.	OJ L 51/77
Comm. Commun., 17 Nov. 1980		Social measures in the fisheries sector concerning the training, employment, security and working conditions of fishermen.	
EP Rep. EP Opinion 18 Dec. 1981		In its opinion, EP has proposed a number of improvements to Comm.'s proposal, particularly in respect of training.	OJ C 11/82 Doc. EP 1-830/81
	3.7373	<b>HONEY</b> Aid of 1 ECU per hive to bee-keepers who are members of producers' organizations. Contribution of Guarantee Section of EAGGF: 100 %	
	3.7374	<b>BEEF AND VEAL</b> Introduction of a premiums scheme for the non-marketing of milk and dairy products and for conversion of dairy herds. Expenditure is borne by the EAGGF, 40 % by the Guidance, and 60 % by the Guarantee Section. <i>Objective:</i> To eliminate structural dairy surpluses. The scheme to limit milk supplies will run for five years, that for conversion for four years.	OJ L 131/77 OJ L 140/80
C Reg. 1078/77 amended by C Reg. 1365/80	3.7375	<b>FRUIT AND VEGETABLES</b> — Rationalization of fruit production. Premiums for grubbing up fruit-trees. — Surveys to determine production potential of certain types of fruit trees (apples, pears, peaches and oranges).	OJ L 318/69 OJ L 124/76 OJ L 218/76 OJ L 367/81

3.7375 **Special measures affecting citrus fruit**  
(contd)

C Reg. 2511/69  
amended by  
C Reg. 2226/79

— Aid, financed out of Guarantee Section of EAGGF, to promote production and marketing of citrus fruit.

OJ L 318/69  
OJ L 257/79

— Aid for conversion to better citrus fruit.

C Reg. 2601/69  
amended by  
C Reg. 1154/78

In addition, supplementary aid to offset losses resulting from conversion and to promote processing of certain varieties of oranges.

OJ L 324/69  
OJ L 144/78

EAGGF reimburses 50 % of expenditure.

C Reg. 340/77

— Provisions for speeding up aid process in view of considerable delay in implementing schemes.

OJ L 48/77

3.7376 **FARM STRUCTURE**

C Reg. 70/66  
C Reg. 218/78

Organization of regular structural surveys in EC as part of FAO survey programme.

OJ L 112/66  
OJ L 35/78

Financial assistance to Italy for establishing system of statistical surveys comparable to those of other Member States.

3.7377 **WINE**

C Reg. 1163/76  
amended by  
C Reg. 361/79

— Conversion premiums for grubbing up vineyards.

OJ L 135/76  
OJ L 46/79

Systems of premiums of different amounts to reduce structural surpluses and cost of rationalizing wine market.

C Dir. 627/78  
C Reg. 359/79

— Structural reorganization and conversion of vine-growing in Languedoc-Roussillon and Charentes.

OJ L 206/78  
OJ L 85/79

C Reg. 456/80  
C Reg. 607/82

— System of premiums of different amounts for the cessation of wine-growing and replanting.

OJ L 57/80  
OJ L 74/82

C Dir. 457/80

3.7377  
(contd)

— Cessation of wine-growing. Yearly premium or single premium.  
Premium may be combined with premiums granted pursuant to Dir. 72/  
160 on cessation of farming.

OJ L 57/80

C Dir. 458/80

— Collective projects for restructuring vineyards.

OJ L 57/80

C Regs. 1078/77  
and 1041/78  
amended by  
C Reg. 1365/80

3.7378

### *DAIRY PRODUCTS*

— System of premiums of different amounts for non-marketing of milk and  
milk products and for conversion of dairy herds.

OJ L 131/77 and  
L 134/78

Financed by EAGGF – Guidance Section: 40 %; Guarantee Section 60 %.

OJ L 140/80

System of premiums expired on 15 September 1980, conversion premium on  
1 June 1981.

EP is urging implementation of these arrangements.

Prop. for Reg.

— Cessation of farming for dairy farmers (not yet adopted).

COM (77) 100

This relates to proposal for replacement of above system of premiums.

## 4. **COMMON ECONOMIC AND SOCIAL POLICY**

### 4.0 **Economic policy**

#### 4.01 **OBJECTIVES**

EEC Tr., Preamble, Par. 6  
EEC Tr., Arts 2, 3, 6

Unification of economies and harmonious development of economic life of whole Community.

#### 4.02 **REQUIREMENTS OF EEC TREATY**

EEC Tr., Arts 104, 105

To ensure equilibrium of overall balance of payments and maintain confidence in their currencies, Member States to coordinate economic policies while ensuring high level of employment and stable level of prices. Cooperation between appropriate administrative departments and between central banks.

EEC Tr., Art. 145

To achieve coordination of economic policies of Member States, C has power to take decisions.

#### 4.03 **DECISION-MAKING PROCEDURES** (see also 4.161)

(a) *C decides, by qual. majority, on recommendation or opinion of Comm. and after consulting Monetary Cttee, on:*

EEC Tr., Art. 108 (2)

— granting of mutual assistance in case of balance-of-payments difficulties;

- EEC Tr., Art. 109 (3) 4.03 — suspension of national protective measures taken under Art. 109 (1)  
(contd) in the face of sudden balance-of-payments crises.
- EEC Tr., Art. 103 (2), (4) (b) *C decides unanimously, on proposal from Comm., on:*  
— measures to implement common conjunctural policy and meet supply difficulties.
- EEC Tr., Art. 107 (2) (c) *Comm., after consulting Monetary Cttee:*  
— authorizes other Member States to take protective measures in case of alteration of exchange rate by a Member State.
- EEC Tr., Art. 108 (3) (d) *Comm. independently:*  
— authorization of State with balance-of-payments difficulties to take protective measures, if mutual assistance is not sufficient or not granted by C;
- EEC Tr., Art. 115 (1) — recommendations to prevent deflection of trade resulting from commercial policy measures.

## 4.12 REGIONAL POLICY

### 4.120 Objectives

EEC Tr.,  
Preamble

Reduction of differences between various regions, of backwardness of less favoured regions, and of concentration in built-up areas, by:

- financial support for regional development measures in EC's disadvantaged regions;
- coordination of national regional policies, not only with each other but also with EC measures;
- assessment of the regional impact of other EC policies.

#### 4.121 **Requirements of the Treaties**

None of three EC Tr. provides for creation of a common regional policy. However, several provisions of EEC Tr. have regional policy objectives or require regional policy aspects to be taken into account in their application. This is the case in the following fields:

EEC Tr.,  
Art. 39, 42  
  
EEC Tr.,  
Art. 49  
  
EEC Tr.,  
Art. 75, 80  
  
EEC Tr.,  
Art. 92-94  
  
EEC Tr.,  
Art. 129-130

- Agriculture;
- Freedom of movement of workers;
- Transport;
- Aids granted by States;
- European Investment Bank.

EEC Tr.,  
Art. 235

In absence of treaty provisions directly relating to a common regional policy, EC legislation in this field must be based primarily on Art. 235 of the EEC Tr. though may also in some cases be based on Art. 2 (harmonious development of economic activities and balanced expansion).

#### 4.122 **Formulation of general policy**

C Res.,  
6 Feb. 1979  
EP Opinion  
EP Rep.

C Res. concerning the guidelines for EC regional policy, covering the following aspects:

OJ C 36/79  
OJ C 266/77  
Doc. 307/77

4.122 *Creation of a comprehensive system of analysis and policy formulation for  
(contd) Community regional policies*

This task which includes preparation of a periodic report on situation and socio-economic development in regions of the EC, is to be carried out by Comm. in close collaboration with the Regional Policy Cttee.

*Assessment of the regional impact of Community policies*

C notes the Comm.'s intention of taking more systematic account of regional impact when formulating and implementing EC policies, and states its intention of doing likewise when adopting its decisions relating to such policies.

*Coordination of national regional policies*

C confirms its intention of encouraging such coordination with assistance of the Regional Policy Cttee.

4.123 **Instruments of EC regional policy**

(a) *European Regional Development Fund*

First Regional Fund Regulation was adopted in 1975 for a trial three-year period with a budget of 1.3 m EUA, but continued to be applied unamended in 1978 with a budget of 581 m EUA.

OJ L 73/75

OJ C 108/73

OJ C 76/75

C Reg. 724/75,  
18 March 1975  
EP Opinion,  
15 Nov. 1973  
EP Opinion,  
12 March 1975

C Reg. 214/79,  
6 Feb. 1979  
EP Opinion,  
13 Oct. 1977

4.123  
(contd)

In 1979 the Fund Regulation was radically amended, establishing a non-quota section for which 5 % of Fund's resources are available.

OJ L 35/79  
OJ C 266/77

*Quota section*

With accession of Greece on 1 January 1981 quota section was allocated as follows:

Belgium	1.11 %	Ireland	5.94 %
Denmark	1.06 %	Italy	35.49 %
FR of Germany	4.65 %	Luxembourg	0.07 %
Greece	13.00 %	Netherlands	1.24 %
France	13.64 %	United Kingdom	23.80 %

OJ L 349/80  
OJ C 346/80

C Reg. 3325/80,  
16 Dec. 1980  
EP Opinion,  
16 Dec. 1980

The Regulations establishing the Fund provide that supporting measures may be taken for three types of investment:

1. In industrial, handicraft or service industries;
2. In infrastructures which aid development of area concerned and are financed by public authorities; and
3. In infrastructures relating to hill farming and farming in other less favoured areas.

Requests for assistance must be submitted by governments of Member States (Art. 7) and must, with exception of non-quota resources, be concerned with national development areas (Art. 3).

Aid may take form of loans at reduced rates of interest or rebates not expressed in percentage terms. First used in 1979.

OJ L 243/75

Comm. Reg. 2364/75,  
15 Sept. 1975

4.123  
(contd)

Fund's resources, which amounted to 1759.5 m EUA (commitment appropriations) in 1982 as regards quota section (95 % of funds) were allocated to following Member States and project categories in the period 1975-81.

### Grants from the Fund, 1975-81

Breakdown by Member State and category of grant  
Quota section

Number of projects in brackets

Member State	Investment projects									
	Industry				Infrastructure			Total		
	Decisions (projects)	Investment concerned <sup>1</sup>	Grants <sup>1</sup>	Jobs	Decisions (projects)	Investment concerned <sup>1</sup>	Grants <sup>1</sup>	Decisions (projects)	Investment concerned <sup>1</sup>	Grants <sup>1</sup>
Belgium	23 (50)	300.83	19.38	5376	21 (217)	131.19	34.38	44 (267)	432.02	53.76
Denmark	23 (89)	91.54	6.28	3302	49 (317)	246.54	57.90	72 (406)	338.08	64.18
FR of Germany	301 (1079)	4677.40	183.75	64748	210 (486)	738.30	152.99	511 (1565)	5415.70	336.74
Greece	6 (24)	57.93	8.20	1958	60 (249)	1069.64	241.92	66 (273)	1127.57	250.12
France	355 (1164)	4591.10	256.48	149224	208 (1211)	2180.62	527.63	563 (2375)	6771.72	784.11
Ireland	37 (185)	1784.73	97.77	42800	70 (441)	3298.01	237.96	107 (626)	5082.74	335.73
Italy	87 (965)	1779.06	280.86	62340	367 (4403)	13562.33	1832.56	454 (5368)	15341.39	2113.42
Luxembourg	—	—	—	—	6 (8)	29.83	5.00	6 (8)	29.83	5.00
Netherlands	3 (3)	133.45	12.51	1155	21 (37)	387.44	70.42	24 (40)	520.89	82.93
United Kingdom	172 (543)	4352.42	416.22	125995	522 (3033)	6995.95	841.72	694 (3576)	11348.37	1257.94
Community	1007 (4102)	17768.46	1281.45	456898	1534 (10402)	28639.85	4002.48	2541 (14504)	46408.31	5283.93

<sup>1</sup> Mio ECU

Source: ERDF Annual Report, 1981: COM(82) 586 final.

4.123  
(contd)

*Non-quota section*

Since Reg. was amended there has been a non-quota section of Fund to which 5% of Fund's resources are allocated (Art. 2 (3) (b)); these non-quota resources are to be used either in connection with implementation of other Community policies or, in exceptional cases, for meeting consequences of particularly serious occurrences in a region (Art. 13).

First series of actions under non-quota section were adopted by C on 7 October 1980. For 1980-84 amount provided is 220 m EUA, divided between areas affected by enlargement (120) and steel and shipbuilding crisis (43 and 17 respectively), together with expenditure on frontier zones and energy supply. Emphasis is on a programme rather than project approach.

*Regional development programmes*

Fund participates only in investments forming part of development programmes submitted by Member States and updated on an annual basis (Art. 6).

**(b) Regional Policy Committee**

A Regional Policy Cttee was set up in July 1975. Task of the Cttee, two of whose members are appointed by Comm. and two by each Member State, is to examine the following:

- regional policy objectives, resources, methods and experience of Member States, having regard to Community policy in other fields,
- development of social and economic situation in the various regions of EC (this is examined on a continuing and comprehensive basis),

C Reg. 2615-19/80

EP Opinion

Comm. Commun.,  
March 1976  
Opinion and Rec.  
COM (79)534 and (79)535,  
23 May 1979  
EP Opinion,  
13 Oct. 1980  
EP Report

C Dec. 75/185,  
18 March 1975  
EP Opinion

OJ L 271/80

OJ C 85/80

OJ C 69/76

OJ L 143/79

OJ C 265/80

EP Doc.

1-347/80

OJ L 73/75

OJ C 108/73

4.123  
(contd)

- technical methods for preparing regional development programmes, to ensure that a joint solution is reached on concept of 'regional policy programme',
- development programmes submitted by Member States, particularly for regions governed by Art. 3 of C Reg. (EEC) No 724/75 establishing a European Regional Development Fund,
- financial resources which Member States and Community intend to invest in regional development measures over a period of several years,
- regional economic consequences of Community's financial instruments,
- development of investments made by Community in the regions and question of how resources of the Community and Member States can be utilized in a coordinated manner to facilitate implementation of the programmes,
- aid schemes with a regional designation or regional consequences,
- restraint measures in regions with a strong concentration of economic activity, and
- ways of improving information to public and private investors with regard to regional development.

The Cttee draws up a report to C and Comm. on results of its work. Comm. informs the EP in its annual report.

C Dec. 79/137,  
6 Feb. 1979  
EP Opinion,  
13 Oct. 1977

Cttee's tasks were supplemented by a C Dec. of 1979 requiring it to collaborate on preparation of a Comm. report on situation and socio-economic development of the regions.

OJ L 35/79

OJ C 266/77

Comm. Commun.

Rules of procedure of Regional Policy Cttee.

OJ L 320/75

4.123 (c) *Integrated operations*  
(contd)

Creation of integrated operations is result of the increasingly close cooperation at the end of the 1970s between Comm. departments responsible for Regional Fund and national administrations both at central and regional or local level.

Comm. Prop.

In its proposal for a new regulation for Regional Fund, Comm. defines an integrated operation (in Art. 29 (2)) as 'a coordinated package of public and private measures and investments which have the following characteristics:

COM. (81) 589  
final

(a) they relate to a limited geographical area suffering from particularly serious problems associated in particular with under development or with industrial or urban decline and likely to affect the region in question;

(b) the Community, through the combined use of various structural financial instruments, and the national and local authorities in the Member States contribute in close association to their implementation'.

Since a number of economic, financial and administrative conditions are required for implementation of integrated operations, and these do not always obtain, Comm. decided initially to proceed with caution and embark on only two demonstration projects in Naples and Belfast.

A notable feature of this form of operation is absence of a general legal basis. An integrated operation consists of a number of individual legislative and administrative measures combined in a general approach through a series of agreements between Community, national and local authorities.

## Community policies with potential support for regional development

### (a) *EAGGF, Guidance Section*

Contributes to development of certain rural regions which also receive support from Regional Fund. This covers modernization of production methods, processing and marketing of agricultural products and of rural infrastructures (for further information, see 3.73).

### (b) *European Social Fund*

Of the total sum of 1150 m EUA granted in 1981, 43.5 % was allocated to the Mezzogiorno, Greece, Northern Ireland, Greenland and the French Overseas Departments. Percentage of grants to all disadvantaged ERDF regions was 87.4 % (for further information see 4.333).

### (c) *ECSC adjustment aid and conversion loans*

In 1981, 124 m EUA was made available as adjustment aid for workers from the coal industry.

304.8 m EUA was granted as reduced-interest conversions loans (Art. 56) in 1981 (see also 4.2161 and 4.32).

### (d) *Coordination of State aid policy*

Aid compatible with common market includes aid to promote the economic development of areas where standard of living is abnormally low or where there is serious underemployment (Art. 92 (3) (a)).

Comm. has fixed generally permissible ceilings for aid as follows (net grant equivalent of initial investment):

— 75 % for Ireland, the Mezzogiorno, Northern Ireland, Berlin (West) and French Overseas Departments,

ECSC Tr.,  
Art. 54-56

EEC Tr.,  
Art. 92-94

Comm. Commun.,  
21 Dec. 1978

OJ C 31/79

- 4.124  
(contd)
- 30–40 % for certain parts of France, Italy and the United Kingdom,
  - 25–30 %: 'Zonenrandgebiet' of FR of Germany and certain Danish islands,
  - 20–25 %: all other development regions accepted by Comm.
- No ceilings are fixed for Greenland.

(e) *European Investment Bank*

Approximately two thirds of loans to EC countries were granted for regional development in 1981 (2 221.8 m EUA, of which 475.1 m EUA = NCI). Bulk of these funds (60 %) went to Italy, while Ireland received 15 %. Percentages for other Member States were: United Kingdom, 11.4 %; Greece, 6.7 %; France, 4.8 %; Denmark, 1.1 %; and Belgium, 0.6 %; FR of Germany, Luxembourg and the Netherlands did not claim loans for regional development.

4.125 **Work in progress**

Commun. to C:

New regional policy guidelines and priorities

Instituting a specific action on behalf of housing in Northern Ireland within framework of an integrated operation in Belfast.

Amending Reg. 724/75 establishing a European Regional Development Fund.

Comm. Commun.,  
24 July 1981

Prop. for C Dec.  
EP Rep.  
EP Opinion

Prop. for  
C Reg.  
EP Rep.  
EP Opinion

COM (81)  
152 final

OJ C 346/81  
EP Doc. 1–181/82  
OJ C 149/82

OJ C 336/81  
OJ C 261/82  
Doc. 1-61/82  
OJ C 125/82

4.13 **CONJUNCTURAL POLICY**

4.130 **Objectives**

Ensuring balanced, uniform conjunctural development in all Member States.

4.131 **Requirements of EEC Treaty**

EEC Tr., Art. 103

Conjunctural policy to be matter of common concern. Member States shall consult each other and the Commission.

EEC Tr., Art. 109

Where a sudden crisis in the balance of payments occurs a Member State may, under certain conditions, take protective measures.

4.132 **State of integration**

C Decs, 18 Feb. 1974  
C Dir., 18 Feb. 1974

- C sets aside one day a month for discussion of economic and monetary questions; session devoted to examination of economic situation three times a year;
- on the basis of Comm. communication, C adopts guidelines for economic policy, including quantitative guidelines for government budgets;
- on proposal from Comm. and after consulting EP and ESC, C adopts annual report on economic situation; copies distributed to national parliaments so that it can be taken into account during budget debates;
- procedure for consultation and supervision of implementation of guidelines (recommendation by Comm. to Member States not keeping to the guidelines);

OJ L 63/74

- 4.132  
(contd)
- in each Member State the authorities must have means of temporarily accelerating or slowing the rate of public spending and of adjusting tax revenue within 90 days;
  - in each Member State the authorities must have means, without having to seek prior approval, of temporarily freezing the surplus of estimated tax revenues or the proceeds of loan issues;
  - the Economic Policy Cttee has replaced the Conjunctural Policy Cttee, the Budgetary Policy Committee and the Medium-term Economic Policy Committee; it advises C and Comm.; it comprises four representatives of the Comm. and four representatives of each Member State.

4.133      **Progress achieved**

Action Progr., 10 Feb. 1978

- Comm. calls for increased coordination of conjunctural policy.

COM (78) 52

EP Opinion

- EP calls for quantitative Guidelines to be drawn up for the Member States' monetary, credit and budgetary policies and for strict adherence to these guidelines.

OJ C 296/78  
EP Doc. 434/78

European Council  
Res., 5 Dec. 1978

- European Council also calls for 'increased convergence of economic policy' under the European Monetary System.

Bull. Ec 12/78

Comm. Commun.,  
6 March 1980

- Comm. divides progress necessary to improve coordination of economic policies into three categories: more systematic consultation in order to lay down the broad lines of economic and monetary policy, actions to improve the practice of continuous review so that concerted action in the Community can be fully and permanently significant, actions to contribute to harmonizing instruments and to the convergence of structures.

Bull. EC 3/80

4.14 **MONETARY AND FINANCIAL POLICY**

4.140 **Objectives**

EEC Tr., Art. 105 (2)

Coordination of monetary policies of Member States to extent needed for functioning of common market.

4.141 **Requirements of EEC Treaty**

EEC Tr., Art. 107

Rates of exchange to be matter of common concern.

EEC Tr., Art. 105 (2)

Monetary Cttee with advisory status comprising two Comm. representatives and two representatives of each Member State.

— Reports to C on monetary and financial situation in EC and Member States.

— Delivers opinions.

EEC Tr., Art. 108

— To be heard before Comm. Recs forwarded to C, to ensure mutual support of Member State with balance-of-payments difficulties.

— Close cooperation with Conjunctural Policy Cttee (now the Economic Policy Committee).

4.142 **State of integration**

(a) Setting up administrative bodies:

— setting up Cttee of Governors of Central Banks,

OJ 24/64

— setting up European Monetary Cooperation Fund.

OJ 89/73

Task to promote smooth functioning of EC exchange-rate mechanism, interventions in EC currencies and settlements between central banks with a view to achieving coordinated reserves policy.

4.142  
(contd)

In first phase of activities, Fund will concern itself in particular with consultation on EC exchange-rate system, on making balances arising from interventions by central banks in EC currencies multilateral and on management of very short-term financing and short-term monetary support.

Fund is managed by Board of Governors consisting of members of Cttee of Governors of Central Banks and a member of Comm.

**(b) Internal and external monetary policy**

- |                       |   |                |
|-----------------------|---|----------------|
| C Dec., 8 May 1964    | — cooperation between central banks in area of internal and external monetary policy;   | OJ 77/64       |
| C Dec., 22 March 1971 | — strengthening of cooperation between central banks: coordination of monetary policy, guidelines on development of bank liquidity, conditions for extension of credit and for interest-rate levels;                    | OJ L 73/71     |
| C Dec., 18 Feb. 1974  | — arrangements for consultations prior to changes in parity, central rate of intervention points of currencies;   | OJ L 63/74     |
|                       | — strengthening of coordination of monetary policy of Member States, particularly as regards development of liquidity of the economy and banking system, conditions for granting credit and level of interest rates;    |                |
| C Res., 8 Nov. 1976   | — C considers 'that it would be appropriate to make pragmatic use of the various opportunities for aligning monetary policy objectives without, however, encroaching upon national powers and areas of responsibility'. | Bull. EC 11/76 |

4.142 (c) Machinery for Community loans  
(contd)

C Reg., 17 Feb. 1975

- Possibility created for raising Community loans to maximum of 3000 million dollars (principal and interest) on behalf of Member States with serious balance-of-payments difficulties caused by increase in price of petroleum products.

OJ L 46/75

Since the machinery was established, EC has borrowed a total sum equivalent to 1800 million dollars, of which 1500 million have been lent on to Italy and 300 million to Ireland.

11 GR EC, Par. 109

Comm. Prop.  
Prop. C Reg., 24 Nov. 1980  
EP Opinion

- Reason for extending Community loan mechanism is to support the harmonious development of economic activities throughout Community, to ensure smooth running of EMS and to control recycling of capital from oil-producing countries.

COM (80) 672  
Doc. 1-582/80

(d) New Community Instrument (NCI)

C Dec., 16 Oct. 1978  
EP Opinion

- Comm. empowered to contract loans up to 1000 million EUA for financing of investment projects helping to attain the priority Community objectives in the energy, industry and infrastructure sectors.

OJ L 298/78  
EP Doc. 36/78  
OJ C 108/78

C Dec., 14 May 1979  
EP Res.

- C authorized a first tranche of borrowings amounting to 500 million EUA.

OJ L 125/79  
OJ C 127/79

C Reg., 22 July 1980

- Authorization of a second tranche of borrowings amounting to 400 million EUA.

OJ L 205/80

Comm. Prop., 29 Oct. 1980

- Comm. wants to give 'Ortoli facility' (NCI) greater operational flexibility and ensure that action already initiated is continued and expanded (removal of overall ceiling).

Doc. 1-581/80  
Bull. EC 10/80

- The Council of Ministers adopts at its meeting of the 26. 4. 1982, the decision for the NCI II for a total amount of 1000 million ECU.

COM (81) 790 fin.

4.142 (e) Currency  
(contd)

C Dec., 21 April 1974  
C Dec. of the Board of  
Governors of the EIB,  
18 March 1975  
Comm. Dec., 18 Dec. 1975

— Adoption of a European unit of account (EUA) based on a 'basket' of currencies of Member States, for European Development Fund, European Investment Bank and ECSC borrowing and lending operations. Application of EUA has since been extended to the machinery for medium-term financial assistance, the EC budget, public works contracts, the SOEC and Community legislation on customs tariffs.

OJ L 104/75  
Bull. EC 7-8/75  
OJ L 327/75

Comm. Prop., 13 Dec. 1979  
EP Res., 23. 5. 1980  
C Reg. 3308/80, 16. 12. 1980

— In order to standardize the units of account used by the Communities, the EUA is replaced by the ECU in all Community legal instruments as from 1 January 1981.

OJ C 55/80  
OJ C 147/80  
OJ L 345/80

4.15 **EUROPEAN MONETARY SYSTEM (EMS)**

4.150 **Objectives**

Creation of a zone of monetary stability, with exchange rates which are mutually stable but adaptable, with the aim of promoting growth and employment.

4.151 **State of integration**

European Council  
Resolution, 5 Dec. 1978  
C Reg. 3181/78,  
18 Dec. 1978

— The EMS, which came into force on 13 March 1979, is a Community scheme under which:

Bull. EC 12/78  
OJ L 379/78

(a) the currencies of the participating countries must be kept within a margin of 2.25 % (currently 6 % for Italy) on either side of the agreed central rate;

4.151  
(contd)

- (b) it is presumed that the national authorities will take action if a currency crosses its 'threshold of divergence' against the ECU (0.75% of the 'divergence' limit);
- (c) credit mechanisms are available for financing interventions and balance-of-payments deficits;
- (d) provision is made for the transfer of funds to less prosperous Member States.

EP Opinion

- EMS cannot succeed and develop into economic and monetary union unless policy is aimed at convergence of the economies and at reducing regional and social disparities.

OJ C 296/78  
EP Doc. 437/78

C Reg. 3180/78,  
18 Dec. 1978

- ECU is defined as the sum of the following amounts in the currencies of the Member States:

OJ L 379/78

0.828	DM
0.0885	UKL
1.15	FF
109.00	LIT
0.286	HFL
3.66	BFR
0.14	LFK
0.217	DKK
0.00759	IRL

- The composition of the ECU may be revised every five years or on request if the weight of one of the currencies has varied by 25 %.

The drachma should be included in the EMS 'basket' by 1 January 1986 at the latest.

- The ECU is the unit of reference for the central rates (a), a currency divergence indicator (b), the unit of account for both intervention and

4.151 credit mechanisms (c) and the means of settlement between central  
(contd) banks (d).

— Within two years of entry into force of the system, the EMS will be consolidated and a European Monetary Fund set up. In the meantime, Member States deposit 20 % of their gold and dollar reserves with the European Monetary Cooperation Fund in the form of revolving swap credits, in exchange for which they are given ECUs.

European Council  
Resolution, 5 Dec. 1978  
Agr. Central Banks,  
9 Feb. 1970  
and 9 Jan. 1979

— Credit mechanism:

not publ.

(a) unlimited facility for very short term (settlement 45 days after end of month of intervention);

(b) short-term monetary aid (3 months, may be extended to 9 months); amount 'effectively available': 14 000 million ECU; no economic policy conditions;

(c) medium-term financial assistance (2 to 5 years); amount 'effectively available': 11 000 million ECU; policy conditions.

OJ L 73/71  
OJ L 316/78  
OJ L 379/78

C Dec., 22 March 1971  
C Dec., 21 Dec. 1978

European Council  
Resolution, 5 Dec. 1978  
Draft Reg., 12 Feb. 1979

— Measures to help less prosperous Member States of EMS: loans over period of five years up to 1 000 million EUA per year, on special conditions, for investment in infrastructure; also for a period of five years, interest-rate subsidies up to 200 million EUA per year.

OJ C. 65/79

— United Kingdom not participating in exchange-rate mechanism for time being.

EP Report

— Parliament proposes strengthening of economic basis of EMS, operational improvements and institutional development.

EP Doc. 1-63/80

C Reg., 13 March 1979  
C Dec., 18 June 1980

— ECU introduced into common agricultural policy on an experimental basis. The last extension runs to 31 March 1981.

OJ L 84/79  
OJ L 152/80

Conclusions of the Presidency  
of the European Council,  
27-28 April 1980

4.151  
(*contd*)

— 'A significant contribution towards a greater measure of monetary stability in Europe has come from the operation of the EMS.' European Council underscores the need for parallel progress in coordinating Member States' economic policies and in combatting inflationary pressures.

Bull. EC 4/80  
points 2.12  
and 2.13

Council of Ministers  
of 15 March 1982

— Comm. submits a proposition for amelioration of EMS in its present phase.  
C. discusses the proposition but there is no consensus.

COM (82) 133 fin.

EP Res.  
17 Feb. 1982

— EP adopts resolution included in report on the EMS urging setting up of a European Currency Authority and introduction of institutional phase of EMS.

OJ 66/82

#### 4.16 **MEDIUM-TERM ECONOMIC POLICY**

##### 4.160 **Objectives**

C Dec., 18 Feb. 1974

- to facilitate and guide structural (sectoral, regional and social) changes in preparation for economic and monetary union;
- to ensure convergence of the economic policies of Member States.

OJ L 63/74

##### 4.161 **State of integration**

C Dec., 18 Feb. 1974

Economic Policy Cttee (formally Medium-term Economic Policy Cttee) set up.

OJ L 63/74

Comm. to draw up at least every five years a draft of medium-term economic policy programme, indicating points of divergence from preliminary draft drawn up by Economic Policy Cttee. C makes decision after consulting EP and ESC. By accepting programme C and govts. of Member States indicate intention to act in acc. with guidelines set out in programme.

4.161 Fifth medium-term economic policy programme covering the period 1 Jan.  
(*contd*) 1981 to 31 Dec. 1985.

Main objectives:

- Inflation must be curtailed and price stability improved;
- Structural change must be promoted;  
Principles of the strategy;
- Permanence of policy aims and steadiness and ability to predict performance of economic policy, so that governments do all they can to stabilize expectations and leave room for the development of market forces;
- Mobility of labour and capital must be encouraged by greater freedom of market forces;
- Policy-mix to be adopted must further structural adaptation;
- Openness to rest of world must be maintained;
- Progress towards convergence in Member States must be strengthened;
- Cohesion of Community must be strengthened.

Main lines of action:

- Pursuit of decisive progress in establishing the EMS;
- Substantial increase in level of investment in Community, more specifically investment in energy projects as part of an overall common energy strategy;

- 4.161 — Systematic exploitation of potential of the internal market and of its  
(contd) continental dimension;  
— Greater Community participation in an active employment policy.

C Dec., 18 Feb. 1974

Comm. makes five-year forecasts covering main macro-economic variables.

OJ L 63/74

Tripartite Conferences: economic policy coordination and participation of both sides of industry in policy-forming process at Community level. Definition of Community strategy for restoring full employment and stability.

Bull. EC 6/76

Proposal to set up a European institute for research into economic and social policy. Comm. proposes that each country in Europe should be able to join and that the institute should be completely independent.

12 GR EC, Par. 98

C Dec. 81/1056  
14 Dec. 1981

- C adopts annual report for 1981 and policy guidelines for 1982. Guidelines are concerned with rate of expansion of money, amelioration of the institutional setting, higher convergence and increase in investment and competitiveness.

OJ L 385/81 81

#### 4.17 **ECONOMIC AND MONETARY UNION**

Res. of C and Member State  
representatives, 22 March  
1971 and 21 March 1972

Gradual achievement of Economic and Monetary Union.

OJ C 28/71  
OJ C 38/72

4.161/4.17

Communiqué of Summit  
Conf., 9/10 Dec. 1974

4.170 **Objectives**

To ensure satisfactory growth, full employment and stability in EC, to eliminate structural and regional imbalances and to ensure a larger EC contribution to international economic and monetary cooperation.

4.171 **Decision-making procedure**

See conjunctural policy, monetary policy, capital movements and regional policy.

4.172 **Instruments**

C Res., 22 March 1971  
C Res., 21 March 1972

(a) Ten-year plan for Economic and Monetary Union (EMU), i.e. a zone within which there is freedom of movement of persons, goods, services and capital without causing structural or regional imbalances or distortion of competition:

OJ C 28/71  
OJ C 38/72

- which forms an independent monetary whole with complete convertibility, the elimination of margins of fluctuation in exchange rates and the final establishment of parities,
- in which the Community institutions have powers to administer the EMU.

(b) Economic policy coordination group set up, consisting of one representative of competent minister in each Member State and one Comm. representative.

Comm. Commun.,  
17 Nov. 1977  
1978 Action Prog.  
(Comm. Commun.,  
10 Feb. 1978)

(c) Five-year action programme, details to be specified annually which revolves around:

COM (77) 620 fin.  
COM (78) 52 fin.

- 4.172  
(contd)
- establishment of lasting convergence between economies of Member States (coordination of economic policies, return to greater monetary cohesion and increase in financial resources of EC);
  - establishment of a single market;
  - Community contribution to solving sectoral, structural and social problems.

4.173 **State of integration**

Coordination of economic policies of the Member States leaves a lot to be desired; now more restrictions on movements of capital than at beginning of 1960s; only limited progress in EC structural policy and fiscal harmonization.

See also conjunctural policy, monetary and financial policy, capital movements, European Monetary System and regional policy.

Introduction of the EMS was successful in achieving relative exchange rate stability, although there were six realignments of exchange rates from establishment of the EMS; EMS did not, on the other hand, bring about a high convergence of monetary policies and inflation rates. Second phase of EMS has not yet been implemented although this was planned to take place after first two years of the EMS.

4.21 **INDUSTRIAL STRUCTURE POLICY**

(see also 2.4 Competition, and 4.12 Regional policy)

4.210 **Objectives**

*Creation of optimum conditions for existing measures to redevelop and adapt industry to realities of common market. Encouragement and, if necessary, guidance of this development.*

4.210 *Increase in productivity* through research and industrial use of technological progress.  
(contd)

*Promotion of intra-Community concentration* until undertakings reach optimum size:

- to satisfy conditions of EEC domestic market;
- to increase international competitiveness while,

however,

- maintaining workable system of competition;
- simultaneously strengthening the efficiency of undertakings in new, larger units.

*Coordination of national structural measures* to achieve homogeneous industrial structure in Community, and regional balance.

#### 4.211 **Requirements of the Treaties**

EEC Tr., Art. 100  
EEC Tr., Art. 235  
EAEC Tr., Art. 203  
ECSC Tr., Art. 96

Treaties do not expressly provide for industrial structure measures.

Measures can be based on provisions on

- approximation of legislation (see 1.22),
- amendment of Treaties (see 1.233).

Specific structural policy measures possible under Treaty provisions on

- economic policy (see 4.101),
- regional policy (see 4.121),
- control of competition (see 2.411, 2.421),

- 4.211 — company and industrial law (see 2.31),  
(*contd*) — control and coordination of national aid (see 2.421).

4.212 **Decision-making procedures**

Approximation of legislation (see 1.21),  
Amendment of Treaties (see 1.223),  
Economic policy (see 4.102, 4.171),  
Regional policy (see 4.121),  
Control of competition (see 2.412, 2.422),  
Company and industrial law (see 2.221),  
Control and coordination of national aid (see 2.422).

4.213 **State of integration**

To date, no all-embracing, expressly structural policy measures introduced by C or Comm.

Measures with *inter alia* a structural effect taken as part of

- economic policy (see 4.161),
- control of competition, control and coordination of national aid (see 2.413, 2.423),
- liberalization of procedure governing public works contracts.
- Ban on treating imported and domestic goods differently.
- Coordination of procedures governing public works contracts

OJ L 13/70

OJ L 185/71

Comm. Dir.  
of 17 Dec. 1969

C Dir. of 26 July 1971

C Dec. of 26 July 1971	4.213 ( <i>contd</i> )	— publication in EC OJ; — formation of Advisory Committee for Public Works Contracts.	OJ L 185/71
C Dir. of 21 Dec. 1976		Procedures for award of public supply contracts and measures for — certain less-developed areas (see 4.12), — branches of industry affected by structural changes (see 4.2332, 4.3333).	OJ L 13/77
C Prop. of 8 Nov. 1979 EP Opinion of 12 May 1980		Amendments proposed to directives on award of public supply contracts, introducing provisions of the Tokyo Round trade agreement, where these are more liberal.	OJ C 287/79 OJ C 117/80
		Adoption by C in 1973 of an initial programme in the field of technological and industrial policy (see 4.215).	OJ C 117/73

4.214

**Comm. memorandum 'Industrial policy for the Community'**

On completion of transitional period, EC must endeavour to pursue policy of industrial development, to make economic and political unity of Western Europe irreversible and to ensure continuous economic growth and technical independence from other industrial countries.

Comm. (70) 100 fin.  
EP Doc. 226/70-71 and  
Annex

EC policy on industrial development should be not only quantitative policy but also a qualitative industrial structure policy, so that

- balanced industrial structure,
  - economic growth at high technological level,
- can be achieved within EC.

4.214 *Industrial policy proposed by Comm. embraces*  
(contd)

Memorandum, Part 2,

Chapter I

C General Programme  
of 28 May 1969

- Completion of CM;
- Elimination of technical obstacles to trade to permit Community production without industry having to manufacture a variety of similar products for individual Member States (see 2.13);
- Elimination of discrimination in awarding public works contracts;
- National production not to be maintained for prestige reasons, which make cheaper production at Community level impossible and increase cost of introducing new technological processes;
- Elimination of tax barriers;
- Investments to be made in most favourable locations regardless of tax considerations;
- Unification of legal, taxation and financial framework;
- Facilitation of mergers of undertakings throughout Member States;

OJ C 76/69

OJ C 50/71  
OJ C 7/72

Memorandum, Part 2,  
Chapter II

Comm. Prop. for Reg.  
EP Opinion

- *Establishment of 'joint undertakings' in area covered by EEC Tr. (for joint undertakings in EAEC see 4.2342);*  
by setting up, or completely or partially merging, activities of public service organizations whose activities are in public EC interest:  
by establishing or merging undertakings whose activities in field of technological development or raw material supply, excluding hydrocarbons industry, are in EC interest;
  - involving partners from at least two Member States;

OJ C 107/71  
EP Doc. 158/7  
EP Doc. 7/72-73

4.214  
(contd)

- established by C Dec.;
- legal entity;
- annual report to Comm.;
- annex: list of possible concessions.

Prop. for Reg.

Grant of 'joint undertaking' status to activities in hydrocarbons industry.

OJ C 106/71  
EP Doc. 12/72-73

Amended Prop. for  
Reg. of 13 May 1975

Work to create a 'European limited company' – (see 2.33).

Elimination of varying tax laws which make mergers difficult and obstruct relations between patent companies and affiliates.

Bull. EC  
Suppl 4/75

Memorandum, Part 2,  
Chapter II

- Industrial restructuring of undertakings,  
Support for concentrations where necessary to become internationally competitive,  
Support for concentrations to achieve optimum supply of EEC domestic market,  
Aid from EIB for amalgamations fo undertakings from different Member States.

Memorandum, Part 3,  
Chapter I

- *Control over changes and processes of adaptation* by means of investigation into development of industrial structure in major sectors with advanced technology (nuclear engineering, aviation, electronics, data processing). Support to develop efficiency while maintaining competitive situation.  
Forecasts of changes in labour market in as many sectors as possible, to allow redundant workers at all levels to be retrained or trained for work in more dynamic sectors.

Memorandum, Part 3,  
Chapter III

- Industrial applications of innovations.  
Dynamic industrial development and creation of new jobs dependent on speed at which industry exploits results of scientific and technical research.

- 4.214  
(*contd*)
- Cooperation between specialists in technological forecasting to study new possibilities for industrial production from developing technology and changing needs.
  - Improved dissemination of results of research.
  - Improved cooperation between State and private research institutions.

- Improved business management.
- Adjustment to expected changes in marketing and production methods.
- Improved cooperation between management and labour.
- Adaptation of industrial management to new conditions in the Common Market.

4.215      **Initial action programme in field of technological and industrial policy**

Bull. EC 5-73, points  
1101-1105, 2232

Programme envisages five main fields of action:

OJ C 117/73

- abolition of technical barriers to trade;
- gradual and effective liberalization of public and semi-public contracts in EC;
- promotion of competitive European-scale undertakings;
- promotion of advanced technology industries and industrial sectors in difficulties;
- the establishment of the Business Cooperation Centre (2 May 1973).

Motion for a resolution  
of 9 Aug. 1971  
Prop. for Reg.  
of 21 Dec. 1973

EP Opinion  
of 14 June 1977

4.215  
(contd)

Initiative by two members of the European Parliament, taken over by Comm. in substantially altered form for establishment of 'European Cooperation Grouping' (ECG).

*Objective:* Framework established for cross-frontier cooperation, particularly between small- and medium-sized undertakings, based on Community law (legal basis: Art. 235 of the EEC Treaty).

Principal provisions of Comm. proposal.

- ECG set up on contractual basis.
- ECG not to seek to make profits.
- Activities of ECG limited to provision of services for members only and to processing goods or packaging finished products for requirements of members only.
- From date of registration ECG shall enjoy legal capacity.
- Members of ECG jointly and severally liable for debts of grouping.
- Decision-making body of grouping shall be general meeting.
- Profits made by ECG taxable in hands of members.

Comm. intends to transmit an amended proposal to C.

EP Doc. 108/1971 – 72  
Bull. EC Annex 1-1974

OJ L 163/77

11 GR EC para. 132

Prop. for Dec.  
of 28 April 1971

4.216

### **Work in progress**

Formation of *Industrial Policy Cttee* to

- coordinate general and sectoral measures forming part of national structural policies
- prepare for structural policy activities of EC by means of investigations and opinions delivered to C or Comm.

No agreement reached in C on formation of Cttee.

Bull. EC 6-71  
point 41

Prop. for Reg.  
of 24 July 1972  
(see also Memorandum,  
Part 4, Chapter II)

4.216  
(contd)

*Industrial development contracts to be concluded by EC to allow technological cooperation between undertakings in different Member States*

- Existing mechanisms of this type not capable of encouraging multi-national technological cooperation.

Bull. EC 9-72, point 6  
EP Doc. 10/73-74

Comm. Commun.  
of 25 Sept. 1972

Opening of Business Cooperation Centre.

- Undertakings provided with general information.
- Contact established between undertakings willing to cooperate.
- Reports to C or Comm. on difficulties or obstruction met by undertakings willing to cooperate.

Bull. EC 10-1972, point 110  
Bull. EC 4-1973,  
point 22-38

The Business Cooperations Centre's success rate rose progressively in the first five years of its existence. A total of 140 contracts were made between 1974 and the end of 1977, and 36 bilateral or multilateral agreements concluded in 1978-79.

12 GR EC  
Para. 123  
Bull. EC 7/8-80

EEC Tr. Art. 30, 100

Harmonization efforts aimed at removing technical barriers to trade within the Community. Art. 30 opens way for general challenge of restrictions, but main effort left to Comm. producing harmonization directives under Art. 100. General programme adopted in 1969 and revised in 1973. Approximately 200 directives adopted by mid-1980, notably in the following sectors:

- motor vehicles,
- agricultural vehicles,
- metrology,
- foodstuffs.

Other directives concern electrical goods, proprietary medicines, cosmetics, textiles, dangerous substances and fertilizers.

Prop.  
of 29 Oct. 1979

4.216  
(contd)

Proposed Decision on introduction and implementation of technical regulations and standards following Tokyo Round trade agreement.

Bull. EC 10-79

Comm. Commun.  
of 23 Jan. 1980

Removal of technical barriers to trade. In addition to harmonized directives, Comm. proposes national standards be curbed, and the creation of such barriers prevented at source.

Bull. EC 1-80

Prop.  
of 11 Feb. 1980  
EP Opinion  
of 11 July 1980

Proposed Directive on a special Community certification procedure for products originating in non-member countries.

OJ C 54/80  
OJ C 197/80

Prop.  
of 25 Aug. 1980

Proposed Decision regarding provision of information on technical standards and regulations.

OJ C 253/80

Prop.  
of 31 Oct. 1978  
EP Opinion  
of 26 April 1979

Prop. for a C Reg. on the Community financing of restructuring and conversion operations in crisis-hit industrial sectors. These measures to be applied on a sectoral basis to projects which serve Community objectives and contribute to stable employment. Finance may be in the form of investment premiums or interest rebates, but only when the Member State concerned has implemented its own systems of aid.

OJ C 272/78  
OJ C 127/79

Prop.  
of 11 Jan. 1979  
EP Opinion  
of 14 Feb. 1980

Two sectoral proposals (for the textile and shipbuilding industries).

Comm. (78) 769 fin.  
OJ C 59/80

4.2161

#### *STRUCTURAL POLICY IN VARIOUS SECTORS*

4.21611

#### STEEL INDUSTRY

'General Objectives for Steel, 1975-1980'

OJ C 96/71

'General Objectives for Steel 1980-1985'

OJ C 232/76

Revision of 'General Objectives for Steel 1985-1990'

OJ C 103/77

Comm. Memo.  
of 26 July 1971  
(in acc. with ECSC Tr.,  
Art. 46)  
Comm. Commun.  
Comm. Commun.

4.21611 ( <i>contd</i> )	In 1975, steel production in EC suffered a decline of 20% <i>vis-à-vis</i> the previous year, thereby dropping to the level of 1968.	
	The simultaneous reduction in the level of iron and steel prices caused reductions in the number of persons employed in this sector. In order to halt this trend, the Commission introduced the following measures:	
ECSC Tr. Art. 47	— Reinstatement of the four-month and annual forecasting programme concerning production and requirements in Member States.	OJ C 98/75
ECSC Tr. Art. 74, part 3	— Obligation for companies in the steel industry to make regular declarations on the subject of steel production and on the present situation and the forecast situation as regards employment.	OJ L 130/75 OJ L 190/75
ECSC Tr. Art. 61	— Import and export controls by Member States	
Comm. Commun. of 20 Dec. 1976	— Consultation on the advisability of fixing minimum prices for iron and steel products within the EC.	
Comm. Dec.	Initial crisis measures	OJ C 304/76
Comm. Commun.	Extension of crisis measures.	Bull. EC 3-77 Bull. EC 4-77 Bull. EC 6-77 Bull. EC 7-8-77
Comm. Rec. of 15 April 1977 and 28 Dec. 1977	Guidance prices.	OJ L 114/77 OJ C 174/77
Comm. Dec. 257/80 ECSC and Comm. Dec. 2320/81 ECSC	Automatic import licensing system. For external aspects of crisis measures (see 5.2552).	OJ L 114/77 OJ L 352/77
Comm. Dec. 1831/81 ECSC	Basic objectives in promoting restructuring and prevention of unacceptable distortions of competition through State aid.	OJ L 228/81
Comm. Dec. 1831/81 ECSC	Establishment of a new production quota monitoring system in respect of certain products for undertakings in steel industry.	OJ L 180/81

Comm. Dec. 1832/81 ECSC	4.21611 (contd)	Incorporation of concrete reinforcing bars and merchant bars in this system.	OJ L 184/81
Comm. Dec. 3302/81		Introduction of obligation to furnish information about their investments for undertakings in the iron and steel industry.	OJ L 333/81
		Extension of quota system for a further year.	OJ L 191/82
C Reg. 2869/82 and 2870/82		Conclusion of an arrangement for EC steel exports to the USA.	OJ L 307/82
Comm. Dec. 2871/82 ECSC and 2872/82 ECSC		Agreement to restrict EC steel exports to the USA.	
C Reg. of 15 Oct. 1980		Regional development measures for areas affected by steel industry restructuring, under non-quota section of the ERDF (see also 4.123).	OJ L 271/80

4.21612 NUCLEAR INDUSTRY

See 2.423 Competition

4.222 Technology and research

4.234 Energy policy

4.21613 TEXTILE INDUSTRY

(a) *Structure* (see also 2.423 Competition)

Approval of document on industrial policy for textile sector.

— Comm. traces guidelines to serve for reorganization. Member States must create the conditions required to allow restructuring to proceed smoothly. Besides intervention at national level, action by Comm. envisaged, as general measures aimed at sectors of textile industry.

— Creation of suitable financing possibilities.

Comm. Commun.  
of 22 July 1971

Bull. EC 9/10-71,  
point 78

4.21613  
(contd)

- Only gradual opening-up of EC market, to allow for medium-term reorganization plans.
- Appraisal of national grants from viewpoint of EC development.
- Recourse to European Social Fund in internal conversion projects and in retraining workers for employment in other sectors.
- Activities to benefit certain regions as part of the regional policy.
  
- Coordination of individual and collective research (research programme for the textile sector).
- Use of development contracts as soon as procedures approved by C.

EP Doc. 424/74  
EP Doc. 287/74  
OJ L 111/75

Tights and stockings subsector.

OJ L 265/76

Promotion of textile and clothing industry.

Bull. EC 12-76

Discontinuation of national aid to synthetic fibre industry for two years.

Bull. EC 7/8-77  
Bull. EC 11-77

Crisis in the textile industry.

OJ C 6/78

Communication to C on general guidelines for a textiles and clothing industry policy.

Bull. EC 7/8-78  
point 2.1.22

Comm. proposal for Community aid for restructuring measures in the textile industry, particularly in the man-made fibres industry (see also 4.216).

COM (78)  
769 fin. and  
COM (79) 309  
(as amended)  
OJ C 59/80

*Ad hoc* Reg. granting reorganization and conversion aid to man-made fibre industry. Report on application of Reg.; 14 m EUA spent initially.

OJ L 326/79  
Bull. EC 7/8-80

Comm. Rec.

Comm. Commun.  
of 8 Dec. 1976

Comm. Rec.  
July 1977

EP Res.  
of 16 Dec. 1977

Comm. Commun.  
of 24 July 1978

Prop. of 11 Jan. 1979  
amended 18 June 1979  
EP Opinion  
of 14 Feb. 1980

C Reg. 2914/79  
of 20 Dec. 1979  
Comm. Rep.  
of 1 Aug. 1980

4.21613

Comm. Dec. of 29 July 1981	4.21613 (contd)	System of State aid introduced in 1979 extended for further two years to expire on 19 July 1983.	Comm.'s 11th report on competition policy
		(b) <i>Trade measures</i> (see also 5.532)	OJ L 118/74
		Acceptance of the Arrangement regarding international trade in textiles by C on behalf of EC on 21 March 1974 so as to reduce disruption caused by imports of certain textile products.	
		Extension of Arrangement regarding international trade in textiles until 1981 and subsequently until 31 July 1986.	OJ L 348/77 OJ L 83/82
C Doc. 179 of 16 March 1982		Conclusion of 'bilateral limitation agreements' with a certain number of developing countries with a view to limiting imports of textile products into EC, on the basis of Art. 4 of the Arrangement regarding international trade in textiles.	
C Reg. 3059, of 21 Dec. 1978		Common rules for imports of certain textile products originating in third countries.	OJ L 365/78 OJ C 6/79
EP Opinion of 15 Dec. 1978 C Reg. 3553, of 22 Dec. 1980		Amendment of common rules.	OJ L 381/80
C Reg. 3602, of 7 Dec. 1981		Opening preferences for textile products under the Generalized Systems of Preferences.	OJ L 365/81 OJ C 309/79
		Several hundred regulations applied since 1978 concerning administration of trade régime in this sector. In particular:	
		<ul style="list-style-type: none"> <li>— adjusting sharing of imports between Member States,</li> <li>— limits on specific products of specific origin,</li> <li>— surveillance of imports of certain products,</li> <li>— requirements for marking of origin,</li> <li>— application of provisional anti-dumping duties,</li> <li>— tariff quota for outward processing of textiles.</li> </ul>	

<p>Comm. Prop. of 4 April 1979 EP Opinion of 23 May 1980 C Decs of 9 Feb. 1976 25 July 1977, and 20 Dec. 1977</p>	<p>4.21613 (contd)</p>	<p>(c) <i>Other measures</i> Proposal for second multinational research and development programme in the field of textiles and clothing.  Extending intervention of European Social Fund to include those in textile/clothing industries.</p>	<p>OJ C 111/79 OJ C 147/80  OJ L 39/76 OJ L 196/77 OJ L 337/77</p>
<p>Comm. Prop. for C Dec.  Comm. Dec. of Sept. 1977 Comm. Dec. of 7 April 1978 Comm. Dec. of 22 March 1979</p>	<p>4.21614</p>	<p><b>FOOTWEAR INDUSTRY</b> Collective technological research programme.  Setting-up of a Joint Cttee for footwear industry. Introduction of Community surveillance of imports of footwear.  Monitoring of hide exports.</p>	<p>OJ C 209/76 OJ L 61/77  Bull. EC 9-77  OJ L 94/78 OJ L 188/78  OJ L 85/79</p>
<p>C Res. of 15 July 1974 C Dec. of 22 July 1976  Comm. Commun. of 8 Nov. 1976 C Dec. of 11 Sept. 1979 C Dec. of 27 Sept. 1977  EP Res. of May 1979</p>	<p>4.21615</p>	<p><b>DATA-PROCESSING AND MICROELECTRONICS INDUSTRY</b> Promotion of data processing. Joint data-processing projects, on data bank for organ and blood matching, on EC legal documentation and computer-aided design.  Multiannual programme for data-processing sector; continuation of work on this programme. Covers 1979-83.  Studies in: software portability, support of use of informatics in the research centres of EC etc.  Inclusion of data protection problems.</p>	<p>OJ C 86/74  OJ L 223/76 Bull. EC 1-79  OJ C 39/77 OJ L 231/79  OJ L 255/77  OJ C 140/79</p>

C Res. of 11 Sept. 1979	4.21615	On action concerning microelectronic technology.	OJ C 231/79
Comm. paper to C of 29 Nov. 1979	(contd)	Challenge of new information technology. Needs for appropriate policies concerning applications, industry and social implications.	Bull. EC 11-79
C Prop. for Reg. of 24 Sept. 1980		Proposed action programme for microelectronic technology.	OJ C 247/80
C. Reg. 3744/81		Creation of a system for information and consultation concerning initiatives aimed at promoting diffusion and development of microelectronic technology and its application.	OJ L 376/81
		Drawing up a 'European Strategic Programme for Research and Development in Information Technologies' (ESPRIT project; Objective: European industry to control approx. 30 % of world market in long term).	COM (82) 287 fin.
		EP rep. on state of market for electronic products in Europe and on consequences for employment.	Doc. 1-189/82
	4.21616	<b>WOOD AND PAPER INDUSTRY</b>	8 GR EC, para. 306
		C has taken note of the proposals put forward by Comm. in 1974 concerning the wood and paper industry which were examined and found to be well founded by the Parliament and the Economic and Social Committee. C does not consider it is in a position to take a decision because of the complexity of the measures proposed.	
Comm. paper of 6 June 1979		Community resources of timber for the paper and other industries.	Bull. EC 6-79
	4.21617	<b>SHIPBUILDING INDUSTRY</b>	
Comm. Prop. of 9 Dec. 1977		Setting-up of a shipbuilding Cttee.	OJ C 10/78

Comm. Commun. of 9 Dec. 1977 EP Opinion C Dec. of 19 Sept. 1978	4.21617 (contd)	Reorganization of shipbuilding in EC.	Bull. EC Suppl 7/77 OJ C 10/78 OJ C 182/78 OJ C 229/78
Comm. Commun. of 19 Sept. 1979		Report on state of shipbuilding industry. 'Scrap and build' scheme proposed.	Bull. EC 9-79
Comm. Rep. of 14 Nov. 1979		Analysis of ship-repair industry.	Bull. EC 11-79
C Dir. of 4 April 1978		Aid to shipbuilding (supersedes three previous Directives. See also 2.423).	OJ L 98/78
Comm. Prop. of 8 Oct. 1980		Aid to shipbuilding.	OJ C 261/80
Comm. Prop. of 16 Jan. 1979 amended 18 June 1979 EP Opinion of 14 Feb. 1980		Commission proposal on Community aid for conversion investments in the shipbuilding industry.	COM (78) 769 fin. COM (79) 309 (as amended) OJ C 59/80
C Reg. 2617/80 of 15 Oct. 1980		Aid to certain shipbuilding areas as part of first series of measures under non-quota section of ERDF (see 4.123).	OJ L 271/80
C Dir., 28 April 1981		Five Dir. on aid to shipbuilding: credit facilities for sale or conversion of vessels, investment aid, aid to rescue undertakings, crisis aid.	OJ L 137/81
		Comm. rep. on the state of sector in EC.	COM (81) 432 fin.
C Res. of 4 March 1975	4.21618	AIRCRAFT INDUSTRY	
		C requests report from Comm.	OJ C 59/75

4.21617/4.21618

Comm. Commun. of 3 Oct. 1975 EP Opinion of 6 July 1976	4.21618 (contd)	Action programme for European aircraft industry and air transport.	Bull. EC Suppl 11/75 OJ C 178/76 Bull. EC 7/8-76
C Dec. of 14 March 1977		Criteria for joint programme.	OJ C 69/77
Comm. Prop. of 2 Aug. 1977 EP Opinion of 17 Jan. 1978		Action programme for aeronautical research.	OJ C 210/77 OJ C 36/78
Comm. Commun. of 23 June 1978		Need for concerted action in developing a range of European aircraft based on the Airbus.	Bull. EC 6-78 point 2.1.19
Comm. Prop. EP Opinion 17 Oct. 1980		Submission of a regulation applying Articles 85 and 86 of the EEC Treaty to air transport.	OJ C 291/81 OJ C 291/80
	4.21619	<b>CERAMICS</b>	
Comm. Prop. of 8 June 1979 EP Opinion of 23 May 1980		Programme of technological research in field of clay minerals and technical ceramics.	OJ C 155/79 OJ C 147/80
	4.21620	<b>AUTOMOBILE INDUSTRY</b>	
Comm. Prop. 11 June 1981		Comm.'s intention: introduction of an additional monitoring system for State aid in respect of both special aid and general aid in automobile sector.	COM (81) 317 fin.
	4.22	<b>TECHNOLOGY AND RESEARCH</b>	
		Treaties do not incorporate comprehensive research tasks or powers. Research at present possible only to extent authorized by individual Treaties, limited to specific sectors and by Article 235 of the EEC Treaty. EC's research activities comprise:	

- 4.22 — direct activities carried out by Joint Research and financed in full by EC;  
(*contd*) — indirect activities carried out by research workers, laboratories and universities in Member States and financed in part by EC;  
— coordinated activities, likewise carried out by research workers, laboratories and universities in Member States, but only coordination being financed by EC.

4.221 **Research under ECSC Treaty**

4.2210 *OBJECTIVES*

ECSC Tr., Art. 55

Promotion by Comm. of research on production and increased consumption of coal and steel (in acc. with ECSC Tr., Annex I) and industrial safety.

4.2211 *DECISION-MAKING PROCEDURES*

(a) *Comm., acting on own initiative*

ECSC Tr., Art. 55 (1)  
ECSC Tr., Art. 55 (3)

- promotes cooperation between existing research bodies,
- delivers *opinions* to make technical improvements more widely known.

(b) *After consulting consultative Cttee, Comm. decides on*

ECSC Tr., Art. 55 (2) (a)  
ECSC Tr., Art. 55 (2) (b)

- joint financing of research by undertakings,
- allotting research funds received as gifts.

(c) *With assent of C, Comm. approves*

ECSC Tr., Art. 55 (2) (c)

- research funds derived from levies.

4.2212 *STATE OF INTEGRATION*

**Current research programmes**

ECSC Tr., Art. 55

Medium-term guidelines for technical coal research (1981-85) including mining engineering and product improvement.

OJ C 94/80

Technical control of nuisances and pollution within the iron and steel industry.

OJ C 147/79

*Social research in the coal and steel sector* (9 million EUA) involving contracts covering mine safety, pollution in the iron and steel industry, ergonomics, etc. *Industrial hygiene in mines 1978-82* (7 million EUA).

OJ C 159/78

4.222 **Research under EAEC Treaty**

4.2220 *OBJECTIVES*

Creation of conditions for rapid establishment and development of nuclear industries.

EAEC Tr., Art. 4 (2)

Objectives of research in EAEC Tr., Annex I. Can be amended by C on proposal by Comm.

4.2221 *DECISION-MAKING PROCEDURES*

(a) *C independently appoints*

EAEC Tr., Art. 18

— Members of Arbitration Cttee for licence and patent disputes.

- 4.2221 (b) *C, on Comm. proposal,*  
 (contd)
- EAEC Tr., Art. 9 (2) — determines by qual. majority details of establishment of an institution of university status,
- EAEC Tr., Art. 24 (1) — security gradings and measures in respect of information acquired during research programmes.
- EAEC Tr., Art. 4 (2) (c) *C decides, on Comm. proposal and after consulting Scientific and Technical Cttee, on*
- EAEC Tr., Art. 7, Par. 1 — amendments to field of activity described in EAEC Tr., Annex I (by qual. majority),  
 — research and training programmes (*unanimously*).
- EAEC Tr., Art. 4 (1)  
 EAEC Tr., Art. 6  
 EAEC Tr., Art. 7, Par. 4  
 EAEC Tr., Art. 5, Par. 1 (d) *Comm. on own initiative, decides on*
- measures to promote research in Member States and carry out EC research programme, reporting to C,  
 — *requests or communications* to Member States, etc., relating to information on national research.  
 — *opinions* on national research programmes,  
 — publication of lists of insufficiently explored sectors of research,  
 — commissioning third parties to carry out research projects,  
 — dissemination of information in EC possession,  
 — action for exchange of information not originating within Community institutions.



C Dec. 79/345/EAEC of 27 March 1979 EP Opinion	4.2222 (contd)	Programme of research on safety of thermal water reactors.	OJ L 83/79 OJ C 296/78 EP Doc. 411/78
C Dec. 79/344 EAEC of 27 March 1979 EP Opinion		Research programme concerning decommissioning of nuclear power plants.	OJ L 83/79 OJ C 6/79 EP Doc. 473/78
C Dec. 80/343/EAEC of 18 March 1980 EP Opinion		Programme on management and storage of radioactive waste (1980-84).	OJ L 78/80 OJ C 59/80 EP Doc. 1-576/79
(b) <i>Controlled thermonuclear fusion and plasma physics</i>			
C Dec. 78/471/EAEC of 30 May 1978		Establishing 'Joint European Torus, (JET), Joint Undertaking'.	OJ L 151/78
C Dec. 78/472/EAEC of 30 May 1978		Conferring advantages on 'Joint European Torus (JET), Joint Undertaking'.	OJ L 151/78
C Dec. 80/318/EAEC of 13 March 1980 EP Opinion		Research and training programme (1979-83) for EAEC in field of controlled thermonuclear fusion. 190.5 m EUA have been allocated for programme excluding JET for period 1979 to 1983. 154 m EUA have been allocated for JET project for same period.	OJ L 72/80 OJ C 93/79 EP Doc. 58/78
C Dec. 81/380/EAEC 19 May 1981		Amending C Dec. 80/318/EAEC raising ceiling for JET project to 195 m EUA.	OJ L 149/81
C Dec. 82/350/EAEC EP Opinion		C Dec. adopting a research and training programme (1982-86) in field of controlled thermonuclear fusion.	OJ L 157/82 OJ C 87/82 EP Doc. 1-1080/81

4.2222 (c) *Multiannual research programme for the Joint Research Centre (1980-83)*

C Dec. 80/317/EEC, EAEC  
of 13 March 1980  
EP Opinion

Research programme to be implemented by Joint Research Centre (1980-83). Total of 510.87 m EUA allocated for this programme includes nuclear safety and fuel cycle (249 m EUA), new energies (78 m EUA), study and protection of environment (52.25 m EUA), nuclear measurements (43.2 m EUA), specific support for Comm.'s sectoral activities (36.2 m EUA) and operation of large-scale installations (52.22 m EUA).

OJ L 72/80  
OJ C 140/79  
EP Doc. 54/79

(d) *Scientific and technical education and training*

C Dec. 77/55/EEC, EAEC  
of 21 Dec. 1976  
EP Opinion

Programme in field of scientific and technical education and training.

OJ L 10/77  
OJ C 293/76  
EP Doc. 379/76

(e) *Uranium exploration and extraction*

C Dec. 78/264/EAEC  
of 6 March 1978  
EP Opinion

Programme of research and development for the European Atomic Energy Community on uranium exploration and extraction (indirect action, 3 m EUA).

OJ L 77/78  
OJ C 6/78  
EP Doc. 409/77

C Dec. 81/364/EAEC  
of 28 April 1981

Amending Dec. 78/264/EAEC; raising financial resources for five-year programme to maximum of 5.4 m EUA.

OJ L 137/81

4.2223 *WORK IN PROGRESS*

**Proposed programmes**

Prop. for C Dec.  
EP Opinion

Research and training programme on plutonium cycle and its safety.

OJ C 100/79  
OJ C 147/80  
EP Doc. 1-813/79

Prop. for C Dec.	4.2223 ( <i>contd</i> )	Second research and development programme for further research into uranium and uranium extraction.	COM (80) 382 final
Prop. for C Dec. EP Opinion		Research programme on codes and standards for fast-breeder reactors (structural integrity of components).	OJ C 233/78 OJ C 6/79 EP Doc. 493/78
	4.223	<b>Research under EEC Treaty</b>	
	4.2231	<i>REQUIREMENTS OF EEC TREATY</i>	
EEC Tr., Art. 41 EEC Tr., Art. 235		For agriculture only. In recent years, Article 235 has been widely applied to research not covered by ECSC or EAEC Treaties, and for defining general research policy.	
	4.2232	<i>DECISION-MAKING PROCEDURES</i>	
EEC Tr., Art. 235		Cf. Section 1.223.	
	4.2233	<i>STATE OF INTEGRATION</i>	
		<i>General</i>	
C Res. of 14 Jan. 1974		It was not until this C Res. on coordination of national policies and definition of scientific and technological projects of interest to EC that there was any formal basis for research policy going beyond fields covered by ECSC and EAEC Treaties.	OJ C 7/74

C Res. of 14 Jan. 1974

4.2233  
(contd) EC's initial action programme in the field of science and technology laid down a general framework for work.

OJ C 7/74

Comm. Commun.  
of 30 June 1977  
EP Opinion

These Resolutions were subsequently supplemented by a common policy in the field of science and technology during the period 1977 to 1980: 'Community policy in field of science and technology'.

OJ C 187/77  
OJ C 299/77  
EP Doc. 361/77  
COM (79)  
281 final

Scientific and Technical Research Committee (CREST), composed of delegations from all Member States, assists Comm. and C in preparing common policy. This is of particular importance in coordinating national projects.

C Res. of 18 July 1977

A number of advisory committees for programme management assist in implementation of programmes already approved.

OJ C 192/77

#### **Research projects in progress**

##### **(a) Energy (non-nuclear)**

C Dec.  
79/785/EEC  
of 11 Sept. 1979  
EP Opinion

Energy research and development programme 1979-83. Indirect action comprising: energy conservation, production and utilization of hydrogen, solar energy, geothermal energy and energy systems analysis and strategy studies. 105 m EUA were allocated for this programme.

OJ L 231/79  
EP Doc. 499/78  
OJ C 39/79

##### **(b) Resources**

C Dec. 75/263/EEC  
of 6 March 1978  
EP Opinion

Adopting a multiannual research and development programme in field of primary raw materials. Indirect action (18 million EUA) on exploration, ore processing and mining technology.

OJ L 72/78  
EP Doc. 348/77  
OJ C 299/77

C Dec. 79/968/EEC of 12 Nov. 1979 EP Opinion	4.2233 ( <i>contd</i> )	Multiannual research and development programme (1979–82) in field of recycling of urban and industrial waste (secondary raw materials).	OJ L 293/79 OJ C 6/79 EP Doc. 494/78
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(c) *Industrial technology*

C Res. of 15 July 1974		EC policy on data processing.	OJ C 86/74
C Reg. EEC/1996/79 of 11 Sept. 1979 EP Opinion		Support mechanism in field of data processing.	OJ L 231/79 OJ C 241/77 EP Doc. 235/77
C Dec. 79/783/EEC of 11 Sept. 1979 EP Opinion		Multiannual programme (1979–83) in field of data processing (25 m EUA).	OJ L 231/79 OJ C 241/77 EP Doc. 235/77
C Dec. 79/784/EEC of 11 Sept. 1979		Advisory Committee for Management and Coordination of Data-Processing Programmes.	OJ L 231/79
C Dec. 80/1182/EEC of 4 Dec. 1980		Concluding an EC-COST cooperation agreement on concerted action in field of tele-processing (COST Action 11a)	OJ L 350/80
C Res. of 11 Sept. 1979		Community action promoting microelectronic technology.	OJ C 231/79
C Reg. EEC/3744/81 of 7 Dec. 1981 EP Opinion		Community action in microelectronic technology.	OJ L 376/82 OJ C 144/81 EP Doc. 1-137/81
C Dec. 82/752/EC of 4 Nov. 1982 EP Opinion		C Dec. of 4 Nov. 1982 adopting an EC research and development programme for a machine translation system of advanced design.	OJ L 317/82 OJ C 172/81 EP Doc. 1-193/81

C Dec. of 14 Mar. 1977	4.2233 (contd)	On industrial policy in aeronautical sector approves study of opportunities and procedures for joint effort with regard to basic research.	OJ C 69/77
C Dec. 77/188 EEC of 14 Feb. 1977 EP Opinion		Technological research programme for footwear industry. Indirect action (235 000 EUA).	OJ L 61/77 OJ C 30/77 EP Doc. 466/76
Comm Dec. 78/636 EEC of 29 June 1978		Advisory Committee on industrial research and development.	OJ L 203/78
C Dec. 81/1032/EEC of 7 Dec. 1981 EP Opinion		Multiannual EC research and development programme in field of biomolecular technology (indirect action April 1982 – March 1986).	OJ L 375/81 OJ C 327/80 EP Doc. 1-520/80
C Dec. 81/1014/EEC of 15 Dec. 1981 EP Opinion		Adopting a second EC research and development programme for the textile and clothing sector (indirect action 1981–83).	OJ L 367/81 OJ C 147/80 EP Doc. 1-730/79
(d) <i>Dissemination of knowledge, etc.</i>			
C Res. of 26 Nov. 1974		Automation of legal documentation on Community law (CELEX).	OJ C 20/75
C Dec. 79/842/EEC of 9 Oct. 1979 EP Opinion		Research and development programme in field of reference materials and methods (Community Bureau of Reference – CBR) and applied metrology (non-nuclear indirect action) (1979-1982) 10.3 m EUA.	OJ L 258/79 OJ C 6/79 EP Doc. 477/78
C Dec. 78/887/EEC of 9 Oct. 1978 EP Opinion		Second three-year plan of action in field of scientific and technical information and documentation. Major objectives of plan are implementation of Euronet, development of market for information within EC and promotion of information technology.	OJ L 311/78 OJ C 85/78 EP Doc. 552/77

C Dec. 80/27/EEC  
of 18 Dec. 1979  
EP Opinion

4.2233  
(contd)

(e) *Climatology*

Multiannual research programme in field of climatology (indirect action, 1980–84)

OJ L 12/80  
OJ C 6/79  
EP Doc. 478/78

C Res. of 14 Jan. 1974

(f) *Forecasting*

Programme of research as instrument of forecasting, assessment and methodology in EC. On basis of this resolution, a project group of 25 scientists from Member States investigated 'foreseeable or possible developments over the next thirty years, which are likely to affect progress of Europe'. This study, entitled 'Europe plus 30', was completed in 1975.

OJ C 7/74

C Dec. 78/668/EEC  
of 25 July 1978  
EP Opinion

Research programme on forecasting and assessment in field of science and technology (1978–82) follow-up to 'Europe plus 30'.

OJ L 225/78  
OJ C 299/77  
EP Doc. 361/77

(g) *Environment, public health, etc.*

See Section 4.52.

(h) *International cooperation*

EC participates in number of research projects in cooperation with COST (Conférence d'organisation scientifique et technologique), in which 19 European countries are involved. It does not participate in all COST projects, nor does its participation prevent Member States from participating individually. One example is COST project 50/51/52 – coordinated European action on 'materials for gas turbines'.

As part of energy research programme, Comm. participates in coordination of research between members of IEA with a view to avoiding overlapping of its research projects with those of EC.

4.2233  
(contd)

Together with 40 countries and 3 international organizations, Comm. also participated in International Nuclear Fuel Cycle Evaluation (INFCE), which started in October 1977, and ended in February 1980.

A number of third countries are involved bilaterally in EC research projects, cf. for instance agreement between EAEC and Sweden for cooperation in field of controlled thermonuclear fusion and plasma physics.

Finally, on basis of C Resolution of 14 Jan. 1974, EC has established contact with European Science Foundation.

OJ L 162/76

OJ C 7/75

4.2234

### *WORK IN PROGRESS*

#### *General*

EP own-initiative report on problems and prospects for common research policy.

EP Doc. 1-654/82

#### *Industrial technology*

Multiannual research and development programme in field of textiles and clothing.

OJ C 111/79  
OJ C 147/80  
EP Doc. 1-730/79

Prop. for  
C Dec.  
EP Opinion

Programme of technological research in field of clay minerals and technical ceramics.

OJ C 155/79  
OJ C 147/80  
EP Doc. 1-132/80

Prop. for  
C Dec.  
EP Opinion

European strategy programme for research and development in field of information technologies.

COM (82) 281 fin.  
COM (82) 486 fin.

Prop. for C Dec.

Adopting an EC concerted action relating to effects of treatments on physical properties of foodstuffs (COST action).

OJ C 93/82  
OJ C 125/82  
EP Doc. 1-1074/81

Prop. for C Dec.  
EP Opinion

Prop. for C Dec.	4.2234 (contd)	EC research and development programme in field of applied metrology and reference materials (1983-87).	OJ C 178/82 EP Doc. 1-799/82
		<i>Biomolecular technology</i>	
Prop. for C Dec.		Multiannual research and development programme for EC in field of biomolecular technology (indirect action, 1981-85).	COM (79) 793 fin.
Prop for C Rec.		Registration of recombinant DNA (deoxyribonucleic acid) work.	OJ C 214/80
		<i>Scientific and technical training and development</i>	
Prop. for C Dec. EP Opinion		Adopting a programme of research and development in field of science and technology for development (1982-85).	COM (81) 212 fin. OJ C 182/82 EP Doc. 1-202/82
Draft C Res.		Implementing an EC action to stimulate scientific and technical potential of the Community.	COM (82) 493 fin.

4.23      **ENERGY POLICY**

4.230     **Objectives**

Planning and organization of procurement and distribution of secure, cheap and adequate energy supplies for industry and public at Community level, account taken of the following basic situations:

- different economic and technical bases in the competition between energy sources (coal, oil, nuclear power, natural gas, hydro-electric power);

- 4.230 — high investments with long amortization period necessary;  
 (contd) — so far, activity by States predominantly in accordance with national criteria;  
 — energy policy at EC level still only in its infancy.

4.231 **Energy statistics for 1981 (in million tonnes of oil equivalent)**

Primary energy	Production	Gross domestic consumption	Degree of dependence on foreign supply %
FR of Germany	127.0	258.8	50.9
France	54.6	179.3	70.1
Italy	18.3	130.8	86.1
Netherlands	63.8	61.2	7.6
Belgium	7.9	43.5	77.9
Luxembourg	0.0	3.2	99.3
United Kingdom	205.6	191.3	- 6.4
Ireland	2.2	8.1	70.7
Denmark	0.8	17.2	95.7
Greece	3.6	14.5	78.2
EC 10	483.8	907.9	47.6

**Primary energy consumption (gross domestic consumption) 1981 by products for the 10 Member States (%)**

Coal, etc. . . . .	20.4
Lignite, etc. . . . .	3.9
Crude oil, etc. . . . .	49.6
Natural gas . . . . .	18.2
Primary electricity and other . . . . .	1.8
Residual heat (nuclear). . . . .	6.2

ECSC Treaty  
EAEC Treaty  
ECC Tr., Art. 5,  
Art. 213, Art. 103. 4  
Art. 113,  
Art. 235

4.232

### **Legal position**

Treaties provide no general powers for drawing up a common energy policy. An energy policy for coal sector can be implemented on basis of ECSC Tr. and a policy on nuclear power can be based largely on EAEC Tr. General energy measures and guidelines regarding oil, gas, electricity and other sources of energy must be reached on basis of those provisions of EEC Tr. concerning exchange of information between Member States and EC institutions, procedures in the case of supply difficulties and common commercial policy. Finally, where no other powers are available, recourse must be had to Article 235 of EEC Tr.

4.233

### **Energy policy under ECSC Tr.**

ECSC Tr. contains provisions only for energy policy on coal.

ECSC Tr., Art. 3

4.2330

### **OBJECTIVES**

- Securing supplies at low price.
- Promotion of undertakings covered by ECSC Tr.
- Reduction of trade barriers.

ECSC Tr., Art. 54, Par. 4

4.2331

### **DECISION-MAKING PROCEDURES**

ECSC Tr., Art. 58 (4)

ECSC Tr., Art. 59 (7)

ECSC Tr., Art. 64

ECSC Tr., Art. 59 (4)

ECSC Tr., Art. 63 (1,3)

#### **(a) *Comm. on own initiative, decides on***

- opinions of investment programmes,
- imposition of fines on undertakings,
- allocation of coal in times of shortage,
- recommendations where ban on discrimination infringed.

4.232/4.2331

4.2331 (b) *Comm. after consulting C*  
(contd) — assesses levies.

ECSC Tr., Art. 50 (2)

(c) *Comm. with unanimous assent of C*

ECSC Tr., Art 53 (b), Par. 1

— makes financial arrangements serving purposes of Treaty,

ECSC Tr., Art. 54, Par. 2

— assists industrial investment programmes.

(d) *Comm. after consulting C and Consultative Cttee*

ECSC Tr., Art. 53 (a)

— determines conditions under which it will authorize financial arrangements common to several undertakings;

ECSC Tr., Art. 53 (b), Par. 2

— makes *recommendations* to Member States where financial arrangements inconsistent with ECSC Tr.;

ECSC Tr., Art. 59 (6)

— ends arrangements made in the form of allocation systems in times of shortage;

ECSC Tr., Art. 60 (1)

— defines prohibited practices,

ECSC Tr., Art. 62, Par. 3

— authorizes equalization payments between undertakings in different coalfields.

(e) *Comm. establishes, with assent of C and after consulting Consultative Cttee*

ECSC Tr., Art. 58 (1)

— systems or production quotas,

ECSC Tr., Art. 59 (5)

— restrictions on exports.

(f) *Comm. after consulting Consultative Cttee*

ECSC Tr., Art. 59 (1)

— proposes to C measures to eliminate shortage;

ECSC Tr. Art. 62, Par 2

— authorizes equalization payments between undertakings in same coalfield.

- 4.2331 (g) *C decides,*  
(*contd*)  
*acting unanimously* if proposal from Comm.,  
*by simple majority* if proposal from Member State,  
— to end systems of quotas  
*acting unanimously* if proposal from Comm.,  
— whether serious shortage exists;  
— on consumption priorities in event of shortage (if C does not reach  
decision, Comm. decides).

ECSC Tr., Art. 58 (3)

ECSC Tr., Art. 59 (1)

ECSC Tr., Art. 59

4.2332 *STATE OF INTEGRATION*

Achievement of Tr. objectives by

- prohibiting discrimination,
- prohibiting subsidies and special charges,
- prohibiting import and export duties, or charges having equivalent effect, and quantitative restrictions on the movement of products,
- prohibiting sharing of markets,
- paying resettlement allowances,
- granting loans,
- promoting research (see 4.221),
- prohibiting agreements restricting competition.

ECSC Tr., Art. 56

ECSC Tr., Art. 53, 54

ECSC Tr., Art. 55

ECSC Tr., Art. 65

(a) *General*

On 17 Dec. 1974, C adopted a regulation concerning EC energy policy objectives for 1985. Among other things, EC production of hard coal was to be maintained at current level (approx. 250 million toe) under satisfactory economic conditions.

OJ C 153/75

4.2332  
(contd)

In its Communication 'Medium-term guidelines for coal 1975 to 1985', Comm. stressed need to stabilize coal production, while at the same time increasing productivity. These guidelines were approved by the C in Dec. of 13 Feb. 1975.

OJ C 22/75  
OJ C 179/75

Comm. stated in its report 'The Community coal market in 1981 and forecasts for 1982' that general economic downturn had had an even greater impact on the EC coal market in 1981 than in 1980. Gross EC energy consumption fell by 3.9 % against corresponding period of previous year; this decline was however less marked in the case of coal (- 2.5 %) than in that of other fossil fuels (oil - 90 %, gas - 2.7 %). Reflecting trend in consumption, there was on supply side a slight fall in EC production, which was nevertheless not sufficient to prevent an increase in stocks to over 46 m tonnes (roughly equivalent to 70 days' production) at the end of 1981.

OJ C 131/82

In accordance with ECSC Tr. the following measures have now been taken in coal sector:

(b) *Support measures*

Concerning coal and coke for the iron and steel industry in the Community. This system, which replaces previous similar arrangements, involves granting partly Community-financed aid to sales of coal and coke to the iron steel industry. The original Decision provided for this aid to be gradually reduced during 1977 and 1978, as the period of validity of the Decision expired on 31 Dec. 1978

OJ L 259/73

OJ L 361/73

Comm. Dec.  
73/287/ECSC of  
25 July 1973  
Comm. Dec.  
3544/73/ECSC of  
20 Dec. 1973

Comm. Dec.  
751/77/ECSC of  
12 April 1977  
Comm. Dec.  
1613/77 ECSC of  
15 July 1977

Comm. Dec. 3058/79/ECSC,  
19 Dec. 1979  
Comm. Dec. 896/82/ECSC,  
20 April 1982  
EP Opinion

4.2332  
(contd)

This reduction was postponed for one year by Comm. Dec. of 12 April 1977, and again for a further year by that of 20 July 1977. Dec. of 19 Dec. 1979 postponed it until end of 1981. Finally, the Comm. Dec. 20 April 1982 provides for aid to be maintained at existing rates until 31 Dec. 1983.

OJ L 344/79  
EP Doc. 69/79  
OJ L 137/82  
OJ L 106/82  
EP Doc. 1-985/82  
OJ C 66/82

Comm. Dec.  
528/76/ECSC of  
25 Feb. 1976

— Specifies conditions for approval of national aid to the coal industry with a view to rationalizing production structure. Member States are also obliged to provide details of any planned aid measures.

OJ L 63/76

Comm. Dec.,  
28 April 1982

The Comm. Dec. – based on Comm. Dec. 528/76/ECSC of 28 April 1982 – contain approval of aid to coal industry in the FR of Germany (82/304/ECSC), France (82/305/ECSC), Belgium (82/306/ECSC) and United Kingdom (82/307/ECSC).

OJ L 137/82

(c) *Price fixing*

Commun. of Comm. on amended text at present valid of Dec. No 30/53 on practices prohibited by Article 60 (1) of the Treaty in the common market for coal and steel.

OJ C 29/73

Commun. of Comm. on amended text at present valid of Dec. No 4/53 on publication of price lists and conditions of sale by undertakings in coal industry.

OJ C 29/73

Comm. Dec.  
72/443/ECSC of  
22 Dec. 1972

Comm. Decision of 22 Dec. 1972 on alignment of prices for sales of coal in common market.

OJ L 297/72

(d) *Financial aid*

Commun. from Comm. concerning industrial loans at reduced interest rates which Comm. may grant under Article 54 of ECSC Tr.

OJ C 73/70

Commun. concerning granting financial aids for technical and economic research (coal, iron ore, steel) pursuant to provisions of Art. 55 of ECSC Tr.

OJ C 139/74

C Dec. 77/707/ECSC of 7 Nov. 1977	4.2332 (contd)	Commun. from Comm. concerning granting industrial loans at reduced interest rates under Art. 54 of ECSC Tr. for safety and hygiene purposes, in particular for prevention of nuisances.	OJ C 146/74
		(e) <i>Other fields</i>	
		Community monitoring of imports of hard coal originating in third countries.	OJ L 292/77
Comm. Prop. for Reg. EP Opinion	4.2333	<b>WORK IN PROGRESS</b>	
		EC aid for financing cyclical stocks of hard coal, coke and patent fuel.	OJ C 87/77 OJ C 241/77 EP Doc. 226/77
Prop. for C Reg. EP Opinion		Community aid system for intra-Community trade in power station coal.	OJ C 243/78 OJ C 67/79 EP Doc. 582/78
	4.234	<b>Energy policy under EAEC Treaty</b>	
	4.2340	<b>OBJECTIVES</b>	
		<i>Promoting an efficient nuclear industry.</i>	
	4.2341	<b>DECISION-MAKING PROCEDURES</b>	
EAEC Tr., Art. 47, Par. 4 (a) EAEC Tr., Art. 47, Par. 4 (b) EAEC Tr., Art. 48, Par. 2		(a) <i>C acts unanimously, on proposal by Comm., on:</i>	
		— participation by EC in financing of joint undertakings,	
		— participation by non-member States, in joint undertakings,	
		— conditions governing conferment of special advantages on joint undertakings,	

- EAEC Tr., Art. 48, Par. 1      4.2341  
(contd)
- EAEC Tr., Art. 69, Par. 1      — applicability of advantages listed in EAEC Tr., Annex III, to joint undertakings,  
— fixing prices of nuclear fuels.
- EAEC Tr., Art. 47, Par. 3      *by qual. majority, on:*  
— establishment of joint undertakings,  
EAEC Tr., Art. 50, Par. 2      — amendment of statutes of joint undertakings,  
EAEC Tr., Art. 54, Par. 2      — statutes of supply agency,  
EAEC Tr., Art. 70, Par. 4      — inadequacy of prospecting activities,  
EAEC Tr., Art. 72, Par. 2      — financing of emergency stocks.
- EAEC Tr., Art. 42, Par. 2      *by simple majority on:*  
— alteration of time limits for notification of supply contracts.
- EAEC Tr., Art. 76, Par. 1      (b) *C unanimously on proposal from Comm. and after consulting EP*  
— amends Chapter VI of EAEC Tr. (Supply).
- EAEC Tr., Art. 4 (2)      (c) *C on proposal from Comm. and after consulting Scientific and Technical Cttee may*  
— amend list in Annex I of EAEC Tr.
- EAEC Tr., Art. 41, Par. 2      (d) *C on proposal from Comm. and after consulting Economic and Social Cttee may*  
— alter list of persons and undertakings having to notify investment projects.
- EAEC Tr., Art. 51      (e) *Comm. solely responsible for*  
— carrying out C decisions on establishment of joint undertakings,  
EAEC Tr., Art. 53      — supervision of supply agency established under EAEC Tr., Art. 52,

- EAEC Tr., Art. 59, Par. 1 (b) 4.2341  
 EAEC Tr., Art. 60, Par. 2 (contd)
- authorization of sale of fissile materials outside EC,
  - agreeing to long-term supply contracts with non-member States, etc., or their nationals,
  - fixing prices of *individual* offers,
  - *recommendations* to Member States, to develop prospecting for and exploitation of mineral deposits,
  - support for prospecting programmes,
  - *recommendations* to Member States on revenue or mining regulations,
  - decisions to build up emergency stocks,
  - consenting to supply contracts outside Community,
  - exemption of small quantities of fissile materials from provisions of Section VI EAEC Tr.
- EAEC Tr., Art. 68, Par. 3  
 EAEC Tr., Art. 70, Par. 2  
 EAEC Tr., Art. 70, Par. 1  
 EAEC Tr., Art. 71
- EAEC Tr., Art. 72, Par. 2  
 EAEC Tr., Art. 73  
 EAEC Tr., Art. 74
- EAEC Tr., Art. 40, Par. 2
- (f) *Comm. decides, after consulting Economic and Social Cttee, on*
- publication of programmes indicating nuclear energy production and investments required.
- (g) *Comm. may, with consent of those concerned*
- publish investment projects communicated to it.
- EAEC Tr., Art. 44

#### 4.2342 STATE OF INTEGRATION

*No Community powers to guide generation of energy from nuclear fuels*

Community can exert considerable indirect influence over energy production by:

- EAEC Tr., Art. 4                    4.2342     — Coordinating research at national level,  
     (contd)     — carrying out research programmes of its own,  
 EAEC Tr., Art. 7  
 EAEC Tr. Art. 8  
  
 EAEC Tr., Art. 12 ff                — establishing a Joint Nuclear Research Centre,  
 EA Tr., Art. 30 ff                    — disseminating information,  
  
 EAEC Tr., Art. 77                    — organizing health and safety surveillance,  
  
     — obligatory notification of planned investments in nuclear industry,  
  
 EAEC Tr., Art. 41                    — cooperation in establishment of 'Joint Undertakings' (involving various  
 EAEC Tr., Art. 45                    States or private undertakings from various States),  
  
 EAEC Tr., Art. 52 ff                — creating supply agency, supervised by Comm. to administer fissile  
     materials owned by Community. Contract type depends on fissile  
     materials shortage. Regulations to ensure uniform supply,  
  
 EAEC Tr., Art. 70                    — aid for prospecting,  
  
 EAEC Tr., Art. 172 (4)              — loans for financing research and development.

The following legal acts have also been approved by virtue of the powers conferred under EAEC Tr.

(a) *Nuclear safety and safeguards*

C Res. of 22 July 1975

Technological problems of nuclear safety.

OJ C 185/75

On 5 Apr. 1973 an Agreement was signed between Belgium, Denmark, the Federal Republic of Germany, Ireland, Italy, Luxembourg, the Netherlands, the EAEC and the International Atomic Energy Agency in implementation of Art. III (1) and (4) of the Tr. on non-proliferation of nuclear weapons.

OJ L 51/78

Comm. Reg. (EAEC) 3227/76 of 19 Oct. 1976	4.2342 (contd)	Application of provisions on Euratom safeguards required under Agreement of 5 Apr. 1973 with International Atomic Energy Agency.	OJ L 363/76
Comm. Dec. 79/520/EAEC of 16 May 1979 Comm. Dec. 79/828/EAEC of 2 Oct. 1979		Setting up group of high-level independent experts in field of nuclear safety.	OJ L 141/79 OJ L 251/79
C Dec. 80/565/EAEC of 9 June 1980		Conclusion by Comm. of International Conv. on physical protection of nuclear material.	OJ L 149/80
C Dir. (80/836/EAEC), 15 July 1980 EP Opinion		C Dir. on basic safety standards for protection against ionizing radiation; last revised by Dir. of 15 July 1980.	OJ 11/59 OJ L 246/80 OJ C 140/79

(b) *Supplies*

Statutes of Euratom Supply Agency.

Rules of Euratom Supply Agency determining manner in which demand is to be balanced against supply of ores, source materials and special fissile materials. OJ 27/58  
OJ L 32/60

Amended by Regulation of 25 July 1975. OJ L 193/75

Amending the Statutes of Euratom Supply Agency following Accession of new Member States to EC. OJ L 83/73

Exempting transfer of small quantities of ores, source materials and special fissile materials from Rules of Chapter on Supplies. OJ L 241/66  
OJ L 333/74

Supply of enriched uranium to EC. OJ C 69/74

C Dec. 73/45/EAEC  
of 8 March 1973  
Comm. Reg. 17/66/EAEC  
of 29 Nov. 1966  
Amended by  
Comm. Reg.  
3137/74/EAEC  
of 12 Dec. 1974  
C Res. of 4 June 1974

C Dec. 80/237/EAEC of  
18 Feb. 1980  
EP Opinion

4.2342  
(contd)

*Ad hoc* Advisory Committee on Reprocessing of Irradiated Nuclear  
Fuels.

OJ L 52/80

OJ C 85/78  
EP Doc. 576/77

OJ L 37/82

Comm. Rec. (82/74/EAEC),  
3 Feb. 1982

Comm. Rec. of 3 Feb. 1982 on storage and reprocessing of irradiated  
nuclear fuels.

Comm. Reg. 4/58/EAEC  
of 6 Oct. 1958

(c) *Financing*

Investment projects to be communicated to Comm. in accordance with  
Art. 41 of the EAEC Tr.

OJ 17/58

Comm. Reg. 1/58/EAEC  
of 27 Nov. 1958

Procedures for effecting communications prescribed under Article 41 of  
the EAEC Tr.

OJ 25/58

C Dec. 77/270/EAEC  
of 29 March 1977  
EP Opinion

Empowering Comm. to issue Euratom loans for purpose of contributing  
to financing of nuclear power stations.

OJ L 88/77  
OJ C 157/75

C Dec. 77/271/EAEC

On the implementations of Dec. 77/270/EAEC.

OJ L 88/77

C Dec. 80/29/EAEC of  
20 Dec. 1979

Amending Dec. 77/271/EAEC on implementation of Dec. 77/270/  
EAEC.

OJ L 12/80

C Dec. 82/170/EAEC  
15 March 1982

Amending Dec. 77/271/EAEC on implementation of Dec. 77/270/  
EAEC

OJ L 78/82

4.235 **Energy policy under the EEC Treaty**

4.2350 **OBJECTIVES**

To establish a common energy policy in those fields not covered by either  
the ECSC or EAEC Tr. This would involve drawing up a general energy

4.2350 policy strategy for all forms of energy, including coal and nuclear power, as  
(contd) well as a policy for forms of energy other than coal and nuclear power, i.e.  
oil, gas, wind power, wave power, geothermal energy, solar energy, etc.

4.2351 **INSTRUMENTS APPROVED UNDER THE EEC TREATY**

(a) *General*

C Res. of 17 Sept. 1974	A new energy policy strategy for EC.	OJ C 153/75
C Res. of 17 Dec. 1974	EC energy policy objectives for 1985.	OJ C 153/75
C Res. of 13 Feb. 1975	Measures to be implemented to achieve EC energy policy objectives adopted by C on 17 Dec. 1974.	OJ C 153/75
C Res. of 9 June 1980 EP Opinion	Community energy policy objectives for 1990 and convergence of policies of Member States.	OJ C 149/80 OJ C 59/80 EP Doc. 1-704/79

(b) *Energy savings*

C Res. of 13 Feb. 1975	EC action programme on rational utilization of energy.	OJ C 153/75
C Res. of 9 June 1980 EP Opinion	New lines of action by EC in field of energy saving.	OJ C 149/80 OJ C 117/80 EP Doc. 1-816/79
C Dir. 75/404/EEC of 13 Feb. 1975 EP Opinion	Restriction of use of natural gas in power stations.	OJ L 178/75 OJ C 93/74
C Dir. 75/405/EEC of 14 April 1975 EP Opinion	Restriction of use of petroleum products in power stations.	OJ L 178/75 OJ C 125/75
C Res. of 26 June 1975	Setting short-term target for reduction of oil consumption.	OJ C 153/75

C Recomm. 76/492/EEC of 4 May 1976	4.2351 (contd)	Rational use of energy by promoting thermal insulation of buildings.	OJ L 140/76
C Recomm. 76/493/EEC of 4 May 1976		Rational use of energy in heating system of existing buildings.	OJ L 140/76
C Recomm. 76/494/EEC of 4 May 1976		Rational use of energy, through better driving habits, of energy consumed by road vehicles.	OJ L 140/76
C Recomm. 76/495/EEC of 4 May 1976		Rational use of energy in urban passenger transport.	OJ L 140/76
C Recomm. 76/496/EEC of 4 May 1976		Rational use of energy for electrical household appliances.	OJ L 140/76
C Recomm. 77/712/EEC of 25 Oct. 1977		Regulation of space heating, production of domestic hot water and metering of heat in new buildings.	OJ L 295/77
Comm. Rec. 80/823/EEC of 29 July 1980		Rational use of energy in industrial undertakings.	OJ L 239/80
C Recomm. 77/713/EEC of 25 Oct. 1977		Creation in Member States of advisory bodies or committees to promote combined heat and power production and exploitation of residual heat.	OJ L 295/77
C Dir. 78/170/EEC of 13 Feb. 1978 EP Opinion		Performance of heat generators in new or existing non-industrial buildings and insulation of heat distribution system in new non-industrial buildings.	OJ L 52/78 OJ C 266/77 EP Doc. 309/77
C Recomm. of 5 Feb. 1979 79/167/ECSC, EEC, EAEC EP Opinion		On the reduction of energy requirements for buildings in the Community.	OJ L 37/79 OJ C 266/77 EP Doc. 309/77
C Dir. 79/530/EEC of 14 May 1979 EP Opinion		Indication by labelling of energy consumption of household appliances.	OJ L 145/79 OJ C 93/79 EP Doc. 671/78

C Dir. 79/531/EEC  
of 14 May 1979  
EP Opinion

4.2351  
(contd)

Applying Dir. 79/530/EEC to electric ovens.

OJ L 145/79  
OJ C 93/79  
EP Doc. 671/78

C Dir. 80/1268/EEC  
of 16 Dec. 1980  
EP Opinion

Approximation of laws of Member States relating to fuel consumption  
of motor vehicles.

OJ L 375/80  
OJ C 265/80  
EP Doc. 1-340/80

C Rec. 82/604/EEC  
of 28 July 1982  
EP Opinion

C Rec. of 28 July 1982 on investment in the rational use of energy.

OJ L 247/82  
OJ C 149/82  
EP Doc. 1-1063/81

(c) *Supplies (oil, gas, electricity, etc.)*

C Dir. 68/414/EEC  
of 20 Dec. 1968  
EP Opinion

Obligation on Member States to maintain minimum stocks of crude oil  
and/or petroleum products.

OJ L 308/68  
OJ 20/65

C Dec. 68/414/EEC

Conclusion and implementation of individual agreements between  
Governments relating to obligation of Member States to maintain  
minimum stocks of crude oil and/or petroleum products.

OJ L 308/68

C Dir. 72/425/EEC  
of 19 Dec. 1972

Amending C Directive 68/414/EEC.

OJ L 291/72

C Dir. 73/238/EEC

Measures to mitigate effects of difficulties in supply of crude oil and  
petroleum products.

OJ L 228/73

C Dir. 73/339/EEC  
of 20 May 1975  
EP Opinion

Obliging Member States to maintain minimum stocks of fossil fuels at  
thermal power stations.

OJ L 153/75  
OJ C 85/74

C Dec. 77/186/EEC  
of 14 Feb. 1977

Exporting of crude oil and petroleum products from one Member State  
to another in the event of supply difficulties.

OJ L 61/77

C Dec. 79/879/EEC of 22 Oct. 1979	4.2351 ( <i>contd</i> )	Amending Dec. 77/186/EEC on exporting of crude oil and petroleum products from one Member State to another in event of supply difficulties.	OJ L 270/79
Comm. Dec. 78/890/EEC		Implementing C Dec. 77/186/EEC.	OJ L 311/78
Comm. Dec. 80/1008/EEC of 13 Oct. 1980		Implementing C Dec. 77/86/EEC in case of Italy.	OJ L 299/80
Comm. Dec. 81/69/EEC of 28 Jan. 1981		Extending period of validity of Comm. Dec. 80/1008/EEC.	OJ L 51/81
Comm. Dec. 79/126/EEC of 29 Jan. 1979 79/135/EEC of 6 Feb. 1979 79/397/EEC of 29 March 1979 80/374/EEC of 31 March 1980		Introducing system of authorization to be granted automatically by exporting Member States for trade in crude oil and/or petroleum products between either France, Belgium, the Netherlands or Luxembourg and other Member States, pursuant to C Dec. 77/186/EEC.	OJ L 30/79 OJ L 32/79 OJ L 97/79 OJ L 90/80
Comm. Dec. 79/589/EEC of 15 June 1979 80/373/EEC of 31 March 1980		Including Italy in system. System of authorizations has been extended on several occasions to cover all countries in accordance with several Comm. decisions.	OJ L 160/79 OJ L 90/80
C Dec. 77/706/EEC of 7 Nov. 1977		Setting Community target for reduction in consumption of primary sources of energy in event of difficulties in supply of crude oil and petroleum products.	OJ L 292/77
Comm. Dec. 79/639/EEC of 15 June 1979		Implementation of C Dec. 77/706/EEC.	OJ L 183/79
C Rec. 81/924/EEC of 27 Oct. 1981 EP Opinion		Electricity tariff structures in EC.	OJ L 337/81 OJ C 144/80 EP Doc. 1-337/80

C Reg. 26/8/80  
of 7 Oct. 1980  
EP Opinion

4.2351  
(contd)

Introducing a specific Community regional development measure with a view to improving security of energy supplies in certain regions of EC by more intensive use of new technologies in generation of electricity from water power, and by development of alternative energy sources.

OJ L 271/80  
OJ C 85/80  
EP Doc. 1-715/79

(d) *Support measures*

C Reg. 3056/73  
of 9 Nov. 1973

Support of EC projects in hydrocarbons sector.

OJ L 312/73

C Dec. 79/922/EEC  
of 29 Oct. 1979

Support for EC projects in hydrocarbons sector.

OJ L 281/79

C Reg. 1302/78  
of 12 June 1978  
EP Opinion

Granting financial support for projects to exploit alternative energy sources.

OJ L 158/78  
OJ C 299/77  
EP Doc. 362/77

C Reg. 726/79  
of 9 April 1979

Fixing maximum amount of aid to be made available pursuant to Regulation No 1302/78.

OJ L 93/79

C Reg. 2039/82  
of 19 July 1982  
EP Opinion

Fixing maximum amount of aid to be made available pursuant to Reg. (EEC) 1302/78.

OJ L 219/82  
OJ C 125/82  
EP Doc. 1-99/82

C Regs 727-729/79  
of 9 April 1979  
EP Opinion

Implementation of Regulation No 1302/78 in solar energy, solid fuel liquefaction, gasification and geothermal energy sectors.

OJ L 93/79  
OJ C 39/79  
EP Doc. 557/78

C Reg. 1303/78  
of 12 June 1978  
EP Opinion

Granting financial support for demonstration projects in field of energy saving.

OJ L 158/78  
OJ C 299/77  
EP Doc. 362/77

C Reg. 725/79 of 9 April 1979	4.2351 (contd)	Fixing maximum amount of aid to be made available pursuant to Reg. (EEC) No 1303/78.	OJ L 93/79
C Reg. 2038/82 of 19 July 1982 EP Opinion		Fixing maximum amount of aid to be made available pursuant to Reg. 1303/78.	OJ L 219/82 OJ C 125/82 EP Doc. 1-99/82
C Reg. 1038/79 of 24 May 1979 EP Opinion		On EC support for hydrocarbons exploration project in Greenland.	OJ L 132/79 OJ C 131/78 EP Doc. 90/78

*(e) Information and consultation procedures*

C Reg. 1055/72 of 18 May 1972		Notifying Comm. of imports of crude oil and natural gas.	OJ L 120/72
C Reg. 1068/73 of 16 March 1973		Applying C Reg. (EEC) 1055/72.	OJ L 113/73
C Reg. 3254/74 of 17 Dec. 1974		Applying Reg. (EEC) 1055/72 on notifying Comm. of imports of crude oil and natural gas to petroleum products falling within subheadings 27.10 A, B C I and CII of Common Customs Tariff.	OJ L 349/74
Comm. Reg. 2677/75 of 6 Oct. 1975		Applying C Reg. (EEC) 3254/74.	OJ L 275/75
C Reg. 388/75 of 13 Feb. 1975		Notifying the Comm. of exports of crude oil and natural gas to third countries.	OJ L 45/75
Comm. Reg. EEC 2678/75 of 6 Oct. 1975		Applying C Reg. 388/75.	OJ L 275/75
C Reg. 1893/79 of 28 Aug. 1979 amended by C Reg. 1149/80 of 6 May 1980		Introducing registration for crude oil and/or petroleum product imports in EC.	OJ L 220/79 OJ L 118/80
C Reg. 2592/79 of 20 Nov. 1979		Rules for carrying out the above registration of crude oil imports.	OJ L 297/79
C Reg. 3721/81 of 21 Dec. 1981		Extending until 31 Dec. 1982 and amending Regs (EEC) 1893/79 and 2592/79.	OJ L 373/81

Comm. Reg. 2729/79 of 4 Dec. 1979	4.2351 (contd)	Implementing rules for the above registration of crude oil imports.	OJ L 314/79
Comm. Reg. 301/82 of 9 Feb. 1982		Amending Reg. (EEC) 2729/79.	OJ L 37/82
C Reg. 649/80 of 17 March 1980		Rules for carrying out the registration of petroleum product imports.	OJ L 73/80
C Reg. 3496/80 of 31 Dec. 1980 and 481/81 of 24 Feb. 1981		Amending Regs (EEC) 1893/79, 2592/79 and (EEC) 649/80.	OJ L 365/80 OJ L 52/81
Comm. Reg. 713/80 of 26 March 1980		Implementing rules for the registration of petroleum product imports.	OJ L 81/80
Comm. Reg. 709/81 of 19 March 1981		Amending Regs (EEC) 2729/79 and (EEC) 713/80. Implementing Regs (EEC) 2592/79 and (EEC) 649/80.	OJ L 74/81
C Reg. 1056/72		Notifying Comm. of investment projects of interest to EC in petroleum, natural gas and electricity sectors.	OJ L 120/72
Comm. Reg. 1069/73 of 16 March 1973		Applying C Reg. (EEC) 1056/72.	OJ L 113/72
C Reg. 1215/76 of 4 May 1976		Amending Reg. (EEC) 1056/72.	OJ L 140/76
Comm. Reg. 3025/77 of 23 Dec. 1977		Applying C Reg. (EEC) 1056/72.	OJ L 358/77
C Dir. 76/491/EEC of 28 May 1976 EP Opinion		Regarding Community procedure for information and consultation on prices of crude oil and petroleum products in EC.	OJ L 140/76 OJ C 28/76 EP Doc. 419/75

Comm. Dec. 77/190/EEC of 26 Jan. 1977, amended by Comm. Dec. 79/607/EEC of 30 May 1979	4.2351 (contd)	Implementing Dir. 76/491/EEC.	OJ L 61/77 OJ L 170/79
Comm. Dec. 80/983/EEC, 4 Sept. 1980		Amending Dec. 77/190/EEC on the implementation of Dir. 76/491/EEC;	OJ L 281/80
Comm. Dec. 81/883/EEC, 14 Oct. 1981		Amending Dec. 77/190/EEC;	OJ L 324/81
C Res. of 20 Nov. 1978 EP Opinion		Mutual exchange of information at Community level on siting of power-stations.	OJ C 286/78 OJ D 183/77 EP Doc. 145/77

4.2352     **WORK IN PROGRESS**

*Energy savings*

Prop. for C. Dir. EP Opinion		Implementing Dir. 79/350/EEC on indication by labelling of energy consumption of electrical washing-machines, dishwashers, refrigerators, frozen food cabinets and freezers.	OJ C 149/80 OJ C 346/80
Prop. for C Dir.		Harmonization of legislation on energy consumption of motor-driven vehicles.	COM (79) 781 fin.
Prop. for C. Dir. EP Opinion		Amending Dir. 78/170/EEC on performance of heat generators for space heating and production of hot water in new or existing non-industrial buildings and insulation of heat and domestic hot-water distribution in new non-industrial buildings.	OJ C 87/80 OJ C 175/80
Draft C Rec. EP Opinion		'The role of coal in the EC energy strategy'.	COM (82) 31 fin. OJ C 149/82 EP Doc. 1-204/82

*Supplies*

Comm. Commun. EP Res.		Problems relating to profitability of EC refining industry, and proposed solutions.	COM (78) 71 fin. OJ C 131/78 EP Doc. 577/77
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Comm. Prop. for C Dir. EP Opinion	4.2352 (contd)	Introduction in EC of joint stocks of crude oil and petroleum products.	COM (77) 158 fin. OJ C 131/78 EP Doc. 16/78
Prop. for C Dir. EP Opinion		Amending Dir. 68/414/EEC on obligation on Member States to maintain minimum stocks of crude oil and/or petroleum products.	OJ C 55/82 OJ C 267/82 EP Doc. 1-207/82
Prop. for C Dir. EP Opinion		Community procedure for measures to mitigate effects of a limited shortage of crude oil and petroleum products.	OJ C 55/82 OJ C 267/82 EP Doc. 1-427/82
Draft C Rec.		Fixing prices and tariffs for natural gas in EC.	COM (82) 603 EP Doc. 1-758/82
Com. Prop. for C Dir.		Saving crude oil by use of substitute fuel components in petrol.	OJ C 229/82 EP Doc. 1-600/82
EP Res.		More efficient use of biomass for production of energy.	OJ C 267/82 EP Doc. 1-460/82
EP Res.		Promoting combined generation of heat and power.	OJ C 267/82 EP Doc. 1-433/82
Prop. for C Reg.		Granting financial support for demonstration projects relating to exploitation of alternative energy sources, energy saving and substitution of hydrocarbons.	OJ C 227/82 EP Doc. 1-691/82
Prop. for C Reg.		Granting financial support for industrial pilot and demonstration projects relating to liquefaction and gasification of solid fuels.	COM (82) 555 fin.
		<i>Information and consultation procedures</i>	
Prop. for C Reg. EP Opinion		Introduction of Community consultation procedure in respect of power stations likely to affect territory of another Member State.	OJ C 31/77 OJ C 183/77 EP Doc. 145/77

4.24 **TRANSPORT POLICY**

4.241 **Common transport policy under EEC Tr.**

4.2410 **OBJECTIVES**

EEC Tr., Art. 3 (e)  
EEC Tr., Art. 74

EEC Tr., Art. 84

Comm. Commun.  
of 24 Oct. 1973  
EP Opinion

— implementation of common transport policy for rail, road and inland waterways.

— appropriate provisions on sea and air transport are also authorized.

In October 1973 the Commission addressed to the Council a 'Communication on the development of the common transport policy'.

EP Doc. 215/74  
OJ C 127/74

Commission proposal of 24 Oct. 1980 for a Council resolution concerning priorities and the timetable for decisions to be taken by the Council in the transport sector during the period up to the end of 1983.

C's proceedings on transport up to end 1983.

OJ C 171/81

C Res., 26 March 1981

4.2411 **REQUIREMENTS OF EEC TREATY**

EEC Tr., Art. 75 (1) (a)

EEC Tr., Art. 75 (1) (b)

EEC Tr., Art. 76

EEC Tr., Art. 77

— common rules on international transport to or from or passing through Member States;

— operation of transport services in Member States by non-resident carriers;

— standstill clause;

— aids for the coordination of transport and aids inherent in the concept of a public service;

4.24/4.2411

EEC Tr., Art. 78

EEC Tr., Art 79

EEC Tr., Art. 80

EEC Tr., Art. 81

EEC Tr., Art. 82

EEC Tr., Art. 83

4.2411  
(*contd*)

- regard for economic circumstances of carriers in fixing price policy;
- abolition of discrimination in freight rates and conditions of carriage in EC transport;
- prohibition of support tariffs;
- reduction of costs in respect of crossing frontiers;
- special provisions for FR of Germany;
- creation of Advisory Committee on Transport.

4.2412 *DECISION-MAKING PROCEDURES*

EEC Tr., Art. 84 (2)

EEC Tr., Art. 76

- (a) C, acting unanimously, decides on:
- provisions for sea and air transport;
  - exceptions from ban on discrimination under national legislation.

EEC Tr., Art. 75 (1)

EEC Tr., Art. 75 (3)

- (b) C, on prop. from Comm. and after consulting EP and Economic and Social Cttee, decides by qual. majority on:

— measures to develop a common transport policy;

*unanimously on:*

— principles of regulatory system for transport, application of which could seriously affect the standard of living and employment and operation of transport facilities.

EEC Tr., Art. 79 (3)

- (c) C, by qual. majority on Comm. proposal and after consulting Economic and Social Cttee, lays down:

— rules for implementing ban on discriminatory freight rates.

- EEC Tr., Art. 79 (4) 4.2412 (contd) (d) Comm., on own initiative,  
 — takes decisions to ensure application of ban on discriminatory freight rates;
- EEC Tr., Art. 80 (1) and (2) — takes decisions on exemption from ban on scales of charges involving support payments;
- EEC Tr., Art. 81 — issues recommendations to reduce costs of crossing frontiers.
- EEC Tr., Art. 83 (e) *Transport Cttee* to be consulted as required.

Statute Transport  
 Committee of 15 Sep. 1958  
 OJ 25/58, amended  
 by C Dec. of 22 June  
 OJ 102/64

4.2413 *STATE OF INTEGRATION*

4.24131 GENERAL PROVISIONS FOR RAIL, ROAD AND INLAND WATERWAYS

- |  |   |                                     |
|--|---|-------------------------------------|
| C Dec., 21 March 1962<br>EP Opinion (amended by<br>C Dec. of 22 Nov. 1973) | Procedure for prior examination and consultation.   | OJ 23/62<br>OJ 73/61<br>OJ L 347/73 |
| C Reg., 27 June 1960   | Elimination of discrimination in transport prices and conditions.   | OJ 52/60                            |
| C Dec., 13 May 1965<br>EP Opinion  | Harmonization of certain regulations which affect competition: (outline decision with timetable).   | OJ 88/65<br>OJ 81/64                |
| C Reg., 19 July 1968<br>EP Opinion   | Regulations on competition in rail, road and inland waterways.  | OJ L 175/68<br>OJ L 205/64          |
| C Reg., 26 June 1969<br>EP Opinion   | Establishment of provisions on obligations inherent in concept of public service:   | OJ L 156/69<br>OJ C 27/68           |
| Comm. Prop.,<br>26 May 1978  | Proposed amendment to this Regulation.  | OJ C 139/78                         |
|  | Member States remove obligations inherent in concept of public service (obligation to operate, obligation to provide transport, tariff obligation). |                                     |

C Dir., 22 July 1980	4.24131	Summer time arrangements.	OJ L 205/80
Second C Dir., 10 June 1982	( <i>contd</i> )		OJ L 173/82
EP Opinion			OJ C 125/82
C Reg., 26 June 1969 (for railways: proposed Reg. to amend this Reg.)		Common rules on normalization of accounts of transport undertakings and elimination of disparities caused by burdens or advantages.	OJ L 156/69 OJC 106/71
Comm. Prop., 26 May 1978		Proposed amendment to this Regulation.	OJ C 139/78
C Reg., 4 June 1970 (amended by C Reg. of 20 May 1975)		Regulation of aids granted to Member States' rail, road and inland waterway undertakings and public authorities:	OJ L 130/70 OJ L 152/75 OJ 103/67
EP Opinion		– elimination of disparities that distort competition.	
	4.24132	<b>INLAND WATERWAYS</b>	
C Dir., 20 Jan. 1976		Reciprocal recognition of navigability licences for inland waterway vessels.	OJ L 21/76
C Dir., 23 Nov. 1978		Extension of deadline for the introduction of common provisions establish- ing technical requirements for inland waterway vessels.	OJ L 349/78 OJ C 108/78
EP Opinion		Council Decision of 19 Dec. 1978 on the adoption of an additional protocol to the revised Convention for the Navigation of the Rhine on the carrying conditions for vessels from non-Community countries on the waterways of the Rhine Basin.	12 GR EC, Par. 358
C Dir., 17 Nov. 1980		Statistical returns in respect of carriage of goods by inland waterways.	OJ L 339/80
	4.24133	<b>RAIL TRAFFIC</b>	
C Dec., 20 May 1975		Financial relations between railway undertakings and States.	OJ L 152/75 OJ C 70/72
EP Opinion			

C Reg., 12 Dec. 1977 EP Opinion	4.24133 (contd)	Comparability between accounting systems and annual accounts of railway undertakings.	OJ L 334/77 OJ C 163/77
C Reg., 19 Sept. 1978 EP Opinion		Uniform costing principles for railway undertakings for international goods traffic in full train loads.	OJ L 258/78 OJ C 266/77
		Presentation to the Council of two reports on cooperation between the railway networks and on combined transport.	12 GR EC, Par. 363
C Dec. EP Opinion		Facilitation of inspection in the international carriage of goods by rail in transport operations between the Community and non-Community countries.	12 GR EC, Par. 365 OJ C 108/78
C Dir., 4 Dec. 1980 EP Opinion		Statistical returns in respect of carriage of goods by rail, as part of regional statistics.	OJ L 350/80 OJ C 85/80
C Res., 15 Dec. 1981		Community railway policy.	OJ C 157/82

4.24134 ROAD TRAFFIC

C Dir., 6 Aug. 1962 EP Opinion (amended by C Dir., of 19 Dec. 1972) C Dir., 4 March 1974 C Dir., 14 Feb. 1977 C Dir., 20 Feb. 1978 C Dir., 20 Dec. 1979		Common rules for international transport (carriage of goods by road for hire or reward).	OJ 70/62 OJ 19/62 OJ L 291/72 OJ L 84/74 OJ L 48/77 OJ L 54/78 OJ L 18/80
C Dir., 13 May 1965 EP Opinion		Rules on authorization for the carriage of goods by road between Member States.	OJ 88/65 OJ 109/64
C Reg., 28 July 1966 EP Opinion		Common rules for international road transport of passengers by coach and bus.	OJ 147/66 OJ 62/65
C Reg., 28 Feb. 1972 EP Opinion (amended by C Reg. of 23 Nov. 1978) EP Opinion		Common rules for shuttle services by coach and bus between Member States.	OJ L 67/72 OJ C 151/70  OJ L 333/78 OJ C 63/78

<p>C Reg., 28 Feb. 1972  EP Opinion  (amended by  C Reg. of 20 Dec. 1977)  (amended by  C Reg. of 12 June 1978)  EP Opinion</p>	<p>4.24134  (contd)</p>	<p>Common rules for regulation services and regular services and regular specialist services by coach and bus between Member States.</p>	<p>OJ L 67/72  OJ C 151/70   OJ L 158/78  OJ C 63/78   OJ L 358/77</p>
<p>C Dir., 17 Feb. 1975  EP Opinion  amended by  C Dir., 21 Dec. 1981  EP Opinion</p>		<p>Common rules for certain types of combined road/rail carriage of goods between Member States.</p>	<p>OJ L 48/75  OJ C 138/72  OJ L 5/82  of 18 Dec. 1981  OJ C 11/82</p>
<p>C Dir., 19 Dec. 1978  EP Opinion</p>		<p>Establishment of common rules for certain types of combined road/rail carriage of goods between Member States.</p>	<p>OJ L 5/79  OJ C 296/78</p>
<p>C Reg., 19 July 1968  EP Opinion  last amended by  C Reg., 20 Jan. 1981  EP Opinion  C Reg., 22 March 1982  EP Opinion</p>		<p>EC quota for carriage of goods by road between Member States.   Allocation of licences for 1982: Belgium 434 – Denmark 305 – FR of Germany 727 – Greece 88 – France 656 – Ireland 88 – Italy 567 – Luxembourg 111 – Netherlands 626 – United Kingdom 436</p>	<p>OJ L 175/68  OJ 109/64   OJ L 34/81  OJ C 327/80  OJ L 78/82  of 12 Mar. 1982  OJ C 87/82</p>
<p>C Reg., 16 Dec. 1976  amended by  C Dec. of 20 Dec. 1979</p>		<p>Possibility of converting Community authorizations into short-term authorizations.</p>	<p>OJ L 357/76  OJ L 336/79</p>
<p>C Dec., 20 Dec. 1979  EP Opinion</p>		<p>Adjustment of capacity for the carriage of goods by road for hire or reward between Member States. (Bilateral quotas.)</p>	<p>OJ L 18/80  OJ C 67/79</p>
<p>C Dir., 12 June 1978  EP Opinion</p>		<p>Statistical returns in respect of the carriage of goods by road as part of regional statistics.</p>	<p>OJ L 168/78  OJ C 108/78</p>
<p>C Reg., 12 Dec. 1977  EP Opinion</p>		<p>Bringing into force of AETR.</p>	<p>OJ L 334/77  OJ C 157/75</p>

C Reg., 30 July 1968 EP Opinion Reg. last amended by C Reg., 18 Dec. 1975 extended by: C Reg., 21 Dec. 1976	4.24134 (contd)	Introduction of system of bracket tariffs for carriage of goods by road between Member States.	OJ L 194/68 OJ 109/64 OJ L 349/75 OJ L 359/76
Amended by: C Reg., 12 Dec. 1977		Fixing of rates for carriage of goods by road between Member States.	OJ L 334/77
Comm. Prop., 20 Sept. 1978		Standardization of forms used for authorizations for international goods transport by road.	OJ C 237/78
Comm. Rec. 29 June 1978		General conditions for the application of reference tariffs.	OJ L 202/78
Comm. Dec. 25 Oct. 1978		Setting of a time-limit for the conclusion of negotiations between professional organizations for the establishment of reference tariffs for the carriage of goods by road between Member States.	OJ L 326/78
C Reg., 21 Dec. 1976 amended by C Reg., 19 Oct. 1981		Application of TIR Convention in EC.	OJ L 368/76 OJ L 302/81
C Reg., 25 July 1978		Customs Convention on the international transport of goods under cover of TIR carnets.	OJ L 252/78
C Dir., 19 July 1968 EP Opinion		Duty-free limit for fuel.	OJ L 175/68 OJ 28/67
C Dir., 24 April 1972 EP Opinion		Approximation of laws on motor vehicle insurance against civil liability and enforcement of obligation to insure.	OJ L 103/72 OJ C 19/71
C Dirs, 12 Nov. 1974 EP Opinions amended by C Dir., 4 Dec. 1980		Admission to the occupation of road haulage and road passenger transport operator.	OJ L 308/74 OJ C 72/68 OJ C 17/69 OJ L 350/80

C Reg., 25 March 1969 (amended by C Regs of 28 Feb. 1972 and 12 Dec. 1977) EP Opinion	4.24134 (contd)	Harmonization of certain social legislation relating to road transport.	OJ L 77/69 OJ L 67/72 and OJ L 334/77 OJ 63/67
Comm. Opinion		Codified version of the above Regulation.	OJ C 73/79
C Reg., 20 July 1970 EP Opinion (Reg. amended by C Regs of 25 June 1973 and 12 Dec. 1977)		Equitable application of harmonization regulations.	12 GR EC Par. 368
C Dir., 16 Dec. 1976		From 1975 introduction of equipment in vehicles to record distance travelled, vehicle speed, driving time, attendance, breaks from work and daily rest periods.	OJ L 164/70 OJ C 139/69 OJ L 181/73
C Dir., 12 Dec. 1977 EP Opinion amended by C Dir., 4 Dec. 1980		Minimum level of training for drivers.	OJ L 357/76
Comm. Prop., 30 Dec. 1978		Recognition of evidence of qualifications.	OJ L 334/77 OJ C 125/76 OJ L 350/80
C Rec., 15 May 1979 EP Opinion		Directive on weights and certain other characteristics (not including dimensions) of road vehicles used for the carriage of goods.	OJ C 16/79
C Dir., 4 Dec. 1980 EP Opinion		Ratification of the International Convention for Safe Containers.	OJ L 125/79 OJ C 93/79
		First C Dir. on the introduction of a Community driving licence.	OJ L 375/80 OJ C 238/80
	4.24135	<b>AIR TRANSPORT</b>	
C Reg., 28 Nov. 1962		Suspension of application of the rules on competition to air transport.	OJ 124/62
Comm. Prop., 30 June 1972 EP Opinion		Comm. prop. on initial measures for air transport (cf. 4.21618).	OJ C 110/72 OJ C 19/73
Comm. Prop., 1 Oct. 1975 EP Opinion amended Comm. Prop.		Creation of common policy in civil aircraft and aviation sectors.	OJ C 265/75 OJ C 178/76 OJ C 40/77

	4.24135 ( <i>contd</i> )	Approval by Council of list of matters relating to air transport most urgently requiring examination.	12 GR EC Par. 372
C Dec., 20 Dec. 1979		Consultation procedure on relations between Member States and third countries in the field of air transport and on action relating to such matters within international organizations.	OJ L 18/80
C Rec., 13 July 1981			OJ L 203/81
	4.24136	SEA TRANSPORT	
C Reg., 28 Nov. 1962		Suspension of application of the rules on competition to sea transport.	OJ 124/62
C Dec., 13 Sept. 1977		Consultation procedure on relation between Member States and third countries on shipping matters.	OJ L 239/77
C Rec., 26 June 1978 EP Opinion		Recommendation to the Member States on the ratification of conventions on safety in shipping (protection of the marine environment against pollution by ships, safety of life at sea).	OJ L 194/78 OJ C 163/78
		C Rec. of 21 Dec. 1978 on ratification of the International Convention on training, certification and watchkeeping for seafarers.	12 GR EC Par. 370 OJ L 33/79
C Dec., 19 Sept. 1978 EP Opinion		Activities of certain third countries in the field of cargo shipping.	OJ L 258/78 OJ C 131/78
amended by C Dec., 4 Dec. 1980 supplemented by C Dec., 26 March 1981			OJ L 350/80
C Dec., 19 Dec. 1978 EP Opinion		Observance of rules of competition by certain carriers.	OJ L 5/79 OJ C 296/78
C Dir., 21 Dec. 1978 amended by C Dir. of 6 Dec. 1979		Minimum requirements for certain tankers entering or leaving Community ports.	OJ L 33/79 OJ L 315/79 Par. 372
C Dir., 21 Dec. 1978		Pilotage of vessels by deep-sea pilots in the North Sea and English Channel.	OJ L 33/79

C Rec., 21 Dec. 1978	4.24136	Ratification of the 1978 International Convention on standards of training, certification and watchkeeping for seafarers.	OJ L 33/79
C Reg., 15 May 1979	( <i>contd</i> )	Ratification of the Convention.	OJ L 121/79
EP Opinion		Accession to the United Nations Convention on a code of conduct for liner conferences.	OJ C 131/78
	4.24137	<b>SEAPORT POLICY</b>	
EP Res.		EP urges need for initiating EC seaport policy.	OJ C 46/72
		In 1974, Comm. set up a Working Party on Maritime Ports which submitted a 'fact finding' report in 1977 and a final report in 1980.	
	4.24138	<b>INFRASTRUCTURE</b>	
C Dec., 28 Feb. 1966		Procedure for consultation on investment in transport infrastructure.	OJ 42/66
EP Opinion			OJ 62/65
replaced by		Consultation procedure committee on transport infrastructure.	OJ L 54/78
C Dec. of 20 Feb. 1978			OJ C 293/76
EP Opinion			
C Dec., 22 June 1964		Organization of a survey of expenditure on infrastructure in respect of transport by rail, road and inland waterways.	OJ 102/64
EP Opinion			OJ 24/64
C Reg., 4 June 1970		Accounting system for expenditure on infrastructure in respect of transport by rail, road and inland waterways.	OJ L 130/70
EP Opinion			OJ C 135/68
C Reg., 25 June 1979		Amended Reg. on an accounting systems for expenditure on infrastructure in respect of transport.	OJ L 167/79
EP Opinion			OJ C 296/78
C Reg., 19 Oct. 1981			OJ L 302/81
EP Opinion			OJ C 144/81

4.242 **Transport policy under ECSC Tr.**

4.2420 *OBJECTIVES*

Availability of information and comparability of rates and market conditions.

4.2421 *REQUIREMENTS OF ECSC TREATY*

ECSC Tr., Art. 70, Par. 1

— Transport undertakings in EC must apply rates offering comparable price conditions to consumers.

ECSC Tr., Art. 70, Par. 2

— Prohibition on discrimination in rates and conditions of carriage based on country of origin or destination of products in traffic between Member States.

ECSC Tr., Art. 70, Par. 3

— Scales, rates and other tariff rules to be published.

CTP of ECSC Tr., Par. 10

— Establishing direct international tariffs, harmonization of tariffs.

4.2422 *DECISION-MAKING PROCEDURES*

ECSC Tr., Art. 70, Par. 5

General transport policy governed by individual Member States.

ECSC Tr., Art. 70, Par. 4

Comm. approves special internal rates and conditions.

4.2423 *STATE OF INTEGRATION*

HA Rec., 1 March 1961  
C Commun.,  
of 21 March 1955

— Strict implementation of ECSC Tr., Art. 70.

OJ 18/61

C Commun.,  
of 16 March 1956  
C Commun.,  
of 23 March 1959  
C Commun.,  
of 22 Nov. 1973

— Introduction of direct international railway rates for coal and steel consignments.

OJ 9/55

OJ 10/56

OJ 22/59

OJ L 347/73

Agreement  
of 6 Dec. 1979  
C Commun.,  
23 March 1959  
C Commun.,  
22 Nov. 1973

Agreement of 28 July 1956  
Supplementary Prot.  
Second Supplementary Prot.

Agreement of 26 July 1957  
Supplementary Agrmt.  
Supplementary Prot.  
Second Supplementary Prot.

Agreement of 1 Feb. 1958

HA Rec. of 1 March 1961

C. Commun., 16 Feb. 1967  
amended on 11 Feb. 1974

4.2423 — Fourth Supplementary Agreement.  
(contd)

— Introduction of direct international railway rates for carriage of coal and steel through Swiss territory.

— Introduction of direct international railway rates for carriage of coal and steel through the territory of the Austrian Republic.

— Rates and conditions for transport of ECSC products on Rhine.

— Scales, prices and rates applied to transport of coal and steel to be published or notified.

— Revised uniform transport nomenclature.

OJ L 315/79

OJ 17/57  
OJ L 12/79  
OJ L 227/81

OJ 6/58  
OJ 68/61  
OJ L 12/79  
OJ L 227/81

OJ 4/58

OJ 18/61

OJ 52/67  
OJ C 29/74

4.3 **Social policy**

EEC TR., Arts 117-128

4.30 **OBJECTIVES**

To help achieve CM through close cooperation of Member States and common policy in various spheres (freedom of movement and establishment, vocational training, etc.) (see also 2.213, 2.214).

Social action programme

Objectives: full employment, improvement in living and working conditions, participation of both sides of industry in economic and social decisions.

Bull. EC Suppl. 4/73

Until 1971 Community action was by sector only. From 1971, fresh social action on two fronts:

(a) through reform of European Social Fund (1971) (see 4.333).

C Res. of 21 Jan. 1974

(b) adoption of a general social action programme (1974) to give new impetus to Community social policy in all its forms (employment protection, migrant workers, living and working conditions, equality of men and women, measures to combat poverty, etc., see 4.332, 4.336, 4.337, 4.338, 4.339, 4.340, 4.341, 4.342). Plan in stages. Adoption by the C of the measures proposed by the Comm. within the time limits laid down, with a few exceptions, from 1974 to 1978.

OJ C 13/74

**DECISION-MAKING PROCEDURES**

- EEC Tr., Art. 121 (a) *After consulting ESC, C acting unanimously may authorize Comm. to implement common measures*  
— esp. on social security for migrant workers.
- ECC Tr., Art. 126 (b) *After consulting Comm. and ESC, C may unanimously determine*  
— new tasks for European Social Fund.
- EEC Tr., Art. 127 (c) *On Comm. prop., after consulting ESC and EP, lays down by qual. majority*  
— provisions for implementing European Social Fund.
- EAEC Tr., Art. 31 (d) *On prop. from Comm., C, after consulting EP, Scientific and Technical Cttee and ESC, establishes by qual. majority*  
— basic standards for protecting health from ionizing radiations.
- EEC Tr., Art. 128 (e) *On Comm. prop., C, after consulting ESC, lays down by simple majority*  
— general principles for common vocational training policy.
- EEC Tr., Art. 118 (f) *After consulting ESC, Comm. delivers opinions on*  
— promoting cooperation in social problems.
- EAEC Tr., Art. 37 (g) *After consulting experts, Comm. delivers opinions on*  
— plans for disposing of radioactive waste.
- ECSC Tr., Art. 68 (2 and 3) (h) *Comm., after consulting C and Consultative Committee, recommends*  
— measures to counter abnormally low wages in coal and steel industries.

4.31 (i) *Comm., with assent of C, decides on:*  
(contd)

ECSC Tr., Art. 56

- financing programmes for re-absorbing redundant coal and steel workers in other industries.

(j) *Comm. alone responsible for:*

EEC Tr., Art. 122

- reports to EP on social matters;

EEC Tr., Art. 124  
C Reg. of 8 Nov. 1971

- administration of European Social Fund (Joint Cttee delivers opinions on all important matters, e.g. budget, grants from Fund, impl. regs.);

OJ L 249/71

EEC Tr., Art. 125 (2c)

- giving approval to industrial conversion plans involving assistance from Social Fund;

EAEC Tr., Art. 33

- *recommendations* for harmonizing nat. provisions on observing basic health protection standards;

EAEC Tr., Art. 34, Par. 2

- assenting to dangerous experiments in EAEC sphere;

EAEC Tr., Art. 38

- *recommendations and directives* on radioactivity in air, water and soil;

ECSC Tr., Art. 56

- financing programmes for new jobs for redundant coal and steel workers;

ECSC Tr., Art. 56

- contributing towards tideover or resettlement allowances and cost of vocational retraining;

ECSC Tr., Art. 69 (5)

- guidance of Member States in realizing mobility of skilled coal and steel workers;

ECSC Tr., Art. 68 (6)

- fining undertakings for making non-permissible wage reductions.

## STATE OF INTEGRATION UNDER ECSC AND EAEC TREATIES

ECSC Tr. Art. 56 (2)

Re-training of workers in the ECSC industries (traditional support)

- re-training of 650 000 persons from 1954 to 1978
- from 1979 to 1982 incl. a total of 373.03 m ECU granted for re-training 156 472 persons

C Dec. of 23 Feb. 1982  
 EP Opinion of 11 July 1980  
 C Dec. of 21 Sept. 1982  
 EP Opinion of 18 June 1982

To alleviate the consequences of the policy of restructuring the iron and steel industry, the Commission drew up an exceptional temporary programme of aid for 1981–84 to supplement traditional support.

OJ L 74/82  
 OJ C 197/80  
 OJ L 277/82  
 OJ C 182/82

Parliament supported this initiative and, during negotiations on the budget for 1980 and 1981, attempted in vain to have this expenditure entered in the general budget. Following lengthy negotiations in the Council, the programme was adopted and financed by transfers from the general budget to the ECSC budget, the first 50 m ECU being provided, however, in the form of *ad hoc* contributions from the Member States. By the end of 1982, 162 m ECU had been used in financing the programme. A final allocation of 50 m ECU has been adopted for 1983.

ECSC Tr. Art. 54 (2)

Low-interest loans to finance housing projects

- at 31 Dec. 1980 total no. housing units built, acquired or modernized was 167 154 (of which 94 475 in FR of Germany)
- Setting up of Steel Industry Safety and Health Commission (1965) and Mines Safety and Health Commission (1957).
- Research on protection against radioactivity – basic standards for protecting health against ionizing radiations.
- Medical checks on workers exposed to particular occupational hazards.

C Dir. of 2 Feb. 1959

OJ 11/59

Comm. Rec. of 27 July 1966

OJ 151/66

4.33            **STATE OF INTEGRATION UNDER EEC**

4.331           **Vocational training** (see also 3.733, 4.24134, 4.24136, 4.333, 4.71)

Basic principles laid down and a few limited initiatives by Comm.

C Dec. of 2 April 1963

— *Principles:*

OJ 63/63

— training of teachers, coordination of training standards, priority for agric. and regional vocational training.

Comm. Rec. of 18 July 1966

— *Action on:*

OJ 154/66

— developing facilities for career guidance,

— exchanges of young workers: first programme of exchanges adopted in 1964 – 1500 young workers affected.

C. Dec. of 16 July 1979  
EP Opinion

Second programme of exchanges adopted in 1979 for period of five years – 6500 young workers affected.

OJ L 185/79  
OJ C 127/79

— assistance for workers dismissed from Italian sulphur mines,

5 GR EC, Par. 2

Comm. Dec. of 18 Dec. 1963

— accelerated adult training (programme rejected by C),

OJ 2/64

— setting up tripartite cttee on vocational training,

C Dec. of 14 Dec. 1970

— setting up Standing Cttee on Employment (employers, workers and EC) to facilitate coordination of Member State's employment policies,

OJ L 273/70  
EP Doc. 239/7  
EP Doc. 83/73

Comm. Commun.  
of 25 Oct. 1972

— initial measures relating to vocational training.

C Reg. of 10 Feb. 1975

In application of the social action programme:

— the setting up of a European Vocational Training Centre (headquarters in Berlin).

OJ L 39/75

C Reg. of 26 May 1975

— the setting up of a European Foundation for the improvement of living and working conditions (headquarters in Dublin).

OJ L 139/75

C Res. of 18 Dec. 1979	4.331	Linked work and training for young persons.	OJ C 1/80
	(contd)		
C Res. of 12 June 1982		Measures to be taken to improve the preparation of young people for work and to facilitate their transition from education to working life.	OJ C 193/82
	4.3311	<b>WORK IN PROGRESS</b>	
Comm. Draft C Res., 28 Oct. 1982		Vocational training policies in the 1980s.	OJ C 306/82
Comm. Draft C Res.		Vocational training measures relating to introduction of new information technologies.	OJ C 162/82
Comm. Draft C Res. EP Opinion, 18 Dec. 1981		Common training policy in fishing sector.	COM (80) 725 final OJ C 11/82
	4.332	<b>Community measures on behalf of special groups</b> (see also 4.333)	
	4.3321	<b>WOMEN</b>	
		The increase in the number of women in employment is one of the major phenomena of our time. The Community has therefore taken action on behalf of women in employment to eliminate discrimination as regards pay, working conditions and social security.	
		Action divided into two phases: a legislative phase and a phase involving support measures, particularly in the field of vocational training. EP later took important initiatives, which developed into more systematic and effective action after direct elections by universal suffrage.	

4.33210 **LEGISLATIVE ACTION**

Based largely on Article 119 of the EEC Treaty referring to the application of the principle of *equal pay* for men and women; resulted, in 1975, after many consultations in *Memorandum* from the Comm. to the C which formed basis of action on behalf of women:

C Dir., 10 Feb. 1975

— Directive on equal pay for men and women (entry into force: 10 Feb. 1976);

OJ L 45/75

EP Opinion  
C Dir., 9 Feb. 1976  
EP Opinion

— Directive on the principle of equal treatment for men and women as regards access to employment, vocational training and promotion, and working conditions (entry into force: 12 Aug. 1978);

OJ C 55/74  
OJ L 39/76  
OJ C 111/76

C Dir., 19 Dec. 1978  
EP Opinion

— Directive on equal treatment for men and women in matters of social security (to enter into force in 1984).

OJ L 6/79  
OJ C 299/77

4.33211 **SUPPORT MEASURES**

C Dec., 20 Dec. 1977

— Decision on assistance from the *Social Fund for vocational training measures*, particularly for women over 25 (women under 25 come under 'young persons')

OJ L 337/77

who have lost their employment or wish to re-enter working life after a break;

with no vocational qualifications or with insufficient vocational qualifications.

Comm. Commun.,  
15 Oct. 1982

— Proposal for C Dec. on reform of European Social Fund (Dec. 71/66/EEC).

COM (82) 485 fin.

— *The European Vocational Training Centre*: special vocational training for girls and young women organized since 1976 (seminars to draw up recommendations on the problem of unemployment among women).

4.33210/4.33211

4.33211 Special programmes to improve women's chances of promotion in  
(contd) undertakings, organized in 1980 in four countries: Belgium, France,  
Federal Republic of Germany and United Kingdom.

C Res., 9 Feb. 1976

- Resolution on specific measures which will guarantee equal educational opportunities for girls.

OJ C 308/76

On this basis, Comm. Commun. of 2 Oct. 1978 pinpoints specific fields in which the joint action referred to in the above resolution can be undertaken.

Setting up by Comm. within Directorate-General for Information of department responsible for providing women's organizations with constant flow of information about aspects of European integration. Publication of a bi-monthly information bulletin, *Women of Europe* in six languages.

Setting up by Comm. within Directorate-General for Employment, Social Affairs and Education of Bureau for questions concerning employment and equal treatment for women to draw up proposals necessary to carry through Community action.

Comm. Dec., 9 Dec. 1981

- Comm. Dec. setting up an Advisory Committee on Equal Opportunities for Women and Men to ensure close cooperation with specialized bodies in Member States in implementation of Community measures concerning employment of women, and with additional task of advising the Women's Bureau on measures to be taken in future.

OJ L 20/82

Comm. Commun., 9 Dec. 1981

- Presentation by Comm. of a new Community action programme on the promotion of equal opportunities for women 1982-85.

COM (81) 758 fin.

<p>4.33211 (contd)</p> <p>Draft Res., 29 Jan. 1982</p> <p>Council Res., 12 July 1982</p>	<p>This programme is intended to give more concrete form to Community's measures concerning equal opportunities for women. It is, in effect, Comm.'s response to EP's important resolution of 11 February 1981 on situation of women in European Community.</p> <p>The programme is accompanied by a draft C Res. demonstrating latter's commitment to providing increased support for such measures.</p> <p>C adopted this res. on 12 July 1982.</p>	<p>OJ C 22/82</p> <p>OJ C 186/82</p>
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4.33212 *EP ACTION*

<p>EP Res., 26 Oct. 1979</p>	<p>— decides to set up an <i>Ad Hoc</i> Committee on Women's Rights (with task of preparing a parliamentary debate on questions concerning women). Initial term to July 1980, extended to February 1981.</p>	<p>OJ C 289/79</p>
<p>EP Res., 11 Feb. 1981</p>	<p>— draws up a major report on the position of women in the Community, the results of action already taken in the Community and further steps to be taken to improve the position of women.</p>	<p>OJ C 50/81</p>
<p>Motion of 9 July 1982 under Rule 95 (2) of RP</p>	<p>Setting up, on 16 October 1981, of a cttee of inquiry to supervise implementation by European authorities of the guidelines adopted by EP in its Res. of 11 February 1981 and to monitor developments in situation of women in European Community, with particular reference to implementation of Community directives.</p> <p>This cttee has organized its inquiries around 17 topics.</p>	<p>OJ C 287/81</p>
<p>EP Res., 12 May 1982</p>	<p>— Res. of EP on new Community action programme on promotion of equal opportunities for women.</p> <p>— Setting up, in October 1981, of an Intergroup on 'Women' to consider women's questions which do not fall within terms of reference of cttee of inquiry.</p>	<p>OJ C 149/82</p>

4.3322 *THE DISABLED* (see also 4.3331)

C Res., 27 June 1974  
EP Opinion, 12 Feb 1974

Initial Community action programme for vocational rehabilitation of handicapped persons

OJ C 80/74  
OJ C 23/74

EP Res. 11 March 1981

On 10 March 1981, EP held a debate on economic, social and vocational integration of disabled people in Community.

OJ C 77/81

C Res., 21 Dec. 1981

EP's request that Comm. draw up a coherent Community policy on behalf of the disabled resulted in C adopting a Res on social integration of disabled people, having regard to EP's Res. and Comm.'s commun. of 29 Oct. 1981.

OJ C 347/81

4.3323 *THE AGED*

EP Res., 18 Feb. 1982

EP notes that there have been a few sporadic actions only at Community level on behalf of the aged and calls on Comm. to (a) submit specific proposals to improve living conditions of the aged and (b) draw up proposals in long term for a coherent policy with a five-year action programme.

OJ C 66/82

EEC Tr., Art. 123-128  
C Reg. of 25 Aug. 1960

4.333 **European Social Fund**

Designed to improve opportunities for workers and thus contribute to raising standard of living.

OJ 56/60

C Dec. of 1 Feb. 1971

1971 Reform (end of transitional period: EEC Tr., Art. 126).

OJ L 28/71

4.3330 *OLD FUND*

*Aim:*

To render employment of workers easier and to increase their geographical and occupational mobility within EC.

*Operation:*

On application by Member State, fund meets 50 % of conversion costs, with other 50 % from Member State or public corporation, provided certain administrative conditions fulfilled.

EEC Tr., Art. 123

4.3331 *NEW FUND (1971 AND 1977 REFORMS)*

(a) 1971 reform:

Fund adapted to economic and social trends in EC:

— field of intervention extended to two spheres:

- measures to counter unemployment caused by EC policies ('Type A' measures),
- measures to combat structural and regional imbalance ('Type B' measures, in which on application Fund participates to maximum of 50 %).

— extension of scope:

- grants also to persons other than wage-earners,
- also to bodies governed by private law,
- also as contribution to training for highly-skilled occupations,
- list extended to cover young workers, older workers, women, handicapped persons,
- drawing up of multi-year programmes,

C Dec. of 1 Feb. 1971  
C Reg. of 14 April 1972  
(budgetary regulations for  
European Social Fund)

C Reg. of 8 Nov. 1971

OJ L 28/71  
OJ L 101/72

OJ L 249/71

C Dec. of 21 April 1970	4.3331 (contd)	— creation of Fund's own resources (as part of gradual introduction of EC's own resources),	OJ L 94/70
C Dec. of 8 Nov. 1971		— extension of intervention by European Social Fund to French overseas departments.	OJ L 249/71
C Reg. of 20 Dec. 1977		b) 1977 reform:	OJ L 337/77
		— rate of intervention by Fund increased to 55% for the Mezzogiorno, Greenland, Northern Ireland and French overseas departments.	
C Reg., 13 July 1981 EP Opinion 5 May 1981		Higher rate of intervention applied to Greece.	OJ L 194/81 OJ C 144/81
EP Res. of 9 June 1971 and 18 Oct. 1971		<i>Unfulfilled demands of EP:</i>	OJ C 66/71 OJ C 114/71
		— extension of terms of reference of Fund Cttee,	
		— funds for pilot studies.	
		<i>Decisions on action by Fund:</i>	
C Dec. of 27 June 1974 C Dec. of 20 Dec. 1977		Action by the European Social Fund for migrant workers (renewed in 1977).	OJ L 185/74 OJ L 337/77
C Dec. of 22 July 1975		Action by Fund to assist young people under 25 seeking employment for first time.	OJ L 199/75 OJ C 144/81
C Reg. of 18 Dec. 1978		Creation of new types of aid from the European Social Fund to intensify action against unemployment among young people.	OJ L 361/78
		(a) Types of aid:	
		— premiums to promote the recruitment of young people under 25 years of age who are unemployed or seeking employment, by means of additional jobs fulfilling a public need (excluding jobs with public authorities);	
		— premiums to promote recruitment and encourage undertakings to expand their workforce.	

4.3331 (contd)	(b) Amount of aid: 30 EUA per person per week for a maximum of 12 months.	
	(c) Entry into force of Regulation: 1 Jan. 1979.	
C Dec. of 9 Feb. 1976	Action by Fund to assist textile and clothing industries.	OJ L 39/76
C Dec. of 20 Dec. 1977	Action by Fund to assist women.	OJ L 337/77

4.3332	<b>WORK IN PROGRESS</b> (Revision of Social Fund)	
Comm. Prop. for C Reg., 15 Oct. 1982	Tasks of European Social Fund.	OJ C 308/82
Comm. Prop. for C Reg., 15 Oct. 1982	Implementation of C Reg. on tasks of European Social Fund.	OJ C 308/82
Comm. Prop. for C Reg., 15 Oct. 1982	Rules of Cttee of European Social Fund.	OJ C 308/82

4.334      **Present position regarding the European Social Fund**

Old Fund: in the period 20 September 1960 to 31 December 1974 the European Social Fund paid 379.4 million u. a. benefits to 1837300 workers.

Main beneficiaries of old Social Fund: FR of Germany (42.3%) and Italy (36%).

New Fund: in period 1 January 1972 to 31 December 1977, assistance of 1857 million u. a. was granted from Fund.

Main beneficiaries: United Kingdom (29%), Italy (27%), France (19.5%) and Ireland (7%).

4.334  
(contd)

Commitments 1978-81:

Table 1: Breakdown by country of origin of promoters

million ECU

Member State	Amounts committed				Percentages			
	1978	1979	1980	1981	1978	1979	1980	1981
Belgium	11.08	15.94	29.30	22.73	2.0	2.1	2.9	2.3
Denmark	14.24	14.70	19.43	24.40	2.5	1.9	1.9	2.4
FR of Ger.	57.26	52.88	107.96	73.69	10.1	6.8	10.6	7.4
France	86.20	134.82	194.96	141.12	15.2	17.4	19.2	14.1
Greece	—	—	—	29.87	—	—	—	3.0
Ireland	44.41	58.13	79.69	105.68	7.8	7.5	7.9	10.6
Italy	233.10	281.23	327.15	340.77	41.0	36.3	32.3	34.1
Luxembg.	0.23	1.00	0.93	0.57	—	0.1	0.1	0.1
Netherlds.	9.81	19.32	18.30	12.68	1.7	2.5	1.8	1.3
U. Kingdom	111.75	196.43	236.50	248.64	19.7	25.4	23.3	24.9
<b>TOTAL</b>	<b>568.08</b>	<b>774.45</b>	<b>1014.22</b>	<b>1000.15</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: 10th Report by the Commission on the Activities of the European Social Fund COM (82) 420.

Table 2: Applications for assistance and commitments

Year	Applications for assistance			Commitments		
	Amount in ECU	Indices (1978 = 100)	Change on preceding year (%)	Amount in ECU	Indices (1978 = 100)	Change on preceding year (%)
1978	1095.44	100.0	—	568.08	100.0	—
1979	1316.72	120.2	+ 20.2	774.45	136.3	+ 36.3
1980	1625.55	148.4	+ 23.5	1014.22	178.5	+ 31.0
1981	1924.21	175.7	+ 18.4	996.17	175.4	- 1.8

Source: 10th Report by the Commission on the Activities of the European Social Fund COM (82) 420.

4.334  
(contd)

**Table 3: Estimated number of beneficiaries by sector of intervention**

Sector	No of beneficiaries			
	1978	1979	1980	1981
Agriculture	16 000	12 000	16 700	5 822
Textiles and clothing	13 500	15 000	17 300	8 800
Migrant workers	234 000	285 000	267 500	258 300
Young people	300 000	450 000	655 000	436 760
Women	12 000	16 000	11 300	10 900
Regions	349 000	466 000	488 000	500 000
Technical progress	9 350	7 430	16 586	23 997
Groups of firms	500	850	2 800	6 029
The handicapped	72 000	103 930	57 500	55 280
<b>TOTAL</b>	<b>1 006 350</b>	<b>1 356 210</b>	<b>1 532 686</b>	<b>1 305 888</b>

Source: Eighth, Ninth and 10th Reports by the Commission on the Activities of the European Social Fund, COM (80) 365, COM (81) 343 and COM (82) 420.

4.335 **Social security** (see also: women, 4.3321).

4.3351 **MIGRANT WORKERS AND SELF-EMPLOYED PERSONS FROM COMMUNITY COUNTRIES.**

**Objectives:**

Free movement of workers and self-employed persons through coordination of social security systems so that they are assured of social security irrespective of their place of work in Community.

**Scope:**

— before 1971: wage-earners entitled to benefit, but not self-employed. Limited extension of benefits to seasonal and frontier workers; seamen included in 1967;

OJ 30/58

EEC Tr., Art. 51, 235

C Reg. of 25 Oct. 1958

4.334/4.3351

C Reg. of 14 June 1971	4.3351	— reform of 1971–72: more generous interpretation of term ‘social security’;	OJ L 149/71
C Impl. Reg. of 21 March 1972	( <i>contd</i> )		OJ L 74/72
C Impl. Reg. of 26 March 1973		— practically all branches of social security covered; 1971–72 reform increases benefits and simplifies calculation and payment procedures;	OJ L 86/73
		— also applies to French overseas territories;	
		— replaces bilateral and multilateral social security conventions between Member States unless these gave workers greater benefits or had been rescinded.	
		(Codified version without legal force of C Reg. of 14 July 1971 and C Reg. of 21 March 1972)	OJ C 138/80
C Reg., 12 May 1981		— extension of hitherto applicable regulations to cover self-employed persons (in force as of 1 July 1982)	OJ L 143/81
EP Opinion			OJ C 131/78
10 May 1978			OJ L 378/81
C Reg., 8 Dec. 1981			

Several judgments of court have mostly interpreted the Community provisions in the years since their entry into force in favour of persons insured under social security schemes.

*Present position:*

In 1980, 1.6 million migrant workers and their families benefited from Community provisions with an additional 160 000 (approx.) Greek migrant workers after accession of Greece.

Under current provisions of these regulations, all citizens of Member States are covered by social security in all Community countries provided they are insured in their home country under one of social security schemes coordinated through these regulations. Benefits are granted in accordance with rules of host country. Regulations apply to majority of persons moving within Community, e.g. migrant workers and self-employed persons and their families, though nationals travelling in other Member States are also covered.

4.3352 **MIGRANT WORKERS FROM NON-MEMBER STATES**

The Community has agreements with the following countries:

- Turkey (see: 6.024)
- Portugal (see: 6.005)
- Algeria (see: 6.2404)
- Morocco (see: 6.2404)
- Tunisia (see: 6.2404)
- Yugoslavia (see: 6.233)

4.336 **Labour law – industrial relations**

C Dir. of 17 Feb. 1975  
C Dir., 14 Feb. 1977  
EP Opinion, 8 April 1975  
C Dir., 20 Oct. 1980  
EP Opinion, 17 Jan. 1979  
C Res., 27 June 1980

In order to protect workers against mass dismissals:

OJ L 48/75

Safeguarding employees' rights in event of mergers, takeovers or amalgamations.

OJ L 61/77  
OJ C 95/75

Approximation of laws of Member States relating to protection of employees in event of insolvency of their employer.

OJ L 283/80  
OJ C 39/79

Guidelines for a Community labour market policy.

OJ C 168/80

4.3361 **WORK IN PROGRESS**

Comm. Prop. for C Dir.  
EP Opinion, 11 May 1982  
Comm. Prop. for C Dir.,  
24 Oct. 1980  
EP Opinion, 14 Dec. 1982

Fifth Directive on structure of *sociétés anonymes* and powers and obligations of their organs (protection of interests of their members and others).

OJ C 131/72  
OJ C 149/82

Informing and consulting employees of undertakings with complex, in particular transnational structures (Vredeling proposal).

OJ C 297/80  
OJ C 13/83

Rec., 22 July 1975 EP Opinion of 25 April 1974	4.337	<b>Working hours, holidays and retirement age</b>	Adoption of a Recommendation to the Member States that the principle of the 40-hour week and four weeks' annual paid holiday (not including public holidays) be applied by 31 Dec. 1978.	OJ L 199/75 OJ C 55/74
C Res., 18 Dec. 1979			The application of the principle must not result in any reduction in pay.	
C Rec., 10 Dec. 1982 EP Opinion, 16 Sept. 1982			Adaptation of working time (guidelines for fields of action).	OJ C 2/80
			Flexible retirement age.	OJ L 357/82 OJ C 267/82
Comm. Prop. for C Dir., 4 Jan. 1982 EP Opinion, 16 Sept. 1982 Comm. Am. Prop. for C Dir., 5 Jan. 1983	4.3371	<b>WORK IN PROGRESS</b>	Voluntary part-time work.	OJ C 62/82 OJ C 267/82 OJ C 18/83
Comm. Prop. for C. Dir., 7 May 1982			Temporary work.	OJ C 128/82
C Dec. of 22 July 1975 EP Opinion of 13 May 1975 C Dec. of 12 Dec. 1977 EP Opinion	4.338	<b>Adoption of a programme of pilot schemes and studies to reduce poverty in the Community</b>	Duration of programme: 1975 and 1976.	OJ L 199/75 OJ C 128/75
			Extended to 1979.	OJ L 322/77
			Amount of appropriations allocated: 9100000 u.a. from 1975 to 1978 inclusive.	
			Appropriations granted for 1979-80: 9200000 u.a.	
			50% financing of projects by Community.	

C Dec., 22 Dec. 1980 EP Opinion, 22 May 1980 EP Res., 12 Oct. 1982	4.338 ( <i>contd</i> )	Supplementary measures to amplify and complete programme.  Interim report on final report from Comm. on first programme.	OJ L 375/80 OJ C 147/80 OJ C 292/82
C Reg. of 9 Feb. 1976	4.339	<b>Trade union rights of migrant workers</b>  Adoption of a Regulation entitling migrant workers in the Community to equal rights to those of nationals as regards the exercise of all trade union responsibilities in undertakings.	OJ L 39/76
C Reg. of 26 May 1975	4.340	<b>European Foundation for the improvement of living and working conditions</b>  The seat of the Foundation was established in Ireland. Its task is that of a European Institute for Research on living and working conditions and of a clearing house for exchange of information and experience between Member States.	OJ L 139/75
C Reg., 10 Feb. 1975	4.341	<b>European Centre for the Development of Vocational Training</b>  Seat of Centre is West Berlin. Its tasks are to assist Comm. at Community level in promoting and developing basic and advanced vocational training.	OJ L 39/75
	4.342	<b>European Trade Union Institute</b>  Set up by European Trade Union Confederation and the Commission in 1977 and granted an operational budget of 875 000 ECU by EP for 1983.  Task: to promote better training and information of workers and their trade union organizations.  Seat: Brussels.	

#### 4.4 **Public health**

See: veterinary legislation, 3.52  
legislation on plant health, 3.53  
legislation on foodstuffs, 4.631

Setting up of a Cttee of Senior Officials on Public Health.

OJ L 167/75

Introduction of a health card for persons suffering from serious diseases.

OJ C 287/81

C Dec., 16 June 1975

EP Res., 13 Oct. 1981

#### 4.41 **PHARMACEUTICAL PRODUCTS**

Comm. Props. adopted by C:

Approximation of legislation relating to proprietary medicinal products.

OJ 22/65  
OJ L 147/75

1st C Dir. 65/65  
of 26 Jan. 1965

2nd C Dir. 75/319  
of 20 May 1975

Amending C Dir. 78/420  
of 2 May

OJ L 123/78

EP Opinion

OJ C 18/78

C Dir. 75/318  
of 20 May 1975

Standards and protocols relating to analytical, pharmaco-toxicological and clinical standards of proprietary medicinal products.

OJ L 147/75

C Dec. 75/320  
of 20 May 1975

Setting up of a pharmaceutical committee.

OJ L 147/75

C Dir. 78/25  
of 12 Dec. 1977

Colouring matters which may be added to medicinal products.

OJ L 11/78

EP Opinion

OJ C 62/77

4.42

## DANGEROUS SUBSTANCES

C Dir. 67/548  
of 27 June 1967

Classification, packaging and labelling of dangerous substances.

OJ 196/67

C Dir. 73/173  
of 4 June 1973

Classification, packaging and labelling of dangerous preparations (solvents).

OJ L 189/73

C Dir. 77/728  
of 7 Nov. 1977

Classification, packaging and labelling of paints, varnishes, adhesives and similar products.

OJ L 303/77

C Dir. 78/631  
of 26 June 1978

Classification, packaging and labelling of dangerous preparations (pesticides).

OJ L 206/78

The 4 Directives  
amended by  
C Dir. 79/831  
of 18 Sept. 1979

OJ L 259/79

EP Opinion

OJ C 30/77

amended by C Dir.,  
26 March 1981

OJ L 88/81

C Dir. 76/769  
of 27 July 1976

Restrictions on marketing and use of certain dangerous substances and preparations.

OJ L 262/76

EP Opinion

OJ C 60/75

Annex completed by  
C Dir. 79/663  
of 24 July 1979

OJ L 197/79

EP Opinion

OJ C 127/79

C Dir. 79/117  
of 21 Dec. 1978

Prohibiting placing on market and use of plant protection products containing certain active substances.

OJ L 33/79

EP Opinion

OJ C 30/77

4.43

## COSMETIC PRODUCTS

C Dir. 76/768  
of 27 July 1976

Cosmetic products.

OJ L 262/76

amended by  
C. Dir. 79/661  
of 24 July 1979

4.43  
(contd)

OJ L 192/79

amended by C Dir.,  
17 May 1982

OJ L 167/82

EP Opinion,  
20 June 1980

OJ C 175/80

4.44

### HEALTH PROTECTION OF WORKERS

The following ctees were set up to safeguard the health and safety of workers:

C Dec. of 9/10 May 1957

— the Mines Safety and Health Cttee;

OJ 28/57

amended by Dec. of Reps.  
of Govs. of Member States  
of 11 March 1965

— General Commission on Safety and Health in the Iron and Steel Industry

OJ 46/65

C Dec. 74/326  
of 27 June 1974

— extension of terms of reference:

OJ L 185/74

C Dec. 74/325  
of 27 June 1974

— the Steel Industry Safety and Health Cttee;  
Measures and programmes:

OJ L 185/74

C Dir. 76/117  
of 18 Dec. 1975

— concerning electrical equipment for use in potentially explosive atmospheres.

OJ L 24/76

C Dir. 79/196  
of 6 Feb. 1979  
EP Opinion

Measures and programmes:

OJ L 43/79  
OJ C 131/78

C Dir. 82/130  
of 15 Feb. 1982  
EP Opinion

Measures and programmes:

OJ L 59/82  
OJ C 197/80

C Dir. 76/579  
of 1 June 1976

Basic safety standards for health protection of general public and workers against the dangers of ionizing radiation.

OJ L 187/76

<p>EP Opinion of 8 April 1974 Amending C Dir. 79/343 of 27 March 1979 EP Opinion</p>	<p>4.44 (contd)</p>	<p>OJ C 40/74 OJ L 83/79 OJ C 6/79</p>
<p>C Dir. 80/836 of 15 July 1980 EP Opinion</p>	<p>Measures and programmes:</p>	<p>OJ L 246/80 OJ C 140/79</p>
<p>C Dir. 76/767 of 27 July 1976</p>	<p>Common provisions for pressure vessels and methods of inspecting them.</p>	<p>OJ L 262/76</p>
<p>C Dir. 77/311 of 29 March 1977</p>	<p>Driver-perceived noise level of agricultural or forestry tractors fitted with wheels.</p>	<p>OJ L 105/77</p>
<p>EP Opinion C Dir. 77/537 of 28 June 1977</p>	<p>Emission of pollutants from diesel engines for use in wheeled agricultural or forestry tractors.</p>	<p>OJ C 127/74 OJ L 220/77</p>
<p>C Dir. 77/576 of 27 July 1977 EP Opinion</p>	<p>Safety information at place of work.</p>	<p>OJ L 229/77</p>
<p>Comm. Dir. 79/640 of 21 June 1979</p>	<p>Amend Annex of Dir. 77/576.</p>	<p>OJ C 178/76 OJ L 183/79</p>
<p>C Res. of 29 June 1978</p>	<p>EC action programme on safety and health at work.</p>	<p>OJ C 165/78</p>
<p>C Dir. 78/610 of 29 June 1978 EP Opinion of 13 June 1977</p>	<p>Protection of the health of workers occupationally exposed to vinyl chloride monomer.</p>	<p>OJ L 197/78 OJ C 163/77</p>
<p>C Dir. 79/113 of 19 Dec. 1978 EP Opinion</p>	<p>Noise emission of construction plant and equipment.</p>	<p>OJ L 33/79 OJ C 76/75</p>
<p>C Dir. 79/196 of 6 Feb. 1979 EP Opinion</p>	<p>Electrical equipment for use in potentially explosive atmospheres employing certain types of protection.</p>	<p>OJ L 43/79 OJ C 131/78</p>

C Dec. 80/342 of 18 March 1980 EP Opinion	4.44 (contd)	Adopting a research and training programme (1980-84) for the European Atomic Energy Comm. in field of biology – health protection (Radiation protection programme).	OJ L 78/80 OJ C 34/80
C Dir., 27 Nov. 1980		— protection of workers from risks related to exposure to chemical, physical and biological agents at work.	OJ L 327/80
C Dir., 28 Sept. 1981 EP Opinion		— analytical, pharmaco-toxicological and clinical standards and protocols in respect of testing of veterinary medical products.	OJ L 317/81 OJ C 82/77
C Dir., 28 July 1982 EP Opinion		— protection of workers from risks related to exposure to metallic lead and its ionic compounds at work.	OJ L 247/82 OJ C 101/81
Prop. for 2nd Dir. EP Opinion, 23 April 1982 Amended Prop., 28 Oct. 1982		— protection of workers from harmful exposure to chemical, physical and biological agents at work.	OJ C 262/81 OJ C 125/82
Prop for Dir. of 19 June 1980		Health protection of workers and general public against dangers of microwaves.	OJ C 249/80 OJ C 172/81
Prop. for Dir., 8 Dec. 1982 EP Opinion, 13 May 1982 Amended by Prop., 16 July 1982		— radiation protection of persons undergoing medical examinations or treatment.	OJ C 350/80 OJ C 149/82

## 4.5 **Environmental protection**

C Decl. of 22 Nov. 1973

4.50

### **OBJECTIVES**

OJ C 112/73

- to prevent, reduce and as far as possible eliminate pollution and nuisances;
- to maintain a satisfactory ecological balance and ensure the protection of biosphere;
- to guide development in accordance with prescribed quality standards, especially by improving working conditions and quality of life;
- to ensure that more account is taken of environmental aspects of town planning and land use;
- to seek common solutions to environmental problems with States outside the Community, particularly in international organizations;

C Res., 17 May 1977

- to guard against deterioration of transfrontier environment.

OJ C 139/77

4.51

### **LEGAL POSITION**

Treaties include no direct provisions for establishment of a coordinated environmental policy. Provisions that can be invoked in this field can only be applied indirectly.

EP Doc. 15/72

EEC Tr. Preamble  
Arts 2, 3, 36, 92, 100,  
101, 102, 116, 117,  
118, 189, 228, 229,  
230, 231, 235, 236,  
EAEC Tr. Arts 35–38

## MEASURES TAKEN TO SOLVE ENVIRONMENTAL PROBLEMS

Agrmt. of representatives  
of Member States within C  
of 5 March 1973

Finalized by Agrmt. of  
15 July 1974

C Decl. of 22 Nov. 1973

— concerning Comm. information with view to harmonization of urgent measures regarding the protection of the environment.

OJ C 9/73  
OJ C 86/74

*EP action programme on the environment and Props. for related measures*

OJ C 112/73  
EP Doc. 9/72  
EP Doc. 74/72  
EP Doc. 106/73

The programme is based on 11 principles, amongst which are:

- the necessity of preventive action,
- the 'polluter pays' principle,
- the principle of action at the most appropriate level.

The proposed actions are divided into three main categories:

- measures to reduce pollution and nuisances,
- measures to improve the environment and living conditions,
- international action.

C Res. of 24 June 1975

Concerning revised list of second-category pollutants to be studied as part of action programme.

OJ C 168/75

C Res. of 15 July 1975  
EP Opinion

Concerning adaptation to technical progress of directives or other EC rules on protection and improvement of environment.

OJ C 168/75  
OJ C 109/74

C Rec. of 3 March 1975

Cost allocation and action by public authorities on environmental matters ('polluter pays' principle).

OJ L 194/75

C Res. of 3 March 1975

Energy and environment.

OJ C 168/75

C Reg. 1365/75  
of 26 May 1975

Creation of European Foundation for the Improvement of Living and Working Conditions:

OJ L 139/75

C Dec. 76/161 of 8 Dec. 1975	4.52 (contd)	— establishing common procedure for setting up and constant updating of inventory of sources of information on the environment in EC;	OJ L 31/76
C Dec. 76/311 of 15 March 1976 EP Opinion		— research programme (1976–80) in environmental field (indirect action);	OJ L 74/76 OJ C 280/75
C Res. of 17 May 1977 EP Opinion of 8 July 1976		— continuation and implementation of an EC policy and action programme on environment (second programme 1977–81); programme is designed to combat deterioration of transfrontier environment and includes a continuous, detailed programme of education;	OJ C 139/77 OJ C 178/76
C Dec. 79/841 of 9 Oct. 1979 EP Opinion		— revision of the second multiannual research and development programme for EC in the environmental field (indirect action);	OJ L 258/79 OJ C 296/78
C Rec. 79/3 of 19 Dec. 1978 EP Opinion of 11 May 1978		— methods of evaluating the cost of pollution control to industry;	OJ L 5/79 OJ C 131/78
Prop for C Res. EP Opinion 17 June 1982		— Third action programme of the European Communities on environment (1982–86).	OJ C 46/83 OJ C 294/82 OJ C 182/82

4.53     **STATE OF INTEGRATION**

4.531    **International conventions**

See also 4.532 waters of Rhine and Mediterranean.

C Dec. 75/437 3 March 1975		— concluding Paris Convention for prevention of marine pollution from land-based sources;	OJ L 194/75
C Dec., 11 June 1981 EP Opinion		— on the tabling of act embodying the Community's approval of Geneva Convention on long-range transboundary air pollution;	OJ L 171/81 OJ C 59/80
C Dec., 4 Sept. 1981		— on conclusion of Canberra Convention on the conservation of Antarctic marine living resources;	OJ L 252/81 OJ C 101/81
C Dec., 3 Dec. 1981 EP Opinion		— on conclusion of Berne Convention on the conservation of European wildlife and natural habitats;	OJ L 38/82 OJ C 175/80

C Dec., 24 June 1982 EP Opinion	4.531 (contd)	— on conclusion of Bonn Convention on the conservation of migratory species of wild animals;	OJ L 210/82 OJ C 327/81
C Reg., 3 Dec. 1982 EP Opinion		— on implementation in Community of Washington Convention on international trade in endangered species of wild fauna and flora;	OJ L 384/82 OJ C 327/81
C Dec., 13 Dec. 1982		— on conclusion of Convention for the conservation of salmon in the North Atlantic Ocean.	OJ L 378/82
	4.532	<b>Water pollution</b>	
C Dir. 75/440 of 16 June 1975 amended by: C Dir. 79/869 of 9 Oct. 1979 EP Opinion		— quality of surface water for abstraction of drinking water;	OJ L 194/75
		— defining methods of measurement and analysis of surface water intended for abstraction of drinking water;	OJ L 271/79 OJ C 67/79
C Dec. 75/437 of 3 March 1975		— concluding Convention for the Prevention of Marine Pollution from Land-based Sources;	OJ L 194/75
C Dir. 76/160 of 8 Dec. 1975		— quality of bathing water;	OJ L 31/76
C Dir. 76/464 of 4 May 1976		— pollution caused by certain dangerous substances discharged into aquatic environment of EC;	OJ L 129/76
C Dec. 77/795 of 12 Dec. 1977 EP Opinion		— uniform procedure for exchange of information on quality of surface fresh water in EC;	OJ L 334/77 OJ C 30/77
C Res. of 26 June 1976		— action programme of the EC on control, reduction of pollution caused by hydrocarbons discharged at sea;	OJ C 162/78
C Dec., 4 Sept. 1981		— on conclusion of Canberra Convention on the conservation of Antarctic marine living resources;	OJ L 252/81 OJ C 101/81
C Dec., 3 Dec. 1981 EP Opinion		— on conclusion of Berne Convention on the conservation of European wildlife and natural habitats;	OJ L 38/82 OJ C 175/80

C Reg., 3 Dec. 1982 EP Opinion	4.532 (contd)	— on implementation in Community of Washington Convention on international trade in endangered species of wild fauna and flora;	OJ L 384/82 OJ C 327/81
C Dec., 13 Dec. 1982		— on conclusion of Convention for the conservation of salmon in the North Atlantic Ocean;	OJ L 378/82
C Dir. 78/659 of 18 July 1978 EP Opinion of 14 Jan. 1977		— quality of fresh waters needing protection or improvement in order to support fish life;	OJ L 222/78 OJ C 30/77
C Dir. 79/116 of 21 Dec. 1978 amended by C Dir. 79/1034 of 6 Dec. 1979		— minimum requirements for certain tankers entering or leaving EC ports;	OJ L 33/79 OJ L 315/79
C Dir. 79/923 of 30 Oct. 1979 EP Opinion		— quality required of shellfish waters;	OJ L 281/79 OJ C 133/79
C Dir. 80/68 of 17 Dec. 1979 EP Opinion		— protection of groundwater against pollution caused by certain dangerous substances.	OJ L 20/80 OJ L 296/78
C Dec. 80/178 of 18 Dec. 1979		Conclusion of Agrmt on concerted action project in the field of analysis of organic micropollutants in water.	OJ L 39/80
C Dec. 81/971 of 3 Dec. 1981 EP Opinion		Establishing a Community information system for control and reduction of pollution caused by hydrocarbons discharged at sea.	OJ L 355/81 OJ C 28/81
C Dir. 3 Dec. 1982 EP Opinion		On waste from titanium dioxide industry (see also 4.535).	OJ L 378/82 OJ C 149/82

#### **International measures**

##### *The Rhine*

Acting on own initiative, EP has adopted Res. calling on Comm. to submit plans and Props. on:

EP Res. of 19 Nov. 1970	4.532	— conservation of inland waterways, with particular reference to pollution of the Rhine,	OJ C 143/70
	(contd)		
EP Res. of 16 Dec. 1971		— pollution of rivers, particularly the Rhine,	OJ C 2/72
EP Res. of 20 June 1975		— acute danger of further pollution of the Rhine.	ON C 157/75
C Dec. 77/586 of 25 July 1977 EP Opinion		Convention for protection of the Rhine against chemical pollution and Additional Agrmt of 1963 concerning the ICPR (Bonn Convention):	OJ L 240/77 OJ C 293/76
3 EP Res. of 14 Dec. 1979		— on pollution of the Rhine (asking that the Bonn Convention on pollution of the Rhine be put into effect).	OJ C 4/80
C Dec. of 24 June 1982 EP Opinion		Supplement to Annex IV to Convention on the protection of the Rhine against chemical pollution.	OJ L 210/82 OJ C 291/80
		<i>Mediterranean</i>	
C Dec. 77/585 of 25 July 1977 EP Opinion		Convention on the protection of the Mediterranean Sea against pollution and Protocol on the prevention of the pollution of the Mediterranean Sea by dumping from ships and aircraft (Barcelona Convention).	OJ L 240/77 OJ C 259/76
C Dec. of 19 May 1981 EP Opinion		Conclusion of Protocol to the Barcelona Convention on the protection of the Mediterranean Sea against hydrocarbons and other harmful substances in cases of emergency.	OJ L 162/81 OJ C 28/81
Comm. Rec. of 18 Dec. 1981		Rec. to C to conclude Prot. on the protection of the Mediterranean Sea against pollution from land-based sources.	OJ C 4/82

4.533

**Air pollution**

C Dir. 70/220 of 20 March 1970 3 amendments: C Dir. 74/290 of 28 May 1974 Comm. Dir. 77/102 of 30 Nov. 1976 Comm Dir. 78/665 of 14 July 1978		— measures to be taken against air pollution by exhaust gases from certain motor vehicles;	OJ L 76/70 OJ L 159/74 OJ L 32/77 OJ L 223/78
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C Dir. 72/306  
of 2 Aug. 1972  
corrigendum  
C Dir. 75/324  
of 20 May 1975  
C Dec. 75/441  
of 24 June 1975  
C Dir. 75/716  
of 24 Nov. 1975  
C Dir. 77/537  
of 28 June 1977  
C Dir. 78/611  
of 29 June 1978  
EP Opinion  
of 10 May 1975  
C Dec. 80/177  
of 18 Dec. 1979  
C Dec.,  
24 June 1982  
EP Opinion  
C Dir.,  
3 Dec. 1982  
EP Opinion

4.533  
(contd)

- measures to be taken against emission of pollutants from diesel engines;
- aerosols;
- common procedure for exchange of information between surveillance and monitoring networks based on data relating to atmospheric pollution caused by certain sulphur compounds and suspended particulates;
- sulphur content of certain liquid fuels;
- measures to be taken against emission of pollutants from diesel engines for use in wheeled agricultural or forestry tractors;
- lead content of petrol;
- conclusion of Agrmt on a concerted action project in field of physico-chemical behaviour of atmospheric pollutants;
- Establishing a reciprocal exchange of information and data from networks and individual stations measuring air pollution within Member States;
- Limit value for lead in the air.

OJ L 190/72  
OJ L 215/74  
OJ L 147/75  
OJ C 83/73  
OJ L 194/75  
  
OJ L 307/75  
OJ L 220/77  
  
OJ L 197/78  
OJ C 280/75  
OJ L 39/80  
OJ L 210/82  
  
OJ C 125/82  
OJ L 378/82  
  
OJ C 28/76

4.534

#### Noise nuisance

- permissible sound level and exhaust system of motor vehicles;
  - adaptation of Dir. 70/157
  - amendment of Dir. 70/157
  - adaptation of Dir. 70/157
- certain elements and characteristics of wheeled agricultural or forestry tractors;
- driver-perceived noise level of wheeled agricultural or forestry tractors;

OJ L 42/70  
OJ L 321/73  
OJ L 66/77  
OJ L 131/81  
  
OJ L 84/74  
OJ L 105/77

C Dir. 70/157  
of 6 Feb 1970  
C Dir. 73/350  
of 7 Nov. 1973  
C Dir. 77/212  
of 8 March 1977  
Comm. Dir. 81/334 EEC,  
13 Apr. 1981

C Dir. 74/151  
of 4 March 1974  
C Dir. 77/311  
of 29 March 1977

C Dir. 78/1015 of 23 Nov. 1978 Corrigendum EP Opinion of 14 May 1976	4.534 (contd)	— permissible sound level and exhaust system of motor cycles;	OJ L 349/78 OJ L 10/79 OJ L 48/79 OJ C 125/76
C Dir. 79/113 of 19 Dec. 1978 EP Opinion		— determination of noise emission of construction plant and equipment;	OJ L 33/79 OJ C 76/75
C Dir. 81/1051 of 7 Dec. 1981 EP Opinion		— amending the determination of noise emission of construction plant and equipment;	OJ L 376/81 OJ C 147/80
C Dir. 80/51 of 20 Dec. 1979		— limitation of noise emission from subsonic aircraft.	OJ L 18/80 OJ C 178/76

4.535 **Waste**

C Dir. 75/439 of 16 June 1975		— disposal of waste oils;	OJ L 194/75
C Dec. 75/406 of 26 June 1975 EP Opinion		— programme on management and storage of radioactive waste;	OJ L 178/75 OJ C 95/75
C Dir. 75/442 of 15 July 1975		— waste;	OJ L 194/75
C Dir. 76/403 of 6 April 1976		— disposal of polychlorinated biphenyls (PCB) and terphenyls;	OJ L 108/76
Comm. Dec. 76/431 of 21 April 1976		— setting up of a Committee on Waste Management;	OJ L 115/76
C Dir. 78/176 of 20 Feb. 1978 EP Opinion of 13 Jan. 1976		— waste from titanium oxide industry;	OJ L 54/78 OJ C 28/76
C Dir. 78/319 of 20 March 1978 EP Opinion of 14 Jan. 1977		— toxic and dangerous wastes;	OJ L 84/78 OJ C 30/77
C Res. of 18 Feb. 1980		— implementation of an EC plan of action in field of radioactive waste;	OJ C 51/80
C Res. of 18 Feb. 1980		— Advisory Committee on Programme Management for the management and storage of radioactive waste;	OJ C 51/80
C Res. of 18 Feb. 1980		— reprocessing of irradiated nuclear fuels;	OJ C 51/80

C Dec. 80/343 of 18 March 1980 EP Opinion of 11 Feb. 1980	4.535 (contd)	— programme on management and storage of radioactive waste (1980-84);	OJ L 78/80 OJ C 59/80
C Rec., 3 Dec. 1981 EP Opinion		— concerning re-use of waste paper and use of recycled paper.	OJ L 355/81 OJ C 28/81
	4.536	<b>Biological and chemical products</b>	
C Dec. 76/894 of 23 Nov. 1976		— establishment of Standing Committee on Plant Health;	OJ L 340/76
C Dir. 76/893 of 23 Nov. 1976 EP Opinion		— maximum levels for pesticide residues in and on fruit and vegetables;	OJ L 340/76 OJ C 97/69
C Dir. 77/312 of 29 March 1977		— biological screening of population for lead;	OJ L 105/77
C Res. of 30 May 1978 EP Opinion of 16 Dec. 1977		— fluorocarbons in environment;	OJ C 133/78
Comm. Dec. 78/618 of 28 June 1978		— setting up of a Scientific Advisory Committee to examine toxicity and ecotoxicity of chemical compounds;	OJ L 198/78
C Dir. 79/831 of 18 Sept. 1979		— sixth amendment of Dir. 67/548/EEC of 27. 6. 1967 on the approximation of laws, regulations and administrative provisions relating to classification, packaging and labelling of dangerous substances (system of notification of all new chemical substances) (see also 4.4);	OJ L 259/79
C Dec. 80/372 of 26 March 1980 EP Opinion of 14 Dec. 1979		— chlorofluorocarbons in environment;	OJ L 90/80 OJ C 4/80
C Dec., 3 Dec. 1982 EP Opinion		— consolidation of precautionary measures concerning chlorofluorocarbons in environment.	OJ L 329/82 OJ C 125/82
	4.537	<b>Prevention of risks</b>	
C Dir. 82/501, of 24 June 1982 EP Opinion		— on major-accident hazards of certain industrial activities (Seveso Directive).	OJ L 230/82 OJ C 175/80

4.538

### Protection of natural environment, air and natural resources

Comm. Rec. 75/65  
of 20 Dec. 1974

— protection of architectural and natural heritage;

OJ L 21/75

Comm. Rec. 75/66  
of 20 Dec. 1974

— protection of birds and their habitats;

OJ L 21/75

C Dec. 78/150  
of 7 Feb. 1978  
EP Opinion  
of 17 Nov. 1977

— concerted EEC research project on growth of large urban concentrations;

OJ L 21/75  
OJ C 299/77

C Dir. 79/409  
of 2 April 1979  
EP Opinion  
of 14 June 1977  
C Res. of 2 April 1979

— conservation of wild birds;

OJ L 103/79  
OJ C 163/77  
OJ C 103/79

C Reg.,  
20 Jan. 1981  
EP Opinion  
of 16 Oct. 1980

— common rules for imports of whales or other cetacean products;

OJ L 39/81  
OJ C 291/80

C Reg.,  
3 Dec. 1982  
EP Opinion

— implementation in Community of Washington Convention on international trade in endangered species of wild fauna and flora.

OJ L 384/82  
OJ C 327/81

4.54

### WORK IN PROGRESS

Prop. for Dir.  
EP Opinion

— reduction of water pollution caused by wood pulp mills;

OJ C 99/75  
OJ C 111/75

Prop. for C Dec.  
EP Opinion

— conclusion of European Convention for the protection of international watercourses against pollution;

OJ C 99/75  
OJ C 76/75

Prop. for Dir.  
EP Opinion  
amended by  
Prop. for Dir. of 9 Dec. 1977

— quality of water for human consumption;

OJ C 214/75  
OJ C 28/76

Prop. for Dir.  
EP Opinion

— dumping wastes at sea;

COM (77) 687/final  
OJ C 40/76  
OJ C 293/76

Prop. for Dir. EP Opinion amendmt of Prop. for Dir.	4.54 (contd)	— use of fuel-oils with aim of decreasing sulphurous emissions;	OJ C 54/76 OJ C 118/77 OJ C 205/77
Prop. for Dir. EP Opinion		— health protection standards for sulphur dioxide and suspended particulate matter in urban atmospheres;	OJ C 63/76 OJ C 83/77
Prop. for Dir. EP Opinion amendmt of Prop. for Dir.		— limitation of the noise emitted by compressors;	OJ C 94/78 OJ C 39/79 OJ C 87/79
Rec. for C Dec. EP Opinion		— negotiations by Community with a view to its accession to Bonn Agreement of 9 June 1979 on cooperation in dealing with pollution of the North Sea by oil;	OJ C 146/78  OJ C 163/78
Prop. for Dir. EP Opinion		— limit values for discharges of aldrin, dieldrin and endrin into the aquatic environment;	OJ C 146/79 OJ C 175/80
Amendmt of Prop. for Dir. Prop. for C Dir. EP Opinion		— quality objectives required for aquatic environment into which aldrin, dieldrin and endrin are discharged;	OJ C 146/79 OJ C 175/80
Prop. for Dir. EP Opinion		— limit values applicable to discharges of mercury into the aquatic environment by chlor-alkali electrolysis industry;	OJ C 169/79 OJ C 175/80
Prop. for Dir.		— assessment of the environmental effects of certain public and private projects;	Doc. 1-293/80
EP Opinion amendmt of Prop. for Dir.			OJ C 169/80 OJ C 66/82 OJ C 110/82
Prop. for Dir. EP Opinion amendmt of Prop. for Dir. EP Opinion		— limitation of noise emitted by hydraulic and rope-operated excavators and by dozers and loaders;	OJ C 356/80 OJ C 260/81 OJ C 302/81 OJ C 66/82
Prop. for Dir. EP Opinion amendmt of Prop. for Dir.		— limit values for discharges of cadmium into aquatic environment and quality objectives;	OJ C 118/81 OJ C 334/82 COM (82) 801 final

Prop. for Dir. EP Opinion	4.54 (contd)	— limitation of noise emissions from subsonic aircraft;	OJ C 276/81 OJ C 348/81
Prop. for C Res. EP Opinion amendmt of Prop. for Res.		— Third action programme on environment (1982-86);	OJ C 305/81 OJ C 182/82 OJ C 294/82
Prop. for C Dec. EP Opinion		— conclusion of Protocol to 1976 Barcelona Convention on the protection of the Mediterranean Sea against pollution from land-based sources;	OJ C 4/82 OJ C 334/82
Prop. for Dir. EP Opinion		— waste from titanium dioxide industry;	OJ C 196/82 OJ C 292/82
Rec. for Dec. EP Opinion		— conclusion of Protocol to 1976 Barcelona Convention concerning Mediterranean specially-protected areas;	OJ C 278/82 OJ C 334/82
Prop. for Reg. EP Opinion		— ban on importing skins of certain seal-pups and products derived therefrom into Community.	OJ C 285/82 OJ C 334/82

## 4.6 Consumer protection

C Res. of 14 April 1975

### 4.60 OBJECTIVES

OJ C 92/75

Preliminary action programme identifies following five basic rights for consumers:

- the right protection of health and safety,
- the right to protection of economic interests,
- the right of redress,
- the right to information and education,
- the right of representation.

C Res., 19 May 1981  
and Annex  
EP Opinion,  
10 Nov. 1980

Adoption of second action programme setting out measures and priorities for guaranteeing exercise of these basic rights and establishment of a dialogue during preparatory stage of decisions which affect consumers.

OJ C 133/81  
OJ C 291/80

### 4.61 LEGAL POSITION

EEC Tr.,  
Arts 2, 39, 85-90, 235

In addition to general provisions, legal basis for EC interest in consumer affairs is provided by Art. 39 which states, *inter alia*, that objective of CAP is to ensure 'that supplies reach consumers at reasonable prices', and Art. 86, which prohibits undertakings from 'limiting production, markets or technical development to the prejudice of consumers'.

4.62

## MEASURES TAKEN TO SOLVE THESE PROBLEMS

### *Consultative bodies*

Comm. Dec. 73/306  
of 25 Sept. 1973  
amend. by  
Comm. Dec. 76/906  
of 3 Dec. 1976

OJ L 283/73  
OJ L 341/76

Setting up of Consumers' Consultative Committee with the task of representing consumer interests to Comm. and to advising Comm. on all problems relating to formulation and implementation of consumer protection and information policy.

Comm. Dec. 74/324  
of 16 April 1974  
Comm. Dec. 75/420  
of 26 June 1975  
amend. by  
Comm. Dec. 78/758  
of 30 June 1978

Setting up Scientific Committee for Food.

OJ L 136/74

C Res. of 17 Dec. 1973

Programme for removal of technical obstacles to trade in foodstuffs resulting from different legal and administrative provisions in Member States.

OJ C 117/73

Five phases planned, to be completed by 1 Jan. 1978.

C Res. of 14 April 1975

Preliminary programme for consumer protection and information policy.

OJ C 92/75

C Res., 19 May 1981  
EP Opinion,  
13 Oct. 1980

Second programme for a consumer protection and information policy.

OJ C 133/81  
OJ C 291/80

4.63

## STATE OF INTEGRATION

C Dec. 81/623  
23 July 1981  
EP Opinion

Implentation of a pilot project relating to a Community system of information on accidents involving products outside spheres of occupational activities and road traffic.

OJ L 229/81  
OJ C 127/79

C Dec., 22 Nov. 1982  
EP Opinion

Concerted action on effect of processing on physical properties of foodstuffs

OJ L 353/82  
OJ C 125/82

**Perishable foodstuffs**

C Dir. of 23 Oct. 1962  
7th Amend. C Dir.  
81/20, 20 Jan. 1981  
EP Opinion

— colouring matters authorized for use in foodstuffs intended for human consumption;

OJ 115/62  
OJ L 43/81  
OJ C 147/80

C Dir. 64/54  
of 5 Nov. 1963  
14th Amend. C Dir. 79/40  
of 18 Dec. 1978  
EP Opinion

— preservatives authorized for use in foodstuffs intended for human consumption.

OJ 12/64  
OJ L 13/79  
OJ C 6/79

Substances in contact with perishable foodstuffs.

C Dir. 70/357  
of 13 July 1970  
2nd Amend. C Dir. 78/143  
of 30 Jan. 1978

— antioxidants authorized for use in foodstuffs intended for human consumption;

OJ L 157/70  
OJ L 44/78

C Dir. 74/329  
of 18 June 1974  
2nd Amend. C Dir. 80/597  
of 29 May 1980  
EP Opinion

— emulsifying and stabilization, thickening and gelling agents;

OJ L 189/74  
OJ L 155/80  
OJ C 4/80

C Dir. 76/621  
of 20 July 1976

— maximum level of erucic acid in oils and fats intended as such for human consumption and in foodstuffs containing added oils or fats;

OJ L 202/76

C Dir. 76/893  
of 23 Nov. 1976  
EP Opinion

— materials and articles intended to come into contact with foodstuffs;

OJ L 340/76  
OJ C 155/74

Comm Dir. 80/590  
of 9 June 1980

— determining symbol that may accompany materials and certain articles intended to come into contact with foodstuffs;

OJ L 151/80

C Dir. 78/142  
of 30 Jan. 1978  
EP Opinion

— materials and articles which contain vinyl chloride monomer and are intended to come into contact with foodstuffs;

OJ L 44/78  
OJ C 118/77

C Dir. 82/711  
of 18 Oct. 1982  
EP Opinion

— plastic materials and articles intended to come into contact with foodstuffs.

OJ L 297/82  
OJ C 140/79

4.631  
(contd)

Various products:

C Dir. 73/241  
of 24 July 1973  
7th Amend. C Dir. 80/608  
of 30 June 1980  
EP Opinion

— cocoa and chocolate,

OJ L 228/73

C Dir. 73/437  
of 11 Dec. 1973

— sugar,

OJ L 170/80

OJ C 34/80

OJ L 356/73

C Dir. 74/409  
of 22 July 1974

— honey,

OJ L 221/74

C Dir. 75/726  
of 17 Nov. 1975  
Amend. C Dir. 79/168  
of 5 Feb. 1979  
EP Opinion

— fruit juices and certain similar products,

OJ L 311/75

OJ L 37/79

OJ C 261/78

C Dir. 76/118  
of 18 Nov. 1975

— certain partly or wholly dehydrated preserved milk for human consumption,

OJ L 24/76

Amend. C Dir. 78/630  
EP Opinion

OJ C 206/78

OJ C 183/77

C Dir. 77/94  
of 21 Dec. 1976

— health foods,

OJ L 26/77

EP Opinion

OJ C 139/69

C Dir. 77/436  
of 27 June 1977  
EP Opinion

— coffee and chicory extracts,

OJ L 172/77

OJ C 83/73

C Dir. 79/693  
of 24 July 1979  
EP Opinion

— fruit jams, jellies and marmalades and chestnut purée,

OJ L 205/79

OJ C 7/76

C Dir. 80/778  
of 15 July 1980  
EP Opinion

— quality of water intended for human consumption.

OJ L 229/80

OJ C 28/76

<p>4.632</p> <p>C Dir. 71/307 of 26 July 1971 amended by C Dir. 75/36 of 17 Dec. 1974</p>	<p><b>Packaging and labelling<sup>1</sup></b></p>	<p>— textile names,</p>	<p>OJ L 185/71 OJ L 14/75</p>
<p>C Dir. 75/106 of 19 Dec. 1974 amended by C Dir. 79/1005 of 23 Nov. 1979 EP Opinion</p>		<p>— making-up by volume of certain prepackaged liquids,</p>	<p>OJ L 42/75 OJ L 308/79 OJ C 163/78</p>
<p>C Dir. 76/211 of 20 Jan. 1976</p>		<p>— making-up by weight or by volume of certain prepackaged products,</p>	<p>OJ L 46/76</p>
<p>C Dir. 79/112 of 18 Dec. 1978 EP Opinion</p>		<p>— labelling, presentation and advertising of foodstuffs for sale to ultimate consumer,</p>	<p>OJ L 33/79 OJ C 178/76</p>
<p>C Dir. 79/581 of 19 June 1979 EP Opinion</p>		<p>— consumer protection in indication of the prices of foodstuffs,</p>	<p>OJ L 158/79 OJ C 63/78</p>
<p>C Dir. 80/232 of 15 Jan. 1980 EP Opinion</p>		<p>— ranges of nominal quantities permitted for certain prepackaged products,</p>	<p>OJ L 51/80 OJ C 30/77</p>
<p>Comm. Dir. 80/511 of 2 May 1980</p>		<p>— authorizing marketing of compound feedingstuffs in unsealed packages or containers.</p>	<p>OJ L 126/80</p>

4.633

**Progress**

C Res.  
of 19 May 1981

Free movement of agricultural and industrial products has provided European consumers with a wider range of goods.

OJ C 133/81

<sup>1</sup> For packaging and labelling of dangerous substances see 4.42 (Public health).

**WORK IN PROGRESS**

Comm. Prop. for Reg.  
of 14 June 1968  
EP Opinion

— manufacture and marketing of butter,

OJ C 71/68  
OJ C 72/68

Prop. for Dir.  
of 22 July 1975  
EP Opinion

— quality of water destined for human consumption,

OJ C 214/75  
OJ C 28/76

Prop. for Dir.  
of 20 Dec. 1974  
EP Opinion

— ceramic articles intended to come into contact with food (limitation of extractable quantities of lead and cadmium),

OJ C 46/75  
OJ C 95/75

Prop. for Dir.  
of 23 July 1976  
EP Opinion  
Amended by  
Prop. for Dir.  
of 19 Sept. 1979

— liability for defective products (product liability),

OJ C 241/76  
OJ C 127/79  
COM (79) 415 final

EP Res. of  
23 May 1980

(requests the Commission to withdraw its proposal which has not been amended, on non-responsibility of producer for development risks),

OJ C 147/80

Prop. for Dir.  
of 5 Jan. 1977  
EP Opinion  
Amended by  
Prop. for Dir.  
of 11 Jan. 1978

— consumer protection in respect of contracts negotiated away from business premises,

OJ C 22/77  
OJ C 241/77  
OJ C 127/78

EP Res.,  
15 Oct. 1981

(requests Comm. to take necessary measures to eliminate danger of importing adulterated oil)

OJ C 287/81

Prop. for Dir.,  
28 May 1980  
EP Opinion  
amended by  
Prop. for Dir.,  
6 April 1982

— Dir. on flavourings for use in foodstuffs and source materials for their production.

OJ C 144/80  
OJ C 66/82  
OJ C 103/82

<p>Prop. for Dir. of 29 July 1977 EP Opinion Amended by Prop. for Dir. of 25 July 1978</p>	<p>4.64 (contd)</p>	<p>— home study courses,</p>	<p>OJ C 208/77 OJ C 131/78 OJ C 200/78</p>
<p>Prop. for Dir. of 27 Feb. 1978 EP Opinion Amended by Prop. for Dir. of 5 July 1979</p>		<p>— misleading and unfair advertising,</p>	<p>OJ C 70/78 OJ C 140/79 OJ C 194/79</p>
<p>Prop. Dec. of 7 Sept. 1978 EP Opinion</p>		<p>— Community system of information on accidents in which products are involved, outside spheres of occupational activities and road traffic,</p>	<p>OJ C 252/78 OJ C 127/79</p>
<p>Prop. for Dir. of 21 Feb. 1979</p>		<p>— consumer credit,</p>	<p>OJ C 80/79</p>
<p>Prop. for Dir. of 15 May 1979 EP Opinion</p>		<p>— cosmetic products (see 4.43),</p>	<p>OJ C 165/79 OJ C 175/80</p>
<p>Prop. for Dec. of 5 Dec. 1979</p>		<p>— Community system for rapid exchange of information on dangers arising from use of consumer products,</p>	<p>OJ C 321/79</p>
<p>Amended by Prop. for Dec. of 20 Dec. 1982 EP Opinion</p>			<p>COM (82) 837 OJ C 182/82</p>
<p>Prop. for Dir. of 3 July 1980</p>		<p>— approximation of laws concerning toy safety,</p>	<p>OJ C 228/80</p>

Prop. for Dir.  
of 23 Jan. 1980  
EP Opinion

4.64  
(*contd*)

— amendment of Council Directive 71/307/EEC relating to textile names,

OJ C 63/80  
OJ C 197/80

Prop. for Dir.  
of 29 Jan. 1981  
EP Opinion

— material and articles made of regenerated cellulose film intended to  
come into contact with foodstuffs.

OJ C 235/81  
OJ C 149/82

4.7 **Education policy and cultural policy**

4.71 **EDUCATION POLICY**

4.711 **Aims**

To make citizens of EC more aware of the part which it plays in their everyday life; to contribute to mutual understanding among the peoples of Europe and give training of students, teachers and workers a European dimension; to provide EC with the means to make its presence felt in all sectors of research, technology and teaching.

4.712 **Treaty provisions**

ECSC Treaty provides for vocational retraining (Art. 56), EEC Treaty for mutual recognition of diplomas (Art. 57) and vocational training of workers (Art. 118) and farmers (Art. 41), and EAEC Treaty for establishment of an institution of university status (Art. 9, para. 2) Cf. heading 4.714.

ECSC Tr., Art. 56  
EEC Tr., Arts 41, 59 and 118  
EAEC Tr., Art. 9, para. 2

4.713 **Implementation**

Summit meeting of Heads of State or Government held in Bonn in 1961.  
Decision on means to achieve objectives.

Bull. EC 7/8-1961

Presentation by Comm. in 1973 of work programme on research and education.

GAB/X/17/73

C Res. of 6 June 1974	4.713 ( <i>contd</i> )	— Meeting, within Council, of the Ministers of Education, 6 June 1974. Decision to cooperate in field of education and to set up an Education Committee.	OJ C 98/74
C Res. of 21 Jan. 1974		— Social action programme.	OJ C 13/74
Comm. Prop. of 28 July 1975 EP Opinion		— Education of the children of migrant workers.	OJ C 213/75 OJ C 239/75
C Res. of 9 Feb. 1976		— Meeting, within Council, of the Ministers of Education, 9 February 1976. Resolution on an action programme in field of education.	OJ C 38/76
		— Meeting, within Council, of the Ministers of Education, 27 June 1980. Discussions on Education Committee's progress report on work carried out in the context of action programme of 9 February 1976. Permanent Representatives Committee to consider instruments to be adopted and their budgetary implications.	Bull. EC 6-1980
		Meeting, within C, of Ministers of Education on 22 June 1981. Revitalization of policies on education and training in context of employment situation in the Community.	Bull. EC 6-1981
		Meeting, within C, of Ministers of Education on 24 May 1982. On the basis of report by the Education Cttee, Ministers expressed their agreement on implementation at Community level of a series of pilot schemes for the period 1983-86 to prepare young people more effectively for transition from school to working life.	Bull. EC 5-1982
		C also adopted a report by the Education Cttee on mutual recognition of diplomas, certificates and periods of study.	

4.714 **European University Institute at Florence**

*Background:*

EAEC Tr., Art. 9, Para. 2

- 3 June 1955: proposal to set up a European University first raised at Messina (Conference of Foreign Ministers of the Six),
- 18 July 1961: again raised at Summit meeting in Bonn: 'Creation of a European University by Italy in Florence',

- 4.714 — 19 April 1972: signature of inter-governmental 'Convention' by Six  
(*contd*) (adopted by three new Member States),
- ratification procedures.
- Programme for establishment:*
- 20 March 1975: first meeting of High Council of the European University Institute,
  - October 1975: preparation of study programme and selection of students,
  - October 1976: inauguration of first academic year.

#### 4.72 **CULTURAL POLICY**

EP Res. of 13 May 1974  
EP Res. of 8 March 1976  
The Hague Summit, 1969

Paris Summit, 1972

Copenhagen Summit, 1973

Commun. from Comm.  
to C of 22 Nov. 1977  
EP Opinion

- Protection of the European cultural heritage.
- EC action in cultural sector.
- At The Hague, Heads of State or Government declared that Europe constituted an exceptional seat of development, progress and culture which it was essential to preserve.
- The final declaration of the Paris Summit contains phrases such as 'Economic expansion, which is not an end in itself . . . must emerge in an improved quality as well as an improved standard of life', 'special attention will be paid to non-material values and wealth'.
- In the Declaration on the European Identity adopted by the Copenhagen Summit, culture was acknowledged, at highest political level, to be one of the basic elements of that identity.
- Communication from Comm. to C of 22 November 1977 concerning EC action in cultural sector. Comm. sets out principles and ways of implementing them: application of EEC Treaty to production and distribution of cultural goods and services; conservation of architectural heritage; development of cultural exchanges.

OJ C 62/74

OJ C 79/76

Bull. EC 1-1970  
Para. 4 of the  
final communiqué

Bull. EC 10-1972  
Para. 3 of the  
final declaration

Bull. EC 12-1973  
Para. 2501

Bull. EC  
Suppl. 6/77  
OJ C 39/79

Commun. from Comm.  
to C  
of 8 Oct. 1982

4.72  
(contd)

— Commun. from Comm. to C of 25 November 1982 on stronger Community action in cultural sector. Comm. takes stock of its activities in cultural sector in five years since its commun. of 22 November 1977 and proposes that its initiatives be strengthened.

COM (82) 590 final

European Council  
Rome, 26 March 1977

#### **European Foundation**

— The European Council invited Comm. to submit during 1977 a report on the scope, structure and financing of a European Foundation to be set up in accordance with recommendations of the Tindemans Report on European Union.

Bull. EC 3-1977  
Point 2.3.4.  
Bull. EC  
Suppl. 1/76

Report of Comm. to C  
of 17 Nov. 1977  
EP Opinion

— Plan to create a European Foundation which would have aims of promoting youth activities, university exchanges, scientific debates and symposia, meeting between socio-professional categories, cultural and information activities, and presenting abroad image of a United Europe.

Bull. EC Suppl. 5/77  
OJ C 85/78

— Signature of the agrmt establishing a European Foundation by Member States on 29 March 1982. Task of Foundation is to increase mutual understanding between peoples of Community, to promote a better understanding of Europe's cultural heritage in all its richness, breadth and unity and to foster a deeper and more direct perception of progress towards goal of European Union.

Bull. EC 1/1982

**YOUTH POLICY**

The Hague Summit  
of 1 and 2 Dec. 1969

'All the creative activities and the actions conducive to European growth decided upon here will be assured of a greater future if the younger generation is closely associated with them'.

Bull. EC 1970  
Para. 16 of the  
final communiqué

EP Opinion

Communication from Comm. to C on action to be taken on Paragraph 16 of the communiqué, with a view to setting up an *ad hoc* youth body.

COM (73) 635 fin.

EP calls on C and Comm. 'to study and take in hand youth problems with the greatest possible openness so as to arouse in young people feelings of unity and mutual understanding, and to make them fully aware of their worth and their rights and obligations in a united, democratic and peace-loving Europe'.

OJ C 76/74

Recommendation from Comm. to C for a decision on setting up a 'Committee for Youth Questions' and a 'European Youth Forum'. The Forum, the aim of which is to give young people opportunity to meet, hold discussions and exchange views on various aspects of EC policy, was definitively set up, as an independent body, in June 1978 at a plenary meeting in Rome, of all youth organizations concerned.

COM (75) 27 fin.

EP Opinion

EP declares that active support should be given to Youth Forum to direct its activities so as to confirm its role as a recognized partner and interlocutor of EC institutions.

OJ C 140/79

## 5. **EXTERNAL RELATIONS**

### 5.0 **Common commercial policy and multilateral relations**

Information on domestic aspects of the common commercial policy (see 2.1), on agricultural products falling under the COM (see 3.6), and on international agreements (see 5.5).

### 5.1 **Customs policy**

#### 5.11 **OBJECTIVES**

Creation of conditions required for establishment of a common market without customs barriers between Member States and introduction of Common Customs Tariff *vis-à-vis* third countries. 12-year transition period provided for.

EEC Tr., Art. 3  
EAEC Tr., Art. 94  
EEC Tr., Art. 8

#### 5.12 **REQUIREMENTS OF TREATIES**

Progressive introduction of CCT at level of arithmetical average of duties in force on 1 January 1957. CCT to be applied by end of transitional period.

Application of CCT one year after Treaty enters into force.

Possibility of altering or suspending CCT.

EEC Tr., Arts 18 – 23

EAEC Tr., Art. 94

EEC Tr., Art. 28

EEC Tr., Art. 29

5.12 Factors which guide Commission in task of setting up CCT.  
(contd)

Act of Accession  
Arts 32 and 39

5.121 Conditions of Accession for Denmark, Ireland and United Kingdom provide for abolition of customs duties on intra-EC trade and full adoption of CCT by 1 July 1977, after progressive reductions.

Act of Accession  
Arts 25 and 31  
EP Res.,  
17 April 1980

5.122 Conditions of Accession for Greece provide for abolition of customs duties on intra-EC trade and full adoption of CCT by 1 January 1986, in accordance with following schedule:

OJ L 291/79

OJ C 117/80

Duties on intra-EC trade or difference between basic duties and CCT reduced by:

10 % on 1 January 1981 and 1 January 1982,

20 % on 1 January for each year from 1983 to 1986 inclusive.

## 5.13 **DECISION-MAKING PROCEDURE**

EEC Tr., Art. 28

Any autonomous alteration or suspension of CCT decided unanimously by C. C acting on proposal from Comm. determines:  
by qualified majority:

EEC Tr., Art. 28

— limited alterations to CCT;  
unanimously:

EEC Tr., Art. 100

— directives for approximation of provisions relating to customs matters laid down by law, regulation or administrative action in Member States (after consulting EP and ESC if these directives involve amendment of legislation) (see 1.22).

EEC Tr., Art. 235

5.13 — measures required to attain Community objectives (after consulting EP)  
(*contd*) (see 1.233).

C Reg. 1410, 4 June 1974

Comm., at request of Member States, determines – for example:

— tariff treatment applicable to goods imported for free circulation in event of disasters occurring in territory of one or more Member States.

OJ L 150/74

C Reg. 97, 16 Jan. 1969

Comm., aided by advisory committees, supervises:

— uniform application of CCT nomenclature;

OJ L 14/69

C Reg. 542, 18 March 1969

— implementation of Community transit procedure;

OJ L 77/69

C Reg. 802, 27 June 1968

— common definition of concept of origin of goods;

OJ L 148/68

C Reg. 803, 27 June 1968

— valuation of goods for customs purposes;

OJ L 148/68

C Dir. 73, 4 March 1969

— inward processing arrangements;

OJ L 58/69

— composition of Advisory Committee on Customs Matters which represents all groups affected by customs regulations.

7th GR EC, par. 104

5.14

## ATTAINMENT OF CUSTOMS UNION

Comm. Prog.,  
28 April 1971  
Comm. Commun.  
15 June 1977  
EP Rep.,  
3 March 1978  
EP Res.,  
12 April 1978  
EP Res.,  
5 July 1978  
EP Res.,  
16 Oct. 1980

In 1971 Comm. adopted a programme aimed at completing the customs union. In 1977 it transmitted a communication to C and EP describing the salient features of the customs union, analysing its short-comings and making suggestions for improvement.

Bull. EC 6-1971  
Part 1, Chap IV  
Bull. EC 6-1977  
point 1.21 *et seq.*  
Doc. 557/77  
OJ C 108/78  
OJ C 182/78  
OJ C 291/80

Comm. Prog.,  
8 March 1979  
EP Res.,  
17 Sept. 1981  
EP Res.,  
15 Oct. 1981

5.141 **Work in progress**

The Comm. has put forward a multiannual programme for attaining customs union. This programme lays down the fundamental objectives which must guide the Community in establishing a true customs union and describes in detail the measures to be taken in this area. Commission Communication to C of 8 June 1981 outlined programme for 1981. Comm. commun. to C of 21 October 1981 contains draft res. on strengthening of internal market. For further details see 2.13.

Bull. EC 3-1979  
OJ C 84/79  
Bull. EC 12-1979  
points 1.3.1-1.3.3.  
OJ C 44/80  
OJ C 106/81  
OJ C 260/81  
OJ C 287/81

5.15 **COMMON CUSTOMS TARIFF (CCT)**

5.151 **Objectives**

EEC Tr., Arts 2 and 3

To contribute to establishment of common commercial policy

5.152 **Rules for application of CCT**

In general CCT is applied by EEC Member States *vis-à-vis* third countries, except when CCT partially or wholly suspended as result of agreements between EEC and third countries or groups of third countries.

C Reg. 950, 28 June 1968

Applicable to industrial and agricultural products from 1 July 1968, CCT contains:

OJ L 172/68

— conventional tariffs applicable to member countries of GATT and to countries with which EEC has concluded 'most-favoured-nation' agreements;

5.152 — autonomous tariffs established by EEC *vis-à-vis* other third countries.  
(*contd*)

When conventional customs duty is higher than autonomous duty, latter is applicable. Basis of application is nomenclature of import duties, published annually. Edition of CCT in force for current year is drawn up at end of previous year.

C Reg. 3000, 20 Dec. 1979	Application of tariff reductions arising from GATT (Tokyo Round) agreements – see. 5.154.	OJ L 342/79
C Reg. 3300/81, 16 Nov. 1981	1982 edition incorporates some reductions negotiated in Tokyo Round, especially regarding civil aircraft. EUA replaced by ECU.  For preferential arrangements resulting from special agreements with third countries see 6.	OJ L 335/81
C Reg. 1496, 29 Sept. 1968	Definition of customs territory of Community.	OJ L 238/68
EP Res., 18 Nov. 1981	Comm. prop. for revised regulation currently under study in C.	OJ C 305/80 OJ C 260/81
C Reg. 1224, 28 May 1980 C Reg. 1580, 12 June 1981	Valuation for customs purposes. Implementing provisions for agreement concluded in Tokyo Round (see 5.3373(h)). Subsequent detailed implementation by Comm. Reg.	OJ L 134/80 OJ L 154/80 OJ L 333/80 OJ L 335/80 OJ L 154/81
C Reg. 2744, 19 Dec. 1972		OJ L 291/72
C Reg. 3456, 17 Dec. 1973		OJ L 356/73
C Reg. 2780, 20 Dec. 1971	Possibly temporary, partial or total suspension of autonomous duties on certain products not produced in sufficient quantity to meet needs of EC.	OJ L 287/71

C Reg. 1308-14  
(232/ECSC, 233/ECSC),  
21 June 1971

5.152      Entry into force on 1 July 1971, for the Group of 77 (see 5.42) of  
(*contd*)      generalized tariff preferences in favour of developing countries and areas.

OJ L 142/71

Comm. Reg. 2862,  
22 Dec. 1971

### **Generalized tariff preferences**

OJ L 289/71

Since 1 January 1974 same system has been applied by Community as originally constituted and by new members. Implementing regulations may be renewed. New regulations are published in OJ towards end of each year (see also 5.42).

Comm. Reg. 1371,  
30 June 1971 amended  
by Comm. Reg. 2171,  
11 Oct. 1971

Concept of 'originating products' for application of tariff preferences granted by EEC in respect of certain products imported from developing countries (industrial and agricultural products).

OJ L 146/71  
OJ L 229/71

C Reg. 3322,  
16 Dec. 1980  
EP Res.,  
15 Dec. 1980

New scheme for generalized preferences for 1981-85 adopted by C in Dec. 1980, provides for some differentiation between beneficiaries.

OJ L 354/80  
OJ C 291/80  
OJ C 346/80

C Reg. 3601,  
7 Dec. 1981  
EP Res.,  
20 Nov. 1981

Regulations for 1982.

OJ L 365/80  
OJ C 327/81

Preferential tariff treatment applied by EC (position as on 1 January 1982).

OJ C 86/82

**Approximation of customs legislation**

C Dir. 73-76,  
4 March 1969

— Aim to achieve uniform application of CCT; equal customs treatment. From 1 January 1975 all CCT duties levied in Member States are allocated to Community budget.

OJ L 58/69

C Dir. 235,  
21 June 1971

— Customs warehouses and admission of goods into free zones; deferred payment of customs duties – implementation of measures by Member States before 1 October 1969 to comply with provisions of directive.

OJ L 143/71

C Dir. 73,  
4 March 1969

— Directive relating to usual forms of handling goods which may be carried out in customs warehouses and in free zones.

OJ L 58/69

EP Res.,  
18 June 1982

— Inward processing, i.e. duty-free importation of goods which are to be worked or processed before being re-exported – Inward Processing Committee.

Comm. proposal on revised arrangements before C.

OJ C 182/82

C Dir. 76/119,  
18 Dec. 1975

— Outward processing, i.e. export of goods with a view to their being re-imported after processing, working or repair, wholly or partly free of import duties – Inward Processing Committee, may examine any matter relating to the application of this Dir.

OJ L 24/76

C Reg. 636,  
16 March 1982

— Outward processing arrangements applicable to textiles and clothing.

OJ L 76/82

C Dir. 177,  
24 Feb. 1981

— Directive harmonizing export customs formalities.

OJ L 83/81

C Reg. 754,  
25 March 1976

— Customs treatment applicable to goods returned to customs territory of Community (these goods are exempt from import duty).

OJ L 89/76

C Reg. 802, 27 June 1968  
amended by C Reg. 1318,  
21 June 1971

— Common definition of concept of origin of goods; uniform application of EC customs provisions. Committee on Origin and EEC certificate of origin.

OJ L 148/68  
OJ L 139/71

Comm. Reg. 2741/78, 24 Nov. 1978 Comm. Reg. 2931/78, 13 Dec. 1978	5.153 ( <i>contd</i> )	The scope of this Reg. has been extended on several occasions, most recently in 1978 in respect of postal charges and split consignments.	OJ L 330/78 OJ L 350/78
C Reg. 1468, 19 May 1981		— Regulation on mutual assistance between authorities in Member States in application of law on customs and agricultural matters.	OJ L 144/81
EP Res., 18 Sept. 1981		— Proposed directive on harmonization of procedure for release of goods into free circulation.	OJ L 205/79 OJ C 260/81

## 5.2 **Common commercial policy**

### 5.21 **REQUIREMENTS OF THE TREATIES**

EEC Tr., Art. 113  
(1 and 2)

Common commercial policy is based on uniform principles, particularly in regard to changes in tariff rates, conclusion of tariff and trade agreements, achievement of uniformity in measures of liberalization, export policy and measures to protect trade such as those to be taken in case of dumping or subsidies.

EEC Tr., Art. 115

To ensure that execution of measures of commercial policy taken by any Member State is not obstructed by deflection of trade or economic difficulties.

ECSC Tr., Art. 71

Governments of Member States shall afford each other such mutual assistance as is necessary to implement measures taken in accordance with Tr.

EEC Tr., Art. 112 (1)

Harmonization, before end of transitional period, of systems whereby Member States grant aid for exports to third countries, to extent necessary to ensure that competition between undertakings of EC is not distorted.

ECSC Tr., Art. 72

Fixing of maximum and minimum rates for customs duties.

ECSC Tr., Art. 73	5.21	Supervision of administration and verification of import and export licences (for trade with third countries).
ECSC Tr., Art. 74	( <i>contd</i> )	Measures against dumping and excessive imports which threaten Community production.

5.211 **Negotiation and conclusion of trade agreements with third countries**

EEC Tr., Art. 113 (3)		Comm. makes recommendations to C, which authorizes it to open necessary negotiations. Comm. conducts negotiations in consultation with special committee appointed by C to assist it in this task and within framework of such directives as C may issue to it.
EEC Tr., Art. 114		Agreements are concluded on behalf of EC by the C acting by qualified majority.
EEC Tr., Art. 228		Agreements between EC and one or more States or an international organization are negotiated by Comm. and concluded by C, after consulting EP where required by Tr.

5.22 **DECISION-MAKING PROCEDURE  
(EXCEPT WHERE SPECIFIED IN 5.13 or 5.211)**

		Decisions are made by acting by qualified majority on proposal from Comm.
EEC Tr., Art. 113		Uniform principles for implementation of common commercial policy.
EEC Tr., Art. 115		Comm. can authorize Member States to take protective measures in case of deflection of trade or economic difficulties.

5.23      **STEPS TOWARDS STANDARDIZATION  
OF MEASURES VIS-A-VIS THIRD COUNTRIES**

5.231      **Trade agreements between Member States and third countries**

C Dec.,  
9 Oct. 1961

Validity of agreements with third countries may in no case extend beyond end of transitional period (31 December 1969).

OJ L 71/61

C Dec. 495,  
16 Dec. 1969

However, authorization has been given for extensions of one year subject to prior consultation with EC.

OJ L 326/69

Certain authorizations for extension or continuation by tacit renewal are still granted where the agreements in question do not constitute an obstacle to implementation of the common commercial policy. See for example C Dec. 180 of 16 March 1982.

OJ L 83/82

C Reg. 288/82,  
5 Feb. 1982

List of products subject to national quantitative restriction on entry into free circulation annexed to common rules for imports as revised in 1982. See 5.2421 below.

OJ L 35/82

5.232      **Cooperation agreements not covered by Art. 113**

Agreements relating to cooperation in technological, industrial, scientific or financial fields.

C Dec. 393,  
22 July 1974

Adoption of consultation procedure.

OJ L 208/74

Member States inform Comm. and other Member States of any cooperation agreements with third countries which they intend to negotiate or extend.

Consultation takes place in a committee consisting of representatives of Member States and Comm.

5.24 **IMPORT POLICY**

See 5.243 for rules applying to most State-trading countries.

5.241 **Objectives**

Harmonization of import procedures.

Contribution to liberalization of world trade by joint liberalization list.

5.242 **State of integration**

5.2421 ***HARMONIZATION ACHIEVED TO DATE***

CCT in force (see 5.14).

Common rules for imports other than imports from State-trading countries and other than textile products. Imports not included in Annex I and not the subject of safeguard action under this regulation are liberalized.

Regulation replaces C Reg. 926 of 8 May 1979. Member States inform Comm. if trends in imports call for protective measures. Consultation procedure necessary within advisory committee consisting of representatives of each Member State and chaired by Comm. before introduction of surveillance or protective measures. Following investigation by Comm. of imports trends and injury to Community producers, restrictions on entry into free circulation may be imposed by Comm. subject to confirmation by C.

Interim protective measures may be adopted in certain circumstances by individual Member States until decision is taken at Community level.

C Reg. 288, 5 Feb. 1982

OJ L 35/82

OJ L 131/79

	5.2421 ( <i>contd</i> )	Common liberalization list replaced in new regulation by Annex indicating those quantitative restrictions still maintained by Member States.	
C Reg. 1023, 25 May 1970		Common procedure for administering quantitative import quotas.	OJ L 124/70
C Reg. 1471, 20 July 1970		Common procedure for the autonomous increase of imports into EC of products subject to voluntary restraint arrangements by exporting countries.	OJ L 164/70
C Reg. 3059, 21 Dec. 1978 C Reg. 3553, 22 Dec. 1980	5.2422	Common rules for imports of textile products. Last amended in 1980. Subjects imports of these products from certain supplying countries to quantitative lists as established in the bilateral agreements concluded under the aegis of the GATT Multifibre Arrangement.	OJ L 365/7 OJ L 381/8
Comm. Reg. 661, 8 March 1982		Allocation between Member States of quotas published as Annex: C. Reg. 3059; last revised for 1982.	OJ L 82/82
	5.2423	<b><i>PROGRESS IN COORDINATION OF MEASURES BY MEMBER STATES</i></b>	
C Dec., 9 Oct. 1961		— Establishment of consultation procedure to provide Comm. and Member States with information regarding changes in state of liberalization in relation to third countries.	OJ L 71/61 (pp. 1273 – 74)
C Dec. 455, 19 Dec. 1972		— Transitional measures for progressive standardization of import terms.	OJ L 299/72
C Reg. 925, 8 May 1979		— Community information and consultation procedure, Community surveillance and protective measures and common rules for imports revised and extended (see 5.2421).	OJ L 131/79

**Relations with State-trading countries**

C Dec. 34, 6 Dec. 1973	Authorization for bilateral negotiations between Member States and State-trading countries and/or tacit extension of certain trade agreements; validity of these agreements limited to 31 December 1974.	OJ L 30/74
C Reg. 925, 8 May 1979	Establishment of common rules for imports: — list of liberalized products, not subject to quantitative restrictions, shown in the annex is amended periodically by C Reg. which are published in OJ L. Text of amending supplement is published in OJ C; — surveillance measures;	OJ L 131/79
C Reg. 1765, 30 June 1982	— measures to safeguard producers against excessive imports; since 1981 interim protective measures may be implemented at national level only on an interim basis; — consultation to take place within advisory committee composed of representatives from Member States and from Comm.	OJ L 195/82
C Dec. 210, 27 March 1975 C Dec. 158, 20 Dec. 1979	Pending the conclusion of trade agreements with State-trading countries, Community has adopted unilateral arrangements concerning imports from these countries which are subject to quantitative restrictions.	OJ L 99/75 OJ L 42/80
C Reg. 3286, 4 Dec. 1980	Single instrument combines previous decisions which govern unilateral import arrangements for restricted products. Ensures transparency through annexed list of products subject to quantitative restriction; improves procedure for amending import arrangements; establishes Community consultation procedure.  At end of each year C, acting on prop. of Comm. adopts new quotas for following year. C Dec. giving details of new quotas is published in OJ L. For 1982 see OJ L 390 of 31 Dec. 1981.  The EC has concluded bilateral agreements with Yugoslavia, China and Romania (see Chapter 6).	OJ L 353/80  28th Review of C Work par. 212

5.2431 **WORK IN PROGRESS**

In November 1974, EC forwarded outline trade agreement to State-trading countries.

9th GR EC, par. 50

See CMEA 5.37.

5.244 **Protection against dumping or granting of bounties or subsidies by third countries**

C Reg. 3017, 20 Dec. 1979  
C Dec. 271, 10 Dec. 1979  
EP Res., 16 Dec. 1981

Aligns Community rules with GATT agreements, especially on such matters as subsidies and countermeasures, determination of injury, regional protection, price commitments, provisional duties and retrospective application of anti-dumping measures.

OJ L 339/79  
OJ L 71/80  
Bull. EC 12-1979  
point 2.2.10

If complaint against dumping lodged, Comm. conducts inquiry into injury or threat of injury. Consultation may take place in advisory committee.

OJ C 11/82

C Reg. 1100, 30 April 1980

Imposition of anti-dumping duty – quoted as an example.

OJ L 114/80

In majority of cases examined, exporters agreed to take measures deemed admissible by Comm.

Comm. Commun.

Termination of anti-dumping/anti-subsidies procedure concerning synthetic stockings from Taiwan and from Republic of Korea – quoted as an example.

OJ C 73/74

5.245 **Commercial policy in coal and steel sector**

— Products covered:

Coal and steel (products described in common customs tariff (CCT) in Chapters 27 and 73 and marked 'ECSC').

5.2451 *COAL*

Commercial policy has effectively remained in hands of Member States. Coordination exists only at technical level.

5.2452 *STEEL*

*Anti-crisis-measures*  
(steel industry) see also 4.21611

Special measures have been taken to deal with the difficulties in the steel industry.

Certain of these measures apply exclusively to imports and others, taken for the internal market, also apply to certain imports.

*Measures applicable to imports:*

- (1) Surveillance measures.
- (2) Anti-dumping measures.
- (3) Fixing of reference prices.
- (4) Agreements with third countries.

(1) *Surveillance measures*

These are not entirely specific to the crisis but are permanent and were merely strengthened by introduction of detailed measures.

15th GR EC par.  
645 *et seq.*  
16th GR EC par.  
633 *et seq.*

Comm. Rec. 587/ECSC,  
7 March 1980  
Comm. Dec. 588/ECSC, Rec.  
7 March 1980  
Comm. ECSC, Rec. 1399,  
1 June 1982

5.2452  
(contd)

Each month, Member States are required to notify Comm. of imports and exports carried out during the previous month and supply data on applications for import licences which must contain very detailed information. This 'advance surveillance' is complemented by retrospective surveillance of actual imports.

OJ L 65/80  
OJ L 291/80  
OJ L 157/82

Procedures renewed on several occasions.

ECSC Tr., Art. 74

(2) *Anti-dumping measures deriving from basic prices and practice of granting bounties or subsidies*

*Basic prices*

Comm. Recommendations  
3018/ECSC, 21 December 1979  
and 3025/ECSC, 12 November 1982

Concept linked to anti-crisis measures, differs from concept of basic prices used in iron and steel lists published in accordance with Art. 60 of the ECSC Tr.

OJ L 339/79  
OJ L 317/82

Prices established by reference to the lowest normal cost in the supplying country where there are normal conditions of competition, in conformity with GATT anti-dumping Code.

*Measures applicable*

Comm. Communic.

Comm. statement concerning basic prices of certain iron and steel products (approx. 150 products). Amended annually.

OJ L 290/80  
OJ L 372/81  
OJ L 321/82

*Dumping*

*Principle:* compensation for a real or potential injury caused to an industry already established or being set up in EC.

*Procedure:* following a complaint from the European iron and steel industry lodged by a Member State, Comm., in consultation with the Member States, establishes the existence of both dumping and injury. It then fixes a provisional anti-dumping duty which becomes definitive if the facts as finally established show there is injury. Comm. may amend, revoke or annul these measures.

5.2452 (3) *Fixing of reference prices:*  
(contd) Application to imports: See 4 below

(a) *Minimum prices*

Setting by Comm. of supply targets with which EC steel undertakings agree to comply. In the case of certain products not covered by satisfactory voluntary commitments, fixing of minimum prices for a given period.

These measures have been used but are not being enforced at present. Comm. may reintroduce such prices in respect of coils.

(b) *Guidance prices*

These are prices which the producers voluntarily agree to comply with, but once a producer has agreed to these prices, Art. 60 of the ECSC Tr. is applicable.

OJ L 114/77  
OJ C 174/77  
OJ L 370/78

(c) *Delivered prices*

These are prices at the point of sale, i. e. the basic prices adjusted to take into account variations for example in quality or size, and transport costs.

(4) *Agreements with third countries*

In accordance with its mandate from C of 20 December 1977, prolonged annually, Comm. has concluded agreements with 14 third countries allowing maintenance of traditional patterns of trade but providing EC steel industry with safeguards on price and volume.

Imports are subject either to basic prices or to these arrangements negotiated with supplying countries which cover majority of ECSC imports.

ECSC Tr. Art. 61

Comm. Communic.

5.2452  
(contd)

There are three types of agreement:

(a) *EFTA countries* (Austria, Finland, Norway, Sweden)

Main features:

- compliance with guidance prices,
- abatement of 3 % on guidance prices,
- prohibition on EC undertakings aligning their prices on imports from these countries for the duration of the agreement,
- quantities to remain within traditional trade patterns,
- exemption from anti-dumping proceedings,
- reciprocation of any advantages in favour of EC undertakings,
- valid until the end of each year.

(b) *Countries with market economies which are not members of EFTA* (Australia, Brazil, Spain, South Korea)

Main features:

- exporting countries undertake to apply delivered prices, subject to a margin of penetration: 6 % for ordinary steels and 4 % for special steels,
- possible alignment on offers from third countries which have not concluded an agreement with EC, subject to compliance with the basic price,
- prohibition on EC undertakings aligning their prices on imports from these countries for the duration of the agreement,
- application of basic prices to indirect imports,
- restricted tonnage imported,

5.2452  
(contd)

- no anti-dumping proceedings if the agreements are complied with,
- valid until the end of each year.

There is a special understanding with Japan providing for observance of traditional trade flows.

(c) with *State-trading countries* (Bulgaria, Czechoslovakia, Hungary, Poland, Romania)

Main features:

- compliance by such countries with the delivered prices, subject to a margin of penetration: 6% for ordinary steels and 4% for special steels,
- prohibition on EC undertakings aligning prices on imports from these countries for the duration of the agreement,
- possible alignment on the price of an offer from a third country which has not concluded an agreement with EC, subject to compliance with the basic price,
- application of basic prices to indirect imports,
- tonnage imported restricted by product for each Member State,
- current anti-dumping proceedings suspended,
- valid until the end of each year.

ECSC Tr., Art. 58  
Comm. Dec. 2794  
ECSC, 31 Oct. 1980

As a consequence of the compulsory reduction of internal production of steel, measures have been taken to ensure comparable reductions in imports from these countries when the annual arrangements have been renewed.

For export restraint agreement concluded with USA in 1982 see 6.504.

OJ L 291/80

5.25      **EXPORT POLICY**

5.251     **State of integration**

Although transitional period has expired, harmonization of rules relating to exports is not yet complete.

C Reg. 2603, 20 Dec. 1969

Common rules for exports.

OJ L 324/69

Measures can be taken:

- in case of serious shortage of essential products;
- to allow international undertakings to be fulfilled;
- to establish advisory committee;
- to draw up Annex listing products subject to quantitative export restrictions.

List of products subject to restrictions periodically amended by C Reg. published in OJ L.

C Reg. 1023, 25 May 1970

Common procedure for administering quantitative export quotas.

OJ L 124/70

Establishment of Quota Administration Committee presided over by representative of Comm.

5.252     **Credit insurance and export credit insurance**

5.2521    *MEASURES IN FORCE*

C Dec., 27 Oct. 1960

Establishment of a policy-coordination group for credit insurance, credit guarantees and financial credits consisting of delegates from the Member States and Comm.

OJ L 66/60

5.25/5.2521

C Dec. 391, 3 Dec. 1973  
amended by C Dec. 641,  
27 July 1976

5.2521  
(*contd*)

Consultation procedure for credit insurance, credit guarantees and financial credits given by the Member States or State bodies.

OJ L 346/73  
OJ L 223/76

C Dec. 552, 16 Dec. 1970  
and annex

Arrangements, in the fields of export guarantees and export finance, applicable to certain subcontracting operations effected in other Member States or non-member countries.

OJ L 284/70

Convention laying down the reciprocal obligations of credit insurance bodies in the EC for joint guarantees of contracts involving subcontracting operations in one or several Member States.

Arrangement on guidelines for export credits. Following international negotiations in OECD, concluded on 22 Feb. 1978 in which EC participated, it was agreed to implement an arrangement on officially supported export credits (the 'Consensus').

Bull. EC 2-1978  
point 2.2.35

The arrangement sets a minimum percentage for down-payments, maximum repayment periods and minimum interest rates. It also contains guidelines on local costs and lays down procedures for the satisfactory operation of the arrangement.

C Dec., 4 April 1978

Confirmation that the Community will apply the guidelines from 1 April 1978; application prolonged on several occasions (unpublished C Decs).

Bull. EC 4-1978,  
point 2.2.46

An agrmt was reached in October 1981, which entered into force on 16 November for six months, whereby minimum interest rates were increased and special arrangements made for low-interest rate countries (Japan). Further negotiations held in 1982 eventually permitted renewal of the consensus from July; interest rates were again increased closer to market levels, in particular for exports to the Soviet Union.

Bull. EC 10-1981,  
point 2.2.8

C Dec., 10 Dec. 1979

Export credits for ships – Community accedes to OECD Understanding negotiated on 26 October 1979.

13th GR EC,  
par. 500  
Bull. EC 4-1981,  
point 2.2.12

5.2522 *HARMONIZATION – DIRECTIVES ADOPTED BUT NOT YET IMPLEMENTED*

C Dirs 509 and 510,  
27 Oct. 1970

Adoption of common credit insurance policy for medium and long-term transactions with public and private buyers.

OJ L 254/70

C Dir. 86, 1 Feb. 1971

Harmonization of main provisions concerning the guarantee of short-term transactions (political risk) with public or private buyers.

OJ L 36/71

Annex D to Dir. 510,  
27 Oct. 1970

These directives have still not been implemented because their implementation has been made conditional upon the adoption of a body of other directives in the same field. Comm. proposed to amend these two directives to eliminate this condition.

5.2523 *PROPOSALS*

Proposals submitted by Comm. concerning establishment of a European export bank.

OJ C 76/76  
EP Doc. 66/77  
OJ C 133/77  
WQ 123/78

Council Directive relating to uniform principles to be adopted in export credit insurance systems for medium and long-term transactions with public and private buyers.

The uniform principles referred to by the Dir. apply to the following fields:

- exports to non-member countries, guaranteed by individual or comprehensive or selected transaction policies and effected on the basis of a supplier credit;

5.2523  
(contd)

- performance bonds;
  - direct guarantees to banks;
  - transactions carried out on basis of financial credits and guaranteed by individual policies.
- C Dir. to abolish cost escalation guarantee schemes for exports to non-member countries.

Bull. EC 6-1977  
point 2.2.27

Bull. EC 5-1976  
point 307

### 5.3 **Relations with international and regional organizations, conferences or associations**

For additional information see 'The European Community, international organizations and multilateral agreements' published by Comm. in 1980.

#### 5.31 **UNO AND SOME OF ITS SPECIALIZED AGENCIES**

##### 5.311 **UNO (United Nations Organization)**

###### 5.3111 *OBJECTIVES*

Charter of the  
United Nations

Set up by Charter of San Francisco signed 26 June 1945, United Nations Organization has following aims:

5.2523/5.3111

- 5.3111 — to maintain international peace and security;  
(*contd*) — to develop 'friendly relations among nations based on respect for the principle of equal rights and self-determination of peoples';  
— to achieve international cooperation in solving international problems of economic social or cultural nature, and in promoting and encouraging respect for human rights;  
— to be a 'centre for harmonizing the action of nations in the attainment of these common ends'.

5.3112 *MEMBER STATES*

Approximately 150 States.

5.3113 *ADMINISTRATIVE STRUCTURE*

General Assembly in which all States are represented (one vote per State); Security Council, Economic and Social Council, Trusteeship Council, International Court of Justice, and Secretariat.

Numerous subsidiary bodies and specialized agencies.

Headquarters in New York.

5.3114 *RELATIONS WITH EC*

Comm. responsible for ensuring maintenance of all appropriate relations with organs of United Nations and specialized agencies.

EEC Tr., Art. 229  
ECSC Tr., Art. 93  
EAEC Tr., Art. 199

5.3114  
(contd)

In 1959 agreement signed providing for mutual consultations and exchanges of views on employment policy between EC and International Labour Office. Agreements were concluded between ILO and ECSC and EAEC in 1953 and 1961 respectively.

OJ 27/59  
OJ 11/53  
OJ 18/61

Since end of 1961 various cooperation agreements have been concluded between EC and UNO specialized agencies, such as Food and Agriculture Organization (FAO), UNICEF, World Bank and IMF.

EP Doc. 47/67

Since 1964 EC has had status of observer at UNCTAD and UNESCO.

Since 1967 it has had status of observer at UNO Economic and Social Council.

EC participated in UN Conference on Law of the Sea as an observer. Negotiations ended in April 1982.

Bull. EC 7/8-1981,  
point 2.2.39  
and EC 5-1982,  
points 2.2.23 to 2.2.30.

Since 1973 it has consultative status (equivalent to observer status) at Economic Commission for Europe.

Res. passed by General Assembly on 11 October 1974 enables EEC to attend meetings and proceedings of General Assembly as observer.

Bull. EC 10-1974,  
points 1101 and 2316

Common position among Member States on most of the resolutions. President-in-Office of C makes annual statement on EC policy to General Assembly.

5.312 **FAO (United Nations Food and Agriculture Organization)**

5.3121 *OBJECTIVES*

The first UNO specialized agency, set up in 1945.

Aim to combat hunger and malnutrition. Serves as coordinating body between government representatives, scientific groups and non-governmental organizations to carry out development programmes relating to food and agriculture.

5.3122 *MEMBER STATES*

Comprises over 140 Western and Eastern States, all members of UNO.

5.3123 *ADMINISTRATIVE STRUCTURE*

Governed by Conference of Member Nations which lays down work programme and meets every two years.

FAO Council, made up of representatives of 42 Member States, divided into several committees and responsible for FAO's operation between Conference sessions.

Bull. EC 1-1977,  
point 2.2.30

Headquarters in Rome.

5.3124 *RELATIONS WITH EC*

Contacts between FAO and EC were established in 1958.

2nd GR EC, par. 62

Agreement was concluded between EC and FAO in 1962 laying down methods for liaison and cooperation between two institutions.

6th GR EC, par. 281

- 5.3124 *(contd)* Since then Comm. has represented the Community at meetings of higher authorities of FAO.
- In 1974 World Food Conference recommended setting up World Food Council. The discussions concerned the increasing of food crop production in developing countries, food aid and the international food security arrangements (see 5.43).
- Comm. participates in the sessions but without voting rights.
- Since January 1977, the EEC has been cooperating in running the global agricultural information and early-warning system.
- Bull. EC 11-1974  
Bull. EC 6-1976  
Bull. EC 9-1979, point 2.2.31  
Bull. EC 1-1977

5.313 **ILO (International Labour Organization)**

5.3131 **OBJECTIVES**

Set up in 1919 and associated with UNO in 1946 as specialized agency.

Aim to establish equal working and living conditions by reducing social injustice. To this end it has drawn up programmes, recommendations and conventions designed to achieve full employment, increased standard of living, worker protection, social security, etc.

5.3132 **MEMBER STATES**

Comprises 140 countries.

5.3133 *ADMINISTRATIVE STRUCTURE*

International Labour Conference made up of national delegations comprising two government representatives, a trade unionist, an employer, meets annually.

Governing body composed of 56 representatives, of which 10 from States of 'chief industrial importance', decides policy and programmes.

Permanent secretariat in Geneva.

5.3134 *RELATIONS WITH EC*

Exchange of documentation, consultations, establishment of joint working committees.

OJ 27/59  
OJ 18/61

5.3135 EC makes financial contributions to work carried out by various ILO bodies.

At the Annual Labour Conferences, the Comm. and the C coordinate the positions of EC Member States on matters of Community responsibility.

5.314 **ECE (The Economic Commission for Europe)**

5.3141 *OBJECTIVES*

Specialized commission set up in 1947 by UNO Economic and Social Council.

Aim is to make provisions and participate in their implementation with a view to maintaining and strengthening economic relations of countries of Europe, both with each other and with the other countries of the world.

Art. 1 of Mandate of ECE

5.3142 *MEMBER STATES*

Art. 7 of Mandate  
of ECE

Eastern and Western European countries which are members of UNO,  
USA and Canada, 34 in all.

5.3143 *ADMINISTRATIVE STRUCTURE*

Art. 6 of Mandate  
of ECE

Controlled by bureau which meets periodically. Each country represented  
in bureau. Subsidiary committees exchange technical information.

It submits annual activity report to Economic and Social Council.

Headquarters and Secretariat in Geneva.

5.3144 *RELATIONS WITH EC*

Exchange of documentation and consultations based on exchange of letters  
Sept.–Oct. 1958.

‘Consultative’ status, granted to Community in April 1975.

Bull. EC 4-1975,  
point 2327

5.315 **UNCTAD (United Nations Conference on Trade and Development)**

5.3151 **OBJECTIVES**

United Nations Conference on Trade and Development was set up on 30 Dec. 1964, as permanent organ of United Nations General Assembly, by Resolution 1995 (XIX).

Objectives:

- to promote international trade, especially with a view to increasing pace of economic development, and particularly to promote trade between developing countries and countries with different social and economic systems;
- to lay down principles and policy of international trade and to examine problems of economic development relating to it;
- to harmonize trade and government development policies as well as policies of regional economic groupings.

5.3152 **MEMBER STATES**

159 countries belong to UNCTAD.

Conference meets in principle every four years. Meetings have been held in Geneva (1964), New Delhi (1968), Santiago (1972), Nairobi (1976) and Manila (1979).

Trade and Development Council is its permanent organ, in which following groups of countries are represented: developing countries (Group A), developed countries with a free market economy (Group B), Latin-American countries (Group C), and countries with a planned economy (Group D).

Conference is headed by a Secretary-General and a Secretariat. Headquarters in Geneva.

Final Act 1964,  
Part 1, Preamble

5.3153 *RELATIONS WITH EC*

Bull. EC 10-1974

EC participates as permanent observer in work of UNCTAD, of its permanent organ, the Trade and Development Board, and of its subsidiary organs.

5.31531 MAIN RESULTS OF UNCTAD IV (NAIROBI) AND PROGRESS OF PROJECTS

EP Res. of 12 Oct. 1976

Main resolutions adopted concerned integrated programme on raw materials and setting up of common fund, developing countries' debt burden, transfer of technology and drawing up of code of conduct, improvement in GSP (cf. 5.42) and increase in official aid by socialist countries.

EP Doc. 333/76  
OJ C 259/76

EP Res. of 26 April 1979

Certain resolutions and recommendations of UNCTAD IV have started to be implemented, the main aspects being:

EP Doc. 123/79  
OJ C 127/79

— Integrated programme and common Fund: Agreement June 1980: The Fund is made up of two accounts: the first (470 million dollars) is used to help finance agreements for stocking commodities and the second (initially 280 million dollars in voluntary contributions) is used to help finance other measures apart from stocking, such as marketing and productivity. It should be operational from the second half of 1981. Considerable progress in the field of raw materials, rubber (see 5.526) olive oil (see 5.525), tin (see 5.521) and jute (see 5.527).

Bull. EC 6-80  
point 2.2.4

5.31531 Various implementation problems remain to be settled, especially  
(contd) budgetary problems in the Community context.

- Debt: some industrialized countries have decided to cancel, partially or completely, official debts of some or all of the poorest developing countries: applies in particular to the following Member States: Italy, Netherlands, Federal Republic of Germany, Denmark, United Kingdom; Belgium has decided to cancel interest owed by some of the poorest developing countries; France intends to take suitable measures.
- Transfer of technology and code of conduct: discussions still in progress.

5.31532 MAIN RESULTS OF UNCTAD V (MANILA, 7 MAY TO 1 JUNE 1979)

Common EC position adopted by C on 8 May 1979 for UNCTAD V. In his capacity as President-in-Office, Mr Monory presented this position at the Manila Conference and outlined the progress made since UNCTAD IV and the role played by EC. The main resolutions and recommendations adopted in Manila concern:

- *direct aid* to the least-advanced developing countries: commitment, without fixed dates, by industrialized countries to double their direct aid to these countries in certain sectors. In addition, immediate aid is planned for the purchase of fertilizer and equipment for the food and agricultural industry of these countries;
- *protectionism* was condemned and the need for *structural adjustment* in industrialized countries was stressed. A work programme comprising an examination of the trading policies of the member States of

Bull. EC 4-1980,  
point 2.2.30

5.31532  
(contd)

UNCTAD has been drawn up. The question of establishing a group of experts to examine the structural reorganization of the world economy, multilateral trade negotiations and the code on the transfer of technology has been referred to the Council of UNCTAD. The negotiations for the conclusion of a code of conduct on restrictive business practices were successfully completed in April 1980: the code although not legally binding, should have a definite impact owing to its universal nature; the bulk of the provisions relate to restrictive practices and the abuse of dominant positions.

- *integrated programme* for raw materials: a programme will be drawn up on the processing and marketing of raw materials (see 5.31531);
- *cooperation between developing countries*: certain aspects have been taken from the programme adopted by the 'Group of 77' in Arusha in February 1979;
- finally, the Conference adopted resolutions on *industrial property rights* and the '*brain drain*' from developing countries to industrialized countries.

5.32

### **NORTH-SOUTH DIALOGUE (CONFERENCE ON INTERNATIONAL ECONOMIC COOPERATION – CIEC)**

Bull. EC 5-1977  
points 1.2.1-1.2.12

5.321

#### **Origin and objectives:**

14-16 October 1975, preparatory meeting of CIEC where subjects to be dealt with were determined: energy, raw materials, development and financial problems.

Bull. EC 10-1975

The CIEC officially commenced its work at ministerial level in December 1975 and brought it to a conclusion on 3 June 1977.

5.321      The objective of the CIEC was to organize international economic relations  
(*contd*)      on a more equitable basis by reducing imbalances between developing  
                 countries and industrialized countries, and between producer countries and  
                 consumer countries.

Countries taking part: 19 developing countries: Algeria, Argentina, Brazil, Cameroon, Egypt, India, Indonesia, Iran, Iraq, Jamaica, Mexico, Nigeria, Pakistan, Peru, Saudi Arabia, Venezuela, Yugoslavia, Zaïre and Zambia; eight industrialized countries: Australia, Canada, EEC (represented by a single delegation and speaking with a single voice), Japan, Spain, Sweden, Switzerland and the United States.

5.322      **Main points of agreement and disagreement**

Energy Commission:

*Agreement* on: the supply, conservation, exploration and utilization of traditional energy sources; need to develop new energy sources.

*Disagreement* on: prices; accumulated revenues from oil exports; continuing consultations on energy products; financial assistance to bridge external payments problems of oil-importing countries or oil-importing developing countries.

Raw Materials Commission:

*Agreement* on: the principle of establishing a common raw materials stabilization *fund*; measures for international cooperation in the field of marketing and distribution of raw materials; measures to develop and diversify the natural resources of developing countries. As regards trade: determination on the part of the participating countries to make substantial progress for developing countries in multilateral trade negotiations; improvement of the GSP.

5.322 (contd) *Disagreement* on: purchasing power of developing countries; measures related to compensatory financing; various measures relating to world trade; production control for synthetics (competition problems); investment.

Development Commission:

*Agreement* on: the launching of a special USD 1000 million action programme to meet the immediate needs of low-income developing countries (EEC contribution: USD 385 million); commitment to greater official development assistance; assistance to infrastructure development, particularly in Africa; measures relating to agricultural development and food.

*Disagreement* on: indebtedness; code of conduct and strengthening of technological capacity.

Finance Commission:

*Agreement* on: certain measures necessary to encourage private direct investment in developing countries; developing countries access to capital markets; increase in the resources of the IMF; cooperation among developing countries.

*Disagreement* on: criteria of compensation and transfer of capital and income; jurisdiction and standards for the settlement of disputes; measures to combat inflation and the financial assets of oil-exporting developing countries.

Bull. EC 7/8-1977  
points 2.27-2.271

## Outlook

5.323 A *special committee* (comprising 17 members, nine of them from developing countries), chaired by the former German Chancellor, Mr Brandt, has been set up in order to draw up proposals on the reorganization of relations between industrialized and developing countries, i.e. to consider ways in which the North-South Dialogue can be continued.

5.323  
(contd)

The report sets out to draw attention to the problem of human survival posed by the arms race and North-South rivalry. Two series of measures are proposed: one long term and the other an 'emergency programme' for 1980/1985 in which the main points are: the transfer of resources from developed countries to the third world, preparation of an international energy policy, implementation policy, implementation of a global food programme and reform of the international economic system. The report suggests that there should be an international taxation arrangement to finance development of the third world and stresses the need to slow down the arms race.

OJ C 265/80  
EP Doc. 1-341/80

August–September 1980: Special session to clear the way for North-South 'global negotiations' following a UN resolution in December 1979. The central themes were development of the least developed countries and the removal of barriers to world economic growth: energy was regarded as a structural problem and no longer as a short-term economic problem. The committee failed to reach agreement on such matters as the nature of the final result of negotiations, the extent to which it would be binding and relations between the central negotiating body and the UN specialized agencies such as the financial institutions.

Bull. EC 1-1980  
points 1.2.1 to 1.2.4  
Bull. EC 7/8-1980  
points 2.2.33 to 2.2.37

*June 1981:* Discussion within C of Ministers of a commun. from Comm. concerning Community policy in North-South Dialogue. General objective is to ensure security of the Community's international environment, in particular in energy, food, economic, financial, industrial and commodities sectors.

Bull. EC 3-1981,  
points 1.2.1 to 1.2.8  
Bull. EC 12-1981,  
point 2.2.17  
Bull. EC 6-1981,  
point 1.1.10  
OJ C 11/82

*In 1982,* global North-South negotiations were not resumed despite several preparatory and summit meetings, such as in:

5.323  
(contd)

— July 1981: Western Economic Summit in Ottawa.

Bull. EC 7/8-1981,

— August 1981 (Nairobi): *Conference on new and renewable sources of energy*. Aim was to promote and utilize new sources of energy to tackle energy crisis as a whole and its impact on developing countries in particular.

15th GR EC par. 758

An action prog. was adopted to encourage their development in the rural and commercial sectors. The various areas include, in particular, energy planning and technical assistance.

— September 1981 (Paris): *United Nations Conference on the least-developed countries*. This meeting was held following a resolution (122) at UNCTAD V (Manila). A substantial new action programme for the 1980s was adopted. Principal points were as follows:

Bull. EC 9-1981,  
point 2.2.10  
15th GR EC par. 658

EP Res., 10 July 1981

— increase in public aid (0.15% of GNP) from industrialized countries to LLDCs (of which 22 out of 31 belong to ACP group),

OJ C 234/81

EP Res., 18 Dec. 1981

— rural development (search for greater food security), stabilization of export earnings of LLDCs as a whole.

OJ C 11/82

— October 1981: *Cancun meeting*. Results were generally positive, especially as regards a certain disposition of United States in favour of global negotiations (EEC not invited).

Bull. EC 10-1981  
point 2.2.10

— February 1982 (New Delhi, India): *South-South Conference*. Meeting of 44 developing countries and China. A charter was proposed concerning closer cooperation between countries of the Third World, resumption of global negotiations, increasing food production and setting up mechanisms for finance development of energy potential.

5.33 **GATT (GENERAL AGREEMENT ON TARIFFS AND TRADE)**

5.331 **Objectives**

Preamble to 1969  
General Agreement

Aims of General Agreement on Tariffs and Trade, which came into force on 1 January 1948, are as follows:

- liberalization of world trade by negotiations on dismantling and elimination of customs barriers;
- non-discrimination;
- establishment of consultation procedure to resolve disputes.

5.332 **Member States**

Initially there were only 23 members. In 1979 there were 84 contracting parties, 3 countries applied the agreement provisionally and 24 countries applied it *de facto*.

99 countries took part in the recent multilateral trade negotiations, which are open even to countries not belonging to GATT.

5.333 **Administrative structure**

The Assembly of Contracting Parties was set up in 1960. It holds one session each year, and has wide powers. Its decisions are normally taken by consensus and not by vote. Between sessions, the Council of Representatives is empowered to take action in routine matters. Specialist committees deal with individual problems on behalf of C.

GATT secretariat, headed by a director-general, is based in Geneva.

5.334 **Relations with EC**

*Status of EC*

EC not formally member of GATT but has acquired such status through tacit international approval: a member of the various specialized committees.

Negotiations are conducted by Comm. on behalf of EC as a whole. It acts by virtue of general mandate conferred on it by Tr. and on basis of directives issued as required in accordance with state of negotiations.

EP Doc. 47/67  
OJ 103/67

EEC Tr., Arts 113,  
116 and 229

Comm. conducts negotiations in consultation with special committee appointed by C to assist Comm. in this task.

EEC Tr., Arts 111  
and 113

5.335 **The Dillon Round**

On 16 July 1961 EEC representative and representatives of governments taking part in negotiations signed Final Act of 1960/61 Tariff Conference which provided for tariff reductions of 20%.

Bull. EC 9-1962

5.336 **The Kennedy Round**

Final Act signed by EC on 30 June 1967. In addition to protocol containing final lists of concessions to be annexed to General Agreement, instruments comprise memorandum expressing agreement on basic elements for negotiation of world arrangement on cereals, special agreement on chemicals, agreement – known as anti-dumping code – on implementation of Article VI of General Agreement.

Bull. EC 8-1967

C Dec. 68/411,  
27 Nov. 1967

- 5.336 (contd) Approval by C of Comm. report on outcome of Kennedy Round; on this basis C adopted commitments entered into on behalf of EC. OJ L 305/68
- 1967 Geneva Protocol on tariff concessions averaging between 35 and 40 % came into force on 1 January 1968 for parties which had accepted it before 1 December 1967.
- Tariff reductions agreed to by EC were implemented as follows: 1st GR EC, par. 481
- 40 % of total reduction from 1 January 1968;
  - 60 % in three equal instalments from 1 January 1970.
- Concessions were fully implemented on 1 January 1972.

5.337 **The Tokyo Round**

After long and difficult negotiations a final 'package' dealing with results obtained in non-tariff field was initialled on 12 April 1979, although not accepted by majority of developing countries. It is supplemented by a protocol on tariff concessions initialled on 13 July. Bull. EC 4-1979, point 1.2.1 *et seq.* 13th GR EC pars 494-5

Formal approval of EC for the General (1979) Protocol to GATT embodying tariff reductions and for further Prot. embodying 'codes'. OJ L 71/80

5.3371 **PRINCIPAL PROVISIONS ARE**

- tariff reductions spread over a period of eight years. Overall the level of industrial tariffs cut by one-third;

C. Dec. 80/271,  
10 Dec. 1979

- 5.3371 (contd) — establishment of a series of codes on non-tariff barriers. In particular these codes cover technical standards, import licensing procedures, customs valuation, government procurement, subsidies and countervailing duties, anti-dumping duties;
- agricultural sector: in return for improving access to its markets (in respect of tariffs and quantitative restrictions), the Community has obtained from its partners a recognition of the principles of its common agricultural policy. International agreements on meat and dairy products, but no agreement on cereals;
- sectoral agreement on trade in civil aircraft;
- reform of legislation governing international trade, including the treatment to be given to developing countries, protective measures and the machinery for consultation, for settling differences and for surveillance.

Despite continuing negotiations no solution acceptable to developing countries has been found which will permit selective application of the safeguard clause.

- |        |   |   |
|--------|---|---|
| 5.3372 | C formally approves results of negotiations on 20. 11. 1979; EC objectives achieved except in the area of safeguards and wheat and coarse grains. Codes establish new discipline in international trade, which should reduce protectionism and allow freer development of trade.  | Bull EC 10-1979,<br>points 1.1.1, 1.1.2<br>Bull EC 11-1979,<br>points 1.3.1-1.3.9 |
| 5.3373 | The following 'codes' under the aegis of GATT signed by Community as sole contracting party on 17 December 1979, with entry into force on 1 January 1980, except where otherwise indicated.<br>(a) Geneva Protocol annexed to the GATT (conclusion of the Multilateral Trade Negotiations-Tokyo Round 1973-79);<br>(b) Arrangement regarding bovine meat; | Bull. EC 12-1979,<br>point 2.2.8  |

- 5.3373 (contd)
- (c) International Dairy Arrangement;
  - (d) Agreement on Government Procurement (entry into force 1. 1. 1981);
  - (e) Agreement on Interpretation and Application of Articles VI, XVI and XXIII of the GATT – Subsidies and Countervailing Measures;
  - (f) Agreement on Implementation of Article VI of the GATT – Anti-dumping Practices;
  - (g) Agreement on Import Licensing Procedures;
  - (h) Agreement on Implementation of Article VII of the GATT – Customs Valuation (entry into force 1. 1. 1981 but 1. 7. 1980 for USA and EC).

5.3374 Two such agreements were signed by the EEC as contracting party but together with the Member States.

(a) Agreement on Technical Barriers to Trade.

(b) Agreement on Civil Aircraft.

Both agreements entered into force on 1. 1. 1980.

All agreements mentioned above became applicable in Greece from 1 January 1981, but transitional arrangements were agreed for Greece in the field of government procurement.

EP's agreement subject to reservations.

OJ C 4/80

5.3375 For the Multifibre Arrangement or Arrangement governing International Trade in Textiles, concluded under the aegis of GATT, see 5.532.

5.3376 A Ministerial Meeting of Contracting Parties to GATT was held from 24 to 27 November 1982. Both Community and individual Member States took part but Comm. acted as spokesman. Contracting parties agreed to refrain

5.3376 from measures inconsistent with GATT. Disputes settlement procedure was  
(contd) improved and further studies agreed on trade in agricultural products.

5.34 **OECD (ORGANIZATION FOR ECONOMIC  
COOPERATION AND DEVELOPMENT)**

5.341 **Objectives**

Set up by Paris Convention, signed on 14 December 1960, Organization for Economic Cooperation and Development aims to:

Art. 1 of Paris Conv.

- bring about greatest possible expansion of economy and employment and achieve increased living standards in its member countries, while at the same time maintaining financial stability, and contribute thus to development of world economy;
- contribute to healthy economic expansion both in member and non-member countries, with a view to economic development;
- contribute to expansion of world trade on multilateral, non-discriminatory basis, in accordance with international obligations.

5.342 **Member States**

Original members: the 18 States of the former OEEC (Austria, Belgium, Denmark, France, Federal Republic of Germany, Greece, Iceland, Ireland, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, Turkey and the United Kingdom), the USA and Canada.

5.342 Japan joined in 1964, Finland in 1969, Australia in 1971 and New Zealand  
(contd) in 1973.

Yugoslavia is an associate member of OECD under special statute.

5.343 **Administrative structure**

Council of all members, Secretary-General appointed by Council, and Executive Committee of 14 members designated annually.

Headquarters and Secretariat in Paris.

5.344 **Relations with the EC**

Treaties provide for close collaboration with OECD.

Comm. participates in work of OECD Council and committees on non-voting basis.

5.3441 **STATE OF RELATIONS**

On 18 November 1974 OECD Council decided to set up International Energy Agency (IEA, based in Paris).

8th GR EC, par. 383

Comm. has been associated, in accordance with the general arrangements, with work of IEA.

9th GR EC, par. 443

Since February 1978 OECD has been the forum for an agreement on export credits in which EC participates. See 5.2521.

EEC Tr., Arts 116, 231

ECSC Tr., Art. 93

5.35 **COUNCIL OF EUROPE**

5.351 **Objectives**

To achieve greater unity between members, to facilitate economic and social progress and to uphold principles of parliamentary democracy.

5.352 **Member States**

Apart from the 10 Member States of the European Community, the following are also members of the Council of Europe: Austria, Cyprus, Iceland, Liechtenstein, Malta, Norway, Portugal, Spain, Sweden, Switzerland and Turkey.

5.353 **Administrative structure**

- Committee of Ministers, comprising Foreign Affairs Ministers of each State, usually meets twice a year.
- Ministers' Deputies; permanent representatives accredited to Council deal with routine work.
- Parliamentary Assembly of 170 members appointed by national parliaments; parliamentary committees on matters of common European interest.

5.354 **Activities**

The European Commission for Human Rights and European Court have been established under the aegis of the Council of Europe to ensure observance of the European Convention for the Protection of Human Rights and Fundamental Freedoms.

5.354 A medium-term intergovernmental work programme for 1976–80 covered  
(contd) education and culture, social problems, youth, public health and nature  
conservation amongst other fields.

5.355 **Relations with EC**

Provide for appropriate cooperation.

EC has had observer status at Council of Europe since May 1951.

Rapporteur has reported to the Parliamentary Assembly of Council of Europe on the EP's activities. Joint Meeting has been held annually between the Parliamentary Assembly of CE and EP to discuss subjects of current political interest. Since election by direct universal suffrage EP has held no further joint meetings. Discussions are taking place between the Bureaux of the two assemblies to establish framework for future cooperation.

5.36 **EFTA (EUROPEAN FREE TRADE ASSOCIATION)**

— See also 6.1.

5.361 **Objectives**

European Free Trade Association set up by 1960 Stockholm Convention.

Aim is to establish large free trade area for industrial products, and to minimize non-tariff barriers to trade.

EEC Tr., Art. 230  
Protocol to ECSC Tr.

EP Rules of Procedure,  
Rule 107

5.362

### **Member States**

- Original members: Austria, Norway, Sweden, Switzerland and Portugal, plus United Kingdom and Denmark, which ceased to be members on accession to EC.
- Iceland became a member in 1970.  
Finland has been an associate member since 1961.

5.363

### **Administrative structure**

Council: twice-yearly ministerial meeting; chair held six months by each country in turn.

Standing committees of experts on trade and economic matters. Consultative Committee of employers' and trade union representatives.

Headquarters and Secretariat in Geneva.

5.364

### **Relations with EC**

5.3641

#### **OBJECTIVES OF NEGOTIATIONS:**

3rd GR EC, Ann.

- to strengthen enlarged Community by creating special links with other European States;
- to help solve problems of countries which are still members of EFTA, taking account of the fact that two new Member States of EC previously belonged to EFTA.

5.3642 **AGREEMENTS CONCLUDED**

For agreements concluded with EFTA countries, see 6.1.

These agreements extend free trade area set up by EFTA to trade between enlarged Community and member countries of EFTA.

Bull. EC 9-1972,  
1st part  
Bull. EFTA 6/77

Since 1 July 1977, import duties abolished on almost all trade in industrial products between the 16 European countries in EFTA and the EC.

Bull. EFTA 3/78

Informal arrangement on the problems of the steel industry, 28. 2. 1978 (see 5.2452).

On 18 December 1978 C laid down guidelines on cooperation with EFTA.

26th Review of C work,  
par. 330

5.37 **CMEA (OR COMECON)**

5.371 **Objectives**

Set up by International Treaty of 25 January 1949, the Council for Mutual Economic Assistance is an organization for economic cooperation between various States in the socialist world.

5.372 **Member States**

Members since 1949: USSR, Bulgaria, Hungary, Poland, Romania and Czechoslovakia.

Albania joined in 1949 (withdrew *de facto* in 1961), the German Democratic Republic in 1950, Outer Mongolia in 1962, Cuba in 1972 and Vietnam in 1978.

5.373 **Administrative structure**

Council: supreme organ of CMEA – meets at least once yearly; assisted by a number of permanent committees.

Executive Committee: established in 1962 and composed of representatives of member countries at deputy prime minister level; meets quarterly.

Main activities centre on economic collaboration covering both coordination of national plans and a series of cooperation projects to do with production, infrastructure, organization of legal bases and standards, and scientific and technical research.

In relations with third countries, CMEA's activities have so far been on limited scale, although it enjoys observer status in certain international economic bodies.

Headquarters in Moscow.

Bull. EC 9-1974

5.374 **Relations with EC**

5.3741 *DIFFICULTIES IN NEGOTIATIONS*

In view of difference between fields of competence, Community institutions find difficulty in negotiating with CMEA on questions of commercial policy or in concluding trade agreement, since the latter as such has no competence in field of external economic relations.

EP Doc. 425/74  
OJ C 60/75

5.3742 *STATE OF RELATIONS*

In October 1972 Conference of Heads of State or Government of EC States resolved to promote a policy of cooperation with Eastern European countries.

6th GR EC, par. 5

Paris Final Decl.,  
Oct. 1972  
point 13

5.3742  
(contd)

In November 1974, after approval by C, Comm. transmitted to State-trading countries concerned, a model agreement, the main points of which are:

- conclusion of long-term non-preferential trade agreements on basis of overall balance of benefits to both sides;
- general framework provisions aimed at ensuring harmonious development of reciprocal trade;
- application of most-favoured-nation clause to each of the parties;
- creation of framework to permit liberalizing of imports.

In February 1976 CMEA sent to EC a message proposing conclusion of agreement, together with draft of proposed agreement between the two organizations.

In May 1978, communiqué issued by the EC and the CMEA expressing a common desire to reach an agreement regularizing relations in the spirit of the Final Act of the CSCE.

Further discussions on draft agreement took place at high level in November 1978 and November 1979, but no solution has yet been found acceptable to the two parties.

Expresses opinion of EP on state of EC-Comecon relations following crisis in Poland.

4th GR EC, par. 504  
EP Doc. 425/74  
OJ C 60/75

Bull. EC 2-1976, point  
1201 *et seq.*

Bull. EC 5-1978,  
points 1.2.1 – 1.2.3

Bull. EC 11-1978,  
point 2.2.60

Bull. EC 11-1979,  
point 2.2.55

OJ C 292/82

5.38

## **ASEAN (ASSOCIATION OF SOUTH-EAST ASIAN NATIONS)**

Bull. EC 11-1978,  
points 1.41 – 1.45

5.381

### **Objectives**

Association of South-East Asian Nations set up in August 1967 in Bangkok with aim of accelerating economic progress and stability of region by means

EP Res.,  
14 Oct. 1982

5.381 of increased cooperation in political, economic, commercial, social and  
(contd) cultural fields.

5.382 **Member States**

Indonesia, Philippines, Thailand, Malaysia and Singapore.

5.383 **Administrative structure**

Summit meetings of Heads of Government, Conference of Ministers of Foreign and/or Economic Affairs. Standing Committee (meets monthly), and various committees.

Furthermore, from 8 to 11 January 1975 parliaments of ASEAN met to adopt main elements of 'ASEAN Parliamentary Cooperation', with follow-up meeting some months later to set up parliamentary organization agreed to.

Headquarters in Bangkok.

5.384 **Relations with EC**

5.3841 **BACKGROUND**

16 June 1972: first formal meeting between ASEAN delegation and Members of the Commission. ASEAN set up Special Coordination Committee (composed of Ministers of Trade) and the ASEAN Brussels Committee (composed of ambassadors of ASEAN with the EEC). Since then: regular dialogue between Commission and ASEAN countries.

Bull. EC 8-1972

May 1975, following exchange of letters, Joint Study Group (composed of representatives of the Commission and the five ASEAN governments) set

Bull. EC 5-1975

5.3841 up to foster regular dialogue between ASEAN and EC Group meets in  
(contd) principle twice a year.

November 1977: first meeting at ambassador level between ASEAN  
Brussels Committee, COREPER and Commission representatives.

November 1978: first meeting at ministerial level between EC and ASEAN.

5.3842 *STATE OF RELATIONS*

EP Res., 11 May 1979

- ASEAN countries benefit from EC GSP (see 5.42) with application of the cumulative system regarding origin regulations, which promotes regional cooperation between the countries concerned; conferences on the functioning and utilization of the preferences have been organized.
- the EC policy of financial and technical aid to non-associated developing countries takes in ASEAN countries.
- ASEAN countries also come under EC policy on food and emergency aid.
- Seminars and conferences are organized on industrial cooperation, transfer of technology, investment, etc.

EP Doc. 77/79

C Reg. 1440,  
30 May 1980

- On 30 May 1980 C formally concluded Cooperation Agreement between the EEC and ASEAN (see 6.70).

OJ L 144/80  
Bull. EC 5-1980,  
point 2.2.61

5.3841/5.3842

5.39 **LATIN-AMERICAN REGIONAL ORGANIZATIONS**

5.391 **SELA (Latin-American Economic System)**

5.3911 *OBJECTIVES*

Set up on 18 October 1975 by the Agreement of Panama, SELA's aims are:

- coordination of existing integration mechanisms (Andean Group, Central-American Common Market, Caribbean Community, etc.);
- give new impetus to intra-regional cooperation;
- organize producers of raw materials and basic agricultural products;
- coordinate positions and strategies of member countries towards outside world.

5.3912 *MEMBER STATES*

Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, Ecuador, Guatemala, Guayana, Haiti, Honduras, Jamaica, Panama, Paraguay, Peru, Mexico, Nicaragua, Dominican Republic, El Salvador, Trinidad and Tobago, Uruguay, Venezuela, Barbados and Grenada.

5.3913 *ADMINISTRATIVE STRUCTURE*

Council of Ministers meets once a year, and Permanent Secretariat.  
Headquarters in Caracas.

5.392 **Relations with EC**

5.3921 *MULTILATERAL RELATIONS*

5.39211 **BACKGROUND**

Since the beginning of the 1970s, EC has had relations with certain regional integration groups in Latin America, such as CECLA (Special Committee for Latin-American Coordination), LAFTA (Latin-American Free Trade Association), the Andean Group, CARICOM (Caribbean Community), CEPAL (Economic Committee for Latin America), OEA (Organization of American States) and, since 1977, SELA.

5th GR EC,  
pars 470-472

The EC/Latin America Dialogue was broken off at end-1979, because of entry of Cuba into the Latin American Group, but has now been resumed. Group of Latin American Heads of Mission (GRULA) will hold regular meetings both with Comm. and with Permanent Representatives of EC Member States. First meeting under new procedure took place on 17 and 26 June 1981. A meeting planned for June 1982 did not take place at request of GRULA countries.

15th GR EC,  
par. 790

Bull. EC 6-81  
point 2.2.6

Since July 1974, interparliamentary conferences between the members of EP and 'Latin-American Parliament'.

5.39212 **STATE OF RELATIONS**

- Latin-American countries benefit from EC GSP (see 5.42), and conferences of the functioning and utilization of the preferences have been organized.
- EC policy on financial and technical aid to non-associated developing countries takes in Latin-American countries.

5.39212 — Latin-American countries also come under EC policy on food and  
(contd) emergency aid.

— Difficulties continue to exist in the trade sector on account of self-restricting measures requested by EEC for certain 'sensitive' products.

— Development of relations with SELA is in progress and specific measures in several sectors are envisaged.

— Negotiations have been held with countries of Andean Pact (Venezuela, Columbia, Peru, Ecuador) with a view to concluding a cooperation agrmt. Formal negotiations were suspended in July 1980 following *coup d'état* in Bolivia but are to be resumed.

15th GR EC,  
par. 792

EP Res., 14 Oct. 1982

— Comm. proposals for intensified Community action to support development in Central America supported by EP.

OJ C 292/82

#### 5.39213 RELATIONS WITH EP

EP Res., 15 Nov. 1974

— July 1974 (Bogota): first meeting of EEC-Latin America Interparliamentary Conference, bringing together representatives of the Latin-American Parliament (parliamentary body) and EP. 'Findings and recommendations' of Conference are referred back to appropriate authorities of both parliaments before being adopted.

Bull. EC 11-1974,  
point 2.4.11  
EP Doc. 351/74  
OJ C 155/74

EP Res., 13 Feb. 1976

— November 1975 (Luxembourg): second meeting; debates centred on economic relations between EC and Latin America, problems arising from development of multinational companies and situation of parliamentary democracy in Europe and Latin America.

EP Doc. 469/75  
OJ C 53/76

EP Res., 12 May 1978

— July 1977 (Mexico): third meeting; subjects debated were new international economic order, human rights, parliamentary and democratic

EP Doc. 574/77  
OJ C 131/78

5.39213  
(contd)

institutions, economic and trade relations, financial cooperation, international terrorism, demographic policy and technological and cultural cooperation.

- February 1979 (Rome): fourth meeting; main subjects of 3rd meeting were developed. In addition, drug control, law of the sea and international traffic in conventional arms were discussed.
- January 1981 (Bogota): fifth meeting. Recommended increased cooperation in fields of finance, raw materials, environment and technology transfer.

Bull. EC 2-1979

5.3922

#### *BILATERAL RELATIONS*

See 6.6

5.4

### **Development cooperation policy**

5.41

### **OVERALL POLICY ON DEVELOPMENT COOPERATION**

In order to make positive contribution to Second United Nations Development Decade it appeared essential to establish Community policy on development cooperation directed towards integrating all elements involved, i.e. trade policy, food aid, technical assistance and financial assistance.

4th GR EC, par. 397

Therefore, in July 1971, Comm. adopted memorandum on Community development cooperation policy, consisting of four main points:

- efficacy of cooperation policy depended on compatibility with internal economic policies;

5th GR EC, par. 433  
Suppl. 5/71 – Bull.  
Annex to Bull.  
EC 9-1971

- 5.41 — policies of Member States must be coordinated;  
(contd) — policies regarding countries of black Africa and Mediterranean basin must be developed;  
— technical and financial assistance must be increased with a view to ensuring better geographical balance.

Summit Conference,  
Final Decl.,  
Paris, 1972

General guidelines incorporated into action programme (adopted by Conference of Heads of State or Government of October 1972) which lays down principles governing overall Community policy on development cooperation.

Suppl. 2/72 – Bull.  
EP Doc. 194/72

With a view to carrying out this programme, in 1974 C adopted nine Res. and one Rec. on following points:

- improvement of generalised system of preferences (see 5.42);
- commodity agreements (see 5.5);
- volume of official aid for development;
- conditions attaching to official aid;
- debt burden of developing countries;
- geographical allocation of aid (C Rec.);
- regional integration among developing countries;
- promotion of exports from developing countries;
- coordination and harmonization of Member States' national policies on development cooperation;
- financial and technical aid to non-associated developing countries (see 5.45).

Bull. EC offprint from  
Bull. EC 7/8-1974

Comm. Commun. to C,  
Nov. 1974

Comm. adopted these guidelines and incorporated them into overall policy in 'Fresco of Community action tomorrow', which emphasizes differences in position of underdeveloped countries and necessity of establishing overall

Suppl. 8/74 – Bull. EC  
EP Doc. 42/75

5.41 'world-wide' policy side by side with 'regional' policy of association.  
(contd) (See 6.24, 6.25, 6.3 and 6.4)

Over the years various new measures have been initiated and a number of problems examined:

- in 1975 a structured programme of technical aid designed to promote trade and regional cooperation for benefit of non-associated developing countries;
- Coordination and harmonization of the cooperation policies of the Community and its Member States;
- EC development cooperation policies during the first half of the second decade of development (1971 – 1976);
- implications for both parties of the development cooperation policy and other EC policies;
- promotion of European investment in developing countries;
- cooperation with developing countries in the energy sector;
- respect of certain international standards governing conditions at work;
- international development strategy.

9th GR EC,  
pars 398, 416

Bull. EC 1-1978  
points 1.41 to 1.46

Bull. EC 7/8-1978  
point 2.1.113

Bull. EC 11-1978  
point 2.1.11

Bull. EC 9-1978  
points 1.2.1 to 1.2.8

At end of 1970s, development cooperation policy for second decade was closely linked to Community policy in North-South Dialogue (see 5.32).

COM(81) 68 fin.,  
7 May 1981

Major issues were:

- economic relations between industrialized and developing countries;

Comm. to C,  
23 Mar. 1981

- 5.41 — energy;  
(*contd*) — development financing;  
— food – campaign against world hunger (see 5.46);  
— trade;  
— raw materials.

In June 1982 C of Development Ministers singled out these major issues.  
Two new themes emerged:

Bull. EC 6-1982,  
points 2.2.17 and 2.2.10

- role of women in development process;
- assessment of Community aid for urban areas.

In September 1982 Comm. adopted a memorandum on Community development policy which is also known as the Pisani memorandum.

COM(82) 640 fin.

Major points of this memorandum were as follows:

Objectives for 1980s:

- Community's development policy should be centred on two areas:
  - aid to help developing countries to make progress by themselves, in particular by eliminating hunger;
  - international economic cooperation through creation of contractual links between Community and its partners and also through North-South Dialogue.
- Priorities of development policy:
  - Africa, particularly the poorest countries of this continent. Other priority regions should be southern shores of the Mediterranean, followed by poorest countries of Latin America and Asia;
  - It will be necessary not only to increase aid but also to channel it more efficiently (e.g. food strategy);
  - It will also be necessary to encourage forms of development cooperation which will be of mutual benefit (e.g. fishing).

5.41  
(contd)

— Various frameworks for development cooperation:

In this connection a series of guidelines have been suggested for Community: e.g. a framework agreement of unlimited duration for Lomé III, a joint agreement with countries of eastern and southern Mediterranean; a stable institutional basis for cooperation with other developing countries; a joint position by Member States in international institutions.

— Instruments of Community development policy:

- Community aid should represent 1% of the Community's GNP by end of decade;
- all forms of Community aid should be incorporated in a single framework;
- efforts should be made at international level to stabilize export earnings;
- various development policies of Community and its Member States should form a more coherent whole.

5.42

## **GSP (THE GENERALIZED SYSTEM OF PREFERENCES)**

### *Background*

Idea of establishing generalized system of tariff preferences first put forward during meeting of GATT ministers in May 1963. At 1964 UNCTAD held in Geneva recognition was requested of principle that industrialized countries should grant generalized preferences to developing countries on exports of finished and semi-finished industrial products.

EP Doc. 272/73  
EP Doc. 285/74

5.42 At second Conference, (New Delhi 1968), Res. providing for establishment  
(contd) of non-discriminatory preferences adopted.

EP Doc. 285/75  
EP Doc. 332/76

EC was first, and for a long time only, party to implement this resolution.

C Regs 1308 to 1314,  
21 June 1971

Application in 1971 of generalized preferences to countries belonging to group known as 'Group of 77' within UNCTAD, and to countries and territories dependent on Member States or on third countries. Subsequently geographical area was enlarged in line with increase in number of countries belonging to 'Group of 77'.

OJ L 142/71

The EC generalized system of preferences applies to around 120 independent countries and territories and to 22 countries and territories dependent on Community Member States or on third countries.

#### *EEC generalized system of preferences (GSP)*

Preferential tariff advantages offered unilaterally and on non-reciprocal basis for:

5 GR EC, par. 455

- processed agricultural products (tariff reductions are envisaged for a certain number of products which appear on a positive list);
- finished and semi-finished industrial products; countries benefiting from GSP may export these products duty-free to EC up to maximum amount fixed each year for each country and each product. Special rules are applicable to textiles, coconut fibre and jute products.

These principles have never been called into question, but each year amendments and improvements have been made.

5.42  
(contd)

At the same time, Community made great efforts to provide authorities of recipient States with information so that latter could reap full benefit of advantages offered by GSP.

9th GR EC, pars 408  
and 409

EP Res.,  
7 Oct. 1980

Comm. commun. concerning GSP guidelines for period after 1980, as a review of system had been requested after 10 years.

EP Doc. 1-67/80  
OJ C 291/80  
EP Doc. 1-455/80

C Reg. 3320/80,  
16 Dec. 1980

Main aspects of five-year programme 1981-85:

OJ C 298/80  
OJ L 354/80

EP Res.,  
15 Dec. 1980

- retention and improvement of fundamental features of present system such as products covered, tariff arrangements and list of beneficiaries;
- for industrial products other than textiles, simplification of management procedures and adjustment of advantages on basis of competitiveness of beneficiary countries;
- simplification of system itself to encourage better use;
- extension of the list of agricultural products and further reductions for certain products already included; greater liberalization for the least developed countries.

OJ C 346/80

Bull. EC 7/8-1980  
point 2.2.22

For 1983:

EP Res., 15 Dec. 1982

- For *agricultural products*: Increase in preferential margin for certain products already included in GSP; e.g. bay leaves, mangoes, pineapple juice, chocolate; inclusion of new products, notably horse-radish, okra, dates, snails; review of quotas for products already subject to restrictions, e.g. cocoa-butter, tinned pineapple slices, etc.; extension of offer as a whole to China;
- for *industrial products*: in general, there is little scope for improvement. However, general increase of 15% for all non-sensitive products; possible increase of up to 15% for products already subject to quotas,

EP Doc. 1-574/82  
EP Doc. 1-662/82  
OJ C 292/82

5.42  
(contd)

with ceilings for individual countries. For sensitive products such as steel, footwear, leather goods, etc., no increase is proposed. Limited extension of list of GSP products for China and Romania.

— for *textile products*: general increase of 5% in existing ceilings except for certain major suppliers and State-trading countries. For products not included in MFA, introduction of a system involving setting of ceilings for individual of a system involving setting of ceilings for individual countries, as in case of industrial products.

5.43 **COMMUNITY FOOD AID**

5.431 **Foods aid in cereals**

C Dec. 411/68,  
27 Nov. 1967  
C Dec. 208/70,  
17 March 1970

Community food aid in cereals began with Food Aid Convention, annexed to Wheat Trade Agreement concluded on 18 August 1967, following final act of Kennedy round negotiations, under auspices of FAO (see 5.531).

Under terms of Conv. EC undertook to supply 1 035 000 tonnes of cereals for three years (1968-71) either free or in form of sale against non-convertible currency. <sup>1</sup> EC commitment represented 23% of overall food aid commitment, which was set at 4.5 million tonnes per annum.

Conv. was renewed for first time on 1 July 1971 for three years and regularly since then.

OJ L 305/68  
OJ L 66/70

C Dec. 406/74,  
25 June 1974

OJ L 219/74  
Bull. EC 3-1978  
point 2.2.1.

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<sup>1</sup> EC has not availed itself of this alternative, and all its aid has been in form of gifts.

C Dec., 2 April 1973  
C Dec. 77/82,  
27 June 1980

5.431  
(contd)

Following accession of Denmark, Ireland and UK, EC commitment increased to 1 278 000 tonnes of cereals per annum.

Since July 1980 it has been increased to 1 650 000 tonnes.

In general EC finances aid projects up to fob stage.

The annual food aid programme in cereals is divided into national aid and purley Community aid. Since the 1968–1969 programme the proportion of purley Community aid has increased from some 29% (301 000 tonnes) to around 56% (720 500 tonnes).

Under programme, aid is provided to the most needy developing countries, either directly or through international organizations. Variable proportion set aside as disaster fund and provided under emergency programmes, all or part related costs (on processing, transport, distribution, etc.) being borne by EC.

Following EP res. of 18 September 1980 on combating hunger in the world (see 5.46), an additional 160 300 tonnes of cereals was entered in 1982 budget.

Bull. EC 3 – 1973  
point 2324  
Bull. EC 4 – 1973  
point 2312  
OJ L 43/82

EP Doc. 169/69  
EP Doc. 55/70  
EP Doc. 141/71  
3rd GR EC,  
par. 467  
12th GR EC,  
par. 464

OJ C 265/80  
OJ L 31/82

Budget Item 9201

5.432

### **Food aid in non-cereal products**

The idea of food aid in milk and milk products devised independently by EC as part of 'special measures' to absorb certain agricultural surpluses. Results of this unilateral action are as follows:

- aid is given on purely EC basis;
- it is irregular and intermittent.

First Dec. of C regarding food aid in milk and milk products made on 21 and 22 April 1969, and concerned supply of 120 000 tonnes of skimmed-milk powder and 35 000 tonnes of butter-oil to WFP and 3 000 tonnes of skimmed-milk powder to ICRC.

OJ L 179/69  
OJ L 237/69

C Reg. 1399/69,  
17 July 1969  
C Reg. 1852/69,  
16 Sept. 1969

5.431/5.432

C Reg. 1962/72,  
2 Aug. 1972  
C Reg. 2721/72,  
19 Dec. 1972

5.432 Subsequently, *butter-oil* quantities have been retained within a bracket of  
(*contd*) 35 000 to 45 000 tonnes.

OJ L 178/72

OJ L 291/72

C Reg. 530/74,  
4 March 1974  
C Reg. 1826/74,  
11 July 1974

At the insistence of EP, *skimmed-milk powder supplies* were increased to 150 000 tonnes in 1976, and subject to slight variations are again 150 000 tonnes.

OJ L 65/74

OJ L 190/74

EEC contribution to the Flood II operation in India. This is a major multiannual rural development project to improve living conditions of millions of milk-producing families by setting up an efficient dairy industry together with necessary infrastructure. Total EEC contribution: skimmed-milk powder: 31 000 tonnes and butter-oil: 12 700 tonnes.

Bull. EC 4-1978  
point 2.2.23

C Reg. 2012/76,  
27 July 1976

Counterpart funds in local currency will be constituted from proceeds of sale of products in question and used as an additional source of finance.

OJ L 224/76

Except in the case of emergency aid, countries in receipt of food aid constitute, where appropriate, counterpart funds. EC is not required to give formal approval to development projects financed in this way, but is kept regularly informed of all such projects and is thus able to verify that they fully conform to certain predetermined general criteria.

C Dec. 469/72,  
19 Dec. 1972  
C Reg. 1475/72,  
10 July 1972  
C Dec. 623 and 624/76,  
20 July 1976

C Dec. 1071/81,  
21 Dec. 1981  
Reg. 3827/81,  
21 Dec. 1981

Budget Art. 923

5.432  
(contd)

In addition to these independent projects, EC agreed under three-year Convention with *UNRWA* (United Nations Relief Works Agency) to supply various foodstuffs, including 6 086 tonnes of sugar each year. Upon expiry on 30 June 1975, temporary Convention extended for further year and then extended retroactively from 1 July 1975.

Approval of a new convention (1980-83).

In addition to supplying foodstuffs, (cereals, skimmed-milk powder, butter-oil, sugar), EC makes an annual financial contribution.

From 1982 onwards, the EC budget will also provide for food aid in form of vegetable oil (10 000 tonnes).

OJ L 304/72  
OJ L 157/72  
OJ L 203/76  
EP Doc. 42/76  
EP Doc. 131/76

OJ L 392/81  
OJ L 392/81

5.44

#### **UN EMERGENCY FUND**

Economic crisis following rise in oil prices had serious effects on those developing countries with few resources in energy and commodities. EC therefore submitted Prop. to Sixth Extraordinary Session of UN (autumn 1974) aimed at implementation of international emergency project for developing countries most adversely affected by recent international price fluctuation. This project involved contribution of approximately USD 3 000 million towards losses suffered by developing countries most severely affected by rise in world commodity prices. In letter to Secretary-General of United Nations EC confirmed its intention to contribute one-sixth, i.e. 500 million dollars, of total involved.

On 3 October 1974 C decided to release first instalment of 150 million dollars, of which 30 million were to be paid into United Nations special account and 120 million were allocated to bilateral projects. Allocation of fund for these projects was laid down by C on 3 December 1974.

Second instalment of 100 million dollars, of which 33 million dollars were paid into special account held by Secretary-General of UN, released on 29

8th GR EC, par. 406  
EP Doc. 177/74  
OQ (0-52/74)

9th GR EC, par. 417

9th GR EC, par. 417  
Bull. EC 1-1975  
point 2308

C Dec., 22 Jan. 1975

5.432/5.44

5.44  
(contd)

April 1975, thus bringing EC contribution to total of 250 million dollars. In addition bilateral projects by Member States amounted to 408 million dollars and there was contribution of 52 million dollars as exceptional food aid. Total European contribution (Community and Member States) amounted to 710 million dollars, i.e. one-quarter of total. There were 21 recipients of EC aid out of the 42 most severely affected countries.<sup>1</sup> The payments made enabled recipient countries to import essential goods and services, such as foodstuffs, fertilizers, equipment, etc.

OJ C 89/76

EEC Tr., Art. 235

5.45

## **FINANCIAL AND TECHNICAL AID TO NON-ASSOCIATED DEVELOPING COUNTRIES**

5.451

### **Improvement of agricultural and food production**

Measures envisaged are designed to improve production, infrastructures, marketing, stocking, applied research and vocational training (as well as regional cooperation). This aid is granted to the least developed and poorest countries; by and large it involves direct financing, but some of it can also be passed on via intermediaries. None of this aid is repayable.

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<sup>1</sup> Bangladesh, Cameroon, Central African Republic, Chad, Benin (formerly Dahomey), Ethiopia, Ghana, Haiti, Honduras, India, Kenya, Madagascar, Mali, Niger, Pakistan, Rwanda, Senegal, Somalia, Sri Lanka, Tanzania, Upper Volta.

EP Res., 19 June 1975

5.451  
(contd)

In March 1975 Comm. submitted to the C an action programme for the 1976-1980 period to support developing countries with which it had not signed regional cooperation agreements. This programme was directed basically at countries in Asia and Latin America. Since C has not taken a decision on the programme as a whole, annual action is included in the EC budget: 20 million u.a. in 1976 used to help five countries (Bangladesh, India, Indonesia, Pakistan and Sri Lanka) and agricultural research bodies (Asian Bank, Regional Research Programme). A sum of 45 million u.a. was contained in the 1977 budget to finance projects in Asia (Bangladesh, India, Indonesia, Pakistan, Sri Lanka, Thailand, Vietnam and North Yemen) and Latin America (Bolivia and Honduras) and to aid regional organizations in Asia and Latin America. A sum of 70 million EUA in commitment appropriations was contained in the 1978 budget, increasing to 133.62 million EUA in 1979 and to 138.5 million EUA in 1980, 150 million ECU in 1981 and 185 million ECU in 1982 (Payment appropriations – 110 million ECU).

EP Doc. 38/75  
EP Doc. 133/75  
OJ C 157/75  
Bull. EC 3-1975  
point 2315

Budget Art. 930

The role of the EP in the financing of these projects has been crucial in that while the C has failed to reach agreement on how they should be financed, the EP included these appropriations in its working margin in the 1976 budget.

C. Reg. 442,  
17 Feb. 1981  
EP opinion,  
18 Dec. 1981

In 1981 formal adoption of *regulation* concerning this cooperation. EP did not approve this regulation, as it implied a reduction in Comm.'s implementing powers. These appropriations may also be used to promote economic cooperation between the EC and developing countries and for emergency aid.

OJL 48/81  
OJ C 11/82

5.451

5.452 **Promotion of trade relations with EC**

Budget Art. 931

These appropriations are designed to finance a number of very varied activities with two main objectives: to facilitate the marketing of products from developing countries on the Community market, and to encourage developing countries to expand production of their exportable products. 4.34 million u.a. in appropriations were contained in the 1976 budget for projects of this kind in Asia and Latin America (5 million u.a. for 1977, 5 million EUA in commitment appropriations for 1978, 5.5 million EUA in commitment appropriations for 1979 and 6.25 million EUA in commitment appropriations for 1980 and 1981) and 8 million ECU for 1982 (6 million ECU in payment appropriations).

5.453 **Measures to encourage regional and sub-regional integration**

Budget Art. 932

The aim of these measures is to provide Community aid to regional integration bodies in developing countries by giving them the benefit of experience gained and of results obtained at Community level. Appropriations to this end were 260 000 u. a. in 1976, 375 000 u. a. in 1977, 400 000 EUA in 1978 (commitment appropriations) 500 000 EUA (commitment appropriations) for 1979, 525 000 EUA (commitment appropriations) for 1980 and 600 000 ECU for 1981 and 1982 (commitment appropriations).

5.454 **Aid to measures taken by non-governmental organizations (NGOs)**

Budget Art. 945

The aim is to co-finance, along with NGOs, microprojects for the most underprivileged populations of associated or non-associated developing countries. The following budget appropriations were allotted for these measures: 2.5 million u. a. in 1976, 4 million u. a. in 1977, 12 million EUA (commitment appropriations) in 1978, 12 million EUA (commitment appropriations) for 1979, 14 million EUA (commitment appropriations) for 1980, 14 million ECU (commitment appropriations) for 1981 and 20 million ECU (commitment appropriations) for 1982.

Budget Art. 941

**HUNGER IN THE WORLD**

By end of 1970s, problem of hunger in the world was so serious that it became an issue at international and Community level.

The Community therefore decided to play an active part in campaign against food shortages, which has become a major priority of development policy as a whole.

EP has adopted a number of resolutions on this subject:

— the first (Ferrero resolution), which dealt with Community's contribution to campaign against world hunger, identified the following major issues:

- campaign against hunger in context of new relations between industrialized and developing countries;
- agricultural and rural development of developing countries;
- Community food aid;
- international trade in agricultural products and foodstuffs.

— Subsequent resolutions have shown urgency and scale of this problem and its importance for an effective development policy. Broad lines of initial reports drawn up in 1979 are maintained, but with more specific provision, urgent action, elimination of causes of hunger and speeding-up of development aid.

Furthermore, since 1980 Comm. has submitted a number of communications to C outlining its action plans for combating world hunger. These deal with agricultural and rural development, especially in context of Lomé II, increasing aid to non-associated developing countries, especially the poorest and, at international level, greater security of world food supplies.

EP Res.,  
16 Nov. 1979  
EP Res.,  
18 Sep. 1980

EP Res.,  
10 July 1981  
EP Res.,  
19 July 1981  
ACP-EEC Res.,  
5 Nov. 1982

OJ C 309/79  
OJ C 265/80

OJ C 234/81  
OJ C 182/82  
Doc. ACP-EEC 35/82,  
35/82 Add.

COM(80) 631 fin.,  
22 Oct. 1980  
COM(81) 560 fin.,  
13 Oct. 1981  
OJ C 288/81  
OJ L 373/81

5.46 The initiative of June 1982 provides for a special programme costing 184 million ECU broken down as follows:

(contd)

- emergency operations: 35 million ECU, especially for refugees;
- operations in support of food strategies: 100 million ECU;
- individual operations; i.e. campaigns to protect the rural and natural environment: 49 million ECU.

Bull. EC 6-1982,  
points 1.3.1. to  
1.3.7.

5.5 **International agreements on certain products**

5.51 **GENERAL**

5.511 **Definition**

Market regulation agreements intended to balance in medium- or long-term supply and demand on international market for various products; applied in event of significant imbalance between production and consumption or marked price fluctuations.

5.512 **Objectives**

- (a) to reduce price fluctuations over relatively long period and maintain stocks at reasonable level (element of stabilization);
- (b) to increase market prices in favour of producer countries which include in particular developing countries.

5.513 **Background**

Oldest agreement is Brussels Sugar Convention of 1902.

Since end of Second World War UN has been responsible for problems concerning commodities and in 1954 CICT (Commission on International Commodity Trade) was set up as organ of UN Economic and Social Council.

Following agreements concluded under aegis of UN:

- International Wheat Agreement (1949);
- International Tin Agreement (1953);

- 5.513  
(contd)
- International Sugar Agreement (1953);
  - International Olive Oil Agreement (1956);
  - International Coffee Agreement (1962);
  - International Cotton Textiles Agreement (1962);
  - International Cocoa Agreement (1972);
  - International Rubber Agreement (1979);
  - International Jute Agreement (1982).

These agreements, which have been revised, renewed and extended as necessary, are still in force.

Since it was set up, EC has had observer status in committees set up under various international agreements and as such has entered into some of these agreements.

5.52

**INTERNATIONAL AGREEMENTS REFERRED TO IN  
INTEGRATED UNCTAD PROGRAMME**  
(see 5.31531)

18 basic products mentioned in UNCTAD resolution on integrated programme adopted in Nairobi in 1976. Seven of these products (cocoa, coffee, olive oil, sugar, tin, rubber and jute) are covered by international stabilization agreements. All agreements, except those on rubber and jute, existed previously.

5.521      **International tin agreements**

5.5211     *BACKGROUND*

1921: Bandoeng Pool: Great Britain (Malacca), Netherlands (East Indies).

1929: Association of Tin Producing Countries: Great Britain (Malacca), Netherlands (Dutch East Indies), Bolivia, Nigeria, Burma.

Important non-members: Australia, Siam.

1931: International Tin Association: First agreement controlling almost all world production.

Export restrictions; export quotas.

1934: Stabilization reserves.

1938: System of export restrictions.

Note: Before Second World War international measures intended to control and absorb excess production, protect prices and in particular prevent unemployment in producer countries.

1953: Signature of First International Tin Agreement, which did not however come into force until 1956. (Preamble based on text of 1948 Havana Charter.)

1960: Signature of Second International Tin Agreement.

1967: Third International Tin Agreement.

C Dec. 155, 22 March 1972

5.5212

*FOURTH INTERNATIONAL TIN AGREEMENT (1971)*

OJ L 90/72

UNCTAD Conference to negotiate Fourth International Tin Agreement (Geneva from 13 April to 15 May 1970) of particular procedural importance from EC's point of view; it was first conference to negotiate a world commodity agreement after 1 Jan. 1970 – date on which final stage of Treaty of Rome entered into effect and common commercial policy was established.

4th GR EC, par. 424

C Dec., 20–21 April 1970

C authorized Comm., under Article 113 of Tr., to conduct negotiations falling within its jurisdiction, on behalf of EC. Agreement signed by Comm. on behalf of EC on 27 Jan. 1971 in accordance with C Dec. of 14 Dec. 1970.

Commun. to press

5th GR EC, par. 482

C approval for Community participation in Agreement: 22 March 1972.

6th GR EC, par. 455

EC has been member of Agreement since April 1972.

Expiry of Agreement: 30 June 1976.

C Dec. 626/76,  
21 June 1976  
C Dec. 33/79,  
18 Dec. 1978

5.5213

*FIFTH INTERNATIONAL TIN AGREEMENT (1976)*

OJ L 222/76

20 May to 21 June 1975: UN Conference on new agreement.

29 April 1976: signature of Agrmt. by EC.

Duration: Five years.

Provisional entry into force: 1 July 1976 (expiry: 30 June 1981).

OJ L 10/79

10th GR EC, par. 46

OJ L 288/76

5.5213 Final entry into force: 14 June 1977.  
(contd) Extended until June 1982.  
Agreement open for signature from 1 August 1981 to 30 April 1982.  
Entry into force: 1 July 1982.  
C approval for signature and provisional implementation: 22–23 March 1982.

Organization: Single body: International Tin Council, with seat in London, composed of all members, meets in principle four times a year; decisions taken by simple majority of votes cast by producer countries (1000 votes in all) and by consumer countries (also 1000 votes in all) but important decisions taken by two-thirds majority.

Members: Producing countries: Australia, Bolivia, Indonesia, Malaysia, Nigeria, Thailand and Zaire.

Consuming countries: Austria, Bulgaria, Canada, Czechoslovakia, EC, Hungary, India, Japan, Republic of Korea (South Korea), Poland, Romania, Spain, Turkey, USA, USSR and Yugoslavia.

5.5214 *SIXTH INTERNATIONAL TIN AGREEMENT (1981)*

Adoption of text of the agrmt.: 26 June 1981

- to balance world production and consumption of tin;
- to prevent excessive price fluctuations;
- to increase profitability of tin production;

Bull. EC 6–1981,  
point 2.2.18  
Bull. EC 3–1982,  
point 2.2.21

- 5.5214  
(contd)
- to prevent unemployment or underemployment and other problems which could be caused by imbalance in supply and demand for tin;
  - to ensure conditions which will help to achieve dynamic and rising rate of tin production on basis of remunerative return to producers, to secure an adequate supply at prices fair to consumers and to provide long-term equilibrium between production and consumption;
  - to keep under review need for development and exploitation of new tin deposits, and promotion of most efficient methods of mining, concentration and smelting of tin ores.

Instruments:

- establishment of buffer stocks, consisting of contributions (30 000 tonnes) and 20 000 tonnes in loans: Total 50 000 tonnes (40 000 tonnes in previous Agrmt.);
- laying down of ceiling and floor prices;
- control and determination of total export tonnage; penalties laid down;
- strengthening of provisions as compared with previous Agrmt. with regard to measures to be taken, in event of tin shortage, to improve conditions under which consuming countries are supplied;
- Article 54 of Agrmt. clearly defines conditions for participation of intergovernmental organizations – and thus of EC.

5.522 **International cocoa agreements**

5.5221 **BACKGROUND**

1964: attempt to reach agreement by major producing countries following failure of negotiations for conclusion of international agreement.

Between 1966 and 1972: consultations, conferences and negotiations (at invitation of Secretary-General of UNCTAD) concerning conclusion of international agreement. Comm. took part in this work.

6 – 28 March 1972: UN Conference on cocoa; six Member States and the Community took part. By decision of 7 March 1972, C authorized Comm. to conduct negotiations on behalf of EC within scope of common commercial policy.

11 September to 20 Oct. 1972: Second phase of Conference. Adoption of text for Agreement intended to stabilize prices on world cocoa market for period of three years. Comm. was successful in inserting in Agrmt. provisions allowing EC to become full member (Article 4 of Agrmt.).

Jan. 1973: all Member States and Comm. signed Agrmt.

26 June 1973: C Dec. for provisional application of International Cocoa Agrmt. of 1972, which entered into force provisionally 1 July 1973.

Concerns exports and imports of cocoa from and into common customs territory.

Expiry of Agrmt.: 30 Sept. 1976.

22 Sept. to 20 Oct. 1975: Conference in Geneva organized under aegis of UNCTAD to negotiate conclusion of Second International Cocoa Agrmt.

Bull. EC 5-1972,  
point 98

Bull. EC 10-1972,  
point 195

Bull. EC 1-1973,  
point 2308

Bull. EC 6-1973,  
point 2340

OJ L 324/73

9th GR EC, Par. 393

Bull. EC 6-1975,  
point 2322

EECV Tr., Art. 113

C Reg. 3135,  
9 Nov. 1973

5.5221 (contd) EC represented by Comm., and the nine Member States took part. Comm. authorized, by decision of C of 22 Sept. 1975, to negotiate on behalf of EC questions of Community competence.

New Agrmt. concluded.

Bull. EC 10-1975,  
point 2321

C Dec. 870/76,  
28 Sept. 1976  
C Dec. 198/79,  
12 Feb. 1979

5.5222 *SECOND INTERNATIONAL COCOA AGREEMENT (1975)*  
Signature of Agrmt. by EC: 27 July 1976.

OJ L 321/76  
OJ L 44/79

Provisional entry into force: 1 Oct. 1976 for three years with possible two-year extension without fresh negotiations.

Notification of provisional application of Agrmt. by EC: 28 Sept. 1976.

First implementation regulation adopted by Community in the context of International Cocoa Agreement (1975) concerning import and export controls.

OJ L 321/76

Minimum price raised to USD 0.65 and maximum price to USD 0.81 per lb.

11th GR EC,  
par. 480

C Reg. 2762/76,  
19 Oct. 1976

5.5223 *THIRD INTERNATIONAL COCOA AGREEMENT (1980)*

Entry into force in principle: 1 April 1981.

Bull. EC 11-1980,  
point 2.2.19

Provisional implementation: 1 Aug. 1981.

OJ L 313/81  
Press release 8280-1981

EEC accepted this provisional implementation.

Actual implementation: 1 Oct. 1981.

Bull. EC 10-1981,  
point 2.2.15

C Dec. 850/81,  
30 June 1981

C of Mins.,  
13 July 1981

5.5223  
(contd)

Organization: Supreme body: International Cocoa Council; seat in London; consisting of all members of International Cocoa Organization; normally meets twice a year. Decisions are taken in principle by simple majority of votes cast by all importing member countries (1 000 votes in all) and exporting member countries (also 1 000 votes in all) but important decisions taken by a two-thirds majority. Executive Committee consists of eight exporting member countries and eight importing member countries.

Members: Exporting countries: Brazil, Cameroon, Dominican Rep., Ecuador, Ghana, Guatemala, Jamaica, Mexico, Nigeria, Papua New Guinea, Peru, St Lucia, St Vincent, Sao Tome and Principe, Togo, Trinidad and Tobago and Zaire.

Importing countries: Australia, Bulgaria, Canada, Colombia, Czechoslovakia, EC, Finland, German Democratic Republic, Hungary, Japan, New Zealand, Norway, Peru, Portugal, Spain, Sweden, Switzerland, USSR, Venezuela and Yugoslavia.

Ivory Coast (world's leading producer) and United States are not party to Agrmt.

Objectives:

- to alleviate any economic difficulties arising whenever it proves impossible to balance production and consumption by normal interplay of market forces;
- to prevent excessive fluctuations in price of cocoa;
- to maintain and increase income of exporting countries;
- to ensure supplies at reasonable prices;
- to promote consumption and where necessary to make adjustments to production.

5.5223  
(contd)

**Instruments:**

- maintenance of price of cocoa beans within price limits fixed by joint agreement (minimum price of USD 1.00 per pound and maximum price of USD 1.60 per pound);
  - below a certain price level, establishment of system of annual export quotas; provision for revision and adjustment of quotas;
  - setting up cocoa bean buffer stocks (maximum capacity: 250 000 tonnes);
  - financing of buffer stocks by transfer of funds accruing from first two agreements, levying of contributions on trade in this product, borrowings, etc.;
- October 1981: financial resources of buffer stocks are exhausted and there has been no improvement on prices which remain below lower limit;
- provisions for assignment to non-traditional uses of surplus cocoa;
  - control of imports and exports of member countries.

5.523      **International coffee agreements**

5.5231     **BACKGROUND**

1940: First attempt to regulate international coffee market.

From 1956 to 1962: Conclusion of annual agreements between producing countries.

1962: Conclusion of First International Coffee Agrmt. at instigation of United States; EC present as observer.

5.5231 (contd)	<p>1968: Renewal of Agrmt. for five years by International Coffee Council.</p> <p>30 Sept. 1973: Official expiry of Agrmt. (did not operate in 1973 because of disagreement on price levels).</p> <p>1 Oct. 1973: Agrmt. extended for two years, but stripped of economic content (quotas, prices, diversification and promotion funds); constituted essentially framework for negotiation of new agreement. EC present as observer.</p> <p>1 Oct. 1975: Extension for further year of Agrmt. without adding economic provisions; EC present as observer.</p> <p>3 Nov. to 3 Dec. 1975: Negotiations in International Coffee Council in London led to conclusion of new Agrmt.</p> <p>Comm. negotiated on matters of EC interest on behalf of EC. Agrmt. open for signature to 31 July 1976</p>	<p>6th GR EC, par. 462</p> <p>11th GR EC, par. 451</p> <p>8th GR EC, par. 379</p> <p>Bull. EC 12-1975, point 2322</p> <p>Bull. EC 6-1976, point 2322</p>
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C Dec. 845,  
20 Sept. 1976

5.5232     *INTERNATIONAL COFFEE AGREEMENT (1976)*

OJ L 309/76

Provisional entry into force: 1 Oct. 1976.  
 Definitive entry into force: 1 Aug. 1977.  
 Signature by EC: 27 July 1976, subject to final conclusion.  
 Notification of provisional application of Agrmt. by EC: 20 Sept. 1976.  
 EC notification of intention to continue to participate in Agrmt.

Duration of Agrmt.: Six years.

C Dec. 827/79,  
25 Sept. 1979

OJ L 248/79

Organization: As for International Cocoa Agrmt. (see 5.522).

Members: 42 exporting countries including: Brazil, Cameroon, Colombia, Costa Rica, Ecuador, El Salvador, Ethiopia, Guatemala, Indonesia, Ivory Coast, Kenya, Madagascar, Mexico, Peru, Tanzania, Uganda, Zaire.

Importing countries: Australia, Canada, Cyprus, Czechoslovakia, EC, Finland, Japan, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, United States of America and Yugoslavia.

Objectives:

- to achieve reasonable balance between supply and demand for coffee;
- to avoid excessive fluctuations in levels of world supplies, stocks and prices;
- to contribute to development of productive resources and so to improve standard of living and working conditions;
- to increase purchasing power of exporting countries by keeping prices at reasonable level;
- to promote consumption of coffee;
- to encourage international cooperation on world coffee problems.

Instruments:

- export quotas;
- price range(s) which determine level for introduction, suspension and re-introduction of export quotas;

5.5232  
(contd)

- promotion funds (USD 25 000 000 in two years); financed by compulsory levy on coffee exports from exporting members; main objective is to encourage coffee consumption; may finance up to 50% of cost of promotion campaigns;
- production policy and policy relative to coffee stocks planned;
- special fund to ensure that provisions of Agrmt. are implemented;
- procedures planned for information, collaboration, consultation, settlement of disputes and complaints.

C Reg. 2686,  
19 Oct. 1976

First implementing Reg. adopted by C within context of International Coffee Agrmt. 1976 concerning import controls when quotas are not in force.

OJ L 309/76

The economic mechanisms of the Agrmt. did not come into play in 1977 or 1978 due to high price of coffee.

11th GR EC, par. 481  
12th GR EC, par. 462

First implementation of economic provision of Agrmt. in 1980, owing to slump in the price of coffee: introduction of an overall export quota of 57.37 million 60 kg bags as from 1 Oct. 1980 and a mechanism for adjusting quotas. This system was reapplied for 1981–82 coffee year.

Bull. EC 10-1980  
point 2.2.17

15th GR EC, par. 667

C Reg. 2436,  
9 Oct. 1979

Application of system of certificates of origin when quotas are in effect.

OJ L 282/79

C Reg. 2696,  
22 Oct. 1980

Application by EC of the system of certificates of origin when quotas are in effect, as from 1 Nov. 1980.

OJ L 279/80

C Reg. 2612,  
29 Sept. 1982

Comm. is authorized to make changes as from 1 Oct. 1982 when quotas are in effect.

OJ L 278/82

5.524 **International sugar agreements**

5.5241 **BACKGROUND**

1902: Brussels Sugar Agrmt.

1931: Chadbourne Agrmt.

1937: International Agrmt. between consumer countries; covered almost all world trade in sugar; formally in force until 1944.

1953, 1958, 1968: conclusion of International Sugar Agrmts. (1958 Agrmt. suspended in 1960, following Cuban crisis, but extended in 1961); EC not party to 1968 Agrmt.

1973: May and Sept./Oct.: conference to negotiate International Sugar Agrmt. under auspices of UNCTAD; Agrmt. signed for period to 31 Dec. 1975, without economic provisions; EC attended as non-member with observer status (classified as importer);

Agrmt. extended to 31 Dec. 1977.

18 April to 27 May 1977: conference to negotiate new International Sugar Agrmt. with economic provisions.

12 Sept. to 7 Oct. 1977: Second round of negotiations; Agrmt. signed; EC attended as non-member with observer status.

11th GR EC,  
par. 478

5.5242 **INTERNATIONAL SUGAR AGREEMENT (1977)**

Duration: Five years, possibility of extension.

Provisional entry into force: 1 Jan. 1978.

Organization: International Sugar Council, based in London.

Bull. EC 9-1977  
point 2.2.10  
Bull. EC 1-1978  
point 2.2.12

5.5242 Members: approximately 55 countries; exporting members include:  
(contd) Australia, Brazil, Colombia, Cuba, Dominican Republic, Fiji, Guyana,  
India, Jamaica, Mauritius, Mexico, Peru, Philippines, Poland, South  
Africa, Thailand.

Importing countries include: Bulgaria, Canada, Chile, German Democratic  
Republic, Iraq, Japan, Malaysia, Morocco, New Zealand, Norway, Repub-  
lic of Korea, Switzerland, USA, USSR, Yugoslavia.

Aims: to stabilize the world market for sugar within a specific price bracket  
through system of export quotas backed up with an international buffer  
stock.

#### Instruments:

##### (a) Price stabilization mechanism

Prices to be stabilized within a bracket of USD 0.11–0.21 per pound. To  
achieve this, some 16 million tonnes in export quotas allocated to  
exporting countries; main quotas: Brazil (2.35 million tonnes),  
Australia (2.35 million tonnes), Philippines (1.4 million tonnes),  
Dominican Republic (1.1 million tonnes).

- Rising market: overall quotas will be increased in 3 tranches of 5% if  
price per pound rises above 13 cents, 14 cents and 14.5 cents  
respectively; between 14 and 15 cents per pound, International  
Sugar Council has discretionary power to declare a free market;  
above 15 cents per pound quotas no longer apply.
- Falling market: basic export tonnages reintroduced at 14 cents per  
pound; effective quotas will be reduced in three tranches of 5% if  
price per pound falls below 13 cents, 12 cents or 11.5 cents  
respectively. Below 11 cents, effective quotas calculated on basic  
export tonnages may be reduced by 2.5%, save for the four

5.5242  
(contd)

countries exporting more than 60% of their production on free market. If this exemption invoked, other exporting countries will have to share additional financial burden, which will be refunded to them subsequently.

In effect, since Agrmt. came into force, International Sugar Council has asked member countries to reduce their export quotas. Despite this reduction, market prices in 1978 remained below floor price provided for in Agrmt.

12th GR EC,  
par. 462

(b) Stocks

Volume of buffer stock equal to 2.5 million tonnes, possibly increased by share of EC, should it join the Agrmt. This stock to be constituted 'as quickly as possible' while price remains below 15 cents, at following rate: at least 40 % the first year, a further 40 % at least the second year and 20 % the third year.

To stabilize upper end of price bracket, stock will be released in three equal tranches if price rises to 19 cents, 20 cents and 21 cents respectively.

Fund also set up to finance this stock; income will be derived from levy of between 0.28 and 0.33 cents per pound on all sugar sold on free market.

5.5243 *COMMUNITY POSITION*

5.52431 1968 AGREEMENT

EC negotiated self-sufficiency rate of 117%, corresponding to *export* quota of some 1 200 000 tonnes of raw sugar, while proposal made to it was for 214 000 tonnes to start with and 300 000 tonnes subsequently. On those conditions EC could not envisage acceding to 1968 Agrmt.

2nd GR EC,  
par. 558

5.52432 1973 AGREEMENT

EC took part in Conference to negotiate new Agrmt., held in Geneva in 1973 under auspices of UNCTAD. In Memorandum to C dated 12 July 1973, Comm. suggested:

COM(73) 1177 final  
EP Report 32/74

- that EC become party to new International Agrmt. in its role as net *importer* of at least 600 000 tonnes of sugar (1.4 million tonnes imported under Protocol No 22 to Act of Accession of 1972, less 800 000 tonnes to be exported on world market);
- that nevertheless in event of shortage on world market no quantitative limits could be applied to exports from EC.

No agreement was reached, and Conference decided to keep framework of 1968 Agreement in place, without economic provisions, until 31 Dec. 1975 (extended to 31 Dec. 1976 and subsequently to 31 Dec. 1977).

7th GR EC, par. 448

5.52433 1977 AGREEMENT

Comm.'s original mandate – which provided for negotiation of Agrmt. without export quota element, but with substantial buffer stock of 4.5 million tonnes in respect of price bracket of USD 0.08 – 0.2 per pound – was modified by C on 27 Sept. 1977, so as to permit EC participation in a new Agrmt. on basis of 'undertakings similar or equivalent' to those which were entered into on export quotas by other parties to Agrmt.

Bull. EC 9–1977  
point 2.2.10

This proposal was rejected by Geneva Conference which tried, to the very end, to resolve fundamental problem of sharing out market in times of substantial surplus.

5.52433 Conference decided instead to adopt an article providing for accession of  
(contd) EC to Agrmt. after its entry into force through negotiation of 'special conditions' at such time.

In 1981, C asked Comm. once again to seek means of establishing a basis for cooperation with International Sugar Council to improve stability of world market in this product.

15th GR EC, par. 672

5.525 **International olive oil agreements**

5.5251 **BACKGROUND**

Since 1929: International Olive Growers Federation.

1956: Under aegis of United Nations: First International Olive Oil Agrmt., expiring 30 Sept. 1963.

1 Oct. 1963: Entry into force of Second Agrmt., expiring 30 Sept. 1969; extended and amended several times up to 31 Dec. 1979.

19 to 24 Sept. 1977: Preparatory meeting organized by UNCTAD to renew 1963 Agrmt.

20 March to 2 April 1979: Negotiating conference (organized by UNCTAD) aimed at concluding new Agrmt.

2 April 1979: New Agrmt. concluded.

Bull. EC 4-1978,  
point 2.2.20

11th GR EC,  
par. 479

5.5252 **COMMUNITY POSITION**

Observer status to 1 Jan. 1978, in view of fact that not all Member States were signatories to Agrmt.

Bull. EC 11-1977,  
point 2.2.34

C Dec. 886/78,  
16 Oct. 1978

5.5252  
(contd)

EC member of Agrmt. since 1 Jan. 1978: EC agreement to extension:  
16 Oct. 1978.

Bull. EC 4-1978,  
point 2.2.20  
OJ L 306/78

5.5253

*INTERNATIONAL OLIVE OIL AGREEMENT (1979)*

OJ L 327/79

*Entry into force* 1 Jan. 1980.

*Duration:* Five years.

*Open to signature:* 1 July to 16 Nov. 1979.

*Organization:* International Olive Oil Council; based in Madrid; normally meets twice a year; Council made up of all signatories to Agrmt. Decisions taken in principle by four-fifths majority of votes cast, including votes of a majority of member countries with voting rights. Secretariat set up.

*Member countries:* in principle, those countries which took part in negotiations and/or were signatories to the 1963 Agrmt., i.e. approx. 30 countries.

*Aims:* like its 1963 predecessor. Agrmt. is directed towards general improvement in market information, trade promotion and cooperation, but does not incorporate mandatory economic provisions on prices and stocks.

*Instruments:* Despite wishes expressed by certain countries, Agrmt. is not based on a buffer stock. It is founded essentially on consultation procedures involving producers and consumers, and seeks — by way of a propaganda fund financed by contributions (totalling USD 300 000) from member countries (in the main producers) — to improve measures designed to stimulate consumption. To encourage measures designed to improve olive-growing techniques, a special annual maximum sum of USD 100 000 has been fixed for research purposes.

5.5253 *Products covered by Agrmt. are: virgin olive oil for human consumption, (contd) virgin olive oil not for human consumption, refined olive oil, pure olive oil and coupage olive oil. It will also cover table olives if Spain (a major producer) lifts its reservations.*

5.526 **International natural rubber agreements**

5.5261 **BACKGROUND**

1976: Resolution of UNCTAD IV calling for international agreements on commodity products.

1977: 17 – 21 January: First preparatory meeting on rubber.

1978: 27 February – 1 March: Third preparatory meeting requesting UNCTAD to convene negotiating conference on natural rubber.

13 November: First plenary meeting of UN Conference on Natural Rubber.

1979: 24 September – 6 October: At fourth plenary meeting Conference established text of International Natural Rubber Agrmt., first agreement to contain obligatory financial commitments, and buffer stock to stabilize international market.

5.5262 **COMMUNITY POSITION**

EC has through Comm. participated actively in negotiations but pursuant to Court of Justice judgment on EC role when regarding Tr. Art. 113, EC participation in Agrmt. is dependent of financing of Agrmt. If burden of financing buffer stock falls upon EC budget EC will have exclusive powers.

Bull. EC 10-1979,  
point 2.2.21  
OJ C 279/79

5.5262 (contd) If charges are to be borne directly by Member States that would imply participation of those States in Agrmt. together with EC.

EC signed Agrmt. 30 May 1980, pursuing C Dec. of 23 May 1980, subject to its conclusion.

OJ L 213/80

EC decided to adhere to Agrmt. provisionally on 23 September 1980.  
Approval of International Agrmt.

OJ L 259/80

OJ L 111/82

C Dec. 253,  
8 Apr. 1982

5.5263 **INTERNATIONAL NATURAL RUBBER AGREEMENT**

OJ L 213/80  
Bull. EC 10-1979,  
point 2.2.21

*Implementation:* Provisionally entering into force on 1 October 1980 or any date within 18 months thereafter, provided that countries representing at least 65% of world imports and 65% of world exports have carried out necessary formalities.

*Definitive* entering into force when 80% of these totals are achieved.

*Duration:* Five years, renewable.

*Open for signature:* from 2 January 1980 to 30 June 1980.

*Members:* Open to governments invited to UN Conference on Natural Rubber, 1978, meaning approx. 55 countries.

Agrmt. construed so that both EC and Member States are possible members.

*Objectives:* main objective of Agrmt. is to increase stability both in respect of supplies and prices on international market for natural rubber. Also

5.5263 urges member countries to increase international cooperation on problems  
(contd) in natural rubber industry.

*Organization:* International Natural Rubber Organization,

- Seat in Kuala Lumpur (Malaysia) or in London (to be decided), consisting of all parties involved in rubber production and trade,
- Decisions in principle taken by distributed simple majority vote in the International Natural Rubber Council,
- Votes distributed equally between producers and consumers and within these groups by market shares,
- Agrmt. provides for establishment of secretariat.

*Means of regulation:* Agrmt. does not provide for import/export regulations but stabilization is being brought about establishing a buffer stock of 400 000 metric tonnes. A further 150 000 tonnes comprises a contingency buffer stock.

Buffer stock to be financed by both producers and consumers; contributions to financing obligatory.

By means of buffer stock the International Natural Rubber Organization is able to intervene on market to keep prices within agreed limits and supplies stable (between 168 and 252 Malaysian cents per kg).

Agrmt. provides that International Natural Rubber Organization is to make full use of Common Fund for Commodity Stabilization by replacing two-thirds of contributions from member countries with loans from Fund.

**INTERNATIONAL JUTE AGREEMENT**

*Concluded* in October 1982

*Entry into force* scheduled for 1 July 1983

Following notification of three producer countries accounting for 85 % of exports and 20 importing countries accounting for 65 % imports.

*Nature:*

Agreement concluded for raw jute and natural fibres related to this product in context of Integrated Programme for Commodities. This is the first agreement under common Fund relating to second common Fund account.

It contains provisions for improving structural features of market, maintaining existing markets and creating new ones and improving competitiveness. However, there are no provisions for buffer stocks or stabilization of prices.

*Aim:*

To promote marketing, processing and use of jute and its derivatives.

*Organization:*

Creation of International Headquarters in Dhaka (Bangladesh) with an International Council meeting twice a year.

*Main producers:*

Bangladesh (56.7%), India (31.4%), Thailand (7.24%) und Nepal.

*Main importers:*

United States (17 %), EEC countries (16 %).

5.53 **OTHER INTERNATIONAL AGREEMENTS**

5.531 **From international wheat agreements to agreements on foodstuffs**

5.5311 **BACKGROUND**

1933: First International Wheat Agrmt., terminated after one year.

1949: New International Wheat Agrmt. (price limitation for certain export and import quantities) revised, renewed or extended in 1953, 1956, 1959, 1962, 1965 and 1966.

1967: International Grains Arrangement; negotiated in Rome from 12 July to 18 Aug. 1967; C decided (24 Oct. 1967) to sign Arrangement on behalf of EC, subject to final conclusion.

Arrangement consists of Wheat Trading Convention (price scale for wheat with system of maximum and minimum prices) and Food Aid Convention (annual supply of 4 500 000 tonnes of grain including at least 1 035 000 tonnes, i.e. 23 %, by EC).

Expiry of Arrangement: 30 June 1971.

OJ L 66/70

5.5312 **INTERNATIONAL WHEAT AGREEMENT (1971)**

UN Wheat Conference met from 18 Jan. to 20 Feb. 1971 in Geneva under auspices of UNCTAD to negotiate new Agrmt. consisting of two Conventions mentioned below.

WQ No 391/70  
OJ C 30/71  
Bull. EC 3-1971, point 62

C Dec. 208,  
17 March 1970

5.53121 WHEAT TRADING AGREEMENT  
(contains no economic restrictions)

Entry into force: 1 July 1971.

Expiry: 30 June 1974.

Organization: Supreme body: International Wheat Council; seat in London; composed of all members of Agrmt.; meets at least twice a year. Decisions taken on majority of votes cast by all exporting member countries (1000 votes in all) and importing member countries (also 1000 votes in all), but important decisions are taken by two-thirds majority.

Executive Committee set up, consisting of maximum of four exporting members and maximum of eight importing members.

Members: Principal exporters: Argentina, Australia, Canada, EC, USA and USSR; principal importers: Brazil, China, EC, India, Japan, Peru, United Arab Republic and Venezuela.

Objectives:

- to promote international cooperation;
- to promote development of trade in wheat and wheat flour in interests of both exporting and importing members;
- to help stabilize international wheat market;
- to provide framework for negotiation of provisions relating to wheat prices.

Instruments:

- recording of commercial purchase and sales and of special transactions;
- evaluation of needs for and availability of wheat;
- consultations on market situation;

- 5.53121  
(*contd*)
- annual examination of world wheat situation and research into ways of promoting consumption;
  - directives on transactions on preferential terms;
  - a conference is to be organized whenever it appears that questions relating to price and to relevant rights and obligations could usefully be negotiated.

5.53122 FOOD AID CONVENTION

(See also 5.431)

Duration: Three years.

Entry into force: 1 July 1971.

Expiry: 30 June 1974.

Organization: Single body: Food Aid Committee; composed of representatives of member countries; monitors application of Convention.

Members: Argentina, Australia, Canada, EC, Finland, Japan, Sweden, Switzerland and United States.

Objective: Implementation, by virtue of contributions collected, of food-aid programme for developing countries.

Instruments: Each party to Convention must supply minimum annual tonnage or equivalent in cash. Minimum annual tonnage: 3 974 000 tonnes.

Procedures for supplies and contributions:

- sales against non-convertible cash payments in currency of importing country which may not be exchanged for foreign currency or goods and services intended for use by donating country;

- 5.53122 — gifts of grain or gifts in cash to be used to purchase grain for benefit of  
(contd) importing country, or
- credit sales (preference should be given to first two procedures);
  - contributions of grain supplied on forward delivery terms fob;
  - purchases of grain are to be effected in member countries;
  - donating countries may nominate one or more beneficiary countries;
  - contributions may be made either via an international organization or bilaterally; preference should be given in particular to multilateral networks and especially to WFP.

5.53123 DEVELOPMENTS SINCE 1974

International Wheat Agrmt. of 1971 expired on 30 June 1974.

Extension to 30 June 1975.

Bull. EC 2-1974,  
point 2314

Second extension to 30 June 1976.

Bull. EC 2-1975,  
point 2315

Third extension to 30 June 1978.

Bull. EC 2-1976,  
point 2325

Fourth extension to 30 June 1979.

Bull. EC 3-1978,  
point 2.2.19

Fifth extension to 30 June 1981.

Sixth extension to 30 June 1983.

5.53123 Aim of latest extension is to retain current means for technical collaboration until new agreement containing genuine economic provisions can be negotiated. Similarly, Food Aid Convention was also extended with same obligations for same period.  
(contd)

5.5313 *COMMUNITY POSITION*

Since 1968 EC and Member States have been members of International Grains Arrangement with a minimum annual commitment of 1 035 000 tonnes of grain (total annual programme: 4 500 000 tonnes) within context of Food Aid Convention. Commitment was confirmed in International Wheat Agreement of 1971 and increased to 1 287 000 tonnes on occasion of accession to EC of United Kingdom, Ireland and Denmark.

10th GR EC, par. 312  
2nd GR EC, par. 553

In 1980 contribution of EC and of Member States was increased to 1.65 million tonnes out of full annual programme of 7.592 million tonnes, with target of 10 million tonnes.

EP Doc. 1-341/80/Annex I

Signature by EC: 3 May 1971.

5th GR EC, par. 456

C Dec. on provisional application: 7 June 1971.

C Dec. on conclusion of Agreement: 25 June 1974.

OJ L 219/74

Provisional application by the EC.

OJ L 152/79

Extension until 30 June 1981 following failure of negotiations for conclusion of new Agrmt.

OJ L 39/80

Conclusion of fourth and fifth Protocols.

OJ L 88/81

Decision on sixth extension to 30 June 1983.

OJ L 155/81  
15th GR EC, par. 671

EP Res., 18 Sept. 1980

C Dec. 406,  
25 June 1974

C Dec. 556/79,  
12 June 1979

C Dec. 176/80,  
10 Dec. 1979

C Dec. 188,  
26 March 1981

C Dec. 407,  
12 May 1981

5.532 **International agreements on the textile trade**

5.5321 **BACKGROUND**

1962: First Long-term Arrangement on Cotton Textile Trade entered into force 1 Oct. 1962 for five years.

1967: Extension of Arrangement until 30 Sept. 1970.

1970: Further extension of Arrangement until 30 Sept. 1973 and subsequently until 31 Dec. 1973.

7th GR EC, par. 435

EC as such was party to this Arrangement, under which bilateral agreements on voluntary limitation of exports were concluded between EC and following non-member countries: China, Egypt, Hong Kong, India, Japan, Korea, Pakistan, Taiwan (replaced by an autonomous regime in 1975) and Yugoslavia.

OJ L 225/70

Bilateral agreements were extended initially until 31 December 1973 and subsequently until 30 June 1974. They remained in force, *de facto*, pending conclusion of new bilateral agreements under new Arrangement regarding International Trade in Textiles.

7th GR EC, pars 435 – 437

Comm. Dec. 1971,  
8 March 1973

Autonomous increase of quantitative ceilings under these bilateral agreements to adapt them to situation in enlarged EC.

OJ L 94/73

C Dec. 214,  
21 March 1974

5.5322 **ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES**

OJ L 118/74

(GATT all-fibres Arrangement on textile products wool, cotton and man-made fibres, MFA I)

5.532/5.5322

5.5322 20 December 1973: agreement between parties; EC participated in negotiations.  
(contd)

25 March 1974: EC advised GATT of its acceptance of Arrangement.

Bull. EC 3-1974,  
point 2309

Duration: Four years.

Entry into force: 1 January 1974.

Organization: Textiles Committee, consisting of representatives of parties to this Arrangement, meets at least once a year; examines operation of Arrangement and carries out studies and analyses in textiles sector; assisted by Textiles Surveillance Body consisting of chairman and eight members appointed by parties (standing body).

Members: appointed subject to acceptance by governments which are contracting parties of GATT or which have accepted it on provisional basis (special clause for countries which are not parties to GATT).

Objectives:

- expansion of trade in textiles;
- reduction of barriers to such trade;
- progressive liberalization of world trade in textile products;
- orderly and equitable development of this trade;
- avoidance of disruptive effects in individual markets and on individual lines of production in both importing and exporting countries;
- encouragement, by implementation of this Arrangement, of economic and social development of developing countries.

5.5322  
(contd)

Instruments:

- progressive elimination (within maximum period of three years), or harmonization with other provisions of Arrangement, of all unilateral restrictions or those resulting from bilateral agreements (Art. 2);
- a 'liberalization' programme to dismantle existing quantitative restrictions on imports;
- safeguard measures foreseen and laid down (Art. 1.3 and Annex A to Arrangement);
- rules laying down framework for bilateral articles to be concluded (Art. 4) (voluntary restraint agreements with exporting countries);
- definition of textile products to which Arrangement applies (Art. 12).

5.5323

***BILATERAL AGREEMENTS CONCLUDED BY EC  
PURSUANT TO ART. 4 OF MULTIFIBRE  
ARRANGEMENT***

Since Nov. 1974, EC has conducted negotiations with various countries with view to conclusion of bilateral agreements on voluntary limitation of exports; all these agreements have certain common provisions: based on principle of voluntary restraint of exports by countries in question; exporting countries undertake therefore to respect certain quantity ceilings for limited number of textile products (where there is real risk of disrupting markets); quantity ceilings accompanied by annual scaling-up factor; procedures for flexible operation to allow best use of ceilings; quantity ceiling normally managed by system of double checking.

5.5323 (contd) These agreements generally include special consultation procedure to avoid risks of disruption of EC market for certain other sensitive products: this can be invoked by any Member State and enables EC to negotiate voluntary quantity ceilings for specific articles.

All existing restrictions lifted from products not covered by agreements, either at once or in accordance with programme of progressive elimination.

EC has concluded bilateral voluntary restraint agreements with following countries:

- Asia and the Far East: India, Pakistan, Hong Kong, Macao, Singapore, Malaysia, South Korea, Japan, Thailand;
- Latin America: Brazil, Colombia;
- Mediterranean: Egypt, Yugoslavia;
- Eastern Europe: Romania.

All these agreements expired on 31 Dec. 1977, i.e. on same date as Multifibre Arrangement.

#### 5.5324 *RENEWAL OF MULTIFIBRE ARRANGEMENT (MFA II)*

At 1976 and 1977 negotiations, EC expressed hope that renewal of Arrangement would be accompanied by examination of possible improvements. It considered that while aim of developing international trade, particularly in favour of developing countries, has generally been achieved, aim of avoiding disruption of markets in certain importing countries had not been respected.

COM(76)  
720 final  
Bull. EC 3-1977  
point 2.2.23  
Bull. EC 7/8-1977  
points 1.5.1-1.5.3, 2.2.35  
OJ C 6/78  
EP Doc. 438/77

5.5324  
(contd)

This was particularly true of EC which had witnessed substantial increase in textile imports, while consumption of textile products remained stable; this had resulted in marked fall in production and employment in Europe and had forced EC to resort to various safeguard measures.

Position of EC at negotiations in July 1977:

- 1973 MFA had to be renewed, but signature of EC only conditional. It could only give its approval to extension of MFA in event of satisfactory conclusion of bilateral agreements to be negotiated with developing countries which export textiles.
- Extended MFA to refer to difficulties besetting EC and willingness of exporting countries to take these difficulties into account in bilateral negotiations. It should explicitly empower EC, in certain circumstances, to depart from normal provisions of Arrangement, i.e. to impose import quotas for most sensitive products by not raising quantity ceilings (at rate of 6 % per annum according to Arrangement), but by stabilizing them at 1976 level and even bringing them down in certain instances.

Comm. began negotiations on basis of negotiating directives adopted by C on 18 Oct. 1977, with a view to concluding bilateral agreements with low-cost textile exporting countries.

Bilateral arrangement negotiated for five years as follows:

- For eight particularly sensitive product categories (cotton yarn, woven fabrics of cotton, woven fabrics of man-made fibres, T-shirts, jerseys, trousers, blouses and shirts), quantity of low-cost imports into EC has been stabilized.

Comm. Reg. 3019/77,  
30 Nov. 1977  
C Reg. 265/78,  
7 Feb. 1978

OJ L 357/77  
OJ L 42/78  
Bull. EC 12-1977  
points 1.2.1-1.2.3

- 5.5324  
(contd)
- For other sensitive products, annual growth rate will be limited by way of agreed ceilings.
  - For non-sensitive products, EC will be able to have recourse to automatic safeguard mechanism agreed with non-preferential suppliers if situation renders it necessary.

Bilateral Agrmts. on voluntary limitation of exports concluded with 26 non-preferential suppliers: (expiry: 31 Dec. 1982).

C Reg. 2557-2563/79, 30 Oct. 1979	Argentina, Bangladesh, South Korea, Macao, Pakistan, Sri Lanka, Thailand.	OJ L 298/79
C Reg. 3071-3074/79, 18 Dec. 1979	Guatemala, Indonesia, Peru, Singapore.	OJ L 350/79
C Reg. 610-612/80, 17 March 1980	Brazil, Uruguay, Haiti.	OJ L 70/80
C Reg. 847/80, 11 April 1980	Hong Kong. Bulgaria, Colombia, Egypt, Hungary, India, Malaysia, Mexico, Philippines, Poland, Romania and Yugoslavia.	OJ L 95/80
Comm. Reg. 3020/77, 30 Dec. 1977 C Reg. 255/78, 7 Feb. 1978	As in past, EC will apply unilateral measures to Taiwan.	OJ L 357/77 OJ L 39/78
C Reg. 3061/79, 20 Dec. 1979	Agrmt. also concluded with China. Furthermore, informal arrangements concluded with eight preferential countries: Spain, Cyprus, Greece, Mauritius, Malta, Morocco, Portugal and Tunisia.	OJ L 345/79

Comm. Reg. 3059/78,  
21 Dec. 1978  
C Reg. 1176/79,  
12 June 1979  
EP Opinion,  
15 Dec. 1978

5.5324  
(contd)

Quantitative limits on imports of certain textile products from these countries: all administrative problems in respect of bilateral agreements on textiles up to 1982 to be dealt with by a Textiles Committee chaired by a representative of the Commission.

OJ L 365/78  
OJ L 149/79  
OJ C 6/79  
EP Doc. 467/78

C Dec. 806, 20 Dec. 1977

Following agrmt. reached in Comm.'s bilateral negotiations with textile exporters, on 20 Dec. 1977, C approved these negotiations and gave agreement to signature of Protocol extending Multifibre Arrangement.

OJ L 348/77

5.5325

*EXTENSION OF THE AGREEMENT ON TRADE IN  
TEXTILES (MFA III)*

C Dec. 179,  
16 March 1982

Entry into force: 1 January 1982  
Expiry: 31 July 1986

OJ L 83/82

EP Res.,  
11 March 1982

Position of EC at multilateral negotiations 18 November 1981: brief given by C on 17 November 1981.

OJ C 87/82  
Bull. EC 11-1981,  
point 2.2.11

EP Res.,  
19 Nov. 1981

At multilateral level EC insisted on following points:

- possibilities for reducing access levels of dominant countries and for avoiding import surges within underutilized quotas;
- possibility of negotiating growth rates of less than 6% for sensitive products;
- suspension of flexibility provisions and an instrument to combat frauds in trade in textile products.

OJ C 327/81  
Bull. EC 12-1981,  
points 1.51-1.54

All these objectives were accepted in protocol extending the MFA.

5.5325      Position of EC in negotiations on renewal of bilateral agreements:  
(contd)

Directives were given at the C meetings of November/December 1981 and February 1982.

Bull. EC 2-1982,  
point 2.2.8

Broad outlines were as follows:

- new principles governing global import ceilings from 1983 to 1986 to counteract sudden sharp increases within quotas;
- economic outward processing arrangements applicable to certain textile and clothing products reimported into the EC after working or processing in certain third countries. Negotiations began with a number of third countries in context of renewal of bilateral voluntary restraint agreements in September 1982:

Bull. EC 3-1982

*MFA and assimilated countries:* Thailand, Pakistan, Sri Lanka, Bangladesh, Guatemala, Uruguay, Yugoslavia, Peru, Haiti, Mexico, Romania, Poland, Hungary, Czechoslovakia, Bulgaria, Colombia and India.

*Preferential countries:* Spain, Malta, Morocco, Tunisia, Cyprus, Turkey (for cotton yarn only), Egypt (for cotton yarn only).

## SYNOPTIC TABLE OF CURRENT INTERNATIONAL AGREEMENTS REGARDING CERTAIN PRODUCTS

Product	Validity	Mechanism of Agreement	Participants
Tin	Sixth International Tin Agreement entry into force on 1 July 1982, for five years.	Buffer stock (50 000 tonnes) possibility of export quotas; establishment of buffer stock by contributions and borrowings. Fixing of ceiling and floor prices.	Main producers: excluding China.  Principal consumers: EC, Japan, USA and USSR.
Cocoa	Third International Cocoa Agreement (1980); entry into force on 1 October 1981 for three years with possibility of extension.	Export quotas; buffer stock (maximum 250 000 tonnes) financed by transfer of funds accruing under previous agrmts; fixing of upper and lower price limits for cocoa beans; annual examination of operation of Agrmt.	Most major exporting and importing countries, except USA and the Ivory Coast (chief producer).
Coffee	International Coffee Agreement (1976); entry into force on 1 October 1976 for six years, extended to 31 September 1981.	Export quotas to keep prices in certain brackets; promotion fund and special fund; collaboration between members.	Most major exporting and importing countries, except USSR.
Sugar	International Sugar Agreement (1973); entered into force 1 January 1974 for two years; extended until 31 December 1977 to facilitate negotiation of new Agreement:  7 October 1977: new Agreement concluded; entered into force on 1 January 1978 for five years.	No economic provisions.  Price bracket (11 – 21 cents/pound) export quotas, buffer stock of 2.5 million tonnes.	Most major exporting and importing countries with exception of EC (observer).  EC observer.

5.54  
(contd)

Product	Validity	Mechanism of Agreement	Participants
Olive oil	International Olive Oil Agreement (1979); entry into force on 1 January 1980 for five years.	Essentially consultation procedures involving producers and consumers; propaganda fund to be used to improve measures designed to stimulate consumption; does not incorporate mandatory provisions on prices and buffer stocks.	33 countries represented at the signing of Agrmt. in Geneva in 1979.
Natural rubber	International Natural Rubber Agreement (1979); provisional entry into force on 1 October 1980, for five years.	<ul style="list-style-type: none"> <li>— Normal buffer stock of 400 000 tonnes and contingency stock of 150 000 tonnes;</li> <li>— Maintenance of prices within range of approx. 20 %;</li> <li>— Semi-automatic mechanism for revising price range;</li> <li>— Indicative price levels which contingency stock must defend;</li> <li>— Member States meet acquisition and operating costs of stock.</li> </ul>	Approximately 55 countries.
Jute	International Agreement (1982); entry into force scheduled for 1 July 1983.	No measures concerning buffer stock or stabilization of prices. Designed to promote marketing, processing and use of jute and its derivatives.	<p>Approximately 50 countries.</p> <p>Principal producers: Bangladesh, India, Thailand and Nepal.</p> <p>Principal importers: USA and EEC.</p>

5.54  
(contd)

Product	Validity	Mechanism of Agreement	Participants
Wheat	<p>International Wheat Agreement (1971) comprising:</p> <ul style="list-style-type: none"> <li>— Wheat Trading Convention.</li> <li>— Food Aid Convention.</li> </ul> <p>Expiry: 30 June 1974.</p> <p>Six extensions to 30 June 1983.</p>	<p>Wheat Trading Convention (1971) does not contain any restrictive economic clauses; provision for exchange of information.</p> <p>Each party to Food Aid Convention must supply minimum annual tonnage of cereals as aid for developing countries.</p>	<p>Principal exporters: Argentina, Australia, Canada, EC, USA and USSR;</p> <p>Principal importers; Brazil, China, EC, India, Japan, Peru, United Arab Republic and Venezuela.</p> <p>Members: Argentina, Australia, Canada, Finland, Japan, Sweden, Switzerland, USA.</p>
Textiles	<p>Arrangement regarding International Trade in Textiles (GATT all-fibres Arrangement);</p> <p>MFA III: entry into force on 1 Jan. 1982; valid until 31 July 1986.</p>	<p>Progressive elimination or harmonization with other provisions of Arrangement of all unilateral restrictions or those resulting from bilateral agreements. Possible exemptions from certain provisions of the Arrangement agreed jointly in particular cases to avoid disruption of markets. EC has concluded bilateral voluntary restraint agreements with a number of countries.</p>	<p>Approximately 50 countries.</p>

6. **RELATIONS WITH PARTICULAR COUNTRIES AND REGIONS**

6.0 **Applicant countries and countries contemplating accession**

6.00 **PORTUGAL**

EEC Tr., Art. 113

6.000 **Preferential agrmt (see also 6.10)**

C Reg. 72/2844,  
19 Dec. 1972

Signed on 22 July 1972; entered into force on 1 January 1973.

OJ L 301/72

Indefinite duration.

C Reg. 78/2237,  
26 Sept. 1978  
EP Res., 16 Sept. 1977

Addit. Prot. signed on 20 September 1976; entered into force on 1 November 1978.

OJ L 274/78  
EP Doc. 187/77

Finan. Prot. signed on 20 September 1976; entered into force on 1 November 1978.

EP Doc. 44/78  
OJ L 297/78

C Reg. 3066,  
28 Dec. 1979

Suppl. Prot. signed on 19 December 1979; entered into force on 1 January 1980.

Bull EC 11-1979,  
point 2.2.2  
Bull EC 12-1979,  
point 2.24  
OJ L 348/79

EP Res.,  
9 July 1982

Prot. adapting EEC-Portugal and ECSC-Portugal Agreements to take account of Greece's accession initialled in April 1981.

OJ C 238/82

C Reg. 2370,  
21 Aug. 1981

Pending entry into force arrangements for trade with Greece established by C Reg.

OJ L 236/81

C Reg. 3328,  
3 Dec. 1982

Transitional Prot. signed on 27 Oct. 1982. Entered into force 1 January 1983. Provides for delays in dismantling of tariffs by Portugal and for additional customs duties on some products.

OJ L 355/82  
OJ L 5/83

6.001 **Objectives**  
(see 6.100)

6.002 **Instruments**  
(see 6.1011)

6.003 **Tariff arrangements (see also 6.1012)**

Agrmt, Arts 2 to 5 and 8  
Prot. No 1, Arts 1 to 6  
Addit. Prot. Arts 2 to 6  
(Int. Agrmt, Arts 2 to 7)

Agrmt applies to products originating in the Community and Portugal listed in the Brussels Nomenclature, excepting Annex I, and to those listed in Prot. Nos 2 and 8, taking the special arrangements into account.

Industrial goods

Imports into the EEC:

Time-limit for tariff dismantling extended until 1 January 1984 for paper and paper products. Duty-free access within certain quotas. Preferential imports of some other products, in particular textiles and cork, subject to ceilings above which the CCT may be reintroduced. Abolition of quantitative restrictions.

Exports from the EEC:

Time-limit for tariff dismantling extended to 1 January 1985 for some products. Time-limit for dismantling of *ad valorem* customs duties for certain products, including motor vehicles and petroleum products, extended until 1 January 1985. To protect its emergent industries, Portugal may impose customs duties not exceeding 20% on products whose value does not exceed 10% of imports from the Nine in 1970. Some quantitative restrictions may be maintained until 1 January 1980.

- 6.003 Agricultural goods  
(*contd*) Tariff reduction  
(a) between 30 % and 100 % for certain fisheries and horticultural products;  
(b) between 50 % and 60 % for wines originating in Portugal within certain quotas.

Agrmt, Art. 11  
Prot. No 3

6.004 **Rules of origin**

6.005 **Social provisions**

Labour: non-discrimination in respect of working conditions and remuneration.

Social security: aggregation of insurance periods for pension and medical treatment.

Medical treatment and family allowances for Portuguese workers and their families residing in the Community. Free transfer of old-age and invalidity pensions. Portugal grants reciprocal benefits to Community workers.

Safeguard clause.

Agrmt, Art. 27

6.006 **Industrial and technical cooperation**

The aim of cooperation is:

- to increase productivity and enhance financial stability;
- to encourage the restructuring of industry and agriculture;
- to foster the maintenance of a high growth rate and improve living and working conditions.

6.007

**Financial aid**

180 million u.a. emergency aid granted to cover 1976 and 1977.

Financial Protocol came into force on 1 November 1978.

Total aid: 200 million EUA in the form of EIB loans, of which 150 million EUA attract interest rate subsidy of 3% p.a.

These funds made available over three-year period ending 31 Oct. 1981.

Agmt. concerning implementation of pre-accession aid, signed on 3 Dec. 1980, entered into force on 1 Jan. 1981.

Bull. EC 1-1980  
point 2.2.2

OJ L 349/80  
OJ L 367/80  
OJ C 234/81

EP Res., 10 July 1981

EP Res., 18 Jan. 1979

6.008

**Application for membership submitted 28 March 1977;  
negotiations opened 17 October 1978**

On 19 May 1978 the Comm. delivered favourable opinion on the Portuguese application for membership.

First stage of negotiations aims at establishing 'overall view' of main substantive issues and at examining secondary legislation. Then negotiations will turn to finding practical solutions required in each field in turn. Principal areas of negotiation likely to be:

*Agriculture:* Portugal must import major proportion of food needs from abroad. Application of CAP will cause difficulties.

*Industry:* Measures will have to be taken to allow complete free trade and to align Portuguese external tariffs on CCT.

*VAT:* This tax will have to be introduced.

*Free movement of labour:* Measures in this regard will have to be introduced gradually.

COM(78) 220  
Bull. EC 10-1978  
points 1.1.1 - 1.1.5

Bull. EC - Suppl. 5/78  
EP Doc. 479/78  
OJ C 39/79

EP Res., 14 Feb. 1974

6.009 **ECSC Agreement (see also 6.1017)**

Signed on 22 July 1972; entered into force on 1 January 1974.

Duration: unlimited.

Instrument of the Agrmt: ECSC Joint Committee

Tariff arrangements (see 6.1017)

Imports into the EEC:

Exports from the EEC:

Time-limit for dismantling of tariffs extended to 1 January 1980 for ECSC products listed in Annex. Portugal may impose *ad valorem* customs duties.

OJ L 350/73

OJ L 350/73  
EP Doc. 356/73  
OJ C 23/74  
OJ L 351/73

OJ L 350/73  
OJ L 351/73

6.01 **EEC - SPAIN AGREEMENT**

EEC Tr., Art. 113

C Reg. 70/1524,  
20 July 1970  
EP Res.,  
16 Nov. 1970

C Reg. 73/680,  
26 Feb. 1973

WQ 237/77  
C Reg. 77/1705-07,  
26 July 1977

C Reg. 3178,  
26 Oct. 1981

Preferential Agrmt.

Signed on 29 June 1970, entered into force on 1 October 1970; duration, a minimum of six years.

Prot. signed on 29 January 1973; entered into force on 30 March 1973; duration until 31 December 1973, so as to limit certain provisions of the Agrmt as a result of the accession of the new Member States.

In view of the failure to conclude a protocol by 1 July 1977 regularizing EEC-Spain relations, certain trade arrangements were introduced unilaterally by each of the parties concerned.

Prot. to take account of Greece's accession to EC.

OJ L 182/70  
OJ C 143/70  
OJ L 66/73

OJ C 289/77  
OJ L 189/77

OJ L 326/81

6.011 **Objectives**

Preamble

To promote expansion of trade and development of relations between Community and Mediterranean States.

Agrmt, Art. 1

The gradual elimination of obstacles to main body of trade to take place in two stages, the first stage to last at least six years. Transition to second stage to be the subject of mutual agreement.

6.012 **Instruments**

Arts 13 to 15

Joint Committee composed of representatives of the Community (C and Comm.) and of Spain, supervising the smooth running of the Agrmt. The Joint Committee may set up any working party required to assist it in its work.

6.013 **Tariff arrangements**

Industrial goods

Imports into the EEC:

Reduction of CCT by 60% from 1 January 1973 for the main body of imported industrial goods; within annual quotas for petroleum products and certain cotton fabrics. 40% reduction from 1 January 1977 for 12 industrial products (including footwear and certain textiles).

Exports from the EEC:

With effect from 1 January 1977 a 60% tariff reduction for products specified in List A and 25% for products specified in Lists B and C. Only products in List D are subject to quotas. For the most sensitive products, e.g. paper pulp, no tariff reduction was provided; special provisions for protecting emergent industries.

6.013      **Agricultural goods**  
(contd)      **Imports into the EEC:**

Favourable tariff treatment for certain products, in particular fruit, vegetables and fish. Reduction of the levy on olive oil by 0.5 u.a. per 100 kg. CCT reduction of approx. 40% on citrus fruit, subject to application of Community reference price. Reduction of between 30% and 60% for wines originating in Spain, within the limits of annual quotas.

Rules of origin.

Safeguard clause.

Agrmt, Art. 8 and Prot.

Agrmt, Art. 11

**Exports from the EEC:**

Tariff treatment similar to that for industrial goods. In addition Spain undertakes to purchase 30% of its annual butter imports and 90% of its milk and cream imports in certain forms in the Community while such imports remain subject to State-trading regulations. Special arrangements for cheese and curd.

6.014      **Economic provisions**

Anti-dumping measures to be taken under the GATT procedures.

Anti-discrimination measures – fiscal measures, trade arrangements, border trade and export duties.

Provisions concerning payments relating to trade.

Agrmt, Art. 9

Arts 3 to 6

6.015      **Fisheries**

Framework agreement concerning access to fishery resources and control measures signed on 15 April 1980.

Entered into force 22 May 1981.

EP Res.,  
15 Dec. 1978  
C Reg. 3062,  
25 Nov. 1980

OJ C 6/79  
OJ L 322/80  
OJ L 204/81

**Spain's application for membership**

EP Res.,  
18 Jan. 1979

Made on 22 July 1977; favourable opinion of Comm. on 29 Nov. 1978; transitional period of up to 10 years suggested, at the end of which Spain would be fully integrated into EC.

Bull. EC – Suppl. 9/78

Formal opening of negotiations 5 February 1979; discussion of matters of substance began on 18 September 1979. Preliminary stage aimed at examination of main sectors to obtain overall view of problems arising from accession; it also includes an examination of EC secondary legislation.

Bull. EC 2-1979,  
point 1.2.1 *et seq*

Principal areas of negotiations are:

*Agriculture:* Accession will increase the area of agricultural land and the number of holdings in the EC by almost 30%, and the working population engaged in agriculture by over a quarter. There will be greater levels of self-sufficiency for some products and other products will be in surplus. Products most affected are likely to be olive oil, wine and fruit and vegetables.

*Industry:* Spain is now one of the 10 most industrialized countries in the world; its market is considerable and is protected by high tariffs. Spain also operates a system of export rebates. Structural imbalances will arise in some sectors, such as steel, shipbuilding and textiles, and the introduction of VAT will create difficulties.

*Free movement of persons:* In view of considerable migration of Spanish labour and high unemployment in Spain, the introduction of freedom of movement of workers will create problems for the Community. Free movement likely to be introduced over a transitional period.

*External relations:* Spanish accession will affect EC trading relations with third countries, particularly Mediterranean States and Lomé countries.

6.0161 **FINANCIAL COOPERATION**

In response to Spanish Government's request C agreed on 16 March 1981 that EIB should operate in Spain giving priority to projects paving way for Spain's accession; EIB Board of Governors subsequently agreed to grant loans up to maximum of 200 million u.a.

Bull. EC 3-81,  
point 2.2.5  
Bull. EC 5-81,  
point 2.2.8

6.02 **EEC-TURKEY AGREEMENT**

Assoc. Agrmt:

— Agrmt signed on 12 September 1963; entered into force on 1 December 1964; unlimited duration;

— Add. Prot. limited to transitional stage of application of the Assoc. Agrmt; signed on 23 November 1970; entered into force on 1 January 1973;

— Supplementary Prot. extending the Assoc. Agrmt to the three new Member States; signed on 30 June 1973; not yet in force;

— Interim Agrmt signed on 30 June 1973; entered into force on 1 January 1974; valid until entry into force of Supplementary Prot. Provides for application of the commercial provisions pending ratification of the Supplementary Prot.

OJ C 113/73<sup>1</sup>

EP Doc. 94/63<sup>2</sup>  
OJ 182/63<sup>2</sup>

OJ C 113/73<sup>1</sup>  
EP Doc. 235/70<sup>2</sup>  
OJ C 19/71<sup>2</sup>

OJ L 361/77  
EP Doc. 218/73  
OJ C 108/73

OJ L 277/73  
EP Doc. 218/73  
OJ C 108/73

6.021 **Objectives**

To promote the continuous and balanced strengthening of trade and economic relations between the contracting parties, while taking full account of the need to ensure an accelerated development of the Turkish economy and to improve the level of employment and living conditions of the Turkish people.

<sup>1</sup> Ref. relates to available English translation.

<sup>2</sup> Ref. to French text. No English translation available.

EEC Tr., Art. 238

C Dec. 732/64, 23 Dec. 1963  
EP Res., 28 Nov. 1963

C Reg. 2760/72,  
19 Dec. 1972  
EP Res., 8 Feb. 1971

C Reg. 3026/77,  
28 Nov. 1977  
EP Res., 16 Nov. 1973

C Reg. 2682/73, 1 Oct. 1973  
EP Res., 16 Nov. 1973

Assoc. Agrmt, Art. 2

Assoc. Agrmt, Arts 3-5

6.021  
(contd)

Assoc. comprises three stages:

- a preparatory stage of five years (expired);
- a transitional stage lasting not more than 12 years permitting the progressive establishment of a customs union and a closer alignment of economic policies. Conditions, methods and timetables for the implementation of this stage are laid down in the Add. Prot.;
- a final stage based on the customs union and entailing closer coordination of economic policies.

Art. 28

As soon as the operation of the Agrmt has advanced far enough to justify full acceptance by Turkey of the obligations arising out of the EEC Tr. the possibility of the accession of Turkey will be examined.

6.022

### **Instruments**

Arts 6, 22-25

- Assoc. C consists of members of the governments of the Member States, of the C, of the Comm. and of members of the Turkish Government (may set up special committees).

Annual report to the Joint Parl. Committee.

EP Res., 14 March 1979

- Joint Parl. Committee's membership increased to 18 Members of EP and 18 members of Turkish Parl.

EP Doc. 428/78  
EP Doc. 644/78  
OJ C 93/79

6.023

### **Tariff provisions**

Industrial sector (excluding ECSC and Euratom products)

6.021/6.023

Add. Prot., Arts 9-20  
Annexes 1, 2, 3

6.023  
(contd)

Imports into the EEC:

Transitional stage of 12 years following which, in a final stage, customs union will be established.

During transitional stage, EEC applies intra-Community rules to imports from Turkey, with exceptions, particularly in the case of textiles and petroleum products.

Exports from the EEC:

Over a period of 12-22 years, depending on the product, Turkey will progressively abolish customs duties and adopt CCT.

Arts 21-30

Elimination of quantitative restrictions between the parties.

Agricultural sector

Assoc. Agrmt, Annex 6  
Add. Prot., Arts 32-45

Imports into the EEC:

The EEC applies preferential treatment (ranging from complete exemption for dried grapes to a reduction of 75% or 50% of the CCT, depending on the product) to approximately 90% of Turkish exports. These arrangements will be reviewed every two years.

Exports from the EEC:

Turkey grants preferential treatment to ensure an increase in EEC exports.

Assoc. Agrmt, Annex 6  
Art. 17

Add. Prot., Art. 33

Over a period of 22 years Turkey will adjust its agricultural policy with a view to adopting the measures of the CAP at the end of that period.

EC tariffs on Turkish exports of agricultural produce to be dismantled in four stages starting on 1 January 1981, culminating in duty-free entry from 1 January 1987. As a prerequisite, steps to be taken for the adjustment of Turkey's agricultural policy to the CAP.

Bull. EC 6-1980,  
point 1.4.4

Add. Prot., Arts 2-4  
Annex 5

6.023  
(contd)

### Rules of origin

Free movement of goods applies to all goods produced in Turkey or in the Member States and those manufactured from products coming from third countries which are in free circulation in Turkey or in the Member States. The rules of origin are designed to prevent goods from third countries benefiting under the Agreement.

They define the concept of origin of products, and particularly of processed products, the charges payable on entry into free circulation of products coming from third countries, export and transit documentation, etc. The rules are laid down by the Council of Association and adopted by decisions or regulations of the Council.

Safeguard clause.

Definition of necessary conditions and procedures.

OJ L 293/72

Assoc. Agrmt, Art. 8  
Add. Prot. Arts 5-60

OJ C 113/73<sup>1</sup>

OJ C 113/73<sup>1</sup>

Add. Prot., Arts 36-42

6.024

### Social provisions and freedom of movement

Freedom of movement for workers is to be secured by progressive stages between the end of the 12th and the 22nd year after the entry into force of the Agrmt (1 Dec. 1976 - 1 Dec. 1986).

For workers:

non-discrimination as regards conditions of work and remuneration.

Social security:

aggregation of periods of insurance for pensions and health services and for family allowances for workers and their families residing in the Community; freedom of transfer of old-age and invalidity pensions.

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<sup>1</sup> Ref. relates to available English translation.

6.024 Exchange of young workers:  
(*contd*) provision for measures concerning freedom of establishment and freedom to provide services.

First stage of gradual establishment of free movement of workers (Dec. 1976 to Dec. 1980). Turkish workers to be given priority over workers from other non-member countries.

Bull. EC 12-1976  
point 2341

First stage extended to November 1983, measures to be taken to provide improved conditions of access to employment by Turkish workers and members of their families.

Bull. EC 6-1980  
point 1.4.5

6.025 **Economic provisions**

Add. Prot., Arts 43-60

Prohibition of discriminatory measures and dumping.

Provisions concerning payments, capital transfers, taxation, harmonization of legislation and coordination of economic and commercial policies.

6.026 **Financial aid**

C Dec. 732/64,  
23 Dec. 1963  
EP Res., 28 Nov. 1963  
Assoc. Agrmt, Prot. 19

First Financial Prot. provides for investment loans of 175 million u.a. in the course of the first five years.

OJ C 113/73<sup>1</sup>  
EP Doc. 94/63<sup>2</sup>  
OJ 182/63<sup>2</sup>

C Reg. 2760/72,  
19 Dec. 1972  
EP Res., 8 Feb. 1971

Second Financial Prot. signed 23 November 1970; entered into force on 1 January 1973; provides for special loans of 195 million u.a. over five and a half years and ordinary EIB loans for a total of 25 million u.a.

OJ C 113/73<sup>1</sup>  
EP Doc. 237/70  
OJ C 19/71<sup>2</sup>

<sup>1</sup> Ref. relates to available English translation.

<sup>2</sup> Ref. relates to French text. No English translation available.

C Reg. 281/79,  
5 March 1979  
EP Res., 13 Oct. 1977

6.026  
(contd)

Supplementary Prot. (enlarged EEC) increases special loans to 242 million u.a.

Third Financial Prot. signed 12 May 1977 (310 million EUA); expires 31 October 1981; includes 220 million EUA of special EIB loans and 90 million EUA of ordinary EIB loans. Entered into force on 1 May 1979.

Negotiations on a Fourth Financial Prot. were completed on 19 June 1981. A total of 600 million ECU was to be made available over five years. 225 million ECU in loans from the EIB's own resources and 375 million ECU in budget funds (loans on special terms and grants).

The political situation in Turkey has caused implementation of this protocol to be suspended.

OJ L 67/79  
EP Doc. 330/77  
OJ C 266/77

Bull. EC 6-1981  
point 2.2.49

15th GR EC,  
par. 736

6.027

#### **ECSC Agreement**

Signed on 23 November 1970; entered into force on 1 January 1973; unlimited duration.

Progressive elimination of customs duties and quantitative restrictions between the contracting parties at a rate fixed by mutual agreement.

OJ C 113/73<sup>1</sup>

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<sup>1</sup> Ref. relates to available English translation.

## 6.1 **EFTA countries**

### 6.10 **GENERAL**

In 1960 the seven members of EFTA (Austria, United Kingdom, Denmark, Norway, Sweden, Switzerland and Portugal) decided to establish an industrial free trade area within which the members would abolish restrictions on trade in industrial products, whilst maintaining their own customs tariffs and independent trade policies with the rest of the world. A gradual reduction of tariffs and quotas between the Member States was accordingly applied, leading to their complete abolition in 1967. Finland became an associate State in 1961 and Iceland became a member in 1970.

Following the decision by the United Kingdom, Norway and Denmark to apply for membership of the European Community, negotiations took place with the other EFTA members to seek a solution to the problems raised by enlargement of the Community.

Agreements concluded between the Community and the non-member EFTA countries enabled the free trade area already established within EFTA to be maintained and gradually extended to cover trade between the enlarged Community and the countries remaining in EFTA. This operation was carried out by a tariff reduction between EFTA and the Community running parallel with the dismantling of tariffs between the original and the new Community members.

C Regs 895 to 901,  
18 March 1975

Supplementary Protocols signed on 29 May 1975; entered into force, 29 May 1975; unlimited duration amending the basic agreements following the non-accession of Norway to the Community.

OJ L 106/75

Agrmt, Art. 1

6.100 **Objectives**

To promote, through the expansion of reciprocal trade, the harmonious development of economic relations between the Community and each country.

To provide fair conditions of competition for trade; to contribute, by abolishing trade barriers, to the harmonious development and expansion of world trade.

6.101 **General features common to all the agreements**

6.1010 **SCOPE**

Agreements applicable to industrial products listed in Chapters 25–99 of the Common Customs Tariff (CCT). The agreement also covers processed agricultural products.

6.1011 **INSTRUMENTS**

Joint Committees composed of representatives of the Community and of each of the EFTA countries have been set up to supervise proper implementation of the agreements. A Joint Committee may set up any working party that can assist it in carrying out its tasks.

6.1012 **CUSTOMS PROVISIONS**

The arrangements for the gradual reduction of tariffs on trade between the EFTA countries and the Community are akin to those laid down in the Treaty governing the accession to the Community of the three new Member States. This Treaty provides for the abolition of customs duties and taxes in five successive stages of 20% spread over the period from 1 April 1973 to 1 July 1977.

Arts 29–31  
(Iceland, Arts 30–32;  
Portugal, Arts 32–34)

Agrmt, Art. 3

6.100/6.1012

6.1012 In July 1977, with a few exceptions, a vast free trade area for industrial products was created between the Community and the EFTA countries.  
(contd)

The timetable for the abolition of tariffs on some sensitive products was extended beyond July 1977. For example in trade with EFTA countries tariffs on ferrous, non-ferrous and precious metals and on textile fibres remained until 1 Jan. 1980.

6.1013 *RULES OF ORIGIN*

Agrmt, Art. 11, Prot. No 3

Rules laid down determining the extent of processing required for a product to be deemed to have originated in the territory of a contracting party and thus to benefit from the preference system.

These rules are roughly the same as those laid down by the Community for its trade with other non-member countries.

6.1014 *AGRICULTURE*

Agrmt, Arts 9, 15,  
Prot. No 2  
(Portugal, Arts 9, 17,  
Prot. No 2)

The contracting parties enjoy complete freedom with regard to implementation of their agricultural policy. They declare their readiness so far as their agricultural policies allow, to foster the harmonious development of trade in agricultural products to which the agreement does not apply.

Special treatment for certain processed agricultural products.

The concessions relate only to the fixed component of tariff protection of these products; no concession on the variable component, the function of which is to compensate for the disparity between the world and Community prices of agricultural commodities.

6.1015 *GENERAL MEASURES*

The agreements comprise measures designed to prevent distortions which might harm Community industries. In particular, there are provisions on:

- 6.1015 — non-discrimination in the field of taxation,  
(*contd*) — non-discrimination in respect of trade payments and credit,  
— exceptional clauses on security and law and order,  
— safeguard clauses on sectoral and regional problems, tariff disparities,  
dumping, balance-of-payment problems and the violation of undertakings enshrined in the agreements.

6.1016 *PROVISIONS CONCERNING FUTURE DEVELOPMENTS*

With the exception of Finland, the contracting parties declare their willingness to consider opportunities to develop relations and, if necessary, to extend them to fields not covered by the agreements.

In December 1979 C laid down initial working guidelines on cooperation with EFTA countries.

26th review of C work  
par. 330

6.1017 *ECSC*

The ECSC Treaty stipulates that individual agreements are necessary with each of the EFTA countries. These agreements extend to ECSC products the measures for the dismantling of tariffs on Community products. They are also designed to impose on mining and iron and steel undertakings in the EFTA countries price constraints comparable to those imposed on Community undertakings, and to ensure non-discrimination.

Customs duties on ECSC products and quantitative restrictions were abolished except in the instances specified for individual countries.

Between 8 and 15 March 1978, the Commission on the one hand and Austria, Finland, Norway, Portugal and Sweden on the other, signed agreements in the form of exchanges of letters, on trade in iron and steel products affected by price measures taken by the Community.

Art. 32  
(Iceland, Art. 33;  
Portugal, Art. 35)

6.1017 A similar agreement, confined to reinforcing rods, was concluded with  
(contd) Switzerland on 28 February, at an extraordinary meeting of the ECSC-Switzerland Joint Committee.

The arrangements have been regularly renewed every year.

These EFTA countries agree to observe the same price constraints as those to which Community steel producers are subject on the Community market. The agreements should enable traditional trade flows between the parties to be maintained, in accordance with the free trade agreements. The parties agree to consult one another in the event of difficulties arising in the application of the agreements (see also 5.2452).

Each agreement, except that with Iceland, is supervised by a Joint Committee.

Since Iceland is not a coal or steel producer, an agreement was concluded mainly in order to secure preferential access to the Icelandic market for ECSC products.

6.1018 A delegation of the EP and the Committee of Members of Parliament of EFTA countries held their first joint meeting in Strasbourg on 16 June 1981.

## 6.11 AUSTRIA

EEC Tr., Art. 113  
C Reg. 2836,  
19 Dec. 1972  
EP Res.,  
15 March 1973

Preferential agrmt (see also 6.10).

Signed on 22 July; entered into force on 1 January 1973; indefinite duration.

OJ L 300/72  
EP Doc. 322/72  
OJ C 19/73

6.11 Objective of agrmt (see 6.100).  
(contd)

Instruments (see 6.1011).

Tariff arrangements (see 6.1012).

Industrial goods

Imports into the EEC:

Time-limit for dismantling of tariffs extended until 1 January 1984 for paper and paper products.

Annual indicative ceilings above which customs duties applicable in respect of third countries may be reintroduced.

Exports from the EEC:

Time-limit for dismantling of tariffs extended until 1 January 1984 for certain products falling within Chapters 48 and 49 of the Austrian Customs Tariff. May be subject to annual ceiling.

Agrmt, Art. 8  
Prot. No 1, Arts 1-6

Art. 13

Art. 9, Prot. No 2

C Dec. 359,  
28 April 1981

EP Res., 15 March 1973

EEC Tr., Art. 113  
C Reg. 2813,  
21 Nov. 1972  
SC Reg. 2302,  
29 Sept. 1978

Abolition of quantitative restrictions.

Agricultural goods (see 6.1014)

Voluntary restraint agrmt in sheepmeat and goatmeat sector in form of exchange of letters limits volume of Austrian exports to EC. Entered into force 1 January 1981 and applicable until 31 March 1984.

ECSC Agreement (see 5.2552, 6.1017)

Signed on 22 July 1972; entered into force on 1 January 1974; indefinite duration.

Transit Agrmt

Signed on 30 November 1972; entered into force in 1 January 1974; indefinite duration.

Provisions on Community goods in transit through Austria amended on several occasions, mainly to simplify procedures for goods passing through Austrian territory between the Community and Greece and Turkey.

OJ L 137/81

OJ L 350/73  
EP Doc. 322/72  
OJ C 19/73

OJ L 294/72  
OJ L 276/78

6.12

## FINLAND

EEC Tr., Art. 113  
C Reg. 3177,  
22 Nov. 1973  
EP Res., 14 Feb. 1974

Preferential Agrmt (see 6.10)  
Signed on 5 October 1973; entered into force on 1 January 1974; indefinite duration.  
Objective of agrmt (see 6.100).  
Instruments (see 6.1016).  
Tariff arrangements (see 6.1012).

OJ L 328/73  
EP Doc. 356/73  
OJ C 23/74

### Industrial goods

#### Imports into the EEC:

Time-limit for dismantling of tariffs extended until 1 January 1984, for paper and paper products. Annual indicative ceilings above which customs duties applicable in respect of third countries may be reintroduced.

#### Exports from the EEC:

Time-limit for dismantling of tariffs extended  
(a) until 1 January 1985 for products listed in Annex D, List 1 and  
(b) until 1 January 1981 for products listed in Annex D, List 2.

Duty-free access until 1 January 1985 for certain textile products within specified quotas.

Agrmt, Art. 8  
Prot. No 1, Arts 1 to 5  
Prot., Art. 4 (c)

Abolition of quantitative restrictions.  
Agricultural goods (see 6.1014).

ECSC Agrmt (see 5.2552, 6.1017)

Signed on 5 October 1973; entered into force on 1 January 1975; indefinite duration.

OJ L 348/74  
EP Doc. 356/73  
OJ C 23/74

### Tariff arrangements

#### Imports into the EEC:

#### Exports from the EEC:

Finland may maintain quantitative restrictions on certain types of coal, coke and semi-coke.

Agrmt, Art. 1  
Art. 9, Prot. 2

EP Res., 14 Feb. 1974

**ICELAND**

EEC Tr., Art. 113

Preferential Agrmt (see 6.10)

C Reg. 2842,  
19 Dec. 1972  
EP Res., 15 March 1973

Signed on 22 July 1972; entered into force on 1 April 1973; indefinite duration.

OJ L 301/72  
EP Doc. 322/72  
OJ C 19/73

Objective of agrmt (see 6.100).

Instruments (see 6.1015).

Tariff arrangements (see 6.1012).

**Industrial goods**

Imports into EEC:

Time-limit for dismantling of tariffs extended until 1 January 1984 for paper and paper products.

Some imports subject indicative ceilings above which customs duties applicable in respect of third countries may be reintroduced.

Exports from the EEC:

Temporary maintenance by Iceland of customs duties of a fiscal nature on products listed in Annex II.

Agrmt, Arts 4 and 5  
Agrmt, Art. 8  
Prot. 1, Arts 1 to 3  
Prot. 4

Prot. 4

Agrmt, Art. 7, Ann. III

**Agricultural goods**

Iceland may retain the system of export levy on fish products.

Special provisions applicable to imports of certain fish products into the Community.

Agrmt, Art. 17  
Prot. 6

C Dec. 359,  
28 April 1981

Voluntary restraint agreement in sheepmeat and goatmeat sector in form of exchange of letters limits volume of Icelandic exports to EC.

OJ L 137/81

Entered into force 1 January 1981; applicable until 31 March 1984.

Agrmt, Art. 13  
EP Res.,  
15 March 1973

6.13 ECSC Agrmt (see 5.2452, 6.1017)  
(*contd*) Signed on 22 July 1972; entered into force on 1 January 1974; indefinite duration.

OJ L 350/73  
EP Doc. 322/73  
OJ C 19/73

Tariff arrangements

Imports into the EEC:

Exports from the EEC:

Temporary maintenance by Iceland of customs duties of a fiscal nature on products listed in Annex II of the Preferential Agrmt.

No ECSC-Iceland Joint Committee. Consultations between the parties if necessary.

6.14 **NORWAY**

EEC Tr., 113  
C Reg. 1691,  
18 Oct. 1973  
EP Res.,  
18 Oct. 1973

Preferential Agrmt (see 6.10)

Signed on 14 May 1973; entered into force on 1 July 1973; indefinite duration.

OJ L 171/73  
EP Doc. 161/73  
OJ C 95/73

Tariff arrangements (see 6.1012).

Industrial goods

Imports into the EEC:

Exports from the EEC:

Time-limit for dismantling of tariffs extended until 1 January 1984 for paper and paper products. Annual indicative ceilings above which customs duties applicable in respect of third countries may be reintroduced.

Time-limit for dismantling of tariffs extended until 1 January 1984 for products listed in Annex D (notably textile products).

Agrmt, Art. 8  
Prot. 1, Arts 1 to 6

Agrmt, Art. 13

6.14 Agricultural goods (see 6.1014).  
(contd) Abolition of quantitative restrictions.

ECSC Agrmt (see 5.2552, 6.1017)

Signed on 14 May 1973; entered into force on 1 July 1975; indefinite duration.

OJ L 348/74

EEC Tr., Art. 43  
EP Res., 15 March 1979  
and 14 March 1980

Framework agrmt on fisheries negotiated in 1978 signed on 27 Feb. 1980.  
Duration: six years, renewable.

OJ C 93/79  
OJ C 85/80

C Reg. 2214,  
27 June 1980

The agrmt provides for reciprocal fishing rights. Catch quotas are negotiated each year.

OJ L 226/80

6.15 **PORTUGAL**

see 6.00

6.16 **SWEDEN**

Preferential Agrmt (see 6.10)

Signed on 22 July 1972; entered into force on 1 January 1973; indefinite duration.

OJ L 300/72  
EP Doc. 322/72  
OJ C 19/73

Tariff arrangements (see 6.1012).

Industrial goods

Imports into the EEC:

Exports from the EEC:

Time-limit for dismantling of tariffs extended until 1 January 1984 for paper and paper products. Imports subject to ceilings above which customs duties applicable in respect of third countries may be reintroduced.

Agrmt, Art. 8  
Prot. 1, Arts 1 to 5

Agrmt, Art. 13	6.16 Abolition of quantitative restrictions. ( <i>contd</i> )	
EP Res., 15 March 1973	Agricultural goods (see 6.1014). ECSC Agrmt (see 5.2452/6.1017) Signed on 22 July 1972; entered into force on 1 January 1974; indefinite duration.	OJ L 350/73 EP Doc. 322/72 OJ C 19/73
C Reg. 2209, 27 June 1980 EEC Tr., Art. 43 EP Res. 7 July 1978	Framework agrmt on fisheries. Entered into force for 10 years on 7 April 1981.	OJ L 111/81 OJ L 226/80 OJ C 182/78
EP Res., 15 March 1979 C Reg. 588/79, 26 March 1979	The agrmt provides for reciprocal fishing rights. Catch quotas are negotiated each year.	EP Doc. 634/78 EP Doc. 643/78 OJ C 93/79 OJ L 81/79

6.17 **SWITZERLAND**

EEC Tr., Art. 113	Preferential Agrmt (see 6.10)	
C Reg. 2840, 19 Dec. 1972	Signed on 22 July 1972; entered into force on 1 January 1973; indefinite duration.	OJ L 300/72
EP Res., 15 March 1973	Additional agrmt on the validity of the EEC-Switzerland Agrmt for the Principality of Liechtenstein.  Tariff arrangements (see 6.1012).	OJ L 300/72 EP Doc. 322/72 OJ C 19/73

6.17 Industrial goods  
(contd)

Imports into the EEC:

Time-limit for dismantling extended until 1 January 1983 for paper and paper products.

Annual indicative ceilings above which the customs duties applicable in respect of third countries may be reintroduced.

Exports from the EEC:

Temporary maintenance by Switzerland of customs duties of a fiscal nature on products listed in Annex II. Time-limit for dismantling of tariffs extended until 1 January 1984 for certain paper and paper products and until 1 January 1982 for certain wood products. In the event of difficulties, indicative ceilings may be introduced for certain products.

Abolition of quantitative restrictions.

Agricultural goods (see 6.1013).

ECSC Agrmt (see 5.2452, 6.1017)

Signed on 22 July 1972; entered into force on 1 January 1974; indefinite duration.

Additional agrmt on the validity of the ECSC-Switzerland Agrmt for the Principality of Liechtenstein

Signed on 22 July 1972; entered into force on 1 January 1974; indefinite duration.

Transit. Agrmt

Signed on 23 November 1972; entered into force on 1 January 1974; indefinite duration.

Provisions relating to Community goods in transit through Switzerland; amended on several occasions.

Agrmt, Arts 4,8  
Prot. 1, Arts 1 to 6

Agrmt, Art. 13

EP Res., 15 March 1973

EEC Tr., Art. 113

OJ L 350/73  
EP Doc. 322/72  
OJ C 19/73  
OJ L 350/73

OJ L 294/72

## 6.2 Mediterranean basin and Near East

### 6.20 CYPRUS

EEC Art. 238  
C Reg. 1246/73,  
14 May 1973  
EP Res., 15 March 1973

C Reg. 1247/73,  
14 May 1973

C Reg. 1641/77,  
18 July 1977  
EP Res., 8 July 1977

C Reg. 2907/77,  
20 Dec. 1977  
EP Res., 16 Dec. 1977

C Reg. 1431/78,  
26 June 1978  
EP Res., 16 June 1978

C Reg. 743/80, 26 March  
1980  
EP Res., 14 March 1980

C Reg. 1742,  
24 June 1981

Assoc. Agrmt signed on 19 December 1972 and came into force on 1 June 1973; two stages: first until 30 June 1977; second for five years.

Regulation on conclusion of a protocol laying down certain provisions relating to agreement establishing an association between EC and Cyprus consequent on the accession of new Member States to EC.

Extension of validity of arrangements applicable to trade with Cyprus beyond date of expiry of the first stage of the Association Agreement until 31 December 1977.

Addit. prot. signed on 15 September 1977; came into force on 1 June 1978, extending until 31 December 1979 first stage of agreement. Provides for economic cooperation between EC and Cyprus.

Suppl. prot. and prot. laying down certain provisions relating to trade in agric. products, signed 11 May 1978; came into force on 1 July 1978; provides for inclusion of certain agric. products in the agreement.

Transitional Protocol signed 7 February 1980; came into force 1 April 1980, extending provisions of first stage of agreement until 31 December 1980 and maintaining in force agricultural concessions previously granted to Cyprus.

Protocol establishing trade arrangements for 1981 entered into force on 1 July and expired on 31 December 1981. Unilaterally extended by C because of failure to agree in C on trade arrangements for 1982 and 1983. See for example C Reg. 1737 of 29 June 1982.

Protocol taking into account Greece's accession entered into force on 1 August 1981.

OJ L 133/73  
EP Doc. 334/72  
OJ C 19/73

OJ L 133/73

OJ L 183/77  
EP Doc. 206/77  
OJ C 183/77

OJ L 339/77  
EP Doc. 411/77  
OJ C 6/78

OJ L 172/78  
EP Doc. 146/78  
OJ C 163/78

OJ L 84/80  
OJ L 85/80  
OJ C 85/80

OJ L 174/81  
OJ L 179/81

OJ L 190/82

OJ L 174/81

Assoc. Agrmt  
Addit. Prot. Title III

6.201

### **Objectives**

Progressive elimination of barriers for most trade sectors promoting cooperation between Cyprus and EC to ensure in particular economic development of Cyprus.

During the second stage: further elimination of barriers to trade and adoption by Cyprus of CCT.

Assoc. Agrmt Arts 12-14

6.202

### **Instrument**

Assoc. Council responsible for the administration of the agrmt – consists of members of the EC C and Comm. and members of the Govt. of the Republic of Cyprus.

OJ L 133/73

Addit. Prot.  
Arts 3, 5

6.203

### **Tariff arrangements**

#### **Industrial sector**

##### **Imports into EC:**

Almost all industrial products exempt from customs duty on entry with exception of certain textile products which are subject to EC tariff quota.

##### **Exports from EC:**

With some exceptions, Cyprus customs tariff reduced in stages. By 1 July 1978 reductions totalled 35 %

#### **Agricultural sector**

##### **Imports into EC:**

Preferential entry for certain agric. products including potatoes, tomatoes, certain fruits, wines and Cyprus sherry.

Suppl. Prot. Title I

6.201/6.203

Agric. Prot.

6.203  
(contd)

Since preferential access to UK market is being progressively eliminated, special transitional measures have been applied for certain fruits and vegetables.

Assoc. Agrmt, Art. 10  
Assoc. Agrmt, Art. 17  
Addit. Prot., Art. 9

Safeguard clause.

Rules of origin.

OJ L 133/73

6.204

### **Financial aid**

C Reg. 2760/78,  
23 Nov. 1978  
EP Res., 16 Dec. 1977

First financial protocol signed 15 September 1977; came into force on 1 January 1979; duration five years; provided 30 million EUA.

OJ C 332/78  
EP Doc. 411/77  
OJ C 6/78  
OJ L 340/78

6.21

### **MALTA**

EEC Art. 238  
C Reg. 492/71,  
1 March 1971  
EP Res., 9 Feb. 1971

Assoc. agrmt signed on 5 December 1970 and came into force on 1 April.

OJ L 61/71  
EP Doc. 257/70  
OJ C 19/71

C Reg. 939/76,  
23 April 1976  
EP Res., 5 April 1976

Agreement comprises two successive stages each of five years.

C Reg. C 2610/77, 28 Nov. 1977  
EP Res., 18 Nov. 1977

Prot. extending assoc. agrmt to the three new Member States. Provides for inclusion of agricultural products and financial and technical cooperation.

OJ L 111/76  
EP Doc. 16/76  
OJ C 100/76  
OJ C 183/77  
OJ L 304/77  
EP Doc. 378/77  
OJ C 299/77

Addit. prot. signed 27 October 1977, came into force on 1 January 1978, extending first stage of the agrmt to 31 December 1980. Provides improvements for certain industrial and agricultural products exported from Malta to the Community.

First stage is to be extended until 30 June 1984. Current trade arrangements unilaterally extended by C on several occasions. See for example C Reg. 1735 of 29 June 1982.

OJ L 185/82  
OJ L 190/82

Agrmt. preamble and Art. 2	6.211	<b>Objectives</b>	Consolidation and extension of economic and commercial relations between EC and Malta. Progressive elimination of obstacles to trade and, under second stage, establishment of customs union with Malta.	OJ L 61/71
Assoc. Agrmt, Arts 12-14	6.212	<b>Instrument</b>	Assoc. Council consisting of members of EC Comm., Council and members of the Government of Malta – meets once a year.	OJ L 111/76
Agrmt, Annex I and II Addit. prot., Arts 3, 5	6.213	<b>Tariff arrangements</b>	Industrial sector	
		Imports into EC:	Duty-free entry for almost all industrial products with exception of certain textile products which are subject to tariff quotas.	Exports from EC:
				With some exceptions, Maltese customs tariff reduced in stages. At 1 April 1976, the end of the first stage (in fact extended to 1980), the reduction was 35%.
C. Reg. 939/76, 23 April 1976 Addit. prot., Arts 3, 4, 7		Agricultural sector	Imports into EC:	
			Customs duties reduced by 40 to 75% for certain agricultural products (citrus and other fruits); preferential access for certain processed agricultural products.	
Assoc. agrmt, Art. 10 C Reg. 493/71, 1 March 1971			Safeguard measures.	
C Reg. 939/76, 23 April 1976 Addit. prot., Title 2			Rules of origin.	

C Reg. 939/76,  
23 April 1976  
Addit. prot.,  
Arts 3, 4, 7

6.214

### **Industrial and technical cooperation**

- Development of production and economic infrastructure;
- Trade promotion;
- Encouraging development of industrial production;
- Cooperation in field of industry, science, technology and protection of the environment;
- Encouragement and facilitation of private investment;
- Exchange of information on economic and financial situation.

OJ L 111/76

C Reg. 939/76,  
23 April 1976  
EP Res., 4 July 1977

6.215

### **Financial aid**

First financial prot. signed on 4 March 1976, came into force on 1 November 1978 for five years: provided 26 million EUA.

OJ L 111/76  
EP Doc. 181/77  
OJ C 183/77

EEC Art. 113  
C Reg. 1274, 20 May 1975  
EP Res., 18 Dec. 1975

6.22

### **ISRAEL**

Agrmt signed 11 May 1975 – came into force 1 July 1975 – for indeterminate period. Agrmt establishing free trade area for industrial products and cooperation.

OJ L 136/75  
EP Doc. 422/75  
OJ C 7/76

EEC Art. 238  
C Reg. 2217, 26. Sept. 1978  
EP Res., 12 May 1977

Addit prot. and financial prot. signed 8 February 1977, came into force 1 November 1978, establishing industrial, technical and financial cooperation.

OJ L 270/78  
EP Doc. 67/77  
OJ C 133/77

EP Res., 9 July 1982

Second additional prot., signed on 18 March 1981, put back by two years dates for tariff dismantling on certain products to be carried out by Israel and expiry date for Israel's infant industry clause (now to expire in 1985).

OJ L 102/81

Comm. prop. for prot. to take account of Greek accession.

OJ C 238/82

Agrmt , Art. 1

6.221 **Objectives**

To promote development of economic relations, improvement of living and employment conditions, and increased productivity and financial stability. To promote cooperation. To eliminate obstacles to trade.

Add. prot., Title III

6.222 **Instrument**

Cooperation Council. Meets at least once a year. To facilitate cooperation and contacts between the EP and the Knesset.

Prot. to agrmt

6.223 **Tariff arrangements**

**Industrial sector**

Imports into EC:	Exports from EC:
Customs duties and charges having equivalent effect abolished since 1 July 1977.	Duties abolished on most products since 1 January 1980.
	For certain products, total abolition of duties in 1987 (chemical products, petroleum products, textile products).

**Agricultural sector**

Imports into EC:	Exports from EC:
Tariff reduction by 20 to 80 %. For oranges and mandarins reduction by 60 %. For lemons reduction by 40 %.	Tariff reduction by 10 to 25 % for certain food products, fresh or dried vegetables, certain fruits, preserved fish.

Agrmt, Art. 18

6.224 **Economic cooperation**

To promote development and diversification of trade, to facilitate transfer of technological know-how, to encourage private investment and contact

OJ L 136/75

6.224 and cooperation between industries of EC and Israel.

(contd)

The purpose of cooperation is to promote:

- the development of Israel's production and economic infrastructure,
- the sales promotion of products exported by Israel,
- industrial cooperation,
- achieving complementarity between the economies in the agricultural and fisheries sectors,
- cooperation in the field of science, technology and the protection of the environment.

6.225 **Financial aid**

First financial protocol (see 6.22) provided 30 million EUA in EIB loans for projects contributing to economic development. This prot. expired on 31 October 1981 and a second has been negotiated with Israel providing 40 million ECU in EIB loans. Comm. submitted recommendation for C Reg. concerning conclusion of this and other new financial protocols on 16 March 1982.

6.23 **YUGOSLAVIA**

Non-preferential agreement of 26 June 1973, superseded by Cooperation Agreement signed on 2 April 1980.

OJ L 224/73  
OJ C 147/80  
OJ L 41/83

New agreement *sui generis* of unlimited duration. First stage to last five years.

ECSC Agreement of same date extends provisions to ECSC products.

C Reg. 73/2170,  
31 July 1973  
EP Res., 22 May 1980  
C Reg. 314/83,  
24 Jan. 1983  
Agrmt, Art. 58

C Reg. 1272/80,  
22 May 1980

6.23 Interim agreements to implement trade and financial aspects of Agreement  
(*contd*) came into force on 1 July 1980, pending ratification of main agreement.

OJ L 130/80  
Bull. EC 4 and 5-1980,  
point 2.2.49

Agrmt, Art. 58

6.230 **Objectives**  
To promote trade between the parties having regard to their respective level of development and necessity to ensure greater balance in their trade. To promote overall cooperation with view to economic and social development of Yugoslavia.

Bull. EC 11-1976,  
point 2.3.40

Art. 48

6.231 **Instrument**  
Cooperation Council consisting of representatives of EC and representatives of Yugoslavia to oversee achievement of objectives and the proper functioning of agreement. Pending ratification, Joint Committee of 1973 Agreement continues to meet.

6.232 **Tariff arrangements**  
Industrial sector  
Imports into EC: Most products to enter free of duty and quantitative restrictions. Some products subject to progressive reduction of duty and tariff ceilings. Conditions of access for particularly sensitive products to be fixed by Cooperation Council.  
Exports from EC: Yugoslavia grants most-favoured-nation treatment. Customs duties or quantitative restrictions may be introduced or increased if necessary for economic development.

C Reg. 3810, 15 Dec. 1981	6.232 (contd)	<p><b>Agricultural sector</b></p> <p>Imports into EC:</p> <p>Specific tariff concessions on fruit, spirits, wine and tobacco. Reduced levy on 'baby beef' within monthly quota of 2 900 tonnes.</p>	<p>Ceilings and tariff quotas for 1982, as provided for in Art. 1 of Protocol I of Interim Agrmt.</p>	OJ L 383/82
	6.233	<p><b>Cooperation</b></p> <p>Agrmt provides for cooperation in fields of labour, industry, science and technology, energy, agriculture, transport, tourism, environment and fishing. It also provides for promotion of the 'free zone' between Italy and Yugoslavia established by Osimo agreements.</p>		
Agrmt Prot. 1, Annex 2 C Reg 1690/77	6.234	<p><b>Textile arrangements</b></p> <p>Textile products may be imported duty-free subject to tariff ceilings on 26 products. In context of the renegotiation of the Multifibre Arrangement in 1977 (see 5.5324) EC concluded a second bilateral agreement with Yugoslavia valid from 1 January 1978 until 31 December 1982. Provides for voluntary restraint of Yugoslav exports of sensitive textile products but does not cover outward processing. Entered into force 1 August 1982.</p>		OJ L 188/77
Agrmt Prot. 2	6.235	<p><b>Financial aid</b></p> <p>Council agreed in 1976 that Yugoslavia could apply for EIB assistance in financing projects of common European interest. Loans totalling 50 million EUA have been granted for connection to Greek and Italian electricity grids and towards construction of trans-Yugoslavia motorway. EIB loans totalling 200 million EUA available over five years.</p>		Bull EC 11 – 1976, point 2340

EP Res., 9 April 1981 and 17 Sept. 1982	6.236	Adaptation of Cooperation Agrmt following Greek accession. Prop. of Comm. to C for additional protocol.	OJ C 101/81
C Dec. 360, 28 April 1981	6.237	<b>Sheepmeat and goatmeat</b> Voluntary restraint agreement in form of exchange of letters limiting Yugoslav exports to EC. Entered into force 1 January 1981 and applicable until 31 March 1984.	OJ L 137/81
	6.24	<b>MAGHREB COUNTRIES</b>	EP Doc. 306/76 EP Doc. 307/76 OJ C 259/76
	6.240	<b>General arrangements</b> 1969 Agrmts between EEC and Morocco and Tunisia concerned only trade arrangements; have been replaced by 1976 Cooperation Agrmts with these two countries and Algeria, and by three ECSC agrmts.	
EEC Art. 238	6.2400	<b>GENERAL CHARACTERISTICS COMMON TO THREE COOPERATION AGREEMENTS</b> — overall cooperation agrmts involving trade, economic, technical, finan- cial, social and institutional cooperation; — unlimited duration of agrmts; duration of financial prots limited to 31 October 1978; — entry into force: 1 November 1978; — review of results of agrmts or improvements to be made; the first, scheduled from 1978, did not take place; the second, scheduled from 1983, will probably not be held until after negotiations with Spain and Portugal have been concluded. — between 1981 and 1982, following accession of Greece, protocols of adaptation were concluded. — financial protocols renewed until 31 October 1986.	
Art. 1 Agrmt			
Arts 60 (Mor.), 58 (Alg.), 59 (Tun.)			
Art. 2, Prot. No 1			
Arts 54 (Tun.), 53 (Alg.), 55 (Mor.)			

Arts 2 - 7

6.2401 *ECONOMIC AND TECHNICAL COOPERATION*

- development of production and economic infrastructure,
- trade promotion,
- industrial cooperation,
- encouragement of private investments,
- cooperation in the fields of science, technology and environmental protection,
- cooperation in the agricultural and fisheries sectors,
- exchange of information (if required) on trends in respective economic and financial situations,
- cooperation in energy field (Algeria and Tunisia).

Prot. 1 Agrmt

6.2402 *FINANCIAL AND TECHNICAL COOPERATION*

Financial prots establish resources and arrangements for Community contributions until *31 October 1981*.

Art. 2, Prot. 1 Agrmt

Total EEC contributions for the three countries: EIB loans (167 million u.a., generally with 2% interest rate subsidies financed from funds earmarked for grants); loans on special terms (116 million u.a. granted for 40 years, with 10-year grace period; rate: 1%) and grants (56 million u.a.).

C Dec.,  
7 July 1981

Renewal of financial protocols until *31 October 1986*

Total EEC contributions for the three countries: EIB loans (275 million EUA, generally with 2% interest rate subsidies financed from funds earmarked for grants); loans on special terms (82 million EUA granted for 40 years, with 10-year grace period; rate: 1%) and grants (132 million EUA).

Press release  
8667/81

EC Bull. 7/8-1981,  
point 2.2.47

6.2401/6.2402

6.2402 These funds allocated for the financing of investment projects in the fields  
(*contd*) of production and economic infrastructure, for the technical preparation of  
these projects and for training projects.

Financial aid granted to States, or with their agreement, to public or private  
agencies, etc.

Agrmts provide for possibility of joint projects with several sources of  
funds.

6.2403 *TRADE COOPERATION*

For products other than those covered by CAP (raw materials, industrial  
products, including ECSC products), Maghreb exports will have free access  
to EEC market (exemption from customs duties and quantitative restric-  
tions).

Nevertheless, two temporary restrictions: imports into EEC of cork  
products and refined petroleum products subject to system of ceilings until  
end of 1979 at the latest. Below ceilings, which are increased annually (by  
5% for refined petroleum products), imports are duty free; above ceilings,  
EEC may reintroduce duties applicable to third countries.

Agricultural imports into EEC: agrmts provide for access on more  
favourable terms than those applied to other third countries; concern most  
but not all products, with, in addition, quotas, import schedule, respect for  
rules laid down by COM, safeguard clause.

Reduction in CCT of 20 to 100% for 80 to 90% of Maghreb agricultural  
exports.

Outside agrmt, preferential access to French market for these three  
countries (temporary measure until 1 January 1979).

Arts 8 to 37 (Alg.)  
Arts 8 to 39 (Mor.)  
Arts 8 to 38 (Tun.)

6.2403 For wine, citrus fruits, olive oil, fresh fruit and vegetables, see 6.2410, 6.2420 and 6.2430.  
(contd)

Arts 25 (Alg.), 27 (Mor.),  
26 (Tun.)

Prot. 2 Title I  
Cooperation Agrmt

Grant EEC treatment no less favourable than most-favoured-nation treatment.

Definition of concept of 'originating products'.

6.2404 *SOCIAL COOPERATION*

Arts 39 to 42 (Tun.)  
Arts 40 to 43 (Mor.)  
Arts 38 to 41 (Alg.)

Provisions enabling Maghreb workers employed successively in several Member States to add together periods of insurance or employment for the purpose of social security entitlements.

Similarly, transfer of pensions to country of origin guaranteed, whatever the debtor Member State.

Maghreb countries to accord similar treatment to workers who are nationals of an EEC Member State. In addition, exchanges of views on labour problems.

6.2405 *INSTITUTIONAL COOPERATION*

Arts 42 to 46 (Alg.)  
Arts 44 to 48 (Mor.)  
Arts 43 to 47 (Tun.)

Cooperation C with power to decide on achievement of objectives established by agrmts.

May also formulate res., rec. and opinions; meets in principle once a year and is composed of members of the C, Comm. and of the government of the Maghreb country concerned. Office of President held by each side in turn; takes all appropriate measures to facilitate cooperation and contacts between EP and parliaments of the three countries; assisted in its duties by Cooperation Committee.

EEC Art. 113  
C Regs 1287, 1288 and  
1289, 28 May 1976  
C Regs 1454, 1455 and  
1456, 26 June 1978

6.2406

**INTERIM AGREEMENTS**

Interim Agrmts entered into force 1 July 1976 to implement trade provisions pending ratification of cooperation Agrmts.

OJ L 141/76  
OJ L 170/76

Validity extended to 31 December 1978.

OJ L 175/78

6.2407

**ECSC AGREEMENT**

Trade measures provided for ECSC products are the same as those laid down for industrial products in the Cooperation Agrmts (see 6.2403).

Setting up of joint committees; indefinite duration; not yet ratified.

6.241

**Algeria**

6.2410

**COOPERATION AGREEMENT  
SIGNED ON 26 APRIL 1976**

Duration: indefinite.

Reg. concluding Agrmt.

OJ L 363/78

Economic and technical cooperation: see 6.2401.

Financial cooperation: see 6.2402.

In addition, First Financial Protocol.

Aggregate amount made available until 31 October 1981: 114 million u.a. – 70 million u.a. in EIB loans, 19 million u.a. in loans on special terms and 25 million u.a. in grants (see 6.2404).

New Financial Protocol:

Aggregate amount made available until 31 October 1986: 151 million EUA – 107 million EUA in EIB loans, 16 million EUA in loans on special terms and 28 million EUA in grants.

OJ C 222/82

C Reg. 2210,  
26 Sept. 1978

Prot. No 1 to Agrmt

6.2406/6.2410

- 6.2410  
(contd)
- Art. 12 Agrmt
- Art. 12 Agrmt
- Art. 20 Agrmt
- Art. 15 Agrmt
- Arts 16 and 17 Agrmt
- A number of specific products covered by Trade Cooperation:
- petroleum products: initial ceiling of 1.1 million tonnes for CCT headings 27.10 to 27.14 increased annually by 5%; if ceiling exceeded, EEC may reintroduce duties applicable to third countries; ceiling to be abolished by 31 December 1979 at the latest;
  - cork products: initial ceilings (totalling 2 200 tonnes) increased annually by 3%; ceilings to be abolished by 31 December 1979 at the latest;
  - wines: ordinary wines: 80% reduction in customs duties subject to respect for Community reference price. Quality wines: exemption from customs duties for annual tariff quota of 250 000 hl (first year) (to be increased to 450 000 hl in fourth year).  
Wine intended for fortifying: exemption from full application of reference price for 500 000 hl each year (price difference to be reduced progressively over four years);
  - citrus fruits: 80% reduction (subject to respect for Community reference prices);
  - olive oil: reduction in levy: 0.5 u.a. per 100 kg as trade benefit, 10 u.a. per 100 kg as economic benefit, the latter being granted only if Algeria levies an equivalent export charge;
  - fresh fruit and vegetables: in general 30 to 60% tariff reductions, mostly limited to an out-of-season schedule.

C Reg. 1287,  
28 May 1976

6.2411 *INTERIM AGREEMENT*

OJ L 141/76

C Reg. 1454,  
26 June 1978

See also 6.2406.

Extended until 31 December 1978.

OJ L 175/78

Setting up of joint committee.

C Reg. 1663,  
18 July 1977

6.2411 Safeguard clause: definition of procedure.  
(*contd*) Regulations lay down conditions for implementing Agrmt for certain products such as olive oil, fruit salad, tomato puree.

OJ L 186/77

Agrmt,  
26 April 1976  
(78/798/ECSC)

6.2412 **ECSC AGREEMENT**  
See 6.2403 and 6.2407.

OJ L 263/78

6.242 **Morocco**

6.2420 **COOPERATION AGREEMENT SIGNED  
ON 27 APRIL 1976**

C Reg. 2211,  
26 Sept. 1978

Duration: indefinite.  
Reg. concluding agrmt.  
Economic and technical cooperation: see 6.2401.  
Financial cooperation: see 6.2402.

OJ L 264/78

Prot. No 1 to Agrmt

In addition, First Financial Protocol.  
Aggregate amount made available until *31 October 1981*: 130 million u.a.  
— 56 million u.a. in EIB loans, 58 million u.a. in loans on special terms and 16 million u.a. in grants (see 6.2402).  
New Financial Protocol signed 10 June 1982.  
Aggregate amount made available until *31 October 1986*:  
199 million EUA – 90 million EUA in EIB loans, 42 million EUA in loans on special terms, 67 million EUA in grants.

Bull. EC 6-1982,  
point 2.2.55

Art. 12 Agrmt  
Art. 12 Agrmt  
Art. 21 Agrmt

Provisions for a number of specific products covered by trade cooperation:  
— petroleum products: see 6.2410, but initial ceiling of 175 000 tonnes;  
— cork products: see 6.2410, but total initial ceiling of 2 650 tonnes;  
— wines: ordinary wines: see 6.2410. Quality wines: exemption from customs duties for annual tariff quota of 50 000 hl;  
— citrus fruits: see 6.2410;  
— olive oil: see 6.2410;  
— fresh fruit and vegetables: see 6.2410.

Art. 14 Agrmt  
Arts 17 and 18 Agrmt

C Reg. 1288,  
28 May 1976

6.2421 *INTERIM AGREEMENT*

OJ L 141/76

See also 6.2406.

C Reg. 1455,  
26 June 1978

Extended until 31 December 1978.  
Setting up of joint committee.  
Safeguard clause.  
Implementing regulations: see 6.2411.

OJ L 175/78

Agrmt,  
27 April 76  
(78/799/ECSC)

6.2422 *ECSC-AGREEMENT*

See 6.2403 und 6.2407.

OJ L 264/78

6.243 **Tunisia**

6.2430 *COOPERATION AGREEMENT SIGNED  
ON 25 APRIL 1976*

Duration: indefinite.

C Reg. 2212,  
26 Sept. 1978

Reg. concluding Agrmt.  
Economic and technical cooperation: see 6.2401.  
Financial cooperation: see 6.2402.

OJ L 265/78

Prot. No 1 to Agrmt

In addition: First Financial Protocol.  
Aggregate amount made available until 31 October 1981: 95 million u.a. –  
41 million u.a. in EIB loans, 39 million u.a. in loans on special terms and 15  
million u.a. in grants (see 6.2402).

New Financial Protocol

Aggregate amount made available until 31 October 1986: 139 million EUA  
in EIB loans, 24 million EUA in loans on special terms and 37 million EUA  
in grants.

OJ C 222/82

	6.2430	A number of specific products covered by trade cooperation:	
	(contd)		
Art. 12 Agrmt		— petroleum products	} see 6.2420
Art. 20 Agrmt		— wines	
Art. 15 Agrmt		— citrus fruits	
Arts 16 and 17 Agrmt		— olive oil	
		— fresh fruit and vegetables	
Art. 12 Agrmt		— cork products: see 6.2410, but total initial ceilings of 900 tonnes.	
C Reg. 1289, 28 May 1976	6.2431	<b>INTERIM AGREEMENT</b>	
C Reg. 1456, 26 June 1978		See 6.2406.	
		Extended until 31 December 1978.	OJ L 141/76
		Setting up of joint committee.	OJ L 175/78
		Safeguard clause.	
		Implementing regulations: see 6.2411.	
Agrmt, 25 April 1976 (78/800/ECSC)	6.2432	<b>ECSC AGREEMENT</b>	OJ L 265/78
		See 6.2403 and 6.2407.	
EG Opinion, 13 May 1977	6.25	<b>MASHREQ COUNTRIES</b>	Lebanon: EP Doc. 312/77 OJ C 266/77
EP Opinion, 11 Oct. 1977	6.250	<b>General arrangements</b>	Other countries: EP Doc. 99/77 OJ C 133/77
		Agreements concluded with Lebanon in 1965 and 1972 (not ratified) and agreement concluded with Egypt in 1972 were commercial agreements; were replaced by 1977 Cooperation Agrmts with these two countries and Jordan and Syria; also 1977 ECSC Agreements with these four countries.	

6.250 Agrmt with Mashreq consistent with 'global approach' of EEC Mediterranean policy.  
(*contd*)

EEC Tr. Art. 238

6.2500 ***COMMON ELEMENTS IN THE FOUR COOPERATION AGREEMENTS:***

Agrmts Art. 1

— overall Cooperation Agreements comprising economic, technical, financial and institutional cooperation;

Agrmts Arts 48 (Jord.),  
49 (Syr., Leb.),  
Prot. No. 1, Art. 2  
Agrmts Arts 43 (Jord.),  
44 (Syr., Leb.),  
46 (Eg.)

— Agrmts concluded for unlimited period; entered into force on 1 November 1978.

Financial protocols to expire on 31 October 1981; renewed.

— reviews of results of Agrmts or improvements to be added, the first review beginning in 1979, the second in 1984.

Agrmts Arts 2-7

6.2501 ***ECONOMIC AND TECHNICAL COOPERATION:***

— development of production and of economic infrastructure;

— marketing and sales promotion;

— industrial cooperation and encouragement of private investment;

— cooperation in fields of science, technology and environmental protection;

— participation by EEC operators in programmes for exploration, production and processing of resources of these countries;

— cooperation in fisheries sector;

— exchange of information (when required) on economic and financial developments.

Agrmts Arts 4-6

6.2502 *FINANCIAL COOPERATION*

Prot. 1

Financial Prots, laying down arrangements for Community contributions until *31 October 1981*.

Prot. 1, Art. 2

Total EEC contributions to the countries: 165 million EUA in EIB loans (2% interest rate subsidy financed from the funds allocated to non-repayable aids); 27 million EUA in loans on special terms (loan period of 40 years, 10-year amortization period, interest rate fixed at 1%); 108 million EUA in non-repayable aids.

C. Dec.,  
27 July 1981

New Financial Protocols have been concluded until *31 October 1986*; (see 6.2520, 6.2530, 6.2540).

Press release  
8667/81

Total EEC contributions to the four countries under financ. prots. expiring on *31 October 1986*: 486 million EUA – 285 million ECU in EIB loans (2% interest rate subsidy financed from funds allocated to non-repayable aids); 73 million EUA in loans on special terms (40 years, 10-year amortization period, interest rate fixed at 1%); 128 million EUA in non-repayable aids.

1, Art. 3

These funds are to be used for the purpose of financing capital projects in fields of production and economic infrastructure, for technical preparation of these projects and for training schemes; they may not be used for operating expenses. Objectives to be established by mutual agreement by reference to the States' development plans.

1, Art. 9

1, Art. 8

Financial and technical cooperation either with the States or, with their agreement, with public or private agencies, etc.

Agrmts provide for joint schemes financed by capital from several sources.

6.2503 *COMMERCIAL COOPERATION*

Abolition of customs duties and quantitative restrictions on products (raw materials, industrial products, including ECSC products), excluding those

6.2503 covered by the CAP, exported from these countries to EEC. However, (contd) temporary restrictions will be applied, varying from country to country.

Agricultural imports from Mashreq countries into EEC: Agrmts provide for a system of preferential access in relation to other third countries; tariff concessions, which vary between 40 % and 80 %, cover most agricultural exports, but with quotas, timetables for imports, a requirement that COM rules should be observed, and a safeguard clause.

Each Mashreq State shall accord the EEC treatment no less favourable than the most-favoured-nation scheme (exceptions for other developing countries).

The Agrmts do not require Mashreq countries to take immediate reciprocal measures; Mashreq countries undertake to consolidate existing arrangements but reserve right to adjust their customs tariffs as required to meet needs of their level of industrialization and development.

Prot. 2, Title 1

Definition of concept of 'originating products'.

#### 6.2504 *INSTITUTIONAL COOPERATION*

Agrmts Arts 37-41 incl.  
(Eg.), 34-38 incl.  
(Jor.), 35-39 incl.  
(Syr., Leb.)

Cooperation Council with power to take decisions on attainment of objectives laid down by Agrmts.

May also make res., rec. and deliver opinions; generally meets once a year and consists of Members of C, of Comm. and of members of government of Mashreq State in question; Presidency exercised in turn; takes all necessary measures to facilitate cooperation and contact between EP and parliaments of countries in question; may establish any committee required to assist in accomplishment of its tasks.

EEC Tr. Art. 113  
C Regs 1030, 1031,  
1032, 17 May 1977  
C Reg. 1109, 6 May 1977  
C Regs 1457, 1458,  
1459 and 1460,  
26 June 1978

6.2505 **INTERIM AGREEMENTS**

Interim Agrmts entered into force on 1 July 1977 (1 August 1977 in the case of Lebanon) to put into effect trade provisions pending ratification of Interim Cooperation Agrmts extended until 31 December 1978.

OJ L 126/77  
OJ L 133/77  
OJ L 175/78

6.2506 **ECSC AGREEMENTS**

- same commercial measures as those for industrial products in Cooperation Agrmts (see 6.2503);
- joint committee set up to formulate recommendations, take decisions which are binding on Contracting Parties, meets once a year;
- Agrmt to be valid for an indefinite period, entered into force on 1 November 1978.

6.251 **Egypt**

6.2510 **COOPERATION AGREEMENT, SIGNED  
ON 18 JANUARY 1977, ENTERED INTO FORCE  
ON 1 NOVEMBER 1978**

C Reg. 2213,  
26 Sept. 1978

EP Opinion,  
19 June 1981

Reg. on conclusion of Agrmt.

OJ L 266/78

Reg. concluding additional protocols following accession of Greece to EC.

OJ C 172/81

Economic and technical cooperation: see 6.2501.

Financial cooperation: see 6.2502; also,

Prot. No 1  
of the Agrmt

6.2510 Financial Protocol

(contd)

Aggregate amount made available until 31 October 1981: 170 million EUA, including 93 million EUA of EIB loans, 14 million EUA of loans on special terms and 63 million EUA of non-repayable aids.

New Financial Protocol

Aggregate amount made available until 31 October 1986: 276 million EUA – 150 million EUA of EIB loans, 50 million EUA of loans on special terms and 76 million EUA of non-repayable aids.

Commercial cooperation: see 6.2503.

EEC-ARE  
2803/1982

Press release  
24 May 1982

C Reg. 1030,  
17 May 1977

6.2511 *INTERIM AGREEMENT*

OJ L 126/77

See 6.2505 superseded by entry into force of Cooperation Agrmt of 1 November 1978.

6.2512 *ECSC AGREEMENT*

See 6.2506.

6.2513 *AGREEMENT ON TRADE IN TEXTILE PRODUCTS  
(WITHIN FRAMEWORK OF GATT ALL FIBRES  
ARRANGEMENT)*

Bilateral agreement

OJ L 273/81

C Reg. 2739,  
24 June 1981

Applicable from 1 July 1978 to 31 December 1981.  
Option to extend to 31 December 1982.  
See 5.532.

6.252 **Jordan**

6.2520 *COOPERATION AGREEMENT, SIGNED  
ON 18 JANUARY 1977, ENTERED INTO FORCE  
ON 1 NOVEMBER 1978*

C Reg. 2215,  
26 Sept. 1978

EP Opinion,  
19 June 1981

Prot. No 1 of the Agrmt

Reg. on the conclusion of Agrmt.

OJ L 268/78

Reg. concluding additional protocols following accession of Greece.

OJ C 172/81

Economic and technical cooperation: see 6.2501.

Financial cooperation: see 6.2502; also

First Financial Protocol

Aggregate amount made available until *31 October 1981*: 40 million EUA, including 18 million EUA of EIB loans, 4 million EUA of loans on special terms and 18 million EUA of non-repayable aids.

New Financial Protocol signed 10 June 1982.

Aggregate amount made available until *31 October 1986*: 63 million EUA – 37 million EUA of EIB loans, 7 million EUA of loans on special terms and 19 million EUA of non-repayable aids.

Bull. EC 6-1982,  
point 2.2.55

Commercial cooperation: see 6.2503.

6.2521 *INTERIM AGREEMENT  
AGREEMENT*

C Reg. 1032,  
17 May 1977

See 6.2505; superseded by the entry into force of the Cooperation.  
Agrmt of 1 November 1978.

OJ L 126/77

6.2522 *ECSC AGREEMENT*

See 6.2506.

6.253 **Lebanon**

6.2530 *COOPERATION AGREEMENT, SIGNED ON  
3 MAY 1977, ENTERED INTO FORCE ON  
1 NOVEMBER 1978*

C Reg. 2214,  
26 Sept. 1978

EP Opinion,  
19 June 1981

Reg. on the conclusion of the Agrmt.

OJ L 267/68

Reg. concluding additional protocols following accession of Greece.

OJ C 172/81

Economic and technical cooperation: see 6.2501.

Financial cooperation: see 6.2502; also,

Financial Protocol

Aggregate amount made available until *31 October 1981*: 30 million EUA, including 20 million EUA of EIB loans, 2 million EUA of loans on special terms and 8 million EUA of non-repayable aids.

New Financial Protocol signed 17 June 1982.

Aggregate amount made available until *30 June 1986*: 50 million EUA – 34 million EUA of EIB loans, 5 million EUA of loans on special terms and 11 million EUA of non-repayable aids.

Commercial cooperation: see 6.2503.

Bull EC 6-1982,  
point 2.2.55

C Reg. 1109,  
26 May 1977

6.2531 *INTERIM AGREEMENT*

OJ L 133/77

See 6.2505; superseded by the entry into force of the Cooperation Agrmt on 1 November 1978.

6.2532 *ECSC AGREEMENT*

See 6.2506.

6.254 **Syria**

6.2540 **COOPERATION AGREEMENT,  
SIGNED ON 18 JANUARY 1977,  
ENTERED INTO FORCE ON 1 NOVEMBER 1978**

Reg. on the conclusion of the Agrmt.

OJ L 269/78

Reg. concluding additional protocols following accession of Greece.

OJ C 172/81

Economic and technical cooperation: see 6.2501.

Financial cooperation: see 6.2502; also

Financial Protocol

Aggregate amount made available until *31 October 1981*: 60 million EUA, including 34 million EUA in EIB loans, 7 million EUA of loans on special terms and 19 million EUA of non-repayable aids.

New Financial Protocol signed 10 June 1982.

Bull. EC 6-1983,  
point 2. 2. 55

Aggregate amount made available until *31 October 1986*: 97 million EUA – 64 million EUA of EIB loans, 11 million EUA of loans on special terms and 22 million EUA of non-repayable aids.

Commercial cooperation: see 6.2503.

5.2541 **INTERIM AGREEMENT**

See 6.2505; superseded by the entry into force of the Cooperation Agrmt on 1 November 1978.

OJ L 126/77

6.2542 **ECSC AGREEMENT**

See 6.2506.

C Reg. 2216,  
26 Sept. 1978

EP Opinion,  
19 June 1981

Prot. No 1 of the Agrmt

C Reg. 1031,  
17 May 1977

6.254/6.2542

6.3 **African, Caribbean and Pacific Countries**

6.31 **CONVENTIONS OF YAOUNDÉ**

6.310 **Background:**

**First Convention of Yaoundé (AASM)**

Date of signature: 20 July 1963.

Entry into force: 1 June 1964.

Duration: five years.

Expiry: 1 June 1969.

Nature: association agreement between the Community of the Six the African States and Madagascar (18); Benin (formerly Dahomey), Burundi, Cameroon, Central Africa, Chad, Congo-Brazzaville, Gabon, Ivory Coast, Madagascar, Mali, Mauritania, Niger, Rwanda, Senegal, Somalia, Togo, Upper Volta, Zaïre (formely Congo-Kinshasa).

Aims: cooperation on a basis of complete equality; development of economic relations between the associated States and the EEC; economic, social, cultural and industrial development of the AASM.

Legal basis.

**Second Convention of Yaoundé (AASM)**

Date of signature: 29 July 1969.

Entry into force: 1 January 1971.

C Dec. 346, 5 Nov. 1983  
Conv. Art. 9  
EP Res.,  
4 March 1963  
Conv. Preamb.

EEC Tr., Art. 238  
and Part Four

D Dec 540,  
29. Sept. 1970  
Conv. Art. 59

OJ 93/64  
EP Doc. 147/63  
OJ C 33/63

OJ L 282/70  
EP Doc. 132/70

Conv. Art. 61  
EP Res.,  
2 Oct. 1968  
EP Res.,  
9 Dec. 1969

6.310  
(*contd*)

Duration: five years.

Expiry: 31 January 1975.

Nature: renewal of Convention of Yaoundé I.

Associated States: EEC (6) and AASM (as under Yaoundé I, plus Mauritius (1973)).

EP Doc. 137/68  
OJ C 108/68  
EP Doc. 176/69  
OJ C 2/70

C Regs 240, 241,  
30 Jan. 1975

Transitional measures applying after 31 January 1975.

Tr. Acc., Part Five  
Title III, Chapt. 2  
C Dec. 88,  
30 Jan. 1975

Maintenance of *status quo* until expiry of the Conv. as regards relations with the States acceding to the EEC.

OJ L 26/75

EEC Dec. 347,  
5 Nov. 1963

Yaoundé Agreement I — ECSC

OJ L 93/64

ECSC Dec. 541,  
29 Sept. 1970  
C Dec. 90, 30 Jan. 1975

Yaoundé Agreement II — ECSC

OJ L 282/70  
OJ L 26/75

6.311

### **Trade cooperation under the two conventions**

Conv. Arts 2 to 6  
(Yaoundé II)  
Prots 1 to 5  
(Yaoundé II)

Provision for a free trade area between the two contracting parties and a system of reciprocity (with a few exceptions): no customs duties or quantitative trade restrictions except on certain agricultural products.

3rd GR EC,  
par. 397-398

The AASM had power to reintroduce customs duties and quantitative restrictions for development or budgetary reasons.

6.310/6.311

Conv. Art. 11  
(Yaoundé II)

6.311  
(*contd*)

The EEC granted more favourable treatment to the AASM than to third countries for AASM agricultural products similar to and competing with European products and goods processed therefrom; aid for marketing and sales promotion is also provided.

Conv. Arts 12 to 14  
(Yaoundé II)  
Conv. Arts 16  
(Yaoundé II)

The AASM was free to maintain or set up customs unions or free trade areas and conclude economic cooperation agreements; safeguard clauses provided.

6.312

**Financial and technical cooperation  
under the two conventions**

(through the EDF and the EIB)

Conv. Arts 17 to 30  
(Yaoundé II)

This took the form of investment in production and the social and economic infrastructure, the main aim being to diversify the economic structure of the AASM, and in particular, to encourage industrialization and agricultural development in those countries. It also provided the finance for technical cooperation projects connected with investment or general technical cooperation activities. In addition, provision was made for schemes to encourage the marketing and sales promotion of products exported by AASM. Finally, aid could be granted to overcome specific exceptional difficulties. This aid was non-repayable (with the exception of 20% of EIB loans) and is multiannual.

3rd GR EC,  
pars 399-401

The EDF was the main agency for the implementation of development programmes. Its operation was governed by various Community provisions.

The intervention sectors were: industrialization (preferences granted to local and regional industry for supply contracts), tourism, rural production, transport and communications, education and training, public health, hydro-electric power, public administration, accommodation, trade promotion and exceptional aid.

6.312 Second EDF: operational with effect from  
(contd) 1 June 1964  
duration: five years  
appropriation: 730 million u.a. EIB: 70 million u.a.

Third EDF: operational with effect from  
1 January 1971  
duration: five years  
expiry: 21 January 1975  
appropriation: 905 million u.a. EIB: 100 million u.a.

EDF Fin. Reg. 71/68 EEC

Internal agreements on the financing and management of Community aid and the financial regulation of the EDF.

OJ L 31/71

EP Res.,  
10 June 1974

Review of financial and technological cooperation.

EP Doc. 111/74  
OJ C 76/74

### 6.313 Institutions of the two conventions

#### **Council of Association:**

Conv. Arts 39 to 53  
(Yaoundé I)

Composition: members of C and members of Comm. on the one hand, one member of the government of each Associated State on the other. The office of President alternated between AASM and EEC.

Conv. Arts 41 to 55  
(Yaoundé II)

Powers: decision-making powers of a mandatory nature, in cases laid down by Conv., could formulate resolutions, recommendations or opinions. Assisted by the Committee of Association to which it could delegate powers. This committee was composed of one representative of each Member State of the EEC, one representative of the Comm. and one representative of each Associated State.

Secretariat prepared its work.

6.313 **Parliamentary Conference of the Association:**  
(contd) Composition: members of EP and parliaments of the AASM on a basis of parity.  
Powers: considered the activity report which the Association Council had to submit to it annually, met once a year, and adopted resolutions on matters concerning the Association. The business of the Conference was prepared by a Joint Committee.

**Arbitration Court of the Association:**

was responsible for settling any disputes concerning the interpretation or application of the Conv.

Composition (five members): a President appointed by the Council of Association and four judges, of whom two were appointed by C and two by the AASM. It was to act by majority vote. No case of appeal was in fact submitted during the period of application of the two Convs.

EEC Tr. Art. 238

6.32 **ARUSHA AGREEMENTS WITH THE THREE EAST AFRICAN COUNTRIES**

6.320 **Background**

EP Res.,  
1 Oct. 1968

First Arusha Conv: date of signature: 26 July 1968;  
proposed expiry: 31 May 1969;  
did not enter into force.

EP Doc. 136/68  
OJ C 108/68

C Dec. 545, 20 Sept. 1970  
EP Res., 9 Dec. 1969

Second Arusha Conv: date of signature: 24 September 1969;  
expiry: 31 January 1975;  
entry into force: 1 January 1971;  
duration: five years.

OJ L 282/70  
EP Doc. 175/69  
OJ C 2/70

Agrmt Art. 35  
Agrmt Art. 1

6.320 Nature: an association agreement on trade alone between the EEC and the three East African States (Kenya, Uganda and Tanzania).  
(*contd*)

C Reg. 240/75,  
30 Jan. 1975

Transitional measures to apply after 31 January 1975 (extension of system in force).

OJ L 26/75

6.321 **Trade cooperation**

Agrmt Arts 2 to 15

The trading arrangements comprised mechanisms closely modelled on those of the Second Convention of Yaoundé (see 6.311).

Agrmt Prots 1 and 2

There were exemptions in the agricultural sector for tinned pineapple, unroasted coffee and cloves.

Special treatment for certain products originating in these three countries, e.g. beef and veal, fruit and vegetables, raw tobacco, maize and products processed from cereals and rice.

6.322 **Institutions**

Arts 22 to 29

The *Association Council* was composed of members of C and Comm. of the EEC, of the government of each East African State and representatives of the East African Community.

Powers: implementation and supervision of enforcement of the provisions of the agrmt.

6.320/6.322

6.322     The *Parliamentary Committee* was composed, on a basis of parity, of  
(*contd*)     Members of EP and of the parliaments of the East African States  
concerned.

It met once a year to discuss matters concerning the Association.

EEC Tr. Art. 238

6.33     **LAGOS AGREEMENT WITH NIGERIA**

Date of signature: 16 July 1966; but did not enter into force, having failed to  
be ratified by all the EEC Member States (Biafran war).

EEC Tr. Art. 238

6.34     **CONVENTIONS OF LOMÉ**

C Reg. 199/76,  
30 Jan. 1976

6.340     **Background**  
*LOMÉ I*

OJ L 25/76

EP Res.,  
16 Oct. 1975

Signature: 28 February 1975.

Doc. 283/75  
Flesch Report  
OJ C 257/75

Entry into force: 1 April 1976.

Expiry: 1 March 1980 (fixed term).

Opening of negotiations for renewal of Conv.: 18 months before expiry, i.e.  
July 1978.

Participating States: The Nine of the EEC, the African countries listed in  
Prot. 22 of the Tr. of Accession, comprising the 19 AASM (see 6.31), the  
three East African States (see 6.32) and the African, Caribbean and Pacific  
developing countries with comparable economies; initially 46, subsequently  
57 countries.

In Africa: Benin, Botswana, Burundi, Cameroon, Cape Verde Islands,  
Central African Republic, Chad, Comoros, Congo, Ivory Coast, Djibouti,

Conv. Art. 87  
Conv. Art. 91

6.340  
(contd) Equatorial Guinea, Ethiopia, Gabon, the Gambia, Ghana, Guinea, Guinea Bissau, Kenya, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mauritius, Niger, Nigeria, Rwanda, Sao Tome and Principe, Senegal, Seychelles, Sierra Leone, Somalia, Sudan, Swaziland, Tanzania, Togo, Uganda, Upper Volta, Zaire, Zambia.

In the Caribbean: Bahamas, Barbados, Dominica, Grenada, Guyana, Jamaica, St Lucia, Suriname, Trinidad and Tobago.

In the Pacific: Fiji, Papua New Guinea, the Solomon Islands, Tonga, Tuvalu, Western Samoa.

ECSC 76/163

Parallel agreement with the ECSC: entered into force and expires at same time as Lomé Conv. I.

OJ L 25/76

C Dec. 1958,  
24 June 1975

Early implementation of the trade arrangements on 1 July 1975.

OJ L 166/75

Conv. Preamble

Purpose: to establish a new model for relations between industrialized and developing countries compatible with aspirations of the international community towards a more just and more balanced economic order.

Res., 26 Sept. 1980

## *LOMÉ II*

Doc. ACP-EEC 19/80  
Focke Report  
OJ C 306/80

EP Res., 21 Nov. 1980

*Date of signature:* 31 October 1979.

Doc. 1-559/80  
Wawrzik Report  
OJ C 347/80

C Reg. 3225,  
25 November 1980  
Conv. Art. 188

*Entry into force:* 1 January 1981.

OJ L 347/80

6.340      *Expiry: 1 March 1985 (fixed term);*  
(*contd*)      Opening of negotiations for renewal of Convention: 18 months before  
expiry, i.e. July 1983;

*Signatories: currently 63 ACP countries plus EEC Ten.*

57 LOMÉ I ACP countries plus: Kiribati (formerly Gilbert Islands), St  
Vincent and the Grenadines, Vanuatu (formerly New Hebrides), Zim-  
babwe, Belize (formerly British Honduras) and Antigua and Barbuda.

OJ L 295/79  
OJ L 65/80  
OJ L 41/82  
OJ L 78/82  
OJ L 242/82

Parallel agreement with ECSC (entry into force and expiry at same time as  
Convention of Lomé II).

OJ L 55/80

Implementation of transitional measures for the period 1 March 1980 to  
31 December 1980.

OJ L 55/80

Inf. 22 Nov. 1979  
Inf. 11 March 1980  
Inf. 12 Feb. 1982  
Inf. 24 March 1982

C Reg. 434

Arts 1-15  
Prot. Nos 1, 3, 6, 7 (Lomé I)  
Title I, Arts 1-22  
Prot. Nos 1, 4, 5, 7 (Lomé II)  
Art. 1  
(Lomé I and II)

6.341      **Trade and trade promotion**

**Aims:**

To promote trade, taking account of different levels of development, and in  
particular, of the need to secure additional benefits for the trade of ACP  
States.

**Trade arrangements:**

Arrangements applicable to ACP products *imported* into the Community,  
duty-free access for virtually all products (99.2%, Lomé I, and 99.5%,  
Lomé II). These arrangements do not apply to certain agricultural products  
subject to market organization under the CAP; these receive preferential  
treatment, however. *Under Lomé II* concessions have been made for

Arts 2-12  
(Lomé I and II)

6.341 tomatoes, carrots, onions, arrowroot, asparagus, passion fruits and guavas, and for certain mushrooms. In addition, the EEC has relaxed its rules on the origin of products for ACP products, deeming these States to be a single territory for customs purposes.

(contd)

Safeguard clause provided.

Arrangements applicable to EEC products exported to the ACP countries: the principle of non-reciprocity of trade obligations. The only obligation incumbent on the ACP in its relations with the EEC is to apply the 'most-favoured-nation' clause and not to discriminate among the Member States of the EEC. In practice, most ACP States give the Community non-preferential treatment, while others accord it preferential treatment more favourable than the most-favoured-nation clause, e.g. Benin, Mauritania, Mauritius, Senegal, Tonga, and Upper Volta.

Special provisions are included for certain products of vital importance to the economy of particular ACP countries, for which the Community or certain of its Member States have been a traditional market. This applies in particular to sugar (see 6.3470), bananas (see 6.3471), rum (see 6.3472), beef and veal (see 6.3473).

#### **Trade promotion**

Objectives: to help the contracting parties to derive maximum benefit from the trade arrangements; to encourage more active participation by the ACP in the EEC market and in regional and international markets.

Various activities are proposed, including: improving the structure and working methods of organizations involved in trade promotion; training trade experts; participation by the ACP States in fairs or other international trade events; improving cooperation between economic operators in the ACP and the EEC; carrying out and making use of market research and

Art. 9 and Prot. No 1 (Lomé I)  
Art. 11 and Prot. No 1 (Lomé II)

Art. 10 (Lomé I)  
Art. 12 (Lomé II)

Art. 12 (Lomé I)  
Art. 20 (Lomé II)

Art. 13 (Lomé I)  
Art. 21 (Lomé II)

6.341 marketing studies; distributing trade information between the partners on a more regular basis; publicity, infrastructural support and development; products policy.  
(contd)  
To finance these activities, the ACP States may apply for aid from the EDF.

Art. 15 (Lomé I)  
Art. 22 (Lomé II)

Conv. Arts 16-24  
(Lomé I)  
Conv. Arts 23-47  
(Lomé II)

6.342 **Stabilization of export earnings (Stabex)**

Purpose: The Stabex system is designed to compensate for any shortfall in the export earnings of the ACP States, by providing guaranteed cover for any decline in production resulting from natural or climatic circumstances, and in the case of countries whose exports are highly dependent on certain basic products, for any shortfall in sales resulting from economic fluctuations. Stabex does not affect prices but compensates for losses of earnings.

Art. 17, par. 1 (Lomé I)

Dec. of ACP-EEC  
Council of Ministers,  
14 April 1977

Products covered: initially, 12 commodities and certain by-products thereof (groundnuts, cocoa, coffee, cotton, coconut, palm, palmtree and kernel products, hide skins, and leather, wood, fresh bananas, tea, raw sisal and iron ore). The following products and by-products have since been added: vanilla, cloves, pyrethrum, mohair wool, gum arabic, ylang-ylang and, in 1979, sesame seed.

Art. 25 (Lomé II)

Under *Lomé II* the Stabex list was extended to cover: rubber, cashew nuts, pepper, shrimps, squid, cotton seeds, peas, beans, lentils and oil cake.

Art. 18 (Lomé I)  
Art. 31 (Lomé II)

*Operation:* consists of an initial financial appropriation of 375 million u.a. for the duration of *Lomé I*, divided into five annual instalments of 75 million u.a., any balance being carried forward automatically to the following year. Under *Lomé II*, the financial appropriation is 550 million u.a. for five years.

Art. 21 (Lomé I)  
Art. 46 (Lomé II)

The transfers are interest-free loans to be reimbursed by the recipient States when the trend of their export earnings so permits. For the poorest ACP countries, they are non-repayable.

Compilation of texts  
Vol. II, ACP-EEC  
Council of Ministers

Art. 19 (Lomé I)  
Arts 29, 46 and 47  
(Lomé II)

6.342  
(contd)

A country is entitled to a transfer if its earnings from exports to the Community of one such product fall to a specified reference level (activating threshold – Under *Lomé I*, normally 7.5 %, but 5 % for sisal and 2.5 % in the case of the least developed, landlocked or island countries. Under *Lomé II* the figure is normally 6.5 %, but 2 % in the case of the least developed, landlocked and island countries). These levels are calculated for each country and each product on the basis of average export earnings over the four years preceding the year of application. In some cases under *Lomé II* the requisite period is three years.

A product may be considered if during the preceding year earnings from its export represented at least 7.5 % (under *Lomé I*) or 6.5 % (under *Lomé II*) of total export earnings to all destinations (5 % for sisal, and in the case of the least-developed, landlocked or island countries, 2.5 %; under *Lomé I and II*, 6.5 % and 2 % (dependence threshold).

Conv., Title III  
Arts 49–59  
(Lomé II)

6.343

### **Sysmin-Lomé II**

System for mineral products (Sysmin) is one of principal innovations of Lomé II, and is designed to meet ACP States' desire to protect their export earnings from these products. System comprises total allocation of 280 million EUA in special loans, and covers copper, cobalt, phosphates, bauxite and alumina, manganese and tin (iron-ore after transitional period).

Arts 53–54

Dependence threshold is, as a rule, 15% (10% for least-developed landlocked and island countries) and fluctuation threshold 10%. Unlike Stabex, system of compensation does not provide straight budget transfer

6.342/6.343

6.343 but participation in financing of projects or programmes proposed by ACP country concerned. Financing takes form of special loans, repayable over 40 years with 10-year grace period, at an interest rate of 1%.  
(*contd*)

Art. 58

Package rounded off by series of measures aimed at ensuring development of ACP States' mining and energy potential, in particular to strengthen their scientific and technical capabilities in geology and mining; setting up of national or regional funds for prospecting in ACP countries.

Arts 40–61 (Lomé I)  
Arts 91–154 (Lomé II)  
Art. 40 (Lomé I)  
Art. 91 (Lomé II)

6.344 **Financial and technical cooperation**

Objectives: to correct the structural imbalances in the various sectors of the ACP States' economies. Projects and action programmes contribute to the economic and social development of these States.

Financial appropriations, Fourth and Fifth EDFs

EDF	LOMÉ I	LOMÉ II <sup>1</sup>
	Fourth	Fifth
Grants	2 100 million EUA	2 928 million EUA
Special loans	430 million EUA	504 million EUA
Risk capital	95 million EUA	284 million EUA
Stabex	375 million EUA	550 million EUA
Sysmin		280 million EUA
EIB <sup>2</sup>	390 million EUA	685 million EUA

<sup>1</sup> Plus 180 million EUA from the Community budget for delegations and 200 million EUA in EIB Loans (Art. 18) for mining and energy projects. A minimum of 25 million EUA should also be added for aid from non-governmental organizations and 300 million EUA for food aid.

<sup>2</sup> Loans granted from the EIB's own resources and normally benefiting from an interest-rate rebate of 3%.

6.344 These amounts are adjusted to make allowance for the accession of new  
(contd) ACP States.

A number of special allocations have been earmarked (other than appropriations for Stabex and ores) for regional cooperation (15 % of the funds) and microprojects.

The EDFs are not financed by the Community budget, but by contributions from the Member States in the following proportions: in the case of the *Fourth EDF*: France and Federal Republic of Germany, 25.95%; United Kingdom, 18.75%; Italy, 12%; the Netherlands, 7.95%; Belgium, 6.25%; Denmark, 2.4%; Ireland, 0.60%; Luxembourg, 0.20%.

In the case of the *Fifth EDF*: Federal Republic of Germany, 27.92%; France, 25.26%; United Kingdom, 17.76%; Italy, 11.34%; the Netherlands, 7.30%; Belgium, 5.82%; Denmark, 2.47%; Greece, 1.34% Ireland, 0.59%; Luxembourg, 0.20%.

Arts 43-44 (Lomé I)  
Art. 101 (Lomé II)

Methods of financing: (grants, normal loans, special loans, risk capital) chosen jointly by the Community and the ACP States concerned.

Several methods of financing may be used in the implementation of one project or action programme with the agreement of the ACP States concerned. Financial aid may also take the form of co-financing with participation by, in particular, credit and development agencies, firms, Member States, ACP States, third countries or international financing organizations.

Art. 49 (Lomé I)  
Art. 103 (Lomé II)

Beneficiaries: The ACP States; regional or inter-State bodies to which the ACP States belong and authorized by them to attain certain specific objectives, notably in the field of industrial and trade cooperation; certain public or private agencies in agreement with the ACP country concerned.

Art. 46 (Lomé I)  
Art. 93 (Lomé II)

6.344 Nature of projects/programmes financed:  
(contd)

- capital projects in the field of rural development, industrialization, energy, mining, tourism and economic and social infrastructure;
- schemes to improve the structure of agricultural production;
- technical cooperation schemes, in particular in the fields of training and technological adaptation or innovation;
- industrial information and promotion schemes;
- marketing and sales promotion schemes;
- special schemes to help small and medium-sized companies;
- micro-projects for grass roots development, in particular in rural areas;
- environment protection;
- research, exploration and exploitation of natural resources.

Current administrative, maintenance and operating expenses of the ACP States are covered by financial cooperation only in certain conditions.

Art. 47 (Lomé I)  
Arts 133–136 (Lomé II)

Some 10% of the total financial resources are reserved for financing regional projects.

Art. 48 (Lomé I)  
Art. 155 (Lomé II)

Special attention is paid to the needs of the least developed ACP States mentioned in the Conv.; the list of such countries may be amended.

Art. 59 (Lomé I)  
Art. 137 (Lomé II)

Exceptional aid may be granted to overcome serious difficulties resulting from natural disasters or comparable exceptional circumstances. The special appropriation laid down for this purpose is fixed at 50 million u.a. (Lomé I – 60 million EUA, Lomé II), and is restored to its initial level at the end of each year. The total amount during the period of application of the Convention may not exceed 150 million u.a. (Lomé I – 200 million EUA, Lomé II). This aid is non-reimbursable and is allocated under an emergency procedure.

Fin. Reg. EDF  
64/76 EEC,  
27 July 1976

C Dec. 76/165  
C Dec. 78/824  
C Dec. 79/309,  
19 March 1979

Fin. Reg. EDF 215/81,  
17 March 1981

C Dec. 80/1155  
C Dec. 80/1154  
C Dec. 81/23,  
20 Jan. 1981  
C Dec. 81/970,  
3 Dec. 1981  
C Dec. 82/32  
31 Dec. 1981  
C Dec. 82/609,  
28 July 1982  
C Dec. 82/608,  
28 July 1982

6.344  
(contd)

Implementing measures:

Financial regulation applicable to the Fourth EDF.

Internal agreements on the financing and management of Community aid, amended to take account of the increase in the number of ACP States, (Fourth EDF).

Financial Regulation applicable to the Fifth EDF.

Internal agreements on financing and management of Community aid, amended to take account of increase in the number of ACP States (Fifth EDF).

OJ L 229/76

OJ L 25/76  
OJ L 287/78  
OJ L 27/79

OJ L 101/81

OJ L 347/80  
OJ L 347/80  
OJ L 43/81

OJ L 355/81

OJ L 16/82

OJ L 247/82

OJ L 247/82

6.345

### **Industrial cooperation**

Arts 29-39 (Lomé I)  
Arts 65-83 (Lomé II)  
Art. 26 (Lomé I)  
Art. 66 (Lomé II)

Objectives: to promote the development, diversification and marketing of ACP industrial products; to increase the links between industry and other sectors of the economy, particularly agriculture; to facilitate the transfer of technology to the ACP States and the adaptation of such technology to specific needs; to encourage the participation of smaller and medium-sized companies and Community commercial operators in the industrial development of the ACP countries.

6.344/6.345

Arts 28–32 (Lomé I)  
Arts 68–73 (Lomé II)

6.345  
(contd)

Main areas of intervention: transport and communications, energy, research, industrial training, processing raw materials and manufacturing finished and semi-finished products (agro-industrial projects such as sugar refineries, oil mills and textile plants), construction (cement works), chemical works, mining and metallurgical industries, small and medium-sized businesses.

Art. 34 (Lomé I)

Operation: no specific appropriation has been set aside, but financing is carried out through the EDF and the EIB.

Arts 65–83 (Lomé II)

Industrial development is to benefit from increased financial input, to be encouraged by measures to promote and protect EC investments in ACP States.

Extra financial resources (in addition to those provided under Conv.) are also needed.

Conv.  
Arts 68–75 (Lomé II),  
79–81, par. 5 (Lomé II)

Measures to be taken to facilitate co-financing, promote financial and technical aid to SM and increase effectiveness of CID (increased budgetary resources and more precisely defined role).

Art. 77 (Lomé II)

Procedure to be introduced for consultations and exchanges of information on trends in industrial policies in the EC, ACP States and the world at large.

Agencies:

Art. 35 (Lomé I)  
Dec. ACP-EEC  
Counc. of Minis.,  
14 July 1976  
Art. 78–81 (Lomé II)  
Regl. Dec. ACP-EEC  
Counc. of Minis.,  
10 April 1981 (Lomé II)

Committee on industrial cooperation: set up at the end of 1976, being placed under the authority of the ACP-EEC Committee of Ambassadors (see 6.3415), this is a joint body responsible for ensuring that the provisions of the Convention relating to industrial cooperation are implemented. It is composed of representatives of the ACP States, the Member States of the Community, the Commission and the EIB. It guides, coordinates and controls the activities of the CID.

Compilation of texts  
1 April 1976 to  
31 July 1976,  
ACP-EEC Counc. of Minis.  
Compilation of texts  
1 April 1981  
ACP-EEC Counc. of Minis.  
Compilation of texts

Art. 36 (Lomé I)  
ACP-EEC Counc. of Minis.,  
14 July 1976 (Lomé I)  
Arts 78-80 (Lomé II)  
Dec. ACP-EEC Counc. of  
Minis., 10 April 1981  
(Lomé II)

6.345 Centre for industrial development (CDI - 1977): an operational body with  
(contd) its seat in Brussels, its function is to organize exchanges of information and  
promote contacts between industrialists in the EEC and the ACP countries.  
It also cooperates in the definition of action necessary to ensure the  
successful implementation and management of industrial projects.

1 April 1976 to  
31 July 1976,  
ACP-EEC Counc. of Minis.  
Compilation of texts  
1 April 1981  
ACP-ECC Counc. of Minis.

## 6.346 **Agricultural cooperation - Lomé II**

### **A i m s**

Various types of activity suggested: integrated rural development projects, improvement of agricultural irrigation and action in following areas: protection, conservation and storage of crops, stock-farming, fishing, fish breeding, applied agricultural and zootechnical research and training of national administrators; creation of agricultural processing units.

Activities financed through financial and technical cooperation (EDF), Title VII.

Assistance must be incorporated in national or regional indicative programmes.

Technical Centre for agricultural and rural cooperation planned, to be supervised by Committee of Ambassadors. It will disseminate scientific and technical information concerning agriculture for ACP States and will facilitate access to results of activities of regional, national and international organizations, in particular in EC and ACP States, concerned with technical questions relating to agricultural and rural development.

Food aid included as transitional measure to help ACP States achieve self-sufficiency in their food production.

Arts 83-90 (Lomé II)  
Art. 84 (Lomé II)

Arts 85-86 (Lomé II)

Art. 88 (Lomé II)

Art. 89 (Lomé II)

6.347 **Protocols and special provisions  
on certain agricultural products**

Conv. Art. 48  
and Prot. No 7 (Lomé II)

6.3470 **PROTOCOL ON ACP SUGAR**

Protocol No 3 (*Lomé I*) – Protocol No 7 (*Lomé II*)

Conv. Art. 25  
and Prot. No 3 (*Lomé I*)  
Prot. Art. 1  
(*Lomé I* and *II*)

*Objectives:* to provide (raw or white) cane sugar-producing countries with a guarantee of sale at remunerative prices and the Community with a guarantee of supply. In practical terms this takes the form of an undertaking by the Community to purchase, and by the ACP countries to supply, certain agreed quantities of sugar at guaranteed prices partially indexed to Community producer prices.

The text of the *Lomé II* protocol on ACP sugar is the same as that of the *Lomé I* No 3 protocol, which is valid for an indefinite period.

Prot. Art. 2  
Prot. Art. 10  
(*Lomé I* and *II*)

*Duration:* an indefinite period, which may be reviewed before the seventh year of application. Two years notice is required to denounce the Protocol, after expiry of the Convention.

Prot. Arts 3 to 7  
Prot. Art. 5  
(*Lomé I* and *II*)

*ACP countries concerned:* Barbados, Congo, Fiji, Guyana, Jamaica, Kenya, Madagascar, Malawi, Mauritius, Suriname, Swaziland, Tanzania, Trinidad and Tobago, Uganda. The following also acceded to the protocol under *Lomé II*: Belize and Zimbabwe; application from Ivory Coast is under consideration.

*Guaranteed price:* ACP sugar is marketed on the Community market at prices freely negotiated between buyers and sellers. If certain quantities cannot be marketed at a price equivalent to, or in excess of, the guaranteed price, the Community undertakes to purchase them at the guaranteed price within the limit of the agreed quantity.

Prot. Annex

The guaranteed price is negotiated annually between the ACP countries and the EEC.

For the initial period of application (1 February 1975 to 30 June 1976), the guaranteed prices were: for raw sugar, 25.53 u.a. per 100 kg.; for white sugar, 31.72 u.a. per 100 kg.

C Reg. 1773/82,  
30 June 1982

6.3470 For the period from 1 July 1982 to 30 June 1983, the guaranteed prices for  
(*contd*) 100 kg were 42.63 ECU and 52.62 ECU respectively.

OJ L 197/82

Prot. Art. 3  
(Lomé I and II)

The *guaranteed quantity* supplied is approximately 1.4 million tonnes of raw cane sugar, (i.e. about 1.225 million tonnes of white sugar). Supply quotas per country as laid down in the protocol are: Barbados, 49 300 tonnes; Fiji, 163 600 tonnes; Guyana, 157 700 tonnes; Jamaica, 118 300 tonnes; Kenya, 5 000 tonnes; Madagascar, 10 000 tonnes; Malawi, 20 000 tonnes; Mauritius, 487 200 tonnes; People's Republic of Congo, 10 000 tonnes; Swaziland, 116 400 tonnes; Tanzania, 10 000 tonnes, Trinidad and Tobago, 69 000 tonnes; Uganda, 5 000 tonnes; Suriname, 4 000 tonnes; Zimbabwe, 25 000 tonnes; Belize, 39 400 tonnes.

Prot. Art. 7  
(Lomé I and II)

A *penalty* system is applied in the case of failure to deliver the agreed quantities (except in the event of *force majeure*): the agreed quantity is reduced by the undelivered quantity and the shortfall is re-allocated between the other countries.

Thus, pursuant to this rule, the quotas for the Congo, Kenya, Suriname and Uganda have already been reduced on account of failure to deliver the agreed quotas.

#### 6.3471 *PROTOCOLS ON BANANAS*

Protocol No 6 (*Lomé I*) – Protocol No 4 (*Lomé II*)

Prot. pt. 1  
Arts 18–19 (*Lomé II*)

The Prot. provides the ACP countries with the guarantee that, in addition to duty-free access to the EEC for their banana exports, 'no ACP State shall be placed, as regards access to the markets and market advantages, in a less favourable situation than in the past or at present'; in addition, investment schemes are provided for at every stage from production to consumption to enable the ACP States particularly Somalia, to increase their banana exports to their traditional Community markets (France, United Kingdom and Italy) and gain access to new Community markets.

6.3470/6.3471

6.3471 (contd) A joint group has been set up to help attain these objectives. It is composed of representatives of the ACP producer countries, Member States and the Commission.

The main ACP suppliers of bananas to the Community are: Ivory Coast, St Lucia, Cameroon and Somalia.

6.3472 *PROTOCOLS ON RUM*

Protocol No 7 (*Lomé I*) – Protocol No 5 (*Lomé II*)

Prot. Art. 1 (*Lomé I*)  
Arts 17–19 (*Lomé II*)

Provides that, until the entry into force of a common organization of the market in spirits, products of tariff heading No 22.09 C. I. (rum, arrack and tafia) originating in the ACP States, are to be imported duty-free into the Community under conditions such as to permit the development of traditional trade flows between the ACP States and the Community, and between the Member States.

Prot. pt. 2 Art. 2

Each year the Community fixes the quantities which may be imported free of customs duties, on the basis of the largest annual quantities imported from the ACP States into the Community in the last three years for which statistics are available, increased by an annual growth rate of 40% on the market of the United Kingdom and 13% on the other markets of the European Economic Community.

C Reg. 1679/82

For the period 1 July 1982 to 30 June 1983, the overall quota for all the ACP States is 193 178 hl of pure alcohol, allocated among the markets of the Member States as follows: United Kingdom, 64.93%; Federal Republic of Germany, 23.18%; France, 2.32%; Benelux, 6.25%; Denmark, 1.33%; Ireland, 1.68%; Italy, 0.28%; Greece, 0.03%.

OJ L 189/82

6.3473 *BEEF AND VEAL*

Special measures have been taken for beef and veal which constitute a major element in the economies of Botswana, Kenya, Madagascar and

6.3473 Swaziland. The Community has authorized imports from these four  
(*contd*) countries in quantities not exceeding those of traditional trade levels, and  
has agreed not to impose the import duty provided these countries levy an  
equivalent export tax.

6.3474 **FISHERIES AND SEA TRANSPORT**

Joint declaration envisages possible consideration of subjects of mutual  
interest in field of sea transport; EC states its willingness to contribute to  
development of this sector in any ACP States which so request.

Conv. also contains joint declaration on sea fishing. In addition to reference  
to possibilities of cooperation, parties to Conv. outline framework for any  
bilateral fisheries agreements which might be concluded between EC and  
ACP countries.

Guinea-Bissau framework agrmt.

OJ L 226/80

OJ L 247/82

EEC-Senegal framework agrmt.

OJ L 226/80

OJ C 309/79

Framework agrmt with Guinea.

COM(82) 599 final

6.348 **Institutions**

*Composition:* A council of Ministers, assisted by the Committee of  
Ambassadors; Consultative Assembly assisted by the Joint Committee.

**ACP-EEC Council of Ministers:**

*Composition:* on the one hand, members of the Council of the European  
Communities and members of the Comm. and on the other, a member of

Annex Lomé I  
Ann. XIX Lomé II

Conv.,  
Annex XVIII (Lomé II)

C Reg. 2213,  
27 June 1980  
C Dec. 610,  
28 July 1982

C Reg. 2212,  
27 June 1980  
EP Res.,  
16. Nov. 1979

Title IV (Lomé I)  
Title X (Lomé II)  
Art. 69 (Lomé I)  
Art. 163 (Lomé II)

Arts 70-75 (Lomé I)  
Arts 164-169 (Lomé II)

6.348  
(contd)

the government of each ACP State. The office of President is held alternately by the ACP States and the Community.

*Role:* to define the broad outlines of the work to be undertaken; review the results obtained and take such measures as may be necessary for the attainment of the objectives of the Conv.; to formulate resolutions, recommendations or opinions; to publish an annual report for submission to the ACP-EEC Consultative Assembly; may encourage contacts, consultations, and cooperation between the economic and social sectors of the Member States and the ACP States; may set up committees or *ad hoc* working groups; may consider, at the request of the contracting parties, any problem arising from the application of the Conv. and questions having direct repercussions on the matters covered by the Conv.; may delegate certain of its powers to the ACP-EEC Committee of Ambassadors.

*Decision-making procedure:* the Council of Ministers acts by mutual agreement between the Community on the one hand and the ACP States on the other; its decisions are binding on the contracting parties; its proceedings are valid only if half the members of the C, one member of the Comm. and two-thirds of the accredited members representing the governments of the ACP States are present; any member of the Council of Ministers unable to attend may be represented and his representative exercises all the rights of the accredited member.

*Settlement of disputes* concerning the interpretation or application of the Conv.; any dispute may be placed before the ACP-EEC Council of Ministers. If the latter fails to settle the dispute at its next meeting, three arbitrators (one for each party involved and one for the ACP-EEC Council of Ministers) are then appointed. The arbitrators' decisions are taken by a majority vote and each party to the dispute must take the measures required for the implementation of the arbitrators' decisions.

Art. 81 (Lomé I)  
Art. 176 (Lomé II)

#### **ACP-EEC Committee of Ambassadors:**

*Composition:* one representative of each Member State; one representative of the Comm.; one representative of each ACP State. The office of Chairman is held alternately by the Community and ACP States.

Arts 76-79 (Lomé I)  
Arts 170-172 (Lomé II)

6.348  
(contd) *Role:* assists the ACP-EEC Council of Ministers and carries out any mandate entrusted to it by the latter; keeps under review the functioning of the Conv. and the achievement of its objectives; accounts to the ACP-EEC Council of Ministers for its action and may submit to it resolutions, recommendations or opinions; supervises the work of all the standing or *ad hoc* committees, bodies or working groups.

### **ACP-EEC Consultative Assembly:**

*Composition:* composed, on a basis of parity, of members of the EP and representatives designated by the ACP States (two for each State); ACP-EP co-presidents.

*Role:* annual consideration of the activity report submitted by the ACP-EEC Council of Ministers; adoption of resolutions on matters concerning or covered by the Conv., may set up *ad hoc* advisory committees for special tasks.

*Method of voting:* a motion put to the vote is adopted if it receives the support of the majority of votes cast by ACP representatives and the majority of votes cast by EP representatives. In the event of a tie the motion is rejected.

Guillabert Report  
Doc. ACP/EEC/10/  
OJ C 18/79  
Focke Report  
Doc. ACP-EEC/19  
OJ C 306/80  
Insanally Report  
Doc. ACP-EEC/29  
OJ C 15/82  
Vergeer Report

### **ACP-EEC Joint Committee:**

*Composition:* composed, on a basis of parity, of one representative per ACP State and an equal number of EP representatives; ACP-EP co-chairmanship.

*Role:* preparation of business for the ACP-EEC Assembly.

Art. 80 (Lomé I)  
Arts 174-175 (Lomé II)

Cons. Ass.  
Res., 29 Sept. 1978  
(Lomé I)  
Cons. Ass.  
Res., 26 Sept. 1980  
(Lomé II)  
Cons. Ass.  
Res., 30 Sept. 1981  
Cons. Ass.  
Res., 5 Nov. 1982

Art. 80, par. 5 (Lomé I)  
Art. 175, par. 5 (Lomé II)

6.4 **Overseas countries and territories (OCT)**

6.40 **OBJECTIVES**

When it was decided in 1957 to create the EEC, the questions raised by the special relations existing between some of the six European States and the OCT could not be ignored.

EEC Tr., Preamble

Confirmation of solidarity with the OCT; development of their prosperity in accordance with the principles of the Charter of the United Nations.

EEC Tr., Art. 3 (k)  
EEC Tr., Art. 131

Increase in trade with the OCT and promotion of their economic and social development; establishment of close economic relations between the OCT and the Community.

6.41 **PROVISIONS OF THE TREATY OF ROME  
(first association)**

6.410 **General**

EEC Tr., Part Four

Creation of an association with the OCT.

EEC Tr., 131

Objectives of the association.

EEC Tr., Art. 132

Implementing provisions:

EEC Tr., Arts 133–136  
and Impl. Conv.

Entry into force: 1 January 1958 (at the same time as the Treaty of Rome).

Duration: Five years.

Expiry: 31 December 1962.

EEC Treaty, Ann. IV

6.410  
(contd)

Countries and territories concerned: French West Africa (FWA), comprising the eight territories of Senegal, Sudan, Guinea, Ivory Coast, Dahomey, Mauritania, Niger and Upper Volta; French Equatorial Africa (FEA), comprising the four territories of the Middle Congo, Ubangi-Shari, Chad and Gabon; Saint Pierre and Miquelon, the Comoro Archipelago, Madagascar and dependencies, French Somaliland, New Caledonia and dependencies, French Oceanian Establishments, Southern and Antarctic Territories; the autonomous Republic of Togoland, the trust territory of the Cameroons under French administration, the Belgian Congo and Ruanda-Urundi, the trust territory of Somaliland under Italian administration, Netherlands New Guinea, Netherlands Antilles.

6.411

### Trade

EEC Tr., Art. 132

*OCT exports to Europe*: the system applicable to be that laid down by the Treaty for trade between Member States, that is, progressive reduction in customs duties and quantitative restrictions leading to their abolition.

Impl. Conv.,  
Art. 12

Progressive increase in import quotas for OCT products and conversion into global quotas for the Six.

Impl. Conv.,  
Art. 15 and  
Prot. ann

However, progressively diminishing tariff quotas for imports of raw coffee (Italy and Benelux) and bananas (FRG) originating in third countries.

*Exports from Europe to OCT*: the system applicable at the end of the period to be that already applied to the European State with which each OCT has special relations (not necessarily total exemption, but preferential treatment granted without discrimination). Tariff variations and quantitative preferences existing between one or other of the Six to be progressively reduced.

Impl. Conv.,  
Art. 11

Detailed rules for progressive increase in quotas for imports into OCT.

EEC Tr., Art. 133

Safeguard clause.

6.410/6.411

<p>EEC Tr., Art. 132 Impl. Conv., Art. 3 Impl. Conv., Art. 1</p>	6.412	<b>Investments</b>	<p>Contribution by Member States to investments in OCT.</p> <p>Creation of a European Development Fund (first EDF) to finance certain social investments (education, health) and economic investments of general interest. EDF allocation: 581.25 million u.a. for five years, financed by contributions from the six Member States (France and FRG: 200 million u.a. each).</p> <p>Detailed rules for implementation.</p> <p>The first EDF was also available to Algeria and to the French Overseas Departments (OD).</p>	
<p>Impl. Conv., Arts 2-8 incl. Impl. Conv., Art. 16</p>	6.413	<b>Right of establishment and free movement of workers</b>	<p>In relations between Member States and the OCT progressive abolition of restrictions on the right of establishment of nationals and companies.</p> <p>Free movement of workers between Member States and OCT to be settled at a later date.</p>	
<p>EEC Tr., Art. 132(5)</p>				
<p>EEC Tr., Art. 135</p>				
<p>EP Res., 23 Jan. 1964 (2nd assoc.) EP Res., 12 March 1970 (3rd assoc.)</p>	6.42	<b>DECISIONS OF 25 FEBRUARY 1964 AND 29 SEPTEMBER 1970 (second and third associations)</b>	<p>EP Doc. 120/63 OJ 24/64 EP Doc. 245/69</p>	
<p>EEC Tr., Art. 136</p>	6.420	<b>General (second association)</b>	<p>OJ C 40/70</p>	
<p>C Dec. 349, 25 Feb. 1964</p>		<p>Between the entry into force of the EEC Treaty and 1960-61, many OCT became independent and their relations with the EEC found new expression in the two Yaoundé Conventions (see 6.31) and the two Conventions of Lomé (see 6.34).</p>	<p>OJ 93/64</p>	

6.420 A new association had to be worked out for those countries which had not  
(*contd*) yet gained independence.

EEC Tr., Art. 136

By 1 January 1963 C should have established provisions for a further period of association. The delay in reaching this decision was undoubtedly due to the negotiators' desire to base the OCT agreement on that with the AASM.

C Dec. of 25 February 1964 covered a five-year period and concerned the OCT (Saint Pierre and Miquelon, the Comoro Archipelago, French Somaliland, New Caledonia and dependencies, Wallis and Futuna Islands, French Polynesia, Southern and Antarctic Territories, Suriname and the Netherlands Antilles); the OD (Guiana, Martinique, Guadeloupe, Reunion) also benefited, but only in respect of financial and technical cooperation.

Entry into force: 1 June 1964.

Duration: Five years.

Expiry: 1 June 1969.

**General  
(third association)**

C Dec. 549,  
29 Sept. 1970

C on 29 September 1970, adopted a new decision on association of OCT to the ECC.

OJ L 282/70

OCT concerned: as in 1964.

Entry into force: 1 January 1971 (paralleling Yaoundé II) (see 6.310).

Durations: 5 years.

Expiry fixed at 31 January 1975, paralleling Yaoundé II.

6.420 (contd) Dec. accentuated certain earlier trends and also included a number of new guidelines, to take account in particular of the need to harmonize the EEC's general policy towards the developing countries and the regional policy it pursued under the association with the AASM, the OCT and OD.

6.421 **Trade**

C Dec.,  
Arts 1-13 incl.  
(2nd assoc.)

Provisions aimed at establishing a free trade between EEC and OCT. Given their development requirements, the latter had option of retaining or establishing customs duties and charges having equivalent effect or, under certain conditions, quantitative restrictions on imports of products originating in Member States or the other OCT.

OJ 93/64

C Dec.,  
Arts 2-15  
(3rd assoc.)

Arrangements operated by EEC in respect of CAP products must be more advantageous than arrangements applicable to the same products originating in third countries.

Safeguard clause provision.

6.422 **Financial and technical cooperation**

C Dec.,  
Arts 14-25 incl.  
(2nd assoc.)

EEC contributed towards measures aimed at promoting the economic and social development of the OCT.

OJ 93/64

Art. 15

A sum of 70 million u.a. was earmarked for the OCT and the OD, broken down as follows: 64 million u.a. under the *second EDF* including 60 million u.a. in the form of grants and 4 million u.a. in the form of loans on special terms; in addition 6 million u.a. in EIB loans.

Half of this sum allocated to the French OCT and OD and half to the Netherlands OCT.

- 6.422 **Greater scope for action than in EEC Treaty arrangements and local authorities in OCT enjoyed a greater share of responsibility in the submission and implementation of investment projects.**  
*(contd)* Amounts allocated to OCT and OD totalled 82 million u.a. under the *Third EDF*, including 62 million u.a. of grants and 10 million u.a. of risk capital; in addition, 10 million u.a. in EIB loans.
- C Dec.  
 Arts 16-26  
 (3rd assoc.)
- 6.423 **Right of establishment, services, payments and capital**  
 Any remaining discriminatory practices and restrictions on the movement of invisible and visible assets to be abolished.
- C Dec.  
 Arts 25-33 incl.  
 (2nd assoc.)
- C Dec.  
 Arts 27-35  
 (3rd assoc.)
- 6.43 **DECISIONS OF 29 JUNE 1976 AND 16 DECEMBER 1980 (fourth and fifth associations)**
- EP Opinion,  
 16 Oct. 1975  
 (4th assoc.)  
 EP Opinion,  
 21 Nov. 1980  
 (5th assoc.)
- EEC Art. 136
- 6.430 **General (fourth association)**  
 Signed in Brussels on 22 January 1972, the Accession Treaty (Art. 24), concerning in particular the accession of the United Kingdom to the Community, provides for the association of the British OCT. In the meantime, status quo maintained for the British OCT and transitional measures taken for the French and Dutch OCT associated through the 1970 decision.
- C Dec. 568,  
 29 June 1976
- OJ 93/64
- OJ L 282/70
- EP Doc. 280/75  
 OJ C 257/75  
 EP Doc. 1-559/80  
 OJ C 327/80
- OJ L 176/76

6.430 Entry into force: 1 April 1976 (delayed so as to coincide with the  
(contd) Convention of Lomé).

Expiry: 1 March 1980 (no extension possible).

Duration: five years.

The present decision will apply until 31 December 1980.

Countries and territories concerned: the same as in the 1964 decision; the Comoros and Suriname covered only provisionally by 1976 decision. Since Mayotte has withdrawn from Comoro Archipelago, it benefits fully from decision. In addition, British OCT (Belize, Brunei, Associated States in the Caribbean, Cayman Islands, Falkland Islands and dependencies, Gilbert Islands, Solomon Islands, Turks and Caicos Islands, British Virgin Islands, Montserrat, Pitcairn, St Helena and dependencies, Seychelles, British Antarctic Territory, British Indian Ocean Territory, Tuvalu and the Anglo-French Condominium of the New Hebrides).

Parallel decision for ECSC.

OJ L 176/76

C Dec. 162,  
5 Feb. 1980  
ECSC Dec. 153,  
5 Feb. 1980

ECSC Dec. 570,  
20 Jan. 1976

**General  
(fifth association)**

Entry into force: 1 March 1981.

Expiry: 1 March 1985 (no extension possible).

Countries and Territories concerned: as under the fourth association.

C Dec. 1186,  
16 Dec. 1980  
Art. 141  
(5th assoc.)

6.430 Since some OCT have become independent, many have joined ACP group  
(*contd*) and are eligible for arrangements under second Convention of Lomé (see 6.34). These are the Comoros, Suriname, Belize, Kiribati (formerly Gilbert Isles), Solomon Islands, Seychelles, Tuvalu, Vanuatu (formerly New Hebrides), Antigua, Barbados, St Vincent and the Grenadines, the Territory of the Afars and Issas (Jibuti), Dominica and St Lucia.

However, ODs (Guadeloupe, Guyana, Martinique, Réunion, St Pierre and Miquelon) are no longer included in fifth association.

6.431 **Trade arrangements and trade promotion**

(see also 6341)

Nearly all products originating in the OCT have free access to the EEC, except for agricultural products subject to COMs, which are covered by special provisions. Reciprocal arrangements are not, however, compulsory; the OCT are required only to guarantee the Community most-favoured-nation treatment and not to discriminate between Member States.

Arts 2-17  
(4th assoc.)  
Arts 2-16  
(5th assoc.)

Art. 12 (4th assoc.)

Provision for safeguard clause.

Art. 13 (5th assoc.)

There are special provisions for rum (see 6.3472), sugar (see 6.3470) and bananas (see 6.3471).

Arts 14-17 (4th assoc.)  
Arts 17-20 (5th assoc.)

Trade promotion (see 6.341).

Arts 18–26  
(4th assoc.)  
Arts 21–44  
(5th assoc.)

6.432 **Stabilization of export earnings (Stabex)**

(see 6.342)

This system, like the one set up under the Conventions of Lomé, protects poor countries against fluctuations in commodity prices.

*Products covered by the system:* the same as under the Convention of Lomé provided they account for a specific percentage of the OCT's export earnings. When an OCT's earnings from exports of one of these products to the EEC fall below an agreed reference level, it receives the difference from a sinking fund. The poorest countries are not required to reimburse the amounts paid. The system is subject to ceilings of 20 million u. a. (fourth association) and 9 million EUA (fifth association) for five years, divided into five equal annual instalments.

Arts 46–56  
(5th assoc.)

6.433 **Sysmin**

(see 6.343)

Arts 28–47  
(4th assoc.)  
Arts 79–132  
(5th assoc.)

6.434 **Financial and technical cooperation**

(see 6.344)

Financial allocation to Fourth and Fifth EDFs

	4th Assoc.	5th Assoc.
Grants	65 million EUA	51 million EUA
Special loans	40 million EUA	27 million EUA
Risk capital	5 million EUA	7 million EUA
Reserves	20 million EUA	—
Stabex	20 million EUA	9 million EUA
Sysmin	—	t. e.
EIB	10 million EUA	15 million EUA

6.434      These amounts are adjusted to take into account independence of certain  
(*contd*)      OCTs which now fall within terms of the Conventions of Lomé.  
Internal agreements on Community aid financing and management.

OJ L 25/76

C Dec. 75/165/EEC  
(4th assoc.)  
C Dec. 80/1155/EEC  
(5th assoc.)

OJ L 347/80

Arts 57-71  
(5th assoc.)

6.435      **Industrial Cooperation (fifth association)**  
(see 6.345)

Explicit industrial cooperation arrangements are provided for only under fifth association.

Objectives, principal intervention sectors and operation of industrial cooperation are identical to those provided for under Lomé Conventions. However, fifth association makes no provision for bodies such as Industrial Cooperation Committee or the Centre for Industrial Development as provided for under Lomé Conventions.

Arts 72-78  
(5th assoc.)

6.436      **Agricultural cooperation (fifth association)**  
(see 6.346)

Objectives and financing arrangements are similar to those of Lomé Conventions. However, no mention is made of setting up an Agricultural and Rural Technical Cooperation Centre. No provision is made for food aid.

Ann. IV  
(4th and 5th assoc.)

6.437      **Protocols and special provisions for  
certain agricultural products**  
(see 6.3470)

6.434/6.437

6.4370 *PROTOCOLS ON SUGAR*

C. Reg. 1750/82,  
30 June 1982

Objectives duration, pricing and penalty arrangements are identical to those provided for in Lomé Conventions.

OJ L 193/82

For period 1 July 1982 to 30 June 1983, guaranteed prices are fixed at 42.63 ECU per 100 kg for raw sugar and 52.62 ECU per 100 kg for white sugar.

Under fourth association the countries and territories concerned are: Belize (39 400 t), St Kitts, Nevis and Anguilla (14 800 t), Suriname (4 000 t). Under fifth association, Suriname was no longer a party; nor, since its accession to ACP arrangements, was Belize.

Ann. IX (4th. assoc.)  
Ann. VI (5th assoc.)

6.4371 *PROTOCOLS ON BANANAS*  
(see 6.3471)

Conciliation between competent authorities in Member States concerned and Community is provided for under fifth association.

C. Dec 76/198/EEC,  
9 Feb. 1976 (4th assoc.)  
Ann. IX (5th assoc.)

6.4372 *PROTOCOLS ON RUM*  
(see 6.3472)

OJ L 37/76

C Reg. 1700/82,  
24 June 1982

For period 1 July 1982 to 30 June 1983, overall quota for all OCT is 70.559 hl of pure alcohol allocated over market of Member States; 99.140 % of this quota is assigned to Federal Republic of Germany.

OJ L 189/82

6.5 **North America and Japan**

6.50 **UNITED STATES**

6.501 There are no trade agreements between EC and the United States except as regards fishing. There are, however, bilateral contacts and contacts within international organizations. A series of consultations at the highest level has been taking place every six months.

EP Res.,  
16 June 1982

EP delegation maintains regular contact with US Congress through twice-yearly visits, alternately in Washington and Europe.

OJ C 182/82

EEC Art. 43  
C Reg. 77/1220, 3 June 1977  
EP Res., 13 May 1977

6.502 Agreement concerning fishing off the coast of the United States signed 15 February 1977, came into force 9 June 1977, to last until 1 July 1984; may be extended.

OJ L 141/77  
EP Doc. 110/77  
OJ C 133/77

EP Res.,  
16 Sept. 1982

6.503 On 12 August 1982, Community presented official note to US Govt. concerning embargo on sale of technology for Soviet gas pipeline from Siberia, seeking withdrawal of measures imposed by USA.

OJ C 267/82

EP Res.,  
8 July 1982  
C Regs 2869 and 2870,  
21 Oct. 1982

6.504 On 21 October 1982, C approved exchange of Letters concluding ECSC-USA Arrangement limiting EC exports of 11 steel products to a fixed share of expected US consumption. Export limitation for steel pipes and tubes was refused but an accompanying exchange of letters was approved whereby consultation with US will take place if EC exports exceed 5.9% of US market.

OJ C 238/82  
OJ L 307/82

6.51 **CANADA**

6.511 **Framework Agreement**

EEC Arts 113, 235 and  
EAEC Art. 101  
C Reg. 2300/76,  
20 Sept. 1976  
EP Res., 14 Sept. 1976

Non-preferential framework agreement for commercial and economic cooperation signed 6 July 1976, came into force 1 October 1976, duration: minimum of five years.

OJ L 260/76  
EP Doc. 287/76  
OJ C 238/76

6.5110 **OBJECTIVES**

Preamble

To complement and extend cooperation in economic and nuclear fields; to promote commercial and economic relations and to consolidate relations between Canada and EC. Evolutionary in character.

6.5111 **INSTRUMENT**

Art. 4

Joint Committee to promote and keep under review the cooperation activities. Meets at least once a year.

6.5112 **FORM OF THE AGREEMENT**

Agrmt. Art 3

Parallel system, each Member State retaining power to undertake bilateral cooperative activities with Canada and to conclude cooperation agreements with Canada.

Agrmt. Art. 5

Provisions of agreement shall prevail in event of incompatibility, over those of Euratom Agreement of 6 October 1959 and over those of cooperation agreements which may be concluded between a Member State and Canada.

- Agrmt. Arts 1,5
- 6.5113 **COMMERCIAL ARRANGEMENTS**  
Adherence to the principles of GATT, particularly most-favoured-nation clause.
- Agrmt. Art. 2
- 6.5114 **COOPERATIVE ARRANGEMENTS**  
Cooperation at international and bilateral levels to resolve commercial problems of common interest, to facilitate transactions and discourage restrictions of competition.
- Agrmt. Art. 3
- Economic cooperation in science and technology; creation of markets, employment policy, regional policy, environment. To this end, organization of joint ventures, increased investment, technological and scientific exchanges, joint operations in third countries, exchange of industrial, agricultural and other information.
- ECSC Arts 6, 8  
Comm. Dec. 76/754  
ECSC, 17 Sept. 1976  
EP Res., 14 Sept. 1976
- 6.512 **ECSC Protocol**  
Non-preferential cooperation protocol signed 26 July 1976, came into force 18 September 1976, for an minimum of five years, applies provisions of the EEC-Canada framework agreement to ECSC-Canada relations.
- OJ L 260/76  
EP Doc. 287/76  
OJ C 238/76
- EAEC Art. 101
- 6.513 **EAEC Agreement**  
Agreement on cooperation in peaceful uses of atomic energy, signed 6 October 1959, came into force 18 November 1959 for at least 10 years.
- OJ 60/59,  
24 Nov. 1959  
OJ L 65/78

Preamble, Arts 1, 2	6.5131 <b>OBJECTIVES</b>	To promote cooperation between EC and Canada, <i>inter alia</i> , by: — exchange of information and equipment, — cooperation in the purchase and use of equipment, — cooperation in joint research and development programme.	
Amendments, 16 Jan. 1978	6.5132 <b>SAFEGUARDS</b>	Introduction of more stringent safeguards to allow resumption of deliveries of Canadian uranium to EC, which had been interrupted since January 1977.	Bull. EC 12/81, point 2.1.162
C Dec. 1054, 29 Dec. 1981	6.514 <b>Fisheries</b>	An agrmt on fisheries, ensuring reciprocal rights for six years was negotiated in 1980 but not initialled until 29 November 1981.	OJ L 379/81
	6.515	An EP Delegation exchanges regular visits with representatives of the Canadian Parliament. The 10th Meeting was held in September 1982 in Copenhagen.	
	6.52 <b>JAPAN</b>		
	6.521	No trade agreement between EC and Japan but regular contacts either bilaterally or within international organizations, in particular GATT.	
		Some Member States retain bilateral agreements of long standing and residual import restrictions.	

6.521  
(contd)

High level meeting examine trends and developments of macroeconomic situation at six-month intervals. In May 1979, EC welcomed proposed changes to Japan's import procedures, especially for testing and type approval.

Bull. EC 5-1979,  
point 2.2.50

6.522

### **Recent developments**

On 17 July 1980 Comm. submitted communication to C on trade policy towards Japan. Proposals include overall Community strategy and wide-ranging dialogue on specific industrial problems and cooperation.

Bull. EC 7/8-1980,  
points 1.2.1-1.2.4

On 25 November 1980 C called on Japan to exercise export restraint and increase imports of Community products. Surveillance of imports of Japanese colour televisions, machine tools and motor vehicles introduced following further C statement of 17 February 1981.

15th GR EC,  
point 730

On 8 December 1981 C transmitted list of requests for opening of Japanese market while reiterating need for restraint in sensitive sectors in 1982.

On 22 March 1982 C emphasized need for Japan positively to promote imports and initiated procedures under GATT Article XXIII.

6.523

An EP Delegation exchanges regular visits with a delegation from the Japanese Diet. The Sixth EC-Japan Parliamentary Conference was held in Tokyo in May 1982.

EP Resolution on trade relations between EEC and Japan.

OJ C 234/81

EP Res.,  
10 July 1981

6.521/6.523

6.6 **Latin America**

6.61 **ARGENTINE**

C Reg. 2387/71,  
8 Nov. 1971

Non-preferential commercial Agreement signed 8 November 1971, came into force 1 January 1972.

OJ L 249/71  
EP Doc. 251/71

Expired at end of 1980 and has not been renewed by decision of Argentina.

OJ C 19/72

C Reg. 2557/79,  
30 Oct. 1979

Agreement on trade in textile products – applicable from 1 January 1978; see 5.532.

OJ L 298/79

C Reg. 877,  
16 April 1982  
C Reg. 1577,  
21 June 1982

Following invasion by Argentina of the Falkland Islands, EC imports of all products originating in Argentina were suspended. The regulation was later repealed, thus lifting suspension.

OJ L 102/82

OJ L 177/82

6.62 **URUGUAY**

C Reg. 3260/73,  
6 Nov. 1973

Non-preferential commercial Agreement signed 2 April 1973, came into fore 1 August 1974.

OJ L 333/73

EP Res., 11 May 1979

Tacitly renewed every year.

OJ C 140/79

6.620 **Instrument**

Agrmt. Art. 5

Joint Committee examines means for economic and commercial cooperation.

6.621 **Agricultural cooperation**

Art. 3

Exchange of information on agricultural markets. Examination of possibility of exports from third countries to alleviate shortages. Examination of difficulties caused by application of measures relating to health or plant health.

6.621 **Beef and veal**  
(*contd*) Levy on imports into EC of frozen beef and veal products not to exceed 55% of the total levy.  
Uruguay must comply with rate of delivery to EC. In event of disturbance of the Community market, EC may suspend the application of this provision.

6.622 **Agreement on trade in textile products**  
— applicable from 1 January 1978; see 5.532.

OJ L 70/80

6.63 **BRAZIL**  
Non-preferential trade agreement of 1974 replaced by framework commercial and economic cooperation agreement signed on 18 September 1980, with five year validity.

OJ L 281/82  
Bull. EC 9-1980  
point 2.2.56  
OJ C 28/81

6.630 **Objective**  
To consolidate already close links and increase cooperation in area of commercial and economic relations.

6.631 **Instrument**  
Joint Cooperation Committee to meet annually.

6.632 **Provisions**  
— Promotion of trade by removal of non-tariff barriers.  
— Economic cooperation especially between industries.

C Reg. 611/80,  
18 Feb. 1980

C Reg. 2613,  
21 Sept. 1982  
EP Res., 16 Jan. 1981

- 6.632 — Facilitation of investment.  
(contd) — Cooperation in science and technology.  
— Appendix provides for cooperation in fields of cocoa butter and soluble coffee.

6.633 **Agreement on trade in textile products**

C Reg. 610/80,  
18 Feb. 1980

- Applicable from 1 January 1978; see 5.532.

OJ L 70/80

6.64 **COLOMBIA**

C Reg. 2738,  
24 June 1981

- Agreement on trade in textile products applicable from 1 January 1978;  
see 5.532.

OJ L 273/81

6.65 **MEXICO**

EEC Arts 113-114

- Non-preferential agrmt on economic and commercial cooperation signed  
15 July 1975.

OJ L 247/75

Came into force 1 November 1975.

C Reg. 2411/75,  
16 Sept. 1975

Duration: five years, renewable from year to year.

6.650 **Objectives**

Art. 1

Development of trade.

To establish and encourage commercial and economic cooperation.

Art. 2

Parties agree to most-favoured-nation treatment.

Promotion, development and diversification of reciprocal trade.

Parties agree to promote contact and cooperation between their economic operators and institutions.

Art. 6	6.651	<b>Instrument</b>
Annex I		Joint Committee consisting of representatives of EC and of the United Mexican States, meets once a year.
	6.652	<b>Economic and commercial cooperation</b>
		Joint Committee will examine means of promoting cooperation and trade in items of interest to Mexico.
Annex II		EC undertakes to include new products of interest to Mexico in the GSP with a view to broadening and strengthening trade relations.

6.7

## **Asia**

6.70

### **ASEAN COUNTRIES**

(see also 5.38)

Principal common features in these countries' relations with EC:

#### **EEC-Asean Cooperation Agreement**

Non-preferential agreement for five years signed on 7 March 1980. Entered into force 1 October 1980.

Bull. EC 3-1980  
point 2.2.60  
OJ L 144/80  
OJ L 254/80  
OJ C 85/80

C. Reg. 1440/80,  
30 May 1980  
EP Res., 14 Mar. 1980

#### **Objectives**

Agreement provides for increased commercial, economic and development cooperation between the two groups of countries.

Parties agree to most-favoured-nation treatment; as regards Thailand (not a GATT member) an annexed protocol to the agreement specifies MFA obligations in relations with that country.

#### **Instruments**

Joint Cooperation Committee will meet at least once a year to supervise and take needed steps to achieve agreed aims.

EEC Tr., Art. 113  
Comm. Reg. 3019,  
30 Dec. 1977  
Comm. Reg. 3059,  
21 Dec. 1978

6.70  
(*contd*)

- All the countries are bound by agreements on trade in textile products (MFA) for a period of five years from 1 January 1978, the date of *de facto* entry into force of these agreements;  
For this type of agreement see 5.532.

OJ L 357/77  
OJ L 365/78

- in addition to these two common features, the countries are bound to EC by either one or both of two types of agreement:

- agreement on trade in handwoven fabrics of silk and cotton;  
indefinite duration.

OJ L 337/80

Implementing Reg. for 1981

- agreement on trade in certain hand-made products; indefinite duration.

OJ L 337/80

Implementing Reg. for 1981

Within the framework of these two types of agreement, the EC declared its readiness to open annual duty-free EC tariff quotas up to a certain value for each. In addition, it guaranteed equal and continuous access to quotas for all EC importers and the consistent application of rate of levy for the quotas to all imports until quotas are used up.

EEC Tr. Art. 113  
C Reg. 3181,  
4 Dec. 1980

EEC Tr. Art. 113  
C Reg. 3182,  
4 Dec. 1980

6.700

### Malaysia

- Agreement on trade in textile products, see 5.532 and 6.70.  
Applicable from 1 January 1978 to 31 December 1982.
- Agreement on trade in certain hand-made products.  
Entered into force on 1 January 1976; see also 6.70.

OJ L 332/81

C Reg. 3258,  
17 Oct. 1981

6.70/6.700

C Reg. 2563,  
30 Oct. 1979

6.701

**Thailand**

— Agreement on trade in textile products, see 5.532 and 6.70.

Entered into force on 1 February 1980.

OJ L 298/79

— Agreement on trade in certain hand-made products.

Entered into force on 1 September 1971, see also 6.70.

OJ L 26/80

— Agreement on trade in handwoven fabrics of silk and cotton.

Entered into force on 1 January 1973; see also 6.70.

— Exchange of letters on trade in jute products.

Entered into force on 1 January 1975.

not published

Duration: indefinite. Same type of agreement as with Bangladesh, see 6.710.

— Cooperation Agreement on manioc production, marketing and trade.

OJ L 219/82

C Dec.,  
19 July 1982

6.702

**Singapore**

Agreement on trade in textile products, see 5.532.

OJ L 350/79

Entered into force on 1 June 1980.

OJ L 129/80

C Reg. 3074/79,  
18 Dec. 1979

6.703

**Indonesia**

— Agreement on trade in textile products, see 5.532 und 6.70.

OJ L 350/79

— Agreement on trade in handwoven fabrics of silk and cotton.

Entered into force on 1 January 1978; see also 6.70.

— Agreement on trade in certain hand-made products.

C Reg. 3072/79,  
18 Dec. 1979

C Dec.,  
19 July 1982

6.703  
(contd)

- Entered into force on 1 September 1971; see also 6.70.  
— Cooperation Agreement on manioc production, marketing and trade.

OJ L 219/82

C Reg. 3542,  
8 Dec. 1980

6.704

### **Philippines**

- Agreement on trade in textile products, see 5.532 and 6.70.  
Entered into force on 1 January 1978; Duration: until 31 December 1982.  
— Agreement on trade in certain hand-made products.  
Entered into force on 1 September 1971; see also 6.70.  
— Protocol for accession to the General Agreement on tariffs and trade.

OJ L 371/80

C Dec. 273,  
10 Dec. 1979

6.71

### **OTHER ASIAN COUNTRIES**

Types of agreement:

- same types of sectoral agreement (handwoven fabrics, hand-made products and trade in textile products) as with the Asean countries;  
— non-preferential commercial cooperation agreements with EC; main features of these agreements:  
— two parties grant each other most-favoured-nation treatment in tariff sphere;

6.703/6.71

6.71  
(contd)

- achievement of non-discrimination in liberalization of imports and exports;
- promotion of development and diversification of trade;
- joint cooperation commission is set up to discuss not only elimination of various types of barriers to trade, but also adoption of effective measures to increase exports from these countries such as market studies, sales promotion, establishment of contacts between importers and producers, provision of information to potential investors on possibilities existing on local markets, and any other measure that may be required.
- Agreements on trade in jute and coir products.  
Aim of these agreements is to ensure an increasing use of jute and coir products and orderly development of trade in these products between EC and countries in question. Within framework of these agreements, EC applies, autonomously, to manufactured coir and jute products the duties of the CCT suspended in accordance with fixed rates and a fixed time-table. EC shall not subject imports to new quantitative restrictions but shall aim at gradual abolition of existing quantitative restrictions.
- Various agreements, such as an agreement on sugar.

6.710

**Bangladesh**

- Non preferential commercial Cooperation Agreement signed on 19 October 1976.

EEC Tr. Art. 113, 114

OJ L 319/76

6.71/6.710

C Reg. 2785,  
16 Nov. 1976

6.710  
(contd)

Entered into force on 1 December 1976.

Duration: five years, renewable.

Measures: see 6.71.

OJ L 329/76

EEC Tr. Art. 113

— Agreement on trade in jute products concluded on 27 June 1977.

OJ L 158/77

See also 6.71 and 5.527.

C Reg. 1393,  
27 June 1977

Renewed on 26 March 1980 with duration until 31 December 1983; applicable from 1 January 1980. Provides for quantitative limits on imports of jute fabrics into EC.

Bull. EC3-1980,  
point 2.2.17

All restrictions to be removed from 1 January 1984. Customs duties suspended forthwith under GSP.

Entered into force on 11 March 1981.

OJ L 102/81

C Reg. 363,  
20 Jan. 1981

— Agreement on trade in textiles signed 23 July 1979; see 5.532.

OJ L 298/79

C Reg. 2558/79,  
30 Oct. 1979

Entered into force on 1 August 1980.

OJ L 254/80

— Agreement on trade in handwoven fabrics of silk and cotton.  
Entered into force on 1 November 1974; see also 6.70.

— Agreement on trade in certain hand-made products.  
Entered into force on 1 November 1974; see also 6.70.

6.711

### China

Non-preferential trade agreement.

EEC Art. 113  
C Reg. 78/946,  
2 May 1978  
EP Res., 13 Sept. 1978  
Art. 11

OJ L 123/78  
EP Doc. 198/78  
OJ C 239/78

6.710/6.711

6.711 (contd) Signed 3 April 1978, came into force 1 June 1978; duration: five years, tacitly renewable each year: may be terminated at six months' notice.

6.7110 **OBJECTIVES**

Preamble

To develop economic relations and trade and give a new impetus to China-EC relations.

6.7111 **INSTRUMENTS**

Art. 9

Joint Committee to monitor functioning of agreement and its possible development. Annual meetings.

6.7112 **PROVISIONS**

Art. 3

Most-favoured-nation treatment in matter of customs duties, customs formalities, and granting of licences.

Art. 4

China will give favourable consideration to EC exports; EC will strive to liberalize imports from China.

Arts 5 and 6

Friendly consultations in event of trading problems and promotion of visits by both sides.

Art. 7

Market-related prices and rates.

From 1980 onwards, China benefits from the GSP for certain agricultural and other products.

14th GR EC,  
par. 701

6.7113 **AGREEMENT ON TRADE IN TEXTILES**

C Reg. 3061,  
20 Dec. 1979

Initialled on 18 July 1979; of MFA type (see 5.532) but takes into account particular situation of China. Common rules for imports of textile products.

13th GR EC,  
par. 503  
OJ L 345/79

C Reg. 847/80, 17 March 1980	6.712 <b>Hong Kong</b>	— Agreement on trade in textile products, see 5.532	OJ L 95/80
EEC Tr., Arts 113, 114	6.713 <b>India</b>	— Non-preferential Commercial Cooperation Agreement signed on 17 December 1973. Entered into force on 1 April 1974.	OJ L 82/74
C Reg. 654, 21 March 1974		Duration: five years, renewable; see also 6.71.	Bull. EC 6-1980
C Reg. 3246, 26 Oct. 1981		— Agreement for commercial and economic cooperation. Signed on 23 June 1981. Entered into force on 1 December 1981.	OJ L 328/81
Opinion of EP, 16 Oct. 1981		Duration: five years.	OJ L 334/81
EEC Tr., Art 113		— Agreement guaranteeing Indian exports of cane sugar in conjunction with Protocol No 3 on ACP sugar (see 6.3470). Entered into force on 18 July 1975.	OJ L 190/75
C Dec 456, July 1975		Duration: indefinite; denunciation possible after five years following two years' notice. Instrument: Joint Committee.	
C Reg. 3185/80, 4 Dec. 1980		Measures: imports into EC at guaranteed prices. Tonnage for delivery: 25 000 tonnes per year. Purchase at the price guaranteed by EC up to the agreed quantity.	
EEC Tr., Art. 113 C Reg. 105, 17. Jan. 1978		— Agreement renewed with guaranteed prices for 1980/81.	OJ L 332/80
		— Agreement on trade in coir products. Entered into force 1 February 1978. Renewed for two years from 1 January 1981.	OJ L 17/78 Not published

6.713 (contd)	<p>Instrument: Joint Cooperation Committee; consultations in case of difficulties. Measures: suspension of customs duties on coir mats and matting, and tufted carpets, carpeting and rugs; see also 6.71.</p> <p>Arrangements for industrial and commercial cooperation.</p> <p>Undertaking by the EEC. All quantitative restrictions abolished by 1 January 1983.</p> <p>See also 6.71.</p>	14th GR EC, par. 571
EEC Tr. Art. 113 C Reg. 298, 26 Jan. 1982	<p>— Agreement on trade in jute products; renewed on 26 March 1980 with duration until 31 December 1983. Applicable from 1 January 1980. Entered into force on 1 March 1982. Provides for quantitative limits. All restrictions to be removed from 1 January 1984.</p> <p>Instrument: Joint Cooperation Committee. Measures: double checking system for the quantitative limits; consultations in case of difficulties; see also 6.71.</p>	OJ L 17/78 Bull. EC 3-1980 point 2.2.18 OJ L 43/82
C Reg. 2740, 24 June 1981	<p>— Agreement on trade in textile products, see 5.532.</p> <p>— Bilateral agreement on voluntary export restrictions concluded in the context of the MFA extended until end of 1982.</p>	OJ L 153/68  OJ L 273/81
C Reg. 864, 28 June 1968	<p>— Agreement on trade in handwoven fabrics of silk and cotton. Entered in force on 1 July 1968; see also 6.70.</p>	OJ L 176/70
C Dec 386, 27 July 1970 C Reg. 1491, 29 Aug. 1969	<p>— Agreement on trade in certain hand-made products. In force since 1 June 1969; see also 6.70.</p> <p>— The India Trade Centre of the Economic Mission of India was opened 29 February 1980; financed partly by EC.</p>	OJ L 187/69  OJ L 187/69  Bull. EC 1-1980 point 2.2.48

6.714

**Sri Lanka**

— Non-preferential Commercial Cooperation Agreement.

OJ L 247/75

Entered into force on 1 December 1975.

Duration: five years, renewable.

Measures: see 6.71.

— Exchange of letters on trade in coir products.

not published

Effective from: 1 January 1975.

Duration: indefinite.

Measures: see 6.71 and 6.713.

— Agreement on trade in textile products, see 5.532.

OJ L 298/79

Renewed on 24 July 1979.

Entered into force on 1 March 1980.

OJ L 58/80

— Agreement on trade in handwoven fabrics of silk and cotton.

Entered into force on 1 June 1975; see also 6.70.

— Agreement on trade in certain hand-made products.

Entered into force on 1 September 1971; see also 6.70.

6.715

**Pakistan**

— Non-preferential Commercial Cooperation Agreement.

OJ L 168/76

Entered into force on 1 July 1976.

Duration: five years, renewable.

Measures: see 6.71 and 6.710.

C Reg. 2410,  
16 Sept. 1975

C Reg. 2562/79,  
30 Oct. 1979

C Reg. 1503,  
21 June 1976

6.714/6.715

C Reg. 2561/79,  
30 Oct. 1979

6.715  
(contd)

— Agreement on trade in textile products, see 5.532.

OJ L 298/79

Renewed on 7 July 1979.

Entered into force on 1 February 1980.

OJ L 11/80

— Agreement on trade in handwoven fabrics of silk and cotton.

Signed on 20 June 1970; see also 6.70.

— Agreement on trade in certain hand-made products.

OJ L 176/70

In force since 1 September 1969; see also 6.70.

OJ L 187/69

C Dec 386,  
27 July 1970

C Reg. 1491,  
29 Aug. 1969

6.716

### **Iran**

— Agreement on trade in certain hand-made products.

Entered into force on 1 September 1971; see also 6.70.

6.717

### **Laos**

— Agreement on trade in handwoven fabrics of silk and cotton.

Entered into force on 1 June 1975; see also 6.70.

— Agreement on trade certain hand-made products.

Entered into force on 1 June 1975; see also 6.70.

6.718

### **South Korea**

— Agreement on trade in textile products.

OJ L 298/79

Renewed on 12 September 1979.

See 5.532.

C Reg. 2559/79,  
30 Oct. 1979

C Reg. 2560/79,  
30 Oct. 1979

6.719

**Macao**

— Agreement on trade in textile products.

Renewed on 19 July 1979.

See 5.532.

OJ L 298/79

6.8 **Eastern Europe (for Yugoslavia see 6.23).**

6.81 **UNION OF SOVIET SOCIALIST REPUBLICS**

C Reg. 596,  
15 March 1982  
C Reg. 3482,  
23 Dec. 1982

EC maintains autonomous trading regime (see 5.243). USSR is not a GATT signatory. No direct contacts because of lack of diplomatic recognition of EC by USSR. Following declaration of martial law in Poland, EC decided to reduce import quotas for certain products imported from USSR in 1982 and 1983.

OJ L 72/82  
OJ L 365/82

6.82 **POLAND**

EC maintains autonomous trading regime (see 5.243) except in certain sectors where bilateral agreements have been concluded. Poland is a GATT signatory.

*Steel*

Exchange of letters to cover ECSC imports establishes prices and quantities permitted for various products (see 5.2452c). Agreement first concluded in 1978; renewed annually but not published.

*Textiles*

Bilateral agreement in accordance with Article 4 of Multifibre Arrangement (see 5.5322). Applicable from 1 January 1979 to 31 December 1982 but new agreement of same type now negotiated for subsequent years.

C Reg. 885,  
31 March 1982

OJ L 107/82

C Dec. 395,  
28 April 1981

6.82  
(contd)

*Sheepmeat and goatmeat*

Voluntary restraint agreement concluded in the form of an exchange of letters limiting volume of Polish exports in this sector. Entered into force 1 January 1981 and valid until 31 March 1984 with possibility of renewal.

OJ L 137/81

6.83

**CZECHOSLOVAKIA**

EC maintains autonomous trading regime (see 5.243) except in certain sectors where bilateral agreements have been concluded. Czechoslovakia is a GATT signatory.

*Steel*

Exchange of letters to cover ECSC imports establishes prices and quantities permitted for various products (see 5.2452c). Agreement first concluded in 1978; renewed annually but not published.

*Textiles*

Bilateral agreement in accordance with Article 4 of Multifibre Arrangement (see 5.5322) negotiated but not formally concluded. Applicable from 1 January 1981 to end 1982.

OJ L 300/81

*Sheepmeat and goatmeat*

Voluntary restraint agreement concluded in the form of an exchange of letters limiting volume of Czechoslovak exports in this sector. Entered into force 1 January 1981 and valid until 31 March 1984 with possibility of renewal.

OJ L 204/82

C Reg. 2997,  
20 Oct. 1981

C Dec. 458,  
14 June 1982

6.82/6.83

6.84 **BULGARIA**

EC maintains autonomous trading regime (see 5.243) except in certain sectors where bilateral agreements have been concluded. Bulgaria is not a GATT signatory.

*Steel*

Exchange of letters to cover ECSC imports establishes prices and quantities permitted for various products (see 5.2452 (c)). Agreement first concluded in 1978; renewed annually but not published.

*Textiles*

C Reg. 3081,  
15 Nov. 1982

Bilateral agreement in accordance with Article 4 of Multifibre Arrangement (see 5.5322). Concluded and applied with effect from 1 January 1981 to 31 December 1982 but new agreement of same type now negotiated for subsequent years.

OJ L 330/82

*Sheepmeat and goatmeat*

C Dec. 75,  
26 Jan. 1982

Voluntary restraint agreement concluded in the form of an exchange of letters limiting volume of Bulgarian exports in this sector. Entered into force 1 January 1982 and applicable until 31 March 1984 with possibility of renewal.

OJ L 43/82

6.85 **HUNGARY**

EC maintains autonomous trading regime (see 5.243) except in certain sectors where bilateral agreements have been concluded. Hungary is a GATT signatory.

6.85  
(contd)

*Steel*

Exchange of letters to cover ECSC imports established prices and quantities permitted for various products (see 5.2452 c). Agreement first concluded in 1978; renewed annually but not published.

*Textiles*

Bilateral agreement in accordance with Article 4 of Multifibre Arrangement, (see 5.5322). Applicable from 1 January 1979 to 31 December 1982 but new agreement of same type now negotiated for subsequent years.

OJ L 332/81

*Sheepmeat and goatmeat*

Voluntary restraint agreement concluded in the form of an exchange of letters limiting volume of Hungarian exports in this sector. Entered into force 1 January 1981 and valid until 31 March 1984 with possibility of renewal.

OJ L 150/81

6.86

**ROMANIA**

Romania was the only State-trading country in Eastern Europe to respond to an EC offer in November 1974 to negotiate general trade agreements at Community level to replace bilateral agreements with individual Member States then expiring. Romania proposed in 1978 to conclude two agreements, one establishing a Joint Committee and another on trade in industrial products. In addition since 1974 Romania has requested and been admitted to participation in the EC's Generalized System of Preferences and has concluded textile and steel agreements. Romania is a GATT signatory.

C Reg 3529,  
19 Oct. 1981

C Dec 390,  
12 May 1981

6.86 *Agreements establishing Joint Committee  
(contd) and on trade in industrial products*

C Reg. 3338,  
16 Dec. 1980  
Res. EP, 13 March 1981

Joint Committee established for indefinite term and meeting at highest possible level to monitor smooth functioning of all trade arrangements. To meet annually or more frequently if required.

OJ L 352/80

OJ C 77/81

C Reg. 3689,  
15 Dec. 1981  
C Reg. 3799,  
31 Dec. 1981

Non-preferential trade agreement covering industrial products other than certain processed agricultural products, ECSC products and textiles. Valid for five years but renewable. EC liberalized quantitative restrictions (annexes listing products later amended); Romania undertook to expand and diversify imports from EC at a rate no less rapid than that for other GATT signatories. Price clause commits Romania to deliver goods at market-related prices. Safeguard clause permits restrictions on imports in case of injury to domestic producers.

OJ L 369/81

OJ L 380/81

*Steel*

Exchange of letters to cover ECSC imports established prices and quantities permitted for various products (see 5.2452 c). Agreement first concluded in 1978; renewed annually but not published.

*Textiles*

C Reg. 2741,  
24 June 1981

Bilateral agreement in accordance with Article 4 of Multifibre Arrangement (see 5.5322). Applicable from 1 January 1979 to 31 December 1982 but new agreement of same type now negotiated for subsequent years.

OJ L 273/81

C Dec. 359,  
28 April 1981

6.86      *Sheepmeat and goatmeat*  
(contd)

Voluntary restraint agreement concluded in the form of an exchange of letters limiting volume of Romanian exports in this sector. Entered into force 1 January 1981 and valid until 31 March 1984 with possibility of renewal.

OJ L 137/81

6.87      **EAST GERMANY**

German Democratic Republic has no formal relations with European Community and is not a member of GATT. Protocol to EEC Treaty on German Internal Trade and Connected Problems provides for continuance of inter-German trade in accordance with Basic Law of the Federal Republic of Germany which treats trade between the two States as internal German trade. Inter-German trade is thereby exempt from duties and levies.

ECSC Treaty states that 'trade in coal and steel between the Federal Republic and the Soviet Zone of Occupation shall be regulated, as far as the Federal Republic is concerned, by the Federal Government in agreement with the High Authority'.

For EC and Member States other than FRG, GDR is a non-Community country subject to provisions of EC law including agricultural levies. But goods of GDR origin in free circulation within FRG may in practice be sold on other EC markets.

6.9 **Other countries**

6.90 **AUSTRALIA AND NEW ZEALAND**

No trade agreement between EC and Australia or between EC and New Zealand, but firm contacts are maintained by way of bilateral discussions and through multilateral negotiations.

The first of a regular series of ministerial consultations with Australia was held in Canberra, 21-23 April 1980.

Bull. EC 4-1980,  
point 2.2.42

EP Res., 16 Feb. 1979

EC's interest is in obtaining right of access as unrestrictive as possible to the immense natural resources of Australia, principally uranium (20 % of world reserves) and in increasing its exports (hampered by average duties of 30 %) and its investments in these two countries.

OJ C 67/79

Interests of Australia and New Zealand lie in ensuring that their agricultural exports benefit from treatment as similar as possible to extremely favourable treatment which they had from United Kingdom before its accession to EC and its participation in CAP.

6.901 **EAEC Agreement**

EP Res., 11 May 1979  
EP Res., 21 Nov. 1980

Main recent disagreement with Australia has concerned EC exports of sugar, subject of GATT investigations. EC has also raised in GATT Australian measures to restrict imports of footwear, motor vehicles and textiles.

15th GR EC,  
par. 733

C Reg. 858, 1 April 1981

6.901  
(*contd*)

**Question of imports of New Zealand butter into United Kingdom after 1980 resolved for 1981 (94 000 t) and 1982 (92 000 t). Comm. to propose new arrangements to apply after 1 January 1984.**

OJ L 90/81  
15th GR EC,  
par. 734

82/672/Euratom

**Agreement concerning transfer of nuclear material from Australia to EC. Complementary to bilateral nuclear cooperation agreements between Australia and EC Member States. Aims to further objective of non-proliferation of nuclear weapons.**

OJ L 281/82

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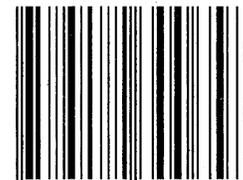
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