



EUROPEAN PARLIAMENT

Secretariat

EUROPE TODAY

State of European Integration

1980 – 1981

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Directorate-General for Research and Documentation

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FOREWORD

It was generally expected that, while not altering the institutional balance, the election of the European Parliament by direct universal suffrage would enhance the impact of Parliament's work on public opinion. Two years later, the man in the street can see that not only has this effect been achieved, but that the European institutions as a whole have become far more responsive in the face of grave world events and, what is more, have attempted to influence them.

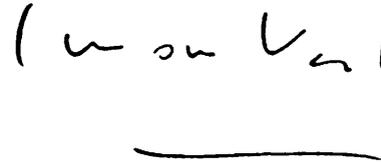
The European Parliament has played a large part in shaping the attitude of the Community. It has also given its support to many of those whose human rights have been violated.

This handbook concentrates — intentionally — on the legal expression of the various aspects of European integration. Though they may be less intelligible to the public at large than the political debates, decisions of an economic, budgetary, social or purely legislative nature have in many cases a very considerable effect on the lives of ordinary men and women. An example I am happy to quote is the recent decision to introduce a European passport, which, besides making travelling easier, will make the inhabitants of our ten countries more intensely aware of belonging to a European entity, an entity which, as I have frequently had occasion to note, is already widely recognized outside its own borders.

It is thus a pleasure for me to introduce the sixth edition of 'Europe Today'. Like previous issues, it sets out in six chapters the main pro-

visions of Community law applicable inside or outside the Community, accompanied by a commentary placing the texts in the overall context of European integration. Intended in the beginning for Members of the European Parliament, this handbook has also been well received by political movements, universities, professional bodies and the media. This collective work by the officials of the Directorate-General for Research and Documentation requires more and more effort and detailed reflection as Community law expands. I hope that readers will continue to find it a source of useful information on the work that has been accomplished since Robert Schuman made his historic declaration. May those who wield political power find it a source of inspiration for the further development of the Community.

Simone VEIL

A handwritten signature in black ink, appearing to read "Simone Veil". The signature is written in a cursive style and is positioned above a horizontal line.

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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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
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
CCT	Common Customs Tariff
CECLA	Latin American Special Coordination Commission
CEPAL	Economic Committee for Latin America
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)
Comm.	Commission
Commun.	Communication
Comm. Sec.	Commission Secretariat
Conv.	Convention
Coop.	Cooperation
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
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
EP	European Parliament
ERDF	European Regional Development Fund
ESC	Economic and Social Committee
EUA	European unit of account
FAO	Food and Agriculture Organization
Finan.	Financial
GATT	General Agrmt on Tariffs and Trade
GR	General Report
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)
ISIC	International Standard Industrial Classification
JET	Joint European Torus
LAFTA	Latin American Free Trade Assoc.
Merger Tr.	Treaty establishing a single Commission of the European Communities (8.8.65 OJ 152/67)
MFA	Multifibre Arrangement
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)
OECD	Organization for Economic Cooperation and Development
OJ	Official Journal
OQ	Oral Question
Par.	Paragraph
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
t.	tonne(s)
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: 21 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: 21 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 (Wallon 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,

- pending next legislative elections in 1982 it is made up of members of the two chambers representing the Flemish language group;
- after forthcoming elections and pending the revision of Articles 53 and 54 of Constitution relating to Senate, it will be made up of *directly elected* members of the Flemish-language group of two chambers.

Flemish Executive is elected by Council from its own membership.

Provisionally,

- pending settlement of institutional problem of Brussels, and until 1 January 1982 at latest, President and 8 members of Executive are appointed by King from Government;

0. — at end of this initial provisional period and for four years after next legislative elections, tasks of Executive will be allocated on a proportional basis among political groups in the Council.
- (contd)

Wallonia

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

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 comprises members of language group of Chamber and of Senate, who are directly elected, and coopted senators; 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 periods apply as for Flemish Executive.

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 has been given special status and 19 communes have been regrouped 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.

0. *Legislature:*
(*contd*) Unicameral system
Diet (Folketing):
179 Members
Life: 4 years
Elections by universal suffrage based on proportional representation
Minimum age to vote: 20 years; to be elected: 20 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 *Faroës* 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'¹ 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).

¹ 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. (contd) Legislative power is shared between the Federation and the 'Länder'. A distinction is drawn between exclusive, concurrent and enabling legislation.

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. *Legislature:*

(*contd*)

National Assembly:

490 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 Councillors 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

21 *Regions* each under authority of Regional Prefect, and two Regional Assemblies.

(a) *Regional Council*, one-half comprising deputies and senators of the 'départements' and the other half delegates of municipal and general councils;

powers: budgetary (votes on the regional budget) and consultative role (in particular for economic plans);

0. (contd) (b) *Economic and Social Committee*, comprising members chosen from representatives of social and occupational organizations (trade unions, chambers of commerce and industry etc.)
role: consultative

92 '*Départements*' each under authority of Prefect representing the Government and an assembly, the *General Council*, elected by universal suffrage under system of cantons (cantonal elections every six years). Each '*département*' is subdivided into several districts (*arrondissements*) which comprise a number of cantons and which are headed by a Sub-Prefect.

36 000 *communes* under authority of *mayor* and *municipal council*. *Municipal council* is elected by universal suffrage every six years (under electoral systems which differ depending on whether communes have a population of more or less than 30 000) and appoints mayor from among its own members.

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; 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 members elected by the citizens.

5 772 Communes (*Kinotis*) 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

Executive:

President (elected for 7 years by universal suffrage)

Cabinet

0. *Legislature:*

(*contd*) bicameral system 'Oireachtas'

Dáil Éireann (House of Representatives):

144 Members (number varies according to population)

Life: 5 years

Elections by universal suffrage based on proportional representation

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, (a) planning and development, (b) roads and traffic, (c) housing, (d) water supply and sewerage, (e) environmental protection and, (f) provision of recreation and other amenities. They conduct their affairs under general supervision of Department of the Environment.

0. The work of every local authority is divided into two categories:
(*contd*)
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.
(contd)

Senate:

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). Regional institutions 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 statute.

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 promulgated by Constitutional Law.

0. (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).

Constitution of 1868

LUXEMBOURG, Constitutional Monarchy

Executive:

Grand Duke
Cabinet

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

0. **Administrative organization**

(contd)

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

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: 6 years

50 % of members re-elected every three years by provincial councils

0.

0. **Administrative organization**
(contd)

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.
- *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.

806 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.

0. — *Aldermen (College van Burgemeester en Wethouders)* are chosen 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.

(contd) 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.

Cooperation between municipalities: Rhine Delta Supra-Municipal 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 municipalites. 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

0. *Legislature:*

(contd)

House of Commons:

635 Members

Life: 5 years

Election by a simple majority

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

House of Lords:

(total membership variable)

817 hereditary peers

279 life peers (nominated by Queen on Government advice)

42 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.

0. *Scotland*
(*contd*)

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. **CONSTITUTION OF THE EUROPEAN 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

Act Acc. of Greece
of 28. 5. 79, Art. 10

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

Since July 1979 composed of members elected by direct universal suf-
frage:

Belgium	24 members
Denmark	16 members
FR of Germany	81 members
France	81 members
Ireland	15 members
Italy	81 members
Luxembourg	6 members
Netherlands	25 members
United Kingdom	81 members

Since 1 January 1981:

Greece	<u>24 members</u>
	434 members

OJ L 291/79

Monthly part-session in Strasbourg or Luxembourg.

1.111 **Powers**

(a) of supervision

vis-à-vis Comm.:

- EEC Tr., Art. 140 — questions (written, oral, question time),
 - EEC Tr., Art. 143 — discussion of *Annual General Report*,
 - EEC Tr., Art. 206b — 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

Creation of revenue

- ECSC Tr., Art. 49 – 50
 - EEC Tr., Art. 201
 - EAEC Tr., Art. 173
 - C Dec. of 21 April 1970
- under the Tr., the nature of revenue is fixed by decision equivalent to the Tr.
 - the amount of revenue is fixed at the time of adoption of the budget, up to a given ceiling.

OJ C 94/70

ECSC Tr., Art. 78
EEC Tr., Art. 203
EAEC Tr., Art. 177
Joint Decl.
EP-C-Comm.
4 March 1975

1.111
(contd)

Creation of expenditure:

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

OJ C 89/75

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 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., Art. 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.

Joint Decl.
4 March 1975

OJ C 89/75

1.112 **Structure**

RP EP Rules 5 – 7a

Bureau:

President

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

Enlarged Bureau:

Members of the Bureau and chairmen of political groups

RP EP Rules 36 – 44

Committees and Delegations:

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.

Ad hoc Committee on Womens' Rights (limited duration);

Delegation to the Joint Parliamentary Committee of the EEC/Turkey Association.

RP EP Rule 36

Political Groups:

Minimum strength of a political group: 21 representatives (or 15 from at least 2 Member States, 10 from at least 3 Member States)

1.112

1.112
(contd)

Composition of EP on 13 October 1980

Socialist Group	113 representatives
Group of European People's Party (Christian Democratic Group)	107 representatives
European Democratic Group	63 representatives
Communist and Allies Group (SF, Ind. Sin.)	44 representatives
Liberal and Democratic Group	40 representatives
Group of European Progressive Democrats	18 representatives
Group for the Technical Coordination and Defence of Independent Groups and Members	11 representatives
Non-Attached	10 representatives
From 1 January 1981: change in composition with the accession of Greece.	

Act Acc. of Greece,
Art. 10, 23

RP EP Rules 49 – 52

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

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, Art. 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 a unanimous decision of C;
- if a qual. majority is required, votes are weighted as follows: Belgium 5, Denmark 3, France 10, Germany 10, Ireland 3, Italy 10, Luxembourg 2, Netherlands 5, United Kingdom 10.

9 GR EEC, Par. 13

From 1 January 1981: Greece 5.

Qualified majority:

from 1 January 1973:

41 votes on proposals from the Comm.

41 votes cast by at least 6 Member States in all other cases.

From 1 January 1981: 45 votes.

1.12 *Powers:*
(*contd*) Legislative organ of EC in cases set out in Tr.
All important decs. taken by C.

Permanent Representatives

Merger Tr., Art. 4

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 assigned to it by the Council.

1.121 **Association Councils**

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

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.

1.122 **European Council**

Conference of heads of State and 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.

1.13 **COMMISSION**

Structure:

Members nominated by Member States for 4 years; may be reappointed. From among these 1 President and 5 Vice-Presidents nominated for 2 years:

— from 1 January 1981:

14 Members, including 1 President, and 5 Vice-Presidents.

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.

Relations to other EC organs:

— to EP:

responsible to EP (see 1.111),

submits annually to EP general report on EC activities,

— to C:

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

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

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

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

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, Art. 3, 4

EEC Tr., Art. 165/168

CJEC Statute of 18 April
1951 and 17 April 1957

RP of 12. 9. 79

EEC Tr., Art. 169 – 186
ECSC Tr., Art. 33 – 44
EEC Tr., 183
ECSC Tr., 40

Composition:

- from 1 January 1981:
10 Judges, 4 Advocates General
appointed for 6 years by common accord of Member States' govern-
ments.
Partial replacement every 3 years
Appointments are renewable
The Judges elect CJEC President

3 chambers formed by CJEC

Jurisdiction (see 1.31, 1.331)

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 per-
sons in cases laid down by the Tr.

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

OJ 318/59
OJ 2/60

OJ L 350/74
OJ L 238/79

RP of 3 March 1959
and 4 Dec. 1974
and 12 Sept. 1979

1.15 EUROPEAN COURT OF AUDITORS

Establishment:

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

OJ L 359/77

Task:

to carry out audit.

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

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.

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

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;

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

1.15
(contd)

- 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;
- 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.

ECONOMIC AND SOCIAL COMMITTEE

EEC Tr., Art. 193 – 198
 EAEC Tr., Art. 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;
- 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.

OJ L 228/74

Bull. EC 2/74,
point 2505

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

C Dec of 12 Feb. 1974

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

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 nine Community Member States, to be joined on 1 January 1981 by Greece.

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.

OJ L 298/78

C Dec. 870,
16 Oct. 1978

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.

- 1.18
(contd) 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 Greece, 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

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 7 087.5 million EUA to 7 200 million EUA. ¹

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.

¹ Unit of account used by EIB is European unit of account.

Structure:

Administrative structure of Bank comprises:

- Board of Governors of EIB comprises one Minister appointed by each Member State, usually the Finance Minister. Following Greece's accession membership will increase from nine to ten.
- 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.

1.18
(contd)

EIB financing operations within the Community

Sectoral breakdown

Sectors	1979					1958 - 79			
	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	74	3	1 903.6	4.4	83.4	423	3	8 562.8	4.4
Energy	31		997.0		43.7	183		3 861.9	
Communications	20	3	419.2	4.4	18.4	155	3	3 209.8	4.4
Water supply and distribution	21		477.3		20.9	81		1 464.7	
Housing	1		2.6		0.1	3		18.9	
Global loan (unallocated portion)	1		7.5		0.3	1		7.5	
Industry, agriculture and services	459	415	377.6	131.4	16.6	1 684	1 243	3 091.7	518.7
Industry	411	378	343.4	125.8	15.0	1 530	1 162	2 815.0	498.8
Agriculture, forestry, fisheries	31	30	25.8	3.0	1.1	68	66	42.3	14.0
Services	7	7	2.6	2.6	0.2	20	15	20.7	5.9
Global loans (unallocated portion)	10		5.8		0.3	66		213.7	
Grand total	533	418	2 281.2	135.8	100.0	2 107	1 246	11 654.5	523.1

Source: EIB.

1.18
(contd)

Financing in the Community in 1979, from 1958 to 1979 and from 1973 to 1979 ¹

Breakdown by project location

	1979					1958-79		1973-79	
	from Bank's own resources		from NCI resources	Total		from Bank's own resources		—	
	Amount (in million EUA)	%	Amount (in million EUA)	Amount (in million EUA)	%	Amount (in million EUA)	%	Amount (in million EUA)	%
Belgium	58.4	2.5	—	58.4	2.3	232.6	2.0	165.4	1.7
Denmark	15.6	0.7	—	15.6	0.6	207.8	1.8	207.8	2.2
FR of Germany	47.8	2.1	—	47.8	1.9	886.8	7.6	533.2	5.6
France	222.7	9.8	—	222.7	8.7	2 031.2	17.4	1 460.8	15.4
Ireland	252.9 ⁴	11.1	86.7 ⁵	339.6	13.3	614.1	5.3	700.8	7.4
Italy	905.4 ⁴	39.7	85.0 ⁵	990.4	38.7	4 789.8	41.1	3 462.4	36.5
Luxembourg	—	—	—	—	—	9.0	0.1	—	—
Netherlands	—	—	—	—	—	105.2	0.9	62.3	0.7
United Kingdom	739.0	32.4	105.3	844.3	33.0	2 628.1	22.5	2 733.4	28.9
Third countries ²	39.4	1.7	—	39.4	1.5	149.9	1.3	149.9	1.6
Total	2 281.2 ⁴	100.0	277.0	2 558.2	100.0	11 654.5	100.0	9 476.0	100.0
(of which guarantees)	(—)	(—)	(—)	(—)	(—)	(228.2) ³	(2.0)	(—)	(—)

¹ Amounts at current prices and exchange rates. Summaries covering such a long period must be interpreted with caution; the data relating to the years in question are affected by the movement in prices and exchange-rate fluctuations between 1958 and 1979.

² Operations of direct concern to the Community carried out pursuant to Article 18, paragraph 1, second subparagraph of the EIB Statute, under which the Board of Governors may authorize the financing of investment outside the Community.

³ Of which: FR of Germany — 118.8 million; Italy — 90.2 million; Netherlands — 16.5 million; France — 2.7 million.

⁴ Of which reduced interest loans under EMS: total — 791.0 million; Ireland — 222.0 million; Italy — 569.0 million.

⁵ Of which reduced interest loans under EMS: total — 87.4 million; Ireland — 37.3 million; Italy — 50.1 million.

⁶ Of which 277 million EUA from NCI resources.

1.18
(contd)

Financing in the Community in the first half of 1980

Breakdown by project location

	1st half of 1980				
	from Bank's own resources		from NCI resources	Total	
	Amount (in million EUA)	%	Amount (in million EUA)	Amount (in million EUA)	%
Belgium	6.2	0.5	—	6.2	0.5
Denmark	31.8	2.7	—	31.8	2.6
FR of Germany	—	—	—	—	—
France	118.0	10.1	—	118.0	9.9
Ireland	205.4 ¹	17.5	14.4 ²	219.8	18.2
Italy	466.1 ¹	39.7	17.1 ²	483.2	40.1
United Kingdom	312.2	26.6	—	312.2	25.9
Third countries ³	33.6	2.9	—	33.6	2.8
Total	1 173.3	100.0	31.5	1 204.8	100.0

¹ Including reduced interest loans under EMS: Ireland — 190.5 million; Italy — 263.5 million.

² Including reduced interest loans under EMS: Ireland — 14.4 million; Italy — 17.1 million.

³ Operations of direct concern to the Community carried out pursuant to Article 18, paragraph 1, second subparagraph of the EIB Statute, under which the Board of Governors may authorize the financing of investment outside the Community.

1.18
(contd)

Financing operations outside the Community in 1979 and from 1963 to 1979

Country	1979			From 1963 to 1979		
	Number	Amount (in million EUA)	% of total	Number	Amount (in million EUA)	% of total
Ordinary operations						
1. Mediterranean countries						
Greece	7	104.0	20.28	30	240.4	13.11
Lebanon	2	17.0	3.31	3	20.0	1.09
Portugal	3	46.0	8.97	15	231.0	12.6
Turkey	3	36.0	7.02	5	61.0	3.33
Yugoslavia	—	—	—	2	50.0	2.73
Egypt	3	65.0	12.67	3	65.0	3.55
Morocco	1	26.0	5.07	1	26.0	1.42
Tunisia	2	24.0	4.68	2	24.0	1.31
Syria	1	15.7	3.06	1	15.7	0.86
Jordan	2	11.0	2.14	2	11.0	0.6
Malta	1	3.0	0.58	1	3.0	0.16
2. ACP-OCT	11	73.2	14.27	77	418.7	22.84
Total	36	420.9	82.06	142	1 165.8	63.58
Special operations ¹						
1. Mediterranean countries						
Turkey	2	46	8.97	58	416.0	22.69
Greece, Morocco, Malta, Syria, and Jordan	5	32.8	6.4	5	32.8	1.79
2. ACP-OCT (of which ven- ture capital)	(13)	(13.2)	2.57	89	218.9	11.94
Total	20	92	17.94	152	667.7	36.42
Grand total	56	512.9	100.0	294	1 833.5	100.0

¹ 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.

Source: EIB.

1.2 Legal measures

EEC Tr., Art. 3

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.

1.201 Types of official act:

EEC Tr., Art. 189, Par. 2
EAEC Tr., Art. 161, Par. 2
ECSC Tr., Art. 14, Par. 2

— *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.

EEC Tr., Art. 189, Par. 3
EAEC Tr., Art. 161, Par. 3
ECSC Tr., Art. 14, Par. 3

— *Directives* (in ECSC Tr: '*Recommendations*'), in practice extremely detailed, are *binding only upon Member States* but may *confer entitlements upon natural and legal persons*.

CJEC, Case 33
Coll. Vol. XVI,

EEC Tr., Art. 189, Par. 4
EAEC Tr., Art. 161, Par. 4

— *Decisions* are rulings applicable to individual cases and are addressed to individuals or States.

— *Opinion, Recommendations*

— Programmes

— International agreements of the EC

e.g. EEC Tr., Art. 18, 111,
113, 238

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

e.g. EEC Tr., Art. 142

— Provisions relating to internal organization (RP, Statutes, appointments)

— The Budget

EEC Tr., Art. 199

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*

1.202
(contd)

- *EP and ESC*
- *ECSC Consultative Committee*

In certain cases provision is also made for independent decisions 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:*

EEC Tr., Art. 155, 4th
indent

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 1.242)*

1.203

Decision-making within the individual organs

In the C authority is distributed over several levels:

Provisional RPC, Rule 16;
Merger Tr., Art. 4

- 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 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 a rule at its next meeting, signed by C President and published or forwarded to those to whom they are addressed.

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

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

9 GR EEC, Par. 13

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

1.203
(*contd*)

Comm. acts as body, deciding by majority vote.

- 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.

OJ L 89/68

C Decl. of 29 Jan. 1966

9 GR EEC, Par. 13

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

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

- EP's opinion;
- Need for compromise in C;
- For EP (see 1.11)

EP Res. of 5 July 1972
EP Res. of 10 July 1975

1.204

EP's proposals for changes in decision-making process

OJ C 82/72
OJ C 179/75

- referring back of proposals to EP when C rejects EP's opinion ('Second Reading');
- delaying effect of rejection of proposal by EP, e.g. repeated rejection of proposal by EP should block it for at least 6 months;
- entitlement for EP to participate in conclusion of international treaties, admission of new members, amendment of Treaties, application of Art. 235 of EEC Tr., and adoption of Regs. with financial implications;
- at a later stage, participation by EP so that legislative acts of EC require EP approval;
- continuation of gradual move to extend budgetary powers of EP so as to give the latter unlimited jurisdiction (fiscal power, abolition of the distinction between compulsory and non-compulsory expenditure, joint decisions on regulations).

1.21

CHARACTERISTICS OF DECISION-MAKING IN PRACTICE

Great majority of decisions reached in cooperation between Comm. and C. Nature of measures to be taken and decision-making procedure applicable to them are laid down for various sectors by Tr.; however, practice diverges from Tr. provisions in individual questions, e.g.:

- *EP* frequently consulted by C when such consultation not prescribed;
- *Comm.* frequently informs EP of intended proposals to C;
- formal voting carried out only occasionally in C;—
- Decisions prepared for the most part in Permanent Representatives' Committee;
- political guidelines are issued by European Council (heads of State of government).

1.22

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)

1.22
(contd)

Approximation of laws

In the absence of special provisions, this proceeds in accordance with EEC Tr., Art. 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.

1.23

DECISION-MAKING PROCEDURE DURING EXPANSION OF COMMUNITIES

1.231

Procedure for expansion of EC by accession

First Stage:

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

— *Application to C by applicant State.*

ECSC Tr., Art. 98

— *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).

Second Stage:

— *Comm. submits its opinion* (not binding on C).

1.22/1.231

ECSC Tr., Art. 98	1.231 (contd)	<p><i>Third Stage:</i> — <i>unanimous decision on admission by C</i> (under ECSC Tr., procedure completed at this stage with deposit of instrument of accession).</p>	
EEC Tr., Art. 237 Par. 2 EAEC Tr., Art. 205, Par. 2		<p><i>Fourth Stage:</i> — <i>Agreement between Member States and applicant State.</i></p>	
		<p><i>Fifth Stage:</i> — Ratification of agreement by all contracting States.</p>	
EP Res. of 5 July 1972 Par. 7		<p>Criticism by EP: — <i>EP demands right of veto or assent without which legitimation of decisions on admission is incomplete.</i></p>	OJ C 82/72
	1.2311	EXPANSION OF EC ON 1 JANUARY 1973	
May 1967 1/2 Dec. 1969 June 1970 to 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.	
19 Jan. 1972		Formal positive opinion of Comm.	OJ L 73/72
22 Jan. 1972		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
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, <i>inter alia</i> , the transitional period) are settled in 'Acts of Accession' together with 11 Annexes and 30 Protocols. 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).	OJ L 2/73
Act Acc, Art. 2-4 Act Acc, Art. 9		<p><i>Fundamental principle of Accession Treaties:</i> All Community decisions, in particular Community law applicable to original and new Member States alike.</p>	

1.2311 *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.)

10/11 March 1975

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 1102-1
Bull. EC 3-1975
points 1101-1

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.

1.2312 *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. (See 6.006)

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

EEC Tr., Art. 238

General Procedure

First Stage:

EAEC Tr., Art. 206

— Comm. negotiates assoc. agrmt.

Second Stage:

— C asks EP for opinion.

Possible intermediate stage:

— Amendment of Tr. according to EEC Tr. Art. 236 (see 1.234).

1.2311/1.232

1.232
(contd)

Third Stage:

— C takes unanimous decision on association.

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).

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

OJ 26/63
OJ 217/64

1.233 **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.

Requirements of EP:

Right to participate in decisions on application of Art. 235 of EEC Tr.

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

EP Res. of 5 July 1972

OJ C 82/72

Under ECSC Tr.

First possibility:

If dec. or rec. of Comm. appears necessary to attain one of ECSC's objectives set out in Art. 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;

ECSC Tr., Art. 95 Par. 1

- ECSC Tr., Art. 95 Par. 3
- 1.233 *Second possibility:*
(*contd*)
If difficulties in applying Tr. or economic or technical changes necessitate adaptation of rules governing Comm.'s powers, and if proposed amendments neither conflict with Art. 2–4 of ECSC Tr. nor interfere with distribution of powers,
- ECSC Tr., Art. 95, Par. 4
C (by $\frac{8}{9}$ 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).

1.234 **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.

1.24 **BUDGETARY POWERS**

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

1.241 **Conciliation procedure**

OJ C 89/75

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.

1.242 **Budgetary procedure**

During first half-year joint C (Ministers for Foreign Affairs and Ministers for Finance) and EP each examine a Comm. document giving an overall review of budget problems for following year.

ECSC Tr. Art. 78
EEC Tr. Art. 203
EAEC Tr. Art. 177

1.2421 ***THE FIVE STAGES OF THE PROCEDURE***

First Stage:

Each institution draws up, before 1 July (15 May 1978), an estimate of its expenditure for the following year. ¹

¹ The dates given in parentheses indicate the adjusted time schedule for examining the budget for the financial year, by agreement between the EP, C and Comm. with a view to increasing the time for examining budget documents. Because of the peculiar circumstances which affected examination of the 1980 and 1981 budgets, it will only be possible to observe the adjusted schedule again in the case of the 1982 budget.

1.2421
(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 (20 June 1978).

Comm. consolidates estimates, attaches its opinion, and presents them to C and to EP by 1 September (16 June 1978).

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. (beginning of August) after 35 days, discussion (45 days).

Third Stage:

EP:

- has 45 days in which to state its position (58 days, i.e. from 1 September to 28 October 1978);
- *may propose modifications* to obligatory expenditure, acting by an absolute majority of votes cast;
- *may amend* those parts of the draft budget which concern non-obligatory expenditure, acting by a majority of its members.

Fourth Stage:

Council:

- has 15 days to complete its second reading (25 days, i.e. from 29 October to 22 November 1978);
- may modify each of the amendments, acting by qual. majority;

1.2421
(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 (22 November 1978).

Fifth Stage:

EP:

- has 15 days to complete its second reading (22 days, i.e. from 22 November to 14 December 1978);
- 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 (14 December 1978)*. 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.

1.2422

LIMITS OF BUDGETARY POWERS

ECSC Tr. Art. 78 (10)
EEC Tr. Art. 203 (10)
EAEC Tr. Art. 177 (10)

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

- Each institution exercises the powers described above in compliance with the provisions of the treaties and the acts adopted in consequence of the treaties;
- a maximum rate of increase for non-obligatory expenditure is determined by Comm. The institutions must conform to this during the course of the budgetary procedure. EP may, exercising its right of

1.2422
(contd)

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.

Although, several times, the maximum rate was exceeded by agreement between the C and the EP, the latter also had a working margin equal to approximately half the maximum rate.

— As a rule, the budgetary authority has retained in preliminary draft budget, the classification of obligatory and non-obligatory expenditure proposed by the Commission in preliminary draft budget in expectation of future developments.

EP Rep.

EP now tends to regard only the following as obligatory expenditure, with a few exceptions:

- Titles VI and VII of the budget, concerning the EAGGF, Guarantee Section;
- certain chapters of Title VIII concerning the EAGGF, Guidance Section, mainly appropriations for the fisheries sector and for activities in connection with the COM;
- lump sum refunds to the Member States, in particular for the cost of making available own resources (Title IV).

C still includes in obligatory expenditure Title VIII (EAGGF, Guidance Section) and most of the appropriations under Title IX relating to cooperation.

EP Doc. 1-458/79/Ann. I

1.2423

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

1.2422/1.2423

- 1.2423 — 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.

1.2424 ***IMPROVEMENT OF CERTAIN BUDGETARY
MACHINERY***

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 have been examined:

- inclusion of borrowings in the budget;
- inclusion in the budget of credits from financial cooperation and the European Development Fund;
- wider use of commitment and payment appropriations, to avoid carrying appropriations over from one year to the next;
- ways of avoiding supplementary budgets as far as possible;
- budgetary nomenclature, particularly transfers of appropriations;
- transparency of the budget, particularly as regards the decentralized management of appropriations;
- coordination of costs in ECSC and EEC budgets because of the inflexibility of ECSC operational budget;
- 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 coordination 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.

EP Opinion

EP Doc. 150/78
OJ C 163/78

1.2425 *OPERATIONAL BUDGET OF ECSC*

This budget is adopted by Comm. after consulting EP (customary law).

EP Res. of 13 Dec. 1978

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

1.243 **EC's own resources**

1.2431 *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 %);
- 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.

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

— 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

C Dir. 388
of 17 May 1977

OJ L 145/77

EAEC Tr., Art. 172
C Dec. of 29 March 1977
C Dec. of 12 Dec. 1979

— EAEC may raise loans with a view to financing research or investments. The general terms of the loans raised are fixed by C. Tranches authorized: 1 000 million EUA. Additional EAEC projects may be financed by financial contributions.

OJ L 88/77
OJ L 12/80

1.2425/1.2431

C Reg. of 17 Feb. 1975	1.2431 (<i>contd</i>)	— EEC may borrow funds in order to re-lend those funds to one or more Member States in balance of payments difficulties caused by the rise in prices of petroleum products.	OJ L 46/75
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: — 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.	OJ C 108/78
C Reg. of 3 Aug. 1979 C Dec. of 3 Aug. 1979		— 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 carry an interest subsidy financed by the budget of the Communities, provided that these States participate effectively and fully in the mechanisms of the EMS.	OJ L 200/79

1.2432 ***PARTICULAR PROBLEMS***

Acces. Tr.,
Arts 124–127

- 1.24321 — *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.

1.24321 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.
(contd)

C Reg. of 17 May 1976

1.24322 — *Financial 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

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.

COM (79) 462 final and
620 final

Concl. of Eur. Council
of 30 May 1980
Comm. prop. of
11 June 1980
C Reg. of 27 Oct. 1980
EP Opinion
Res. of 18 Sept. 1980
and 17 Oct. 1980

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 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 2 585 million EUA. The United Kingdom's net contribution should be 609 million EUA in 1980 and 730 million EUA in 1981.

OJ C 158/80
EP Doc. 1-273/80
OJ L 284/80
EP Doc. 373/80
EP Doc. 505/80
OJ C 265/80
OJ C 291/80

1.24321/1.24322

Comm. Commun.
of 23 Nov. 1978

- 1.24323 — *Ceiling of own resources*: 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. EP's Committee on Budgets set up a working party. 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.'

Suppl. 8/78 – Bull. EC
Bull. EC 2-1980, p. 49

C Reg. of 17 May 1977
C Reg. of 5 June 1980

- 1.24324 — *Co-responsibility levy on milk deliveries*: in order to achieve a gradual improvement in the relationship between dairy production and market 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 131/77
OJ L 140/80

1.244 **Implementation and control of budget**

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

Provisions of treaties

Comm. implements budget on its own responsibility.

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

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).

1.244
(contd)

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.

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

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

ECSC Tr., Art. 78g
Tr., Art. 206b
Tr., Art. 180b
EP Decisions
Audit Court Report
EP Report
ECSC Tr., Art. 78 d

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.

OJ L 180/80
Doc. 1-567/77
Doc. 1-150/80

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

ECSC Tr., Art. 78b
EEC Tr., Art. 207 and 208
ECSC Tr., Art. 181 and 182

Since 1 January 1978 budget has been drawn up in European units of account, save for special rates applied to EAGGF.

Fin. Reg. of 21 Dec. 1977

The European unit of account (EUA) 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 EUA into the various national currencies are published each day in series C of the OJ.

OJ L 356/77

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

Value as at 30 December 1980: 1 EUA = BFR 41,33; DM 2,56; HFL 2,78; UKL 0.551; DKR 7,87; FF 5,94; LIT 1218,3; IRL 0.688; USD 1.31.

C Reg. of 21 Dec. 1977
EP Opinion

1.244
(contd)

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

C Reg. 2891
of 19 Dec. 1977

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

OJ L 336/77

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.

1.244
(contd)

(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:

C Reg. 2891 of 19 Dec. 1977
Dec. CJEC

— 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;

OJ L 336/77
Case 267/78

C Dir. of
15 March 1976
Comm. Dir. of 4 Nov. 1977

— mutual assistance among Member States for recovery of claims resulting from operations forming part of system of financing of EAGGF, and of agricultural levies and customs duties;

OJ L 73/76
OJ L 333/77

C Res. of 16 Dec. 1975

— stricter prevention of and proceedings against irregularities in financing of common agricultural policy;

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

Measures being drawn up:

Prop. Reg. 25 April 1973
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 C 100/73
OJ C 2/74
EP Doc. 65/73

Comm. Prop. Dec.	1.244 (contd)	— 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
C Reg. of 21 Jan. 1974		— 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. 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);	

1.244
(contd)

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

- 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;
- be such as to induce the institutions to take action on comments 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.

EP Res. of 15 June 1976

OJ C 159/76
EP Doc. 143/76.

Budget of the EC — 1981*(in million EUA)**Revenue*

Country	Total	Agr. levy and customs duties	VAT (rate: 0.72)	%
Belgium	1 036.5	600.1	436.4	5.4
Denmark	390.8	168.2	222.6	2.0
FR of Germany	5 534.5	2 310.4	3 224.1	28.8
France	3 811.0	1 281.6	2 529.3	19.8
Greece	356.2	187.4	168.8 ¹	1.8
Ireland	158.8	80.4	78.4	0.8
Italy	2 427.7	1 127.4	1 300.3	12.6
Luxembourg	23.7	4.1	19.6	0.12
Netherlands	1 443.3	909.0	534.3	7.5
United Kingdom	3 984.3	2 078.4	1 905.9	20.7
Total	19 167.0	8 747.1	10 419.9	

Own resources	19 167.0
Miscellaneous revenue	160.6
Total	19 327.6

¹ Financial contribution.*Expenditure*

Parliament	199.4
Council	113.1
Court of Justice	25.4
Court of Auditors	14.7
Commission	18 974.9
(a) Personnel	450.7
(b) Operation	206.5
(c) 10 % repayment on own resources	874.7
(d) Financial mechanisms	469.0
(e) Other repayments	118.1
(f) Specific assignments and research	341.1
(g) Social Fund	620.4
(h) Regional Fund	619.2
(i) European Monetary System (EMS)	244.7
(j) Supplementary measures — UK	855.0
(k) EAGGF — Guarantee	12 675.0
— Guidance	501.6
(l) Cooperation	603.6
(m) Miscellaneous	395.0

19 327.6

1.245
(contd)

Budget of the EC — 1980
(in million EUA)

Revenue

Country	Total	Agr. levy and customs duties	VAT (rate: 0.72)
Belgium	922.0	597.3	324.7
Denmark	357.3	169.7	187.6
FR of Germany	4 488.6	2 143.4	2 345.2
France	2 977.2	1 112.9	1 764.3
Ireland	134.2	72.9	61.3
Italy	1 799.0	1 019.7	779.3
Luxembourg	18.5	4.1	14.4
Netherlands	1 295.2	862.3	432.9
United Kingdom	3 150.3	1 909.2	1 241.1
Total	15 042.5	7 891.5	7 151.0

Own resources	15 042.5
Miscellaneous revenue	181.9
Surplus from previous year	<u>458.6</u>
Total	15 683.0

¹ Payment appropriations.

² Total Commitment appropriations (—).

Expenditure¹

Parliament	177.4
Council	108.5
Court of Justice	21.7
Court of Auditors	13.0
Commission:	
(a) Personnel	421.3
(b) Operation	189.6
(c) 10 % repayment on own resources	789.2
(d) Specific assignments and research	412.8
(e) Social Fund	374.3 (909.5) ²
(f) Regional Fund	403.0 (1 164.9) ²
(g) European Monetary System	245.4
(h) EAGGF — Guarantee	11 209.5
— Guidance	359.2
(i) Exchange rate	276.0
(j) Cooperation	620.4
(k) Miscellaneous	61.7
Total	<u>15 362.4</u>
Comm. total	15 683.0

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;¹ 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 illegality and in actions in which the CJEC has unlimited jurisdiction (see 1.331).

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

¹ 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 enforceable by them in national courts. (See Case 148/78 (Ratti), CJEC Reports, 1979, p. 1629).

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

1.31
(*contd*)

(b) Preliminary rulings on:

interpretation of Treaties;

validity and interpretation of acts of Community institutions;

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-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.

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

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.

CJEC Reports
Vol. LX/63

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

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.

CJEC Reports
Vol. XVI/70

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

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,
1978/629

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'.

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

Journal des Tribunaux No
4750 – 1971

1.322 DENMARK
(cont'd)

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 of
German Constitutional
Court Vol. 31, 173.

Federal Finance Court
10 July 1968

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

1.322
(*contd*)

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

Art. 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

French Supreme Court
of Appeal (penal
section) 22. 10. 1970

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

Decision in the case of Revenue Authority v. S.A.R.L. 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

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

1.322
(contd)

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.

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. 1976
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
(contd)

ITALY

Constitution

Art. 10, Par. 1
Art. 11

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

Constitutional Court
7 March 1964

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.

Foro Italiano,
Vol. 1 1964 — Column 1;
465

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.

Constitutional Court
27 Dec. 1973

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

Foro Italiano
Volume 2 1974 —
Column 1; 314

Constitutional Court
22 Oct. 1975

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 paragraph, of the Treaty of Rome, but would also

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

1.322
(contd)

have an even more 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

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.

1.322

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.¹

Legal decision

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

Court of Appeal London,
22 May 1974

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

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

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;
- *Member State or Community* institution if C or Comm. in default;
- *Member State or C* against Comm. Dec. or Rec. or its failure to act;
- *Member State or Comm.* against acts of EP or C decisions, but only for lack of competence or infringement of essential procedural requirements;
- *Undertakings or associations* against Commission Decs. or Recs. or its failure to act (under specified conditions);

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

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

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

ECSC Tr., Art. 33, Par. 1,
Art. 35

ECSC Tr., Art. 38

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

1.331
(contd)

(b) Cases in which CJEC has unlimited jurisdiction :

these cover:

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

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

ECSC Tr., Art. 37

- pecuniary sanctions imposed by executive bodies on persons and undertakings subject to Community law;
- measures connected with Staff Regulations or Conditions of Employment of EC servants;
- 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., Art. 178 and 215
EAEC Tr., Art. 151 and 188

ECSC Tr., Art. 34

ECSC Tr., Art. 47

- EC, for any damage caused by its institutions or its servants in performance of their duties;
- Comm., if it fails to take steps called for by judgment of annulment;
- 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.

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.

Purpose:

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

Definition of 'official'

Staff Regulations,
Art. 1

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

Rights and obligations

Staff Regulations,
Art. 11 – 26

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

Staff Regulations,
Art. 27 – 34

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.

1.35
(contd)

Remuneration

Staff Regulations,
Art. 65

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

Taxes

C Reg. of 29 Feb. 1968

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

OJ L 56/68

Pension

Staff Regulations,
Art. 77

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,
Art. 86 – 91

1.35
(*contd*)

Disciplinary action, complaints by staff, protection of staff rights

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

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

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

EP Res. of 14 Jan. 1975

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

OJ C 32/75

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 L 173/78, p. 30

Basic characteristics of EC electoral law.

Art. 7

— during transitional period national electoral systems to be used thereafter European electoral system (to be drawn up by EP);

Art. 5

— national parliamentary mandate compatible with EP mandate;

Art. 3

— term of EP representatives: 5 years;

Art. 9

— elections to take place simultaneously in Member States.

1.4/1.4111

EP Res. of 10 July 1975	1.4112	<p><i>FURTHER AIMS OF EP</i> General: participation on an equal footing in the legislative process and considerable extension of powers. In particular: — parliamentary right of initiative; — conciliation procedure no longer subject to time limits; — participation in the appointment of members of the Commission; — participation in political cooperation and in all coordination and consultation procedures between the Member States.</p>	OJ C 179/75, p. 28
Final Decls.	1.4113	<p><i>MANDATE OF 19–20 OCTOBER 1972 AND 9–10 DECEMBER 1974 FROM HEADS OF STATE OR GOVERNMENT</i> — Strengthening EP's powers of control and legislation. — Improvement of EP's relations with C and Comm. — Measures by EC institutions to allocate roles and responsibilities in work of Economic and Monetary Union.</p>	6th GR EC and 8th GR EC Annex
Vedel Rep.	1.4114	<p><i>PROPOSALS BY 'VEDEL' WORKING PARTY (appointed by the Commission)</i> — Greater participation by EP in major legislative decisions and other measures, by: (a) sharing in decisions on Tr. <i>amendments, application of Art. 235 of EEC Tr., admission of new members, ratification of international agreements;</i> (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.</p>	Supp. 4/72 — Bull. EC

1.4115 *COMM. PROPOSALS*

Comm. proposal
of 30 May 1973

- 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.

EP Doc. 103/73

Comm. proposal
of 13 June 1973

- 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 1.24).

EP Doc. 68/73

Comm. proposal
of 6 June 1973

COM (73) 1 000

1.4116 *PROPOSALS BY MR TINDEMANS*

Report on European
Union of 29 Dec. 1975

- recognition, at first unofficial and subsequently to be given legal value through a Treaty amendment, of Parliament's *right to take initiatives*, the Council undertaking to consider the resolutions which Parliament 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.

Suppl. 1/76 — Bull. EC

Council— *Mandate of the 1972 and 1974 Summit Conferences*

Final Decls.

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.

6th GR EC
8th GR EC, Annex

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:*

C Res. of 4–5 Feb. 1974

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.

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.

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.

— *Collapse of project* on 17 April 1962, due to failure to reach agreement among 'Six'.

Die Politische Union
Dokumentensammlung
pubd. by EP, January 1964

<p>Hague Conference of 1 – 2 Dec. 1969 1st Foreign Ministers' report EP report of 3 April 1973</p>	<p>1.421 (<i>contd</i>)</p>	<p>— <i>Meetings of Foreign Ministers ('Davignon Procedure')</i> 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.</p>	<p>EP Doc. 155/70 EP Doc. 12/73</p>
<p>2nd Foreign Ministers' report of 23 July 1973</p>		<p>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.</p> <p>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.</p>	<p>7th GR EC, p. 50</p>
<p>Letter of C President to EP President of Feb. 1975.</p>		<p>Close liaison with C and Comm. Parliament: as well as existing contacts, since February 1975, parliamentary questions concerning political cooperation are answered by C.</p>	<p>EP 39.916</p>
<p>Werner Report of 8 Oct. 1970</p>	<p>1.422</p>	<p>Economic and Monetary Union</p>	
		<p>— 'Werner Plan' submitted as result of Hague Conference of 1 – 2 Dec. 1969 (see 4.16). — Proposals of the European Council of 6 July 1978 (Bremen). — Effective entry into force of European Monetary System. — Introduction of a European Monetary System (see 4.16).</p>	<p>OJ C 136/70 Bull. EC 6/1978, p. 17 Bull. EC 2/1979</p>

1.43 **EUROPEAN UNION**

EUROPEAN POLITICAL COMMUNITY (1952 – 1954)

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

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.

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)**

- Summit Conference
Final Decl.
of 20 Oct. 1972
- *Plan:*
Transformation of all relations between Member States into a 'European Union' by 1980.
- Summit Conference
Final Decl.
of 9-10 Dec.
1974
- *Mandate:*
Comm., EP, CIEC to draw up reports by mid-1975. 8th GR EC, Ann.
- 15 July 1974
- *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
- 25 June 1975
- *Comm. Report:*
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. Bull. Suppl. 5/75
- 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.
- 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, partici- Doc. 174/75
OJ Annex 193 10. 7. 75

1.431
(contd)

pation 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'.

17. July 1975

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

— Report of Economic and Social Committee:

EC Bull., Suppl. 9/75

— By end of 1975: comprehensive report of Belgian Prime Minister Tindemans.

8th GR EC, p. 340

29 Dec. 1975

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:

EC Bull., Suppl. 1/76

(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.

1.431
(contd)

(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.

(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.)



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. 4a
EAEC Tr., Art. 93
EEC Tr., Arts 30, 31, 32, 33,
34
EEC Tr., Arts 12-17
EEC Tr., Art. 33
EEC Tr., Art. 35
EEC Tr., Arts 9-11
EEC Tr., Art. 36

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

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

Gradual increase of global quotas.

Accelerated abolition of quantitative restrictions where possible.

Creation of customs union within 12 years.

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.):

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

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

OJ 1966 p. 1445
OJ L 284/70

	2.12 (<i>contd</i>)	<i>Acting on Comm. prop., C by qual. majority:</i>	
EEC Tr., Art. 25 (1)		— grants individual Member States tariff quotas if Comm. finds EC supply of particular products insufficient.	
		<i>Unanimously:</i>	
EEC Tr., Art. 100		— issues Dirs to approximate nat. legal provisions (e.g. those concerning customs matters) directly affecting the common market (must consult EP and ESC if amendment of nat. legislation involved).	
		<i>Comm. independently adopts:</i>	
EEC Tr., Art. 10 (2)		— Decs on methods of administrative cooperation to achieve customs union.	
EEC Tr., Art. 27		— Recs to Member States on approximation of provisions in respect of customs matters; since end of the transitional period (1 July 1968), such measures have been based on EEC Tr., Arts 100 and 235 (see 1.22, 1.233 for procedure).	
C Reg., 19 Dec. 1972, Art. 4		— Measures for maintaining EC tariff quota <i>vis-à-vis</i> developing countries.	OJ L 296/72
EEC Tr., Art. 33 (7)		— Dirs on abolition of measures having effect equivalent to that of quotas.	
EEC Tr., Art. 37 (6)		— Recs on adjustment of State commercial monopolies.	
		<i>Comm. in conjunction with a management cttee</i> (see 1.202) proposes measures such as:	
C Reg., 18 March 1969		— Reg. on Community transit procedures.	OJ L 77/69
C Reg., 27 June 1968		— Reg. on common definition of concept of 'origin of goods'.	OJ L 148/68
C Dir., 4 March 1969		— Dir. on harmonization of provisions on inward processing.	OJ L 58/69

2.13 **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:	
Comm. Rec., 21 June 1968	— 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
C Dir., 19 Dec. 1977	Derogation accorded to Denmark relating to rules governing turnover tax and excise duty applicable in international travel.	OJ L 336/77
	(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 OJ C 59/80

Acces. Tr., Art. 42 Comm. Commun., (18 Oct. 1978)	2.13 (<i>contd</i>)	(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.	Bull. EC 10-78
General C Progr. of 28 May 1969 Suppl. of 21 May 1973		(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.	OJ C 76/69 OJ C 38/73
Comm. Commun., 1 Jan. 1980 Prop. for Dec., 25 Aug. 1980 EP Opinion, 16 Oct. 1980		Comm. proposes new approach to policy on technical obstacles to trade. This policy must become preventive. Hitherto it was primarily intended to remove existing obstacles. EP approves this 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 1980 a further 40 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. 77/62		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
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	<i>Progress achieved:</i>	
Comm. Progr., 28 April 1971	(contd)	(i) Harmonization of customs laws; Comm. programme only partly implemented. Numerous proposals are before C for examination.	
Comm. working progr., 25 Feb. 1975		(j) Simplification of customs procedures and formalities.	
EP Rep. EP Opinion		(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
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

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
(*cont'd*) and with Comm. in matching jobs wanted and jobs vacant.

— Organs entrusted with running system:

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 workers (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

2.213

C Reg. of 9 Feb. 1976	2.213 (<i>contd</i>)	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		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
C 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	Work in progress	
Prop. Dir. of 4 Nov. 1976		Proposal for Directive to combat illegal immigration into EC from third countries. Rejected by EP in its Opinion of 12 Dec. 1977.	OJ C 277/76
EP Opinion of 12 Dec. 1977		Re-submitted with amendments of EP by Comm. on 3 April 1978. Since then has been before C pending adoption.	OJ C 200/77
	2.215	Prospects	
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, — general and detailed forecasts in sphere of employment, — more effective measures for settling migrant workers in their new working environment, — mutual recognition of professional qualifications.	OJ L 49/71

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

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

EEC Tr., Arts. 52, 59 and 60

— 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);

EEC Tr., Arts. 53 and 62

— No new restrictions to be introduced;

EEC Tr., Arts. 54 and 63

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

EEC Tr., Art. 66	2.221 (<i>contd</i>)	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		— restrictions still obtaining not to involve distinctions on grounds of 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.

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

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**

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

OJ 2/62

General Programmes of
18 Dec. 1961

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.

J 2/62

S e r v i c e s :

- Those who are already benefiting include:
 - Member States' nationals resident within Community;
 - 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.

Dec. CJEC of 21 June 1974

Case 2/74 [1974] ECR 631

¹ 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)

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;
- 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

2.2231

2.2231
(contd)

Attainment of freedom of establishment

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

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

(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

C Dir. of 31 May 1963

(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)

C Dir. of 25 Feb. 1964

— Wholesale trade: Transitional measures
Certification of practice of occupation in country of origin

OJ 24/65

Comm. Rec. of 12 Jan.
1965¹

— Wholesale coal trade and activities of intermediaries in the coal trade: Transitional measures

OJ L 267/70
ibid.

C Dir. of 30 Nov. 1970

C Dir. of 15 Oct. 1968

— Retail trade: Transitional measures

OJ L 260/68

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

Comm. Rec. of 22 May 1969 ¹	2.2232 (<i>contd</i>)	Certification of practice of occupation in country of origin	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	OJ 56/64
Comm. Rec. of 12 Jan. 1965 ¹		Certification of practice of occupation in country of origin	OJ 24/65
C Dir. of 13 Dec. 1976		— Activities of self-employed insurance agents and brokers: Transitional measures	OJ L 26/77
C Dir. of 24 April 1972		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) ²	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 L 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

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

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

Comm. Rec. of 22 May 1969 ¹	2.2232 (<i>contd</i>)	Certification of practice of occupation in country of origin	OJ L 146/69
		— Manufacture of food, beverages and tobacco (ISIC Major Groups 20, 21): Transitional measures	OJ L 260/68
C Dir. of 15 Oct 1968			OJ L 260/68
Comm. Rec. of 22 May 1969 ¹		Certification of practice of occupation in country of origin	OJ L 146/69
		— 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. of 16 June 1975		— Creation of Advisory Committee on Medical Training	OJ L 167/75

C Dec. of 16 June 1975	2.2232 (<i>contd</i>)	— 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		— Prophylaxis and inspection of animal foodstuffs and foodstuffs of animal origin	OJ C 308/78

C Dir. of 27 June 1977	2.2232 (<i>contd</i>)	— 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 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		— 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	2.2232 (<i>contd</i>)	— 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 Attainment of freedom to provide services	ibid.
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		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. Attainment of freedom of establishment in agriculture	OJ C 287/79 EP Doc. 1-814/79 OJ C 117/80
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 access to cooperatives access to the various forms of credit access to the various forms of aid	OJ 190/67 ibid. OJ L 93/68 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 267/11

Work in Progress

	Props. for C Dir. on attainment of freedom of establishment and freedom to provide services in following sectors:	
EP Opinion	— Self-employed commercial agents Coordination of laws of Member States	OJ C 13/77 EP Doc. 222/78 OJ C 239/78
	Amendment to Prop. for Dir.	OJ C 56/79
EP Opinion	— Architects Recognition of diplomas, certificates and other qualifications	OJ 239/67 EP Doc. 24/68 OJ 72/68
EP Opinion	Coordination of laws, regulations and administrative provisions	ibid. ibid.
	Creation of Advisory Committee on Education and Training in Field of Architecture	Comm. Doc. (77) 530 fin. of 9 Nov. 1977
	— Transport agents and travel agents: Transitional measures	OJ 73/66 EP Opinion OJ C 72/68
	— Research, design, consultation and technical application (esp. engineering activities): Transitional measures	OJ C 99/69
	Coordination of legal and administrative provisions on training of engineers	ibid. EP Opinion OJ C 51/70
	— Activities in finance, economics and accountancy: Transitional measures	OJ C 115/70 EP Opinion OJ C 45/71

2.224 (<i>contd</i>)	— Activities of self-employed persons under ISIC classes 22 and 61 (tobacco and salt monopolies) ¹ Transitional measures ²	OJ C 21/70 OJ C 6/71 EP Opinion OJ C 103/70
	— Activities of self-employed persons in pharmacy ¹ ; recognition of diplomas, certificates and other qualifications ² ; coordination of laws, regulations and administrative provisions ² ; wholesale trade sector covering medicinal products ¹	OJ C 54/69
	— Opticians ¹ ; recognition of professional qualifications ² ; coordination of legal and administrative provisions on taking up and pursuit of such activities by a natural and legal person ²	OJ C 155/69
	— Journalism ¹	Suppl. 8/64-Bu
	— Hairdressers ^{1, 3} ; recognition of professional qualifications ² ; coordination of legal and administrative provisions ²	OJ C 106/71 EP Opinion OJ C 103/72
	— Tax consultants and tax attorneys ¹ ; Transitional measures ²	OJ C 107/71 EP Opinion OJ C 36/72

¹ Proposal withdrawn on 4 Nov. 1974 following ruling of CJEC: Case 2/74 (1974) ECR 631.

² Proposal withdrawn by Comm. on 8 Dec. 1976; OJ C 26/77.

³ Proposal amended by Comm. Prop. (72) 1658 fin. of 4 Jan. 1973.

2.224
(contd)

Props. for C dir. on attainment of freedom of establishment for self-employed persons in:

- Itinerant activities¹ OJ C 89/70
- Customs forwarding agents; Transitional measures² OJ 73/66
- Transport of goods and passengers by road and by inland waterway (recognition of diplomas) OJ C 279/75

Props. for C Dir. on attainment of freedom to provide services in

- Cinematography (public register) OJ C 106/71
- Coordination of laws, regulations and administrative provisions EP Opinion OJ C 36/72
- Activities of self-employed persons in film distribution

Prop. for C Dir. on

OJ C 50/71

Coordinating procedures for public contracts except those issued by public transport, water and energy utilities.

Proposals for directives coordinating national provisions on taking up and pursuit of following activities;

- direct insurance other than life insurance (directive amending the Directive of 24 July 1973); OJ C 243/75
- direct insurance other than life insurance (second directive); OJ C 32/76
EP Opinion
OJ C 36/78
- insurance contracts; OJ C 190/79
EP Doc. I-237/80
- legal expenses insurance, OJ C 198/79
- credit insurance. OJ C 245/79

EP Opinion

¹ Proposal withdrawn on 4 Nov. 1974 following ruling of CJEC: Case 2/74 (1974) ECR 631.

² Proposal withdrawn by Comm. on 8 Dec. 1976; OJ C 26/77.

2.23 · **FREE MOVEMENT OF CAPITAL**

2.230 **Objective**

C Res., 22 March 1971

Free movement of capital not later than 1980.

OJ C 28/71

2.231 **Requirements of Treaties**

EEC 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.

EEC 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.

EEC Tr., Art. 68 (3)

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

EEC Tr., Art. 72

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

EEC Tr. Art. 73 (2)

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

2.231
(*contd*)

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
by qual. majority, decides:

EEC Tr., Art. 70 (2)

— Amendment or abolition of special national provisions aimed at alleviating foreign exchange difficulties.

(c) *Comm. may, after consulting Monetary Cttee, issue:*

EEC Tr., Art. 71 III

— Recommendations aimed at reducing foreign exchange restrictions on movements of capital.

Comm. Decs, 20 June 1975 and 29 Sept. 1976	2.233 (contd)	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 EP Rep. EP Opinion		Coordination of the requirements for the drawing-up, scrutiny and distribution of the listing particulars to be published for the admission of securities to official stock exchange listing. 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.	OJ L 100/80 EP Doc. 186/73 OJ C 11/74 EC Bull. 5/79 OJ L 291/79
	2.234	Work in progress	
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;
- registered office, central administration or principal place of business within EC.

EAEC Tr., Art. 45-51

Status of Joint Undertakings in nuclear industry.

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 EP Opinion	<i>First Directive</i> Coordination of general safeguards (disclosure, validity of obligations entered into on behalf of a company).	OJ L 65/68 OJ 96/66
C Dir. of 14 Dec. 1976 EP Opinion	<i>Second Directive</i> Formation of stock-holding company, maintenance and alteration of its capital.	OJ L 26/77 OJ C 114/71
C Dir. of 9 Oct. 1978 EP Opinion Second EP Opinion	<i>Third Directive</i> ¹ — mergers of public limited liability companies in a Member State.	OJ L 295/78 OJ C 129/72 OJ C 95/75
C Dir. of 25 July 1978 EP Opinion	<i>Fourth Directive</i> — Annual statement of accounts of company (breakdown and contents of annual statement, situation report, methods of valuing assets).	OJ L 222/78 OJ C 29/72
C Dir. of 5 March 1979 EP Opinion	— Coordination of conditions for admission of securities to official stock exchange quotation.	OJ L 66/79 OJ C 238/76
C Dir. 80/390/EEC of 17 March 1980 EP Opinion	<i>Sixth Directive</i> — Drawing up, scrutiny and distribution of the listing particulars to be published for admission of securities to official stock exchange listing.	OJ L 100/80 EP Doc. 186/73 OJ C 11/74
Conv. of 29 Feb. 1969	— Convention on mutual recognition of companies and legal persons.	Suppl. 4/71 — Bull. EC

¹ Partial adoption of initial Comm. prop. Remaining part of this prop. is still being considered by C.

WORK IN PROGRESS**A. Coordination of provisions safeguarding shareholders and third parties**

Prop. amendment	(a) Third Directive ¹ — mergers of public limited liability companies in a Member State.	Comm. Doc. (75) 671 fin.
Prop. Dir.	(b) Fifth Directive — structure of limited company (composition, powers and obligations of its organs).	OJ C 131/72
Prop. Dir.	(c) Seventh Directive — consolidated balance sheet (standards for drawing up and evaluating group accounts).	OJ C 121/76 OJ C 14/79 OJ C 163/78 OJ C 112/78
Prop. amendment EP Opinion	(d) Eighth Directive — approval of persons responsible for carrying out statutory audits of annual accounts of limited liability companies.	OJ C 317/79 OJ C 140/79
Prop. Dir.	(e) Information to be published on regular basis by companies whose transferable securities are admitted to official stock exchange quotation.	OJ C 29/79 OJ C 210/80 OJ C 85/80
Prop. amendment EP Opinion	(f) Control of concentrations (obligation to notify Comm. of certain transactions concerning concentration of undertakings).	OJ C 92/73 OJ C 23/74
Prop. Reg. EP Opinion	B. On basis of EEC Tr., Art. 235 (cases not provided for in Tr.) (a) Statute of European company — enables enterprises with activities not restricted to satisfaction of purely local needs to reorganize their activities at Community level by concentration and merger measures; — 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;	OJ C 124/70 Comm. Doc. (75) 150 fin. OJ C 93/74

¹ See above.

2.33
(contd)

- 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;
- 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) 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.

Prop. Reg.
EP Opinion

OJ C 106/71
OJ C 46/72

Prop. Reg.
EP Opinion
Prop. amendment

OJ C 14/74
OJ C 163/77
OJ C 103/78

C. International conventions

- draft Conv. on international mergers.

Suppl. 13/73—
Bull EC

D. Multinational undertakings

- multinational undertakings and EC Regulations.¹

OJ C 114/73
OJ C 5/75

C Prop. Res.
EP Opinion

¹ Proposal withdrawn by the Commission in July 1980.

2.33
(contd)

TAXATION SYSTEM

A. State of integration

C Dir. of 17 July 1969
EP Opinion

— indirect taxes on raising of capital,

OJ L 249/69
OJ 119/65

C Dir. of 9 April 1973
EP Opinion

— 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

C Dir. of 9 April 1973
EP Opinion

— fixing common rates of capital duty,

OJ L 103/73
OJ C 78/71

C Dir. of 7 Nov. 1974
EP Opinion

— 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

Prop Dir.
EP Opinion

— 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

Prop. Dir.
EP Opinion

— common taxation system applicable to parent companies and subsidiaries of various Member States,

OJ C 39/69
OJ C 51/70

Prop. Dir.
EP Opinion

— harmonization of systems of company taxation and of withholding taxes on dividends,

OJ C 253/75
OJ C 6/78

Prop. Dir.
EP Opinion

— elimination of double taxation (arbitration procedure).

OJ C 301/76
OJ C 163/77

RIGHTS OF WORKERS

A. State of integration

C Dir. of 17 Dec. 1975
EP Opinion

— approximation of laws of Members States relating to collective redundancies,

OJ L 48/75
OJ C 19/73

C Dir. of 4 Feb. 1977
EP Opinion

2.33
(*contd*)

— 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

Prop. Dir.
EP Opinion
Prop. amendment

B. Work in progress

— protection of employees in the event of the insolvency of their employer.

OJ C 135/78
OJ C 39/79
Comm. Doc.
(79) 131 fin.

2.4 **Competition**

2.40 **OBJECTIVES**

Ist Comm. Report on
Competition Policy

- 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

W.Q. No 644/80

OJ C 213/80

2.41 **REGULATION OF COMPETITION IN ECSC TREATY**

2.411 **Requirements of ECSC Treaty**

ECSC Tr., Art. 4

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;

ECSC Tr., Art. 5

Establishment, maintenance and observance of normal competitive conditions; if necessary, direct influence by EC on production and market;

ECSC Tr., Art. 60

Prohibition of discriminatory and unfair pricing practices;

Publication of price lists and conditions of sale;

ECSC Tr., Art. 63

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;

2.4/2.411

ECSC Tr., Art. 65	2.411 <i>(contd)</i>	<p>Prohibition (legal invalidity) of agreements and concerted practices which may restrict competition;</p> <p>Authorization by Comm. of agreements on specialization or joint buying or selling possibly subject to specified conditions and for limited periods;</p>
ECSC Tr., Art. 66		<p>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;</p> <p>No prior authorization required when size of assets or undertakings concerned is insignificant;</p> <p>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.;</p>
ECSC Tr., 64–66		<p>Fixing of fines or periodic penalty payments, by Comm., if ECSC. Tr. infringed;</p>
ECSC Tr., Art. 67		<p>Action by Comm. against measures by Member States liable to have appreciable repercussions on conditions of competition.</p>

2.412 **Decision-making procedure under ECSC Treaty**

Comm. after consulting:

- | | |
|-----------------------|---|
| ECSC Tr., Art. 60 (2) | <p>— <i>Consultative Cttee in accordance with ECSC Tr. may issue:</i>
instructions on publication of prices,</p> |
| ECSC Tr., Art. 60 (2) | <p>— <i>Consultative Cttee in accordance with ECSC Tr. and C may make:</i>
decisions defining prohibited practices,</p> |

ECSC Tr., Art. 61, (1)	2.412 (contd)	— <i>studies of price levels;</i>
ECSC Tr., Art. 67		recommendations for abolition of national measures restricting competition;
ECSC Tr., Art. 66 (7)		— <i>national governments, may determine:</i> prices, conditions of sale, etc. where undertakings dominate market, if corresponding recommendations not complied with.
		<i>Comm. decides independently by implementing regulations and individual decisions on:</i>
ECSC Tr., Art. 60 (2) (a)		— recommendations for preventing practices restricting competition,
ECSC Tr., Art. 63		
ECSC Tr., Art. 61		— fixing prices,
ECSC Tr., Art. 65 (2)		— authorization of specialization agreements,
ECSC Tr., Art. 65 (3,4)		— monitoring prohibition of practices restricting competition,
ECSC Tr., Art. 65 (5)		— fixing fines,
ECSC Tr., Art. 66 (6)		
ECSC Tr., Art. 66		— authorization of mergers,
ECSC Tr., Art. 66 (5)		— decisions declaring concentration of enterprises unlawful; execution of separation measures,
ECSC Tr., Art. 66 (7)		— recommendations to prevent dominant positions on market.

2.413 **State of integration**

(a) ECSC Tr., Art. 60, 63

HA Dec. of 12 Feb. 1953	Modes of assessment for sales of coal in Common Market	OJ 2/53
	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. 1954		OJ 1/54

HA Dec. of 2 May 1953 HA Dec. of 7 Jan. 1954	2.413 (<i>contd</i>)	Practices prohibited by Art. 60 (1) of ECSC Tr. Deviation from published price lists is discrimination if seller cannot prove that: — transaction does not fall within categories covered, — deviation is common to all comparable transactions.	OJ 6/53 OJ 1/54
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. Aligning of quotation on those of enterprises outside EC and rebates or special prices for indirect exports must be notified to Comm.	OJ 187/63
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 provisions, 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, — mergers between coal and steel-producing undertakings and undertakings outside ECSC, — 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.	OJ 154/67 OJ C 255/78
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

2.413
(contd)

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

Coal:

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

Steel:

Outlines of competition
policy

Comm. has defined competition policy respect to structure of steel industry:

OJ C 12/70

- 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;

2.413 — promotion of specialization or joint-selling agreements between
(*cont'd*) small and medium-sized undertakings to improve production or sales conditions.

(c) 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. No 257/80
of 1 Feb. 1980

Establishing EC rules for specific State aids to steel industry;

OJ L 29/80

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)

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;

2.421 Adjustment of State commercial monopolies during transitional
(*contd*) 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

(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:*
Decisions under EEC Tr., Art. 85, 86 or Reg. for application of EEC Tr., Art. 85 (3) to categories of agreements or concerted practices.

C. Reg. of 6 Feb. 1962
EEC Tr., Art. 85, 86

OJ 13/62

State of integration**A. Implementation and enforcement of Arts 85 and 86 of EEC Tr.**

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)

- 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;
- 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 13/62
(OJ C 58/62
OJ C 162/63
OJ L 285/71)

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

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 792/79R of 10 Jan.
1980

- Comm. has inherent powers to adopt interim measures:
Camera Care v Commission.

1980 ECR 119

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. 77 EEC Tr. and

2.423
(contd)

(b) through other Community acts.

(i) Examples of individual decs. and judgments concerning Art. 85 (1) and (3) of EEC Tr.:

Cases 41/69, 45/69, 48/69

— restrictive pricing practices:

Dyestuffs case; concerning uniform parallel price increases made by competing firms;

1972 Euro. Ct. Reports 619

Comm. Dec. of
22 Dec. 1976

GERO-Fabriek; concerning resale price maintenance;

OJ L 16/77

Joined Cases 56 and 58/64

— distribution practices:

Consten & Grundig v Commission; parallel imports into a distributor's exclusive territory must remain possible;

1966 ECR 299

Comm. Dec. of
20 Jan. 1977

— cooperation between undertakings:

Vacuum Interrupters; concerning the creation of a joint venture by two competing undertakings;

OJ L 48/77

Comm. Dec. of
15 Dec. 1975

Bayer/Gist-Brocades; concerning specialization agreement;

OJ L 30/76

Cases 15/74 and 16/74

— 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

Case 6/72

Some examples concerning Art. 86:

— 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:

1973 ECR 215

Europemballage and Continental Can v Comm.;

Joined Cases 6 and 7/73

— refusal to sell:

Commercial Solvents v Comm. but see

1974 ECR 223

Case 77/77

BP v Comm.

1978 ECR 1513

2.423

Case 27/76	2.423 (contd)	— discriminatory and unfair pricing:	1978 ECR 207
		<i>United Brands v Comm.</i> ;	
Case 85/76 Joined Cases 40–48, 50, 54–56, 111, 113–114/ 73		— fidelity rebates:	1979 ECR 461
		<i>Hoffman-La Roche v Comm.</i> , see also <i>Suiker Unie v Comm.</i>	
Case 102/77		— exercise of industrial property rights:	
Case 3/78		<i>Hoffman-La Roche v Centrafarm</i>	1978 ECR 1139
		<i>Centrafarm v American Home Products</i> ;	1978 ECR 1823
		— effect on inter-State trade	
Case 22/78		<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		— 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
(b) licensing:			
Comm. Commun.		— 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

	2.423 (<i>condt</i>)	(c) exclusive dealing:	
Comm. Reg. 67/67 of 22 March 1967 (amended by Comm. Reg. 2581/72 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.		— proposes amendments to Comm. Reg. 67/67 of 22 March 1962 (not yet definitively adopted by Comm.),	OJ C 31/78
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 agree- ment between undertakings affects inter-State trade;	OJ C 313/77
		(e) specialization:	
Comm. Reg. 2779/72 of 21 Dec. 1972 (amended by Comm. Reg. 2903/77 of 23 Dec. 1977)		— grants block exemption under Art. 85 (3) of EEC Tr. to speciali- zation agreements fulfilling certain conditions;	OJ L 292/72 (OJ L 338/77)
		(f) cooperation:	
Comm. Commun.		— guidelines as to permitted forms of cooperation between under- takings;	OJ C 75/68
		(g) sub-contracting:	
Comm. Commun.		— 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 C1/79

<p>Prop. Reg. of 18 July 1973 EP Rep. EP Opinion</p>	<p>2.423 (<i>condt</i>)</p>	<p>(h) merger control and multinationals:</p>	<p>OJ C 92/73 EP Doc. 263/73 OJ C 23/74</p>
<p>Comm. Communication of 7 Nov. 1973 Draft C decision of 7 Nov. 1973</p>		<ul style="list-style-type: none"> — obligatory notification to Comm. of takeovers or mergers involving undertakings with joint turnover exceeding 1 000 million u.a. — 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 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. 	<p>COM (73) 1930</p>
<p>EP Rep. EP Opinion</p>		<p>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.</p>	<p>EP Doc. 292/74 OJ C 5/75</p>
<p>EP Rep. EP Opinion</p>		<p>To this end, EP calls upon Council and Comm. to conduct negotiations with parties concerned, governments and international organizations and undertakings.</p>	<p>EP Doc. 547/76 OJ C 118/77</p>

C. Individual sectors

Agriculture:

<p>EEC Tr., Art. 42</p>	<p>EC competition rules shall only apply to production of and trade in agricultural products to extent determined by C.;</p>	<p>OJ 30/62</p>
<p>C. Reg. 26/62 of 4 April 1962</p>	<p>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.</p>	

	2.423 (<i>contd</i>)	<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.		EP calls for more competition in air transport sector, through e.g. dere- gulation and greater freedom of access;	EP Doc. 1-724/79 EP Res. of 17 Oct. 1980
		Comm. preparing Regs. extending full EC competition rules to air and sea transport sectors.	9th Comp. Rep. para. 12 – 15
		<i>Nuclear Energy:</i>	
EEC Tr., Art. 232 (2)		EC competition rules shall apply to nuclear energy industry to extent that they do not derogate from EAEC ('Euratom') Tr.;	
EAEC Tr., Art. 45 ff.		Provisions relating to joint ventures, suppliers, prices and nuclear materials;	
Comm. Dec. of 23 Dec. 1975		'United Processors and KEWA'-application of EEC competition rules to nuclear energy industry.	OJ L 51/76
		<i>Commercial monopolies:</i>	
Case 59/75		(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

2.423
(contd)

D. Aids granted by Member States

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:

11 GR EC, Par. 180

(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

Comm. Commun. of
25 May 1978

(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

4th C. Dir. of
4 April 1978
Prop. 5th C. Dir.
of 18 Sept. 1980

— Shipbuilding (this Dir. supersedes three previous Dirs);

OJ L 98/78
(OJ L 206/69,
OJ L 169/72,
OJ L 192/75)
OJ C 26/80

Comm. Commun. of
21 December 1978

(c) State regional-aid systems; principles of coordination.

OJ C 31/79

E. Public and other undertakings referred to in Article 90

EEC Tr. Art 90 (1)
and (2)

Articles 85 and 86 of EEC Tr. apply to public undertakings and undertakings to which Member States grant special or exclusive rights, but undertakings entrusted with operation of services of general economic 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.

Case 127/73
Comm. Dec. of
26 July 1976

2.423
(*contd.*)

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

Comm. Dir. of
25 June 1980

Transparency of financial relations between Member States and public undertakings.

OJ L 195/80

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

Conv. supplements 1973 Munich Conv, signed by 16 European States.

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.

2.5 **Harmonization of taxation**

2.50 **OBJECTIVES**

EEC Tr., Art. 95 – 102

Harmonization of tax laws of Member States to prevent distortion of competition and restriction of free movement of goods, services and capital.

Comm. Commun. to C of
2 Feb. 1967

Tax harmonization action programme.

Suppl. Bull. EC
8/67

Comm. Commun. to C of
26 June 1967

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

C Res. of
22 March 1971

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

Comm. Commun. to C of
30 July 1975

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.

Comm. Commun. to C of
27 March 1980

Scope for convergence of tax systems in EC.

Com (80) 139

2.51 **DECISION-MAKING PROCEDURES**

EEC Tr., Art. 99, Par. 2

C decides unanimously, on proposal of Comm. :

EEC Tr., Art. 100, Par. 2

— on approximation of national legislation;

EEC Tr., Art. 98	2.51 (contd)	<p><i>EP and ESC to be consulted</i></p> <p><i>C authorizes by qual. majority on proposal of Comm. limited-period discharge from countervailing charges in trade between Member States.</i></p>
EEC Tr., Art. 97, Par. 2		<p><i>If Member State infringes EEC Tr., Art. 95 or 96, Comm. issues directives or decisions applicable to the Member State in question.</i></p>

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.

2.5221 *TURNOVER TAX*

1st C Dir. 227
of 11 April 1967

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

Objectives:

- short-term: abolition of taxation components which distort conditions of competition at national and Community level;
- long-term: abolition of import levies and tax remissions on exports in trade between Member States.

Methods:

- introduction of common VAT system, simple and neutral with respect to origin of goods and services and, if possible, embracing retail trade;
- later, harmonization of tax rates and exemptions;
- taking account of tax and budgetary policy of Member States when introducing VAT system.

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

- scope, territorial application, taxable persons, taxable transactions and their location, chargeable events and chargeability to tax, taxable amount, rates, exemptions and deductions;

OJ C 40/74

Arts. 24-26	2.5221 (<i>contd</i>)	— special schemes prescribed for small undertakings, for farmers and for travel agents;	
Art. 29		— VAT Advisory Committee set up.	
8th C Dir. 1072 of 6 Dec. 1979 EP Opinion		Rules governing reimbursement of VAT to taxable persons not resident in Member State of imposition.	OJ L 331/79 OJ C 39/79
11th C Dir. 368 of 26 March 1980		Exclusion of French overseas departments from scope of 6th C Dir.	OJ L 90/80

2.5222 *DUTIES ON RAISING OF CAPITAL*

C Dir. 335 of 17 July 1969		Abolition of stamp duty on issue of securities.	OJ L 249/69
C. Dir. 79 of 9 April 1973		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 %.	OJ L 103/73 OJ L 103/73
C Dir. 553 of 7 Nov. 1974		Determination of basis to take account of actual value of subscribed capital.	OJ L 303/74

2.5223 *TAXES IN INTERNATIONAL TRAVEL*

Harmonization of legal and administrative provisions relating to exemption from turnover tax and excise duty on imports in international travel.

Objective:

To make population of Member States aware of reality of CM when importing goods of a non-commercial nature.

<p>C Dir. 169 of 25 May 1969 (amended by 2nd C Dir. 230 of 12 June 1972, 3rd C Dir. 1032 of 19 Dec. 1978, 4th C Dir. 1033 of 19 Dec. 1978)</p>	<p>2.5223 (<i>contd</i>)</p>	<p><i>Methods:</i></p>	<p>OJ L 133/69 (OJ L 139/72 OJ L 366/78 OJ L 366/78)</p>
<p>C Reg. 1544 of 23 July 1969 (amended by C Reg. 3061 of 19 Dec. 1978)</p>		<p>(a) goods brought into EC as personal baggage exempt from VAT and excise duty up to 40 EUA per person (or 20 EUA per person under 15 years of age);</p> <p>(b) goods crossing internal EEC frontier for non-commercial purposes exempt from VAT and excise duty up to 180 EUA per person (Member States may reduce this to 50 EUA per person under 15 years of age);</p> <p>(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;</p> <p>Derogations granted to Ireland and Denmark.</p>	
<p>C Reg 3539 of 18 Dec. 1973</p>		<p>(d) Exemption from import charges up to 40 EUA in respect of goods considered as personal baggage;</p>	<p>OJ L 191/69 (OJ L 366/78)</p>
<p>C Reg. 3060 of 19 Dec. 1978 EP Opinion</p>		<p>(e) flat-rate import charges collected on small non-commercial consignments of agricultural products so as to avoid the collection of several different charges;</p>	<p>OJ L 361/73</p>
<p>C Dir. of 19 Dec. 1974 (amended by C Dir.1034 of 19 Dec. 1978)</p>		<p>(f) Exemption from import charges for small consignments of agricultural products and other goods up to 30 EUA;</p>	<p>OJ L 366/78 OJ C 261/78</p>
		<p>(g) relief from VAT and excise duties on importations of small consignments within the Community up to 60 EUA;</p>	<p>OJ L 354/74 (OJ L 366/78)</p>

2.5224 *EXCISE DUTIES*

The harmonization programme envisaged by the Commission covers the following products: mineral oils, manufactured tobacco, alcohol, beer, wine.

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

2.5224
(*contd*)

— *Manufactured tobacco*

Directives lay down general principles of harmonization and special criteria applicable during successive stages.

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): 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. 1972 and of 2nd C Dir. 32 of 18 Dec. 1978.

OJ L 303/72
(OJ L 180/74
OJ L 330/75
OJ L 354/76
OJ L 338/77)
OJ C 21/69

OJ L 10/79

OJ C 155/74
OJ L 90/80

2.523

Work in progress

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.

Determining scope of Article 14(1) (d) of 6th C Dir. 388 of 17 May 1977 as regards exemption from VAT on 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

COM (80) 258/2

2nd C Dir. 32
of 18 Dec. 1978
EP Opinion

C Dir. 369
of 26 March 1980

Prop. for 7th C Dir.
of 11 Jan. 1978
(amended)
EP Opinion

Prop. for 10th C Dir.
of 23 April 1979
EP Opinion

Prop. C Dir.
of 13 June 1980

2.5224/2.523

<p>Prop. for C Dir. of 31 March 1976 EP Opinion</p>	<p>2.523 (<i>contd</i>)</p>	<p><i>Taxes on raising of capital</i></p>	<p>OJ C 133/76 OJ C 259/76</p>
		<p>Transactions in securities</p>	
		<p>— establishment of single taxation system to replace current taxes on stock exchange transactions; prescribes maximum rates and certain compulsory exemptions.</p>	
<p>Prop. for Dir. of 24 Oct. 1975 (amended) EP Opinion</p>		<p>— tax exemptions applicable to personal property of individuals on permanent importation from another Member State;</p>	<p>OJ C 267/75 (Letter/76/6997) OJ C 53/76</p>
<p>Prop. for Dir. of 24 Oct. 1975 (amended) EP Opinion</p>		<p>— tax exemptions for certain means of transport temporarily imported into one Member State from another;</p>	<p>OJ C 267/75 (Letter 76/6998) OJ C 53/76</p>
<p>Prop. 5th Dir. of 30 Nov. 1979 (amended) EP Opinion</p>		<p>Amending derogations granted to Ireland and Denmark under 3rd C Dir. 1032 of 15 Dec. 1978 and tax-free allowance limits.</p>	<p>OJ C 318/79 (Com/80/0308) OJ C 117/80</p>
<p>Prop Dir. of 23 Jan. 1980 EP Opinion</p>		<p>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.</p>	<p>OJ C 31/80 OJ C 147/80</p>
		<p><i>Excise duties</i></p>	
<p>Prop. for Dir. of 7 March 1972 EP Opinion</p>		<p>Introduction of harmonized excise duty system for mineral oils, manufactured tobacco, alcohol, beer, wine and mixed beverages.</p>	<p>OJ C 43/72 OJ C 48/74</p>
		<p>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.</p>	
<p>Prop. for Dec. 7 March 1972 EP Opinion</p>		<p>Setting up Excise Duty Committee.</p>	<p>OJ C 43/72 OJ C 48/74</p>

Prop. Dir. of 25 June 1980	2.523 (<i>contd</i>)	— <i>Manufactured tobacco</i> — establishing 3rd stage of harmonization 1 Jan. 1981 to 31 Dec. 1986, thereby amending C Dir. 464 of 19 Dec. 1972.	OJ C 264/80
Prop. for Dir. of 2 Aug., 1973 EP Opinion		— <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 rela- tionship 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		Comm. proposes compromise enabling prop. Dirs. on 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. 2. 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

Work in progress

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
29 Nov. 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) 15 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.

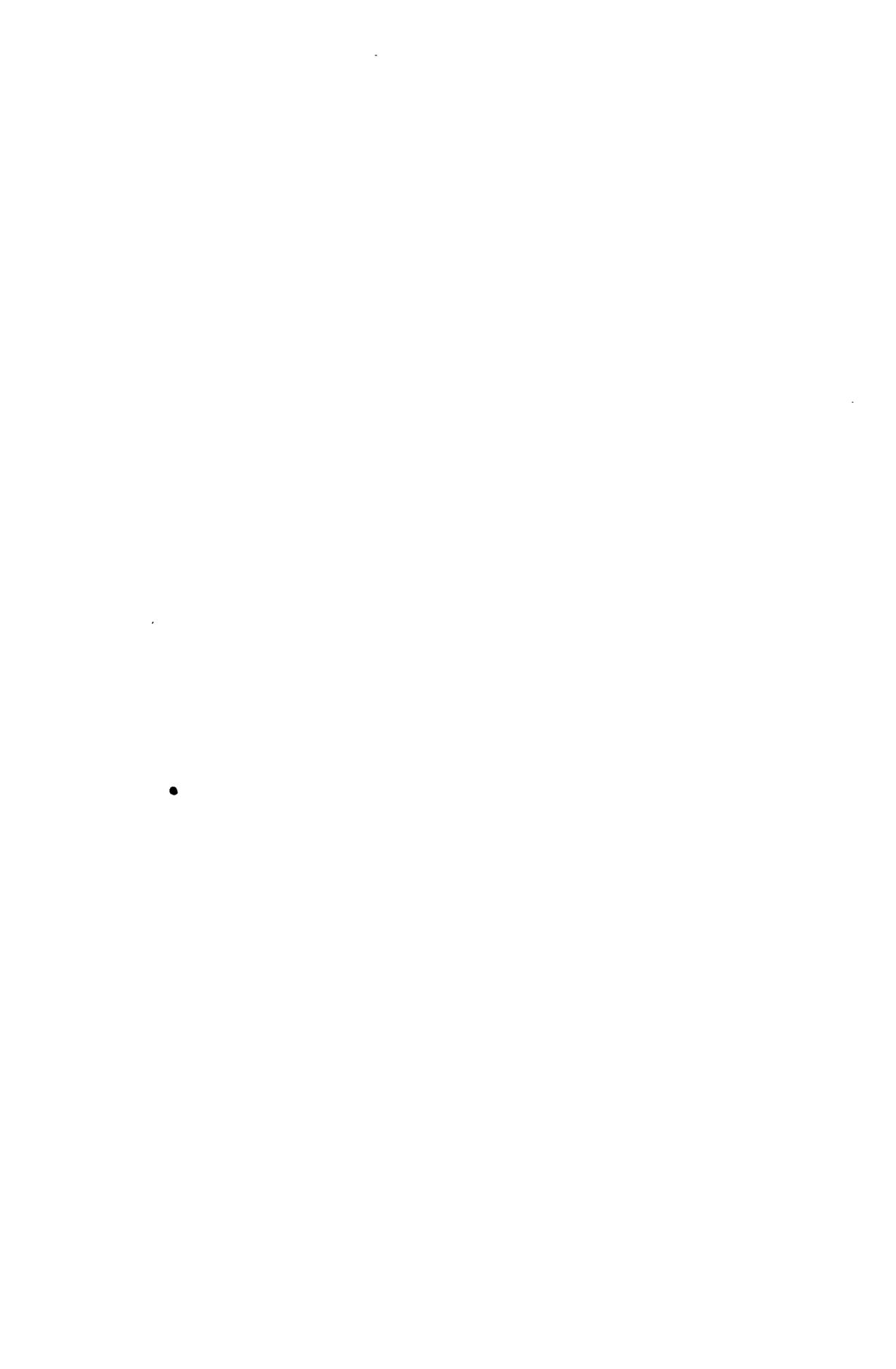
Comm. Progr.
of 30 July 1975

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.

<p>Prop. for Dir. of 1 Aug. 1975 EP Rep.</p>	<p>2.533 (<i>contd</i>)</p>	<p>Harmonization of systems of company taxation and of withholding taxes on dividends.</p>	<p>OJ C 253/75 Doc. 104/79</p>
<p>Interim EP Opinion</p>		<p>— Proposal based on partial imputation system.</p>	<p>OJ C 127/79</p>
<p>Prop. for Dir. of 24 July 1978</p>		<p>— Proposal for a directive for the application of the above proposal for a directive to dividends received through a collective investment institution.</p> <p>Purpose: to achieve equality of tax treatment between direct company shareholders and those whose investment in shares is made through a collective investment institution.</p>	<p>OJ C 184/78</p>
<p>Prop. Dir. of 21 Dec. 1979</p>		<p>— 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 and (iii) income tax relief for insurance premiums and pension contributions should not be made conditional upon taxpayer being resident in Member State granting relief.</p>	<p>OJ C 21/80</p>



3. **REALIZATION OF COMMON AGRICULTURAL POLICY**

EEC Tr., Art. 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.

CAP must be achieved by end of transitional period at latest. Products concerned enumerated in Annex II of Tr. C may decide and has decided amendments to Annex II (with effect: 31 Dec. 1960).

3.1. **Decision-making procedure**

EEC Tr., Art. 43 (1) and
(2) (i)

Two years after Tr. came into force, Comm. — after consulting ESC — drew up proposals on preparation and implementation of CAP. These proposals were submitted by Comm. in 1960: ESC and EP gave their opinions (Boscary-Monsservin Report, No 70).

OJ 16 Nov. 1960

EEC Tr., Art. 43 (2) (iii)	3.1 (<i>contd</i>)	<p>These basic options were followed up in practice as follows:</p> <p>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.</p>	
EEC Tr., Art. 40 (2)		<p>These regulations or directives concern in particular:</p> <ul style="list-style-type: none"> — establishment of common organizations of markets, — setting up of one or more agricultural guidance and guarantee funds, — application of rules on competition to production of and trade in agricultural products, — and, more generally, all measures meeting objectives defined in Art. 39. 	
EEC Tr., Art. 40 (4)			
EEC Tr., Art. 42			
C Reg. of 13 June 1967		Comm., after consulting Management Cttee, decides on:	OJ 117/67
C Reg. of 15 June 1965		<ul style="list-style-type: none"> — implementation of provisions for COM, — impl. provisions for application of network for collection of farm accountancy data, 	OJ 109/65
C Reg. of 5 Feb. 1964		— administration of EAGGF.	OJ 34/64
C Dec. of 15 Oct. 1968		Comm., after consulting Cttee, for Implementation of Regulations, decides on:	OJ L 255/68
C Dec. of 13 Nov. 1969		<ul style="list-style-type: none"> — veterinary matters, — questions concerning foodstuffs. 	OJ L 291/69
		Comm. decides independently on (<i>inter alia</i>):	
		<ul style="list-style-type: none"> — import levies, — export refunds and levies. 	

EEC Tr., Art. 40, 41

3.2 **Measures used**

Common organization of markets by means of:

- common rules on competition,
- compulsory coordination of national MOs,
- European market organization.

COMs cover 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.

Within EC discrimination between producers or consumers is prohibited.

Coordination of measures relating to vocational training, agricultural research and dissemination of agricultural knowledge with aid of jointly financed projects or institutions.

Measures for preparation of joint projects.

EEC Tr., Art. 38

3.21 **INTERNAL COMMON MARKET FOR AGRICULTURAL PRODUCTS**

Save as otherwise provided in Arts. 39 to 46, rules laid down for establishment of common market apply to agricultural products. Since 1972 provisions of Tr. relating to competition have also been applicable to agriculture.

Operation and development of common market for agricultural products must be accompanied by establishment of common agricultural policy.

Most of COMs for final stage of common market were set up between 1966 and 1968. For some products (wine, tobacco, fisheries) regulations were introduced after 1 July 1968 — when free movement of agricultural products was achieved for majority of products.

3.21 Setting up COMs involves abolition of all quantitative restrictions and all customs duties between Member States.
(*contd*)

However, it does not abolish obstacles due to existing differences in national legislations with regard to, e.g. health requirements or provisions relating to composition or packaging of products. Harmonization provisions (mostly in form of directives) will need to be made in this regard.

3.22 **SELF-SUFFICIENCY RATE**

As far as most agricultural products are concerned Community of the Nine had a self-sufficiency rate of around 100. Main products for which rate is significantly less than 100 are vegetable oils and fats (not including olive oil) (22), citrus fruits (42), maize (50), rice (64), sheepmeat and goatmeat (64) and fresh fruit (77).

3.23 **AGRICULTURAL MONETARY POLICY**

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 1977 this was replaced by the EUA (European unit of account).

OJ 106/62
OJ L 263/73

C Reg. 129/62
modified by
C Reg. 2543/73

3.23
(*contd*)

EUA

EUA is a 'basket' unit equal to sum of following amounts in currencies of Member States:

Deutschmark (DM):	0.828
Pound sterling (UKL):	0.0885
French franc (FF):	1.15
Italian lira (LIT):	109.0
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

Green currencies

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.

Since then special representative rates (green currencies) have been introduced. These differ from official parities with the u.a. and are closer to market rates.

3.231 Green currencies may be adjusted to market rates, as has happened
(*contd*) repeatedly. Devaluation of green currency 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)**

Objects

To maintain value of price guarantees in national currencies during period of monetary instability, and to permit free movement of goods at fixed prices.

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.

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

3.232 were introduced in 1973 for new Member States and in 1975 for the
(*contd*) 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 MACS**

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

C Reg. 129/78

Procedure for applying exchange rates and green currencies to granting aid for undertaking joint action in structural field.

OJ L 20/78

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.

3.233 (contd) 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.

C Reg. 652/79
amended by C Reg. 1011/80

3.234 **Impact of European Monetary System (EMS) on CAP**

OJ L 84/79
OJ L 108/80

EUA (also the 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.

C Reg. 1523/80

Experimental regulation on impact of EMS on CAP (in particular with regard to calculation of monetary compensatory amounts) extended to 31 March 1981.

OJ L 152/80

EP Opinion
EP Res. of 14 Dec. 1978

EP agrees with this, but its ultimate objective is to abolish MCAS, which will be facilitated by monetary stability. Aim must be to create unified agricultural market without any reduction in farmers' incomes.

EP Doc. 523/78
OJ C 6/79

Comm. Communication to
EP and C
EP Opinion
C Approval 10 – 11
Nov. 1975
EEC Tr., Art. 38

3.24 **STOCKTAKING OF THE COMMON AGRICULTURAL POLICY**

Suppl. 2/75 Bull. EC

Extension of common market to agriculture

Rate of increase in intra-Community trade in agricultural products 1963 – 1973: 409 % as against 335 % for all products.

OJ C 157/75
Bull. EC 11/75

However: a certain amount of rigidity in regional location of certain products. Obstacles due to monetary position.

EEC Tr., Art. 39 (1 a)

3.24
(contd)

Increase in productivity

Increase in yields greater in crop sectors (cereals 4 % per annum) than in livestock sectors (milk + 0.7 % per annum).

Whereas in industry labour productivity index rose from 100 to 166 between 1961 and 1971, it rose from 100 to 188 in agriculture. Main reason: departure of 5.5 million farmers over this period.

EEC Tr., Art. 39 (1 b)

Fair standard of living

On the whole, agricultural incomes have increased at slightly lower rate than those of other sectors of economy, particularly in Germany, France and Italy. Very wide disparities according to regions (variations in ratio of 1 to 5 among 55 regions of original Community), type of farming as between farms of same size, size of farm as between farms engaged in same type of farming (ratio varying from 1 to 3 for farms of 5 to 10 ha and for those exceeding 50 ha).

EEC Tr., Art. 39 (1 c)

Market stability

Between 1968 and 1974 monthly prices for common wheat varied by only 3 % in EC as against 11 % on world market and 13 % in United States.

Markets in agricultural products covered by price support system were more stable than markets in agricultural products which were subject to supplementary aid system.

Role of machinery of intervention and variable levies to ensure this stability both at times of surplus and during periods of shortage.

EEC Tr., Art. 39 (1 d)

Security of supply

Increase in self-sufficiency rate for most agricultural products under COM.

Security of supply more or less guaranteed for essential products intended for human consumption but enlarged Community dependent on outside supplies for animal feed (80 % for protein-rich concentrates; 50 % for maize).

EEC Tr., Art. 39 (1 e)

3.24
(contd)

Reasonable prices for consumers

On average, purchases of foodstuffs account for 26 % of total consumer expenditure per household. Agricultural component in price of foodstuffs to consumer is a little over one-third. Automatic effect of a 10 % increase in common agricultural prices is an increase of the order of 1.9 % in total household expenditure on consumer goods.

EEC Tr., Art. 110

Harmonious development of world trade

Index figure for imports of foodstuffs from non-member countries rose from 100 to 150 between 1963 and 1972 (\$ 14 500 million in 1973) and figure for exports to non-member countries rose from 100 to 200 (\$ 6 100 million in 1973).

Proposals for improvement

Guidelines on rationalization are contained in section of document headed 'Proposals for improvement'. Comm. will concentrate on achieving, in case of modernized farms, earned income comparable to that obtainable in non-agricultural sectors. Comm. also indicates its intention to ensure that benefit of policy relating to disposal of surpluses is passed on to consumer. It reaffirms intention of codifying and simplifying legislation in force.

As regards various organizations of markets, provision is made for special measures of reform and rationalization.

On general plane, in confirming guidelines of 1973 Memorandum, Comm. maintains principle underlying common price and structure policy and does not wish to generalize forms of income or consumer subsidies.

3.25

NEW GUIDELINES FOR CAP

EP Doc. 128/79

Conclusions from Seminar held by EP Committee on Agriculture in Echternach from 25 to 27 October 1978 on new guidelines for CAP and on strengthening role of EP and its Committee on Agriculture in formulating this policy.

Committee on Agriculture rejects any attempt to modify fundamental principles of CAP, but calls for more efficient use of existing instruments.

Future development of CAP

Comm. position on policy in this field.

Bull EC 11/78

Comm. Communication
to C

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.

C Res. of 23 Nov. 1976

3.251

Political agreement on need for simplification of agricultural legislation for benefit of national administrations and of economy.

OJ C 287/76

3.252

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 sub-

3.252
(*contd*)

mitting 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 is considering a number of draft resolutions aimed at finding alternatives to instruments used hitherto. Ideas mooted relate to introduction of quotas for surplus products, direct support for farmers in conjunction with lower farm prices, more subsidies together with a lower basis price, national financing to supplement Community financing and permanent and automatic application of intervention.

EP Doc. 1 – 610/79
OJ C 97/80

EP Opinion
EP Res. of
26 March 1980

3.26

**GUIDELINES ON THE DEVELOPMENT OF THE
MEDITERRANEAN REGIONS OF THE COMMUNITY
(‘Mediterranean package’)**

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.

When proposals for prices for 1978–79 marketing year were presented, Comm. prepared ‘package’ (guidelines concerning development of Mediterranean regions of EC) of measures aimed at both structure and organization of certain markets of interest to Community’s Mediterranean area.

EP Doc. 467/77
OJ C 36/78

EP Doc. 470/77
EP Doc. 34/78
OJ C 108/78

Comm. Commun.
EP Opinion

Comm. Propls. of
9 Dec. 1977
and 3 Jan. 1978
EP Rep.
EP Opinion

3.252/3.26

3.26
(contd)

Proposals relate to EC action in field of structural policy:

- irrigation;
- restructuring and conversion of vineyards;
- improvement of public services in rural areas;
- development of common marketing projects in these regions;
- 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.

market organization

C Reg. 1562/78
C Reg. 2752/78
C Reg. 3089/78

C Reg. 1152/78
C Reg. 1154/78
C Reg. 1766/78
C Reg. 1122/78
C Reg. 1767/78

(a) olive oil;

OJ L 185/78
OJ L 33/78
OJ L 369/78

(b) fresh and processed fruit and vegetables:

- 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);

OJ L 144/78
OJ L 144/78
OJ L 204/78
OJ L 142/78
OJ L 204/78

3.26 — marketing aid for products processed from lemons, special measures for processing tomato concentrates, skinned tomatoes, prunes and peaches in syrup;
(*contd*)

C Reg. 1119/78

(c) peas and field beans;

OJ L 142/78

C Dec. of 19 Dec. 1978

(d) wine.

3.27 **NATIONAL SUPPORT MEASURES**

Agr. Situation 1978 Rep.
Chap. V(D)
and 1979, Chap. III(D)

These measures continue to make up substantial part of various forms of support given to agriculture (1978: approx. 12 000 million EUA, inc. social security, excluding tax relief).

Comm. keeps list of support measures announced by Member States.

EP Res. of 15 March
1979 and of 10 May 1979
EP Res. of 22 May 1979

EP wishes to consult this list and feels that text, updated annually, should be published.

OJ C 93/79
OJ C 140/79
EP Doc. 1 – 199/80

3.3 **Financing of common agricultural policy**

3.31 **PRINCIPLES**

C Reg. of 4 April 1962

C Reg. of 5 Feb. 1964

C Reg. of 26 July 1966

Establishment of Fund divided into two sections:

OJ 30/62

Guarantee Section:

in 1981 budget, approx. 12 675 million ECU ¹ 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

Guidance Section:

- fixed in principle at 3 600 million ECU for 1980–84 (478.5 million ECU in payment for 1981) 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

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

¹ ECU: see 4.142 in fine.

- 3.32
(*contd*)
- 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

- | | | |
|--|---|---|
| <p>C Reg. of 28 Dec. 1972
 C Reg. of 25 March 1976
 C Reg. of 23 Nov. 1976
 C Reg. of 13 Feb. 1978
 C Reg. of 2 Aug. 1978
 C Reg. of 24 May 1979
 C Reg. of 29 Jan. 1980</p> | <ul style="list-style-type: none"> — General rules for financing of <i>interventions</i> by EAGGF, Guarantee Section: lists interventions intended to stabilize agricultural markets and financed by EAGGF; leaves in abeyance question of financing in full intervention measures for which flat-rate amounts are at present fixed (purchase, storage, sale). There are numerous amendments and additions to this regulation. — Rules applicable to financing of <i>refunds</i> made by EAGGF, Guarantee Section: these rules are fixed individually by regulation establishing COM. | <p>OJ C 287/76
 OJ L 84/76
 OJ L 333/76
 OJ L 45/78
 OJ L 216/78
 OJ L 130/79
 OJ L 28/80</p> |
| <p>C Reg. of 21 Dec. 1977</p> | <ul style="list-style-type: none"> — General financial regulations covering special provisions for EAGGF Guarantee Section (Arts 95 to 101): <ul style="list-style-type: none"> — 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. | <p>OJ L 356/77</p> |

EAGGF APPROPRIATIONS FOR 1980

(in millions of EUA)

A. Guarantee: 11 485.5

Sectors	Refunds	Intervention, aids to production	Other aids
Cereals	1 122.4	494.0	
Rice	44.9	5.0	
Milk products	2 668.6	2 075.0 ¹	186
Olive oil	2.0	465.0	
Oilseeds	6.0	314.0	
Sugar	395.4	301.0	
Beef and veal	460.0	718.0	
Pigmeat	84.0	16.0	
Eggs and poultry	94.0	—	
Fruit and vegetables	55.0	604.0	
Wine	14.0	331.0	5.0
Tobacco	5.0	277.0	
Fishery products ²			
Fibre flax and hemp	—	19.0	
Miscellaneous	—	191.0	
Processed products	275.0	—	
MCAS	—	—	277.0

¹ After deduction of the co-responsibility levy (223 million EUA).

² See Guidance Section.

B. Guidance: 497.7 Commitments 381.2 Payments

	Commitments	Payments
— Projects for improvement of agricultural structures	155.7	71.5
— General measures affecting social structures	49.2	55.2
— Measures benefiting less-favoured regions	89.9	66.5
— Structural measures in conjunction with COMs	152.8	123.9
— Measures affecting fisheries	50.1	64.1

3.34

*(contd)***EAGGF APPROPRIATIONS FOR 1981***(in millions of ECU)***A. Guarantee: 12 674.9**

Sectors	Refunds	Intervention, aids to production
Cereals	1 582.7	622.2
Rice	50.9	11.7
Milk products	2 550.9	1 762.0 ¹
Olive oil	2.0	569.4
Oilseeds	4.9	399.8
Sugar	394.9	344.9
Beef and veal	534.1	819.3
Pigmeat	99.9	27.4
Eggs and poultry	101.9	—
Fruit and vegetables	68.6	661.5
Wine	24.5	432.1
Tobacco	4.9	328.3
Sheepmeat	—	258.7
Fibre flax and hemp	—	21.5
Miscellaneous ²	—	193.0
Processed products	294.0	—
MCAs (net)	275.3	—
Provisional appropriations		254.5

¹ After deduction of co-responsibility levy (498.8 million EUA).² Seed, hops, silkworms, dehydrated fodder, cotton, peas, broad beans, field beans and other protein-containing plants.**B. Guidance: 729.8 Commitments
516.8 Payments**

	Commitments	Payments
— Projects for improvement of agricultural structures	176.0	92.0
— General measures affecting social structures	75.0	75.0
— Measures benefiting less-favoured regions	251.8	178.8
— Structural measures in conjunction with COMs	139.5	122.5
— Measures affecting fisheries and marine sectors (including appropriations covered by Chapter 100)	87.5	48.5

3.34

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 Section as a percentage of EEC gross domestic product
1973	2.7	0.45
1974	1.9	0.34
1975	2.5	0.45
1976	2.6	0.44
1977	2.9	0.49
1978	3.3	0.56
1979 (forecasts)	3.6	0.59
1980 (forecasts)	3.4	0.57

Source: The Agricultural Situation in the Community, 1979.

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). Two other factors are relevant: type of organization previously in existence in particular Member State (existence of quota system for sugar; existence of monopolies for tobacco) 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 these 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.

- 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 price* for EC. These two concepts — free movement and single price — have been called into question by monetary fluctuations which have led to introduction of 'monetary compensatory amounts' and transposition of prices fixed in u.a. 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 export.

Finally it should be noted that some products (flowers, eggs, poultry) are not covered by financial guarantees.

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 — by 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 Reg. 2727/75
Art. 25 to 28

OJ L 281/75

C Dec. of 20 July 1970	3.4112 (<i>contd</i>)	Same composition as for Management Committees. Contrary to Management Committee procedure, measures proposed by Comm. <i>are not applicable immediately</i> 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:	OJ L 170/70
C Dec. of 20 July 1970		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.	OJ L 170/70
C Dir. of 19 July 1971		e.g. Standing Veterinary Committee 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.	OJ L 179/71
C Dir. of 24 June 1975 C Dec. of 24 June 1975		Both Comm. — in proposal which was not accepted by C — and EP have always opposed possibility of C blocking application of proposed measures. This possibility was, however, confirmed in two directives dated 24 June 1975. Existing procedures extended by six years (to 24 June 1981) and right of appeal against decisions of Committee maintained in C.	OJ L 172/75

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 STATE OF INTEGRATION

Two categories of agricultural products are not yet covered by COMs — i.e. potatoes and alcohol of agricultural origin.

3.43 PRICE TERMINOLOGY¹

(a) In connection with external trade:

The cif price (prix CAF) 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 (prix de seuil) 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).

The sluice-gate price (prix d'écluse) 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 (see e.g. 3.623, 3.624, 3.625).

The free-at-frontier offer price (prix d'offre franco frontière) 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 (second prix d'offre franco frontière) is used as basis for calculating supplementary levy (see free-at-

¹ See Bodo Börner: 'Das Interventionssystem der landwirtschaftlichen Marktordnungen der EWG', Agrarrecht der EWG, Cologne, 1969.

3.43
(contd)

frontier offer price) when imports from certain third countries are at abnormally low prices compared with supplies from other third countries.

The reference price (prix de référence) 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* (prix minimum d'importation) serves same purpose as reference price and is applied to imports of certain fishery products as a special protection measure.

(b) In connection with production planning:

The target price (prix indicatif) 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.

The producer target price (prix indicatif à la production) 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 (prix indicatif du marché) 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 (prix de base) 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.

3.43 *The guide price* (prix d'orientation) takes place of target price in MO for beef and veal because it is desired market price.
(contd)

The norm price (prix d'objectif) fixed for soya beans and unmanufactured tobacco fulfils same function as target price.

(c) In connection with price support:

The intervention price (prix d'intervention) 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 price to the producer (difference — transport costs between farm and warehouse of intervention agency).

The basic intervention price (prix d'intervention de base) is intervention price of certain kinds of cereals in area showing largest deficit. For other intervention centres, derived intervention price is calculated from basic intervention price.

Derived intervention prices (prix d'intervention dérivés) are prices derived for other intervention centres from basic intervention price at which intervention agencies buy in produce.

The guaranteed minimum price (prix minimum garanti) 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.

The buying-in price (prix d'achat) is intervention price of MO for pig-meat and MO for fruit and vegetables. It is derived from respective basic prices applicable in these COMs.

3.43
(contd)

The withdrawal price (prix de retrait) is price below which fruit and vegetable producers' organizations will not release onto 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 (prix de déclenchement) is price which triggers off intervention in COM for wine.

The reference price (prix de référence) 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 wheat.

The *maximum aid price* (prix d'aide maximum) is producer price level for soya meal at a given time which determines amount of aid in COM for peas and field beans.

3.431 **Calculating prices**

Annual proposals for guaranteed prices are drawn up by Comm. mainly by means of *objective method*, based on accounts of reference undertakings, (whose income is between 80 % and 120 % of comparable income in various occupational zones as provided for by C Dir. No 72/159 on modernization of agricultural holdings) (see 3.731).

Over reference period of three years this method takes account of:

- operating costs;
- comparable income from one Member State to another;
- fixed coefficient of technical progress of 1.5 %;
- trend of exchange rates.

3.431 Account is also taken of other factors, such as general economic climate, interests of consumers and the fact that greater guarantees are allocated to agriculture than to other economic sectors.

Pricing policy is not the only means of achieving and maintaining a reference income and should be accompanied by socio-structural measures.

3.432 **Prices and amounts 1980 – 81**

Products	Type of price or amount	Price and amounts fixed 1979/80 ECU/tonne	Change (%) 1980/81 compared to 1979/80		Prices and amounts decided 1980/81 ECU/tonne	Period of application
			proposed	decided		
Durum wheat	Target price	277.37	3.75	6.25	294.71	1. 8. 1980 – 31. 7. 1981
	Single intervention price	249.12	2.0	4.50	260.33	
	Aid	77.31 (ECU/ha)	—	2.50	79.24 (ECU/ha)	
Common wheat	Target price	201.42	3.75	6.25	214.01	1. 8. 1980 – 31. 7. 1981
	Common single intervention price	149.17	2.0	4.50	155.88	
	Reference price for bread-wheat	168.06	1.75	4.25	175.20	
Barley	Target price	182.89	3.75	6.25	194.32	1. 8. 1980 – 31. 7. 1981
	Common single intervention price	149.17	2.0	4.50	155.88	
Rye	Target price	192.50	-1.43	2.50	197.31	1. 8. 1980 – 31. 7. 1981
	Single intervention price	159.82	-0.36	2.50	163.82	
Maize	Target price	182.89	3.75	6.25	194.32	1. 8. 1980 – 31. 7. 1981
	Single intervention price	149.17	2.0	4.50	155.88	
Rice	Target price — husked rice	382.28	4.27	6.77	408.16	1. 9. 1980 – 31. 8. 1981
	Single intervention price — paddy rice	218.58	4.42	6.92	233.71	

3.432 (contd)

Products	Type of price or amount	Price and amounts fixed 1979/80 ECU/tonne	Change (%) 1980/81 compared to 1979/80		Prices and amounts decided 1980/81 ECU/tonne	Period of application
			proposed	decided		
Sugar	Minimum price for sugarbeet	31·83	1·5	4·00	33·10	1. 7. 1980—30. 6. 1981
	Target price for white sugar	432·60	2·8	5·30	455·50	
	Intervention price for white sugar	410·90	2·8	5·30	432·70	
Olive oil	Production target price	2 350·40	3·0	5·50	2 479·70	1. 11. 1980—31. 10. 1981
	Intervention price	1 731·90	1·5	4·00	1 801·20	
	Production aid	529·00	3·0	5·50	558·10	
Oilseeds	Target price					
	• Colza and rape seed	364·10	3·5	6·25	386·90	1. 7. 1980—30. 6. 1981
	• Sunflower seed	396·60	5·0	7·50	426·30	1. 9. 1980—31. 8. 1981
	Basic intervention price					
	• Colza and rape seed	353·60	1·5	4·00	367·70	1. 7. 1980—30. 6. 1981
	• Sunflower seed	385·10	1·5	4·00	400·50	1. 9. 1980—31. 8. 1981
	Guide price					
	• Soya seed	394·80	4·0	6·50	420·50	1. 11. 1980—31. 10. 1981
	• Flax seed	397·90	3·5	6·00	421·80	1. 11. 1980—31. 7. 1981
	• Castor seed	515·40	3·0	5·50	543·70	1. 10. 1980—30. 9. 1981
Minimum price castor seed	490·83	—	5·50	517·80	1. 10. 1980—30. 9. 1981	
Fixed rate (per ha) — Cotton seed	133·38	3·0	5·50	140·72	1. 10. 1980—31. 7. 1981	
Dried fodder	Fixed rate aid	6·14	3·0	6·00	6·51	1. 4. 1980—31. 3. 1981
	Guide price	126·40	4·0	6·50	134·62	
Peas and beans	Activating price	349·70	4·1	7·50	375·90	1. 7. 1980—30. 6. 1981
	Minimum price	214·80	3·0	5·50	226·60	
Flax and hemp	Fixed rate aid (per ha)					1. 8. 1980—31. 7. 1981
	• Fibre flax	248·55	3·0	6·50	264·71	
	• Hemp	225·74	4·0	6·50	240·41	

3.432 (contd)

Products	Type of price or amount	Price and amounts fixed 1979/80 ECU/tonne	Change (%) 1980/81 compared to 1979/80		Prices and amounts decided 1980/81 ECU/tonne	Period of application
			proposed	decided		
Seeds	Aid (per 100 kg)					
	• Monoecious hemp	12.7	1.5	1.60	12.90	1. 7. 1980—30. 6. 1982
	• Fibre flax	17.5	1.5	1.70	17.80	
	• Linseeds	13.9	1.5	1.40	14.10	
	• Grasses	12.1-45.9	1.5	1.50	12.30-50.30	
	• Legumes	4.8-33.9	1.5	1.50	4.90-36.80	
	• Rice	12.1			12.1	
Table wine						
Type R I	Guide price	2.54	3.0	5.50	2.68	16. 12. 1980—15. 12. 1981
Type R II	(per degree/hl or per hl according to type)	2.54	3.0	5.50	2.68	
Type R III		39.61	3.0	5.50	41.79	
Type A I		2.38	3.0	5.50	2.51	
Type A II		52.79	3.0	5.50	55.69	
Type A III		60.28	3.0	5.50	63.60	
Raw tobacco	Guide price	1	2.3	4.8	1	1. 8. 1980—31. 12. 1980
	Intervention price					
Fruit and vegetables	Basic price	2	3.5	6.0		1980—1981
	Buying-in price					
Milk	Target price for milk	214.00	1.5	4.00	222.60	1. 6. 1980—31. 3. 1981
	Intervention price					
	• for butter	2 849.70	0	2.30	2 916.00	
	• for skimmed-milk powder	1 157.90	2.8	4.94	1 215.10	
	• for cheese					
	— Grana padano 30—60 days	2 794.30	1.6	3.64	2 896.10	
	— Grana padano 6 months	3 390.90	1.4	3.17	3 498.50	
	— Parmigiano-Reggiano 6 months	3 699.80	1.3	2.91	3 807.40	

3.432 (contd)

Products	Type of price or amount	Price and amounts fixed 1979/80 ECU/tonne	Change (%) 1980/81 compared to 1979/80		Prices and amounts decided 1980/81 ECU/tonne	Period of application
			proposed	decided		
Beef and veal	Guide price for adult bovines (live weight)	1 545·80	1·5	4·00	1 607·60	2. 6. 1980—5. 4. 1981
	Intervention price for adult bovines (live weight)	1 391·20	1·5	4·00	1 446·80	
Pigmeat	Basic price (slaughter weight)	1 504·46	3·0	5·50	1 587·21	1. 11. 1980—31. 10. 1981
Sheepmeat	Basic price	—	—	—	3 450·00	
	Intervention price	—	—	—	2 932·00	
Silkworms	Aid per box of silk seed	67·50	2·5	5·50	71·21	1. 4. 1980—31. 3. 1981

¹ Nineteen varieties of tobacco, the prices for which apply to the calendar year.

² Products in Annex II to the Council Regulation of 18 May 1972 and periods varying according to the products:

Cauliflowers:	1. 6. 1980 to 30. 4. 1981	Lemons:	1. 6. 1980 to 31. 5. 1980	Apples:	1. 8. 1980 to 31. 5. 1981
Tomatoes:	1. 6. 1980 to 30. 11. 1980	Pears:	1. 7. 1980 to 30. 4. 1981	Mandarins:	16. 11. 1980 to 28. 2. 1981
Peaches:	1. 6. 1980 to 30. 9. 1980	Table grapes:	1. 8. 1980 to 31. 10. 1980	Sweet oranges:	1. 12. 1980 to 31. 5. 1981

Monetary measures affecting agriculture

C Regs. 1366/80
and 2512/80

Amounts fixed in units of account can be converted into national currencies of the various Member States by applying the following representative (green) rates in general from 1 June 1980; it should be borne in mind, however, that dates of applicability can vary for different countries or products:

OJ L 140/80
OJ L 256/80

1 EUA	=	40.5191	BFR/LFR
1 EUA	=	7.72336	DKR
1 EUA	=	2.75175	DM
1 EUA	=	5.847	FF
1 EUA	=	0.659274	IRL
1 EUA	=	1 157.79	LIT
1 EUA	=	2.79391	HFL
1 EUA	=	0.618655	UKL
1 BFR/LFR	=	0.0244982	EUA
1 DKR	=	0.141125	EUA
1 DM	=	0.355326	EUA
1 FF	=	0.194205	EUA
1 IRL	=	1.53177	EUA
100 LIT	=	0.104762	EUA
1 HFL	=	0.355292	EUA
1 UKL	=	1.90625	EUA

C Regs. 706/79
and 707/79

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
Removal of obstacles to trade

3.51 **REQUIREMENTS OF TREATY**

EEC Tr., Art. 100

Legal basis for these measures is constituted by general provisions on elaboration and implementation of common agricultural policy and coordination of legal provisions.

3.52 **HARMONIZATION OF VETERINARY LEGISLATION**

Objectives: elimination of obstacles to intra-Community trade in live animals and consumer protection.

C Dec. of 15 Oct. 1968
C Dec. of 24 June 1975

— Setting up of a Standing Veterinary Committee. OJ L 255/68
— Amendment of procedures of Standing Veterinary Committee (see also 3.4112). OJ L 172/75

3.521 **Intra-Community trade in bovine animals and swine**

C Dir. 77/98
amended by
C Dir. 78/51 and
C Dir. 80/219

Objectives: joint system for control of animal diseases: tuberculosis and brucellosis OJ L 26/77
OJ L 15/78

Codified 1975 version of C Dir. 64/432 with successive amendments. OJ L 189/75
Exceptions to this are Denmark, Ireland and United Kingdom, which OJ L 47/80

3.521 were allowed to retain a different system from that of Community of
(*contd*) the 'Six' for a fixed period, which has been extended several times.

In general exceptional arrangements will be discontinued on 31 December 1980. Purpose of long transitional period was to enable three Member States which joined EC in 1972 to resolve their technical problems.

C Dec. 77/97
C Dir. 72/462
amended by
C Dir. 75/379 (codif.)
C Dir. 79/111

- Setting up of emergency fund to combat animal diseases.
- Health regulations affecting imports of bovine animals, swine and fresh meat from third countries.

OJ L 26/77
OJ L 302/72
OJ L 172/75
OJ L 29/79

3.522 **Intra-Community trade in 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.

C Dir. 64/433
amended by
C Dir. 80/214

C Dir. 72/461
amended by
C Dir. 80/213
C Dir. 80/215

- Regulations on fresh meat and animal health.
 - Animal health regulations affecting meat production.
- Community arrangements to remove present inequality in Member States with regard to animal health regulations.

OJ 121/64
OJ L 47/80

OJ L 302/72
OJ L 47/80
OJ L 47/80

C Prop. of
29 Oct. 1980

- Previous proposal concerning checks to determine presence of prohibited drugs and injected substances in meat, in conjunction with hormone residues found in veal, was urgently amended.

C Dir. 77/96

- Provisions relating to examination for trichinae upon importation from third countries of fresh meat derived from domestic swine.

OJ L 26/77

Control of imports of fresh meat.

<p>Supplement C Dir. 71/118 amended by C Dir. 80/216 Comm. Dir. 80/879</p>	3.5221	TRADE IN FRESH POULTRYMEAT	<p>— Health provisions concerning preparation, storage, transport and refrigeration processes.</p> <p>— Controls to ensure compliance with health regulations (health marking);</p> <p>— Prop. for laying down certain trade standards submitted to C;</p> <p>— Public health measures affecting intra-Community trade in fresh poultrymeat;</p> <p>— Stricter harmonization of conditions governing inspection.</p>	<p>OJ L 55/71 OJ L 47/80</p> <p>OJ L 47/80 OJ L 251/80 COM(71) 771 OJ C 280/78 OJ C 147/80 COM(80) 600</p>
<p>Prop. for Reg. 1971 Prop. for Reg. EP Opinion Prop. for C Res.</p>	3.523	Control of feedingstuffs	<p>— Introduction of Community methods of sampling and analysis for official control of feedingstuffs.</p> <p>— Additives in feedingstuffs. List of permitted additives drawn up by Comm. Latest amendment: Comm. Dir. 80/678</p> <p>— Fixing of maximum permissible levels for harmful substances and products in feedingstuffs.</p> <p>— Marketing of straight feedingstuffs. Trade in compound feedingstuffs. Control of quality and health requirements.</p> <p>Amendment of these Directives.</p>	<p>OJ L 170/70 OJ L 171/72</p> <p>OJ L 270/70 OJ L 124/75</p> <p>OJ L 38/74</p> <p>OJ 132/77 OJ L 86/79</p> <p>EP Doc. 239/7 EP Doc. 522/77</p>
		<i>State of integration</i>		
C Dec. 79/542		List of third countries from which imports of bovine animals, pigs and meat are permitted.	OJ L 146/79	
C Res. of 22 July 1974		Timetable for measures to be taken in field of animal and plant health in order to speed up approximation of national legislation.	OJ C 92/74	
C Dec. 78/923		Conclusion of European Convention (Council of Europe) for protection of animals kept for farming purposes.	OJ L 323/78	

Prop. for Reg. EP Opinion	3.523 <i>(contd)</i>	Differences in Member States' provisions for protection of animals, in particular in intensive cattle farming, have led to violations of competition within EC. Comm. to prepare proposal for directive on minimum requirements by 1 July 1981. Animal health requirements applicable to raw whole milk used as raw material for dairy products.	OJ C 34/71 OJ C 36/72
C Dir. 77/391 C Dir. 78/52 C Dir. 80/217 C Dir. 80/218	3.524	Control of animal diseases Joint action for eradication of epidemics. Establishment of EC. criteria for national programmes. Community measures for control of classical swine fever. Derogations applicable to Denmark, Ireland and UK expired on 30 June 1980.	OJ L 145/77 OJ L 15/78 OJ L 47/80 OJ L 47/80 OJ L 47/80
Prop. Dir.		Community measures for control of African swine fever (also applicable to Sardinia).	
Prop. Dir. of 26 May 1976		<i>Work in progress</i> Comm. opened way to approximation of legislation on veterinary medicinal products by submitting proposal relating thereto.	EP Doc. 132/76 OJ C 152/76
C Dec. of 23 Nov. 1976 C Dir. 77/93 amended by C Dir. 80/392 and 80/393 Amendment to prop. of 2 August 1979 C Dir. 76/895	3.53	HARMONIZATION OF LEGISLATION ON PLANT HEALTH — Setting up Standing Committee on Plant Health (Management Committee). — Protective measures against introduction of harmful organisms of plant or plant products. — Supplement to this proposal. — Pesticides. Maximum levels for their residues on and in fruit and vegetables.	OJ L 340/76 OJ L 26/77 OJ L 100/80 OJ C 209/79 OJ L 340/76

Comm. Dir. 79/700	3.53	— Fixing of Community sampling methods for official control of pesticide residues in and on fruit and vegetables.	OJ L 207/79
C Dir. amended on 26 June 1975	(<i>contd</i>)	— Provisions concerning quality and marketing of seeds, etc. beet seed, fodder plant seed, cereal seed,	OJ 125/66 OJ L 196/75
C Dir.		seed potatoes,	OJ 125/66 OJ L 72/76
C Dir.		in oil and fibre plant seed.	OJ L 169/69
Collective amendment by C Dir. 78/692		For vegetable seeds, see 3.6184. Packaging rules: inspection of specimen seed potatoes.	OJ L 236/78

3.531 **Rules applicable to the marketing of seeds**

C Dir. 79/692		Agricultural, horticultural and forestry seed and propagating material. Rules on acceptance of varieties. Establishment of catalogue of agricultural and horticultural species.	OJ L 205/79
C Dir. 70/458 and Comm. Dir. 79/641		<i>Common catalogue of varieties of vegetable seeds</i>	OJ L 225/70 OJ L 183/79
Comm. Communication		Sixth complete edition. Lists varieties which are not subject to any marketing restrictions within EC.	OJ C 329/79
C Dir. 70/457 amended by C Dir. 79/967		Directive on marketing of agricultural species, vegetable seed and seed potatoes.	OJ L 225/70 OJ L 293/79
Comm. Communication		<i>Common catalogue of varieties of agricultural species.</i> Sixth complete edition. This edition includes varieties which are not subject to any marketing restrictions throughout EC.	OJ C 330/79

3.531
(contd)

Trade

Free trade.

Import certificates, where appropriate.

CCT applicable.

Special provisions for hybrid maize for sowing: fixing of reference price per type of seed on basis of free-at-frontier prices for three previous marketing years. If free-at-frontier offer price is lower than corresponding reference price, collection of compensatory tax in accordance with obligations resulting from consolidation within GATT.

3.6 Common organization of the market (COM)

3.61 PLANT PRODUCTS

3.611 Cereals

C Reg. 2727/75 codif.
amended by C.
Reg. 1870/80

COM completed since 1 July 1967.

OJ L 281/75
OJ L 184/80

EC regulation covers major products (common and durum wheat, rye, barley and maize), less important products (oats) and processed products: flour, farinaceous products, fodder, etc.

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 EUA.

— *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 price 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 uniform intervention prices for rye and durum wheat.

— *Guaranteed minimum price* for durum wheat; price at which intervention agencies must buy in.

- 3.611 — *Uniform Community threshold price.*
(contd) — *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.

These prices are all valid for a standard quality and may be adjusted to take account of fluctuations in quality. The intervention and target prices are subject to monthly increases throughout year to take account, in particular, of storage costs.

Intervention system

Intervention agencies are required to purchase cereals on sale at intervention price.

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 a large scale.

Possibility of special intervention measures (preventive intervention) when price levels fall, for example by support for private storage.

OJ L 281/75

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.

Quantities bought under 'intervention C' may be intended for:

C Reg. 2740/75

- 3.611
(*contd*)
- regulation of market;
 - constitution of safety stocks and stocks for food aid;
 - stocks to be used in event of a permanent policy on exports.

For 1978/79 difference between uniform EC intervention price and reference price for common wheat was 15 % for wheat of average bread-making quality. Market support takes effect, however, above a certain 'minimum bread-making quality'. On account of surplus of rye for feedingstuffs, intervention price for rye has been reduced, but there is now a premium per hectare calculated on basis of flat-rate yield. This is intended to compensate farmers in areas where rye is most economically important crop. For rye of good breadmaking quality there is once again a supplement.

Price support for durum wheat

C Reg. 1259/78

In view of surplus of low-quality durum wheat, system of aid for this product has been amended to apply in areas with low yield. Its purpose is to maintain producers' incomes in those areas.

OJ L 156/78

C Reg. 3103/76

Aid to producers of durum wheat per hectare sown and harvested. This aid is granted only for certain qualities in certain parts of Italy and France.

OJ L 351/76

T r a d e

Imports

Threshold price for each product.

Levies (possibility of abatement: cf. maize in the case of Italy).

Import certificates.

Safeguard clauses.

C Reg. 2748/75

If market is disturbed, possibility of discontinuing advance fixing of levies and issuing of import certificates.

OJ L 281/75

3.611 *Exports*

(*contd*)

Refunds may be 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.

If market is disturbed, possibility of introducing system of export levies and discontinuing issue of export certificates.

OJ L 281/75

C Reg. 2747/75

Work in progress

Council is progressively reforming COM on basis of Comm. proposals. Reform is spread over several marketing years and started some years ago with discontinuation of regional differences in prices for certain products.

Current reform is designed particularly to create an improved price structure for cereals, based on value of product for use. For instance, common wheat with no bread-making value — and of which EC has surplus — will be assessed on basis of its value as fodder.

In existing COM there is an intervention price, a target price and a threshold price for each product; Comm. feels that this has led to certain inflexibility of market. To make latter more adaptable, new system has been introduced, under which a single intervention price, a single target price and a single threshold price are laid down for cereals of fodder quality, based on utilization value of barley.

Market prices of other cereals would then find their level in context of structure deriving from respective values for use. This concept also involves discontinuation of regional differentiation where it still exists, i.e. in case of common wheat.

Market prices for cereals of fodder quality are expected to range between uniform EC threshold price.

3.611
(contd)

Cereal substitutes

On account of replacement of cereals, particularly barley, in feeding-stuffs by tapioca (max. import duty 6 %), 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.

Solution is being sought within framework of GATT and in voluntary restriction of exports from Thailand to EC to 6 million t/year.

3.6111

RICE

C Reg. 1418/76
amended by
C Reg. 1871/80

COM in force since 1967.

OJ L 166/76

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.

OJ L 184/80

Intervention prices are fixed for Arles and Vercelli.

C Reg. 1424/76
C Reg. 1425/76

Target prices and intervention prices are subject to monthly increases.

OJ L 166/76

General rules concerning intervention.

OJ L 166/76

Special intervention measures (to prevent massive offers to intervention agencies) in form of compensatory amounts. Subsidy for supply of rice to island of Réunion.

3.6111
(contd)

T r a d e

— *Imports*

Threshold prices. Import licences. Levies. Advance fixing may be suspended for specified period.

— *Exports*

Export certificates and export refunds (possibly by tendering procedure).

— *Safeguard clauses*

When rice market is disturbed, protective measures may be taken. C may decide to introduce export levy instead of refund.

Export levy may also be introduced if there is shortage within Community, when world market price is substantially higher than Community price.

C Reg. 1431/76

OJ L 166/76

C Regs. 1432 and 1433/76

OJ L 166/76

3.6112

PRODUCTION REFUNDS FOR STARCH

Basic C Reg. 2727/75
amended by
C Reg. 1877/80

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 brewing and glucose manufacture, and broken rice also intended for brewing).

Production refunds for all types of starch to be abolished in three phases. However, situation will be re-examined before final phase (1982 – 1983).

Aim is progressive abolition of all production refunds covering starch products.

OJ L 281/75
OJ L 184/80

EP Opinion
EP Res.

EP Doc. 522/75
OJ C 53/76

3.6111/3.6112

July 1977

3.6112
(*contd*)

Work in progress

Comm. intends to abolish production refunds covering foodstuffs and animal feed in four phases beginning in 1978 marketing year.

Following a judgment from the Court, refunds for the production of maize groats and broken rice have been reintroduced.

Prop. for Reg.

C agreed to take decision by 1 January 1979 on general policy on starch products. As this was not done, production refund system has been extended for a further marketing year.

EP Doc. 48/79

3.612

Sugar

C Reg. 3330/74
amended by
C Reg. 1396/78

COM in effect since 1967 for transitional period until 1980.

OJ L 359/74

Prop. for Reg.

COM extended by five years.

OJ L 162/78

Affects beet and cane sugar.

OJ C 271/80

Price system and regulation of production

Target and intervention prices for white sugar fixed annually for Community region with largest surplus. Derived intervention prices fixed for other regions. Minimum price, linked to intervention price, is fixed for sugar beet.

Comm. must fix amount of quality surcharge for sugar.

National aid granted in Italy for a given quantity of sugar.

C Reg. 3331/74
amended by
C Reg. 298/78

3.612
(contd)

Granting of basic quota to undertakings, production levy and aid for storage

OJ L 359/74

OJ L 45/78

Intervention agencies bound to buy in quantities of sugar allocated to manufacturers on basis of basic quota calculated with reference to production between 1968–69 and 1972–73 ('A' sugar).

Intervention agencies also bound to buy in quantities of sugar produced between basic quota and maximum quota (i.e. basic quota multiplied by 127·5 for 1978–79). But manufacturer must make contribution to cost of disposing of this ('A' and 'B' sugar).

Manufacturer may claim 60 % of this contribution from sugar-beet producers.

In 1981 levy amounts to 2·5 % of intervention price. In the case of the 'B' quota levy of up to 37·5 % of intervention price can be set.

At same time producers are requested to make contribution to cover costs of storing 'B' sugar.

Intervention agencies may not, unless so authorized by C decision taken in light of situation on market, dispose of quantities of sugar exceeding maximum quota ('C' sugar) in common market.

As intervention price affects manufactured products, sugar manufacturers must pay sugar-beet producers a minimum price in order to guarantee these producers minimum income. Minimum prices for sugar-beet generally vary according to whether raw material permits manufacture of 'A', 'B' or 'C' sugar. Price guarantee for 'B' sugar represents a percentage of that for 'A' sugar.

Member States may also apply exceptional arrangements called the 'mixed price' system according to which each sugar-beet producer receives a uniform average price. But this system involves 230 % limit on basic quota for two years instead of normal 227·5 % (application of 1·35 weighting to basic quota).

OJ L 137/68

OJ L 285/71

Production surpluses may in certain cases and in certain conditions be carried forward to following marketing year.

C Reg. 748/68
C Reg. 2829/71

C Reg. 1488/76 3.612 Introduction of system of minimum stock equal to 10 % of basic quota OJ L 167/76
(*contd*) for each manufacturer.

Denaturing premium
C Reg. 3330/74 Denaturing premium may be granted for sugar made unfit for human OJ L 359/74
consumption.

C Reg. 1640/73 General rules on denaturing for animal feed (e.g. for farmers' associa- OJ L 165/73
tions).

Production refund

Production refund may be granted for sugar intended for chemical industry.

T r a d e

Imports

Threshold price.

Import certificates.

Levies.

If cif price for sugar higher than threshold price, subsidy may be granted for imports, such subsidy to be fixed by standing invitation to tender.

Exports

Refunds

Export levy may be applied when there is danger that a whole or one of the regions of EC will no longer be supplied at threshold price level.

3.6121 **PROTOCOL No 7 OF THE SECOND LOMÉ
CONVENTION**

Since Lomé Convention, maximum of 1 300 000 tonnes of unrefined sugar from ACP¹ 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.

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 to be fixed yearly.

State of integration

Since COM for sugar expires at end of 1980/81 marketing year, Comm. proposes a new COM, while maintaining quota system.

Quota is to remain unchanged for five years. Production levy applies to 'A' as well as to 'B' sugar (2.5 % for the 'A' and 'B' quota). In addition, production levy on 'B' sugar of up to 37.5 %.

¹ African, Caribbean and Pacific States associated with EC.

Prop. for Reg.

OJ C 271/80

3.6122 **ISOGLUCOSE**

C Reg. 1111/77
amended by
C Reg. 1293/79

EC arrangements provide for application of import levies to be set each month and of export refunds (processed goods are also covered).

OJ L 134/77
OJ L 162/79

C Reg. 1592/80
Comm. Reg. 1469/77

Fixing of production quota

OJ L 160/80

Rules for applying levies and refunds.

OJ L 162/77

Refund granted for the production of maize-based isoglucose under basic regulation on cereals is abolished by Comm. Reg. 2158/76, as Comm. feels that isoglucose enjoys competitive advantage over beet and cane sugar.

As in case of beet sugar, since 1977/78 marketing year producers have been required to pay a levy. Amount of the levy must be equal to that of COM for sugar (C Reg. 3330/74). Court has declared present levy incompatible with principle of non-discrimination.

C Reg. 1293/79

Introduction of basic quota with marketing guarantee, maximum quota and levy on production between basic and maximum levels.

OJ L 162/79

State of integration

As result of violation of rules on consultation of EP, legality of this regulation was challenged in case brought before CJEC which declared regulation invalid (Oct. 1980).

3.613 **Wine**

C Reg. 337/79,
amended by C Reg. 453/80

COM in force since 1970.

OJ L 54/79
OJ L 57/80

Price and intervention system

For the purposes of the price system, table wines are divided into several types:

3.613
(Contd)

(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;

(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 wine-growing year.

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.

OJ C 6/79 and 67/79

3.613
(contd)

Intervention system

C fixes activating price every year for each type of wine for which guide price is fixed. Its level may not exceed 95 % of guide price and depends on:

- quantities available on the market,
- quality of harvest,
- need to ensure price stability.

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 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.

3.613
(contd)

Distillations

(a) *Preventive distillation*

If, between 1 Sept. and 15 Dec., Comm. finds volume of wine in storage is in excess of 7 m hl, preventive distillation operations may be proposed by Comm. in accordance with Management Committee procedure.

(b) *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.

(c) *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.

(d) *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 with a low natural alcohol content.

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

3.613 wine. A new distillation arrangement is then made available at this
(*contd*) 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

C Reg. 453/80

The use of concentrated grape must for wine production.

OJ L 57/80

C Reg. 461/80

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.

T r a d e

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 Com-
munity frontier since it represents minimum entry price of imported
wines.

Imports:

Application of CCT. Import licence necessary.

Special arrangements for Mediterranean countries.

Exports:

Can be made conditional on submission of export licence.

3.613 Refund can be varied according to country of destination.
(contd)

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 vine 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.

C Reg. 978/78
EP Opinion

Viticultural land register replaced by system of statistical surveys.

OJ L 128/78
OJ C 108/78

C Reg. 456/80

Granting of temporary and permanent abandonment premiums in respect of certain areas under vines and of premiums for the renunciation of replanting.

OJ L 57/80

C Reg. 457/80

System of premiums for cessation of wine-growing in France and Italy.

OJ L 57/80

C Reg. 458/80

Restructuring of vineyards.

OJ L 57/80

C Reg. 455/80

Suspension of possibility of authorizing new plantings of vines intended for the production of quality wines p.s.r. in Federal Republic of Germany.

OJ L 57/80

C Reg. 348/79
EP Opinion

Measures designed to adjust wine-growing potential to market requirements.

OJ L 54/79
OJ C 6/79

C Reg. 454/80	3.613 (<i>contd</i>)	<p>Control of quality wines</p> <p>Special provisions for quality wines produced in specified regions (p.s.r.). Characteristics listed in Annex.</p> <p>Community term 'quality wine p.s.r.', or any specific term traditionally used in Member States to designate particular wines, may be used only for wines complying with certain provisions.</p>	OJ L 57/80
C Reg. 136/66 amended by C Reg. 1917/80	3.614	<p>Vegetable oils and fats</p> <p>COM in force since 1966.</p>	OJ 172/66 OJ L 186/80
C Reg. 136/66, amended by C Reg. 590/79	3.6141	<p><i>OLIVE OIL</i></p> <p>COM in effect since 1966. Covers olives, olive residues and olive oil, whether crude, purified, or refined.</p> <p>Price, aid and intervention system</p>	OJ L 172/66 OJ L 78/79
		<p>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.</p>	

3.6141
(contd)

Production aid

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. 10. 1978. Aid is granted to individual producers only if olives produced have been harvested.

I n t e r v e n t i o n s y s t e m

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.

Reg. 2374/77

Only applies if party concerned has proved that the oil was produced within EC.

OJ L 277/77

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 harvests, C may decide that intervention agencies will build up a buffer stock. Recognized producer groups will be allowed to conclude storage contracts for oil they market.

3.6141
(contd) *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.

T r a d e

Imports

Application of system 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.

Reg. 154/75	3.6141 (<i>contd</i>)	<p>Control of production</p> <p>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.</p>	OJ L 19/75
C Reg. 136/66 amended by C Reg. 1585/80	3.6142	OILSEEDS AND ALBUMINOUS SEEDS	
	3.61421	COLZA, RAPE SEED AND SUNFLOWER SEED	
		Price, aid and intervention system	
		<p>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.</p>	
		<p>From 1978/79 marketing year aid will be maintained only for seeds which have low erucic acid content.</p>	
C Reg. 851/78		<p>Intervention affects only those varieties which contain certain percentage of erucic acid.</p>	
		<p>Extra support for colza and rape seed processed in Italy.</p>	
		Trade	
		<p>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 % <i>ad valorem</i> on crude vegetable oils, 15 % on refined vegetable oils and 25 % on margarine.</p>	

Comm. Prop. Action Programme 1977 – 1980 EP Res.	3.61421 (<i>contd</i>)	Work in progress As part of 1977-80 Action Programme on milk market (cf 3.6221), Comm. proposed to introduce a tax on certain fats. Unfavourable opinion of EP. Proposal withdrawn.	EP Doc. 247/76 OJ C 6/77
C Regs. 1900/74 and 1777/76	3.61422	SOYA BEANS 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.	OJ L 201/74 and OJ L 199/76
C Reg. 1614/79		Special measures for soya beans. <i>Imports</i> CCT: no duty.	OJ L 190/79
C Reg. 569/76	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. <i>Imports</i> CCT: no duty.	OJ L 67/76
C Reg. 2874/77	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.	OJ L 332/77

C Reg. 1853/78 and 2290/78	3.61424 (<i>contd</i>)	Conditions: conclusion of contracts with producers, who must receive specified guaranteed minimum price. General provisions and scope.	OJ L 212/78 and OJ L 275/78
C Reg. 1516/71	3.61425	COTTON SEEDS Aid per hectare harvested.	OJ L 160/71
C Reg. 1119/78 amended by C Reg. 1459/80	3.61426	PEAS AND FIELD BEANS (for animal feed).	OJ L 142/78 OJ L 146/80

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 amended by C Reg. 1315/80	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 134/80
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3.615 **Producers' organizations**

(contd)

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.

C Reg. 325/79

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.

OJ L 45/79

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.

3.615 Buying-in is suspended as soon as prices have exceeded buying-in price for three successive market days.
(*contd*)

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.
(contd) National 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***

C Reg. 516/77 amended by
C Reg. 1639/79

COM in force since 1968.

OJ L 73/77
OJ L 192/79

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).

A i d

C Reg. 1152/78

Aid for processing peeled tomatoes, tomato concentrates, and tomato, peach and dried prune juices.

OJ L 144/78

Comm. Reg. 1530/78
and 1348/80

Implementing provisions for aid.

OJ L 73/78
OJ L 135/80

C Reg. 525/77

3.6151
(*contd*)

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

C Reg. 1927/75
C Reg. 2123/75

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 198/75
OJ L 216/75
OJ L 19/70

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

C Reg. 518/77 and
520/77

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.

Regulations on inward processing trade may be suspended.

C Reg. of 2 July 1971
C Reg. 519/77

3.6151
(*contd*)

To permit economically important exports of products not containing added sugar, difference between prices inside EC and world market prices may, where necessary, be covered by export refund.

OJ L 151/71
OJ L 73/77

3.616

Raw tobacco

Price system, premiums and interventions

Annual fixing of norm prices and intervention prices for crop of following year.

From 1980 intervention threshold fixed to prevent disruptive intervention offers.

25 % of production is purchased in intervention; above this percentage intervention price is lowered.

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.

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 may market the product.

C Reg. 727/70
amended by
C Reg. 1778/80

OJ L 94/70
OJ L 174/80

C Reg. 339/77

Production under contract, at 'contract price' negotiated freely between producers and buyers, is encouraged. Special measures in respect of Beneventano tobacco. Aid for changeover to other varieties. 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 (contractual price) of tobacco imported from third countries.

OJ L 48/77

3.616
(*contd*)

If grower does not conclude contract with buyer, and hence no premiums are paid, leaf tobacco thus may be sold into intervention. A derived intervention price is fixed for packaged tobacco.

If price mechanism insufficient to steer production in desired direction, C 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.

C Reg. 827/68	3.617	Certain products listed in Annex II to the EEC Treaty	OJ L 151/68
		<p>In force since 1 July 1968.</p> <p>Applies to products listed in Annex to Reg. (pure-bred breeding animals, tea, cider, cocoa-beans, honey, live horses, etc.).</p> <p>Liberalization of trade.</p> <p>CCT applicable.</p> <p>Protective measures in case of disturbance of market. EC export refund permitted for certain products.</p> <p>National export subsidies authorized for some products, however.</p>	
	3.618	Simple COMS for some plant products	
C Reg. 1308/70, amended by C Reg. 814/76	3.6181	<i>FLAX FIBRES AND HEMP</i>	OJ L 146/70 OJ L 94/76
		<p>No price system, but:</p> <ul style="list-style-type: none"> — 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.		<p>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.</p>	EP Doc. 1-134/80
C Reg. 234/68	3.6182	<i>LIVE PLANTS AND ARTICLES OF FLOWER TRADE</i> Quality standards system	OJ L 55/68
		<p>In order to encourage action by trade and joint trade organizations, following EC measures may be taken:</p>	

- 3.6182
(*contd*)
- 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 259/80

C Reg. 315/68
amended by
C Reg. 2530/80

Trade

CCT applied since 1 July 1968.

Minimum export prices may be fixed.

3.6183 *HOPS*

Aid to producers: Council may fix aid per hectare registered and harvested (for previous marketing year).

OJ L 175/71
OJ L 34/79

C Reg. 1696/71
amended by
C Reg. 235/79

Marketing system

Certification procedure in respect of designation of origin:

The hops must:

- come from recognized production areas,
- belong to recognized varieties,
- satisfy quality standards.

OJ L 74/73

Comm. Reg. of 20 March
1973

List of regions in which aid is granted only to recognized producer groups.

OJ L 94/78

C Reg. 708/78

3.6182/3.6183

3.6183
(contd)

Producer groups

Aid possible (3, 2, 1 % of value of products marketed) for first three years following date of recognition for producer groups satisfying requirements of regulation.

C Reg. 879/73

Regulation on granting and reimbursement of aid accorded by Member States to recognized producer groups.

OJ L 86/73

Trade

Free trade.

CCT applicable.

Safeguard clauses.

C Reg. 1170/77

Work in progress

Purpose of amendment is to reduce structural surpluses on market in hops by;

OJ L 137/77

- temporarily prohibiting any increase in area under hops;
- maintaining aid for conversion to other varieties subject to reduction of at least 40 % in area concerned;
- amended safeguard clause empowers C and Comm. to adopt any measures necessary to prevent or eliminate surpluses;
- conversion programme in progress.

3.6184 *SEEDS*

C Reg. 2358/71 amended by
C Reg. 2878/79

COM since 1 July 1972.

OJ L 246/71
OJ L 325/79

Aid to producers

C may fix aid per quintal of seed produced, taking into account required volume of production, marketing possibilities and prices on external markets.

Aid fixed for two successive marketing years to take account of production programme.

C Reg. 1920/80

Aid fixed for 1980/81 and 1981/82 marketing years.

OJ L 186/80

C Reg. 2514/78

Inclusion of rice seed in aid arrangements. Aid to be granted to seed producers and not to rice growers.

OJ L 301/78

Com. Reg. 2878 – 2879/79

Rules on contracts for seed multiplication in non-member countries.

OJ L 325/79

EP Opinion

Aid should go to rice growers and not to seed multiplication firms.

EP Doc. 1-444/80

Prop. for Dir.

Member States may be authorized to apply special measures with respect to certain agricultural and vegetable species until 30 June 1982.

EP Doc. 1-427/80

C Reg. 1117/78
amended by
C Reg. 1370/80

3.6185

DRIED FODDER

OJ L 142/78
OJ L 140/80

Price, aid and intervention system

C Reg. 1417/78
amended by
C Reg. 1458/80

Flat-rate aid fixed yearly in order to improve EC supplies of vegetable proteins.

OJ L 171/78
OJ L 146/80

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.

Trade

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

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 Accesssion. 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

Prop. for Reg.

Re-amended proposal before EP.

OJ C 193/79

3.619/3.6192

3.62 **ANIMAL PRODUCTS**

3.621 **Beef**

C Reg. 805/68
amended by
C Reg. 2916/79

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.

C Reg. 995/78
C Reg. 2226/78

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

C Reg. 1302/73

Intervention measures are regionalized to take into account differences in the conditions of price formation.

OJ L 132/73

C Reg. 2226/78
amended by
C Reg. 1378/80

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. 1358/80	3.621 (contd)	<p><i>Introduction of a Community grading scale for carcasses of adult bovine animals</i></p> <p>The purpose is to implement a system for the marketing of beef and veal.</p> <p>In force from the 1981/82 marketing year.</p>	OJ L 140/80
C Reg. 1855/74		<p>Special measures</p> <p>When a substantial rise or fall in prices occurs in the Community the Council may take measures.</p>	OJ L 195/74
C Reg. 1357/80		<p><i>System of premiums for suckler cows</i></p> <p>Purpose: to maintain the incomes of beef producers on farms not selling milk through the granting of premiums and supplementary premiums.</p>	OJ L 140/80
C Reg. 870/77 amended by C Reg. 1366/80		<p><i>Premium for the slaughter of certain adult bovine animals (other than cows)</i></p> <p>The amount of the premium may vary according to the time of slaughter. The EAGGF, Guarantee Section, finances 25 % of the amount of the premium. The intervention price for meat obtained from the cattle concerned is reduced by the amount of the premium.</p>	OJ L 106/77
C Reg. 1667/80		<p><i>Premium for the birth of calves (fixed amount)</i></p> <p>The premium is payable by the EAGGF, Guarantee Section. This Regulation is extended until not later than 4 April 1981.</p>	OJ L 166/80
C Reg. 1856/74		<p>Sale of beef at reduced prices to certain categories of consumers to dispose of surplus stocks (in particular to welfare institutions in Italy).</p>	OJ L 195/74
C Reg. 1857/74		<p>Advertising and publicity campaign to increase consumption of beef and veal.</p>	OJ L 195/74

3.621
(contd)

Trade

Imports

C Reg. 425/77
C Reg. 571/78

Customs duties and a basic levy taking account of the difference between the guide price and the free-at-Community-frontier offer price plus the amount of the customs duty. Where the price of adult bovine animals on the representative markets of the Community exceeds the guide price, the levy applicable is gradually reduced in relation to the basic levy. The levy applicable is gradually increased in the converse situation.

OJ L 61/77
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

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

Depending on the market situation, the scarcity clause or the safeguard clause provided for in the basic Regulation is applied to imports and exports.

3.622 **Dairy products**

C Reg. 804/68
amended by
C Reg. 1761/78

COM in force since 1964

OJ L 148/68
OJ L 204/78

Price system

A target price in respect of standardized whole milk containing at least 3.5 % 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.

Comm. Reg. 685/69
amended by
Comm. Reg. 1829/80

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 178/80

Aid for the private storage of butter and cheeses may be granted to supplement the action of intervention agencies in stabilizing markets.

Comm. Reg. 2211/79

Rules for the granting of aid for the private storage of Grana-Padano, Parmigiano-Reggiano and Provolone cheese.

OJ 256/79

3.6221 **DISPOSAL OF SURPLUSES OF DAIRY PRODUCTS**

(a) *Skimmed-milk powder*

C Reg. 986/68
Comm. Reg. 1089/77
Comm. Reg. 1725/79

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

Comm. Reg. 3015/79

Aid to skimmed-milk powder intended for feed for calves.

OJ L 337/79

Comm. Reg. 756/70
amended by
Comm. Reg. 2213/79

Aid for skimmed milk processed into casein and caseinates.

OJ L 91/70
OJ L 256/79

(b) *Butter*

Since 1977 the Community has taken a number of measures to stimulate consumption.

General subsidy for butter consumption.

C Reg. 1269/79

Marketing of butter for direct consumption

OJ L 161/79

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 kilogrammes 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

3.6221 — granting a subsidy of 90 ECU per 100 kg to butter in private
(*contd*) storage or 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 | — 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 |
| Comm. Reg. 262/79 and 545/79 | — 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 and OJ L 72/79 |
| 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. 1048/78 | — 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 134/78 |
| Comm. Reg. 649/78 and 131/79 | — Sale at reduced prices of intervention butter in public and private storage for direct consumption as concentrated butter. | OJ L 86/78 and OJ L 19/79 |

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.

EP Doc. 247
EP Doc. 343

Measures adopted by the Council on the basis of the action programme which was extended in 1980:

C Reg. 1079
amended by
C Reg. 1364/80

(a) creation of a joint responsibility levy and measures aimed at extending the markets of milk sector.

OJ L 131/77

The *co-responsibility levy* corresponds to 0.5 % of the milk guide price for the milk-price year 1979/80 and 2 % for 1980/81 and will not be less than 1.5 % for the two following years (1981/82 and 1982/83).

OJ L 140/80

The levy must be paid on all supplies of milk to dairies except in the case of milk produced in mountain regions.

In the case of the milk-price year 1980/81 the first 60 000 kg of milk produced by holdings in less-favoured areas is also exempt from the levy of 0.5 %.

'Supplementary co-responsibility levy' as of milk-price year 1981/82 if milk deliveries in 1980 prove to have increased by 1.5 % or more over the figures for 1979.

It should be possible to use the returns from the extra levy to cover the costs of disposing of the surpluses. Implementing provisions will be fixed before the beginning of the 1981/82 price year.

The principle of the *supplementary co-responsibility levy* is as follows.

The Community continues to accept the responsibility and the high budgetary cost for the current level of milk production. It is clear, however, that further increases of our already surplus production are a misuse of resources and will seriously overload the budget.

3.6222
(contd)

The Commission proposes, therefore, that any further increases in deliveries of milk to dairies above the level of those in the reference period (1979 — 1 %) will only earn the market value, that is to say that the cost of the subsidized disposal of this milk will be recovered by the levy and only the real market return will be earned by the producer. The supplementary levy does not, for the rest, reduce revenues below the level of 1979 (— 1 %).

The return from the co-responsibility levy is used for financing programmes aimed at eliminating existing surpluses by promoting consumption within and outside the Community (e.g. school milk, butter for use in ice-cream, confectionery, sales promotion, studies on improving the quality of milk). The return in 1978 was 156 m EUA and for 1979: 96 m EUA. The return from the basic levy for 1980/81 is estimated at 190 m EUA and from the supplementary levy at 350 m EUA.

Implementing provisions for the collection of the co-responsibility levy.

OJ L 131/77
OJ L 140/80

Comm. Reg. 1822/77
amended by
Comm. Reg. 1381/80

(b) the system of levies on certain oils and fats, initially proposed by the Commission, and then withdrawn after EP had rejected it, has been replaced by a special set of measures financed in part by the Community and aimed at increasing butter consumption;

Prop. of 20 March 1979

(c) temporary suspension of certain national and Community measures for aid in the dairy sector.

OJ C 88/79

Investment aid in the dairy sector will only be granted to farmers with a development plan or a plan for the improvement of the undertaking within the context of Community measures. The aid will be granted exclusively for investments which are necessary in order to achieve the comparable income for 1·5 work units, defined as 40 cows per work unit on conclusion of the development programme or a maximum increase of 15 % in the dairy herd.

Comm. Reg. 1598/77 amended by Comm. Reg. 2212/79	3.6222 (contd)	(d) programme for the distribution of milk to schools; (e) general rules concerning the exclusive use of butter fats and milk proteins for certain purposes;	OJ L 177/77 OJ L 256/79
C Dir. 77/391 C Reg. 1078/77 amended by C Reg. 1365/80 Comm. Reg. 1391/78 and Comm. Reg. 2962/78 amended by Comm. Reg. 1799/79		(f) Community action for the eradication throughout the Community of brucellosis, tuberculosis and leucosis among Bovidae; (g) system of premiums financed entirely by the Community for the non-marketing of milk and products derived therefrom valid until 15 September 1980 and for the replacement of dairy livestock. Aim is to remove milk production of 1·3 million cows from market. Premium financed by co-responsibility levy.	OJ L 145/77 OJ L 131/77 OJ L 140/80 OJ L 167/78 and OJ L 352/78 OJ L 206/79
Comm. Reg. 1993/78 Comm. Reg. 2937/79		(h) decision at a later date on a Commission proposal for a premium for the closure of dairy undertakings within the context of the revision of directives concerning agricultural structures (cf. 3.732); (i) measures regarding sales promotion, publicity and market research. 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.	OJ L 230/78 OJ L 334/79
Comm. Reg. 368/77		<i>Special measure for the disposal of intervention stocks of skimmed-milk powder</i> The processing of 450 000 tonnes of skimmed-milk powder from intervention stocks by means of a radical reduction in price in order to create conditions of competition comparable to those of other important sources of protein, in particular soya beans.	OJ L 52/77
Comm. Reg. 753/76 amended by Comm. Reg. 324/77		Application of this measure is supervised by means of strict rules on denaturing and on the tendering bond and processing security. In view of the low sale price of skimmed-milk powder, the aid referred to in the COM for milk and milk products is not granted.	OJ L 88/76 OJ L 45/77
Comm. Reg. 2307/79		Special measure suspended as of October 1979.	OJ L 264/79

3.6222
(contd)

Trade

Imports

C Reg. 823/68
amended by
C Reg. 561/76

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. 1363/80

Butter and skimmed-milk powder are excluded from the inward processing traffic until 31 March 1981

OJ L 140/80

Levies bring the wholesale price of imports up to the threshold price concerned.

A special régime for imports of New Zealand dairy products to the UK runs until 1980 (see Section 3.24).

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.

Comm. Reg. 706/77

Export certificates are required for the export of dairy products in the event of advance fixing of refunds.

OJ L 86/77

Comm. Reg. 210/69 and
Comm. Reg. 2044/75
amended by
Comm. Reg. 1305/80

Rules governing export certificates and monitoring of exports.

OJ L 28/69
OJ L 213/75
OJ L 133/80

Special arrangement for the import of butter and cheese from New Zealand

Protocol No 18
of the Act of Accession
and C Reg. 1655/76

Up to 31 Dec. 1980 UK authorized to import a progressively smaller tonnage of New Zealand butter and cheese at a price representing average in UK market during 1969 – 1972 inclusive.

OJ L 73/72
OJ L 185/76

Prop. for Reg.	3.6222 (contd)	This exceptional arrangement for butter to be extended to 1983. Average volume of imports for 1981, 1982 and 1983: 95 000 tonnes, at a price corresponding to approximately 75 % of the intervention price. This limitation of imports to be achieved by means of a gentlemen's agreement. Application of a special levy.	Doc 1-336/80
C Reg. 1422/78 Comm. Reg. 1565/79	3.6223	"MILK MARKETING BOARDS" IN THE UK	OJ L 171/78 OJ L 188/79
C Reg. 2759/75 (Codif.) Impl. Reg. 2760-2770/75 amended by C Reg. 1423/78	3.623	Pigmeat	OJ L 282/75 OJ L 282/75 OJ L 171/78
		COM since 1 July 1967.	
		Price system	
		After consulting the EP the Council may adopt measures to improve organization of the production and sale of processed products, to improve quality and short and long-term production forecasts and to facilitate the monitoring of market price trends.	
		Basic and standard qualities for slaughtered pigs fixed by Council after consulting EP.	
C Reg. 2763/75		Buying-in prices between 92 % and 78 % of the basic price and aids are fixed by the Management Cttee procedure.	OJ L 282/75
		Sluice-gate prices fixed every quarter.	

3.623
(*contd*)

Intervention measures

Aid for private storage.

Intervention possible when pigmeat prices on representative markets fall below 103 % of the basic price.

General provisions for granting aid to private storage.

OJ L 171/78

C Reg. 1423/78

EP Opinion, 10 June 1978

OJ C 163/78

C Reg. 2762/75

List of representative markets.

OJ L 282/75

Comm. Reg. 1092/80

Arrangements for granting aid to private storage.

OJ L 114/80

Trade

Trading system covers live swine, pigmeat, bacon, lard and preparations containing pigmeat of offal.

Imports

Import certificates.

Levies

The sluice-gate price represents the cost price of pigmeat in third countries with the greatest technical efficiency and the best conditions for the supply of fodder. The levy comprises a variable component corresponding to the difference in the cost of the feed ration on the world market and in the Community, and a fixed component corresponding to 7 % of the average sluice-gate price for the four quarters preceding 1 May of each year.

	3.623 (<i>contd</i>)	If the free-at-frontier offer price falls below the sluice-gate price, the levy is increased by a supplementary amount equal to the difference between these two prices.	
		<i>Exports</i>	
C Reg. 2768/75		Application of system of export refunds.	OJ L 282/75
C Reg. L 2769/75		Protective measures, if market disturbed.	OJ L 282/75
		Work in progress	
Prop. for Reg., 25 Jan. 1980		Application of zootechnical standards to breeding pigs with a view to the removal of barriers to intra-Community trade.	OJ C 44/80
	3.624	Eggs	
C Regs. 2771 – 2776/75		COM since 1 July 1967.	OJ L 282/75
		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.	
C Reg. 2772/75		Marketing standards fixed by C.	OJ L 282/75
		Trade	
		<i>Imports</i>	
		Protection of EC market by:	
		Import certificates.	

3.624
(contd)

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.

Sluice-gate price for each quarter fixed by Management Cttee.

The sluice-gate price consists of two components:

- price on world market for quantity of feed grain required for production in third countries of 1 kilogram of eggs;
- a standard amount representing other feeding costs and overhead costs of production and marketing.

Safeguard clauses applicable if market disturbed.

Exports

Refunds on exports if world market prices higher than prices in EC.

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

Marketing standards 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

C Reg. 100/76

Fishery products covered by COM listed in Annex I of regulation. These are mostly products for everyday consumption.

OJ L 20/76

Marketing standards system

C Regs. 103 – 104/76

Quality, size or weight categories, packaging, presentation and labelling.

OJ L 20/76

Producers' organizations

C Regs. 105 – 106/76

Same system as for fruit and vegetables (see 3.615).

OJ L 20/76

Producers' organizations fulfilling certain conditions recognized by Member States.

They may receive aid calculated as a percentage of administrative costs incurred when they are set up or approved.

Price system

Where withdrawal prices applied, producers' organizations grant members compensation in respect of certain products withdrawn from the market (products in Annex I). For other products, it is left to their discretion whether or not to grant compensation.

Compensation financed by members' contributions to organization'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. Intervention price is between 35 and 45 % of guide price.

3.626
(contd)

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.

Exports

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 the adoption of a definitive COM, temporary partial regulations have been drawn up comprising, like the system ultimately envisaged, the following:

— an external aspect with negotiations with third countries on the basis of the mutual access of Community fishermen and those of third countries to their respective fishing grounds, taking account of the need to conserve stocks and of the signing of international agreements by the Community and

OJ C 255/76
Doc. PE 1-560/80
OJ C 327/80

OJ L 378/78
OJ L 226/80
OJ L 322/80

Prop for Reg.,
8 Oct. 1976
EP Rep.
EP Opinion

C Reg. 3179/78
C Regs. 2209-2214/80
C Reg. 3062/80

Prop. for Reg.,
20 Nov. 1978
C Dec., 9 April 1979
CJEC judgment,
16 Feb. 1978
C Reg. 2527/80

3.6261
(*contd*)

— an internal aspect with zones reserved exclusively for local fishermen and Community conservation measures which may comprise, *inter alia*, quotas on catches, fishing licences, regulations on mesh sizes, prohibited zones or seasons and the temporary suspension of fishing for certain species of fish.

OJ C 25/79
OJ L 83/79
OJ C 76/78
OJ L 258/80

3.627 **Sheepmeat and goatmeat**

C Reg. 1837/80

Entry into force of COM on 20 Oct. 1980. COM differs from rules applicable to other sectors.

OJ L 183/80

Price is not yet a Community price; intervention is not automatic and applies only to certain categories and for certain period; market is not as yet organized on a Community basis. Imports are controlled both by levies and quantitative restrictions.

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.

Income premiums corresponding to difference between market price and reference price (to be applied in France) may be granted.

3.627
(contd) In regions where no intervention purchases are made sheep farmers may receive variable slaughter premium if prices recorded on representative markets are below guide level (85 % of basic price).

C Reg. 2643/80 System of premiums set out in implementing rules. OJ L 275/80

C Reg. 2644/80 Establishment of general rules on intervention. OJ L 275/80

Comm. Reg. 2657 – 2662/80 Implementing provisions governing intervention and premiums. OJ L 276/80

Trade arrangements

Trade control by means of system of import and export certificates.

Imports

Levy applicable to imports is equal to difference between basic price and free-at-Community-frontier offer price, subject to observance of GATT rules. In certain cases application of special levy.

C Dec. 80/982 Imports from third countries regulated by quantitative agreements (import restrictions). To compensate for these restrictions, levy will be lowered. OJ L 275/80
Comm. Reg. 2662 – 2665/80 OJ L 276/80

Comm. Reg. 2668/80 Implementing provisions for application of levies to imports. OJ L 276/80

Exports

No more detailed rules, but refunds applicable.

3.63

PRODUCTS NOT COVERED BY ANNEX II OF THE TREATY

Goods resulting from processing of agricultural products

Regulation for adoption of market rules.

C Reg. 1059 and 1060/69
amended by
C Reg. 152/78

Regulation 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.

OJ L 141/69
OJ L 23/78

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 and sugar.

Imports

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.

Exports

C Reg. 2682/72
amended by
C Reg. 2795/76

Export of products not referred to in Annex II of Tr.

Fixing of 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 B and C of regulation.

OJ L 289/72
OJ L 320/76

C Dir. 73/69
amended by the Act
Acc. and by
C Dir. 119/76

C Dir. 73/69
Comm. Dir. 95/73
amended by
Comm. Dir. 681/75

3.63
(*contd*)

Harmonization of laws and administrative provisions governing *outward processing traffic*. (Export of products for re-import after processing or treatment.)

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 24/76

OJ L 58/69
OJ L 120/73
OJ L 301/75

3.7 **Structural policy¹**

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 on prices, rationalization of market and restructuring of agricultural prices.

OJ 11/58

Res. of Agr. Conf. Stresa
1958
Comm. Memo. 1968
'Mansholt Plan'

3.70 **OBJECTIVES**

Modernization of agriculture (see also 3.730).

3.71 **INSTRUMENTS**

EAGGF, Guidance Section

Dirs. and Regs. with system of aid for projects designed to improve structures:

¹ 3.7 *et seq.* do not contain all structural measures. Some are included under 3.6 *et seq.*, since relevant regulations group credits under Guarantee Section of EAGGF, e.g. points 6.240, 6.242, 6.243 (milk products); 6.400, 6.401, 6.402 (sugar); 6.512 (beef and veal) of general budget of EC.

Art. 39, EEC Tr.
C Reg.
17/64

3.71
(*contd*)

— through system of aid for individual projects forwarded by the Member States — satisfying EC criteria. EAGGF contribution: 25 %

OJ 34/64

C Reg. 729/70

— through common measures.

OJ L 94/70

EAGGF generally bears 25 % of cost of common measures. Up to max. of 65 % in certain regions.

3.711 **Coordination of structural policy in agriculture**

Management by *Standing Committee on Agricultural and Fisheries Structures*

For composition, see 3.4111.

Agricultural structures, support for Comm. in preparing annual review of national structural policy measures.

Secretarial services provided by Comm.

Comm. Dec. of
17 Sept. 1976

Setting up of an Advisory Committee on Questions of Agricultural Structure Policy.

OJ L 273/76

3.71/3.711

C Reg. 17/64
amended by
C Reg. 3171/75
C Reg. 729/70,
Art. 6 (4)

3.72 **INDIVIDUAL PROJECTS**

OJ 34/64
OJ L 315/75
OJ L 94/70

3.720 **Objectives**

- (a) adjustment and improvement of production conditions in agriculture;
- (b) adjustment and guidance of agricultural production;
- (c) adjustment and improvement of marketing;
- (d) increase in sales.

Conditions of EAGGF participation

Action under (c) and (d) only for products covered by COM.

EAGGF contribution: 25 % of expenditure.

EAGGF contribution may be increased to 45 % for certain projects.
Comm. allocates EAGGF aid every six months.

General and special conditions for awarding aid incorporated in Reg.

Applications for aid must be submitted by Member States, who must have approved projects.

OJ 165/66

C Reg. 130/66

Work in progress

C Reg. 17/64 will be in force until end of 1979, when § b, c and d of regulation will gradually be replaced by C Reg. 355/77 and § a by C Dir. 72/159.

3.720 This regulation is applied for budgetary reasons to finance specific
(*contd*) structural measures in certain problem areas.

From 1981, no new financial commitments will be entered into, but projects currently under way will be concluded.

3.73 **REORIENTATION OF COMMON AGRICULTURAL
POLICY**

C Res. of 25 May 1971
EP Opinion of
18 Nov. 1971

3.730 **Objectives**

OJ C 52/71
OJ C 124/71

- 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*:

- 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 (still under discussion);

C Reg. 729/70,
amended by
C Reg. 2788/72

3.730
(*contd*)

— measures to stimulate regional development.

Financing of common measures is laid down in Art. 6 of Reg. relating to financing of common agricultural policy.

OJ L 94/70
OJ L 295/72

C Dir. 72/159 amended by
C Dir. 80/370
Amended Prop.

3.731

Modernization of farms

Selective system for aiding farms capable of development

(a) Persons wishing to claim aid must fulfil following conditions:

- farm as main occupation;
- possess 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.

Comparable earned income assessed directly by comparison with that of workers in region or indirectly by reference to typical small farm in region.

OJ L 96/72
OJ L 90/80
OJ C 124/79

(b) Assistance for persons submitting development plans:

- allocation, by way of priority, of land released within Dir. 72/160;
- interest-rate subsidies max. 5 % and not more than 53 333 u.a. 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 of 600 u.a. for first four years of properly kept accounts;
- aid towards costs of cooperative schemes, from 2 500 to 7 500 u.a.;
- 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.

Temporary ban on aid for purchase of dairy cattle until 1980, as part of 1977 – 80 action programme for milk and milk products.

Aid possible for pigkeeping if investment between 10 520 and 42 060 u.a. and if, after carrying out development plan, 35 % of feedingstuffs produced by farm itself, or by associated farms.

(c) Other aid for 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)

(d) National aid

Member States may give aid if interest remaining payable by beneficiary at least 5 %.

For five-year period, 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.

(e) Interest-rate subsidy in Italy

C Dec. 77/343

In southern Italy interest-rate subsidy may not exceed 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 Dir. 76/837

Amounts adjusted on basis of changes in cost of living.

OJ L 302/76

Work in progress

Prop. for Reg.

Measures to limit aid for investment in milk production.

OJ C 232/80

Prop. for Dir.
of 26 Feb. 1974
Amended Prop.
of 7 March 1975

Forestry measures to improve agricultural structures.

OJ C 44/74

Aid for afforestation measures supplementary to C Dir. 72/160 on cessation of farming and use of farm land for structural reorganization of agriculture.

OJ C 161/75

Aid between 40 and 90 % of cost of capital grants (240 u.a./ha).

Aid for conversion of forest areas.

Prop. for Dir. of 3 Dec. 1974

Flate-rate on sliding scale to young farmers (aged not more than 40 years) during implementation of development plan (five years).

OJ C 107/74

OJ C 32/75

EP Res.
C Dir. 77/390

3.7311 Authorization for Member States to extend to 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

Dairy farms profited most from investment aid granted under this Directive (54 % of all farms with approved development plans).

3.7312 *GUIDANCE PREMIUM FOR PRODUCTION OF BEEF AND VEAL AND MUTTON AND LAMB*

C Dir. 73/131
amended by
C Dir. 78/1017

Granting of guidance premium per hectare for three years for production of beef and veal and mutton and lamb as provided for by C Dir. 72/159 on modernization of farms.

OJ L 153/73

C Dir. 72/160
Amended Prop. for Dir.

3.732 **Encouraging cessation of farming and utilization of released farmland to improve structure**

OJ L 96/72
OJ C 124/79

Aid to encourage cessation of farming may be granted to farmers and their employees who are between 55 – 65 years of age.

Annuities:

- 900 u.a. for married persons,
- 600 u.a. for single persons.

Member States may grant farmers premiums calculated on utilized agricultural area released, without reimbursement by EAGGF.

System for five years (extended):

Following premiums only reimbursable, by EAGGF:

- to farmers aged 60–65 and to persons employed by them of like age;
- to widows and persons with more than 50 % disablement;

3.732 — to farmers aged at least 55, whose farms cover not more than 15
(contd) 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 develop-
ment 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 Dir. 76/837

Amounts adjusted on basis of changes in cost of living.

OJ L 302/76

Work in progress

Prop. for Dir.
EP Opinion

Abolition of age limit of 65 years for recipients of premium for ces-
sation of farming.

OJ C 304/77
EP Doc. 59/78

Dir. on cessation of farming applied mainly in France and FR of Ger-
many, which account for 90 % of beneficiaries.

C Dir. 72/161
Amended Prop. for Dir.

3.733 **Professional guidance and training**

OJ L 96/72
OJ C 124/79

Dir. provides for

— guidance:

Creation and expansion of socio-economic guidance services (7 500
u.a. per counsellor);

Bearing of cost of training these advisers (4 500 u.a. per counsellor).

3.733 (<i>contd</i>)	— training: Creation and expansion of training centres or courses; Granting of premiums or allowances for attendance (1 500 u.a. per farmer).	OJ L 54/75 Bull. EC 2 – 75
C Dir. 76/837	Title III of Dir. on vocational training is no longer operative since this is dealt with by Regional Fund. 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.	OJ L 302/70
C Reg. 270/79	Development of agricultural advisory services in Italy.	OJ L 38/79

State of integration (3.731-3.735)

On 12 May 1978 C found it necessary to take a decision without delay on Comm. proposals modifying socio-structural guidelines in order to achieve greater flexibility and efficiency in light of experience gained.

3.734 Specific joint measures affecting certain regions

C Reg. 1760/78	— Improvement of public amenities in certain rural areas.	OJ L 204/78
Comm. Reg. 2650/80	Rules on granting assistance.	OJ L 273/80
C Reg. 269/79	— Forestry in certain arid Mediterranean regions.	OJ L 38/79
C Reg. 1362/78 and 1760/78	— More rapid and effective implementation of irrigation work in Mezzogiorno, drainage in Ireland, hydraulic works in 'Bas Herault' and public amenities in Mezzogiorno and southern France.	OJ L 166/78 OJ L 204/78
	Collective irrigation works in Corsica.	
C Dir. 78/628	— Aid for drainage in less-favoured areas in west of Ireland.	OJ L 206/78

Prop. for Reg.	3.734 (<i>contd</i>)	<p>Proposals submitted to C.:</p> <ul style="list-style-type: none"> — on programme for development of beef cattle and sheep production in Italy; — for stimulation of agricultural development in less-favoured areas in west of Ireland; — for development of sheep farming in Greenland; — on integrated development programmes for Western Isles of Scotland, department of Lozère and Belgian province of Luxembourg; — for special measure in respect of slaughtering of pigs and processing of pigmeat in France and United Kingdom; 	OJ C 124/79
Prop. for Reg.		<ul style="list-style-type: none"> — for improvement of processing and marketing conditions in the egg, poultrymeat, cereals and cattle fodder sectors in Northern Ireland; 	EP Doc. 1-492/80
Prop. for Reg.		<ul style="list-style-type: none"> — on agricultural development in French overseas departments; 	EP Doc. 1-348/80
Prop. for Reg.		<ul style="list-style-type: none"> — and in Northern Ireland amending Directives 72/159 on modernization of farms, 72/160 on encouraging cessation of farming, 72/161 on socio-economic information and vocational training and 75/268 on agriculture in mountain and hill regions and in certain less-favoured regions (Mezzogiorno, west of Ireland, Northern Ireland and French overseas departments). 	EP Doc. 1-314/80

State of integration

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.

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

Supplements Council Directives 72/159, 160 and 161 on modernization of farms.

OJ L 128/75

OJ L 108/76

To maintain minimum level of agricultural activity in areas where price and structural policies are unable to ensure adequate income, because of physical handicaps.¹

Definition of areas

For mountain areas (e.g. Alps, Massif Central, Apennines) physical disabilities resulting from either a short growing season or steep slopes or both. For less-favoured areas (e.g. Scottish Highlands, Ardennes, Galway) combination of infertile land, low economic results and rural depopulation.

C Dirs. 269 – 276/75

EC list of agricultural areas within the terms of C. Dir. 268/75.

OJ L 128/75

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.

Conditions for granting aids

Annual compensatory allowance granted to farmers with at least three hectares of agricultural land in use who undertake to continue farming for at least five years.

¹ For amounts valid from 15 March 1976 see Comm. Reg. 571/76 OJ L 68/76.

3.735
(contd)

Compensatory allowance is calculated as follows:

— either on basis of size of bovine, sheep or goat stocks by using distribution key expressed in units of adult bovine animals (equivalent to one dairy cow).

Minimum amount is 15 u.a. per adult bovine animal unit, maximum being 50 u.a. per adult bovine animal unit and 50 u.a. per hectare of total land devoted to fodder crops;

— or for products derived from sources other than bovine animals, sheep or goats, based on cultivated land area, with exception of land devoted to fodder crops, of land intended for wheat-growing and all land of more than 50 acres used for fruit-growing.

Amounts increased by 8 % in 1977.

Higher rates of interest-rate subsidy, or capital grant, and higher guidance premiums for farmers submitting development plans (see 3.731).

Contributions of EAGGF, Guidance Section: 25 % of outlay refunded, but increases to 35 % in the case of Italy and Ireland.

Regional Fund may also be used to improve infrastructures in mountain regions and certain less-favoured areas.

Compensatory payments under these rules affecting mountain and hill farmers are awarded mainly in Ireland, France and FR of Germany (which account for 83 % of beneficiaries).

C Reg. 355/77
amended by
C Reg. 1361/78

Amended Prop. for Reg.
of March 1979

3.736

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 166/78

OJ C 124/80

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.

OJ C 88/79
EP Doc. 127/79

C Reg. 1360/78 and
C Reg. 1917/80

3.7361 **PRODUCER GROUPS AND ASSOCIATIONS**

OJ C 166/78
OJ L 186/80

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.

Special provisions for certain less-favoured areas and for Belgium with regard to improving marketing structures. In these regions EAGGF refunds 25 – 50 % of eligible expenditure.

Comm. Reg. 2083-84/80

Rules of application for establishment and administration.

OJ L 203/80

Reg. applicable in regions with structural deficiencies with regard to supply and marketing, viz. the whole of Italy, southern France and its overseas territories, and whole of Belgium. However, Reg. is applied to individual products, except in Italy, where it covers all products.

C Reg. 1562/78

Amended basic regulation on 'oils and fats' provides for aid for groups of olive oil producers.

OJ L 185/78

Additional rules for hop growers and fruit and vegetable growers.

A proposal has been submitted for potato growers.

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.

3.7372 **FISHING**

C Reg. 101/76	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.	OJ L 20/76
C Reg. 1852/78 C Reg. 592/79	Interim common measure for restructuring the inshore fishing industry. Participation by the EAGGF in the financing of investment projects for the development of inshore fishing in regions where fishing potential makes this possible and for the development of aquaculture.	OJ L 211/78 OJ L 78/79
C Dec., 25 July 1978	Financial participation by the EAGGF in inspection and surveillance operations in the maritime waters of Denmark and Ireland.	OJ L 211/78

3.7373 **HONEY**

Aid, for 1981/82 of 1 ECU per hive to bee-keepers who are members of an organization. Contribution of Garantie Section of EAGGF: 100 %

3.7374 **BEEF AND VEAL**

C Reg. 870/77	— Premiums for slaughtering adult bovine animals (except cows) (see 3.621).	OJ L 106/77
C Reg. 1353/73 amended by C Reg. 266/75	— Incentive premiums for beef production.	OJ L 141/73 OJ L 30/75

3.7372/3.7374

3.7375 *FRUIT AND VEGETABLES*

C Reg. 2517/69
amended by
C Reg. 794/76
amended by
C Reg. 1090/76

- Rationalization of fruit production.
Premiums for grubbing up fruit-trees.

OJ L 318/69
OJ L 93/76
OJ L 124/76

C Dir. 76/625
amended by
C Dir. 77/159

- Surveys to determine production potential of certain types of fruit trees (apples, pears, peaches and oranges).

OJ L 218/76
OJ L 48/77

Special measures affecting citrus fruit

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

C Reg. 2601/69
amended by
C Reg. 1154/78

- Aid for conversion to better citrus fruit.
In addition, supplementary aid to offset losses resulting from conversion and to promote processing of certain varieties of oranges.
EAGGF reimburses 50 % of expenditure.

OJ L 324/69
OJ L 114/78

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
Prop. for C Dec.

- Organization of structural survey in EC for 1979/80, as part of FAO survey programme.
- Assistance to Italy for establishing system of statistical surveys comparable to those of other Member States.

OJ L 112/66
OJ L 35/78
COM (80) 445

3.7377

WINE

C Reg. 1163/76
amended by
C Reg. 361/79

Prop. for Dir.
of 31 Dec. 1977

C Reg. 456/80

- Conversion premiums for grubbing up vineyards.
System of premiums of different amounts to reduce structural surpluses and cost of rationalizing wine market.
- Structural reorganization and conversion of vine-growing in Languedoc-Roussillon, as part of Mediterranean policy.
- System of premiums of different amounts for the cessation of wine-growing and replanting.

OJ L 135/76
OJ L 46/79

OJ C 50/78

OJ L 57/80

3.7378

DAIRY PRODUCTS

C Regs. 1078/77
and 1041/78
amended by
C Reg. 1365/80

Prop. for Reg.

C Reg. 457/80

C Reg. 458/80

- System of premiums of different amounts for non-marketing of milk and milk products and for conversion of dairy herds.
Guarantee Section: 60 %.
System of premiums expired on 15 September 1980, conversion premium on 1 June 1981.
Conversion scheme has been of little effect: only 11.7 % of applications have so far related to conversion.
- Cessation of farming for dairy farmers (not yet adopted).
This relates to replacement of above system of premiums.
- 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.
- Collective projects for restructuring vineyards.

OJ L 131/77
L 134/78
OJ L 140/80

COM (77) 100

OJ L 57/80

OJ L 57/80

3.7377/3.7378

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)

— suspension of national protective measures taken under Art. 109 (1) in the face of sudden balance-of-payments crises.

- EEC Tr., Art. 103 (2), (4)
- 4.03
(contd)
- (b) *C decides unanimously, on proposal from Comm., on:*
- measures to implement common conjunctural policy and meet supply difficulties.
- (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.
- (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;
 - recommendations to prevent deflection of trade resulting from commercial policy measures.

4.12 **REGIONAL POLICY**

4.120 **Objectives**

EEC Tr., Preamble, Par. 6

Reduction of differences between various regions and backwardness of less-favoured regions.

Prevention of new regional imbalances arising from change in world economic structures or from measures adopted by EC within the framework of its own policies.

Bull. EC
Suppl. 2/77

4.121 **Requirements of EEC Treaty**

EEC Tr., Arts 75, 80, 82,
92, 93, 226

Possibility of departure from general provisions of Tr. to serve regional policy objectives.

EEC Tr., Arts 39, 42, 49

Account to be taken of regional differences in implementing CAP and free movement of workers.

EEC Tr., Art. 235

Provides for regional policy and other measures not expressly covered by Tr.

EEC Tr., Art. 129/130
Protocol on Statute
of EIB

Priority to be given to financing of projects for developing less-developed regions by the European Investment Bank (see 4.127 and 1.18).

4.122 **Regional policy tasks**

Comm. Rep. to C
4 May 1973

— Supplement to national regional policies.

Bull. EC
Suppl. 8/73

— Support for backward regions.

— Reduction of concentrations in built-up areas.

— Coordination of existing Community policies and financial instruments so that they may be better utilized for purposes of regional policy (see 4.125 — 4.128).

— Permanent analysis and assessment of regional integration process in EC.

Bull. EC
Suppl. 2/77

4.123 **Measures to fulfil these tasks**

C Reg. 724/75
of 18 March 1975
EP Opinion of 15 Nov. 1973
EP Opinion of
12 March 1975
amended by C Reg. 214/79
of 6 Feb. 1979
EP Opinion of 13 Oct. 1977

European Regional Development Fund instituted 1 Jan. 1975 for trial three-year period with budget of 1 300 million u.a. of which 300 million u.a. in 1975 and 500 million u.a. both 1976 and 1977.

OJ L 73/75
OJ C 108/73
OJ C 76/75
OJ L 35/79
OJ C 266/77

Regulation on Fund continued to be applied provisionally after end of experimental period, 1978 budget allocating 581 million EUA to ERDF. For 1979 EP proposed 1 100 million EUA, and after amendment amount was finally fixed at 945 million EUA. EP proposed 1 200 million EUA for ERDF in 1980 budget; amount fixed was 1 165 million EUA.

C Reg. 214/79 of 6 Feb. 1979
EP Opinion of 13 Oct. 1977

Since amendment of the Regional Fund Regulation on 6 February 1979, the financial endowment for the Fund will be determined annually in the EC budget procedure.

OJ L 35/79
OJ C 266/77

The part of the Fund's resources subject to quota is allocated as follows:

Belgium	1·39 %
Denmark	1·20 %
FR of Germany	6·00 %
France	16·86 %
Ireland	6·46 %
Italy	39·39 %
Luxembourg	0·09 %
Netherlands	1·58 %
United Kingdom	27·03 %
Total	100·00 %

C Dec. 75/186
of 18 March 1975

4.123
(*contd*)

French Overseas Departments eligible for ERDF aid. Quotas adjusted in Feb. 1979 (see above); these areas should receive 2 points of 16.86 % French quota.

OJ L 73/75
5th Annual Report of
ERDF,
para. 151

Regulations establishing Fund provide that Fund may contribute to financing of following three types of investment:

- (1) investments in industrial, handicraft or service activities;
- (2) investments in infrastructures which aid development of area concerned and are financed by public authorities;
- (3) investments in infrastructures relating to hill farming and farming in certain other less-favoured areas.

Under amended Reg., 5 % of resources are not subject to quota (Art. 2 Para. 3b); these non-quota resources will 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).

Requests for assistance submitted by Member States (Art. 7) must, with exception of non-quota resources, be concerned with national development areas (Art. 3).

Investments may benefit from Fund's assistance only if they fall within framework of a development programme to be submitted by Member States and updated annually (Art. 6).

Further provisions for granting aid are specified in Regulation.

Comm. Reg. 2364/75
of 15 Sept. 1975

Aid may take form of reduced rate of interest or rebate not expressed in percentage terms. First used in 1979.

OJ L 243/75

For amounts allocated from ERDF, 1975–79, to projects in Member States, see table at end of section 4.12. Compare also Comm. annual

<p>4.123 (<i>contd</i>)</p> <p>C Dec. of 7 Oct. 1980 EP Opinion of 11 March 1980</p>	<p>reports on administration of Fund, which have appeared regularly since 1976.</p> <p>First series of actions under non-quota section adopted in principle by C on 23. 7. 80. Amount envisaged for 1980–84 is 220 million 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 programme rather than project approach.</p>	<p>OJ L 271/80 OJ C 85/80</p>
<p>C Dec. 75/185 of 18 March 1975 supplemented by C Dec. 79/137 of 6 Feb. 1979 EP Opinion of 13 Oct. 1977</p>	<p>The Setting-up of Regional Committee in July 1975 with following tasks:</p> <ol style="list-style-type: none"> (1) examination of development programmes submitted by Member States and preparation of opinions on them; (2) examination of yearly data from Member States on economic and social development of assisted areas and current and future national regional policy and contribution in those areas; (3) drawing up model for regional development programmes (work completed); (4) delivery of opinion on infrastructure projects in excess of 10 million u.a. and on general guidelines for financing of infrastructure projects; (5) examination of problems relating to border areas. 	<p>OJ L 73/75 OJ L 35/79 OJ C 266/77</p> <p>OJ C 69/76</p>
<p>Dec. 75/761</p>	<p>Rules of procedure agreed for Regional Policy Committee.</p> <p>Committee's tasks were widened in 1979 C Dec. to include cooperation on Comm. report on situation and social and economic development of regions.</p>	<p>OJ L 320/75</p>
<p>C Res. of 6 Feb. 1979 EP Rep. of 21 April 1977 EP Opinion of 13 Oct. 1977</p>	<p>In 'Community regional policy guidelines' Comm. presented general outlines of a more comprehensive regional policy for the years to come.</p>	<p>Bull. EC Suppl. 2/77 OJ C 161/77 OJ C 36/79 EP Doc. 35/77 OJ C 118/77 EP Doc. 307/77 OJ C 266/77</p>

<p>Comm. Opinion 79/534 and Rec. 79/535 of 23 May 1979 EP Rep. of 19 Sept. 1980</p>	<p>4.123 <i>(contd)</i></p>	<p>To provide a framework for considering applications, defining priority areas, and coordination, Member States transmit to Comm. details of their regional development programmes (Art. 6 of Reg. 724/75). Comm. has published study of these, proposing greater detail and comparability.</p>	<p>Bull EC 11-79, point 2. 1. 59 OJ L 143/79 OJ C 265/80</p>
<p>EP approval without report 14 March 1980</p>		<p>Collection of statistics by Statistical Office based in part on information provided by Member States under Art. 6 of Reg. 724/75; includes financial assistance by EC, population, employment, and accounts on regional basis. Prop. to some transport statistics agreed in general by C on 24. 6. 80.</p>	<p>12th GR EC EP Doc. 615/78 EP Doc. 1-743/79</p>
<p>Comm. Commun. of 21 Dec. 1978</p>		<p>Member States must inform Comm. of State-aid schemes (sectoral or regional; Tr. Art. 93). Revised principles of coordination introduced 1 Jan. 1979.</p>	<p>OJ C 31/79</p>
<p>EP Res. of 23 May 1980</p>		<p>Reg. 724/75, as amended, due for re-examination before 1 Jan. 1981 (Art. 22).</p>	<p>OJ C 147/80</p>
	<p>4.124</p>	<p>Work in progress</p>	
		<p>Long-term programme of regional studies.</p>	<p>13th GR EC EP Doc. 1-765/79 para. 253</p>
<p>C Dec. 78/150 of 7 Feb. 1978 EP Opinion of 17 Nov. 1977</p>		<p>Concerted research project on growth of large urban concentrations.</p>	<p>OJ L 45/78 OJ C 299/77</p>
		<p>Periodic examination of situation and social and economic development of regions (see 'Regional policy guidelines' above). Systematic assessment of regional implications of EC's other policies (see 'Regional policy guidelines' above).</p>	

4.123
(contd)

Examination of regional impact of enlargement of EC.

Bull. EC,
Suppl. 1, 2, 3/78
EP Doc. 42/79

EP Opinion
of 23 Oct. 1979

Prop. for action to support transport infrastructure projects of Community interest, including links with peripheral regions. Prop. on air transport includes cross-border interregional links.

Bull EC,
Suppl 8/79
EP Doc. 1-46/80
Bull. EC,
Supp. 5/79
OJ C 289/79

In view of multiplicity of instruments (see 4.125 — 4.129 below) relevant to regional problems, in addition to ERDF, Comm. adopted in 1979 guidelines for operations integrating activities under these instruments.

5th Annual Report
of ERDF,
para. 61

4.125

Convergence and regional policy

C Dec. 79/136/
EEC of 6 Feb.
1979

Regional policy and other policies aimed at structural problems contribute to convergence of Member States' economies. To reflect this, Dec. amends 74/120/EEC on attainment of high degree of convergence.

OJ L 35/79

There are, in addition to ERDF and instruments listed in 4.126 – 4.129, the following actions:

C Reg. 1736/79
of 3 August 1979
EP Opinion
of 25 April 1979

(a) Under EMS, 3 % interest-rate rebates are available to Italy and Ireland on EIB and New Community Instrument (NCI) loans for infrastructure projects taking regional effects into account.

OJ L 200/79
OJ C 127/79

C Dec. 78/870/EEC
of 16 Oct. 1978
EP Opinion of
12 April 1978
C Dec. 486/79

(b) NCI provides loans for infrastructure projects taking into account regional and employment effects. Amount available is 1 000 million EUA. First tranche of 500 million EUA released in 1979: second similar tranche foreseen in 1980.

OJ L 298/78
OJ C 108/78
OJ L 125/79
OJ C 127/79

4.124/4.125

EP Opinion of
25 April 1979
C Dec.
of 15 July 1980
EP Opinion
of 12 March 1980
C Dec. 1172/76
of 17 May 1976
EP Opinion of
15 Dec. 1975
EP Opinion
of 18 Sept. 1980
EEC Tr., Art. 38–47
C Dir. 75/268
amended by
C Dir. 76/400
C Dir. of 14 Feb. 1976

4.125
(*contd*)

OJ C 85/80

(c) Financial mechanism designed to avoid excess payment by a Member State to EC budget, with proposed amendments following revision of UK contribution. Prop. for supplementary measures in favour of UK concerns economic and social infrastructures, particularly to poorer regions, and energy investment; applies to 1980 and 1981, with review for 1982.

OJ L 131/76
OJ C 7/76
Bull. EC 6/80,
point 1.2.3
OJ C 169/80
OJ C 265/80

4.126 **Regional policy measures supported by EAGGF**

Measures to assist mountain and hill farming and farming in less-favoured areas (see 3.735).

Regional impact assessment of enlargement and trade agreements with Mediterranean countries prompted series of regional socio-structural measures, mainly in Italy, south-west France and Ireland.

OJ L 128/75
OJ L 108/76
OJ L 58/77

12th GR EC
EP Doc. 615/78
para. 238
and 285-9

4.127 **Regional policy measures supported by the Social Fund**

EEC Tr., Art. 123

Social Fund's aim of rendering employment of workers easier and increasing their geographical and occupational mobility within EC and thus improving employment opportunities means that it must be taken into account in Comm.'s coordination efforts.

Social Fund expenditure is concentrated in areas eligible for regional aid.

Bull. EC
Suppl. 2/77

4.128 **Regional policy objectives of EIB**

EEC Tr., Art. 129/130

European Investment Bank grants loans according to banking criteria for industrial projects in less-developed regions (see 1.18).

EIB Governors'
Directive
Dec. 1958

EIB devotes 'a substantial portion of its resources to . . . projects . . . (for) less-developed regions'. Such projects account for 75 % of EIB lending within EC. Global loans can be made to intermediary institutions, for lending to smaller enterprises.

EIB 20-year
report 1958 – 78

4.129 **Regional policy measures on the basis of Art. 56 ECSC Tr.**

ECSC Tr., Art. 56

ECSC measures are primarily concerned with regions affected by structural problems and are thus of significance to regional policy and must be coordinated with such policy.

Bull. EC
Suppl. 2/77
12th GR EC
EP Doc. 615/78
para. 248

Art. 56 provides for financing of retraining and resettlement, etc., of workers made redundant as a result of developments in coal or steel industries. Grants, interest-rate rebates and global loans for on-lending to small firms. Basis for loans revised in 1977, and further reinforced using other EC financial instruments in 1979.

OJ C 178/77
OJ C 82/79

4.129 European Regional Development Fund 1975 – 1979
(contd)

Aid granted in millions of European units of account (EUA)¹ (figures rounded off; brackets: number of investment projects)

Country	Industry, crafts and service industries	Infrastructures	Infrastructures relating to mountain and hill farming	Total
Belgium	11.48 (22)	24.28 (130)	3.44 (4)	39.20 (173)
Denmark	4.46 (60)	30.08 (188)	—	34.54 (248)
FR of Germany	116.38 (718)	94.17 (368)	—	210.13 ² (1086)
France	163.27 (731)	251.42 (624)	13.50 (130)	428.19 (1485)
Ireland	70.03 (149)	69.68 (307)	12.54 (67)	152.25 (523)
Italy	186.23 (667)	688.44 (1283)	44.64 (1034)	916.31 (2984)
Luxembourg	—	2.94 (5)	—	2.94 (5)
Netherlands	5.52 (2)	42.48 (31)	—	48.00 (33)
United Kingdom	233.76 (444)	409.88 (2139)	11.43 (86)	665.78 ² (2669)
Total	791.13 (2793)	1613.37 (5075)	82.55 (1321)	2497.38 (9206)

Source: ERDF Annual Reports, Comm.

¹ The amounts given in EUA should be regarded as provisional.

² Small correction for de-commitments and exchange variations.

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);
- 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;

OJ L 63/74

- 4.132
(contd)
- 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
EP Opinion

European Council
Res., 5 Dec. 1978

Comm. Commun.,
6 March 1980

- Comm. calls for increased coordination of conjunctural policy.
- 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.
- European Council also calls for 'increased convergence of economic policy' under the European Monetary System.
- 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.

COM(78) 52

EP Doc. 434/78
OJ C 296/78

Bull. EC 12/78

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

OJ 24/64

— setting up Cttee of Governors of Central Banks,

— 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 |

(c) Machinery for Community loans

- | | | |
|----------------------|--|------------|
| C Reg., 17 Feb. 1975 | — Possibility created for raising Community loans to maximum of 3 000 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 |
|----------------------|--|------------|

4.142
(contd)

Since the machinery was established, EC has borrowed a total sum equivalent to 1 800 million dollars, of which 1 500 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 1 000 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

4.142
(*contd*)

(e) Currency

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

Comm. Prop., 13 Dec. 1979

— 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:
 - (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;
 - (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.

Bull. EC 12/78
OJ L 379/78

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.

EP Doc. 437/78
OJ C 296/78

— ECU is defined as the sum of the following amounts in the currencies of the Member States:

0.828	DM
0.0885	UKL
1.15	FF
109	LIT
0.286	HFL
3.66	BFR
0.14	LFR
0.217	DKR
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 credit mechanisms (c) and the means of settlement between central 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.

— Credit mechanism:

(a) unlimited facility for very short term (settlement 45 days after end of month of intervention);

4.151 (<i>contd</i>)	(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 Dec., 22 March 1971 C Dec., 21 Dec. 1978	(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
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. — United Kingdom not participating in exchange-rate mechanism for time being.	OJ C 65/79
EP Report	— Parliament proposes strengthening of economic basis of EMS, operational improvements and institutional development.	Doc. EP 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	— '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

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.

Dec. taken by C and representatives of M.S. on 14 March 1977
EP Rep.
EP Opinion

Fourth medium-term economic policy programme covering the period 1 Jan. 1976 to 1 Jan. 1980.

OJ L 101/77
EP Doc. 579/76
OJ C 83/77

Main objectives:

- employment: a particularly active policy necessary to ensure that level of unemployment falls below 3 % by 1980. Objective must be a return to full employment;
- growth: average annual growth rate of GDP in volume terms of 4.5 to 5 %;

4.161
(contd)

- prices: rate of inflation should be gradually reduced to one compatible with lasting stability and should be of the order of 4 to 5 % by 1980 at the latest;
- wages: adjusted share of wages and salaries must revert to a more normal level before a more satisfactory growth rate and unemployment level can be achieved;
- investment: the ratio of productive investment to GDP must increase considerably;
- public finance: public-finance-policy flexibility is of major importance for the growth path; recourse to a further increase in tax burden should be limited;
- balance of payments: at beginning of the projection period, EC should accept an external deficit, but by 1980 it should achieve a positive external balance of some 0.5 to 1 % of GDP.

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.

Comm. Prop.,
18 Oct. 1979
C Dec., 14 Dec. 1979
EP Opinion,
19 Nov. 1979
ESC Opinion,
25 Oct. 1979

Economic Report 1979–80 lays down economic policy objectives and guidelines for 1980. A threefold Community policy response is called for:

OJ C 314/79
Bull. EC 10/79
Doc. 1–385/79

- incomes must be constrained so that consumers absorb the increased cost of energy;

4.161
(*cont'd*)

- policy could be adjusted as and when progress is made on the inflation front;
- energy policy should be strengthened.

Comm. Commun. to C,
7 July 1980
EP Res., 9 July 1980
EP Report

Comm. stresses need for regular review and close coordination of Community economic policy (particularly monetary policy within EMS). EP calls on Comm. to realize that, in addition to observing and commenting on economic developments, its task is to put forward proposals designed to create an integrated market.

COM (80) 100 fin.
COM (80) 101 fin.
OJ C 197/80
Doc. EP 1 – 288/80

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

4.170 **Objectives**

Communiqué of Summit
Conf., 9/10 Dec. 1974

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)

4.172
(*contd*)

(c) Five-year action programme, details to be specified annually which revolves around:

- 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.

COM (77) 620 fi
COM (78) 52 fi

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.

European Monetary Cooperation Fund plays subsidiary role. On 15 April 1978 France, Ireland, Italy and United Kingdom played no part in the EC's exchange-rate mechanism. Member States often disregard procedures for advance consultation when central rates are changed. Cooperation between the central banks of the Member States satisfactory. The introduction of the EMS (see 4.15) opens up new perspectives.

EP Report

EP deplores lack of political will and subsequent economic difficulties which prevented implementation of policy adopted in 1972. Complete Economic and Monetary Union (in 1980) depends on a high growth rate and the introduction of the EMS.

See also conjunctural policy, monetary and financial policy, capital movements, European Monetary System and regional policy.

Doc. 437/78

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.

Increase in productivity through research and industrial use of technological progress.

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**

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),
- company and industrial law (see 2.31),
- control and coordination of national aid (see 2.421).

EEC Tr., Art. 100
EEC Tr., Art. 235
EAEC Tr., Art. 203
ECSC Tr., Art. 96

4.212 **Decision-making procedures**

Approximation of legislation (see 1.22),

Amendment of Treaties (see 1.233),

Economic policy (see 4.102, 4.171),

Regional policy (see 4.102),

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.

OJ L 13/70

Comm. Dir.
of 17 Dec. 1969

Coordination of procedures governing public works contracts

OJ L 185/71

C Dir. of 26 July 1971

- publication in EC OJ;

- formation of Advisory Committee for Public Works Contracts.

OJ L 185/71

C Dec. of 26 July 1971

Procedures for award of public supply contracts and measures for

OJ L 13/77

C Dir. of 21 Dec. 1976

- certain less-developed areas (see 4.12),

- branches of industry affected by structural changes (see 4.2332, 4.333).

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

Comm. Prop.
of 8 Nov. 1979
EP Opinion
of 12 May 1980

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.

Industrial policy proposed by Comm. embraces

- 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 I
C General Programme
of 28 May 1969

Memorandum, Part 2,
Chapter II

Comm. Prop. for Reg. EP Opinion	4.214 (<i>contd</i>)	<p>— <i>Establishment of 'joint undertakings' in area covered by EEC Tr.</i> (for joint undertakings in EAEC see 4.2342);</p> <p>by setting up, or completely or partially merging, activities of public service organizations whose activities are in public EC interest:</p> <p>by establishing or merging undertakings whose activities in field of technological development or raw material supply, excluding hydrocarbons industry, are in EC interest;</p> <p>— involving partners from at least two Member States;</p> <p>— established by C Dec.;</p> <p>— legal entity;</p> <p>— annual report to Comm.;</p> <p>— annex: list of possible concessions.</p>	OJ C 107/71 EP Doc. 158/7 EP Doc. 2/72-73
Comm. Prop. for Reg.		Grant of 'joint undertaking' status to activities in hydrocarbons industry.	OJ C 106/71 EP Doc. 12/72-73
Amended Comm. Prop for Reg. of 13 May 1975		<p>Work to create a 'European limited company' (see 2.33).</p> <p>Elimination of varying tax laws which make mergers difficult and obstruct relations between patent companies and affiliates.</p>	Bull. EC Suppl 4/75
Memorandum, Part 2, Chapter II		<p>— Industrial restructuring of undertakings,</p> <p>Support for concentrations where necessary to become internationally competitive,</p> <p>Support for concentrations to achieve optimum supply of EEC domestic market,</p> <p>Aid from EIB for amalgamations of undertakings from different Member States.</p>	
Memorandum, Part 3, Chapter I		<p>— <i>Control over changes and processes of adaptation</i> 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.</p>	

Memorandum, Part 3,
Chapter III

4.214
(*contd*)

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.

— 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.

— 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.

Memorandum, Part 3,
Chapter II

4.215

Initial action programme in field of technological and industrial policy

Programme envisages five main fields of action:

— abolition of technical barriers to trade;

— gradual and effective liberalization of public and semi-public contracts in EC;

Bull. EC 5 – 73, points
1101 – 1105, 2232

OJ C 117/73

4.215
(contd)

- 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).

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

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.

Bull. EC 6 – 71
point 41

Motion for a resolution
of 9 Aug. 1971
Comm. Prop. for Reg.
of 21 Dec. 1973

EP Opinion
of 14 June 1977

Comm. Prop. for Dec.
of 28 April 1971

4.215/4.216

<p>Comm. Prop. for Reg. of 24 July 1972 (see also Memorandum, Part. 4, Chapter II)</p>	<p>4.216 (contd)</p>	<p>No agreement reached in C on formation of Cttee. <i>Industrial development contracts</i> to be concluded by EC to allow technological cooperation between undertakings in different Member States</p> <ul style="list-style-type: none"> — Existing mechanisms of this type not capable of encouraging multinational technological cooperation. 	<p>Bull. EC 9—72, point 67 EP Doc. 10/73—74</p>
<p>Comm. Commun. of 25 Sept. 1972</p>		<p>Opening of Business Cooperation Centre.</p> <ul style="list-style-type: none"> — Undertakings provided with general information. — Contact established between undertakings willing to cooperate. — Reports to C or Comm. on difficulties or obstructions met by undertakings willing to cooperate. 	<p>Bull. EC 10—72, point 110 Bull. EC 4—73, point 22—38</p>
		<p>The Business Cooperation 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.</p>	<p>12 GR EC Para. 123 Bull. EC 7/8-80</p>
<p>EEC Tr. Art. 30, 100</p>		<p>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:</p> <ul style="list-style-type: none"> — motor vehicles, — agricultural vehicles, — metrology, — foodstuffs. 	
		<p>Other directives concern electrical goods, proprietary medicines, cosmetics, textiles, dangerous substances and fertilizers.</p>	

Comm. Prop. of 29 Oct. 1979	4.216 (<i>contd</i>)	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
Comm. 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
Comm. Prop. of 25 Aug. 1980		Proposed Decision regarding provision of information on technical standards and regulations.	OJ C 253/80
Comm. 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
Comm. Prop. of 11 Jan. 1979 EP Opinion of 14 Feb. 1980		Two sectoral proposals (for the textile and shipbuilding industries).	COM (78) 769 fin. OJ C 59/80

4.2161 *STRUCTURAL POLICY IN VARIOUS SECTORS*

4.21611 STEEL INDUSTRY

Comm. Memo.
of 26 July 1971
(in acc. with ECSC Tr.,
Art. 46)
Comm. Commun.
Comm. Commun.

'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

In 1975, steel production in EC suffered a decline of 20 % *vis-à-vis* 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:

— Reinstatement of the four-month and annual forecasting programme concerning production and requirements in Member States.

OJ C 98/75

ECSC Tr. Art. 47

— 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. 74, part. 3

— Import and export controls by Member States

ECSC Tr. Art. 61

— Consultation on the advisability of fixing minimum prices for iron and steel products within the EC.

Comm. Commun.
of 20 Dec. 1976

Initial crisis measures

OJ C 304/76

Comm. Dec.

Extension of crisis measures.

Bull. EC 3 – 77
Bull. EC 4 – 77
Bull. EC 6 – 77
Bull. EC 7-8 – 77

Comm. Commun.	4.21611	Guidance prices.	OJ L 114/77
	<i>(contd)</i>		OJ C 174/77
Comm. Rec. of 15 April 1977 and 28 Dec. 1977		Automatic import licensing system.	OJ L 114/77
C Dec. of 20 Dec. 1977		Price discipline for steel (cf. 5.2552).	OJ L 352/77
Comm. Dec.		Interim anti-dumping scheme (valid until 1 April 1978).	Bull. EC 12-77
		The existing measures adapted and extended for 1978.	OJ L 352/77
		Crisis measures renewed for 1979.	12 GR EC Para. 125 OJ C 39/79
C Dec. of 17-18 Dec. 1978			
EP Opinion of 16 Jan. 1979			
C Dec. of 18 Dec. 1979		Crisis measures renewed for 1980, with some relaxation with regard to prices.	
		Arrangements negotiated with non-member countries (but not including USA), regarding trade in steel products. Renewed for 1979 and for 1980.	Bull. EC 1-80
		Proposal to establish a system of production quotas for the steel industry.	OJ C 264/80
Comm. Prop. of 6 Oct. 1980			
ECSC Tr. Art. 58			
Comm. Dec. of 16 March 1977		Guidelines for steel policy (preservation of unity and openness of market, maintenance of modernized production capacity, market intervention and retraining and redeployment of workers).	Bull. EC 3-77 Bull. EC 4-77 OJ C 118/77
EP Opinion		Revision of the 'General objectives for steel 1980-1985-1990', setting out the general framework for the Community's restructuring measures in the steel industry.	Bull. EC 6-78 point 1.3.4
		Commission proposals for social measures to help workers affected by restructuring operations,	COM (78) 570 fin. OJ C 197/80
Comm. Commun. of 31 Oct. 1978			
EP Opinion of 16 July 1980			
Comm. Prop. of 4 May 1979		Special temporary allowances proposed for workers affected by Community restructuring of the steel industry.	OJ C 142/79 OJ C 302/79 OJ C 309/79 OJ C 197/80
EP Opinions of 16 Nov. 1979 and 11 July 1980			

C Reg.
of 15 Oct. 1980
ECSC Tr. Art. 55

4.21611 Regional development measures for areas affected by steel industry restructuring, under non-quota section of the ERDF (see also 4.123).
(*contd*)

OJ L 271/80

17 million u.a. were spent in 1975 on technical research in the iron and steel sector. In 1976 the figure was 17.7 million u.a. and in 1977 12.5 million u.a. In the period from setting up the ECSC to 1977, a total of 127.2 million u.a. has thus been spent on research and innovation and a total of 16 million EUA was made available in 1978, and 20 million EUA in 1979.

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.

Bull. EC 9/10-71,
point 78

Comm. Commun.
of 22 July 1971

— 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.

— 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.

4.21613
(contd)

— Activities to benefit certain regions as part of the regional policy.

— Coordination of individual and collective research (research programme for the textile sector).

EP Doc. 424/74
EP Doc. 287/74
OJ L 111/75

— Use of development contracts as soon as procedures approved by C.

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

(b) *Trade measures* (see also 5.57)

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.

OJ L 118/74

Extension of Arrangement regarding international trade in textiles until 1981.

OJ L 348/77

Conclusion of 'bilateral limitation agreements' with a certain num-

Comm. Rec.

Comm. Commun.
of 8 Dec. 1976

Comm. Rec.
July 1977

EP Rep. and Res.
of 16 Dec. 1977

Comm. Commun.
of 24 July 1978

Comm. Prop.
of 11 Jan. 1979
amended 18 June 1979
EP Opinion
of 14 Feb. 1980

C Reg.
of 20 Dec. 1979
Comm. Rep.
of 1 Aug. 80

<p>C Dec. C Rep. of 21 Dec. 1978 EP Opinion of 15 Dec. 1978 C Regs of 12 June 79 and 15 July 80 C Reg. of 10 Dec. 1979 EP Opinion of 16 Nov. 79</p>	<p>4.21613 <i>(cont'd)</i></p>	<p>ber 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.</p> <p>Common rules for imports of certain textile products originating in third countries.</p> <p>Amendment of common rules.</p> <p>Opening preferences for textile products under the Generalized System of Preferences.</p> <p>Approximately 250 regulations applied since 1978 concerning administration of trade régime in this sector. In particular:</p> <ul style="list-style-type: none"> — adjusting sharing of imports between Member States, — limits on specific products of specific origin, — surveillance of imports of certain products, — requirements re-marking of origin, — application of provisional anti-dumping duties. 	<p>OJ L 365/78 OJ C 4/80 OJ L 149/79 OJ L 185/80 OJ L 332/79 OJ C 309/79</p>
<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>(c) <i>Other measures</i></p>	<p>Proposal for second multinational research and development programme in the field of textiles and clothing.</p> <p>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>FOOTWEAR INDUSTRY</p> <p>Collective technological research programme.</p> <p>Setting-up of a Joint Cttee for footwear industry.</p> <p>Introduction of Community surveillance of imports of footwear.</p> <p>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>

4.21615 DATA-PROCESSING AND MICROELECTRONICS INDUSTRY

C Res. of 15 July 1974	Promotion of data processing.	OJ C 86/74
C Dec. of 22 July 1976	Joint data-processing projects, on data bank for organ and blood matching, on EC legal documentation and computer-aided design.	OJ L 223/76 Bull. EC 1 – 79
Comm. Commun. of 8 Nov. 1976 C Dec. of 11 Sept. 1979	Multiannual programme for data-processing sector; continuation of work on this programme. Covers 1979 – 83.	OJ C 39/77 OJ C 231/79
C Dec. of 27 Sept. 1977	Studies in: software portability, support of use of informatics in the research centres of EC etc.	OJ L 255/77
EP Res. of May 1979	Inclusion of data protection problems.	OJ C 140/79
C Res. of 11 Sept. 1979	On action concerning microelectronic technology.	OJ C 231/79
Comm. paper to C of 29 Nov. 1979	Challenge of new information technologies. Need 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

4.21616 WOOD AND PAPER INDUSTRY

	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.	8 GR EC, para. 306
Comm. paper of 6 June 1979	Community resources of timber for the paper and other industries.	Bull. EC 6 – 79

4.21617 SHIPBUILDING INDUSTRY

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	Reorganization of shipbuilding in EC.	Bull. EC Suppl 7/77 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. and 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

4.21618 AIRCRAFT INDUSTRY

C Res. of 4 March 1975

Comm. Commun.
of 3 Oct. 1975
EP Opinion
of 6 July 1976

C Dec. of 14 March 1977

Comm. Prop. of 2 Aug. 1977
EP Opinion
of 17 Jan. 1978

Comm. Commun.
of 23 June 1978

C requests report from Comm.

Action programme for European aircraft industry and air transport.

Criteria for joint programme.

Action programme for aeronautical research.

Need for concerted action in developing a range of European aircraft based on the Airbus.

OJ C 59/75

Bull. EC Suppl 11/75
OJ C 265/75
Bull. EC 7/8 – 76

OJ C 69/77

OJ C 210/77
OJ C 36/78

Bull EC 6 – 78
point 2.1.19

4.21619 CERAMICS

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

4.22 **TECHNOLOGY AND RESEARCH**

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:

- direct activities carried out by Joint Research and financed in full by EC;
- 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 (1981–1985) 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 1978–1982* (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.

(b) *C, on Comm. proposal,*

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.

(c) *C decides, on Comm. proposal and after consulting Scientific and Technical Cttee, on*

EAEC Tr., Art. 4 (2)

— amendments to field of activity described in EAEC Tr., Annex I (by qual. majority),

EAEC Tr., Art. 7, Par. 1

— research and training programmes (*unanimously*).

(d) *Comm. on own initiative, decides on*

EAEC Tr., Art. 4 (1)

EAEC Tr., Art. 6

EAEC Tr., Art. 7, Par. 4

— measures to promote research in Member States and carry out EC research programme, reporting to C,

EAEC Tr., Art. 5, Par. 1

— *requests or communications* to Member States, etc., relating to information on national research,

EAEC Tr., Art. 5, Par. 2	4.2221	— <i>opinions</i> on national research programmes,
EAEC Tr., Art. 4, Par. 4, 5	(<i>contd</i>)	— publication of lists of insufficiently explored sectors of research,
EAEC Tr., Art. 10		— commissioning third parties to carry out research projects,
EAEC Tr., 12 – 19		— dissemination of information in EC possession,
EAEC Tr., Art. 15		— action for exchange of information not originating within Community institutions.
		(e) <i>Comm. decides, after consulting Scientific and Technical Cttee, on</i>
EAEC Tr., Art 8		— establishment of Joint Nuclear Research Centre and Central Bureau for nuclear measurements, <i>after consulting ESC, on</i>
EAEC Tr., Art. 9 (1)		— establishment of training schools.

4.2222 **STATE OF INTEGRATION**

Resolutions on research policy

C Res. of 22 July 1975 EP Report EP Opinion	On technological problems of nuclear safety.	OJ C 185/75 EP Doc. 49/75 OJ C 128/75
C Res. of 18 February 1980 EP Report EP Opinion	On plan of action in field of radioactive waste.	OJ C 51/80 EP Doc. 576/77 OJ C 85/78
C Res. of 18 Feb. 1980 EP Report EP Opinion	Advisory Committee on Programme Management for Management and Storage of Radioactive Waste.	OJ C 51/80 EP Doc. 576/77 OJ C 85/78

C Res. of 18 Feb. 1980
EP Report
EP Opinion

4.2222
(contd)

Reprocessing irradiated nuclear fuels.

OJ C 51/80
EP Doc. 576/77
OJ C 85/78

C Res. of 18 Feb. 1980
EP Report
EP Opinion

Fast-breeder reactors.

OJ C 51/80
EP Doc. 519/77
OJ C 63/78

Research programmes in progress

(a) Nuclear fission

C Dec. 79/345/EAEC
of 27 March 1979
EP Report
EP Opinion

Programme of research on safety of thermal water reactors.

OJ L 83/79
EP Doc. 411/78
OJ C 296/78

C Dec. 79/344/EAEC
of 27 March 1979
EP Report
EP Opinion

Research programme concerning decommissioning of nuclear power plants.

OJ L 83/79
EP Doc. 473/78
OJ C 6/79

C Dec. 80/343/EAEC
of 18 March 1980
EP Report
EP Opinion

Programme on management and storage of radioactive waste (1980 – 84)

OJ L 78/80
EP Doc. 1-576/79
OJ C 59/80

(b) Controlled thermonuclear fusion and plasma physics

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 Report
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
EP Doc. 58/78
OJ C 93/79

4.2222
(cont'd)

(c) *Multiannual research programme for the Joint Research Centre (1980–83)*

C Dec. 80/317/EEC, EAEC
of 13 March 1980
EP Report
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
EP Doc. 54/79
OJ C 140/79

(d) *Scientific and technical education and training*

C Dec. 77/55/EEC, EAEC
of 21 Dec. 1976
EP Report
EP Opinion

Programme in field of scientific and technical education and training.

OJ L 10/77
EP Doc. 379/76
OJ C 293/76

(e) *Uranium exploration and extraction*

C Dec. 78/264/EAEC
of 6 March 1978
EP Report
EP Opinion

Programme of research and development for the European Atomic Energy Community on uranium exploration and extraction (indirect action, 3 million EUA).

OJ L 77/78
EP Doc. 409/77
OJ C 6/78

4.2223

WORK IN PROGRESS

Proposed programmes

Prop. for. C Dec.
EP Report
EP Opinion

Research and training programme on plutonium cycle and its safety.

OJ C 100/79
EP Doc. 1-813/79
OJ C 147/80

Prop. for C Dec.

Second research and development programme for further research into uranium and uranium extraction.

COM (80)
382 fin.

Prop. for C Dec.
EP Report
EP Opinion

Research programme on codes and standards for fast-breeder reactors (structural integrity of components).

OJ C 233/78
EP Doc. 493/78
OJ C 6/79

4.2222/4.2223

4.223 **Research under EEC Treaty**

4.2231 *REQUIREMENTS OF EEC TREATY*

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 *DECISION-MAKING PROCEDURES*

EEC Tr., Art. 235

Cf. Section 1.233.

4.2233 *STATE OF INTEGRATION*

General

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

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 Rep.
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
EP Doc. 361/77
OJ C 299/77
COM (79)
281 final

4.223/4.2233

4.2233
(contd)

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 Rep.
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 Rep.
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. 78/384/EEC
of 17 April 1978
EP Rep.
EP Opinion

Multiannual research and development programme (1978–1980) in field of paper and board recycling (indirect action).

OJ L 107/78
EP Doc. 464/77
OJ C 36/78

C Dec. 79/968/EEC
of 12 Nov. 1979
EP Rep.
EP Opinion

Multiannual research and development programme (1979–82) in field of recycling of urban and industrial waste (secondary raw materials).

OJ L 293/79
EP Doc. 494/78
OJ C 6/79

4.2233

4.2233
(contd)

(c) *Industrial technology*

C Res. of 15 July 1974
C Stat. of 14 March 1977

EC policy on data processing.

OJ C 86/74

C Reg. EEC/1996/79
of 11 Sept. 1979
EP Rep.
EP Opinion

Support mechanism in field of data processing.

OJ L 231/79
EP Doc. 235/77
OJ C 241/77

C Dec. 79/783/EEC
of 11 Sept. 1979
EP Rep.
EP Opinion

Multiannual programme (1979–83) in field of data processing (25 m
EUA).

OJ L 231/79
EP Doc. 235/77
OJ C 241/77

C Dec. 79/784/EEC
of 11 Sept. 1979

Advisory Committee for Management and Coordination of Data-Pro-
cessing Programmes.

OJ L 231/79

C Res. of 11 Sept. 1979

Community action promoting microelectronic technology.

OJ C 231/79

C Dec. 77/188/EEC
of 14 Feb. 1977
EP Rep.
EP Opinion

On industrial policy in aeronautical sector approves study of opportuni-
ties and procedures for joint effort with regard to basic research.

OJ C 69/77

Technological research programme for footwear industry. Indirect ac-
tion (235 000 EUA).

OJ L 61/77
EP Doc. 466/76
OJ C 30/77

Comm. Dec. 78/636/EEC
of 29 June 1978

Advisory Committee on industrial research and development.

OJ L 203/78

(d) *Dissemination of knowledge, etc.*

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 Rep.
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) (2979–1982) 10·3 m EUA.

OJ L 258/79
EP Doc. 477/78
OJ C 6/79

C Dec. 78/887/EEC
of 9 Oct. 1978
EP Rep.
EP Opinion

4.2233
(*contd*)

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
EP Doc. 552/77
OJ C 85/78

C Dec. 80/27/EEC
of 18 Dec. 1979
EP Rep.
EP Opinion

(e) *Climatology*

Multiannual research programme in field of climatology (indirect action, 1980 – 84)

OJ L 12/80
EP Doc. 478/78
OJ C 6/79

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 Report
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
EP Doc. 361/77
OJ C 299/77

(g) *Environment, public health, etc.*

See Section 4.52.

4.2233
(contd)

(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.

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

Guidelines for common policy in field of science and technology.

Comm. Prop. for
C Res.
EP Report
EP Opinion

OJ C 187/77
EP Doc. 361/77
OJ C 299/77

4.2234
(contd)

Industrial technology

Comm. Prop. for
C Dec.
EP Report
EP Opinion

Promotion of industrial research projects.

OJ C 187/77
EP Doc. 361/77
OJ C 299/77

Prop. for
C Dec.
EP Rep.
EP Opinion

Multiannual research and development programme in field of textiles and clothing.

OJ C 111/79
EP Doc. 1 – 730/79
OJ C 147/80

Prop. for
C. Dec.
EP Rep.
EP Opinion

Programme of technological research in field of clay minerals and technical ceramics.

OJ C 155/79
EP Doc. 1 – 132/80
OJ C 147/80

Comm. Prop. for
C Dec.
EP Report
EP Opinion

Initial programme for aeronautical research and for management and coordinating committee for research programme in aeronautical industry.

Doc. COM (77)
362 fin.
EP Doc. 454/77
OJ C 36/78

Biomolecular technology

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

Scientific and technical training

Prop. for
C Dec.

Programme in field of scientific and technical training.

OJ C 143/80

4.2234

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);
- high investments with long amortization period necessary;
- 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 1978 (in million tonnes of oil equivalent)

Primary energy	Production	Gross domestic consumption	Degree of dependence on foreign supply %
FR of Germany	108.8	267.9	59.2
France	40.0	184.3	76.6
Italy	23.7	135.7	82.6
Netherlands	68.7	64.1	6.7
Belgium	4.4	46.3	87.1
Luxembourg	0.0	4.5	99.1
United Kingdom	157.3	208.1	25.6
Ireland	0.1	7.5	85.9
Denmark	0.4	19.6	97.8
EC 9	404.4	938.0	57.3

4.231 **Primary energy consumption (gross domestic consumption 1978) by products for the nine Member States (%)**
 (contd)

Coal, etc.	18.7
Lignite, etc.	2.9
Crude oil, etc.	54.6
Natural gas	17.1
Other	0.2
Electricity	3.6
Residual heat (nuclear)	3.0

4.232 **Legal position**

ECSC Treaty
 EAEC Treaty
 EEC Tr., Art. 5,
 Art. 213, Art. 103.4,
 Art. 113
 Art. 235

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)

(a) *Comm. on own initiative, decides on*

ECSC Tr., Art. 59 (7)

— opinions on investment programmes,

ECSC Tr., Art. 64

— imposition of fines on undertakings,

ECSC Tr., Art. 59 (4)

— allocation of coal in times of shortage,

ECSC Tr., Art. 63 (1, 3)

— recommendations where ban on discrimination infringed.

ECSC Tr., Art. 50 (2)

(b) *Comm. after consulting C*

— assesses levies.

ECSC Tr., Art. 53 (b), Par. 1

(c) *Comm. with unanimous assent of C*

— makes financial arrangements serving purposes of Treaty,

ECSC Tr., Art. 54, Par. 2

— assists industrial investment programmes.

ECSC Tr., Art. 53 (a)

(d) *Comm. after consulting C and Consultative Cttee*

— 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.

- 4.2331 (f) *Comm. after consulting Consultative Cttee*
 (contd)
- 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.
- (g) *C decides,*
acting unanimously if proposal from Comm.,
by simple majority if proposal from Member State,
- ECSC Tr., Art. 58 (3) — to end systems of quotas
- acting unanimously* if proposal from Comm.,
- ECSC Tr., Art. 59 (1) — whether serious shortage exists;
 ECSC Tr., Art. 59 — on consumption priorities in event of shortage (if C does not reach decision, Comm. decides).

4.2332 *STATE OF INTEGRATION*

- ECSC Tr., Art. 4 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.

4.2332
(contd)

(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

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 1979 and forecasts for 1980' that trends in 1979 led to cautious optimism. There had been marked increase in use of coal, a slight increase in Community coal production, no serious problems in connection with rapidly increasing imports from abroad, users' stocks were at satisfactory level at beginning of year whilst pit-head stocks, which were previously far too high, had been substantially reduced.

OJ C 174/80

In accordance with ECSC Tr. the following measures have now been taken in coal sector:

(b) *Support measures*

Comm. Dec.
73/287/ECSC of
25 July 1973
Comm. Dec.
3544/73/ECSC of
20 Dec. 1973

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 and 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.
751/77/ECSC of
12 April 1977
Comm. Dec.
1613/77/ECSC of
15 July 1977

— This reduction was postponed for one year, and the latest Comm. Decision of 20 July 1977 postpones it for a further year. The system itself is also extended till 31 Dec. 1981.

OJ L 91/77

OJ L 180/77

Comm. Dec.
3058/79/ECSC of
19 Dec. 1979
EP Report

4.2332
(*contd*)

— Laid down provisions relating to aid until 31 December 1981.

OJ L 344/79
EP Doc. 69/79

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

(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

4.2332 <i>(contd)</i>	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
C Dec. 77/707/ECSC of 7 Nov. 1977		
4.2333	WORK IN PROGRESS	
Comm. Prop. for Reg. EP Report EP Opinion	EC financial measures to promote use of coal for electricity generation.	OJ C 22/77 EP Doc. 45/77 OJ C 22/77
Comm. Prop. for Reg. EP Report EP Opinion	EC aid for financing cyclical stocks of hard coal, coke and patent fuel.	OJ C 87/77 EP Doc. 226/77 OJ C 241/77
Prop. for C Reg. EP Report EP Opinion	Community aid system for intra-Community trade in power station coal.	OJ C 243/78 EP Doc. 582/78 OJ C 67/79
4.234	Energy policy under EAEC Treaty	
4.2340	OBJECTIVES	
	<i>Promoting an efficient nuclear industry</i>	

4.2341 *DECISION-MAKING PROCEDURES*

(a) *C acts unanimously, on proposal by Comm., on:*

- EAEC Tr., Art. 47, Par. 4 (a) — participation by EC in financing of joint undertakings,
- EAEC Tr., Art. 47, Par. 4 (b) — participation by non-member States, etc., in joint undertakings,
- EAEC Tr., Art. 48, Par. 2 — conditions governing conferment of special advantages on joint undertakings,
- EAEC Tr., Art. 48, Par. 1 — applicability of advantages listed in EAEC Tr., Annex III, to joint undertakings,
- EAEC Tr., Art. 69, Par. 1 — fixing prices of nuclear fuels.

by qual. majority, on:

- EAEC Tr., Art. 47, Par. 3 — 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.

by simple majority on:

- EAEC Tr., Art. 42, Par. 2 — alteration of time limits for notification of supply contracts.

(b) *C unanimously on proposal from Comm. and after consulting EP*

- EAEC Tr., Art. 76, Par. 1 — amends Chapter VI of EAEC Tr. (Supply).

(c) *C on proposal from Comm. and after consulting Scientific and Technical Ctee may*

- EAEC Tr., Art. 4 (2) — amend list in Annex I of EAEC Tr.

4.2341 (d) *C on proposal from Comm. and after consulting Economic and Social Cttee may*
(contd)

EAEC Tr., Art. 41, Par. 2

- alter list of persons and undertakings having to notify investment projects.

EAEC Tr., Art. 51

(e) *Comm. solely responsible for*

EAEC Tr., Art. 53

- carrying out C decisions on establishment of joint undertakings,
- supervision of supply agency established under EAEC Tr., Art. 52,

EAEC Tr., Art. 59, Par. 1 (b)

EAEC Tr., Art. 60, Par. 2

- authorization of sale of fissile materials outside EC,
- agreeing to long-term supply contracts with non-member States, etc., or their nationals,

EAEC Tr., Art. 68, Par. 3

EAEC Tr., Art. 70, Par. 2

- fixing prices of *individual* offers,
- *recommendations* to Member States, to develop prospecting for and exploitation of mineral deposits,

EAEC Tr., Art. 70, Par. 1

EAEC Tr., Art. 71

- support for prospecting programmes,
- *recommendations* to Member States *on revenue or mining regulations*,

EAEC Tr., Art. 72, Par. 2

EAEC Tr., Art. 73

EAEC Tr., Art. 74

- 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.

(f) *Comm. decides, after consulting Economic and Social Cttee, on*

EAEC Tr., Art. 40, Par. 2

- publication of programmes indicating nuclear energy production and investments required.

(g) *Comm. may, with consent of those concerned*

EAEC Tr., Art. 44

- publish investment projects communicated to it.

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 — coordinating research at national level,
- EAEC Tr., Art. 7 — carrying out research programmes of its own,
- EAEC Tr., Art. 8
- EAEC Tr., Art. 12 ff — establishing a Joint Nuclear Research Centre,
- EC Tr., Art. 30 ff — disseminating information,
- EAEC Tr., Art. 77 ff — 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 States or private undertakings from various States),
- EAEC Tr., Art. 45
- 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,
- aid for prospecting,
- EAEC Tr., Art. 70 — loans for financing research and development.
- EAEC Tr., Art. 172 (4)

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

OJ L 51/78

4.2342
(contd)

Energy Agency in implementation of Art. III(1) and (4) of the Tr.
on non-proliferation of nuclear weapons.

Comm. Reg. (EAEC) 3227/
76 of
19 Oct. 1976

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 protec-
tion of nuclear material.

OJ L 149/80

(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

C Dec. 73/45/EAEC
of 8 March 1973

Amending the Statutes of Euratom Supply Agency following
Accession of new Member States to EC.

OJ L 83/73

Comm. Reg. 17/66 EAEC
of 29 Nov. 1966

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

Amended by
Comm. Reg.
3137/74/EAEC of 12 Dec.
1974
C Res. of 4 June 1974

Supply of enriched uranium to EC.

OJ C 69/74

C Dec. 80/237/EAEC of
18 Feb. 1980
EP Rep.
EP Opinion

4.2342
(*contd*)

Ad hoc Advisory Committee on Reprocessing of Irradiated Nuclear Fuels.

OJ L 52/80
EP Doc. 576/77
OJ C 85/78

(c) *Financing*

Comm. Reg. 4/58/EAEC
of 6 Oct. 1958

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

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 policy strategy for all forms of energy, including coal and nuclear power, as 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 Rep. EP Opinion	Community energy policy objectives for 1990 and convergence of policies of Member States.	OJ C 149/80 EP Doc.1 – 704/79 OJ C 59/80

(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 Rep. EP Opinion	New lines of action by EC in field of energy saving.	OJ C 149/80 EP Doc. 1 – 816/79 OJ C 117/80
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	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	4.2351 <i>(contd)</i>	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
C Recomm. 77/713/EEC of 25 Oct. 1977		Rational use of energy in industrial undertakings.	OJ L 295/77
C Recomm. 77/714/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. of 13 Dec. 1977 EP Report EP Opinion		Performance, maintenance and regulation of heat generators and insulation of heat distribution system in new buildings.	OJ L 52/78 EP Doc. 309/77 OJ C 266/77
C Recomm. of 5 Feb. 1979 79/167/ECSC, EEC, EAEC EP Report EP Opinion		On the reduction of energy requirements for buildings in the Community.	OJ L 37/79 EP Doc. 309/77 OJ C 266/77
C Dir. 79/530/EEC of 14 May 1979 EP Rep. EP Opinion		Indication by labelling of energy consumption of household appliances.	OJ L 145/79 EP Doc. 671/78 OJ C 93/79
C Dir. 79/531/EEC of 14 May 1979 EP Rep. EP Opinion		Applying Dir. 79/530/EEC to electric ovens.	OJ L 145/79 EP Doc. 671/78 OJ C 93/79
		(c) <i>Supplies (oil, gas, electricity, etc.)</i>	
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	4.2351 <i>(contd)</i>	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		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. 79/126/EEC of 29 Jan. 1979 79/135/EEC of 6 Feb. 1979 79/397/EEC of 29 March 1979		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
Comm. Dec. 79/589/EEC of 15 June 1979		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
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
 (d) <i>Support measures</i>			
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 Rep. EP Opinion	4.2351 <i>(contd)</i>	Granting financial support for projects to exploit alternative energy sources.	OJ L 158/78 EP Doc. 362/77 OJ C 299/77
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 Regs 727 – 729/79 of 9 April 1979 EP Rep. EP Opinion		Implementation of Regulation No 1302/78 in solar energy, solid fuel liquefaction, gasification and geothermal energy sectors.	OJ L 93/79 EP Doc. 557/78 OJ C 39/79
C Reg. 1303/78 of 12 June 1978 EP Rep. EP Opinion		Granting financial support for demonstration projects in field of energy saving.	OJ L 158/78 EP Doc. 362/77 OJ C 299/77
C Reg. 725/79 of 9 April 1979		Fixing maximum amount of aid to be made available pursuant to Reg. (EEC) No 1303/78.	OJ L 93/79
C Reg. 1038/79 of 24 May 1979 EP Rep. EP Opinion		On EC support for hydrocarbons exploration project in Greenland.	OJ 132/79 EP Doc. 90/78 OJ C 131/78
 (e) <i>Information and consultation procedures</i>			
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 sub-headings 27.10 A, B, C I and C II 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	4.2351 (contd)	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
Comm. Reg. 2729/79 of 4 Dec. 1979		Implementing rules for the above registration of crude oil imports.	OJ L 314/79
C Reg. 649/80 of 17 March 1980		Rules for carrying out the registration of petroleum product imports.	OJ L 73/80
Comm. Reg. 713/80 of 26 March 1980		Implementing rules for the registration of petroleum product imports.	OJ L 81/80
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 Report EP Opinion	4.2351 <i>(contd)</i>	Regarding Community procedure for information and consultation on prices of crude oil and petroleum products in EC.	OJ L 140/76 EP Doc. 419/75 OJ C 28/76
Comm. Dec. 77/190/EEC of 26 Jan. 1977, amended by Comm. Dec. 79/607/EEC of 30 May 1979		Implementing Dir. 76/491/EEC.	OJ L 61/77 OJ L 170/79
C Res. of 20 Nov. 1978 EP Rep. EP Opinion		Mutual exchange of information at Community level on siting of power-stations.	OJ C 286/78 EP Doc. 145/77 OJ C 183/77
	4.2352	<i>WORK IN PROGRESS</i>	
		<i>Energy savings</i>	
Prop. for C Dir.		Implementing Dir. 79/530/EEC on indication by labelling of energy consumption of electrical washing-machines, dishwashers, refrigerators, frozen food cabinets and freezers.	OJ C 149/80
Draft C Rec.		Electricity tariff structures in EC.	OJ C 214/80
Prop. for C Dir.		Harmonization of legislation on energy consumption of motor-driven vehicles.	Doc. COM (79) 781 fin.
Prop. for C Dir.		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
		<i>Supplies</i>	
Comm. Commun. EP own-initiative report EP Res.		Problems relating to profitability of EC refining industry, and proposed solutions.	COM (78) 71 fin. EP Doc. 577/77 OJ C 131/78
Comm. Prop. for C Dir. EP Report EP Opinion		Introduction in EC of joint stocks of crude oil and petroleum products.	COM (77) 158 fin. EP Doc. 16/78 OJ C 131/78

Comm. Prop. for C Dir. EP Report EP Opinion	4.2352 <i>(contd)</i>	Creation in each Member State of organizations responsible for storing crude oil and/or petroleum products, and on financing these organizations.	COM (77) 158 fin. EP Doc. 16/78 OJ C 131/78
Comm. Prop. for C Dir. EP Report EP Opinion		Amending C Directive of 20 Dec. 1968 imposing an obligation on Member States to maintain minimum stocks of crude oil and/or petroleum products.	OJ C 15/78 EP Doc. 16/78 OJ C 131/78
		<i>Support systems</i>	
Comm. Prop. for C Reg. EP Report EP Opinion		Support for joint hydrocarbon exploration projects (Amendment to Prop. from Comm. to C of 29 Nov. 1974).	OJ C 70/78 EP Doc. 90/78 OJ C 131/78
Prop. for C Reg.		Amending C Reg. (EEC) No 726/79 granting financial support for projects to exploit alternative energy sources.	OJ C 26/80
		<i>Information and consultation procedures</i>	
Prop. for C Reg. EP Report EP Opinion		Introduction of Community consultation procedure in respect of power stations likely to affect territory of another Member State.	OJ C/149/79 EP Doc. 145/77 OJ C 183/77

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.

OJ C 294/80

4.2411 *REQUIREMENTS OF EEC TREATY*

EEC Tr., Art. 75 (1) (a)

— common rules on international transport to or from or passing through Member States;

EEC Tr., Art. 75 (1) (b)

— operation of transport services in Member States by non-resident carriers;

EEC Tr., Art. 76

— standstill clause;

EEC Tr., Art. 77

— aids for the coordination of transport and aids inherent in the concept of a public service;

EEC Tr., Art. 78

— regard for economic circumstances of carriers in fixing price policy;

EEC Tr., Art. 79

— abolition of discrimination in freight rates and conditions of carriage in EC transport;

EEC Tr., Art. 80
EEC Tr., Art. 81
EEC Tr., Art. 82
EEC Tr., Art. 83

- 4.2411 — prohibition of support tariffs;
(*contd*) — reduction of costs in respect of crossing frontiers;
— special provisions for Germany;
— creation of Advisory Committee on Transport.

4.2412 **DECISION-MAKING PROCEDURES**

- (a) C, acting unanimously, decides on:
EEC Tr., Art. 84 (2) — provisions for sea and air transport,
EEC Tr., Art. 76 — exceptions from ban on discrimination under national legisla-
tion.
- (b) C, on prop. from Comm. and after consulting EP and Economic
and Social Cttee, decides by qual. majority on:
EEC Tr., Art. 75 (1) — measures to develop a common transport policy;
unanimously on:
EEC Tr., Art. 75 (3) — principles of regulatory system for transport, application of
which could seriously affect the standard of living and employ-
ment and operation of transport facilities.
- (c) C, by qual. majority on Comm. proposal and after consulting
Economic and Social Cttee, lays down:
EEC Tr., Art. 79 (3) — rules for implementing ban on discriminatory freight rates.
- (d) Comm., on own initiative,
EEC Tr., Art. 79 (4) — 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;
— issues recommendations to reduce costs of crossing frontiers.
- (e) *Transport Cttee* to be consulted as required.

Statute Transport
Committee of 15 Sept.
1958
OJ 25/58, amended
by C Dec. of 22 June 1964
OJ 102/64

4.2413 *STATE OF INTEGRATION*

4.24131 GENERAL PROVISIONS FOR RAIL, ROAD AND INLAND WATERWAYS

C Dec., 21 March 1962 EP Opinion (amended by C Dec. of 22 Nov. 1973)	Procedure for prior examination and consultation.	OJ 23/62 OJ 73/61 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 EP Opinion	Harmonization of certain regulations which affect competition: (outline decision with timetable).	OJ 88/65 OJ 81/64
C Reg., 19 July 1968 EP Opinion	Regulations on competition in rail, road and inland waterways.	OJ L 175/68 OJ L 205/64
C Reg., 26 June 1969 EP Opinion	Establishment of provisions on obligations inherent in concept of public service:	OJ L 156/69 OJ C 27/68
Comm. Prop., 26 May 1978	Proposed amendment to this Regulation. Member States remove obligations inherent in concept of public service (obligation to operate, obligation to provide transport, tariff obligation).	OJ C 139/78
C Dir., 22 July 1980	Summer time arrangements.	OJ L 205/80
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 OJ C 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) EP Opinion	Regulation of aids granted to Member States' rail, road and inland waterway undertakings and public authorities: — elimination of disparities that distort competition.	OJ L 130/70 OJ L 152/75 OJ 103/67

	4.24132 INLAND WATERWAYS	
C Dir., 20 Jan. 1976	Reciprocal recognition of navigability licences for inland waterway vessels.	OJ L 21/76
C Dir., 23 Nov. 1978 EP Opinion	Extension of deadline for the introduction of common provisions establishing technical requirements for inland waterway vessels. 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.	OJ L 349/78 OJ C 108/78 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 RAIL TRAFFIC	
C Dec., 20 May 1975 EP Opinion	Financial relations between railway undertakings and States.	OJ L 152/75 OJ C 70/72
C Reg., 12 Dec. 1977 EP Opinion	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. Presentation to the Council of two reports on cooperation between the railway networks and on combined transport.	OJ L 258/78 OJ C 266/77 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
	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	4.24134 <i>(contd)</i>	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		Common rules for shuttle services by coach and bus between Member States.	OJ L 67/72 OJ C 151/70
(amended by C Reg. of 23 Nov. 1978) EP Opinion			OJ L 333/78 OJ C 63/78
C Reg., 28 Feb. 1972 EP Opinion (amended by C Reg. of 20 Dec. 1977)		Common rules for regulation services and regular services and regular specialist services by coach and bus between Member States.	OJ L 67/72 OJ C 151/70
(amended by C Reg. of 12 June 1978) EP Opinion			OJ L 158/78 OJ C 63/78
C Dir., 17 Feb. 1975 EP Opinion		Common rules for certain types of combined road/rail carriage of goods between Member States.	OJ L 48/75 OJ C 138/72
C Dir., 19 Dec. 1978 EP Opinion		Establishment of common rules for certain types of combined road/rail carriage of goods between Member States.	OJ L 5/79 OJ C 296/78
C Reg., 19 July 1968 EP Opinion last amended by C Reg. of 20 Dec. 1979 EP Opinion		EC quota for carriage of goods by road between Member States. Allocation of licences for 1980: Belgium 413 — Denmark 286 — FR of Germany 689 — France 627 — Ireland 76 — Italy 539 — Luxembourg 106 — Netherlands 597 — United Kingdom 418.	OJ L 175/68 OJ 109/64
C Reg., 16 Dec. 1976 amended by C Dec. of 20 Dec. 1979 C Dec., 20 Dec. 1979 EP Opinion		Possibility of converting Community authorizations into short-term authorizations.	OJ L 357/78 OJ L 336/79
C Dir., 12 June 1978 EP Opinion		Adjustment of capacity for the carriage of goods by road for hire or reward between Member States. (Bilateral quotas.) Statistical returns in respect of the carriage of goods by road as part of regional statistics.	OJ L 18/80 OJ C 67/79 OJ L 168/78 OJ C 108/78

C Reg., 12 Dec. 1977 EP Opinion	4.24134 (<i>contd</i>)	Bringing into force of AETR.	OJ L 334/77 OJ C 157/75
C Reg., 30 July 1968 EP Opinion Reg. last amended by C Reg., 18 Dec. 1975 extended by: C Reg., 21 Dec. 1976		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		Application of TIR Convention in EC.	OJ L 368/76
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		Admission to the occupation of road haulage and road passenger transport operator.	OJ L 308/74 OJ C 72/68 OJ C 17/69

C Reg., 25 March 1969 (amended by C Regs of 28 Feb. 1972 and 12 Dec. 1977) EP Opinion	4.24134 <i>(contd)</i>	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) C Dir., 16 Dec. 1976		Equitable application of harmonization regulations.	12 GR EC Par. 368
		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
		Minimum level of training for drivers.	OJ L 357/76
C Dir., 12 Dec. 1977 EP Opinion		Recognition of evidence of qualifications.	OJ L 334/77 OJ C 125/78
Comm. Prop., 30 Dec. 1978		Directive on weights and certain other characteristics (not including dimensions) of road vehicles used for the carriage of goods. (For technical harmonization, see 4.21619.)	OJ C 16/79
C Rec., 15 May 1979 EP Opinion		Ratification of the International Convention for Safe Containers.	OJ L 125/79 OJ C 93/79
4.24135 AIR TRANSPORT			
C Reg., 28 Nov. 1962 Comm. Prop., 30 June 1972 EP Opinion		Suspension of application of the rules on competition to air transport.	OJ 124/62
		Comm. prop. on initial measures for air transport (cf. 4.2161).	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	Approval by Council of list of matters relating to air transport most urgently requiring examination.	12 GR EC Par. 372
	<i>(contd)</i>		
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
	4.24136	SEA TRANSPORT	
C Reg., 28 Nov. 1962		Suspension of application of the rules on competition to sea transport.	OJ L 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		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
EP Opinion			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		Activities of certain third countries in the field of cargo shipping.	OJ L 258/78
EP Opinion			OJ C 131/78
C Dec., 19 Dec. 1978		Observance of rules of competition by certain carriers.	OJ L 5/79
EP Opinion			OJ C 296/78
C Dir., 21 Dec. 1978		Minimum requirements for certain tankers entering or leaving Community ports.	OJ L 33/79
amended by C Dir. of 6 Dec. 1979			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		Ratification of the 1978 International Convention on standards of training, certification and watchkeeping for seafarers.	OJ L 33/79
C Reg., 15 May 1979		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 SEAPORT POLICY

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 INFRASTRUCTURE

C Dec., 28 Feb. 1966
EP Opinion

Procedure for consultation on investment in transport infrastructure.

OJ 42/66
OJ 62/65

replaced by
C Dec. of 20 Feb. 1978
EP Opinion

Consultation procedure committee on transport infrastructure.

OJ L 54/78
OJ C 293/76

C Dec., 22 June 1964
EP Opinion

Organization of a survey of expenditure on infrastructure in respect of transport by rail, road and inland waterways.

OJ 102/64
OJ 24/64

C Reg., 4 June 1970
EP Opinion

Accounting system for expenditure on infrastructure in respect of transport by rail, road and inland waterways.

OJ L 130/70
OJ C 135/68

C Reg., 25 June 1979
EP Opinion

Amended Reg. on an accounting systems for expenditure on infrastructure in respect of transport.

OJ L 167/79
OJ C 296/78

4.242 **Transport policy under ECSC Tr.**

4.2420 *OBJECTIVES*

Availability of information and comparability of rates and market conditions.

	4.2421	<i>REQUIREMENTS OF ECSC TREATY</i>	
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	<i>DECISION-MAKING PROCEDURES</i>	
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	<i>STATE OF INTEGRATION</i>	
HA Rec., 25 June 1953		— Strict implementation of ECSC Tr., Art. 70.	OJ 18/61
C Commun., of 21 March 1955		— Introduction of direct international railway rates for coal and steel consignments.	OJ 9/55 OJ 10/56 OJ 22/59 OJ L 347/73
C Commun., of 16 March 1956			OJ L 315/79
Agreement of 6 Dec. 1979		— Fourth Supplementary Agreement.	
C Commun., 23 March 1959			
C Commun., 22 Nov. 1973		— Introduction of direct international railway rates for carriage of coal and steel through Swiss territory.	OJ 17/57
Agreement of 28 July 1956		— Introduction of direct international railway rates for carriage of coal and steel through the territory of the Austrian Republic.	OJ 6/68 OJ C 49/77
Agreement of 26 July 1957 Amended version		— Rates and conditions for transport of coal and steel on the Rhine.	OJ 4/58
Agreement of 9 July 1957		— Scales, prices and rates applied to transport of coal and steel to be published or notified.	OJ 18/61
HA Rec., 1 March 1961		— Revised uniform transport nomenclature.	OJ 52/67 OJ C 29/74
C. Commun., 16 Feb. 1967, amended on 11 Feb. 1974			

4.3 **Social policy**

EEC TR., Art. 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:

C Res. of 21 Jan. 1974

(a) through reform of European Social Fund (1971) (see 4.333).

(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). 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

4.31 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.

ECSC Tr., Art. 56	4.31 (contd)	(i) <i>Comm., with assent of C, decides on:</i> — financing programmes for re-absorbing redundant coal and steel workers in other industries.
EEC Tr., Art. 122		(j) <i>Comm. alone responsible for:</i> — 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.);
EEC Tr., Art. 125 (2c)		— giving approval to industrial conversion plans involving assistance from Social Fund;
EAEC Tr., Art. 33		— <i>recommendations</i> 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		— <i>recommendations and directives</i> 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.

OJ L 249/71

4.32 **STATE OF INTEGRATION UNDER ECSC AND EAEC TREATIES**

ECSC TR., Art. 56 (2)

- 650 000 persons resettled between 1954 and 1978 in coal and steel industries.
- Housing aid: 160 177 housing units built up to 31 Déc. 1978 (of which 59 % in FR of Germany).
- Setting up of Steel Industry Safety and Health Commission and Mines Safety and Health Commission (1954).

EAEC Tr., Art. 30
C Dir. of 2 Feb. 1959

- Research on protection against radioactivity — basic standards for protecting health against ionizing radiations.

OJ 11/59

Comm. Rec. of 27 July 1966

- Medical checks on workers exposed to particular occupational hazards.

OJ 151/66

4.33 **STATE OF INTEGRATION UNDER EEC**

4.331 **Vocational training**

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 — 1 500 young workers affected.

C. Dec. of 16 July 1979
EP Opinion

Second programme of exchanges adopted in 1979 for period of five years — 6 500 young workers affected.

OJ L 185/79
OJ C 127/79

	4.331 <i>(contd)</i>	<ul style="list-style-type: none"> — assistance for workers dismissed from Italian sulphur mines, — accelerated adult training (programme rejected by C), — setting up tripartite cttee on vocational training, — setting up Standing Cttee on Employment (employers, workers and EC) to facilitate coordination of Member States's employment policies, — initial measures relating to vocational training. 	<p>5 GR EC, Par. 2</p> <p>OJ 2/64</p> <p>OJ L 273/70 EP Doc. 239/7 EP Doc. 83/73</p>
Comm. Dec. of 18 Dec. 1963			
C Dec. of 14 Dec. 1970			
Comm. Commun. of 25. Oct. 1972			
Comm. Dec. of 22 Oct. 1975		In application of the social action programme:	
Reg. No 1365/75		<ul style="list-style-type: none"> — the setting up of a European Vocational Training Centre (headquarters in Berlin). — the setting up of a European Foundation for the improvement of living and working conditions (headquarters in Dublin). 	<p>OJ L 279/75</p> <p>OJ L 139/75</p>

4.332 **European Community action to help women**

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 to eliminate discrimination as regards employment.

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.

4.3321 *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 |

4.3322 *SUPPORT MEASURES*

- | | | |
|----------------------|---|-------------|
| C Dec., 20 Dec. 1977 | — Decision on assistance from the <i>Social Fund for vocational training measures</i> , particularly for women over 25 (women under 25 come under 'young persons')
who have lost their employment or wish to re-enter working life after a break;
with no vocational qualifications or with insufficient vocational qualifications. | OJ L 337/77 |
|----------------------|---|-------------|

4.3322 — *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). Special programmes to improve women's chances of promotion in undertakings, organized in 1980 in four countries: Belgium, France, Federal Republic of Germany and United Kingdom.
(contd)

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.

4.3323 *EP ACTION*

EP Res., 26 Oct. 1979

— decides to set up an *Ad Hoc* 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.

OJ C 289/79

EP Res., 11 Feb. 1981

— 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.

OJ C 50/81

Comm. Prop.
EP Rep.
EP Opinion

Measures for restructuring, modernizing and developing the fishing industry and for developing aquaculture.

OJ C 243/80
Doc. 1-679/80
OJ C 346/80

Comm. Communic.,
17 Nov. 1980

Social measures in the fishing sector concerning training, employment, security and conditions of work.

4.3322/4.3323

EEC Tr., Art. 123 – 128
C Reg. of 25 Aug. 1960

4.333 **European Social Fund**

OJ 56/60

Designed to improve opportunities for workers and thus contribute to raising standard of living.

C Dec. of 1 Feb. 1971

1971 Reform (end of transitional period: EEC Tr., Art. 126).

OJ L 28/71

4.3330 *OLD FUND*

EEC Tr., Art. 123

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.

4.3331 *NEW FUND (1971 AND 1977 REFORMS)*

C Dec. of 1 Feb. 1971
C Reg. of 24 April 1972
(budgetary regulations for
European Social Fund)

(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 %,

OJ L 28/71
OJ L 101/72

C Reg. of 8 Nov. 1971	4.3331 (contd)	— 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,	OJ L 249/71
C Dec. of 21 April 1970		— 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: — rate of intervention by Fund increased to 55 % for the Mezzogiorno, Greenland, Northern Ireland and French overseas departments.	OJ L 337/77
EP Res. of 9 June 1971 and 18 Oct. 1971		<i>Unfulfilled demands of EP:</i> — extension of terms of reference of Fund Cttee, — funds for pilot studies.	OJ C 66/71 OJ C 114/71
C Dec. of 27 June 1974 C Dec. of 20 Dec. 1977		<i>Decisions on action by Fund:</i> 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

C Reg. of 18 Dec. 1978

4.3331
(*contd*)

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.

(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

4.334

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 1 837 300 workers.

Main beneficiaries of old Social Fund: FR Germany (42·3 %) and Italy (36 %).

New Fund: in period 1 January 1972 to 31 December 1977, assistance of 1 857 million u.a. was granted from Fund.

Main beneficiaries: United Kingdom (29 %), Italy (27 %), France (19·5 %) and Ireland (7 %).

In 1978 and 1979 there were respectively 1 006 350 and 1 360 250 beneficiaries of Fund, including 300 000 and 450 000 young people under 25 years, with appropriations totalling 568 million u.a. and 773 million.

4.335 **Social security for migrant workers**

Aim:

EEC Tr., Art. 51

To provide freedom of movement for workers by coordinating social security systems of Member States so that migrant workers entitled to benefit irrespective of place of work within EC.

Scope:

C Reg. of 25 Oct. 1958

— 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

C Reg. of 14 June 1971
C Impl. Reg. of 21 March
1972

— reform of 1971-72: more generous interpretation of term 'social security';

OJ L 149/71
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.

CJEC judgment interprets C Reg. of 25 Oct. 1958 generously in favour of those entitled to benefit.

Summary

About 2 million persons a year benefit from this Reg.

<p>C Dir. of 14 Feb. 1977 EP Opinion of 8 April 1975 EP Opinion of 10 Feb. 1979</p>	<p>4.336</p>	<p>Mass dismissals</p>	<p>In order to protect workers against mass dismissals: Directive on safeguarding employees' rights in the event of mergers, take-overs or amalgamations. Prop. Dir. on approximation of laws of Member States concerning protection of employees in event of insolvency of employer (adopted in substance by C on 15 May 1979 but not yet published in O.J.).</p>	<p>OJ L 61/77 OJ C 95/75 OJ C 135/78 OJ C 39/79</p>
<p>C Dec. of 17 June 1975 EP Opinion of 25 April 1974</p>	<p>4.337</p>	<p>Working hours and holidays</p>	<p>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. The application of the principle must not result in any reduction in pay.</p>	<p>OJ L 199/75 OJ C 55/74</p>
<p>C Dec. of 22 July 1975 EP Opinion of 13 May 1975 C Dec. of 12 Dec. 1977 EP Opinion</p>	<p>4.338</p>	<p>Adoption of a programme of pilot schemes and studies to reduce poverty in the Community</p>	<p>Duration of programme: 1975 and 1976. Extended to 1979. Amount of appropriations allocated: 9 100 000 u.a. from 1975 to 1978 inclusive. Appropriations granted for 1979-80: 9 200 00 u.a. 50 % financing of projects by Community.</p>	<p>OJ L 199/75 OJ C 128/75 OJ L 322/77</p>

Reg. of 9 Feb. 1975

4.339

Trade union rights of migrant workers

OJ L 39/76

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.

Reg. of 26 May 1975

4.340

European Foundation for the improvement of living and working conditions

OJ L 139/75

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.

4.341

European Trade Union Institute

Set up by European Trade Union Confederation and the Commission in 1977 and granted an operational budget of 500 000 EUA by EP for 1978.

Task: to promote better training and information of workers and their trade union organizations.

Seat: Brussels.

4.4 **Public health**

Within context of approximation of legal provisions, EC activity in proceeding along four main lines:

— Foodstuffs and veterinary legislation (see 3.52),

— Animal health problems affecting intra-EC trade in meat.

OJ L 47/80

C Dir. 80/213
80/214 of 22 Jan. 1980
80/215

4.41 **PHARMACEUTICAL PRODUCTS**

Comm. Props. adopted by C:

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 1978

EP Opinion

C Dir. 75/318
of 20 May 1975

C Dec. 75/320
of 20 May 1975

C Dir. 78/25
of 12 Dec. 1977

EP Opinion

Approximation of legislation relating to proprietary medicinal products.

OJ 22/65
OJ L 147/75

OJ L 123/78

OJ C 18/78

Standards and protocols relating to analytical, pharmaco-toxicological and clinical standards of proprietary medicinal products.

OJ L 147/75

Setting up of a pharmaceutical committee.

OJ L 147/75

Colouring matters which may be added to medicinal products.

OJ L 11/78

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

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

OJ L 192/79

4.42/4.43

HEALTH PROTECTION OF WORKERS

The following cttees were set up to safeguard the health and safety of workers:

C Dec. of 9/10 May 1957 amended by Dec. of Reps. of Govs. of Member States of 11 March 1965	— the Mines Safety and Health Cttee;	OJ 28/57 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;	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. 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
EP Opinion of 8 April 1974		OJ C 40/74
Amending C Dir. 79/343 of 27 March 1979		OJ L 83/79
EP Opinion C Dir. 76/767 of 27 July 1976	Common provisions for pressure vessels and methods of inspecting them.	OJ C 6/79 OJ L 262/76
C Dir. 77/311 of 29 March 1977	Driver-perceived noise level of agricultural or forestry tractors fitted with wheels.	OJ L 105/77
EP Opinion C Dir. 77/537 of 28 June 1977	Emission of pollutants from diesel engines for use in wheeled agricultural or forestry tractors.	OJ C 127/74 OJ L 220/77
C Dir. 77/576 of 27 July 1977	Safety information at place of work.	OJ L 229/77
EP Opinion Comm. Dir. 79/640 of 21 June 1979	Amend. Annex of Dir. 77/576.	OJ C 178/76 OJ L 183/79

C Res. of 29 June 1978 C Dir. 78/610 of 29 June 1978 EP Opinion of 13 June 1977 C Dir. 79/113 of 19 Dec. 1978 EP Opinion C Dir. 79/196 of 6 Feb. 1979 EP Opinion C Dec. 80/342 of 18 March 1980 EP Opinion	4.44 <i>(contd)</i>	EC action programme on safety and health at work. Protection of the health of workers occupationally exposed to vinyl chloride monomer. Noise emission of construction plant and equipment. Electrical equipment for use in potentially explosive atmospheres employing certain types of protection. Adopting a research and training programme (1980—84) for the European Atomic Energy Comm. in field of biology — health protection (Radiation protection programme).	OJ C 165/78 OJ L 197/78 OJ C 163/77 OJ L 33/79 OJ C 76/75 OJ L 43/79 OJ L 131/78 OJ L 78/80 OJ C 34/80
Prop. for Dir. of 15 Sept. 1972 EP Opinion Prop. for Dir. of 4 Jan. 1973 EP Opinion Prop. for Dir. of 4 July 1974 EP Opinion Prop. for Dir. of 20 Dec. 1974 EP Opinion Prop. for Dir. of 26 May 1976 EP Opinion Amend. of Prop. of 17 March 1977	4.45	WORK IN PROGRESS Safety glass for use in motor vehicles. Seamless steel gas cylinders. Seamless aluminium alloy gas cylinders. Electro-medical equipment and medical X-ray equipment operating at 10 to 400 kV. Veterinary medicinal products.	OJ C 119/72 OJ C 37/73 COM (72) 1689/final OJ C 2/74 OJ C 104/74 OJ C 5/75 OJ C 33/75 OJ C 76/75 OJ C 152/76 OJ C 293/76 OJ C 82/77

Prop. for Dir. of 10 May 1976	4.45 <i>(contd)</i>	Analytical, pharmaco-toxicological and clinical standards and protocols in respect of testing veterinary medicinal products.	OJ C 152/76
EP Opinion			OJ C 293/76
Amend. of Prop. of 17 March 1977			OJ C 82/77
Prop. for Dir.		Safety requirements for tower cranes for building work.	OJ C 25/79
EP Opinion of of 27 April 1979			OJ C 127/79
Prop. for Dir. of 6 March 1979		Protection of workers from harmful exposure to chemical, physical and biological agents at work.	OJ C 89/79
EP Opinion of 15 Feb. 1980			OJ C 59/80
Amend. of Prop. of 28 May 1980			COM (80) 281 final
Prop. for Dir. of 17 Jan. 1979		Revised basic safety standards for health protection of general public and workers against dangers of ionizing radiation.	OJ C 86/79
EP Opinion of 11 May 1979			OJ C 140/79
Prop. for Dir. of 15 May 1979		Amend. of C Directive 76/768 concerning cosmetic products.	OJ C 165/79
EP Opinion of 20 June 1980			OJ C 175/80
Prop. for Dir. of 3 Dec. 1979		Protection of workers from harmful exposure to metallic lead and its ionic compounds at work.	OJ C 324/79
Prop. for Dir. of 19 June 1980		Health protection of workers and general public against dangers of microwaves.	OJ

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.

4.51 **LEGAL POSITION**

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

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

MEASURES TAKEN TO SOLVE ENVIRONMENTAL PROBLEMS

Agrmt. of representatives
of Member States within C
of 5 March 1973

— concerning Comm. information with view to harmonization of
urgent measures regarding the protection of the environment.

OJ C 9/73

Finalized by Agrmt. of
15 July 1974

OJ C 86/74

C Decl. of 22 Nov. 1973

*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 mat-
ters ('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

C Dec. 76/311
of 15 March 1976
EP Opinion

C Res. of 17 May 1977
EP Opinion

of 8 July 1976
C Dec. 79/841
of 9 Oct. 1979
EP Opinion

C Rec. 79/3
of 19 Dec. 1978
EP Opinion
of 11 May 1978

4.52
(*contd*)

- establishing common procedure for setting up and constant updating of inventory of sources of information on the environment in EC;
- research programme (1976—80) in environmental field (indirect action);
- continuation and implementation of an EC policy and action programme on environment;
- revision of the second multiannual research and development programme for EC in the environmental field (indirect action);
- methods of evaluating the cost of pollution control to industry.

OJ L 31/76

OJ L 74/76
OJ C 280/75

OJ C 139/77
OJ C 178/76

OJ L 258/79
OJ C 296/78

OJ L 5/79
OJ C 131/78

4.53 STATE OF INTEGRATION

4.531 Water pollution

C Dir. 75/440
of 16 June 1975
amended by:
C Dir. 79/869
of 9 Oct. 1979
EP Opinion

C Dec. 75/437
of 3 March 1975

C Dir. 76/160
of 8 Dec. 1975

C Dir. 76/464
of 4 May 1976

C Dec. 77/795
of 12 Dec. 1977
EP Opinion

C Res. of 26 June 1976

- 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

- concluding Convention for the Prevention of Marine Pollution from Land-based Sources;

OJ L 194/75

- quality of bathing water;

OJ L 31/76

- pollution caused by certain dangerous substances discharged into aquatic environment of EC;

OJ L 129/76

- uniform procedure for exchange of information on quality of surface fresh water in EC;

OJ L 334/77
OJ C 30/77

- action programme of the EC on control, reduction of pollution caused by hydrocarbons discharged at sea;

OJ C 162/78

C Dir. 78/659 of 18 July 1978 EP Opinion of 14 Jan. 1977 C Dir. 79/116 of 21 Dec. 1978 amended by C Dir. 79/1034 of 6 Dec. 1979 C Dir. 79/923 of 30 Oct. 1979 EP Opinion C Dir. 80/68 of 17 Dec. 1979 EP Opinion C Dec. 80/178 of 18 Dec. 1979	4.531 <i>(contd)</i>	— quality of fresh waters needing protection or improvement in order to support fish life;	OJ L 222/78 OJ C 30/77
		— minimum requirements for certain tankers entering or leaving EC ports;	OJ L 33/79 OJ L 315/79
		— quality required of shellfish waters;	OJ L 281/79 OJ C 133/79
		— protection of groundwater against pollution caused by certain dangerous substances.	OJ L 20/80 OJ L 296/78
		Conclusion of Agrmt on concerted action project in the field of analysis of organic micropollutants in water.	OJ L 39/80
		International measures	
		<i>The Rhine</i>	
		Acting on own initiative, EP has adopted Res. calling on Comm. to submit plans and Props. on:	
EP Res. of 19 Nov. 1970		— conservation of inland waterways, with particular reference to pollution of the Rhine,	OJ C 143/70
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.	OJ 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
		<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

4.532

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
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

- measures to be taken against air pollution by exhaust gases from certain motor vehicles;

- 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.

OJ L 76/70
OJ L 159/74
OJ L 32/77
OJ L 223/78

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

4.533

Noise nuisance

C Dir. 70/157
of 6 Feb. 1970
C Dir. 73/350
of 7 Nov. 1973
C Dir. 77/212
of 8 March 1977

- permissible sound level and exhaust system of motor vehicles;

- adaptation of Dir. 70/157;

- amendment of Dir. 70/157;

OJ L 42/70

OJ L 321/73

OJ L 66/77

4.532/4.533

C Dir. 74/151 of 4 March 1974	4.533 <i>(contd)</i>	— certain elements and characteristics of wheeled agricultural or forestry tractors;	OJ L 84/74
C Dir. 77/311 of 29 March 1977		— driver-perceived noise level of wheeled agricultural or forestry tractors;	OJ L 105/77
C Dir. 78/1015 of 23 Nov. 1978		— 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
Corrigendum EP Opinion of 14 May 1976			
C Dir. 79/113 of 19 Dec. 1978		— determination of noise emission of construction plant and equipment;	OJ L 33/79 OJ C 76/75
EP Opinion		— limitation of noise emission from subsonic aircraft.	OJ L 18/80 OJ C 178/76
C Dir. 80/51 of 20 Dec. 1979			
	4.534	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		— programme on management and storage of radioactive waste;	OJ L 178/75 OJ C 95/75 OJ L 194/75
EP Opinion		— waste;	
C Dir. 75/442 of 15 July 1975		— disposal of polychlorinated biphenyls (PCB) and terphenyls;	OJ L 108/76
C Dir. 76/403 of 6 April 1976		— setting up of a Committee on Waste Management;	OJ L 115/76
Comm. Dec. 76/431 of 21 April 1976		— waste from titanium oxide industry;	OJ L 54/78 OJ C 28/76
C Dir. 78/176 of 20 Feb. 1978		— toxic and dangerous wastes;	OJ L 84/78 OJ C 30/77
EP Opinion of 13 Jan. 1976			
C Dir. 78/319 of 20 March 1978		— implementation of an EC plan of action in field of radioactive	OJ C 51/80
EP Opinion of 14 Jan. 1977		— 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 Res. of 18 Feb. 1980		— programme on management and storage of radioactive waste (1980–84).	OJ L 78/80 OJ C 59/80
C Res. of 18 Feb. 1980			
C Dec. 80/343 of 18 March 1980			
EP Opinion of 11 Feb. 1980			

4.535 **Biological and chemical products**

C Dec. 76/894
of 23 Nov. 1976
C Dir. 76/893
of 23 Nov. 1976
EP Opinion
C Dir. 77/312
of 29 March 1977
C Res. of 30 May 1978
EP Opinion
of 16 Feb. 1977
Comm. Dec. 78/618
of 28 June 1978
C Dir. 79/831
of 18 Sept. 1979

- establishment of Standing Committee on Plant Health; OJ L 340/76
- maximum levels for pesticide residues in and on fruit and vegetables; OJ L 340/76
OJ C 97/69
- biological screening of population for lead; OJ L 105/77
- fluorocarbons in environment; OJ C 133/78
- setting up of a Scientific Advisory Committee to examine toxicity and ecotoxicity of chemical compounds; OJ L 198/78
- 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
- chlorofluorocarbons in environment. OJ L 90/80
OJ C 4/80

C Dec. 80/372
of 26 March 1980
EP Opinion
of 14 Dec. 1979

4.536 **Protection of natural environment, air and natural resources**

Comm. Rec. 75/65
of 20 Dec. 1974
Comm. Rec. 75/66
of 20 Dec. 1974
C Dec. 78/150
of 7 Feb. 1978
EP Opinion
of 17 Nov. 1977
C Dir. 79/409
of 2 April 1979
EP Opinion
of 14 June 1977
C Res. of 2 April 1979

- protection of architectural and natural heritage; OJ L 21/75
- protection of birds and their habitats; OJ L 21/75
- concerted EEC research project on growth of large urban concentrations; OJ L 21/75
OJ C 299/77
- conservation of wild birds. OJ L 103/79
OJ C 163/77
OJ C 103/79

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 Dir. EP Opinion	— air quality standards for lead;	OJ C 151/75 OJ C 28/76
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 COM (77) 687/final
Prop. for Dir. EP Opinion	— dumping wastes at sea;	OJ C 40/76 OJ C 293/76
Prop. for Dir. EP Opinion amendment of Prop. for Dir.	— 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 amendment of Prop. for Dir.	— limitation of the noise emitted by compressors;	OJ C 94/78 OJ C 39/79 OJ C 27/79
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
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. EP Opinion	— conclusion of the convention on conservation of European wildlife and natural habitats;	OJ C 210/79 OJ C 175/80
Prop. for Dec. EP Opinion	— conclusion of the convention on long-range transboundary air pollution;	OJ C 281/79 OJ C 59/80

Prop. for Dir. EP Opinion	4.54 <i>(contd)</i>	— amending C Dir. 79/113: determination of the noise emission of construction plant and equipment;	OJ C 300/79 OJ C 147/80
Prop. for Dir.		— conclusion of the convention on the conservation of migratory species of wild animals;	OJ C 151/80
Draft Rec.		— recovery and re-use of waste paper and board;	OJ C 135/80
Prop. for Dir.		— assessment of the environmental effects of certain public and private projects;	Doc. 1-293/80
Prop. for Dec.		— supplementing Annex IV to the Convention on the Protection of the Rhine against Chemical Pollution.	Doc. 1-309/80

4.6 Consumer protection

C Res. of 14 April 1975

4.60 OBJECTIVES

OJ C 92/75

- the right to 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.

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

Consumers Consultative Committee

OJ L 283/73
OJ L 341/76

Comm. Dec. 73/306
of 25 Sept. 1973
amend. by
Comm. Dec. 76/906
of 3. 12. 1976

Objectives

Its task is to represent consumer interests to Comm. and to advise Comm. on all problems relating to formulation and implementation of consumer protection and information policy.

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

C Res. of 14 April 1975

Five phases planned, to be completed by 1 Jan. 1978.

Preliminary programme for consumer protection and information policy.

OJ C 92/75

Comm. Dec. 74/324
of 16 April 1974

Setting up Scientific Committee for Food.

OJ L 136/74

Comm. Dec. 75/420
of 26 June 1975
amend. by
Comm. Dec. 78/758
of 30 June 1978

Setting up Advisory Committee on Foodstuffs.

OJ L 182/75
OJ L 251/78

4.63

STATE OF INTEGRATION

Free movement of agricultural and industrial products has provided European consumers with a wider range of goods.

4.631

Perishable foodstuffs

C Dir. of 23 Oct. 1962
6th Amend. C Dir. 78/144
of 30 Jan. 1978

— colouring matters authorized for use in foodstuffs intended for human consumption;

OJ 115/62
OJ L 44/78

C Dir. 64/54
of 5 Nov. 1963

— preservatives authorized for use in foodstuffs intended for human consumption.

OJ 12/64

14th Amend. C Dir. 79/40
of 18 Dec. 1978

OJ L 13/79

EP Opinion

OJ C 6/79

4.62/4.631

	4.631	Substances in contact with perishable foodstuffs.	
	<i>(contd)</i>		
C Dir. 70/357 of 13 July 1970 2nd Amend. C Dir. 78/143 of 30 Jan. 1978 C Dir. 74/329 of 18 June 1974 2nd Amend. C Dir 80/597 of 29 May 1980 EP Opinion C Dir. 76/621 of 20 July 1976		— antioxidants authorized for use in foodstuffs intended for human consumption;	OJ L 157/70 OJ L 44/78
		— emulsifying and stabilization, thickening and gelling agents;	OJ L 189/74 OJ L 155/80
		— maximum level of erucic acid in oils and fats intended as such for human consumption and in foodstuffs containing added oils or fats;	OJ C 4/80 OJ L 202/76
		— materials and articles intended to come into contact with foodstuffs;	OJ L 340/76 OJ C 155/74 OJ L 151/80
C Dir. 76/893 of 23 Nov. 1976 EP Opinion Comm. Dir. 80/590 of 9 June 1980 C Dir. 78/142 of 30 Jan. 1978 EP Opinion		— determining symbol that may accompany materials and certain articles intended to come into contact with foodstuffs;	OJ L 44/78 OJ C 118/77
		— materials and articles which contain vinyl chloride monomer and are intended to come into contact with foodstuffs.	
		Various products:	
		— cocoa and chocolate,	OJ L 228/73 OJ L 170/80
C Dir. 73/241 of 24 July 1973 7th Amend. C Dir. 80/608 of 30 June 1980 EP Opinion C Dir. 73/437 of 11 Dec. 1973 C Dir. 74/409 of 22 July 1974 C Dir. 75/726 of 17 Nov. 1975 Amend. C Dir. 79/168 of 5 Feb. 1979 EP Opinion			
		— sugar,	OJ C 34/80 OJ L 356/73
		— honey,	OJ L 221/74
		— fruit juices and certain similar products,	OJ L 311/75 OJ L 37/79 OJ C 261/78

<p>C Dir. 76/118 of 18 Nov. 1975 Amend. C Dir. 78/630 EP Opinion C Dir. 77/94 of 21 Dec. 1976 EP Opinion C Dir. 77/436 of 27 June 1977 EP Opinion C Dir. 79/693 of 24 July 1979 EP Opinion C Dir. 71/307 of 26 July 1971 amended by C Dir. 75/36 of 17 Dec. 1974 C Dir. 75/106 of 19 Dec. 1974 amended by C Dir. 79/1005 of 23 Nov. 1979 EP Opinion C Dir. 76/211 of 20 Jan. 1976 C Dir. 79/112 of 18 Dec. 1978 EP Opinion C Dir. 79/581 of 19 June 1979 EP Opinion C Dir. 80/232 of 15 Jan. 1980 EP Opinion Comm. Dir. 80/511 of 2 May 1980</p>	<p>4.631 <i>(contd)</i></p> <p>— certain partly or wholly dehydrated preserved milk for human consumption,</p> <p>— health foods,</p> <p>— coffee and chicory extracts,</p> <p>— fruit jams, jellies and marmalades and chestnut purée.</p> <p>4.632 Packaging and labelling¹</p> <p>— textile names,</p> <p>— making-up by volume of certain prepackaged liquids,</p> <p>— making-up by weight or by volume of certain prepackaged products,</p> <p>— labelling, presentation and advertising of foodstuffs for sale to ultimate consumer,</p> <p>— consumer protection in indication of the prices of foodstuffs,</p> <p>— ranges of nominal quantities permitted for certain prepackaged products,</p> <p>— authorizing marketing of compound feedingstuffs in unsealed packages or containers.</p>	<p>OJ L 24/76 OJ L 206/78 OJ C 183/77 OJ L 26/77 OJ C 139/69 OJ L 172/77 OJ C 83/73 OJ L 205/79 OJ C 7/76 OJ L 185/71 OJ L 14/75 OJ L 42/75 JO L 308/79 OJ C 163/78 OJ L 46/76 OJ L 33/79 OJ C 178/76 OJ L 158/79 OJ C 63/78 OJ L 51/80 OJ C 30/77 OJ L 126/80</p>
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¹ For packaging and labelling of dangerous substances see 4.42 (Public health).

4.64 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 EP Res. of 23 May 1980	— liability for defective products (product liability), (requests the Commission to withdraw its proposal which has not been amended, on non-responsibility of producer for development risks),	OJ C 241/76 OJ C 127/79 COM(79) 415 final 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

Prop. for Dir. of 29 July 1977 EP Opinion Amended by Prop. for Dir. of 25 July 1978	4.64 (<i>contd</i>)	— home study courses,	OJ C 208/77 OJ C 131/78 OJ C 200/78
Prop. for Dir. of 27 Feb. 1978 EP Opinion Amended by Prop. for Dir. of 5 July 1979		— misleading and unfair advertising,	OJ C 70/78 OJ C 140/79 OJ C 194/79
Prop. Dec. of 7 Sept. 1978 EP Opinion		— Community system of information on accidents in which products are involved, outside spheres of occupational activities and road traffic,	OJ C 252/78 OJ C 127/79
Prop. for Dir. of 21 Feb. 1979		— consumer credit,	OJ C 80/79
Prop. for Dir. of 15 May 1979 EP Opinion		— cosmetic products,	OJ C 165/79 OJ C 175/80
Draft C Res. of 20 June 1979 EP Opinion of 16 Oct. 1980		— second programme for consumer protection and information policy,	OJ C 218/79 OJ C 291/80
Prop. for Dec. of 5 Dec. 1979		— Community system for rapid exchange of information on dangers arising from use of consumer products,	OJ C 321/79
Prop. for Dir. of 23 Jan. 1980		— amendment of Council Directive 71/307/EEC relating to textile names.	OJ C 63/80

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 Tr., Art. 56
EEC Tr., Arts 41, 59 and 118
EAEC Tr., Art. 9, para. 2

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

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

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',
- 19 April 1972: signature of inter-governmental 'Convention' by Six (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.

CULTURAL POLICY

- | | | |
|---|--|--|
| EP Res. of 13 May 1974 | — Protection of the European cultural heritage | OJ C 62/74 |
| EP Res. of 8 March 1976 | — EC action in cultural sector | OJ C 79/76 |
| The Hague Summit, 1969 | — 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 | Bull. EC 1-1970
Para. 4 of the final communiqué |
| Paris Summit, 1972 | — 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' | Bull. EC 10-1972
Para. 3 of the final declaration |
| Copenhagen Summit, 1973 | — 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 | Bull. EC 12-1973
Para. 2501 |
| Commun. from Comm. to C of 22 Nov. 1977
EP Opinion | — 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 | Bull. EC
Suppl. 6/77
OJ C 39/79 |
| European Foundation | | |
| European Council
Rome, 26 March 1977 | — 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 |

4.73 **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

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 Opinion

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
3 July 1974

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
5 June 1979

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**

EEC Tr., Art 3
EAEC Tr., Art. 94
EEC Tr., Art. 8

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. Twelve-year transition period provided for.

5.12 **REQUIREMENTS OF TREATIES**

EEC Tr., Arts 18–23

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.

EAEC Tr., Art. 94

Application of CCT one year after Treaty enters into force.

EEC Tr., Art. 28

Possibility of altering or suspending CCT.

EEC Tr., Art. 29

Factors which guide Commission in task of setting up CCT.

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 — measures required to attain Community objectives (after consulting EP) (see 1.233).
- Comm., at request of Member States, determines — for example:
- C Reg. 1410, 4 June 1974 — 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
- Comm., aided by advisory committees, supervises:
- C Reg. 97, 16 Jan. 1969 — 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 GRE C, par. 104

<p>Comm. Prog., 28 April 1971 Comm. Communic. 15 June 1977 EP Rep., 3 March 1978 EP Res., 12 April 1978 EP Res., 5 July 1978 EP Res., 16 Oct. 1980</p>	5.14	<p>ATTAINMENT OF CUSTOMS UNION</p>	<p>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 shortcomings and making suggestions for improvement.</p>	<p>Bull. EC 6-1971 Part I, Chap. IV Bull. EC 6-1977, point 1.21 <i>et seq.</i></p>
<p>Comm. Prog. 8 March 1979</p>	5.141	<p>Work in progress</p>	<p>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 on 31 December 1979 outlined programme for 1980.</p>	<p>Bull. EC 3-1979 OJ C 84/79 Bull. EC 12-1979, points 1.3.1 – 1.3.3</p>
<p>EEC Tr., Arts 2 and 3</p>	5.15	<p>COMMON CUSTOMS TARIFF (CCT)</p>	<p>Objectives</p>	<p>To contribute to establishment of common commercial policy</p>
	5.151	<p>Rules for application of CCT</p>	<p>In general CCT is applied by EEC Member States <i>vis-à-vis</i> third countries, except when CCT partially or wholly suspended as result of agreements between EEC and third countries or groups of third countries.</p>	
	5.152			

C Reg. 950, 28 June 1968	5.152 (<i>contd</i>)	<p>Applicable to industrial and agricultural products from 1 July 1968, CCT contains:</p> <ul style="list-style-type: none"> — conventional tariffs applicable to member countries of GATT and to countries with which EEC has concluded ‘most-favoured-nation’ agreements; — autonomous tariffs established by EEC <i>vis-à-vis</i> other third countries. <p>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.</p>	OJ L 172/68
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. 2800/78, 27 Nov. 1978		<p>The 1979 edition contains new subdivisions for textiles; all tariffs are expressed in EUA.</p> <p>For preferential arrangements resulting from special agreements with third countries see 6.</p>	OJ L 335/78
C Reg. 1496, 27 Sept. 1968		Definition of customs territory of Community.	OJ L 238/68
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		Entry into force on 1 July 1971, for the Group of 77 (see 5.42) of generalized tariff preferences in favour of developing countries and areas.	OJ L 142/71

Comm. Reg. 2862, 22 Dec. 1971	5.152 (<i>contd</i>)	Generalized tariff preferences	OJ L 289/71
		Since 1. 1. 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
		Taxes in international travel (see 2.5223 and 2.523).	
 5.153 Approximation of customs legislation			
		— 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.	7th GR EC, par.
C Reg. 1224, 28 May 1980		New rules on valuation of goods for customs purposes agreed within GATT (Tokyo Round) — to apply from 1 July 1980.	OJ L 134/80 OJ C 130/80 Bull. EC 6-1980, point 2.1.32
C Dir. 73 — 76, 4 March 1969		— 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 58/69
C Dir. 235, 21 June 1971		— Directive relating to usual forms of handling goods which may be carried out in customs warehouses and in free zones.	OJ L 143/71
C Dir. 73, 4 March 1969		— Inward processing, i.e. duty-free importation of goods which are to be worked or processed before being re-exported — Inward Processing Committee.	OJ L 58/69

C Dir. 76/119, 18 Dec. 1975	5.153 <i>(contd)</i>	— 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, hereafter called the Committee for Customs Processing Arrangements, may examine any matter relating to the application of this Dir.	OJ L 24/76
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		— 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
Comm. Dir. 75/681, 23 Sept. 1975		— Administrative cooperation between Member States on questions of inward processing: entered into force on 1 July 1977.	OJ L 301/75
Comm. Dir. 78/206, 7 Feb. 1978 Dir. 78/1018, 27 Nov. 1978		— After repairs outside the EC or when outward processing arrangements have not been made.	OJ L 62/78 OJ L 349/78 OJ C 299/77
EP Res., 17 Nov. 1977 C Regs. 3165/78–3171/78, 19 Dec. 1978		— Reg. amended on several occasions, most recently in 1978 with the aim of introducing the ECU into trade with EFTA countries.	OJ L 376/78

5.154 **State of integration**

C Reg. 950, 28 June 1968	1. CCT applied from 1 July 1968 to industrial and agricultural products not subject to levies. CCT drawn up annually by C for following year. Published in OJ towards end of year.	OJ L 172/68
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C Reg. 1/72, 20 Dec. 1971	5.154 (<i>contd</i>)	2. Customs duties applicable to industrial products reduced by an average of 35 to 40 % in accordance with the Kennedy Round agreements (1967, the last of which came into force on 1 January 1972).	OJ L 1/72
		Average level of Community duties applying to these goods after Kennedy Round: 6 %.	5th GR EC, par.
C Reg. 97, 16 Jan. 1969		3. Establishment of several advisory committees with task of jointly ensuring uniform application and interpretation of tariffs and of customs regulations (see 5.13).	OJ L 14/69
		4. United Kingdom and Ireland retained their system of customs duties of a fiscal nature, in certain cases until end of 1977.	7th GR EC, par.
Act of Accession, Art. 32		5. Customs duties between three new Member States of the EEC and six original Members reduced by 20 % (with a few exceptions) on 1 April 1973, with further reductions of 20 % on 1 January of each subsequent year. Duties abolished by 1 July 1977.	
		6. Between June 1967 and June 1978, the C adopted 100 Directives on the elimination of technical barriers to trade in industrial products. 300 Directives are regarded as essential to ensure genuine free movement of goods within the Community.	Bull. EC 6-1978, point 1.1.1. <i>et seq.</i>
C Reg. 3000, 20 Dec. 1979		7. CCT applicable from 1 January 1980 contains first stage of tariff cuts agreed under GATT (Tokyo Round). For most products cuts to be phased in over eight years in annual instalments.	OJ L 342/79
EP Res., 14 Dec. 1979			OJ C 4/80
			Bull. EC 10-1979, point 1.1.1. <i>et seq.</i>
		Tokyo Round provides for tariff reductions of about 30 %. For further details see 5.337.	Bull. EC 11-1979, point 1.3.1. <i>et seq.</i>
			27th Review of C Work, par. 211

5.2 **Common commercial policy**

5.21 **OBJECTIVES**

EEC Preamble, par. VI

EEC Tr., Arts 2, 3

EEC Tr., Art. 110

- Progressive abolition of restrictions on international trade.
- Establishment of common market.
- Contribution to harmonious development of world trade, to progressive abolition of restrictions on international trade, to lowering of customs barriers and increase in competitive strength of undertakings in Member States.

5.22 **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	5.22 <i>(contd)</i>	Supervision of administration and verification of import and export licences (for trade with third countries).
ECSC Tr., Art. 74		Measures against dumping and excessive imports which threaten Community production.
	5.221	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.
	5.23	DECISION-MAKING PROCEDURE (DECISIONS OTHER THAN THOSE QUOTED IN 5.13 OR IN 5.221)
		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.

5.24 **STEPS TOWARDS STANDARDIZATION
OF MEASURES *VIS-À-VIS* THIRD COUNTRIES**

5.241 **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.

5.242 **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.

5.25 **IMPORT POLICY**

See 5.253 for rules applying to most State-trading countries.

5.251 **Objectives**

Harmonization of import procedures.

Contribution to liberalization of world trade by joint liberalization list.

5.252 **State of integration**

5.2521 ***HARMONIZATION ACHIEVED TO DATE***

CCT in force (see 5.14).

Common rules for imports from member countries of GATT or countries accorded like treatment. Rules apply to all imports, including those not liberalized at Community level; withdrawal of liberalization measures a Community prerogative. From 1982 safeguard measures are responsibility of Community.

In the event of actual or potential serious disadvantage to Community production, imports may be restricted or suspended.

Adoption of measures of surveillance and protective measures regarding imports. Subject to confirmation by C, Comm. may take protective measures where increased imports cause or threaten substantial injury to Community producers. In certain circumstances a Member State may until 31 Dec. 1981 take temporary safeguard measures, but only after prior consultation.

C Reg. 926, 8 May 1979

OJ L 131/79

Bull. EC 5-1979,
point 1.4.1 *et seq.*

5.2521
(contd) Consultation takes place within an advisory committee, consisting of representatives of each Member State and chaired by a Comm. representative.

Common liberalization list for imports from certain third countries is annexed to Reg. Products described in Annex I and originating in third countries listed in Annex II are not subject to quantitative restrictions when imported into EC. Annex I also lists products which may be imported into certain Member States only. The C, acting by qualified majority on Prop. from the Comm., may extend liberalization list and list of countries affected.

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

Measures of surveillance and protective measures adopted by EC in 1975 — for example in respect of textiles, shoes and other products.

9th GR EC, par. 418 – 19

5.2522 ***PROGRESS IN COORDINATION OF MEASURES BY MEMBER STATES***

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 5.2521).

OJ L 131/79

5.2521/5.2522

5.253

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 must not extend beyond 31 December 1974.

OJ L 30/74

C Reg. 925, 8 May 1979

Establishment of common rules for imports:

OJ L 131/79

— 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.

— measures to safeguard producers against excessive imports; until 31 Dec. 1981 interim protective measures may be implemented at national level in an emergency;

— consultation to take place within advisory committee composed of representatives from Member States and from Comm.

C Dec. 210, 27 March 1975

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

At end of each year C, acting on prop. of Comm. adopts new quotas for following year. C Reg. giving details of new quotas are published in OJ L. See OJ L 42 of 18 Feb. 1980.

The EC has concluded bilateral agreements with Yugoslavia, China and Romania (see Chapter 6).

5.2531

WORK IN PROGRESS

In November 1974, EC forwarded outline trade agreement to State-trading countries.

9th GR EC, par. 504

See CMEA 5.3642.

5.254 **Protection against dumping or granting of bounties or subsidies by third countries**

C. Reg. 3017, 20 Dec. 1979

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

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.

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

5.255 **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').

5.2551 *COAL*

Commercial policy has effectively remained in hands of Member States. Coordination exists only at technical level.

5.2552 *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.

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.

Procedures renewed on several occasions.

(2) *Anti-dumping measures deriving from basic prices and practice of granting bounties or subsidies*

Basic prices

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.

Prices established by reference to the lowest normal cost in the supplying country where there are normal conditions of competition.

Comm. Dec. 587/ECSC,
7 March 1980
Comm. Dec. 588/ECSC,
7 March 1980
Comm. Dec. 2796/ECSC,
31 Oct. 1980

ECSC Tr., Art. 74

OJ L 65/80
OJ L 291/80

Comm. Communic.	5.2552 (contd)	<i>Measures applicable</i>	OJ L 290/80
		Comm. statement concerning basic prices of certain iron and steel products (approx. 150 products); entry into force: 1 November 1980.	
		<i>Dumping</i>	
		<i>Principle:</i> compensation for a real or potential injury caused to an industry already established or being set up in EC.	
		<i>Procedure:</i> 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.	
		(3) <i>Fixing of reference prices:</i>	
		Application to imports: See 4 below	
ECSC Tr. Art. 61		(a) <i>Minimum prices</i>	
		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.	
Comm. Communic.		(b) <i>Guidance prices</i>	OJ L 114/77 OJ C 174/77 OJ L 370/78
		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.	

5.2552
(contd)

(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 already concluded agreements with third countries allowing the maintenance of traditional patterns of trade despite EC safeguard measures.

There are three types of agreement:

(a) *EFTA countries*

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*

Main features:

- exporting countries undertake to apply delivered prices, subject to a margin of penetration: 6 % for ordinary steels and 4 % for special steels,

5.2552
(contd)

- 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,
- no anti-dumping proceedings if the agreements are complied with,
- valid until the end of each year.

(c) *with State-trading countries*

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.

As a consequence of the compulsory reduction of internal production of steel, measures to be taken to ensure a comparable reduction in imports from various countries.

OJ L 291/80

5.26 **EXPORT POLICY**

5.261 **State of integration**

Although transitional period has expired, harmonization of rules relating to exports is not yet complete.

Common rules for exports.

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.

Common procedure for administering quantitative export quotas.

Establishment of Quota Administration Committee presided over by representative of Comm.

C Reg. 2603,
20 Dec. 1969

OJ L 324/69

C Reg. 1023,
25 May 1970

OJ L 124/70

5.262 **Credit insurance and export credit insurance**

5.2621 *MEASURES IN FORCE*

Establishment of a policy-coordination group for credit insurance, credit guarantees and financial credits consisting of delegates from the Member States and Comm.

C Dec., 27 Oct. 1960

OJ L 66/60

C Dec. 391, 3 Dec. 1973 amended by C Dec. 641, 27 July 1976	5.2621 (<i>contd</i>)	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, which were concluded on 22 Feb. 1978 and in which EC participated, it was agreed to implement an Arrangement on officially supported export credits.	Bull. EC 2-78, par. 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.	
		This Arrangement replaces the informal agreement on certain export credits applied between March 1977 – June 1978.	11th GR EC, par. Bull. EC 12-77
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 4-78, point 2.2.46
C Dec., 10 December 1979		Export credits for ships — Community accedes to OECD Understanding negotiated on 26 October 1979.	13th GR EC, par. 500

5.2622 *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.

5.2623 *PROPOSALS*

Recent 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;

5.2623
(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*

Set up by Charter of San Francisco signed 26 June 1945, United Nations Organization has following aims:

- to maintain international peace and security;
- 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.

Charter of the
United Nations

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*

EEC Tr., Art. 229
ECSC Tr., Art. 93
EAEC Tr., Art. 199

Comm. responsible for ensuring maintenance of all appropriate relations with organs of United Nations and specialized agencies.

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.

Since 1973 it has consultative status (equivalent to observer status) at Economic Commission for Europe.

5.3114
(contd)

Res. passed by General Assembly on 11 October 1974 enables EEC to attend meetings and proceedings of General Assembly as observer.
Common position among Member States on most of the resolutions.

Bull. EC 10-1974,
point 1101 and 2316

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.

Headquarters in Rome.

Bull. EC 1-1977,
point 2.2.30

5.3124	<p><i>RELATIONS WITH EC</i></p> <p>Contacts between FAO and EC were established in 1958.</p> <p>Agreement was concluded between EC and FAO in 1962 laying down methods for liaison and cooperation between two institutions.</p> <p>Since then Comm. has represented the Community at meetings of higher authorities of FAO.</p> <p>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).</p> <p>Comm. participates in the sessions but without voting rights.</p> <p>Since January 1977, the EEC has been cooperating in running the global agricultural information and early-warning system.</p>	<p>2nd GR EC, par. 62</p> <p>6th GR EC, par. 281</p> <p>Bull. EC 11-1974</p> <p>Bull. EC 6-1976</p> <p>Bull. EC 9-1979, point 2.2.31</p> <p>Bull. EC 1-1977</p>
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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.

Art. 1 of Mandate of ECE

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.

- 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*
- Final Act 1964, Part 1, Preamble 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;

- 5.3151 — to lay down principles and policy of international trade and to
(contd) 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.

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

5.31531
(contd)

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) and olive oil (see 5.525) in particular, and prospects for copper.

Bull. EC 6-80
Par. 2.2.4

Various implementation problems remain to be settled, especially 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

5.31532 UNCTAD IV and the role played by EC. The main resolutions and
(contd) 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 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.

Bull. EC 4-80
Par. 2.2.30

5.32 **NORTH-SOUTH DIALOGUE (CONFERENCE ON INTERNATIONAL ECONOMIC COOPERATION — CIEC)** Bull. EC 5-1977
Point 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.

The objective of the CIEC was to organize international economic relations 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; 8 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.

5.322
(contd)

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.

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 1 000 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
Point 2.27-2.211

5.323 **Outlook**

The Common Fund (see 5.31541) should soon be in existence; the special action has been implemented; the Multifibre Arrangement has been renewed (see 5.575).

As regards indebtedness (see 5.31541), certain industrialized countries have partly or completely cancelled the debts of some of the poorest developing countries.

A special committee (comprising 17 members, 9 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. 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.

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

Doc. 1-341
Ferrero Rep.
OJ C 265/80

Bull. EC 7/8-80
pars 2.2.33
to 2.2.37

EP Res. of
18 Sept. 1980

5.323 such matters as the nature of the final result of negotiations, the extent
(*contd*) to which it would be binding and relations between the central nego-
tiating body and the UN specialized agencies such as the financial
institutions.

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 eli-
mination 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 coun-
tries 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.

Comm. conducts negotiations in consultation with special committee appointed by C to assist Comm. in this task.

EP Doc. 47/67
OJ 103/67

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

EEC Tr., Arts. 113,
116 and 229

EEC Tr., Arts. 111
and 113

5.336 **The Kennedy Round**

C Dec. 68/411,
27 Nov. 1967

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

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. point 494-5

5.3371 *PRINCIPAL PROVISIONS ARE*

- tariff reductions spread over a period of eight years. Overall the level of industrial tariffs cut by one-third;
- 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,
points 1.1.1, 1.1.2
- Bull EC 11-1979,
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.
- (a) Geneva Protocol annexed to the GATT (conclusion of the Multilateral Trade Negotiations-Tokyo Round 1973 – 79);
- (b) Arrangement regarding bovine meat;
- (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.
- EP’s agreement subject to reservations.
- Bull. EC 12-1979,
point 2.2.8
- OJ C 4/80

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.

Japan joined in 1964, Finland in 1969, Austria in 1971 and New Zealand 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.

EEC Tr., Arts 116, 231
ECSC Tr., Art. 93

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

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 ten 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.

A medium-term intergovernmental work programme for 1976–80 covered education and culture, social problems, youth, public health and nature conservation amongst other fields.

5.355 **Relations with EC**

EEC Tr., Art. 230
Protocol to
ECSC Tr.

EP Rules of Procedure,
Rule 52

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.

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 6.2.

These agreements extend free trade area set up by EFTA to trade between enlarged Community and member countries of EFTA.

Since 1 July 1977, import duties abolished on almost all trade in industrial products between the 16 European countries in EFTA and the EC.

Informal arrangement on the problems of the steel industry, 28. 2. 1978 (see 5.2552).

On 18 December 1978 C laid down guidelines on cooperation with EFTA.

Bull. EC 9-1972,
1st part
Bull. EFTA 6/77

Bull. EFTA 3/78

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*

Paris Final Decl.,
Oct. 1972,
point 13

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

In November 1974, after approval by C, Comm. transmitted to State-trading countries concerned, a model agreement, the main points of which are:

4th GR EC, par. 504
EP Doc. 425/74
OJ C 60/75

- 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.

Bull. EC 2-1976, point
1201 *et seq.*

- 5.3742 *(contd)* 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. Bull. EC 5-1978 points 1.2.1 – 1.2.3
- 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. Bull. EC. 11-1978, point 2.2.60
Bull. EC. 11-1979, point 2.2.55
- 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 of increased cooperation in political, economic, commercial, social and 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).

Bull. EC 8-1972

Since then: regular dialogue between Commission and ASEAN countries.

May 1975, following exchange of letters, Joint Study Group (composed of representatives of the Commission and the five ASEAN governments) set up to foster regular dialogue between ASEAN and EC Group meets in principle twice a year.

Bull. EC 5-1975

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.

EP Doc. 77/79

— 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.

C Reg. 1440,
30 May 1980

5.3842 — seminars and conferences are organized on industrial cooperation,
(*contd*) transfer of technology, investment, etc.

— 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

5.39 **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, Guyana, 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.

These relations have led to the establishment of joint groups of experts to examine the particular problems involved. As a rule, there are also two working sessions per year at ambassador level between the countries of the Latin-American Group, the permanent representatives of the Member States and representatives of the Commission.

Meetings may also be held at ministerial level.

Since July 1974, interparliamentary conferences between the members of EP and 'Latin-American Parliament'.

5th GR EC,
par. 470 – 472
6th GR EC,
par. 429 – 430
7th GR EC,
par. 544 – 545
8th GR EC,
par. 444
9th GR EC,
par. 495 – 497
10th GR EC,
par. 554 – 556
11th GR EC,
par. 562
12th GR EC,
par. 525 – 527

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 also in progress with countries of the Andean Pact (Venezuela, Colombia, Peru, Ecuador) with a view to concluding a cooperation agreement. (Negotiations with Bolivia have been halted and that country has stated its intention of leaving the Pact.)

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): 2nd 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): 3rd meeting; subjects debated were new international economic order, human rights, parliamentary and democratic institutions, economic and trade relations, financial cooperation, international terrorism, demographic policy and technological and cultural cooperation. | EP Doc. 574/77
OJ C 131/78 |

5.39213
(*contd*)

— February 1979 (Rome): 4th meeting; main subjects of 3rd meeting were developed. In addition, drug control, law of the sea and international traffic in conventional arms were discussed.

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:

5th GR EC, Par. 433
Suppl. 5/71 — Bull. EC
Annex to Bull. EC 9/10-
1971

- efficacy of cooperation policy depended on compatibility with internal economic policies;
- policies of Member States must be coordinated;
- 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. EC
EP Doc. 194/72

5.41
(contd)

With a view to carrying out this programme, in 1974 C adopted nine Res. and one Rec. on following points:

- improvement of generalized 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 'world-wide' policy side by side with 'regional' policy of association.

Suppl. 8/74 — Bull. EC
EP Doc. 42/75

(See 6.24, 6.25, 6.3 and 6.4.)

In 1975 a structured programme of technical aid designed to *promote trade and regional cooperation* to the benefit of developing countries was set up. Measures to help developing countries in Asia and Latin America comprise the financing and organization of trade missions, marketing seminars, trade documentation and participation in European trade fairs. The funds required for such action are included annually in the EC budget.

9th GR EC,
Par. 398, 416

5.41
(contd)

Efforts have been made over the years to implement the 1974 resolution on the *coordination and harmonization* of the cooperation policies of the EC and its Member States (see 5.32). The Commission has also submitted a document to C on the volume of official development aid and another on the geographical breakdown of bilateral aid from Member States. Since this involves operational cooperation, progress has been made in emergency and humanitarian aid and in certain sectors of aid policy (especially rural development).

10th GR EC,
Par. 470
Bull. EC 11-1976
Point 2.4.30
Bull. EC 3-1977
Point 2.2.10
and 2.2.11
Bull. EC 6-1977
Point 2.2.12
Bull. EC 11-1977
Point 2.2.20 to 2.2.23

Various other questions examined:

- 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.

Bull. EC 1-1978
Point 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
Point 1.2.1 to 1.2.8

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

At second Conference, (New Delhi 1968), Res. providing for establishment 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 Reg. 1308 to 1314
of 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 114 independent countries and territories and to 27 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);

5.42
(contd)

- 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. For 1979:

- in *agriculture* the advantages offered correspond to an exchange value of 1 300 million EUA; efforts were concentrated mainly on making more effective use of preferences.
- as regards *industrial, finished and semi-finished products* other than textiles, ceiling is raised as a result of a new base year (1977) being taken for calculation of supplementary amount. For sensitive and semi-sensitive industrial products the offer exceeds 900 million EUA (up 13 %). In the case of non-sensitive products, the preferential advantages made available exceed 5 200 million EUA (up 37 %).
- for *textiles*, total imports of 115 000 tonnes (88 000 in 1979). In the case of products covered by the MFA (107 000 tonnes), the advantage is reserved for members of the 'Group of 77' and dependent territories which have concluded bilateral agreements or arrangements with the EEC. The MFA products of beneficiaries are completely duty-free within the limits of individual quotas based on the countries' level of development and competitiveness in the field of textiles. Hong Kong, China and Romania are henceforth full beneficiaries. As far as the other textiles are concerned the offer, which corresponds to about 7 500 tonnes, is open to all beneficiaries in accordance with the system of buffer stocks.

The less-advanced countries enjoy complete exemption from duty on all their textiles exports, regardless of whether they are covered by the MFA, with no quota restrictions.

C Reg. 2787-2795
of 10 Dec. 1979
EP Res. of 15 Nov. 1979

OJ L 328/79
EP Doc. 1-264/79
EP Doc. 1-469/79
OJ C 309/79

13th GR EC,
Par. 511

5.42 In conjunction with these measures EC undertook an information campaign *vis-à-vis* authorities of beneficiary countries, with view to ensuring that full benefit was derived from advantages offered by GSP. 9th GR EC, Par. 408 and 409
(*contd*)

Commission statement on GSP policy after 1980. EP Doc. 1-67/80

5.43 COMMUNITY FOOD AID

5.431 Foods aid in cereals

C Dec. 411/68 of
27 Nov. 1967
C Dec. 208/70 of
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 5.53).

OJ L 305/68
OJ L 66/70

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.¹ EC commitment represented 23 % of overall food aid commitment, which was set at 4.5 million tonnes per annum.

C Dec. 406/74 of
25 June 1974

Conv. was renewed for first time on 1 July 1971 for three years and regularly since then.

OJ L 219/74

¹ EC has not availed itself of this alternative, and all its aid has been in form of gifts.

C Dec., 2 April 1973

5.431
(contd)

Following accession of Denmark, Ireland and UK, EC commitment increased to 1 287 000 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 purely Community aid. Since the 1968–1969 programme the proportion of purely 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 of related costs (on processing, transport, distribution, etc.) being borne by EC.

Bull. EC 3-1973
Point 2324

Bull. EC 4-1973
Point 2312

EP Doc. 169/69
EP Doc. 55/70
EP Doc. 141/71
3rd GR EC,
Par. 467
12th GR EC,
Par. 464

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.

C Reg. 1399/69 of
17 July 1969
C Reg. 1852/69 of
16 Sept. 1969

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

5.431/5.432

C Reg. 1962/72 of 2 Aug. 1972 C Reg. 2721/72 of 19 Dec. 1972	5.432 (contd)	Subsequently, butter-oil quantities have been retained within a bracket of 35 000 to 45 000 tonnes.	OJ L 178/72
C Reg. 530/74 of 4 March 1974 C Reg. 1826/74 of 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 in 1979.	OJ L 65/74
		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 2.2.24
C Reg. 2012/76 of 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 of 19 Dec. 1972 C Reg. 1475/72 of 10 July 1972 C Dec. 623 and 624/76, 20 July 1976		In addition to these independent projects, EC agreed under three-year Convention with UNRWA (United Nations Relief Works Agency) to supply various foodstuffs, including 6 000 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.	OJ L 304/72 OJ L 157/72 OJ L 203/76 EP Doc. 42/76 EP Doc. 131/76
C Reg. 1010/80 of 21 April 1980		Approval of conclusion of new Convention (1979 – 1980). In 1980 the UNRWA will receive 40 000 tonnes of cereals, 15 500 tonnes of skimmed-milk powder, 3 900 tonnes of butteroil, 6 086 tonnes of sugar and a cash contribution of 7 116 710 EUA.	OJ L 108/80

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 6th 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.

8th GR EC. Par. 406
EP Doc. 177/74
OQ (0—52/74)

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.

9th GR EC, Par. 417

C Dec. of 22 Jan. 1975

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 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

9th GR EC, Par. 417
Bull. EC 1-1975,
Point 2308

OJ C 89/76

5.44 most severely affected countries.¹ The payments made enabled recipient countries to import essential goods and services, such as food-stuffs, fertilizers, equipment, etc.
(contd)

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.

EP Res. of 19 June 1975

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 Amer-

Bull. EC 3-1975,
Point 2315
EP Doc. 38/75
EP Doc. 133/75
OJ C 157/75

¹ 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.

5.451
(contd) ica. 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 (commitment appropriations — 5 million EUA).

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.

These appropriations may also be used to promote economic cooperation between the EC and developing countries and for emergency aid.

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).

5.451/5.452

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 and 525 000 EUA (commitment appropriations) for 1980.

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; and 14 million EUA (commitment appropriations) for 1980.

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 — International Sugar Agreement (1953);
(*contd*) — International Olive Oil Agreement (1956);
— International Coffee Agreement (1962);
— International Cotton Textiles Agreement (1962);
— International Cocoa Agreement (1972);
— International Rubber Agreement (1979).

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 5.31542).

18 basic products mentioned in UNCTAD resolution on integrated programme adopted in Nairobi in 1976. Six of these products (cocoa, coffee, olive oil, sugar, tin and rubber) are covered by international stabilization agreements. All agreements, except that on rubber, 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.

5.5211
(contd)

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 of 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. of 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

5.5211/5.5212

5.5212 C approval for Community participation in Agreement: 22 March 1972. 6th GR EC, Par. 455
(*contd*) EC has been member of Agreement since April 1972. 7th GR EC, Par. 446
Expiry of Agreement: 30 June 1976.

C Dec. 626/76
of 21 June 1976

5.5213 *FIFTH INTERNATIONAL TIN AGREEMENT*(1976)

OJ L 222/76

C Dec. 33/79
of 18 Dec. 1978

20 May to 21 June 1975: UN Conference on new agreement.

OJ L 10/79

29 April 1976: signature of Agrmt. by EC.

10th GR EC, Par. 46

Duration: Five years.

Provisional entry into force: 1 July 1976 (expiry: 30 June 1981).

OJ L 288/76

Final entry into force: 14 June 1977.

Talks in progress on conclusion of 6th Agreement.

Bull. EC
5 – 1980,
Point 2.2.19

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 (1 000 votes in all) and by consumer countries (also 1 000 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.

Objectives:

5.5213
(contd)

- to balance world production and consumption of tin;
- to prevent excessive price fluctuations;
- to increase profitability of tin production;
- 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 compulsory contributions by producing countries (20 000 tonnes) and additional voluntary contributions on an equivalent scale by consuming countries: Total 40 000 tonnes (20 000 tonnes in previous Agrmt.). Penalties are laid down for producing countries failing to meet their obligations;
- 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.

EEC Tr., Art. 113

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.

Bull. EC 5-1972, Point 98

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.).

Bull. EC 10-1972,
Point 195

Jan. 1973: all Member States and Comm. signed Agrmt.

Bull. EC 1-1973,
Point 2308

26 June 1973: C Dec. for provisional application of International Cocoa Agrmt. of 1972, which entered into force provisionally 1 July 1973.

Bull. EC 6-1973,
Point 2340

C Reg. 3135,
9 Nov. 1973

Concerns exports and imports of cocoa from and into common customs territory.

OJ L 324/73

Expiry of Agrmt.: 30 Sept. 1976.

9th GR EC, Par. 393

22 Sept. to 20 Oct. 1975: Conference in Geneva organized under aegis of UNCTAD to negotiate conclusion of Second International Cocoa

Bull. EC 6-1975,
Point 2322

5.5221 (contd) Agrmt. 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 of
28 Sept. 1976

5.5222 *SECOND INTERNATIONAL COCOA AGREEMENT(1975)*

OJ L 321/76

C Dec. 198/79
of 12 Feb. 1979

Signature of Agrmt. by EC: 27 July 1976 (subject to final conclusion).

OJ L 44/79

Provisional entry into force: 1 Oct. 1976 for three years with possible two-year extension without fresh negotiations.

Negotiations in progress for conclusion of a new agreement. Notification of provisional application of Agrmt. by EC: 28 Sept. 1976.

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, Ivory Coast, Jamaica, Mexico, Nigeria, Papua New Guinea, Peru, St Lucia, St Vincent, Sao Tomé and Príncipe, 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 and Yugoslavia.

5.5222
(contd)

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.

Instruments:

- maintenance of price of cocoa beans within price limits fixed by joint agreement (minimum price of USD 0.39 per pound and maximum price of USD 0.55 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); provision in Agrmt. for procedures to cover financing (tax of USD 0.01 per pound), management, operation (purchases, sales, liquidation) of stock;
- provisions for assignment to non-traditional uses of surplus cocoa;
- control of imports and exports of member countries;
- annual examination of operation of Agreement.

First implementing Reg. adopted by EC within context of International Cocoa Agrmt. 1975 on import and export controls.

Raising of price range to USD 0.65 – 0.81 per pound.

C Reg. 2762,
19 Oct. 1976

OJ L 321/76

11th GR EC,
Par. 480

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.

1968: Renewal of Agrmt. for five years by International Coffee Council.

30 Sept. 1973: Official expiry of Agrmt. (did not operate in 1973 because of disagreement on price levels).

6th GR EC,
Par. 462

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.

11th GR EC,
Par. 451

1 Oct. 1975: Extension for further year of Agrmt. without adding economic provisions; EC present as observer.

8th GR EC
Par. 379

3 Nov. to 3 Dec. 1975: Negotiations in International Coffee Council in London led to conclusion of new Agrmt.

Bull. EC 12-1975,
point 2322

Comm. negotiated on matters of EC interest on behalf of EC.

Bull. EC 6-1976,
point 2322

Agrmt. open for signature to 31 July 1976

C Dec. 845
of 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.

Organization: As for International Cocoa Agrmt. (1975) (see 5.542).

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.

C Dec. 827/79
of 25 Sept. 1979

OJ L 248/79

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;

- 5.5232
(contd)
- 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;
- 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
of 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

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: 2nd 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
(contd)

Members: approximately 55 countries; exporting members include: 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, Republic 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 3 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 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.

5.5242
(contd)

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.

Conference decided instead to adopt an article providing for accession of EC to Agrmt. after its entry into force through negotiation of 'special conditions' at such time.

5.525 **International olive oil agreements**

5.5251 *BACKGROUND*

Since 1929: International Olive Growers Federation.

1956: Under aegis of United Nations: 1st International Olive Oil Agrmt., expiring 30 Sept. 1963.

1 Oct. 1963: Entry into force of 2nd Agrmt., expiring 30 Sept. 1969; extended and amended several times up to 31 Dec. 1979.

Bull. EC 4-1978,
Point 2.2.20

19 to 24 Sept. 1977: Preparatory meeting organized by UNCTAD to renew 1963 Agrmt.

11th GR EC,
Par. 479

20 March to 2 April 1979: Negotiating conference (organized by UNCTAD) aimed at concluding new Agrmt.

2 April 1979: New Agrmt. concluded.

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

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

C Dec. 886/78
of 16 Oct. 1978

C Dec. 1065/79
of 12 Nov. 1979

Entry into force 1 Jan. 1980.

Duration: 5 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.

Products covered by Agrmt. are: virgin olive oil for human consumption, 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 U.N. 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 on 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

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.

J L 213/80

EC decided to adhere to Agrmt. provisionally on 23 September 1980.

OJ L 259/80

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: 5 years, renewable.

Open for signature: from 2 January 1980 to 30 June 1980.

Members: Open to governments invited to U.N. 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 urges member countries to increase international cooperation on problems 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.

5.5263
(contd)

Means of regulation: Agrmt. does not provide for import/export regulations but stabilization is being brought about by 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 $\frac{2}{3}$ of contributions from member countries with loans from Fund.

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
of 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 (1 000 votes in all) and importing member countries (also 1 000 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
(contd)

- gifts of grain or gifts in cash to be used to purchase grain for benefit of 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 on 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.

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.

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

EP Res. of 18 Sept. 1980

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.

C Dec. 406
of 25 June 1974

OJ L 219/74

C Dec. 556/79
of 12 June 1979

Provisional application by the EC.

OJ L 152/79

C Dec. 176/80
of 10 Dec. 1979

Extension until 30 June 1981 following failure of negotiations for conclusion of new Agrmt.

OJ L 39/80

5.532 **International agreements on the textile trade**

5.5321 *BACKGROUND*

1962: 1st 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 – 437

<p>Comm. Dec. 71, 8 March 1973</p>	<p>5.5321 (<i>contd</i>)</p>	<p>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 régime in 1975) and Yugoslavia.</p> <p>Bilateral agreements were extended initially until 31 Dec. 1973 and subsequently until 30 June 1974. They remained in force, <i>de facto</i>, pending conclusion of new bilateral agreements under new Arrangement regarding International Trade in Textiles (see 5.572).</p> <p>Autonomous increase of quantitative ceilings under these bilateral agreements to adapt them to situation in enlarged EC.</p>	<p>OJ L 225/70</p> <p>7th GR EC, Par. 435 – 437</p> <p>OJ L 94/73</p>
<p>C Dec. 214 21 March 1974</p>	<p>5.5322</p>	<p><i>ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES</i></p> <p>(GATT all-fibres Arrangement on textile products wool, cotton and man-made fibres.)</p> <p>20 Dec. 1973: agreement between parties; EC participated in negotiations.</p> <p>25 March 1974: EC advised GATT of its acceptance of Arrangement.</p> <p>Duration: Four years.</p> <p>Entry into force: 1 Jan. 1974.</p> <p>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).</p>	<p>OJ L 118/74</p> <p>Bull. EC 3-1974, Point 2309</p>

5.5322
(contd)

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.

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, Comm. 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.

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;

- 5.5323 — Mediterranean: Egypt, Yugoslavia;
(contd) — 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)*

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.

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.

Comm. Doc. (76)
720 final

Bull. EC 7/8-1977,
Points 1.5.1-1.5.3, 2.2.35,
Doc. PE 438/77
6/78

5.5324

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.

Comm. Reg.
3019/77
of 30 Nov. 1977
C Reg. 265/78
7 Feb. 1978

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.
- 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.

Bull. EC 12-1977,
Point 1.2.1-1.2.3
OJ L 357/77
OJ L 42/78

Bilateral Agrmts. on voluntary limitation of exports concluded with 26 non-preferential suppliers: (expiry: 31 Dec. 1982).

C Reg. 2557 – 2563/79
of 30 Oct. 1979

Argentina, Bangladesh, South Korea, Macao, Pakistan, Sri Lanka, Thailand.

OJ L 298/79

C Reg. 3071 – 3074/79
of 18 Dec. 1979

Guatemala, Indonesia, Peru, Singapore.

OJ L 350/79

C Reg. 610 – 612/80
of 17 March 1980

Brazil, Uruguay, Haiti.

OJ L 70/80

C Reg. 847/80
of 11 April 1980

Hong Kong.

OJ L 95/80

Bulgaria, Colombia, Egypt, Hungary, India, Malaysia, Mexico, Philippines, Poland, Romania and Yugoslavia.

Comm. Reg. 3020/77 of 30 Dec. 1977 C Reg. 255/78 of 7 Feb. 1978	5.5324 (<i>contd</i>)	As in past, EC will apply unilateral measures to Taiwan.	OJ L 357/77 OJ L 39/78
C Reg. 3061/79 of 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 of 21 Dec. 1978 C Reg. 1176/79 of 12 June 1979 EP Opinion of 15 Dec. 1978		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 EP Doc. 467/78 OJ C 6/79
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

SYNOPTIC TABLE OF CURRENT INTERNATIONAL AGREEMENTS REGARDING CERTAIN PRODUCTS

Product	Validity	Mechanism of Agreement	Participants
Tin	5th International Tin Agreement provisional entry into force on 1 July 1976, for five years.	Buffer stock (40 000 tonnes) possibility of export quotas; establishment of buffer stock consisting of compulsory contributions by producing countries and voluntary contributions by consuming countries. Fixing of ceiling and floor prices.	Main producers: excluding China. Principal consumers: EC, Japan, USA (for first time) and USSR.
Cocoa	2nd International Cocoa Agreement (1975); provisional entry into force on 1 October 1976 for three years with possibility of extension for two years without new negotiations.	Export quotas; buffer stock (maximum 250 000 tonnes) financed by tax of 1 US cent per pound; upper and lower price limits for cocoa beans; annual examination of operation of Agreement.	Most major exporting and importing countries, except USA.
Coffee	International Coffee Agreement (1976); entry into force on 1 October 1976 for six years.	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
Textiles	Arrangement regarding International Trade in Textiles (GATT all-fibres Arrangement); entered into force on 1 January 1974 for four years; extended for four years.	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.	50 countries

6. **RELATIONS WITH PARTICULAR COUNTRIES AND REGIONS**

6.0 **Applicant countries and countries contemplating possible accession**

6.00 **EEC-GREECE AGREEMENT**

EEC Tr., Art. 238

C Reg. 106/63, 25 Sept. 1961
EP Res., 19 Sept. 1961

C Reg. 1245/78,
22 May 1978

EP Res., 12 Nov. 1975

— Association Agreement:¹

— Agrmt. signed on 9 July 1961; entered into force on 1 November 1962; indefinite duration.

— Additional Protocol signed on 28 April 1975 extending the Assoc. Agrmt. to the three new Member States. Entered into force on 1 July 1978.

OJ 26/63

EP Doc. 61/61
OJ 67/61

OJ L 161/78
EP Doc. 337/75
OJ C 280/75

6.000 **Objectives**

— Establishment of customs union

— To promote the continuous and balanced strengthening of trade and economic relations between the parties, while taking account of the need to ensure accelerated development of the Greek economy and to improve the level of employment and living conditions of the Greek people.

— Development of common action and harmonization of Greek and Community policies.

Freezing of the Agrmt.: 1967–74 (military junta régime). Implementation of tariff dismantling measures only.

Assoc. Agrmt, Art. 2

¹ On 1. 1. 81 this agreement will be superseded by Greek Treaty of Accession to the EC (see 6.006 *et seq.*).

6.001 **Instruments**

Assoc. Agrmt, Arts 3, 65 – 66

— Assoc. C set up to ensure implementation and progressive development of Association; composed of members of the governments of the Member States, members of the C, Comm. and members of the Greek Government; may set up special committees

OJ 26/63

Assoc. C Dec. 1/63

Annual Rep. to Joint Parl. Committee

Present Joint Parliamentary Committee consisting of 24 members of the EP and 24 members of the Greek Parliament to be abolished on Accession.

6.002 **Tariff provisions**

Industrial sector (excluding ECSC and Euratom)

Assoc. Agrmt, Arts 6, 19 – 20
Interim Agrmt, Art. 2

Imports to the EEC:

Imports free of duty from 1 July 1968 (31 Dec. 1977 for the three new Member States).

Exports from the EEC:

Tariff dismantling by Greece over a period of 12 years (ended on 1 November 1974) for 86 % of goods and 22 years (ending on 1 November 1984) for the remainder. Adoption of the CCT by Greece.

Arts 22 – 31

Elimination of quantitative restrictions between the contracting parties.

6.001/6.002

Assoc. Agrmt, Arts 32 – 43
and Annex II
and Protocol No 13

6.002 **Agricultural sector**
(*contd*) **Imports to the EEC:**

Intra-Community tariff treatment since 1 July 1968 (1 July 1977 for new Member States) for products, in particular crops, of interest to Greece.

However, under this system, referred to as 'anticipation of harmonization', and pending gradual harmonization of agricultural policies (by 1984), complete duty-free entry is compensated for by Community's option to apply import levies or other special measures (countervailing charges, in particular for fishery products and tomato concentrates) to Greek exports.

Exports from the EEC:

Greek tariff dismantling ended on 1 Nov. 1974, date of adoption of CCT for all products listed in Annex III ('anticipation of harmonization' rules on same conditions as for Greek exports to Community).

For certain products, particularly animal (Annex II Prot. 13), Greek tariff dismantling over 22 years ending in 1984 (Art. 15, § 1, tariff reduced by 52 % as at 1 May 1977). However, accelerated tariff dismantling provisions for ham, cheese of European type and butter. For other products, standstill at the 1962 position.

Assoc. Agrmt, Arts 7 – 9
Prots 3 – 5

Rules of origin

Free movement of goods applies to all goods produced in Greece and in the Member States and those manufactured from products coming from third countries which are in free circulation in Greece or in the Member States. Rules of origin are designed to prevent goods from third countries benefiting under the Agrmt. They define the concept of origin of products, especially processed products, the levies payable on entry into free circulation of goods from third countries, export and

OJ 26/63

Assoc. Agrmt, Arts 10, 41 – 43, 60	6.002 <i>(contd)</i>	transit documents, etc . . . These are determined by the Assoc. C and enacted by decisions or regulations of the C.	OJ 26/63
		Safeguard clause Definition of conditions required and procedures.	
Assoc. Agrmt, Arts 44 – 50	6.003	Social provisions and free movement of persons	
		Freedom of movement for workers to be attained by 1 November 1974 (not yet implemented). Preparation and development of technical assistance programmes in the manpower field, exchange of young workers, vocational training. Provision for measures on freedom of establishment and the free provision of services.	
Assoc. Agrmt, Arts 51 – 58, 62	6.004	Economic provisions	
		Prohibition of discriminatory measures and dumping practices. Provisions relating to capital movements, taxation, approximation of legislation and coordination of economic and commercial policies.	
Prot. No 19 of Assoc. Agrmt	6.005	Financial aids	
		Financial Prot. signed on 9 July 1967; entered into force on 31 August 1962. Loan of US \$ 124 million during the first five years of the Agrmt. Amount granted between 1963 and 1967, 1974 and 1975 (since Agreement frozen 1967 – 74).	OJ 26/63
C Dec. 666/78, 25 July 1978 EP Res., 15 June 1979		Second Financial Prot. signed on 28 February 1977; entered into force on 1 August 1978. Amount: 280 million EUA broken down as follows: 225 million EIB loans, 45 million non-repayable grants and 10 million loans on special terms.	OJ L 225/78 EP Doc. 130/77 OJ C 163/77 EP Doc. 130/77

6.006 **Treaty of Accession**

EP Res.,
17 April 1980

Signed on 28 May 1979; provides for accession on 1 January 1981.

Bull. EC 5/79,
point 1.1.1 *et seq.*

Acceptance by Greece of the *acquis communautaire*, i.e. the treaties and secondary legislation already adopted, subject to transitional measures:

OJ L 291/79
OJ C 117/80

- Institutional arrangements: full participation of Greece from the date of accession. Greece will have five votes (out of 63) in the Council, one Commissioner (out of 14) in the Commission, 24 seats (out of 434) in the EP and will also be represented in the other Community institutions.
- Customs union: five-year transitional period for the gradual abolition of Greek customs duties on Community products and alignment of Greek tariffs on the CCT. Quantitative restrictions to be abolished on accession, except on 14 products. Greek system of cash payments and import deposits to be phased out over three years. Special procedure for ECSC products.
- Safeguard mechanisms: on the lines of Article 135 of the 1972 Act of Accession.
- External relations: five-year transitional period before abolition of quantitative restrictions on certain products in respect of the GATT and State-trading countries. Application of the GSP, the preferential agrmts and the Multifibre Arrangement on accession.

- 6.006
(*contd*)
- Agriculture: five-year transitional period, extended to seven years for tomatoes and peaches, in order to bring Greek prices and customs duties into line with the Community system.
 - Community production aids to be progressively extended to Greek producers (of special interest to producers of olive oil, processed fruit and vegetables and durum wheat). Producers of cotton, dried figs and raisins will benefit from new deficiency payment systems. Certain national aids to be phased out gradually.
 - Social affairs: free movement of workers after a seven-year transitional period. Free access of Greek workers' families after five years. Equal treatment in respect of family allowances for members of workers' families not residing in the country in which the Greek worker is employed, after a three-year period.
 - Economic and monetary affairs: five-year transitional period for inclusion of the drachma in the European basket of currencies and for the gradual abolition of restrictions on capital movements.
 - Financial arrangements: application of the Community's own resources system from the date of accession, but a proportion of the amount paid in the period 1981–85 to be refunded on a reducing sliding scale.
 - State aids and regional policy: protocol on the lines of the Protocol to the 1972 Act of Accession for Ireland. Participation in the Regional Fund in accordance with the regulations and normal procedures.
 - ECSC arrangements: Accession to take place according to Article 98 of the ECSC Treaty. Tariff dismantling to follow same timetable as for EEC products. ECSC unified tariff to be applied in full on 1 January 1986. Present Member States and Greece may retain restrictions on exports of waste and scrap, of iron or steel for a period of two years from 1 January 1981.

6.01 EEC-TURKEY AGREEMENT

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:

— 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 113/73¹

Doc. PE 94/63²
JO 182/63²

OJ C 113/73¹
Doc. PE 235/70²
JO C 19/71²

OJ L 361/77
EP Doc. 218/73
OJ C 108/73

OJ L 277/73
EP Doc. 218/73
OJ C 108/73

6.011 Objectives

Assoc. Agrmt, Art. 2

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.

Assoc. Agrmt, Arts 3 – 5

Assoc. comprises three stages:

— a preparatory stage of five years (expired);

¹ Ref. relates to available English translation.

² Ref. to French text. No English translation available.

- 6.011
(*contd*)
- 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.

6.012 **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

6.011/6.012

6.013 **Tariff provisions**

Industrial sector (excluding ECSC and EURATOM products)

Add. Prot., Arts 9 – 20
Annexes 1, 2, 3

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

6.013
(*contd*)

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

Rules of origin

OJ L 293/72

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.

Assoc. Agrmt, Art. 8
Add. Prot. Arts 5 – 60

Safeguard clause

OJ C 113/73¹
OJ C 113/73¹

Definition of necessary conditions and procedures

6.014

Social provisions and freedom of movement

Add. Prot. Arts 36 – 42

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.

¹ Ref. relates to available English translation.

6.014
(contd)

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.

Exchange of young workers:

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

6.015

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.

6.016

Financial aid

C Dec. 732/64, 23 Dec. 1963
EP Res., 28 Nov. 1963
Assoc. Agrmt, Prot. 19

1st Financial Prot. provides for investment loans of 175 million u.a. in the course of the first five years.

OJ C 113/73¹
Doc. PE 94/63²
JO 182/63²

C Reg. 2760/72,
19 Dec. 1972
EP Res., 8 Feb. 1971

2nd Financial Prot. signed 23 November 1970; entered into force on 1 January 1973; provides for special loans of 195 million u.a. over 5½ years and ordinary EIB loans for a total of 25 million u.a.

OJ C 113/73¹
Doc. PE 237/70
JO C 19/71²

¹ Ref. relates to available English translation.

² Ref. relates to French text. No English translation available.

<p>C Reg. 281/79, 5 March 1979 EP Res., 13 Oct. 1977</p>	<p>6.016 (<i>contd</i>)</p>	<p>Supplementary Prot. (enlarged EEC) increases special loans to 242 million u.a.</p>	<p>OJ L 67/79 EP Doc. 330/77 OJ C 266/77</p>
		<p>3rd 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.</p>	
		<p>Exceptional aid by way of grants totalling 75 m EUA voted by C in May 1979.</p>	<p>Bull EC 6-1980, point 1.4.6</p>
		<p>4th Financial Prot. to enter into force on 1 November 1981 with appropriations of 600 million EUA over 5 years. They include 225 million EUA in ordinary EIB loans and 375 million EUA in loans on special terms and grants to finance economic and technical cooperation.</p>	<p>Bull EC 6-1980, point 1.4.7</p>
<p>Comm. Commun., 14 Feb. 1979</p>	<p>6.017</p>	<p>ECSC Agreement</p>	<p>OJ C 113/73¹</p>
		<p>Signed on 23 November 1970; entered into force on 1 January 1973; unlimited duration.</p>	
		<p>Progressive elimination of customs duties and quantitative restrictions between the contracting parties at a rate fixed by mutual agreement.</p>	
		<p>Comm. proposals for reactivating EEC-Turkey association</p>	<p>Bull. EC 2-79, points 1.3.1 – 1.3.5</p>
<p>EEC Tr., Art. 113</p>	<p>6.02</p>	<p>PORTUGAL</p>	
<p>C Reg. 72/2844, 19 Dec. 1972</p>	<p>6.020</p>	<p>Preferential agrmt (see also 6.10)</p>	
		<p>Signed on 22 July 1972; entered into force on 1 January 1973.</p>	<p>OJ L 301/72</p>
		<p>Indefinite duration.</p>	
<p>C Reg. 78/2237, 26 Sept. 1978 EP Res., 16 Sept. 1977</p>		<p>Addit. Prot. signed on 20 September 1976; entered into force on 1 November 1978.</p>	<p>OJ L 274/78 EP Doc. 187/77</p>

¹ Ref. relates to available English translation.

C Reg. 3066,
28 Dec. 1979

6.020 Finan. Prot. signed on 20 September 1976; entered into force on-
(*contd*) 1 November 1978.

Suppl. Prot. signed on 19 December 1979; entered into force on 1 January 1980.

EP Doc. 44/78
OJ L 297/78

Bull EC 11-1979,
point 2.2.2
Bull EC 12-1979,
point 2.24
OJ L 348/79

6.021 **Objectives**

(see 6.100)

6.022 **Instruments**

(see 6.1011)

6.023 **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

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,

6.023 (contd) other products, in particular textiles and cork, subject to ceilings above which the CCT may be reintroduced. Abolition of quantitative restrictions.

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.

Agricultural goods

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

6.024 **Rules of origin**

6.025 **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.

Agrmt, Art. 27

Safeguard clause

6.023/6.025

6.026 **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.

6.027 **Financial aid**

180 m 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 to be made available over three-year period ending 31 Oct. 1981.

Bull EC 1-1980,
point 2.2.2

EP Res., 18 Jan. 1979

6.028 **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 only 50 % self-sufficient and must import balance of food needs from abroad. Application of CAP will cause difficulties.

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

6.028 *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.

EP Res., 14 Feb. 1974

6.029 **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)

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

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.

6.03 **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

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;

OJ L 182/70
OJ C 143/70
OJ L 66/73

WQ 237/77
C Reg. 77/1705-07,
26 July 1977

6.03 duration until 31 December 1973, so as to limit certain provisions of
(*contd*) 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 uni-
laterally by each of the parties concerned.

OJ C 289/77
OJ L 189/77

6.031 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.

6.032 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.

6.033 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;

Exports from the EEC:

With effect from 1 January 1977 a
60 % tariff reduction for products
specified in List A and 25 % for

6.033
(*contd*)

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).

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.

Agricultural goods

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.

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.

Since 1970 EC has reduced tariffs by about 57 % while Spain has reduced them by about 26 %.

Bull. EC — Suppl. 9/78
par. 33

Agrmt, Art. 8 and Prot.

Agrmt, Art. 11

Rules of origin

Safeguard clause

6.034

Economic provisions

Agrmt, Art. 9

Arts 3 to 6

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.

6.035

Fisheries

EP Res., 15 Dec. 1978
C Reg. 3062, 25 Nov. 1980

Framework agreement concerning access to fishery resources and control measures signed on 15 April 1980.

OJ C 6/79
OJ L 322/80

6.036

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. This phase to be completed by autumn 1980. In second phase negotiators seek solutions to these problems.

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 ten 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.

6.036 *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.

6.1 **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

C Regs 895 to 901, 18 March 1975	6.10 <i>(contd)</i>	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.	OJ L 106/75
Agrmt, Art. 1	6.100	<p>Objectives</p> <p>To promote, through the expansion of reciprocal trade, the harmonious development of economic relations between the Community and each country.</p> <p>To provide fair conditions of competition for trade; to contribute, by abolishing trade barriers, to the harmonious development and expansion of world trade.</p>	
	6.101	General features common to all the agreements	
	6.1010	<p>SCOPE</p> <p>Agreements applicable to industrial products listed in Chapters 25 – 99 of the Common Customs Tariff (CCT). The agreement also covers processed agricultural products.</p>	
Arts 29 – 31 (Iceland, Arts 30 – 32; Portugal, Arts 32 – 34)	6.1011	<p>INSTRUMENTS</p> <p>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.</p>	

Agrmt, Art. 3

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.

In July 1977, with a few exceptions, a vast free trade area for industrial products was created between the Community and the EFTA countries.

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.

Agrmt, Art. 11, Prot. No 3

6.1013 *RULES OF ORIGIN*

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.

Agrmt, Arts 9, 15
Prot. No 2
(Portugal, Arts 9, 17,
Prot. No 2)

6.1014 *AGRICULTURE*

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.

6.1012/6.1014

6.1014 Special treatment for certain processed agricultural products.
(contd) 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:

- non-discrimination in the field of taxation,
- 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*

Art. 32
(Iceland, Art. 33;
Portugal, Art. 35)

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 ensure 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.

A similar agreement, confined to reinforcing rods, was concluded with Switzerland on 28 February, at an extraordinary meeting of the ECSC-Switzerland Joint Committee.

Arrangements renewed for 1979. Slightly more flexible arrangements negotiated in 1980 with regard to quantities; the agreements to be extended in 1981 will reflect cutbacks in Community production.

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 5.2552).

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.

6.11 **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

Objective of agrmt (see 6.100).

Instruments (see 6.1011)

Tariff arrangements (see 6.1012)

Industrial goods

Agrmt, Art. 8
Prot. No 1, Arts. 1 – 6

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.

Art. 13
Art. 9, Prot. No 2
EP Res.,
15 March 1973

6.11
(*contd*)

Abolition of quantitative restrictions

Agricultural goods (see 6.1014)

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 on 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 350/73
EP Doc. 322/72
OJ C 19/73

EEC Tr., Art. 113
C Reg. 2813,
21 Nov. 1972
C Reg. 2302,
29 Sept. 1978

OJ L 294/72
OJ L 276/78

6.12

FINLAND

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

EEC Tr., Art. 113
C Reg. 3177,
22 Nov. 1973
EP Res.,
14 Feb. 1974

6.12
(contd)

Industrial goods

Agrmt, Art. 8
Prot. No 1, Arts 1 to 5

Prot., Art. 4 (c)

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. 1

Abolition of quantitative restrictions

Art. 9, Prot. 2

Agricultural goods (see 6.1014)

ECSC Agrmt (see 5.2552, 6.1017)

EP Res.
14 Feb. 1974

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.

6.13

ICELAND

EEC Tr., Art. 113

C Reg. 2842,
19 Dec. 1972
EP Res.,
15 March 1973

Preferential Agrmt (see 6.10).

Signed on 22 July 1972; entered into force on 1 April 1973; indefinite duration.

Objective of agrmt (see 6.100).

Instruments (see 6.1015).

Tariff arrangements (see 6.1012)

OJ L 301/72
EP Doc. 322/72
OJ C 19/73

Industrial goods

Imports into EEC:

Time-limit for dismantling of tariffs extended until 1 January 1984 for paper and paper products.

Some imports subject to 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.

Prot. 4

Agrmt, Arts 4 and 5
Agrmt, Art. 8
Prot. 1, Arts 1 to 3
Prot. 4

Agrmt, Art. 7, Ann. III

Agrmt, Art. 17
Prot. 6

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.

Abolition of quantitative restrictions.

Agrmt, Art. 13
EP Res.,
15 March 1973

6.13
(*contd*)

ECSC Agrmt (see 5.2552, 6.1017).

Signed on 22 July 1972; entered into force on 1 January 1974; indefinite duration.

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.

OJ L 350/73
EP Doc. 322/73
OJ C 19/73

6.14

NORWAY

Preferential Agrmt (see 6.10).

EEC Tr., Art. 113
C Reg. 1691,
18 Oct. 1973
EP Res.,
18 Oct. 1973

Signed on 14 May 1973; entered into force on 1 July 1973; indefinite duration.

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

OJ L 171/73
EP Doc. 161/73
OJ C 95/73

Agrmt, Art. 13	6.14 (<i>contd</i>)	<p>Agricultural goods (see 6.1014)</p> <p>Abolition of quantitative restrictions.</p> <p>ECSC Agrmt (see 5.2552, 6.1017).</p> <p>Signed on 14 May 1973; entered into force on 1 July 1975; indefinite duration.</p>	OJ L 348/74
EEC Tr., Art. 43 EP Res., 15 March 1979 and 14 March 1980		<p>Framework agrmt on fisheries negotiated in 1978 signed on 27 Feb. 1980. Duration: six years, renewable.</p>	Bull. EC 2-1980, point 2.1.75
C Reg. 587, 26 March 1979		<p>The agrmt provides for reciprocal fishing rights. Catch quotas are negotiated each year.</p>	OJ C 93/79 OJ C 85/80 OJ C 81/79
	6.15	PORTUGAL	
		See 6.02	
	6.16	SWEDEN	
EEC Tr. Art. 113 C Reg. 2838, 19 Dec. 1972 EP Res., 15 March 1973		<p>Preferential Agrmt. (see 6.10).</p> <p>Signed on 22 July 1972; entered into force on 1 January 1973; indefinite duration.</p>	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:
Agrmt, Art. 8 Prot. 1, Arts. 1 to 5		<p>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.</p>	

Agrmt, Art. 13
EP Res.,
15 March 1973

6.16
(*contd*)

Abolition of quantitative restrictions

Agricultural goods (see 6.1013).

ECSC Agrmt (see 5.2552, 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

EEC Tr., Art. 43
EP Res.
7 July 1978

Outline agrmt on fisheries entered into force provisionally pending its conclusion; duration ten years.

EP Doc. 174/78
EP Doc. 232/78
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
C Reg. 2840, 19 Dec. 1972

Preferential Agrmt (see 6.10).

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.

OJ L 300/72
EP Doc. 322/72
OJ C 19/73

Tariff arrangements (see 6.1012)

6.17
(*contd*)

Industrial goods

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.

Agrmt, Arts 4, 8
Prot. 1, Arts 1 to 6

Agrmt, Art. 13

Abolition of quantitative restrictions

Agricultural goods (see 6.1013)

EP Res., 15 March 1973

ECSC Agrmt (see 5.2552, 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.

OJ L 350/73
EP Doc. 322
OJ C 19/73
OJ L 350/73

EEC Tr., Art. 113

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.

OJ L 294/72

6.2 **Mediterranean basin and Near East**

6.20 **CYPRUS**

EEC Art. 238
C Reg. 1246/73 of 14 May
1973
EP Res. of 15 March 1973

C Reg. 1247/73 of 14 May
1973

C Reg. 1641/77 of 18 July
1977
EP Res. of 8 July 1977

C Reg. 2907/77 of 20 Dec.
1977
EP Res. of 16 Dec. 1977

C Reg. 1431/78 of 26 June
1978
EP Res. of 16 June 1978

C Reg. 743/80 of 26 March
1980
EP Res. of 14 March 1980

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.

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
Bull. EC
12-1979
Point 2.2.58
and 2-1980, Point 2.2.53

6.201 **Objectives**

Assoc. Agrmt
Addit. Prot. Title III

Progressive elimination of barriers for most trade sectors promoting cooperation between Cyprus and EC to ensure in particular economic development of Cyprus.

6.201 **During the second stage: further elimination of barriers to trade and
(contd) adoption by Cyprus of CCT.**

6.202 **Instrument**

Assoc. Agrmt Art. 12 – 14

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

6.203 **Tariff arrangements**

Addit. Prot.
Arts. 3, 5

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 %

Suppl. Prot. Title I

Agricultural sector

Imports into EC:

Preferential entry for certain agric. products including potatoes, tomatoes, certain fruits, wines and Cyprus sherry.

Agric. Prot.

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

6.201/6.203

6.204

Financial aid

C Reg. 2760/78 of 23 Nov.
1978
EP Res. of 16 Dec. 1977

Financial protocol signed 15 September 1977; came into force on 1 January 1979; duration five years.

Comprises: 30 million EUA:
20 EIB,
4 loans on special terms,
6 grants.

OJ L 332/78
EP Doc. 411/77
OJ C 6/78
OJ L 340/78

6.21

MALTA

EEC Art. 238
C Reg. 492/71 of 1 March
1971
EP Res. of 9 Feb. 1971

Assoc. agrmt signed on 5 December 1970 and came into force on 1 April

Agreement comprises two successive stages each of five years.

C Reg. 939/76 of 23 April
1976
EP Res. of 5 April 1976

Prot. extending assoc. agrmt to the three new Member States. Provides for inclusion of agricultural products and financial and technical cooperation.

C Reg. C 2610/77 of
28 Nov. 1977
EP Res. of 18 Nov. 1977

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.

OJ L 61/71
EP Doc. 257/70
OJ C 19/71

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

6.211

Objectives

Agrmt. preamble
and Art. 2

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.

6.212 **Instrument**

Assoc. Agrmt
Art. 12 – 14

Assoc. Council consisting of members of EC Comm., Council and members of the Government of Malta — meets once a year.

6.213 **Tariff arrangements**

Agrmt Annex I and II
Addit. prot.
Arts. 3, 5

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 of 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 of 1 March
1971

Safeguard measures

OJ L 61/71

C Reg. 939/76 of 23 April
1976
Addit. prot. Title 2

Rules of origin

OJ L 111/76

6.214 **Industrial and technical cooperation**

C Reg. 939/76 of 23 April
1976
Addit. prot.
Arts. 3, 4, 7

- Development of production and economic infrastructure;
- Trade promotion;
- Encouraging development of industrial production;

6.212/6.214

- 6.214 — Cooperation in field of industry, science, technology and protection
(*contd*) of the environment;
— Encouragement and facilitation of private investment;
— Exchange of information on economic and financial situation.

6.215 **Financial aid**

C Reg. 939/76
of 23 April 1976
EP Res. of 4 July 1977

Financial protocol signed on 4 March 1976, came into force on 1 November 1978 for five years covering:

OJ L 111/76
EP Doc. 181/77
OJ C 183/77

- 26 million u. a. made up of:
16 million u. a. in EIB loans,
5 million u. a. in loans on special terms,
5 million u. a. in grants.

6.22 **ISRAEL**

EEC Art. 113
C Reg. 1274 of 20 May 1975
EP Res. of 18 Dec. 1975

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 of 26 Sept. 1978
EP Res. of 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

6.221 **Objectives**

Agrmt Art. 1

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.

6.222 **Instrument**
Add. prot. Title III Cooperation Council. Meets at least once a year. To facilitate cooperation and contacts between the EP and the Knesset.

6.223 **Tariff arrangements**
Prot. to agrmt
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 %. Tariff reduction by 10 to 25 % for certain food products, fresh or dried vegetables, certain fruits, preserved fish.
For oranges and mandarins reduction by 60 %. For lemons reduction by 40 %.

6.224 **Economic cooperation**
Agrmt Art. 18 To promote development and diversification of trade, to facilitate transfer of technological know-how, to encourage private investment and contact and cooperation between industries of EC and Israel
The purpose of cooperation is to promote:
— the development of Israel's production and economic infrastructure,

OJ L 136/75

- 6.224
(*contd*)
- 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.

6.23 **YUGOSLAVIA**

C Reg. 73/2170 of 31 July 1973
EP Res. of 22 May 1980

Non-preferential agreement of 26 June 1973, superseded by Cooperation Agreement signed on 2 April 1980.

OJ L 224/73
OJ C 147/80
Bull. EC 2-1980,
Points 1.2.1 – 1.2.3

Agrmt Art. 58

New agreement *sui generis* of unlimited duration. First stage to last 5 years
ECSC Agreement of same date extends provisions to ECSC products

C Reg. 1272/80 of
22 May 1980

Interim agreements to implement trade and financial aspects of Agreement 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

6.230 **Objectives**

Agrmt Art. 58

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

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.

Agricultural sector

Imports into EC:

Specific tariff concessions on fruit spirits, wine and tobacco. Reduced levy on 'baby beef' within monthly quota of 2 900 tonnes.

6.233 Cooperation

Agrmt provides for cooperation in fields of labour, industry, science and technology, energy, agriculture, transport, tourism, environment

6.233 and fishing. It also provides for promotion of the 'free zone' between
(contd) Italy and Yugoslavia established by Osimo agreements.

6.234 **Textile arrangements**

Agrmt Prot. 1 Annex 2
C Reg 1690/77

Textile products may be imported duty-free subject to tariff ceilings on 26 products. In context of the renegotiation of the Multi-Fibre Arrangement in 1977 (See 5.574) EC negotiated a second bilateral agreement with Yugoslavia valid from 1 January 1978 until 31 December 1982. It provides for voluntary restraint of Yugoslav exports of sensitive textile products but does not cover outward processing.

OJ L 188/77

Financial aid

Agrmt Prot. 2

Council agreed in 1976 that Yugoslavia could apply for EIB assistance in financing projects of common European interest. Loans totalling 50 m. EUA have been granted for connection to Greek and Italian electricity grids and towards construction of trans-Yugoslavia motorway. EIB loans totalling 200 m. EUA available over 5 years.

Bull EC 11 – 1976
Point 2340

6.24 **MAGHREB COUNTRIES**

6.240 **General arrangements**

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 ***GENERAL CHARACTERISTICS
COMMON TO THREE COOPERATION AGREEMENTS***

Art. 1 Agrmt

— overall cooperation agrmts involving trade, economic, technical, financial, social and institutional cooperation;

Art 60 (Mor.), 58 (Alg.),
59 (Tun.)

— unlimited duration of agrmts; duration of financial prots limited to 31. 10. 1978;

Art. 2 Prot. No 1

— entry into force: 1. 11. 1978;

Art. 54 (Tun.), 53 (Alg.),
55 (Mor.)

— review of results of agrmts or improvements to be made, in the first place from 1978 and again from 1983.

Art. 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. 10. 1981. Before end of final year, partners will examine arrangements to be made for possible further period.

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 ten-year grace period; rate: 1 %) and grants (56 million u.a.).

These funds allocated for the financing of investment projects in the fields 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*

Art. 8 to 37 (Alg.)
Art. 8 to 39 (Mor.)
Art. 8 to 38 (Tun.)

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 restrictions).

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.

6.2403
(contd) 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. 1. 1979).

For wine, citrus fruits, olive oil, fresh fruit and vegetables, see 6.2410, 6.2420 and 6.2430.

Art. 25 (Alg.), 27 (Mor.),
26 (Tun.)

Grant EEC treatment no less favourable than most-favoured-nation treatment.

Prot. 2 Title I
Cooperation Agrmt

Definition of concept of 'originating products'.

6.2404 *SOCIAL COOPERATION*

Art. 39 to 42 (Tun.)
Art. 40 to 43 (Mor.)
Art. 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*

Art. 42 to 46 (Alg.)
Art. 44 to 48 (Mor.)
Art. 43 to 47 (Tun.)

Cooperation C with power to decide on achievement of objectives established by agrmts.

6.2403/6.2405

6.2405
(contd) 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

6.2406 *INTERIM AGREEMENTS*

C Reg. 1287, 1288 and
1289 of 28 May 1976

Interim Agrmts entered into force 1. 7. 1976 to implement trade provisions pending ratification of cooperation Agrmts.

OJ L 141/76
OJ L 170/76

C Reg. 1454, 1455 and
1456 of 26 June 1978

Validity extended to 31. 12. 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

C Reg. 2210
of 26 Sept. 1978

Economic and technical cooperation: see 6.2401

Financial cooperation: see 6.2402

Prot. No 1 to Agrmt

6.2410
(contd)

In addition, Financial Protocol.

Aggregate amount made available until 31. 10. 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).

A number of specific products covered by Trade Cooperation:

Art. 12 Agrmt

— 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. 12. 1979 at the latest;

Art. 12 Agrmt

— cork products: initial ceilings (totalling 2 200 tonnes) increased annually by 3%; ceilings to be abolished by 31. 12. 1979 at the latest;

Art. 20 Agrmt

— 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);

Art. 15 Agrmt

— citrus fruits: 80% reduction (subject to respect for Community reference prices);

Art. 16 and 17 Agrmt

— 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.

6.2410

C Reg. 1287 of 28 May 1976 OJ L 141/76	6.2411	INTERIM AGREEMENT	OJ L 141/76
		See also 6.2406.	
C Reg. 1454 of 26 June 1978 OJ L 175/78		Extended until 31. 12. 1978.	OJ L 175/78
		Setting up of joint committee.	
C Reg. 1663 of 18 July 1977 OJ L 186/77		Safeguard clause: definition of procedure.	
		Regulations lay down conditions for implementing Agrmt for certain products such as olive oil, fruit salad, tomato puree.	
Agrmt of 26 April 1976 (78/798/ECSC)	6.2412	ECSC AGREEMENT	OJ L 263/78
		See 6.2403 and 6.2407.	
	6.242	Morocco	
	6.2420	COOPERATION AGREEMENT SIGNED ON 27. APRIL 1976	
C Reg. 2211 of 26 Sept. 1978		Duration: indefinite Reg. concluding agrmt.	OJ L 264/78
		Economic and technical cooperation: see 6.2401.	
		Financial cooperation: see 6.2402.	
Prot. No 1 to Agrmt		In addition, Financial Protocol.	
		Aggregate amount made available until 31. 10. 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).	
		Provisions for a number of specific products covered by trade cooperation:	
Art. 12 Agrmt		— petroleum products: see 6.2410, but initial ceiling of 175 000 tonnes;	
Art. 12 Agrmt		— cork products: see 6.2410, but total initial ceiling of 2 650 tonnes;	
Art. 21 Agrmt		— wines: ordinary wines: see 6.2410. Quality wines: exemption from customs duties for annual tariff quota of 50 000 hl;	
Art. 14 Agrmt		— citrus fruits: see 6.2410;	
Art. 17 and 18 Agrmt		— olive oil: see 6.2410;	
		— fresh fruit and vegetables: see 6.2410.	

C Reg. 1288
of 28 May 1976

6.2421 *INTERIM AGREEMENT*

OJ L 141/76

See also 6. 2406.

C Reg. 1455
of 26 June 1978

Extended until 31. 12. 1978.

OJ L 175/78

Setting up of joint committee.
Safeguard clause.

Implementing regulations: see 6.2411.

Agrmt of 27. 4. 76
(78/799/ECSC)

6.2422 *ECSC AGREEMENT*

OJ L 264/78

See 6.2403 and 6.2407.

6.243 **Tunisia**

6.2430 *COOPERATION AGREEMENT SIGNED ON 25. APRIL
1976*

Duration: indefinite.

C Reg. 2212
of 26 Sept. 1978

Reg. concluding Agrmt.

OJ L 265/78

Economic and technical cooperation: see 6.2401.

Financial cooperation: see 6.2402.

Prot. No 1 to Agrmt

In addition, Financial Protocol.

Aggregate amount made available until 31. 10. 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).

6.2421/6.2430

<p>Art. 12 Agrmt Art. 20 Agrmt Art. 15 Agrmt Art. 16 and 17 Agrmt</p>	<p>6.2430 <i>(contd)</i></p>	<p>A number of specific products covered by trade cooperation: — petroleum products — wines — citrus fruits — olive oil — fresh fruit and vegetables</p>	<p>} see 6.2420</p>	
<p>Art. 12 Agrmt C Reg. 1289 of 28 May 1976 C Reg. 1456 of 26 June 1978</p>	<p>6.2431</p>	<p>INTERIM AGREEMENT See 6.2406. Extended until 31. 12. 1978. Setting up of joint committee. Safeguard clause. Implementing regulations: see 6.2411.</p>		<p>OJ L 141/76 OJ L 175/78</p>
<p>Agrmt of 25. 4. 76 (78/800/ECSC)</p>	<p>6.2432</p>	<p>ECSC AGREEMENT See 6.2403 and 6.2407.</p>		<p>OJ L 265/78</p>
<p>EP Opinion of 13 May 1977</p>	<p>6.25</p>	<p>MASHREQ COUNTRIES</p>		<p>Lebanon: EP Doc. 312/77 OJ C 266/77</p>
<p>EP Opinion of 11 Oct. 1977</p>	<p>6.250</p>	<p>General arrangements 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. Agrmt with Mashreq consistent with 'global approach' of EEC Mediterranean policy.</p>		<p>Other countries: EP Doc. 99/77 OJ C 133/77</p>

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 Art. 48 (Jord.),
49 (Syr., Leb.),
51 (Eg.)

— Agrmts concluded for unlimited period; entered into force on 1 November 1978.

Prot. No 1, Art. 2

Financial protocols to expire on 31 October 1981: .

Agrmts Art. 43 (Jord.),
44 (Syr., Leb.),
46 (Eg.)

— reviews of results of Agrmts or improvements to be added, the first review beginning in 1979, the second in 1984.

Agrmts Art. 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 Art. 4–6

6.2502

FINANCIAL COOPERATION

Prot. 1

Financial Prots. laying down arrangements for Community contributions until 31 October 1981. Before the end of final year, Contracting Parties will examine what arrangements could be made for a possible further period.

Prot. 1, Art. 2

Total EEC contributions to the four countries: 165 million EUA in EIB loans (2 % interest rate subsidy financed from the funds allocated to

6.2502 non-repayable aids); 27 million EUA in loans on special terms (loan
(*contd*) period of 40 years, ten-year amortization period, interest rate fixed at 1 %; 108 million EUA in non-repayable aids.

Prot. 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.

Prot. 1, Art. 9

Prot. 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 covered by the CAP, exported from these countries to EEC. However, 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

6.2503 arrangements but reserve right to adjust their customs tariffs as
(*contd*) required to meet needs of their level of industrialization and develop-
ment.

Prot. 2, Title I

Definition of concept of 'originating products'.

6.2504 *INSTITUTIONAL COOPERATION*

Agrmts Art. 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.

6.2505 *INTERIM AGREEMENTS*

EEC Tr. Art. 113
C Reg. 1030, 1031,
1032 of 17 May 1977
C Reg. 1109 of 6 May 1977
C Reg. 1457, 1458,
1459 and 1460 of
26 June 1978

Interim Agrmts entered into force on 1 July 1977 (1 August 1977 in the case of the 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
of 26 Sept. 1978

Reg. on conclusion of Agrmt.

OJ L 266/78

Economic and technical cooperation: see 6.2501.

Financial cooperation: see 6.2502; also,

Prot. No 1 of the Agrmt

Financial Protocol

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.

Commercial cooperation: see 6.2503.

C Reg. 1030
of 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)*

See 5.57.

6.252 **Jordan**

6.2520 ***COOPERATION AGREEMENTS, SIGNED
ON 18 JANUARY 1977, ENTERED INTO FORCE
ON 1 NOVEMBER 1978***

C Reg. 2215
of 26 Sept. 1978

Reg. on the conclusion of Agrmt.

OJ L 268/78

Economic and technical cooperation: see 6.2501.

Financial cooperation: see 6.2502; also

Prot. No 1 of the Agrmt

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.

Commercial cooperation: see 6.2503.

6.2521 ***INTERIM AGREEMENT***

AGREEMENT

C Reg. 1032
of 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.

6.252/6.2522

6.253 **Lebanon**

6.2530 *COOPERATION AGREEMENT, SIGNED ON
3 MAY 1977, ENTERED INTO FORCE ON
1 NOVEMBER 1978*

C Reg. 2214
of 26 Sept. 1978

Reg. on the conclusion of the Agrmt.

OJ L 267/68

Economic and technical cooperation: see 6.2501.

Financial cooperation: see 6.2502; also,

Prot. No 1 of the Agrmt

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.

Commercial cooperation: see 6.2503.

C Reg. 1109
of 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*

C Reg. 2216
of 26 Sept. 1978

Reg. on the conclusion of the Agrmt.

OJ L 269/78

Economic and technical cooperation: see 6.2501.

Financial cooperation: see 6.2502; also

Prot. No 1 of the Agrmt

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. Commer-
cial cooperation: see 6.2503.

C Reg. 1031
of 17 May 1977

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.

6.254/6.2542

6.3 **African, Caribbean and Pacific Countries**

6.31 **CONVENTIONS OF YAOUNDÉ**

6.310 **Background:**

1st Convention of Yaoundé (AASM)

OJ 93/64

C Dec. 346, 5 Nov. 1963
Conv. Art. 9
EP Res. of
4 March 1963

Date of signature: 20 July 1963

EP Doc. 147/63

Entry into force: 1 June 1964

OJ C 33/63

Duration: five years

Expiry: 1 June 1969

Conv. Preamb.

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 (formerly 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

EEC Tr., Art. 238
and Part Four

2nd Convention of Yaoundé (AASM)

OJ L 282/70

C Dec. 540 of
29 Sept. 1970
Conv. Art. 59

Date of signature: 29 July 1969

EP Doc. 132/70

Entry into force: 1 January 1971

Conv. Art. 61

Duration: five years

<p>EP Res. of 2 Oct. 1968</p>	<p>6.310 (<i>contd</i>)</p>	<p>Expiry: 31 January 1975 Nature: renewal of Convention of Yaoundé I</p>	<p>EP Doc. 137/68 OJ C 108/68 EP Doc. 176/69 OJ C 2/70</p>
<p>EP Res. of 9 Dec. 1969</p>		<p>Associated States: EEC (6) and AASM (as under Yaoundé I, plus Mauritius (1973)).</p>	
<p>C Reg. 240, 241 of 30 Jan. 1975</p>		<p>Transitional measures applying after 31 January 1975</p>	
<p>Tr. Acc., Part Five Title III, Chapt. 2 C Dec. 88 of 30 Jan. 1975</p>		<p>Maintenance of <i>status quo</i> until expiry of the Conv. as regards relations with the States acceding to the EEC.</p>	<p>OJ L 26/75</p>
<p>EEC Dec. 347 of 5 Nov. 1963</p>		<p>Yaoundé Agreement I — ECSC</p>	<p>OJ L 93/64</p>
<p>ECSC Dec. 541 of 29 Sept. 1970 C Dec. 90 of 30 Jan. 1975</p>		<p>Yaoundé Agreement II — ECSC</p>	<p>OJ L 282/70 OJ L 26/75</p>

6.311 Trade cooperation under the two conventions

<p>Conv. Art. 2 to 6 (Yaoundé II) Prot. 1 to 5 (Yaoundé II)</p>	<p>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.</p> <p>The AASM had power to reintroduce customs duties and quantitative restrictions for development or budgetary reasons.</p>	<p>3rd GR EC, Par. 397 – 398</p>
<p>Conv. Art. 11 (Yaoundé II)</p>	<p>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.</p>	

Conv. Art. 12 to 14
(Yaoundé II)
Conv. Art. 16
(Yaoundé II)

6.311 The AASM was free to maintain or set up customs unions or free trade
(contd) 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. Art. 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
Par. 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
(*contd*)

2nd EDF: operational with effect from
1 June 1964
duration: five years
appropriation 730 million u. a. EIB: 70 million u. a.

3rd 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. of
10 June 1974

Review of financial and technological cooperation.

EP Doc. 111/74
OJ C 76/74

6.313 **Institutions of the two conventions**

Conv. Art. 39 to 53
(Yaoundé I)

Council of Association :

Conv. Art. 41 to 55
(Yaoundé II)

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.

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
(contd)

Parliamentary Conference of the Association :

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.
of 1 Oct. 1968

1st 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 of 20 Sept. 1970
EP Res. of 9 Dec. 1969

2nd 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

C Reg. 240/75
of 30 Jan. 1975

6.320
(*contd*)

Nature: an association agreement on trade alone between the EEC and the three East African States (Kenya, Uganda and Tanzania).

Transitional measures to apply after 31 January 1975 (extension of system in force).

OJ L 26/75

6.321

Trade cooperation

Agrmt Art. 2 to 15

The trading arrangements comprised mechanisms closely modelled on those of the 2nd Convention of Yaoundé (see 6.311).

Agrmt Prot. 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

Art. 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.

The *Parliamentary Committee* was composed, on a basis of parity, of Members of EP and of the parliaments of the East African States concerned.

It met once a year to discuss matters concerning the Association.

6.320/6.322

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

CONVENTION OF LOMÉ

C Reg. 199/76
of 30 Jan. 1976
EP Res.
of 16 Oct. 1975

6.340

Background

Signature: 28 February 1975

Entry into force: 1 April 1976

Expiry: 1 March 1980 (fixed term)

Opening of negotiations for renewal of Conv.: 18 month before expiry, i.e. July 1978 (see 6.342).

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 3 East African States (see 6.32) and the African, Caribbean and Pacific developing countries with comparable economies; initially 46, now 57 countries. In Africa: Benin, Botswana, Burundi, Cameroon, Cape Verde Islands, Central African Republic, Chad, Comoros, Congo, Ivory Coast, Djibouti, 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, Santa Lucia, Surinam, Trinidad and Tobago.

OJ L 26/76

Doc. 283/75

OJ C 257/75

Conv. Art. 87
Conv. Art. 91

6.340 (<i>contd</i>) ECSC 76/163	In the Pacific: Fiji, Papua-New Guinea, the Solomon Islands, Tonga, Tuvalu, Western Samoa.	OJ L 25/76
C Dec. 1598 of 24 June 1975	Parallel agreement with the ECSC: entered into force and expires at same time as Lomé Conv.	OJ L 166/75
C Dec. 240 of 30 Jan. 1975	Early implementation of the trade arrangements on 1 July 1975.	OJ L 26/75
Conv. Preamble	Application of transitional measures to the AASM and East African countries after 31 January 1975.	
	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.	
	Its main features are as follows:	
	— trade relations are no longer based on reciprocity of trade advantages, but entail additional advantages for the ACP (see 6.3410),	
	— creation of a system for stabilizing export earnings (STABEX) for certain ACP products (see 6.3411),	
	— technical and financial cooperation: ACP participate increasingly in implementation of programmes or projects. The EDF is main agency for these (see 6.3412),	
	— industrial cooperation: to develop and diversify industry (see 6.3413),	
	— special measures on behalf of least developed States within framework of STABEX and EDF,	
Conv. Art. 65 – 68 incl.	— provisions relating to establishment, services, payments and capital movements: these safeguard equal treatment of companies and nationals of participating States,	
	— institutions direct and manage activities of Convention (see 6.3415).	

6.341 **Provisions of the Convention of Lomé**

Art. 1–15
Prot. Nos. 1, 3, 6, 7

6.3410 **TRADE AND TRADE COOPERATION**

Aims:

Art. 1

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:

Art. 2–12

arrangements applicable to ACP products *imported* into the Community, duty-free access for virtually all products (99.2%). These arrangements do not apply to certain agricultural products subject to market organization under the CAP; these receive preferential treatment, however. 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.

Art. 9 and Prot. No 1

Safeguard clause provided.

Art. 10

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 6.34140), bananas (see 6.34141), rum (see 6.34142), beef and veal (see 6.34143) (Botswana, Kenya, Madagascar and Swaziland) and tomatoes (Senegal).

6.3410
(contd)

Trends in EEC-ACP trade

Trend in EEC-ACP trade (in million EUA)	1974	1975	1976	1977	1978
Imports to EEC from developing countries	61 379	54 976	69 865	75 137 ¹	71 154
of which ACP	10 491	8 697	10 474	12 460	11 865
Annual increase ACP	+ 70 %	- 17 %	+ 20 %	+ 19 %	- 4.8 %
ACP share in imports to EEC	8	6.9	6.5	7.3	8.4
Exports from EEC to developing countries	35 213	44 068	50 879	61 781 ¹	66 521
of which ACP	6 065	8 079	9 841	12 460	12 717
Annual increase ACP	+ 37 %	+ 33 %	+ 22 %	+ 27 %	+ 2.1 %
ACP share in exports from EEC	5.3	6.7	7	7.6	8.9
Balance of trade EEC-ACP	- 4 426	- 618	- 634	0	852

¹ Excluding Cuba.

Source: SOEC.

6.3410
(contd) **Trade promotion**

Art. 12 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.

Art. 13 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 marketing studies; distributing trade information between the partners on a more regular basis.

To finance these activities, the ACP States may apply for aid from the EDF.

Conv. Art. 16–24 6.3411 ***STABILIZATION OF EXPORT EARNINGS (STABEX)***

Art. 16 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 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.

Dec. of ACP-EEC
Council of Ministers,
14 April 1977

Compilation of texts
Vol. II, ACP-EEC
Council of Ministers

Art. 18	6.3411 <i>(contd)</i>	Operation: consists of an initial financial appropriation of 375 million u. a. for the duration of the Conv., divided into five annual instalments of 75 million u. a., any balance being carried forward automatically to the following year. By 30 April 1979, 172.772 million EUA had been paid out under STABEX.	
Art. 21		The transfers are interest-free loans to be reimbursed by the recipient States when the trend of their export earnings so permits. For the 24 poorest countries, they are non-repayable.	
Art. 19		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 — normally 7.5 %, but 5 % for sisal and 2.5 % in the case of the least developed, landlocked or 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. A product may be considered if during the preceding year earnings from its export represented at least 7.5 % of total export earnings to all destinations (dependence threshold — 5 % for sisal and 2.5 % in the case of the least-developed landlocked or island countries).	
C Reg. 158/76 of 20 Jan. 1976		1st. Reg. aims to guarantee stabilization of export earnings for certain commodities in favour of the ACP States and OCT associated to the Community (survey of imports received by the Member States).	OJ L 18/76
C Reg. 2478/77 of 7 Nov. 1977		1st Reg. repealed on extension of the list of products covered by STABEX.	OJ L 287/77

Art. 40—61

6.3412 *FINANCIAL AND TECHNICAL COOPERATION*

Art. 40

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.

Art. 42

Financial appropriation: from 1 April 1976 to 1 March 1980: 3 390 million u. a. in all.

This comprises:

- 3 000 million u. a. from the European Development Fund (Fourth EDF), allocated as follows:
- 2 100 million u. a. in the form of grants,
- 430 million u. a. in the form of special loans,
- 95 million u. a. in the form of risk capital,
- 375 million u. a. through STABEX;
- 390 million u. a. in the form of loans from the EIB, made from its own resources and supplemented as a general rule by a 3 % interest rate subsidy.

These amounts have been adjusted to make allowance for the accession to the Convention of new ACP States.

By 30 April 1979 a total of 1 600 538 million EUA had been committed for the ACP through the Fourth EDF. This figure does not, however, include all the EDF's activities, since regional aid (about 121 million EUA), non-allocated aid and frozen appropriations are not included.

The Fourth EDF is not financed by the Community budget, but by contributions from the Member States in the following proportions: France and 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 %.

Art. 43—44

Methods of financing: (grants, normal loans, special loans, risk capital) chosen jointly by the Community and the ACP States concerned.

6.3412
(contd) 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 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 Nature of projects/programmes financed:

- 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.

Current administrative, maintenance and operating expenses of the ACP States are not covered by financial cooperation.

Art. 47 10 % of the total financial resources are reserved for financing regional projects.

Art. 48	6.3412 <i>(contd)</i>	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		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. 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. This aid is non-reimbursable and is allocated under an emergency procedure.	
Art. 50 – 58 incl.		Project management: Close cooperation between the ACP States and the EEC in each of the various stages of a project: aid programming (indicative programme for each country), submission (by the ACP States) and appraisal of projects or programmes, preparation of financing decisions, adoption of the projects or programmes, execution of the project or programme (for which ACP States are responsible) and final evaluation of the results when various activities are completed.	
Art. 56		Participation in tendering procedures and the awarding of contracts is open on equal terms to all natural and legal persons of the EEC and the ACP, though companies are favoured in the latter.	
Fin. Reg. EDF 647/76 EEC of 27 July 1976		Implementing measures: Financial regulation applicable to the Fourth EDF.	OJ L 229/76
C Dec. 76/165 C Dec. 78/824 C Dec. 79/309 of 19 March 1979		Internal agreements on the financing and management of Community aid, amended to take account of the increase in the number of ACP States.	OJ L 25/76 OJ L 287/78 OJ L 27/79

6.3413 *INDUSTRIAL COOPERATION*

Art. 26 – 39

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.

Art. 28 – 32

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

Operation: no specific appropriation has been set aside, but financing is carried out through the EDF and the EIB.

Agencies:

Art. 35
Dec. ACP-EEC
Counc. of Minis.,
14 July 1976

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.

Art. 36
ACP-EEC Counc. of Minis.,
14 July 1976

Centre for industrial development (CID — 1977): an operational body with its seat in Brussels, its function is to organize exchanges of information and promote contacts between industrialists in the EEC and the ACP countries, and to carry out research on the industrial potential of the ACP countries. It also cooperates in the definition of action necessary to ensure the successful implementation and management of industrial projects.

Compilation of texts,
1 April 1976 to 31 July
1976, ACP-EEC Counc. of
Minis.

6.3414 **PROTOCOLS AND SPECIAL PROVISIONS
ON CERTAIN AGRICULTURAL PRODUCTS**

6.34140 **PROTOCOL NO 3 ON ACP SUGAR**

Conv. Art. 25
and Prot. No 3
Prot. Art. 1

Objective: 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.

Prot. Art. 2
Prot. Art. 10

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.

ACP countries concerned: Barbados, Congo, Fiji, Guyana, Jamaica, Kenya, Madagascar, Malawi, Mauritius, Surinam, Swaziland, Tanzania, Trinidad and Tobago, Uganda.

Prot. Art. 3 to 7
Prot. Art. 5

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.

The guaranteed price is negotiated annually between the ACP countries and the EEC.

Prot. Annex
C Reg. 1746/78
of 24 July 1978

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.

Prot. Art. 3

6.34140
(contd)

For the period from 1 July 1978 to 30 June 1979, the guaranteed prices for 100 kg were 27·81 u. a. and 34·49 u. a. respectively

OJ L 203/78

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, Surinam, 4 000 tonnes.

OJ L 176/76

C Dec. of 29 June 1976

Prot. Art. 7

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, Surinam and Uganda were reduced in 1979 following their failure to deliver the agreed quotas for the 1977/78 financial year.

6.34141 **PROTOCOL NO 6 ON BANANAS**

Prot. pt. 1

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.

6.34141 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.
(contd)

The main ACP suppliers of bananas to the Community are: Ivory Coast, Jamaica and Cameroon.

6.34142 **PROTOCOL NO 7 ON RUM**

Prot. pt. 1

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

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. 1127/78
of 6 June 1978

For the period 1 July 1978 to 30 June 1979, the overall quota for all the ACP States is 161 807 hl of pure alcohol, allocated among the markets of the Member States as follows: United Kingdom, 116 957 hl; Germany 24 706 hl; France, 9 022 hl; Benelux, 6 000 hl; Denmark, 3 698 hl; Ireland, 1 000 hl; Italy, 424 hl.

OJ L 153/78

6.34143 **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

6.34143 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.

C. Reg. 2993/78
of 19 Dec. 1978

The present arrangements affect the following quantities, expressed in
terms of boned meat:

OJ L 357/78

1 January 1979 – 31 December 1979: Botswana, 17 360 tonnes; Kenya,
130 tonnes; Madagascar, 6 956 tonnes; Swaziland, 3 086 tonnes (total:
27 532 tonnes).

1 January 1980 – 1 March 1980: Botswana, 2 895 tonnes; Kenya, 25
tonnes; Madagascar, 1 160 tonnes; Swaziland, 515 tonnes (total 4 595
tonnes).

The consequence for the Community will be non-imposition of part of
the duties which should have been credited to its budget, amounting to
about 33 million u. a. in 1979 and about 5·6 Million EUA for 1980.

Conv. Lomé Title IV
Art. 69 – 81
Art. 69

6.3415 *INSTITUTIONS*

Composition: A council of Ministers, assisted by the Committee of
Ambassadors; Consultative Assembly assisted by the Joint Committee.

Art. 70 – 75

ACP-EEC Council of Ministers:

Composition: on the one hand, members of the Council of the Euro-
pean Communities and members of the Comm. and on the other, a
member of the government of each ACP State. The office of President
is held alternately by the ACP States and the Community.

Art. 74

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,

6.34143/6.3415

6.3415
(*contd*) 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.

Art. 74
Art. 70 par. 3
Art. 74 par. 3

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.

ACP-EEC Committee of Ambassadors:

Art. 76 – 79

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.

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.

6.3415 **ACP-EEC Consultative Assembly:**
(contd)

Art. 80

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.

Cons. Ass.
Res. of 29 Sept. 1978

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.

Doc. ACP/EEC/10/78
OJ C 18/79

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.

ACP-EEC Joint Committee:

Art. 80, par. 5

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. 81

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. 91 Conv.	6.342	Renewal of Lomé Convention (principal new features)	ACP-EC Doc. 19/80
	6.3420	GENERAL	
		July 1978 to May 1979.	
		<i>Signature:</i> 31 Oct. 1979.	
Art. 183 Conv.		<i>Entry into force:</i> after ratification of Conv. by EC Member States and by at least two-thirds of ACP States: 1. 1. 1981.	
Art. 188 Conv.		<i>Expiry:</i> 1 March 1985 (fixed term). Opening of negotiations for renewal of Conv. 18 months before expiry, i.e. July 1983.	
		<i>Participating States:</i> 61 ACP countries see 6.340.	
Announcement of 22 Nov. 1979		Accession of: Kiribati (formerly Gilbert Islands).	OJ L 295/79
Announcement of 11 March 1980		St. Vincent and the Grenadines.	OJ L 65/80
		In addition, Vanuatu (formerly New Hebrides) and Zimbabwe (formerly Rhodesia).	
		Parallel agreement with ECSC: entry into force and expiry at same time as Lomé Conv. II.	
C Reg. 434 of 18 Feb. 1980 ACP/Dec. 1/80 of 18 Jan. 1980 EP Res. of 15 Feb. 1980		Application of transitional measures from 1 March to 31 Dec. 1980.	OJ L 55/80
			OJ L 55/80
			OJ C 59/80

6.3421 *TRADE AND TRADE COOPERATION*

(see 6.3410, 6.34142 and 6.34143)

Conv., Title I
Arts. 1 – 22
Prot. 1, 4, 5, 7
Conv.
Prot. 5
Art. 2, par. (a)

Continued free access to EC market for 99·5 % of ACP exports. For remaining 0·5 %, new concessions made affecting tomatoes, carrots, onions, arrowroot, asparagus, passion fruit, guavas, and certain types of mushroom .

Annual import quota for rum increased from 13 % to 18 % for EC countries except United Kingdom (see 6.34282); also increased beef and veal quota (see 6.34283).

Arts. 2 – 12

Trade arrangements (see 6.3410).

Arts. 20 – 21

Promotion of trade (see 6.3410).

Aims: also important to diversify and increase value and volume of ACP exports in commercial, agricultural and industrial spheres.

Art. 21

Following may be added to various types of activity already mentioned: advertising, back-up infrastructures and product policy.

Art. 12

Safeguard clause retained, but EC undertakes not to use it to hamper structural development.

C Reg. 1470/80
of 9 June 1980

Protective measures.

OJ L 147/80

6.3422 *STABILIZATION OF EXPORT EARNINGS (STABEX)*

(see 6.3411)

C Reg. 1638/80
of 24 June 1980

List of Stabex agricultural products extended to include rubber, cashew nuts, pepper, shrimps and squid, cotton seeds, leguminous vegetables,

OJ L 163/80

6.3421/6.3422

6.3422 oil-cake. Dependence and trigger thresholds reduced from 7.5 to 6.5 %
(*contd*) (from 2.5 to 2 % for least-developed, landlocked or island countries).
For replenishment or resources reimbursement (550 million EUA for
five years) to be spread over seven years, with two-year period of defer-
ment.

Conv., Title III
Arts. 49 – 59

System for mineral products (SYSMIN) is one of principal innovations
of Conv. 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, phos-
phates, bauxite and alumina, manganese and tin (iron-ore after transi-
tional period).

Arts. 53 – 54

Dependence threshold is, as a rule, 15 % (10 % for least-developed,
landlocked or island countries) and fluctuation threshold 10 %. Unlike
Stabex, system of compensation does not provide straight budget trans-
fer 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 %.

Art. 58

Package rounded off by series of measures aimed at ensuring develop-
ment 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.

Conv., Title VII
Arts. 91 – 154

6.3423 *FINANCIAL AND TECHNICAL COOPERATION*

(see 6.3412)

Art. 95

Financial aid to be granted by EC over next five years totals 5 600 mil-
lion EUA, broken down as follows:

6.3423
(contd)

in million EUA

	EDF	EIB	Art. 18 EIB	EEC budget	Total
Project aid	3 712	685	—	—	4 397 ¹
Mining and energy projects	—	—	200	—	200
Stabex	550	—	—	—	550
Mineral products	280	—	—	—	280
Delegations	—	—	—	180	180
Total	4 542	685	200	180	5 607

¹ Including 600 million EUA for regional cooperation.

Breakdown of total volume of aid by method of financing:

in million EUA

	Subsidies	Transfers	Special loans	Risk capital	EIB loans with interest subsidy	EIB loans Art. 18	Total
Project aid	2 928	—	504	280	685	—	4 397
Mining and energy projects	—	—	—	—	—	200	200
Stabex	—	550	—	—	—	—	550
Mineral products	—	—	280	—	—	—	280
Delegations	180	—	—	—	—	—	180
Total	3 108	550	784	280	685	200	5 607

6.3423
(contd) To this must be added minimum commitment of 25 million EUA for NGO contributions and 300 million EUA for food aid, which brings total to almost 6 000 million EUA.

Certain amounts (apart from appropriations for Stabex and ores) have been specifically earmarked for regional cooperation (15 % of funds) and micro-projects.

80 % of aid is non-refundable and proportion of refundable aid granted in form of risk capital has been increased.

Conv., Art. 155

Special measures have been taken for least-developed, landlocked or island countries with regard to technical and financial cooperation (interest rates on special loans reduced) and stabilization of export earnings.

Art. 108, par. 6 a)

An ACP/EEC committee will be instructed to consider action taken as part of technical and financial cooperation.

Arts. 133 – 136
Art. 137

Regional cooperation:	600 million EUA
Emergency aid:	200 million EUA

Conv., Title V

6.3424 ***INDUSTRIAL COOPERATION***
(see 6.3413)

Arts. 65 – 83

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
79 – 81, par. 5

6.3424
(*contd*)

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

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.

6.3425 ***AGRICULTURAL COOPERATION***

Conv., Title VI
Arts. 83 – 90

A i m s

Art. 84

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.

Arts. 85 – 86

Activities financed through financial and technical cooperation (EDF), Title VII.

Assistance must be incorporated in national or regional indicative programmes.

Art. 88

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.

Art. 89

Food aid included as transitional measure to help ACP States achieve self-sufficiency in their food production.

Conv., Ann. XIX

6.3426 *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.,
Annex XVIII

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.

6.3427 *INSTITUTIONS*

Lomé Conv. II

Composition

Title
Arts. 163 – 178

see 6.3415

Arts. 164 – 169

ACP-EEC Council of Ministers

Arts. 170 – 172

ACP-EEC Committee of Ambassadors

Arts. 174 – 175

ACP-EEC Consultative Assembly

Art. 175, par. 5

ACP-EEC Joint Committee

Art. 173

Bank (EIB): a representative attends meetings of Council of Ministers or Committee of Ambassadors if questions arise within Bank's sphere of competence.

Art. 176

Settlement of disputes

6.3428 *PROTOCOLS AND SPECIAL PROVISIONS ON
CERTAIN AGRICULTURAL PRODUCTS*

6.34280 **PROTOCOL NO 7 ON ACP SUGAR** (see 6.34140)

From 1 July 1980 to 30 June 1981 guaranteed price for raw sugar is 35·89 EUA per 100 kg and 44·48 EUA per 100 kg for white sugar.

Bull. EC 6—1980

6.34281 **PROTOCOL NO 4 ON BANANAS** (see 6.34141)

6.34282 **PROTOCOL NO 5 ON RUM** (see 6.3421)

From 1 July 1980 to 30 June 1981 total quota for all ACP countries is 178 300 hl of pure alcohol, spread as follows over Member States' markets: United Kingdom — 116 957 hl; FR of Germany — 35 714 hl; France — 5 438 hl; Benelux — 7 631 hl; Denmark — 2 443 hl; Ireland — 3 209 hl; Italy — 535 hl.

OJ L 167/80

6.34283 **BEEF AND VEAL** (see 6.34143)

System applicable to agricultural products. From 1 March to 31 Dec. 1980 total quota 30 000 tonnes of boneless meat: Botswana — 18 916 t; Kenya — 142 t; Madagascar — 7 579 t; Swaziland — 3 363 t.

OJ L 55/80

C Reg. 1711/80
of 27 June 1980

C Reg. 435/80
of 28 Feb. 1980

6.3428/6.34283

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)**

EEC Tr., Part Four

6.410 **General**

EEC Tr., Art. 131

Creation of an association with the OCT.

EEC Tr., Art. 132

Objectives of the association.

EEC Tr., Arts 133 – 136
and Impl. Conv.

Implementing provisions:

Entry into force: 1. 1. 1958 (at the same time as the Treaty of Rome).

Duration: Five years.

Expiry: 31. 12. 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; the territories of Saint Pierre and Miquelon, the Comoro Archipelago, Madagascar and dependencies, French Somaliland, New Caledonia, Southern and Antarctic Territories; the autonomous Republic of Togoland, the trust territory of the Cameroons under French administration, the Belgian Congo and Ruanda-Urundi (trust territory), the trust territory of Somaliland under Italian administration, Netherlands New Guinea.

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
EEC Tr., Art. 133

Detailed rules for progressive increase in quotas for imports into OCT.
Safeguard clause.

6.410/6.411

<p>EEC Tr., Art. 132 Impl Conv., Art. 3 Impl. Conv., Art. 1</p>	<p>6.412 Investments</p>	<p>Contribution by Member States to investments in OCT. 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). Detailed rules for implementation. 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>			
<p>EEC Tr., Art. 132(5)</p>	<p>6.413 Right of establishment and free movement of workers</p>	<p>In relations between Member States and the OCT progressive abolition of restrictions on the right of establishment of nationals and companies.</p>	
<p>EEC Tr., Art. 135</p>		<p>Free movement of workers between Member States and OCT to be settled at a later date.</p>	
<p>EP Res., 23 Jan. 1964 EEC Tr., Art. 136</p>	<p>6.42 DECISION OF 25 FEBRUARY 1964 (second association)</p>		<p>EP Doc. 120/63 OJ 24/64</p>
<p>C Dec. 349, 25 Feb. 1964</p>	<p>6.420 General</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 Lomé Convention (see 6.34).</p>	<p>OJ 93/64</p>

EEC Tr., Art. 136	6.420 <i>(contd)</i>	<p>A new association had to be worked out for those countries which had not yet gained independence.</p> <p>By 1. 1. 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.</p> <p>C Dec. of 25. 2. 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, Surinam and the Netherlands Antilles); the OD (Guiana, Martinique, Guadeloupe, Reunion) also benefited, but only in respect of financial and technical cooperation.</p> <p>Entry into force: 1. 6. 1964.</p> <p>Duration: Five years.</p> <p>Expiry: 1. 6. 1969.</p>	
C Dec., Art. 37		Provision to be made for a further period after this date.	OJ 93/64
C Dec., Arts 1 – 13 incl.	6.421	<p>Trade</p> <p>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.</p>	OJ 93/64
C Dec., Arts 14 – 25 incl.	6.422	<p>Financial and technical cooperation</p> <p>EEC contributed towards measures aimed at promoting the economic and social development of the OCT.</p>	OJ 93/64

Art. 15	6.422 (<i>contd</i>)	<p>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.</p> <p>Half of this sum allocated to the French OCT and OD and half to the Netherlands OCT.</p> <p>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.</p>	
C Dec., Arts 25–33 incl.	6.423	<p>Right of establishment, services, payments and capital</p>	OJ 93/64
EP Res., 12 March 1970	6.43	<p>DECISION OF 29 SEPTEMBER 1970 (third association)</p>	Doc. 245/69 OJ C 40/70
EEC Tr., Art. 136	6.430	<p>General</p>	OJ L 282/70
C Dec. 549, 29 Sept. 1970		<p>After expiry of 1964 Dec. on 1. 6. 1969, the C took a new decision, on 29. 9. 1970, relating to the OCT-EEC Association.</p> <p>Interim measures introduced</p> <p>OCT concerned: same as in 1964 (see 6.420).</p> <p>Entry into force: 1. 1.1971 (same taking as Yaoundé II) (see 6.3).</p> <p>Duration: five years.</p> <p>Expiry: 31. 1. 1975.</p>	

6.430 Dec. accentuated certain earlier trends and also included a number of
(*contd*) 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.

6.431 **Trade**

C Dec., Arts 2 – 15

Confirmation of free trade area; EEC to give more favourable treatment to products subject to the CAP than to the same products originating in third countries.

Provision for safeguard clause.

6.432 **Technical and financial cooperation**

C Dec.,
Arts 16 – 26

Amounts allocated to OCT and OD total 82 million u.a., broken down as follows: 72 million u.a. under third EDF, including 62 million u.a. in form of grants and 10 million u.a. in loans on special terms and contributions to the formation of risk capital; in addition, 10 million u.a. in EIB loans.

EP Opinion,
16 Oct. 1975

6.44 **DECISION OF 29 JUNE 1976
(fourth association)**

EP Doc. 280/75
OJ C 257/75

EEC Tr., Art. 136

6.440 **General**

C Dec. 568,
29 June 1976

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

OJ L 176/76

6.430/6.440

Acts of Accession IV,
Part Four, Title IV

6.440
(*contd*)

meantime, status quo maintained for the British OCT and transitional measures taken for the French and Dutch OCT associated through the 1970 decision.

Entry into force: 1. 4. 1976 (delayed so as to coincide with the Convention of Lomé).

Expiry: 1. 3. 1980 (no extension possible).

Duration: five years.

C Dec., Art. 57

Provision to be made for a further period after this date.

OJ L 176/76

C Dec. 162,
5 Feb. 1980

The present decision will apply until 31 Dec. 1980.

OJ L 35/80

EP Opinion,
15 Feb. 1980

OJ C 59/80

C Reg. 435,
18 Feb. 1980

Application of transitional measures from 1 March to 31 Dec. 1980.

OJ L 55/80

Countries and territories concerned: the same as in the 1964 decision; the Comoros and Surinam 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).

ECSC Dec. 570,
20 Jan. 1976

Parallel decision for ECSC.

OJ L 176/76

ECSC Dec. 163,
5 Feb. 1980

Continues in force until 31 Dec. 1980

OJ L 35/80

6.441 **Trade arrangements and trade cooperation**

(see also 6.3410)

Arts 2 – 17

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 7 – 12

Provision for safeguard clause.

Art. 13 Conv.
and C Dec. 198,
9 Feb. 1976

There are special provisions for rum, arrack and tafia, valid until 29. 2. 1980 (see 6.34142)

OJ L 37/76

C Reg. 1712/80,
27 June 1980

New measures taken for period 1 July 1980 to 30 June 1981 (see 6.34282).

OJ L 167/80

Arts 14 – 17

Trade promotion (see 6.3410).

6.442 **Stabilization of export earnings (STABEX)**

(see 6.3411)

EEC Reg. 1638,
24 June 1980

This system, like the one set up under the Convention of Lomé, protects poor countries against fluctuations in commodity prices.

OJ L 163/80

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 a 20 million u.a. ceiling for five years, divided into five equal annual instalments.

6.443 **Sugar**

C Dec.,
Art. 27 and Ann. IV

The Community purchases and imports, at guaranteed prices, specific quantities of cane sugar, raw or white, which originate in the OCT and which the OCT deliver to it. Three OCT are concerned: Belize, with 39 400 tonnes per year; St Kitts, Nevis and Anguilla: 14 800 tonnes; Surinam: provisionally 4 000 tonnes.

OJ L 176/76

C Dec.,
Annex to Annex IV

For the first delivery period (1 February 1975 to 30 June 1976), the guaranteed prices were: for unrefined sugar: 25.53 u.a. per 100 kg; for refined sugar: 31.72 u.a. per 100 kg.

C Reg. 1745,
24 July 1978

For the period from 1 July 1978 to 30 June 1979 the guaranteed prices were 27.81 u.a. and 39.49 u.a. per 100 kg respectively.

OJ L 203/78

For special provisions, see 6.34140.

For the period from 1 July 1980 to 30 June 1981 the guaranteed prices were 35.89 and 44.48 u.a. per 100 kg respectively.

6.444 **Technical and financial cooperation**

Arts 28 to 47

(see 6.3412)

The amount of aid has been fixed at 160 million u.a., consisting of 150 million u.a. administered by the EDF and 10 million u.a. in EIB loans. The sums administered by the fourth EDF are broken down as follows: 65 million u.a. in grants, 40 million u.a. in special loans, 5 million u.a. in risk capital and 20 million u.a. in a reserve; in addition, 20 million u.a. for STABEX.

The amounts provided for in grants, special loans and the reserve are divided in three equal parts among the French OCT and OD, the Dutch OCT and the British OCT. Of the portion allocated to the French OCT and OD, an amount of 13 million u.a. has been blocked, 7.5 million u.a. are allocated to the OD and 2 million u.a. are allocated to financial aid to the least-favoured OCT.

C Dec. 160,
5 Feb. 1980

6.444 Since the entry into force of the Decision of 29. 6. 1976, several OCT —
(*contd*) the Comoros, Surinam, the Territory of the Afars and Issas (Djibouti),
Seychelles, Dominica, St Lucia, Solomon Islands, Tuvalu, Kiribati
(formerly Gilbert Islands), St Vincent and the Grenadines, Vanuatu
(formerly New Hebrides) — have become independent and have
requested and in some cases obtained, accession to the Convention of
Lomé (see 6.34). The amounts originally allocated to these countries
have therefore been deducted from aid granted to the OCT and added
to aid to the ACP.

OJ L 35/80

6.445 **Right of establishment, services, payments and capital**

6.5 **North America and Japan**

6.50 **UNITED STATES**

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 delegation maintains regular contact with US Congress through
twice-yearly visits, alternately in Washington and Europe.

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

EEC Art. 43
C Reg. 77/1220
of 3 June 1977
EP Res.
of 13 May 1977

6.444/6.50

6.51 **CANADA**

6.511 **Framework Agreement**

EEC Arts. 113, 235 and
EAEC Art. 101
C. Reg. 2300/76
of 20 Sept. 1976
EP Res. of 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.

6.5113 **COMMERCIAL ARRANGEMENTS**

Agrmt. Arts. 1, 5

Adherence to the principles of GATT, particularly most-favoured-nation clause.

6.5114 **COOPERATIVE ARRANGEMENTS**

Agrmt. Art. 2

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.

6.512 **ECSC Protocol**

ECSC Arts. 6, 8
Comm. Dec. 76/754
ECSC of 17 Sept. 1976
EP Res. of 14 Sept. 1976

Non-preferential cooperation protocol signed 26 July 1976, came into force 18 September 1976, for a 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

6.513 **EAEC Agreement**

EAEC Art. 101

Agreement on cooperation in peaceful uses of atomic energy, signed 6 October 1959, came into force 18 November 1959 for at least ten years; amended by exchange of letters on 16 January 1978.

OJ 60/59
of 24. 11. 1959
OJ L 65/78

6.5113/6.513

Preamble, Arts. 1, 2	6.5131 OBJECTIVES	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 of 16 Jan. 1978	6.5132 SAFEGUARDS	Introduction of more stringent safeguards to allow resumption of deliveries of Canadian uranium to EC, which had been interrupted since January 1977.	
EP Res. of 27 April 1979 and 14 March 1980	6.514 Fisheries	Interim arrangement expires at end of 1980. Negotiations on an outline agreement were concluded on 2 December 1980. Ensures reciprocal fishing rights for 6 years.	OJ C 127/79 OJ C 85/80
	6.52 JAPAN	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. On 24 March 1978 a joint communiqué was signed regarding trade relations between EC and Japan. Japanese Government said it would increase its efforts to reduce overall current-account surplus and would take all appropriate steps to	Bull. EC 3-1978 Points 1.1.4 to 1.1.9

6.52 increase imports of manufactures and intended to double its aid to
(*contd*) developing countries within five years.

The two sides agreed to:

- promote EC exports to Japan;
- consider the possibility of effecting advance tariff reductions when the GATT negotiations were settled;
- continue efforts to improve import testing systems on a reciprocal basis.

High level meetings 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

In December 1978, C expressed its concern with regard to Japan. It stressed the importance it attached to Japanese Government pursuing policies aimed at stepping up domestic demand and reducing the trade surplus, and drew attention to need for additional efforts to be made to open up Japanese markets to imports, especially manufactures. Comm. was asked to continue pressing for specific measures to improve access to Japan for Community goods. This policy has been confirmed and developed on several occasions.

Bull. EC 6-1978
Point 2.2.73
Bull. EC 10-1978
Point 2.2.53
12th General Report
Point 499
13th General Report,
Point 547

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.

6.6 **Latin America**

6.61 **ARGENTINE**

C Reg. 2387/71
of 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
OJ C 19/72

Expired at end of 1980 and has not been renewed by decision of Argentina

C Reg. 2557/79
of 30 Oct. 1979

Agreement on trade in textile products — applicable from 1 January 1978; see 5.532.

OJ L 298/79

6.62 **URUGUAY**

C Reg. 3260/73
of 6 Nov. 1973

Non-preferential commercial Agreement signed 2 April 1973, came into force 1 August 1974.

OJ L 333/73

EP Res. of 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.

Beef and veal

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.

C Reg. 611/80
of 18 Feb. 1980

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.

Bull EC 4-1980
Points 1.3.1. – 1.3.4
Bull. EC 9-1980
Point 2.2.56

6.630 **Objective**

EP Res. of 16 Jan. 1981

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.
- Facilitation of investment
- 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**

— Applicable from 1 January 1978; see 5.532.

OJ L 70/80

C Reg. 610/80
of 18 Feb. 1980

6.622/6.633

	6.64	COLOMBIA	
			Agreement on trade in textile products applicable from 1 January 1978 but not yet published; see 5.532.
	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 of 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	Instrument	
Annex I			Joint Committee consisting of representatives of EC and of the United Mexican States, meets once a year.
	6.652	Economic and commercial cooperation	
			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 5.37)

Principal common features in these countries' relations with EC:

EEC-Asean Cooperation Agreement

Non-preferential agreement for 5 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

C. Reg. 1440/80
of 30 May 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.

— 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

EEC Tr., Art. 113
Comm. Reg. 3019
of 30 Dec. 1977
Comm. Reg. 3059
of 21 Dec. 1978

EEC Tr. Art. 113 C Reg. 3181 of 4 Dec. 1980	6.70 (<i>contd</i>)	<p>— in addition to these two common features, the countries are bound to EC by either one or both of two types of agreement:</p> <p>— agreement on trade in handwoven fabrics of silk and cotton; indefinite duration.</p>	OJ L 337/80
		Implementing Reg. for 1981	
EEC Tr. Art. 113 C Reg. 3182 of 4 Dec. 1980		<p>— agreement on trade in certain hand-made products; indefinite duration.</p>	OJ L 337/80
		Implementing Reg. for 1981	
		<p>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.</p>	
	6.700	Malaysia	
		— Agreement on trade in textile products, see 5.532 and 6.70.	
		— Agreement on trade in certain hand-made products.	
		Entered into force on 1 January 1976; see also 6.70.	
	6.701	Thailand	
C Reg. 2563/79 of 30 Oct. 1979		— Agreement on trade in textile products, see 5.532 and 6.70.	OJ L 298/79
		— Agreement on trade in certain hand-made products.	
		Entered into force on 1 September 1971, see also 6.70.	

- 6.701 — Agreement on trade in handwoven fabrics of silk and cotton.
(*contd*) Entered into force on 1 January 1973; see also 6.70.
- Exchange of letters on trade in jute products. not published
Entered into force on 1 January 1975.
Duration: indefinite. Same type of agreement as with Bangladesh,
see 6.710.

- 6.702 **Singapore**
Agreement on trade in textile products, see 5.532 OJ L 350/79

C Reg. 3074/79
of 18 Dec. 1979

- 6.703 **Indonesia**
— Agreement on trade in textile products, see 5.532 and 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.
Entered into force on 1 September 1971; see also 6.70.

C Reg. 3072/79
of 18 Dec. 1979

- 6.704 **Philippines**
— Agreement on trade in textile products, see 5.532 and 6.70.
— Agreement on trade in certain hand-made products.
Entered into force on 1 September 1971; see also 6.70.

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;
 - 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**

EEC Tr. Art. 113, 114

— Non-preferential commercial Cooperation Agreement signed on 19 October 1976.

OJ L 319/76

C Reg. 2785
of 16 Nov. 1976

Entered into force on 1 December 1976.

OJ L 329/76

Duration: five years, renewable.

Measures: see 6.71.

EEC Tr. Art. 113

— Agreement on trade in jute products concluded on 27 June 1977.

OJ L 158/77

C Reg. 1393
of 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

see also 6.71.

C Reg. 2558/79
of 30 Oct. 1979

— Agreement on trade in textiles signed 23 July 1979; see 5.532

OJ L 298/79

— 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**

EEC Art. 113
C Reg. 78/946
of 2 May 1978
EP Res. of 13 Sept. 1978

Non-preferential trade agreement

OJ L 123/78
EP Doc. 198/78
OJ C 239/78

Art. 11

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.

6.7113 **AGREEMENT ON TRADE IN TEXTILES**

C Reg. 3061
of 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 General Report
Point 503
OJ L 345/79

6.712 **Hong Kong**

C Reg. 847/80
of 17 March 1980

— Agreement on trade in textile products, see 5.532

OJ L 95/80

6.713 **India**

EEC Tr., Arts. 113, 114

— Non-preferential Commercial Cooperation Agreement signed on 17 December 1973.

OJ L 82/74

C Reg. 654
of 21 March 1974

Entered into force on 1 April 1974.

Duration: five years, renewable; see also 6.71. Negotiations for a new commercial and economic cooperation agreement began on 6 June 1980.

Bull. EC 6-1980

EEC Tr., Art. 113

— Agreement guaranteeing Indian exports of cane sugar in conjunction with Protocol No 3 on ACP sugar (see 6.3414).

OJ L 190/75

C Dec. 456
of 15 July 1975

Entered into force on 18 July 1975.

Duration: indefinite; denunciation possible after five years following two years' notice.

Instrument: Joint Committee.

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.

C Reg. 3185/80
of 4 Dec. 1980

Agreement renewed with guaranteed prices for 1980/81

OJ L 332/80

EEC Tr., Art. 113

— Agreement on trade in coir products.

OJ L 17/78

C Reg. 105
of 17 Jan. 1978

Entered into force 1 February 1978.

Not published

Renewed for 2 years from 1 January 1981

6.712/6.713

6.713
(contd)

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.

EEC Tr. Art. 113
C Reg. 106
of 17 Jan. 1978

- Agreement on trade in jute products; renewed on 26 March 1980 with duration until 31 December 1983. Applicable from 1 January 1980. Provides for quantitative limits. All restrictions to be removed from 1 January 1984.

OJ L 17/78
Bull. EC 3-1980
Point 2.2.18

Instrument: Joint Cooperation Committee.

Measures: double checking system for the quantitative limits; consultations in case of difficulties; see also 6.71.

C Reg. 864
of 28 June 1968

- Agreement on trade in textile products, see 5.532

OJ L 153/68

C Dec. 386
of 27 July 1970
C Reg. 1491
of 29 Aug. 1969

- Agreement on trade in handwoven fabrics of silk and cotton.
Entered into force on 1 July 1968; see also 6.70.

OJ L 176/70

- Agreement on trade in certain hand-made products.
In force since 1 June 1969; see also 6.70.

OJ L 187/69

- The India Trade Centre of the Economic Mission of India was opened 29 February 1980; financed partly by EC.

Bull. EC 1-1980
Point 2.2.48

6.714

Sri Lanka

C Reg. 2410
of 16 Sept. 1975

- Non-preferential Commercial Cooperation Agreement.
Entered into force on 1 December 1975.
Duration: five years, renewable.
Measures: see 6.71.

OJ L 247/75

	<p>6.714 — Exchange of letters on trade in coir products. not published <i>(contd)</i> Effective from: 1 January 1975. Duration: indefinite. Measures: see 6.71 and 6.713</p>	
<p>C Reg. 2562/79 of 30 Oct. 1979</p>	<p>— Agreement on trade in textile products, see 5.532 OJ L 298/79 Renewed on 24 July 1979.</p> <p>— Agreement on trade in handwoven fabrics of silk and cotton. Entered into force on 1 June 1975; see also 6.70.</p> <p>— Agreement on trade in certain hand-made products. Entered into force on 1 September 1971; see also 6.70.</p>	
	<p>6.715 Pakistan</p>	
<p>C Reg. 1503 of 21 June 1976</p>	<p>— 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.</p>	
<p>C Reg. 2561/79 of 30 Oct. 1979</p>	<p>— Agreement on trade in textile products, see 5.532 OJ L 298/79 Renewed on 7 July 1979</p> <p>— Agreement on trade in handwoven fabrics of silk and cotton. Signed on 20 June 1970; see also 6.70.</p>	
<p>C Dec. 386 of 27 July 1970</p>	<p>— Agreement on trade in certain hand-made products. OJ L 176/70</p>	
<p>C Reg. 1491 of 29 Aug. 1969</p>	<p>In force since 1 September 1969; see also 6.70. OJ L 187/69</p>	

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 in 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.
Renewed on 12 September 1979
See 5.532

OJ L 298/79

C Reg. 2559/79
of 30 Oct. 1979

6.719

Macao

- Agreement on trade in textile products.
Renewed on 19 July 1979
See 5.532

OJ L 298/79

C Reg. 2560/79
of 30 Oct. 1979

6.8 **Other countries**

6.80 **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 what is to be a regular series of ministerial consultations with Australia was held in Canberra, 21 – 23 April 1980.

Bull. EC 4 – 1980
Point 2.2.42

Being aware of the mutual interests which bind them, EC, Australia and New Zealand are concerned to solve difficulties which disturb their trade relations.

EP Res. of 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 in the search for a new economic upswing.

OJ C 67/78

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.

EP Res. of 11 May 1979
EP Res. of 21 Nov. 1980

New Zealand wants an extension of Protocol 18 of Act of Accession of 1973, which guarantees imports into United Kingdom of quantities of New Zealand butter and cheese for a period of five years. This period has been extended to 1980 for butter but quantities are to be negotiated for future years.

OJ C 140/79
OJ C 327/80

6.801 **EAEC Draft Agreement**

Negotiations between Comm. and Australia are taking place regarding conditions under which uranium may be supplied to EC

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