

General Secretariat of the Council
of the European Communities

**THIRTY-SECOND REVIEW
OF THE
COUNCIL'S WORK**

1 JANUARY — 31 DECEMBER 1984



General Secretariat of the Council
of the European Communities

**THIRTY-SECOND REVIEW
OF THE
COUNCIL'S WORK**

1 JANUARY — 31 DECEMBER 1984

This publication is also available in:

DA ISBN 92-824-0288-6

DE ISBN 92-824-0289-4

GR ISBN 92-824-0290-8

FR ISBN 92-824-0292-4

IT ISBN 92-824-0293-2

NL ISBN 92-824-0294-0

Cataloguing data can be found at the end of this publication

Office for Official Publications of the European Communities, 1986

ISBN 92-824-0291-6

Catalogue number: BX-44-85-371-EN-C

© ECSC-EEC-EAEC, Brussels · Luxembourg, 1985

Printed in Greece

Contents

INTRODUCTION	7
CHAPTER I — Work of the institutions	11
A — Council	11
B — Parliamentary affairs	13
C — Institutional affairs	23
D — Court of Justice	24
E — Economic and Social Committee	25
F — Conventions and common rules	26
CHAPTER II — Freedom of movement and common rules	29
A — Free movement of goods — customs union — rules of competition — industrial policy and approximation of legislation — iron and steel industry	29
B — Right of establishment and freedom to provide services	40
C — Intellectual property	45
D — Harmonization of legislation in the field of civil and commercial law	47
CHAPTER III — Economic and social policy	49
A — Economic, financial and fiscal questions and export credits	49
B — Social policy	55
C — Regional policy	64

D — Development of a Community energy policy	69
E — Transport	78
F — Research	86
G — Environment	90
H — Other matters	98

CHAPTER IV — External relations and relations with the associated States 109

A — Enlargement of the Community	109
B — Commercial policy	112
C — Relations with the industrialized countries and the State-trading countries	119
D — North-South Dialogue	126
E — Third ACP-EEC Convention	131
F — Management of the Second ACP-EEC Convention	144
G — Development Cooperation	153
H — Generalized preferences for developing countries — Community scheme for 1985	161
I — Mediterranean — Euro-Arab Dialogue — Gulf States — Yemen	163
J — Asia — Latin America	176

CHAPTER V — Common fisheries policy 181

A — Community system for the conservation and management of resources	181
B — Greenland	184
C — Common organization of the market in fisheries products	186
D — Relations between the Community and non-member countries with regard to fisheries	188
E — International organizations	192

CHAPTER VI — Agriculture 195

A — Problems concerning all the sectors covered by the common agricultural policy	195
B — Drafting of and substantive amendements to regulations governing the common organization of markets	201

C — Management of the common organization of the markets	211
D — Structural policy	238
E — Harmonization of provisions laid down by law, regulation and administrative action	241
CHAPTER VII — Administrative matters	253
A — Budgetary matters	253
B — Staff regulations	267
Tables	270
List of Abbreviations	273
Index	277

Introduction

In 1984 trends in the world economy produced a more propitious economic climate for Community policies than in previous years. It is against this background that the Council approached the complex problems facing the Community, both internally and with regard to its international relations. However, the economic upturn was not without its uncertainties. While the main economic indicators offer some encouraging signs, the basis for the recovery is still fragile and must be consolidated. Unemployment continued to increase throughout 1984, affecting in particular women and school-leavers. The main challenge for Europe over the next few years will be to stem the rise in unemployment and to set about reducing it by creating new jobs before it becomes a permanent feature to the social structure of Europe.

The Council's actions in 1984 were guided by the constant desire to counter the persistent adverse tendencies regarding the social situation in the Community, to see that Europe played its full part in the latest technological changes and to encourage the reorganization and modernization of European industry in order to improve its competitiveness in international markets. Faced with the multiplicity of these tasks and the diversity – and sometimes the divergence – of the interests involved, as well as the complexity and inseparability of the numerous problems with which it was constantly confronted, the Council made a particular effort to contain protectionism while at the same time safeguarding the 'acquis communautaire' and furthering integration.

In concrete terms this meant finding a fair solution to the problems of financing the Community budget, putting into effect the new guidelines for reshaping and thus rationalizing the common agricultural policy, continuing efforts to create a genuine internal market by removing the remaining barriers, promoting a real momentum for change throughout the Community by redressing regional imbalances, developing research and innovation in all sectors of production, strengthening the common commercial policy, setting up programmes to combat

poverty, removing most of the obstacles in the way of enlarging the Community to admit Spain and Portugal, and the signing in March 1984 of a treaty establishing future relations between Greenland and the Community.

1984 was an eventful year for the Community. Above all there were the significant achievements of the European Council at Fontainebleau, which effectively broke the budgetary impasse which had been hampering the smooth operation of the Community since 1979, removed the obstacles holding up the accession negotiations with Spain and Portugal, and opened the way to an agreement on restructuring the common agricultural policy. In addition, at this meeting the ad hoc committees on institutional affairs and on a "people's Europe" were set up with a view firstly to reforms in the functioning of the institutions, which are essential if Europe is to recover its original vigour and ambitions, and secondly to creating an image of the Community which meets both the legitimate expectations of the citizens of Europe and the need to promote its specific identity in the world.

Externally the Community's main efforts were concerned with the negotiations leading to the signing of the Lomé III Convention and with the tribulations of the difficult dialogues with America and Japan. In a similar vein, the San José Conference with the countries of Central America was of particular importance because of the geopolitical situation in that region. The renewal of the Lomé Convention with 65 African, Caribbean and Pacific countries, while reaffirming the privileged position of the Community vis-à-vis the developing countries, is indicative of the importance which the Community attaches to the North-South dialogue. Compared with the previous ones, the present Convention contains a large number of improvements and innovations and it specifies more clearly the fundamental principles, objectives and priorities of cooperation between the Community and the ACP States. With a view to making aid more effective there is to be greater consultation between the Commission and the ACP States. The first priority is agricultural and rural development, with the aim of increasing the ACP States' self-sufficiency in food, improving the security of their food supplies, increasing agricultural productivity and guaranteeing an adequate income to rural populations. Programmes to combat drought and the spread of deserts and to restore the natural balance in major areas, will replace the emergency aid given hitherto by the Community and its Member States, in the hope of preventing a repetition of the disastrous famines which have recently hit several areas in Africa. Increased importance is given to fisheries and private investment. More attention will be given to the social and cultural dimension and to enhancing the value of human resources. Lastly, for the first time the Convention makes reference in its preamble to human rights.

However, these events did not prevent the Council from also continuing its work of consolidating the "acquis communautaire" and of implementing new policies. Although deliberations in these fields did not always lead to a consensus, the

overall picture of the Council's work in 1984 is more encouraging than in previous years.

In the agricultural sphere, on the basis of proposals made by the Commission in July 1983 regarding the rationalization of the common agricultural policy and in January 1984 on fixing prices and on various measures for the 1984/85 marketing year and longer-term agri-monetary measures, at the end of March 1984 the Council reached overall agreement on these matters. The average increase in prices for 1984/85, in terms of national currencies, was 3.3% for the Community as a whole, the general rate of inflation being 5.1%. In addition, the Council made some major changes to Community measures on the marketing and processing of agricultural products. It gave particular attention to the problems involved in revising the policy of improving farm structures. Lastly, by adopting on 10 May 1984 a programme of work concerning various items of legislation relating to agricultural and food problems, the Council showed its desire to strengthen the internal market and to protect consumers and the environment.

Because of its increasing importance, the common fisheries policy in 1984, which was the first year in which the TAC (total allowable catch) and quota mechanisms were fully implemented, is given a separate chapter in this Review for the first time.

With regard to financing the Community, the Council endeavoured to implement a system which would guarantee better control of expenditure in connection with an increase in own resources. Some progress was made towards greater convergence between the economic and monetary policies of the Member States. In this sector the Council's efforts were mainly directed at creating the conditions for more stable and sustained economic growth which would check the rise in unemployment. It also made a determined study of measures which would in a short time create the right conditions for implementing the "new policies", in particular with regard to promoting increased finance for productive investments. With this same objective, a second tranche of 1 400 million ECU was realised in July under NCI III (New Community Instrument) to help boost economic recovery in Europe. It was also in this connection that in June 1984 the Council adopted the new ERDF (European Regional Development Fund) Regulation, containing major innovatory provisions, which enters into force on 1 January 1985.

With regard to monetary policy, the Council was able to note with satisfaction that after five years of operation the EMS (European Monetary System) had a good record both as a factor in maintaining stable exchange rates and with regard to evening out costs and prices within the Community, thus bringing the national economies appreciably closer into line with each other.

Likewise, a large number of measures were adopted with the aim of establishing a genuine internal market. The Council's efforts were directed in particular at studying means of removing the numerous technical and legislative barriers to a genuinely integrated Europe. Substantial progress was made on removing technical barriers to intra-Community trade, harmonizing company law, simplifying customs formalities, standardizing existing regulations in the Member States regarding telecommunications and reinforcing the structures of the customs union.

During the period under review the Community's industrial strategy was mainly aimed at continuing the restructuring of the sectors most seriously affected by the crisis, such as steel, textiles and shipbuilding, and at promoting policies which would encourage expansion in the industrial sectors of the future, such as data processing, electronics, telecommunications, biotechnology and nuclear power. In this connection the Council adopted a number of measures extending the arrangements for monitoring production quotas in the sectors in difficulties, with the aim of reducing the remaining surplus capacity and increasing competitiveness. In February it also adopted the acts implementing the Esprit Programme (European Strategic Programme for Research and Development in Information Technology), which calls for cooperation between industry, universities and research institutes at Community level, thus promoting a policy for regaining the considerable amount of ground lost in the very sensitive field of information technology.

Lastly, it should be mentioned that the Council held 84 meetings in 1984, in the course of which it adopted 351 Regulations, 99 Decisions and 53 Directives.



As in preceding years this Review has been prepared by the General Secretariat of the Council and is intended as a work of reference for public use.

Chapter I: Work of the institutions

A — COUNCIL

1. In the first half of 1984 the Presidency of the Council was held by the French Republic, and in the second by Ireland.

The meetings in the first half of the year were chaired successively by:

Mr J. Auroux	Under-Secretary of State attached to the Minister for Industry and Research with responsibility for Energy
Mr P. Bérégovoy	Minister for Social Affairs and National Solidarity
Mrs H. Bouchardeau	Under-Secretary of State attached to the Prime Minister with responsibility for the Environment and the Quality of Life
Mr C. Cheysson	Minister for Foreign Affairs
Mr J. Delors	Minister for Economic Affairs, Finance and the Budget
Mr R. Dumas	Minister for European Affairs
Mr L. Fabius	Minister for Industry and Research
Mr C. Fiterman	Minister without portfolio, Minister for Transport
Mr J. Lang	Minister for Cultural Affairs
Mrs C. Lalumière	Under-Secretary of State attached to the Minister for Economic Affairs, Finance and the Budget with responsibility for Consumer Affairs
Mr G. Lengagne	Under-Secretary of State attached to the Minister for Transport with responsibility for Maritime Affairs

Mr C. Nucci	Minister attached to the Minister for Foreign Affairs with responsibility for Cooperation and Development
Mr M. Rocard	Minister for Agriculture
Mr A. Savary	Minister for Education

The meetings of the second half of the year were chaired by:

Mr P. Barry	Minister for Foreign Affairs
Mr J. Bruton	Minister for Industry, Trade and Tourism
Mr A. Deasy	Minister for Agriculture
Mr A. Dukes	Minister for Finance
Mr L. Kavanagh	Minister for the Environment
Mr J. Mitchell	Minister for Communications
Mr E. Nealon	Minister of State at the Department of the Taoiseach
Mr J. O'Keefe	Minister of State at the Department of Foreign Affairs
Mr P. O'Toole	Minister for Fisheries
Mr R. Quinn	Minister for Labour
Mr D. Spring	Deputy Prime Minister and Minister for Energy

The 84 meetings held during 1984 were devoted to the following topics:

- 20 Foreign Affairs
- 16 Agriculture
- 8 Economic and financial problems
- 5 Fisheries
- 4 Budget
- 4 Research
- 4 Transport
- 3 Environment
- 3 Social Affairs
- 3 Industry in general and the iron and steel industry
- 3 Consumer protection
- 2 Development cooperation
- 2 Energy
- 2 Iron and steel industry
- 2 Domestic market
- 2 Cultural affairs
- 1 Education.

B — PARLIAMENTARY AFFAIRS

Statements to the European Parliament of the programmes of the Presidency

FRENCH PRESIDENCY

2. On 18 January 1984 Mr Cheysson, French Minister for Foreign Affairs and President-in-Office of the Council, made a statement on the programme of the French Presidency.

Noting that the crisis in the Community derived from the inadequacy for present conditions of measures and practices decided on in different times, he stressed the need to be ambitious, but also realistic, in order to deal with the main problems of the past and to face the future with resolution, remaining faithful to the Treaty while at the same time opening up new paths.

He outlined the key fields for discussion within the Council, such as reform of the common agricultural policy, budgetary matters, promotion of research and innovation, consolidating the internal market, reinforcing the Community's cohesion in the field of the common commercial policy, and adaptation of the social policy to new circumstances and needs.

With regard to negotiations on the enlargement of the Community, Mr Cheysson stressed that the work must be expedited, while dealing with each dossier on its own merits, so that the European destiny of Spain and Portugal could be fulfilled.

PROGRAMME OF THE IRISH PRESIDENCY

3. On 26 July 1984 Mr Barry, Irish Minister for Foreign Affairs and President-in-Office of the Council, presented the programme of the Irish Presidency. He stressed that the Community had to become a force for dynamic change and development in Europe, especially in those areas which were of primary economic and social importance for its people and of direct concern to them. In this respect, Mr Barry laid particular emphasis on finding a solution to the problem of unemployment, and in particular long-term unemployment, as well as on a programme of action and research to combat poverty.

To this end he called on the Member States to achieve better concertation of their policies in order to increase the Community's room for manoeuvre and to use the multiplier effect of collective action.

Statement on the French Presidency

4. On 24 May 1984, at the last part-session of the European Parliament before the second elections by direct universal suffrage, Mr Mitterrand, the

President of the French Republic, made a speech as President of the European Council in which he not only reviewed the work of the French Presidency but also took the opportunity of calling on all Europeans to complete the construction of Europe.

He stressed in particular the basic ideas of the construction of Europe, which went beyond political divisions and national rivalry. He also listed the points on which the Heads of State or Government had moved closer together at the recent European Councils in Stuttgart, Athens and Brussels, and identified the topics to be covered by an overall compromise at the European Council at Fontainebleau on 25 and 26 June. Lastly, Mr Mitterrand stressed the importance of taking radical action to realize Europe's economic, cultural and political potential, on the domestic front as well as outside the Community, together with the need for a better definition of the role of the institutions and an improvement in the relations between them. Accordingly, he stated that France was willing to examine the project on European Union recently approved by the European Parliament, since it approved of the inspiration behind it.

Statement on the Irish Presidency

5. In his review of the Irish Presidency at the sitting of 12 December 1984, Mr Barry stressed in particular the reinforcement and intensification of the dialogue with the European Parliament, which had been reflected in the attendance of the President-in-Office of the Council at an increased number of plenary sittings and meetings of the Parliamentary Committees, as well as in the meeting in November between the 10 Foreign Ministers and the Enlarged Bureau of the European Parliament.

Mr Barry expressed his pleasure at the fact that agreements had been reached which opened the way on the one hand to negotiations on all the major topics with Spain and Portugal, and on the other to a solution of the budgetary problems of the Community. Also, the new Lomé Convention, signed by the EEC and the ACP countries, represented a considerable boost for the development of the Third World, particularly since it encouraged self-sufficiency in food.

In the field of trade, Mr Barry stressed that, despite problems with the United States and Japan, the Community had brought forward the date for reducing customs tariffs agreed under GATT. With regard to trade within the Community, the Council had approved the introduction of a single document to simplify customs procedures and had made considerable progress in the field of transport. Finally, the President-in-Office of the Council announced that an agreement had been reached on making lead-free petrol available, which was an important measure for the protection of the environment.

Statement on the work of the European Council

6. Speaking during the sitting of 28 March on the proceedings of the European Council in Brussels on 19 and 20 March, Mr Cheysson listed the subjects on which the Heads of State or Government had reached provisional agreement, namely:

- (i) action to keep the growth of the budget within bounds,
- (ii) control of milk production,
- (iii) gradual dismantling of positive MCAs,
- (iv) an increase in own resources,
- (v) encouragement for new policies,
- (vi) increased resources for integrated Mediterranean programmes,
- (vii) harmonization of standards,
- (viii) creation of a European social area.

While stressing that this agreement would have to be supplemented by an agreement on the milk quota for Ireland and the budget rebate for the United Kingdom, Mr Cheysson said that he was confident that the Council and the European Council would resolve these outstanding problems and allow Europe in the near future to take the major decisions which were coming to maturity.

Nevertheless, in view of the budgetary restrictions which were the order of the day for all the governments of the Member States, in future the Community budget should also be subject to budgetary discipline which would keep increases in compulsory expenditure (in particular on the common agricultural policy) within the rate of increase in own resources and restrict increases in other expenditure to the maximum rate laid down in the Treaty.

7. On 25 July 1984 Dr FitzGerald, Prime Minister of Ireland and President-in-Office of the Council, reported on the outcome of the European Council of 25 and 26 June at Fontainebleau, which was chaired by Mr Mitterrand. He recalled that agreement had been reached on the refund to the United Kingdom and on increasing the Community's own resources. This paved the way for speeding up the negotiations on the accession of Portugal and Spain.

Dr FitzGerald also stressed the importance of the two *ad hoc* committees set up by the European Council, one on institutional questions and the other on promoting a 'People's Europe'.

In addition, Dr FitzGerald welcomed the fact that the Heads of State or Government had agreed to the appointment of Mr Delors as President of the new Commission to take up his duties in January 1985.

On the question of international relations, he stressed the importance of resuming and intensifying the East-West dialogue.

8. When he reported on the results of the European Council held in Dublin on 3 and 4 December 1984, Dr FitzGerald expressed his pleasure that the deadlock in the negotiations on the enlargement of the Community to include Spain and Portugal had been broken, in particular following a compromise on the future organization of the wine market. He recalled, however, that the conclusion of these negotiations remained subject to a reservation on the part of Greece, which had asked for a satisfactory agreement on the integrated Mediterranean programmes.

The European Council had also held discussions of substance on the economic and social situation, which called for measures to encourage economic growth and international competitiveness.

In connection with famine in Africa, the European Council had agreed to the suggestion that 1.2 million tonnes of cereals should be made available for the peoples in need and that other countries should be asked to provide a further 800 000 tonnes, giving a total of 2 million tonnes.

Dr FitzGerald also informed Parliament of the discussions on the situation in Central America and the Middle East and on East-West relations.

Lastly, he stated that the European Council had noted the interim reports of the *ad hoc* Committee on Institutional Affairs and the *ad hoc* Committee on a People's Europe.

Other debates

SITUATION OF WOMEN

9. On 17 January 1984 Mrs Roudy, Minister attached to the French Prime Minister with responsibility for women's rights and President-in-Office of the Council, took part in the debate on the report on the situation of women in Europe.

TRANSPORT POLICY

10. On 12 March 1984 Mr Fiterman, French Minister for Transport, spoke in a debate on transport policy. He stressed the need to overcome the obstacles to free movement of goods and persons between the Member States of the Community.

COMMON AGRICULTURAL POLICY

11. On 14 March 1984 Mr Rocard, French Minister for Agriculture, spoke in the debate on farm prices and related measures.

ENLARGEMENT

12. On 12 September 1984 Mr Barry answered an oral question on behalf of the Council relating to the enlargement of the Community to include Spain and Portugal.

SAN JOSÉ CONFERENCE

13. On 9 October 1984 Mr O'Keeffe, Irish Minister of State for Foreign Affairs, made a statement on the conference at San José, Costa Rica between the Foreign Ministers of the Community, Spain and Portugal on the one hand and those of the States of Central America and the Contadora States on the other.

MONETARY SITUATION

14. On the same day Mr O'Keeffe spoke in a debate on an oral question concerning the international monetary situation and the role of the ECU.

UNEMPLOYMENT

15. On 24 October Mr Quinn, Irish Minister for Labour and President-in-Office of the Council, spoke in a debate on the promotion of positive action for unemployed women.

ECONOMIC RECOVERY

16. Also on 24 October, Mr Barry on behalf of the Council answered an oral question concerning a plan for economic recovery.

17. On 12 December Mr Barry on behalf of the Council answered a number of oral questions relating to the enlargement of the Community, Central America and unemployment.

Participation in the proceedings of the committees and other Parliamentary bodies

PARLIAMENTARY COMMITTEES

18. The Presidents-in-Office attended meetings of the committees of the European Parliament during 1984 as follows:

French Presidency

19.

Committee	President-in-Office	Date and place
Agriculture, Fisheries and Food	MICHEL ROCARD Minister for Agriculture	28 February, Brussels
Subcommittee on Fisheries	GUY LENGAGNE Under-Secretary of State attached to the Minister for Transport with responsibility for Maritime Affairs	10 April, Strasbourg
Economic and Monetary Affairs	JACQUES DELORS Minister for Economic Affairs, Finance and the Budget	24 January, Paris
	LAURENT FABIOUS Minister for Industry and Research	24 January, Paris
Legal Affairs	ROBERT BADINTER Keeper of the Seals, Minister for Justice	21 March, Brussels
Social Affairs and Employment	PERRE BÉRÉGOVOY Minister for Social Affairs and National Solidarity	20 March, Brussels
Transport	CHARLES FITERMAN Minister for Transport	24 January, Brussels

Environment, Public Health and Consumer Protection	<p>CATHERINE LALUMIÈRE Under-Secretary of State attached to the Minister for Economic Affairs, Finance and the Budget with responsibility for Consumption</p>	3 February, Brussels
	<p>HUGUETTE BOUCHARDEAU Under-Secretary of State attached to the Prime Minister with responsibility for the Environment and the Quality of Life</p>	26 April, Brussels
Youth, Culture, Education, Information and Sport	<p>ALAIN SAVARY Minister for Education</p>	26 April, Brussels
	<p>JACK LANG Minister for Cultural Affairs</p>	27 April, Brussels
Development and Cooperation	<p>CHRISTIAN NUCCI Minister attached to the Minister for Foreign Affairs with responsibility for Cooperation and Development</p>	22 March, Brussels

Irish Presidency

20.

Committee	President-in-Office	Date and place
Agriculture, Fisheries and Food	AUSTIN DEASY Minister for Agriculture	28 November, Cork, Ireland
	PADDY O'TOOLE Minister for Fisheries and Forestry	30 November, Cork, Ireland
Economic and Monetary Affairs and Industrial Policy	ALAN DUKES Minister for Finance	19 December, Brussels
Energy, Research and Technology	DICK SPRING Deputy Prime Minister	30 December, Ispra, Italy
External Economic Relations	EDWARD COLLINS Minister of State at the Department of Energy and at the Department of Industry, Trade, Commerce and Tourism	18 December, Brussels
Legal Affairs and Citizens' Rights	MICHAEL NOONAN Minister for Justice	21 November, Brussels
Social Affairs and Employment	GEORGE BIRMINGHAM Minister of State at the Department of Education	13 September, Strasbourg
Transport	JIM MITCHELL Minister for Communications	24 September, Brussels

Environment, Public Health and Consumer Protection	LIAM KAVANAGH Minister for the Environment	30 October, Brussels
	BARRY DESMOND Minister for Health and Minister for Social Welfare	21 November, Brussels
	MICHAEL MOYNIHAN Minister of State at the Department of Industry, Trade Commerce and Tourism	28 November, Brussels
Regional Policy and Regional Planning	ALAN DUKES Minister for Finance	22 November, Brussels
Youth, Culture, Education, Information and Sport	GEMMA HUSSEY Minister for Education	26 November, Dublin
	MR G. BRMINGHAM Minister of State at the Department of Labour and at the Department of Education	26 November, Dublin
	TED NEALON Minister of State for Cultural Affairs	27 November, Dublin
Development and Cooperation	JIM O'KEEFE Minister of State at the Department of Foreign Affairs	27 November, Brussels
Womens' Rights	MRS FENNELL Minister of State for Womens' Affairs	23 November, Brussels

Parliamentary association bodies

21. Mr Nucci, Minister attached to the French Minister for Foreign Affairs with responsibility for Cooperation and Development, represented the Council at the meeting of the Joint Committee of the ACP-EEC Consultative Assembly at Brazzaville (Congo) on 22 February 1984.

22. On 19 September 1984 Mr Pattison, Irish Minister of State at the Department of Social Affairs, represented the Council at the meeting of the ACP-EEC Consultative Assembly in Luxembourg.

Parliamentary Delegations

23. On 20 January 1984 Mr Emmanuelli, French Under-Secretary of State attached to the Minister for the Economic Affairs, Finance and the Budget with responsibility for the Budget, represented the Council at the 23rd meeting of the Delegations of the European Parliament and the United States Congress in Strasbourg.

CONCILIATION

24. The Conciliation Committee met on 18 June 1984 and reached agreement on the new ERDF Regulation.

OTHER MATTERS

25. Mr Delors, Minister for Economic Affairs, Finance and the Budget, took part in a meeting of the Temporary Special Committee on European Economic Recovery which was held in Paris on 25 January 1984.

Questions

26. During 1984 the Council answered 102 questions raised at Question Time.

It also received 242 written questions, and 13 oral questions with or without debate were raised during the same period.

Information procedures

27. On 27 November 1984 Mr Barry informed the appropriate committees of the European Parliament of the substance of the Third ACP-EEC Convention.

C — INSTITUTIONAL AFFAIRS

Passport union

28. On 8 June 1984 the Council and the Representatives of the Governments of the Member States of the European Communities meeting within the Council adopted a resolution on the easing of frontier checks.

Special rights of citizens

29. The Council continued its study of the proposal for a Directive on the right of abode of nationals of the Member States on the territory of another Member State.

Acts of particular importance — Acts of Accession

30. At its meeting on 20 and 21 February 1984 the Council reached a political agreement on a series of texts concerning future relations between Greenland and the European Communities. These provide, in particular, for the inclusion of Greenland in the overseas countries and territories associated with the Community, with special provisions relating to imports into the Community of fishery products from Greenland and access to those Greenland fishing zones which are open to the Community.

Following this agreement, on 27 February 1984 the Council delivered a favourable opinion to the Conference of the Representatives of the Governments of the Member States with a view to the adoption, by general agreement, of the necessary amendments concerning Greenland to the Treaties establishing the European Communities, and at the same time it decided to sign a Fisheries Agreement between the EEC and the Government of Denmark and the local Government of Greenland, together with a Protocol between the same parties on the conditions relating to fisheries.

At a conference in Brussels on 13 March 1984 the Representatives of the Member States signed the Treaty amending, with regard to Greenland, the Treaties establishing the European Communities, which was subsequently submitted for ratification by the Member States in accordance with their respective constitutions. On the same date the Fisheries Agreement and the Protocol on conditions relating to fisheries were signed on behalf of the Community, the Government of Denmark and the local Government of Greenland.

In a letter dated 13 March 1984 the Council informed the European Parliament how it intended to implement point 2.3.7 of the Solemn Declaration on European Union.

Conciliation Procedure

31. Following the proposals of the Commission and in the light of the Resolution of the European Parliament and the Solemn Declaration on European Union, at its meeting of 18 June 1984 the Council held an exchange of views on the conciliation procedure.

D — COURT OF JUSTICE

Matters concerning the operation of the Court

32. The following changes were made during 1984 to the composition of the Court:

- (i) resignation of Advocate-General Mr G. Reischl, replaced by Mr Carl Otto Lenz from 11 January 1984 to 6 October 1985 inclusive;
- (ii) resignation of the President, Mr J. Mertens de Wilmars, replaced as a Judge by Mr René Joliet from 10 April 1984 to 6 October 1985 inclusive;
- (iii) resignation of Advocate-General Mrs Simone Rozès, replaced by Mr Marco Darmon from 13 February 1984 to 6 October 1988 inclusive;
- (iv) resignation of Mr Aindrias O'Caomh, Judge, replaced by Mr Thomas Francis O'Higgins from 16 January 1985 to 6 October 1985 inclusive (Decision of the Conference of the Representatives of the Governments of the Member States of 17 December 1984).

Cases brought before the Court

33. During 1984 the Council appeared before the Court in 21 cases.

In three cases, private firms established in the Community brought proceedings against the Council under Article 173 of the EEC Treaty. In two other cases private firms brought cases against the Council and the Commission on similar grounds.

In addition, two private companies and two natural persons brought proceedings against the Council and the Commission under Article 215 of the EEC Treaty.

In seven cases officials brought proceedings against the Council. In five of these the proceedings were brought against both the Council and the Commission.

The Council was involved in four cases relating to requests for a preliminary ruling within the meaning of Article 177 of the EEC Treaty.

In addition, a private individual brought a case against the Council under Article 175 of the EEC Treaty with a view to establishing that the general principles of law and the rules laid down for the safeguard of human rights, including the principles that criminal law may not be retroactive, that citizens are equal before the law and that no one may be removed from the jurisdiction of his lawful judge, form an integral part of Community law.

E — ECONOMIC AND SOCIAL COMMITTEE

34. During 1984 the President-in-Office of the Council twice attended plenary sessions of the Committee.

On 26 January 1984 Mrs Lalumière, Under-Secretary of State attached to the Minister for Economic Affairs, Finance and the Budget with responsibility for Consumer Affairs, presented the programme of the French Presidency.

Mr Dukes, Irish Minister for Finance, made a statement at the session of the Committee on 22 November 1984.

In addition the Irish Minister for Industry, Mr Bruton, took part in the Conference on new technologies organized by the Economic and Social Committee on 6 and 7 November 1984.

On 24 October 1984 the Economic and Social Committee elected its Chairman and Bureau for the second two-year period. The mandate of the Committee in its entirety will end on 20 September 1986.

F — CONVENTIONS AND COMMON RULES

Convention on the law applicable to contractual obligations

35. On 10 April 1984 the Representatives of the Governments of the Member States, meeting in a Conference on the occasion of the session of the Council of Ministers for Foreign Affairs, signed the Convention on the Accession of the Hellenic Republic to the Rome Convention on the Law applicable to Contractual Obligations. The entry into force of the Convention of Accession was subject to the entry into force of the Rome Convention, which depended on ratification by at least seven Member States. The Convention of Accession itself had to be ratified by the Hellenic Republic and seven other Member States which had ratified the Rome Convention.

The Rome Convention, which was opened for signature in Rome on 19 June 1980, was signed by nine Member States (Belgium, Denmark, Germany, France, Ireland, Italy, Luxembourg, the Netherlands, and the United Kingdom). It has been ratified by France, and in the other contracting States the national ratification procedures are in hand. Denmark, Belgium and Italy should, in principle, be in a position to ratify this Convention in the course of 1985.

Common rules for the protection of the financial interests of the European Communities

36. On the basis of an overall solution on the content of the draft regulations on the protection of the financial interests of the Communities through the power to impose sanctions, the Council's subordinate bodies continued their examination of a number of remaining reservations on the overall solution and on the question of the legal form of the instrument.

Convention of 27 September 1968 on jurisdiction and the enforcement of judgements in civil and commercial matters

CONVENTION ON THE ACCESSION OF DENMARK, IRELAND AND THE UNITED KINGDOM TO THE BRUSSELS CONVENTION

37. France and Germany ratified the Convention of Accession of Denmark, Ireland and the United Kingdom to the Brussels Convention on 27 February and 7 March 1984 respectively.

CONVENTION OF ACCESSION OF THE HELLENIC REPUBLIC
TO THE BRUSSELS CONVENTION

38. The Convention of Accession of the Hellenic Republic to the Brussels Convention was ratified by France on 27 February 1984.

POSSIBILITY OF NEGOTIATIONS WITH THE EFTA COUNTRIES ON A
CONVENTION ANALOGOUS WITH THE BRUSSELS CONVENTION OF 1968

39. The Representatives of the Governments of the Member States agreed to create an *ad hoc* group of government experts under the auspices of the Council with a view to starting work on a Convention between the Member States of the European Communities and the EFTA countries which would be complementary to the Brussels Convention.

Law of the Sea

40. The Community took part as an observer in the second meeting of the Preparatory Commission for the International Sea-Bed Authority and the International Tribunal for the Law of the Sea, which was held in two parts, in Kingston from 19 March to 13 April and in Geneva from 13 August to 5 September 1984 respectively.

The Community presented contributions to the work, in particular with regard to the question of its status in the organs of the Authority and the Tribunal.

41. On 7 December 1984 the Community signed the United Nations Convention on the Law of the Sea. This made it a member of the Preparatory Commission, and it will take part in future meetings of this body with the right to vote.

The deadline for signing the Convention was 9 December 1984. Fifteen States which were present at the Third United Nations Conference on the Law of the Sea, viz. Albania, Ecuador, the Federal Republic of Germany, the Holy See, Israel, Jordan, Kiribati, Peru, San Marino, Syria, Tonga, Turkey, the United Kingdom, the United States and Venezuela, have not signed this Convention.

Chapter II: Freedom of movement and common rules

A — FREE MOVEMENT OF GOODS — CUSTOMS UNION — RULES OF COMPETITION — INDUSTRIAL POLICY AND APPROXIMATION OF LEGISLATION — IRON AND STEEL INDUSTRY

Customs union and industrial affairs

42. During 1984 the Council continued its efforts to reinforce the internal market of the Community. In this connection it should be noted that the Council held three meetings, on 8 March, 9 October and 18 December, devoted primarily to technical harmonization and standardization and to simplifying formalities affecting trade within the Community.

43. In addition specific measures, in particular in high-technology fields, were adopted with a view to strengthening the competitiveness of Community industry.

CUSTOMS UNION

Common Customs Tariff

44. In 1984 the Council adopted one Regulation amending the Common Customs Tariff, 10 Regulations temporarily suspending the autonomous duties of this tariff and 37 Regulations opening or increasing Community quotas for certain products or amending these Regulations.

45. On 31 January 1984 the Council adopted a Regulation on the classification of the goods under subheading 17.01 H of the Common Customs Tariff and also a Regulation amending Regulation (EEC) No 2779/78 on the procedure for applying the ECU to legal acts adopted in the customs sphere.

International conventions on customs matters

46. On 10 April 1984 the Council adopted a Regulation concerning the conclusion of the International Convention on the Harmonization of Frontier Controls of Goods.¹

Harmonization of customs legislation

47. On 15 May 1984 the Council adopted a Resolution on the computerization of administrative procedures in intra-Community trade.² This constitutes the starting point for an operation of some importance for the future of trade within the Community, since there is also a medium-term objective of harmonizing the exchange of data and gradually linking up the computers used for the administrative procedures in intra-Community trade. The aim is to facilitate this trade and at the same time to strengthen measures to combat fraud.

48. On 4 June 1984 the Council adopted a Regulation supplementing the Annex to Regulation (EEC) No 3/84 introducing arrangements for movement within the Community of goods sent from one Member State for temporary use in one or more other Member States.³ This Regulation extends the arrangements established in December 1983 to a wide range of commercial samples, which may now move within the Community under the Community movement carnet.

49. On 16 July 1984 the Council adopted a Regulation amending Regulation (EEC) No 97/69 on measures to be taken for uniform application of the nomenclature of the Common Customs Tariff.⁴

50. On 23 July 1984 the Council adopted a Regulation on the customs territory of the Community⁵ which replaces Regulation (EEC) No 1496/68 and

¹ OJ L 126, 12.5.1984.

² OJ C 137, 24.5.1984.

³ OJ L 151, 7.6.1984.

⁴ OJ L 191, 19.7.1984.

⁵ OJ L 197, 27.7.1984.

defines more precisely the field of application of the customs union in that it specifies in particular that this covers the territorial seas and the airspace of the Member States.

INDUSTRIAL AFFAIRS

Elimination of technical barriers to trade

51. On 17 September 1984 the Council adopted 15 Directives concerning the elimination of technical barriers to trade.¹

These Directives constitute an important step towards achieving a genuine single market for all the sectors concerned. They enable producers to make full use of the opportunities offered by the Community's size, while at the same time contributing to consumer protection.

These 15 Directives bring the number of Directives on harmonization adopted by the Council to a total of 176 and cover a broad range of industrial products, namely:

Pressure vessels

- (i) seamless steel gas cylinders;
- (ii) seamless unalloyed aluminium and aluminium alloy gas cylinders;
- (iii) welded unalloyed steel gas cylinders.

Lifting and mechanical-handling appliances

- (i) common provisions for lifting and mechanical-handling appliances;
- (ii) electrically operated lifts.

Appliances using gaseous fuels

- (i) common provisions for appliances using gaseous fuels;
- (ii) appliances for instantaneous production of hot water for sanitary purposes.

¹ OJ L 300, 19.11.1984.

Construction plant and equipment

- (i) common provisions for construction plant and equipment;
- (ii) permissible sound power level of compressors;
- (iii) permissible sound power level of tower cranes;
- (iv) permissible sound power level of welding generators;
- (v) permissible sound power level of power generators;
- (vi) permissible sound power level of powered hand-held concrete breakers and picks.

Lawnmowers

- (i) permissible sound power level of lawnmowers.

Electrical equipment

- (i) Electrical equipment used in human or veterinary medicine.

52. In the field of table crockery and kitchen utensils, on 15 October 1984 the Council adopted a Directive on the approximation of the laws of the Member States relating to ceramic objects intended to come into contact with foodstuffs.¹

This Directive lays down the limit values for the quantities of lead and cadmium which can be transferred from these ceramic articles and also common testing and analysis methods for determining the presence of these metals.

It also provides that at the end of a three-year period the Commission, on the basis of toxicological and technical data, shall reexamine the limits laid down and, if appropriate, propose amendments.

In addition, three amendments were made to previous Directives during 1984.

53. In the field of measuring instruments, on 18 December 1984 the Council adopted two Directives, one amending Directive 75/106/EEC on the making up by volume of certain prepackaged liquids,² and the other amending Directive 80/181/EEC relating to units of measurement.³

¹ OJ L 277, 20.10.1984.

² OJ L 4, 5.1.1985.

³ OJ L 2, 3.1.1985.

The aim of the first Directive is to extend the range of permitted volumes for still wines, in order to take account of trends in consumption habits, while moving towards the total harmonization of the ranges of nominal volumes for the products of the wine sector.

The second makes amendments which take account of the decisions of international organizations on this matter.

In the field of standardization the Council adopted the following conclusions and guidelines:

The Council believes that standardization goes a long way towards ensuring that industrial products can be marketed freely and also towards creating a standard technical environment for firms in all countries, which improves competitiveness not only on the Community market but also on external markets, especially in new technologies.

It recognizes that the objectives being pursued by the Member States to protect the safety and health of their people as well as the consumer are equally valid in principle, even if different techniques are used to achieve them.

Accordingly, the Council adopts the following principles for a European standardization policy

- (i) agreement by the Member States to keep a constant check on the technical regulations which are applied – whether *de jure* or *de facto* – on their territory, so as to withdraw those which are obsolete or unnecessary;
- (ii) agreement by the Member States to ensure the mutual recognition of the results of tests and the establishment, where necessary, of harmonized rules as regards the operation of certification bodies;
- (iii) agreement to early Community consultation at an appropriate level, in accordance with the objectives of Directive 189/83/EEC, where major national regulatory initiatives or procedures could have adverse repercussions on the operation of the internal market;
- (iv) extension of the Community practice in matters of technical harmonization of entrusting the task of defining the technical characteristics of products to standards, preferably European but if necessary national, where the conditions necessary for this purpose, particularly as regards health protection and safety, are fulfilled;
- (v) a very rapid strengthening of the capacity to standardize, preferably at European level, with a view to facilitating on the one hand harmonization of legislation by the Community and on the other industrial development, particularly in the field of new technologies, since this could in specific circumstances involve the Community in introducing new procedures to improve the drawing up of standards (e.g. standardization bureaux and *ad hoc* committees). The adoption of European standards would be subject to the approval of the European standardization bodies.

In high-technology sectors in particular, subjects should be identified where common specifications and standards will make for efficient exploitation of the Community dimension and the opening of public works and supply contracts, so that the decisions required in this connection may be taken.'

SECTORAL PROJECTS

Telecommunications

54. On 12 November 1984 the Council adopted two recommendations in the field of telecommunications.¹ These stress the decisive role of the telecommunications sector in strengthening the Community's industrial base and increasing the competitiveness of Community business.

55. Under the first recommendation, aimed at harmonization in the field of telecommunications, the Council invites the Governments of the Member States to ensure that:

- (a) the telecommunications administrations
 - (i) consult each other, preferably in the framework of CEPT, before they introduce any new service, notably between Member States, with a view to establishing common guidelines so that the necessary innovation takes place under conditions compatible with harmonization;
 - (ii) ensure that all new services that are introduced from 1985 onwards are introduced on the basis of a common harmonized approach, notably with regard to services between Member States, so that compatible services are offered throughout Europe, taking into account the progress of work in CEPT, CEN/Cenelec, CCITT and ISO;
 - (iii) from 1986 onwards, when they order digital transmission and switching systems that are designed for progressive integration of services, do so taking full account of recognized standards in the Community,
- (b) the Commission is regularly informed of the progress of work, which it will examine periodically with the Senior Officials Group on Telecommunications set up by the Council on 4 November 1983.

¹ OJ L 298. 16.11.1984.

56. Under the second recommendation, on the first phase of opening up access to public telecommunication contracts, the Council exhorts the Governments of the Member States to ensure that the telecommunications administrations provide opportunities for undertakings established in the other Community countries, following their usual procedures and on a non-discriminatory basis, to tender for:

- (a) all new telematics terminals and all conventional terminals for which there are common type-approval specifications;
- (b) their contracts for switching and transmission apparatus and conventional terminal apparatus for which there are no common type-approval specifications for at least 10% in value of their annual orders.

As from the end of 1984, the Governments of the Member States are also invited to report to the Commission at the end of each six-month period on the measures taken by the telecommunications administrations to implement this policy, their practical effects, the problems encountered and any further action needed. These data will be examined jointly with the Senior Officials Group on Telecommunications set up by the Council on 4 November 1983.

57. In addition, on the initiative of the Commission, at its meeting on 17 December 1984 the Council agreed that work in this field should be continued on the basis of the following principle objectives:

- (a) creation of a Community market for terminals and telecommunication apparatus via:
 - (i) a standardization policy aimed at the effective implementation in the Community of common standards derived from international standards;
 - (ii) the progressive application of procedures for the mutual recognition of conformance in terminals;
- (b) improving the development of advanced telecommunication services and networks:

by opening discussions, based on the available studies, on:

- (i) the implementation of infrastructure projects of common interest,
- (ii) launching a development programme for the technology required in the long term for the implementation of future wide-band networks;

by defining and progressively setting up a video-communications system to link the various political authorities in the Community;

- (a) improved access for less-favoured regions of the Community, through the appropriate use of Community financial instruments, to the benefits of the development of advanced services and networks;
- (b) coordination of negotiating positions within the international organizations dealing with telecommunications, based on discussions carried out jointly with the Senior Officials Group on Telecommunications.

Data processing

58. At its meeting on 9 and 10 April the Council decided to extend for two years, from 15 April 1984, the second part of the multiannual programme in the field of data-processing adopted in 1979. The promotion measures to be taken under this part of the programme cover the software and applications sector, with priority for ADA and new technological developments in the application of distributed data-base techniques in connection with trans-national information systems, and projects of special technological or industrial interest. A sum of 15 million ECU was allocated for the measures involved in the extension of this second part of the data-processing programme.

On 22 November the Council decided to extend the resources for and the duration of the first part of the 1979-83 data-processing programme.

The main aim of this extension is to assist the development of standardization in the field of data processing. It also provides for other general measures relating to public procurement, data security and confidentiality and protection of software.

Some very specific special measures regarding fundamental research on data processing are also envisaged.

The duration of this new programme is two years for the various measures, except for certain activities connected with standardization which are to be completed by 31 December 1985, thereafter being continued in the context of a specific policy for the standardization of data-processing techniques.

The appropriations necessary for completing this programme are estimated at 11 million ECU.

Shipbuilding

59. The Council adopted a Directive¹ extending until 31 December 1986 the fifth Directive on aid to shipbuilding which provides for a Community system of control of government aid to this sector.

Steel industry

60. In 1984 the Council gave particular attention to developments in the steel sector.

61. With regard to the system of monitoring and production quotas, in July 1983, in accordance with Article 58 of the ECSC Treaty, the Council had undertaken to take a decision by 31 January 1984 on the Commission's proposal to maintain this system until the end of 1985.

On 26 January 1984 the Council discussed in depth the prospects for production and demand in the steel sector up to 1986 and the implementation of the restructuring measures. Noting the concern expressed by several Member States, it then gave the Commission its assent to maintaining the quota system until 31 December 1985.²

In addition, on 24 July 1984 the Council gave its assent³ to an amendment to the Decision governing the quota system, so as to allow the production quotas to be increased where there is a single undertaking in a Member State in order to ensure its viability.

Lastly, on 17 December 1984 the Council discussed a further draft amendment to this Decision concerning the procedures for granting supplements to quotas, to which the Commission had requested its assent. However, the Council was unable to reach a consensus and deferred its decision until a later meeting.

62. With regard to the anti-crisis measures, developments in the situation in the steel market led the Commission to recommend certain amendments to these measures, for which it requested the Council's assent.

¹ OJ L 2, 3.1.1985.

² OJ C 13, 11.2.1984.

³ OJ C 207, 7.8.1984.

Accordingly, the Council gave its assent as follows:

- (i) on 9 April 1984¹ to the amendment to Annex I to the Decision on a production certificate and an accompanying document for deliveries;
- (ii) on 29 June 1984² to the extension until 31 December 1985 of the period of application of the recommendation on the obligation of steel dealers to publish their price lists and conditions of sale;
- (iii) on 22 November 1984³ to a further amendment to the Decision on the production certificate so as to clarify certain provisions of this act.

In addition, on 17 September 1984 the Council granted a consultation on an increase as from 1 October 1984 in the minimum prices for certain categories of sheet and strip.

63. With regard to restructuring and aid, on 22 November and 17 December 1984 the Council examined in detail the communication from the Commission on the restructuring of the Community iron and steel industry and its draft amendment to the aids code to extend until 31 December 1985 the payment of aids for continued operation and to fix new deadlines for the notification and authorization of projects for additional aid.

The Council noted that progress had been made during the discussion concerning the amendment to the timetable for granting the operating aids authorized by the Commission on 29 June 1983 and that no request had been made for the aids code to be extended beyond 31 December 1985, but that agreement could not be reached on all aspects of the matter. Consequently, the Council would return to these subjects at a forthcoming meeting with a view to taking the decisions which the situation required.

In addition, the Council took note that before the end of July 1985 at the latest the Commission would put forward two communications, one setting out the precautions to be taken regarding general aids schemes which could also apply to the steel sector after the expiry of the aids code, and the other setting out its analysis of the problems likely to arise on the steel market during 1986.

64. In 1984 the Council gave its attention to the situation in the scrap market and in particular the question of scrap exports to non-member countries.

¹ OJ C 110, 25.4.1984.

² OJ C 186, 13.7.1984.

³ OJ C 325, 6.12.1984.

On 26 January 1984, after a wide-ranging exchange of views on the market situation on the basis of a communication from the Commission, the Council agreed to subject scrap exports to non-member countries to stringent monitoring. It took note of the Commission's intention to continue its study of trends in the scrap market and their effects and to put forward its conclusions some time in March.

On 22 November 1984 the Council heard a statement expressing the concern of three Member States regarding the rise in scrap prices and increasing supply problems and took note of the guidelines which the Commission proposed to follow in evaluating the situation regarding exports to non-member countries.

On 17 December 1984 the Council took note of the Commission's intention to forward in time for the next meeting a report on the situation in the first quarter of 1985, drawn up in accordance with the guidelines previously communicated, together, if necessary, with a proposal on the measures to be taken.

65. With regard to social measures, the Council continued its work on the Commission's proposal regarding the financing of a second programme of temporary aid measures for iron and steel workers affected by the restructuring of the iron and steel industry, which the Commission had submitted in 1983.

After an initial debate on 26 January 1984, following which certain technical questions still remained outstanding, on 23 July 1984 the Council reached agreement in principle on an exceptional contribution of 62.5 million ECU from the general budget of the European Communities for 1984 to the ECSC budget.

On 22 October 1984, when the last technical points had been cleared up regarding the programmes to be financed in connection with the social measures referred to above, the Council formally adopted the Decision relating to the transfer of this amount.¹

This contribution enables the ECSC to co-finance the payments made to workers in the iron and steel industry in respect of early retirement, partial unemployment and reintegration.

66. Lastly, during 1984 the Council gave its assent to the following measures:

(a) under Article 54, 2nd paragraph, of the ECSC Treaty:

¹ OJ L 291, 8.11.1984.

- (i) for granting a global loan to Deutsche Bank AG.¹
 - (ii) for granting a global loan to Westdeutsche Landesbank Girozentrale (West LB):¹
- (b) under Article 55 (2) (c) of the ECSC Treaty:
- (i) with a view to obtaining financial aid for the implementation of an iron and steel research programme.²
 - (ii) with a view to obtaining financial aid for the implementation and execution of a programme of steel pilot/demonstration projects.³

B — RIGHT OF ESTABLISHMENT AND FREEDOM TO PROVIDE SERVICES

Financial institutions

WORK IN PROGRESS

Undertakings for collective investment in transferable securities

67. The aim of the proposal for a Directive is to coordinate national provisions governing undertakings for collective investment in transferable securities in order to facilitate movements of capital within the Community. A number of fundamental difficulties concerning in particular the scope of the Directive were overcome in 1984. The Economic and Financial Affairs Council instructed its subordinate bodies to draw up an overall solution on which it could take a decision in the first half of 1985.

Annual accounts of banks

68. The Council's subordinate bodies concluded their first reading and started their second reading of this proposal for a Directive, the aim of which is to supplement the Fourth⁴ and Seventh⁵ Directives on company law and to extend the

¹ OJ C 59 1.3.1984.

² OJ C 204, 3.8.1984.

³ OJ C 82, 23.3.1984.

⁴ OJ L 222, 14.8.1978.

⁵ OJ L 193, 18.7.1983.

accountancy provisions to the financial institutions sector. A large number of questions of a technical nature are still being studied.

Liberal and craft professions

WORK IN PROGRESS

Pharmacists

69. The Council continued its work on this matter and resolved all the remaining problems, except the question of how the Directive is to apply to new pharmacies.

Architects

70. The Council's subordinate bodies recently resumed their work on this matter and will continue it in 1985. The main problems outstanding concern the German 'Fachhochschulen' and the salaries of civil engineers in the field of construction.

Commercial agents

71. Many efforts were made by Coreper and the Council (including an offer of its good offices by the Presidency) to break out of the impasse reached on this proposal because of the general reservation of one delegation. These efforts will be continued in 1985.

Insurance

DIRECTIVE ADOPTED

Tourist assistance

72. On 10 December 1984 the Council adopted a Directive amending, particularly as regards tourist assistance, the first Directive on insurance other than life assurance.¹

¹ OJ L 339, 27.12.1984.

The aim of this Directive is to harmonize the conditions governing the taking up and pursuit of the business of tourist assistance. These conditions will be the same as those which apply to non-life insurance activities. For this reason the Directive is an amendment of Directive 73/239/EEC on the coordination of the provisions relating to the taking up and pursuit of the business of direct insurance other than life assurance.

By making tourist assistance subject to the financial requirements and the supervision provided for by this Directive, the financial stability of the undertakings is ensured and the level of protection for persons taking out assistance contracts is guaranteed and uniform throughout the Community. This harmonization makes it possible at the same time to eliminate barriers to the right of establishment in this field.

WORK IN PROGRESS

Directive on insurance other than life assurance

73. The Council's subordinate bodies continued work on the proposal for a Directive to facilitate the provision of services in respect of non-life insurance, concentrating their efforts in particular on a 'compromise area' comprising a number of fundamental problems. Proposals to resolve these problems were submitted to the Council on 4 June and 10 December 1984. Efforts to reach agreement on these matters and on the other outstanding problems will continue at a steady pace under the next Presidency.

Directive on insurance contracts

74. The Working Party on economic questions continued its examination of the proposal for a Directive on insurance contracts.

Swiss agreement

75. Following the negotiations begun in 1974, the Commission initialled a draft agreement with the Swiss Confederation concerning direct insurance other than life assurance and forwarded to the Council a proposal for a Decision con-

cerning the concluding of this agreement, together with a proposal for a Directive on its implementation. The Permanent Representatives Committee agreed that the entire subject would be discussed both from the technical point of view – in particular in relation to the First Directive on insurance other than life assurance – and from the point of view of the Community's relations with an EFTA country.

Company law

76. The Council, recognizing the importance of company law for the operation of the internal market in general and for the investment climate and transborder cooperation in particular, intensified its work in this field.

DIRECTIVES ADOPTED

Statutory audit of accounts

77. At its 924th meeting on 10 April 1984, the Council adopted the Eighth Directive,¹ which lays down the level of qualifications required for accountants entitled to carry out the statutory audit required under the Fourth and Seventh Directives on company law.

Revision of amounts expressed in ECU

78. On 27 November 1984 the Council adopted a Directive² revising the amounts expressed in ECU in the Fourth Directive (78/660/EEC) on the annual accounts of certain forms of companies.

The aim of this amendment, which takes account of economic and monetary developments in the Community during the five years since the adoption of the Fourth Directive, is to preserve the scope of the exemptions for small and medium-sized businesses.

¹ OJ L 126, 12.5.1984.

² OJ L 314, 4.12.1984.

WORK IN PROGRESS

European economic interest grouping (EEIG)

79. The amended proposal for a Council Regulation on the institution of a European cooperation grouping raises specific problems because of the novelty of an instrument of this kind providing for cooperation between companies which, if adopted, should prove particularly useful to small and medium-sized businesses. Every effort is being made to enable this Regulation to be adopted some time in 1985.

Structure of public limited-liability companies

80. Work continued on examining the amended proposal for a Fifth Council Directive on the structure of public limited-liability companies and the powers and obligations of their governing bodies. This Directive will complete the basic provisions on the coordination of company law. It aims at introducing at the same time a minimum of worker participation in the decision-making process in public limited-liability companies.

Bankruptcy Convention

81. Work continued on the draft Convention on bankruptcy, legal settlements and similar procedures. This Convention is intended to supplement the Convention on Jurisdiction and the Enforcement of Judgements in Civil and Commercial Matters.¹ However, it presents numerous legal difficulties and it is not certain at this stage that all the Member States will be prepared to sign and ratify this Convention.

Tourism

82. On 10 April 1984 the Council adopted a Resolution concerning a Community policy on tourism.²

¹ OJ C 97, 11.4.1983.

² OJ C 115, 30.4.1984.

In July 1982 the Commission had sent the Council a communication containing initial guidelines for a Community policy in this field.

Having taken note of the opinions of Parliament and of the Economic and Social Committee and after examining this communication the Council:

- (i) recognized that tourism can help to promote a harmonious development of economic activities throughout the Community and an expansion of closer relations between the Member States;
- (ii) welcomed the Commission's initiative and took note of the initial guidelines for a Community policy on tourism set out in its communication;
- (iii) emphasized the need for the tourism dimension to be taken more fully into consideration in the Community's decision-making process and the need for consultation between the Member States and the Commission on matters relating to tourism;
- (iv) invited the Commission to present proposals in the field of tourism, based in particular on consultations with the Member States and respecting the peculiarities of the national policies and the international commitments of the Member States.

C — INTELLECTUAL PROPERTY

Patent law

83. The Interim Committee for the Community Patent held its tenth meeting on 18 May 1984. During this meeting it discussed in particular the major legal and political problems raised by the preliminary draft protocol on the settling of disputes concerning infringements and the validity of Community patents, with a view to giving its Working Party on Infringements the guidelines it needed for its future work.

84. The Working Party on Infringements continued its work on drawing up the preliminary draft protocol referred to above. The international non-governmental organizations concerned were consulted on this preliminary draft. The protocol is to be finalized by the Interim Committee in June 1985 with a view to its formal conclusion at the end of 1985, i.e. ten years after the signing of the Luxembourg Convention.

85. The negotiations on patents in connection with the negotiations for the accession of Spain to the European Communities were concluded. The agreement

which was reached concerns the conditions under which Spain will make its patent law compatible with the principles of free movement of goods within the Community, and also the procedures for the accession of Spain to the Munich Convention on the European Patent and to the Luxembourg Convention on the Community Patent.

86. In the course of the negotiations for the accession of Portugal to the European Communities both parties defined their positions on patents, with a view to reaching an agreement at a later date.

Trade-mark law

87. The Working Party on Intellectual Property (trade-marks) completed its first reading of the proposal for a Regulation on the Community trade-mark. The Commission having put forward an amended proposal, the group started its examination of this.

88. In addition, in this Working Party the Member States and the Commission coordinated their positions on the question of a committee of experts to be set up by WIPO which would have the task of studying the possibility of a link between the Madrid Arrangement for the International Registration of Trade-marks and the Community trade-mark.

Paris Convention for the Protection of Industrial Property

89. At the fourth session of the diplomatic conference for the revision of the Paris Convention, which was held in Geneva from 27 February to 23 March 1984, the Member States of the Community and the Commission coordinated their positions in accordance with the usual procedures. This coordination covered in particular the definitions of patent and inventor's certificate, sanctions for failure to exploit a patent, and the protection of geographical designations.

90. The Member States and the Commission also coordinated their positions at the fifteenth series of meetings of the governing bodies of the WIPO in Geneva from 24 to 28 September. This coordination concerned a procedure for consultation between the participants in the revision conference with a view to preparing the fifth session of this conference.

Copyright and related rights

MEASURES AGAINST AUDIO-VISUAL PIRATING

91. On 24 July 1984 the Representatives of the Governments of the Member States adopted a resolution concerning measures against audio-visual pirating. The relevant subordinate bodies of the Council started work with a view to implementing this resolution.

PRIVATE COPYING

92. Representatives of the Governments of the Member States began discussions on harmonized arrangements concerning the reproduction by private individuals for their private use of works protected by copyright (the 'private copy' problem), pending presentation by the Commission of a "green paper" on the subject of copyright.

D — HARMONIZATION OF LEGISLATION IN THE FIELD OF CIVIL AND COMMERCIAL LAW

Liability for defective products

93. The Council and the Permanent Representatives Committee continued their examination of the amended proposal for a Directive on the approximation of the legislation, regulations and administrative provisions of the Member States regarding liability for defective products.

Chapter III: Economic and social policy

A — ECONOMIC, FINANCIAL AND FISCAL QUESTIONS AND EXPORT CREDITS

Economic and financial questions

COORDINATION OF THE ECONOMIC POLICIES OF THE MEMBER STATES

94. There was an upturn in the Community's economy in 1984. After some years of stagnation, gross domestic product increased by 2.4% in real terms. The rate of inflation continued to fall, the current balance of payments was brought into equilibrium and government deficits, while remaining high, were reduced. On the other hand, unemployment continued to increase, rising to approximately 11% of the active population.

The past year was notable in particular for better convergence of economic performances in the Community. This was particularly true with regard to inflation and balances of payments on current account.

95. In accordance with the Decision of 18 February 1974 on the attainment of a high degree of convergence between the economic policies of the Member States,¹ the Council regularly assessed the economic situation and coordinated the economic and monetary policy measures proposed by the Member States.

¹ OJ L 63 of 5.3.1974.

Three meetings were devoted to reviewing the economic situation in the Community. On the occasion of the first review, on 12 March 1984, the Council noted that there was no need to adjust the economic policy guidelines for 1984 which had been adopted by the Council on 12 December 1983.¹

On the occasion of the second review, on 9 July 1984, the Council concentrated on the budget policy of the Member States and the quantitative guidelines for the national budgets for 1985. On the occasion of the third review, on 10 December 1984, the Council adopted the annual report on the economic situation in the Community.²

EUROPEAN MONETARY SYSTEM

96. On the occasion of the fifth anniversary of the EMS, in March 1984, the Council took stock of monetary cooperation in the Community. The Council noted with satisfaction that the essential objective of the EMS, namely the establishment of closer monetary cooperation to produce a zone of stability in Europe, had been achieved. Variations in exchange rates had been considerably reduced, harmonization and coordination of monetary policies had increased, and there had been considerable progress on convergence between the economic situations in the different countries. The Council was unanimous in considering the EMS to be a valuable asset which should be maintained and strengthened.

97. In 1984 exchange rates within the EMS remained stable and calm. There has been no realignment of parities within the EMS since March 1983, and the convergence of monetary policies within the system has gained in substance.

98. In accordance with the resolution of 5 December 1978 establishing the EMS, on 15 September 1984 the Council decided to revise the composition of the ECU. This revision was carried out in the light of underlying economic criteria. At the same time, at the request of Greek Government, the drachma was incorporated in the ECU, pursuant to the provisions of the Treaty of Accession of the Hellenic Republic.

The amounts of the national currencies of the Member States were fixed as follows:³

¹ OJ L 378 of 31.12.1983.

² OJ L 45 of 14.2.1985.

³ OJ L 247, 16.9.1984.

National currencies	Amounts	Weightings (15.9.1984)
DM	0.719	32.0
FF	1.31	19.0
UKL	0.0878	15.0
LIT	140.0	10.2
HFL	0.256	10.1
BFR	3.71	8.2
DKR	0.219	2.7
DR	1.15	1.3
IRL	0.00871	1.2
LFR	0.14	0.3

99. In order to maintain the intervention and credit mechanisms of the EMS, the Council decided to extend the machinery for medium-term financial assistance. The validity of this arrangement was extended for a further two years, to 31 December 1986.¹

100. At its December meeting the Council received a communication from the Commission on strengthening the European Monetary System. After discussing the matter the Council considered that a further strengthening of the EMS was a matter of high priority and noted that there was a unanimous desire to make progress.

NEW COMMUNITY INSTRUMENT (NCI)

101. After renewing the Instrument in April 1983 (NCI III) and authorizing an initial tranche in June of the same year,² on 23 July 1984 the Council authorized a second tranche of borrowing and lending of 1 400 million ECU. The purpose of this tranche is to ensure continuity for NCI operations in support of investment projects concerned with energy and the infrastructure and the financing of investment, mainly that of small and medium-sized businesses, in industry and other productive sectors.³

102. The Council also discussed a Commission proposal for a special tranche of 100 million ECU under NCI III in support of innovation in small and

¹ OJ L 341, 29.12.1984.

² OJ L 112 of 28.4.1983; OJ L 164 of 23.6.1983.

³ OJ L 208 of 3.8.1984.

medium-sized businesses. This proposal provided for special procedures (a guarantee financed from the Community budget and a subsidy in the form of a moratorium on interest payments) designed to meet the needs of innovative businesses. The Council was unable to reach agreement on the Commission's proposal.

BUDGETARY DISCIPLINE

103. The European Council having asked the Council to take the necessary measures to guarantee effective application of the principles of budgetary discipline referred to in the conclusions of the European Councils which met in Brussels and Fontainebleau on 19 and 20 March and 25 and 26 June 1984, these measures were approved by the Council at its meeting in Dublin on 4 December 1984.

The text provides for the fixing of a reference framework for financing Community policies during a given year and lays down a mechanism for the expenditure relating to agricultural markets whereby this expenditure will increase by less than the rate of growth in the Community's own resources base. It is expected that these principles of budgetary discipline will be applied for the first time in 1985 when the Council exercises its powers with regard to expenditure in the financial year 1986, on the assumption that the budget will be drawn up on the basis of an increase in own resources during that year.

The Council invited the Commission and the European Parliament to join it in examining means of obtaining the necessary cooperation for a budgetary discipline common to all three institutions.

COMPENSATORY PAYMENTS TO THE UNITED KINGDOM FOR 1983

104. Following the conclusions of the Stuttgart European Council in June 1983, on 26 June 1984 the Council adopted three Regulations enabling compensatory payments to be made to the United Kingdom and Germany for 1983. These Regulations institute special measures of Community interest in the fields of employment, transport infrastructure and energy.¹

The appropriations set aside for these measures amount to 991 million ECU for the United Kingdom and 211 million ECU for Germany. These appropriations were entered in the 1984 budget.

¹ OJ L 177, 4.7.1984.

INTERNATIONAL ECONOMIC AND MONETARY PROBLEMS

105. The Council defined the Community's position on the main economic and monetary problems under discussion at international level. It thus did preparatory work for the meetings of the Interim Committee of the IMF and the Development Committee, the annual meeting of the IMF and the World Bank, the special meeting of the OECD Ministers and the Western Economic Summit in London from 7 to 9 June 1984.

OWN RESOURCES

Following the Fontainebleau European Council of 25 and 26 June 1984, the Commission put forward an amended proposal for a decision on the Communities' system of own resources to replace the decision of 21 April 1970. The Council has started work on examining this Commission proposal.

Tax harmonization

106. In 1984 the Council's work was devoted to extending the system of duty-free allowances for international travellers, removing tax barriers to cooperation in the Community between businesses from different Member States and improving the common VAT system.

107. With a view to simplifying border formalities, on 30 April 1984 the Council adopted a new Directive which, as from 1 July 1984, allows persons travelling within the Community a tax exemption on goods up to a maximum value of 280 ECU, with specific derogations for Denmark and Ireland and provision for an intermediate period for Greece, which will apply the 280 ECU limit as from 1 July 1985.

108. As part of its work on creating a true European industrial area the Council, whilst not coming to any positive conclusions, resumed its examination of a number of proposals for removing the tax obstacles to cooperation between firms established in different Member States, i.e. proposals for Directives on mergers, hive-offs and transfers of assets, common tax arrangements for parent and subsidiary companies, and the elimination of double taxation in connection with the adjustment of profits between associated companies.

109. As part of its work on improving the common VAT system, on 31 July 1984 the Council adopted the Tenth VAT Directive, on the application of VAT to the hiring out of movable tangible property. It did preparatory work for the adoption of the Seventeenth VAT Directive, on the temporary importation of goods other than means of transport, which was to be adopted at the beginning of 1985.

Credit insurance, credit guarantees and financial credit

110. In 1984 the main object of the Council's work was to establish the positions to be adopted by the Community at the meetings of the Parties to the Arrangement on Guidelines for Officially Supported Export Credits.

Following the major revision in 1983, this Arrangement did not undergo any amendments during the period under review. By its Decision of 23 October 1984 the Council extended the validity of the Arrangement in the Community until 15 April 1985.

The work of the Parties concerned in particular the implementation of certain provisions of the abovementioned revision, such as determining the reference interest rates which constitute the minimum interest rates at which finance can be granted in currencies with lower rates than the minimum Arrangement rates.

Furthermore, the operation from 1 January 1984 of the system of automatic adjustments to the minimum interest rates under the Arrangement was followed with particular interest. In July 1984 there was a substantial increase in these interest rates as a result of changes in the weighted average of the interest rates of the currencies constituting the SDRs.

In addition, with a view to improving clarity and discipline with regard to export credits, the Parties to the Arrangement concentrated their efforts on the credit terms applicable to certain sectors which at present are only partly covered by the Arrangement or remain completely outside it.

With regard to nuclear power stations, the work of the Parties culminated in the conclusion of a sectoral agreement which came into force on 10 August 1984. By its Decision of 24 July 1984 the Council adopted the text of this Agreement on behalf of the Community.¹

With regard to agricultural products, little progress was made owing to the refusal of the United States Government to negotiate an agreement.

Work was started recently with a view to concluding a sectoral agreement on aircraft. The Community is taking part in this work on the basis of a negotiating brief adopted by the Council on 10 December 1984.¹ On this same date the Council also agreed on a negotiating brief for the Community on tied aid credits.¹

¹ This Act of the Council was not published in the *Official Journal of the European Communities*.

With regard to the OECD Understanding on export credits for ships, it is possible that some its provisions may be revised, but so far no concrete conclusions have been reached. Accordingly, by its Decision of 24 January 1984 the Council extended the validity of the Decision of 28 April 1981, relating to the implementation of this Understanding by the Community, for an indefinite period.

111. Within the Community, as in the past there were consultations in accordance with Decision 73/39/EEC/1¹ on all transactions under consideration relating to a period exceeding five years. In addition, there were regular exchanges of views between the Member States on developments regarding risks in various purchaser countries.

Work continued on improving cooperation on export credits among the organizations responsible in the Member States. In connection with this the Council adopted a Directive on joint insurance.²

B — SOCIAL POLICY

General remarks

112. The problems of unemployment, the introduction of new technologies and the requisite social measures were the main concerns of the Council in 1984.

Accordingly the Council concentrated mainly on measures to combat unemployment, which was acknowledged to be the most intractable economic and social problem facing the Community. It gave priority to the strengthening over the next few years of measures to resolve this problem, which would have to be global measures, tackling the problem from both the economic and the social point of view. In view of the new industrial revolution, the Council considered it essential to adapt the system of production to technological development in order to foster a high level of competitiveness in the face of international competition while preserving the systems of social protection which are an important factor in the social cohesion of the Community countries. Dialogue between the two sides of industry at Community level was seen as a necessity for carrying out a Community social policy and Community industrial strategies.³

¹ OJ L 346, 17.12.1973.

² Council Directive concerning the reciprocal obligations of export credit insurance organizations of the Member States acting on behalf of the State or with its support, or of public departments acting in place of such organizations, in the case of joint guarantees for a contract involving one or more subcontracts in one or more Member States of the European Communities, published in OJ L 314, 4.12.1984.

³ OJ C 175, 4.7.1984.

In this context, in June 1984 the Council adopted conclusions on technological change and social adjustment and a medium-term social action programme.

At the same time, also on the subject of employment, the Council gave particular attention to the contribution made by local employment initiatives, measures to combat long-term unemployment and combating unemployment amongst women.

In addition, through the third programme of action to combat poverty and also in part through the resolution on combating long-term unemployment, at the end of the year emphasis was laid on measures to relieve the distress faced by a great number of individuals in the Community.

Nevertheless, there was no slackening of efforts to improve working conditions, and work continued on the reorganization of working time, information of and consultation with the labour force, noise abatement, and equal opportunities for men and women.

Medium-term social action

ACTION PROGRAMME

113. On 7 June 1984 the Council examined a draft submitted by the French Presidency and on 22 June 1984 adopted conclusions concerning a Community medium-term social action programme,¹ which covers three major fields of activity, namely:

- (i) employment, social aspects of new technologies and training;
- (ii) social protection and population trends;
- (iii) the European social dialogue.

Subsequently this programme was submitted to the European Council at Fontainebleau on 25 and 26 June, which asked the Commission to carry out the programme of work set out in the Community's medium-term social action programme.

This programme constitutes an updating in the light of current conditions of the thinking behind and prospects for a Community social policy embodied in the social action programme adopted under the Council resolution of 21 January 1974.²

¹ OJ C 175, 4.7.1984.

² OJ C 13, 12.2.1974.

TECHNOLOGICAL CHANGE AND SOCIAL ADJUSTMENT

114. Following a communication from the Commission on this topic and the discussions of the Standing Committee on Employment on 10 May 1984, on 7 June 1984 the Council adopted conclusions¹ which illustrate an important aspect of the Community's abovementioned medium-term social action programme.

The Council recognized the unavoidable nature of the introduction of new technologies for strengthening the competitiveness of European businesses and restoring economic growth. It affirmed the need for an overall Community response to the new industrial revolution and considered that it was necessary to utilize the potential afforded in this context in order to create the conditions for better employment and an improvement in working conditions. The key conditions for the success of the necessary changes were the training, information and consultation of workers. They (or their representatives) must be informed and consulted beforehand with a view to arriving at agreements.

The Commission was requested to develop or initiate work in various areas involved in a Community strategy.

Employment and vocational training

COMBATING UNEMPLOYMENT

Long-term unemployment

115. Whereas until around 1980 long-term unemployment represented a relatively small and stable proportion of total unemployment, in 1983 more than 4.3 million persons, i.e. approximately one third of all unemployed workers, were recorded as permanently unemployed, and of these 2.1 million had been unemployed for two years or more. The Council reiterated its concern over the gravity of this problem and the way in which it was developing, and on 19 December 1984, on the basis of a communication and a draft prepared by the Commission, it adopted a resolution on action to combat long-term unemployment² which lays down guidelines for measures to increase the efficiency of existing social and employment policies. The resolution also covers more specific

¹ OJ C 184, 11.7.1984.

² OJ C 2, 4.1.1985.

measures to be taken by the Member States, within the framework of their own systems and in the light of the responsibilities of both sides of industry, to prevent the spread of long-term unemployment and to increase the chances of finding new jobs for the workers concerned, who are at present in danger of being left permanently on the sidelines. These measures were to be supplemented by accompanying action at Community level to support national policies, with due regard to the role of the European Social Fund in this field.

Contribution of local employment initiatives (LEIs) to combating unemployment

116. On 7 June 1984 the Council adopted a Resolution¹ on this subject which follows up point 8 of the Council Resolution of 12 July 1982 on Community action to combat unemployment,² in which it stressed its interest in the contribution that such initiatives could make.

The aim of this Resolution is to support and encourage the development of LEIs through the policies of the Member States, for which it outlines the principles to be followed to this end, and through specific measures at Community level, with support from the European Social Fund.

Action to combat unemployment amongst women

117. In another Resolution, also adopted on 7 June 1984,³ the Council recognized, in the general context of the problem of unemployment, the particular extent and special features of unemployment amongst women, and stressed the necessity of specific efforts based on the principles of the equal right to work and equal opportunities on the labour market for both sexes, and of positive corrective measures. It laid down guidelines for the action to be taken to this end at various levels, not only in the field of employment as such but also in education and vocational training and guidance and with regard to information services. An initial report was to be submitted by the Commission in not more than three years' time.

¹ OJ C 161, 21.6.1984.

² OJ C 186, 21.7.1982.

³ OJ C 161, 21.6.1984.

VOCATIONAL TRAINING

118. Following the opinions given by Parliament and the Economic and Social Committee, in July 1984 the Council received amendments to the proposal for a Decision on the comparability of vocational training qualifications between the Member States of the European Community. The Council started its examination of this proposal, which is based mainly on Article 128 of the Treaty and the Council Decision of 2 April 1963 laying down general principles for implementing a common vocational training policy.¹ The Decision would constitute an initial step towards giving effect to the eighth principle, which provides for the progressive harmonization of training levels with a view to the mutual recognition of certificates and other qualifications.

WORKING TIME

119. Also in the context of its employment policy, on 7 June 1984 the Council noted the agreement of a majority of the delegations on the text of a draft recommendation on the reduction and reorganization of working time proposed by the Commission on 23 September 1983. However, it was not possible for the Council to adopt this recommendation since there was no unanimous agreement.

In addition, two proposals remain before the Council on voluntary part-time work and temporary work, but on these matters there were no major developments in 1984.

Improvement of living and working conditions

EQUAL TREATMENT AND EQUAL OPPORTUNITIES FOR MEN AND WOMEN

Positive action

120. On 13 December 1984, on the basis of a draft prepared by the Commission, the Council adopted a Recommendation on the promotion of positive action for women.² The aim of this Recommendation, which is based on Article

¹ OJ 63, 20.4.1963.

² OJ L 331, 19.12.1984.

235 of the Treaty and follows the Council resolution of 11 July 1982 on the promotion of equal opportunities for women,¹ is the adoption in the Member States of a concrete and coherent policy to 'promote equal opportunity for men and women, in particular by removing existing inequalities which affect women's opportunities'.² The Commission, whose task it is to promote and organize the systematic exchange and assessment of information and experience on action in this field, is to submit a report to the Council within three years.

Achievement of equal treatment

121. In March 1984 the Council, which had already received proposals for Directives on the application of the principle of equal treatment in occupational social security schemes and on parental leave and leave for family reasons, received a new proposal for a Directive on the application of the principle of equal treatment as between men and women engaged in activity, including agriculture, in a self-employed capacity and on protection during pregnancy and maternity. These various proposals, which are at present being examined by the Council's subordinate bodies, come under the first general objective of the programme to promote equal opportunity approved by the Council in 1982.³

It is expected that even before the final report on this action is presented the Commission will submit an initial report at the end of 1987 on the results available.

FREEDOM OF MOVEMENT

Migrant workers

122. At its 935th meeting on 7 June 1984 the Council took note of the report presented by the Commission on the implementation of Directive 77/486/EEC on the education of the children of migrant workers,⁴ may be examined in detail

¹ OJ C 186, 21.7.1982.

² See Article 2 (4) of Council Directive 76/207/EEC of 9 February 1976 on the implementation of the principle of equal treatment for men and women as regards access to employment, vocational training and promotion, and working conditions — OJ L 39, 14.2.1976.

³ OJ C 186, 21.7.1982.

⁴ OJ L 199, 6.8.1977, see 25th Review, paragraph 84.

at a later date. It also took note, at its 977th meeting on 13 December 1984, of a statement on this subject from the Italian delegation.

Volunteer development workers

123. The Council's subordinate bodies started their examination of the proposal for a Recommendation on social security for volunteer development workers, forwarded by the Commission in December 1984.

PROTECTION OF WORKERS – EXPOSURE OF WORKERS TO NOISE

124. Work continued at a good pace on examining the proposal for a Directive forwarded by the Commission in October 1982, so that on 13 December 1984 the Council was able to note that substantial progress had been made in 1984 and to look forward to adopting this Directive if possible at its next meeting, scheduled for June 1985.

COMBATING POVERTY

125. On 19 December 1984 the Council, on the basis of proposal from the Commission, adopted a Decision on specific Community action to combat poverty.¹ This action is based on Article 235 of the Treaty and follows up the conclusions² adopted by the Council on 10 December 1982 on the Commission's final report on the first programme of pilot projects and studies to combat poverty set up in 1975.³ Within a total budget of 25 million ECU over four years (1985-88), it provides for the implementation by the Commission of a programme which focuses on increasing the effectiveness of the fight against poverty and on means of taking positive action. To this end the Commission will be able to promote or give financial assistance for various types of action-research measures, the dissemination and exchange of knowledge, the coordination and assessment of projects, the transfer of methods and the dissemination and exchange of comparable data.

¹ OJ L 2, 3.1.1985.

² See 30th Review, paragraph 139.

³ See Decision 75/458/EEC of 22 July 1975 (OJ L 199, 30.7.1975, p. 34), amended by Decision 77/779/EEC of 12 December 1977 (OJ L 322, 17.12.1977, p. 28), and also Decision 80/1270/EEC of 22 December 1980 concerning a supplementary programme to combat poverty (OJ L 375, 31.12.1980, p. 68).

Social dialogue

INFORMATION AND CONSULTATION OF WORKERS

126. Continuing its examination of the amended proposal for a Directive on informing and consulting the employees of undertakings with complex structures, in particular transnational undertakings,¹ on two occasions – on 7 June and, following a detailed technical examination of the problems raised by this proposal, on 13 December 1984 – the Council held an exchange of views of a general nature on these problems, the policy questions discussed and how this work should be followed up.

RELATIONS WITH THE TWO SIDES OF INDUSTRY

127. The Standing Committee on Employment held its 27th meeting, devoted to technological change and social adjustment, on 10 May 1984 and its 28th meeting, devoted to the problem of long-term unemployment, on 25 October 1984.

In addition, the Presidency arranged an informal meeting of the main leaders of workers' and employers' organizations for an exchange of views on current problems.

European Social Fund

STATISTICAL MACHINERY FOR ESTABLISHING THE ORDER OF PRIORITY TO BE APPLIED WHEN GRANTING ESF ASSISTANCE TO REGIONS

128. In July 1984 the Council received a communication from the Commission on this subject, following its instruction to the Commission when the new provisions governing the Fund were adopted in 1983¹ to put forward appropriate proposals on which it could take a decision at a later date. With a view to continuing this work, at its meeting of 13 December 1984 it held an initial exchange of views on the general questions of form and of substance raised by this communication.

¹ See 31st Review, paragraph 131.

Twelfth Report on the European Social Fund

129. At its meeting from 26 to 28 November 1984 the Council took note of the report presented by the Commission for the financial year 1983, which was the last period covered by the old regulations governing the Fund, since the new provisions adopted in October 1983¹ came into force on 1 January 1984. The Council also noted the comments made on this report.

RULES OF PROCEDURE FOR THE COMMITTEE OF THE FUND

130. On the same occasion, in accordance with Article 17 of its Decision 83/517/EEC on the rules of the Committee of the ESF,¹ the Council approved these rules of procedure.

ECSC aid

131. Under the terms of Article 56(2) (a) of the ECSC Treaty the Council received from the Commission 19 requests for its assent to enable the Commission to arrange for the productive re-employment in businesses in non-ECSC sectors of ECSC workers who were unemployed or threatened with redundancy.

The Council agreed to these requests and authorized loans ranging from 5 to 53 million ECU to individual companies or – in the form of global loans – to financial institutions.

Other activities

INFORMATION INSTRUMENTS

132. The Council adopted the Regulations on the organization of labour force surveys in spring 1984² and 1985³ on 31 January and 13 December 1984 respectively. This type of survey, which in general is carried out every two years, constitutes the main source of statistical data in the field of employment and is of great importance for the European Social Fund and the European Regional Development Fund.

¹ OJ L 289, 22.10.1983.

² OJ L 32, 3.2.1984.

³ OJ L 330, 18.11.1984.

In addition, on 8 November 1984 the Council adopted a Directive derogating, in favour of Greece, from Directive 82/606/EEC relating to the organization by the Member States of surveys on the earings of permanent and seasonal workers employed in agriculture.¹

WORK ON MATTERS CONNECTED WITH THE INTERNATIONAL LABOUR ORGANIZATION

133. The usual coordination between the Ten and the Commission representatives in Brussels and on the spot in Geneva this year covered the following technical questions on the agenda of the International Labour Conference (1984 and 1985 sessions): employment policy, industrial medicine, statistics, working conditions and safety in the use of asbestos.

C — REGIONAL POLICY

Regional Development Fund

REVISION OF THE ERDF REGULATION

134. After following the conciliation procedure with Parliament, at its meeting on 19 June 1984 the Council adopted Regulation No (EEC) 1787/84² on the European Regional Development Fund, which was to enter into force on 1 January 1985.

This Regulation replaces Regulation No (EEC) 724/75³ instituting the ERDF, which expired on 31 December 1984. It contains a number of innovatory provisions.

135. Thus for the first time there is provision for coordinating regional policy measures at Community and national level by means of instruments such as periodic reports on the situation in the regions and their development, regional development programmes and analysis of the regional impact of common policies.

¹ OJ L 294, 13.11.1984.

² OJ L 169, 28.6.1984.

³ Amended by Regulations (EEC) No 214/79, OJ L 35, 9.2.1979 and No 3325/80, OJ L 349, 23.12.1980.

136. The system of national quotas is abolished and is replaced by a system of 'ranges' for distributing the resources of the Fund between the Member States. The 'ranges', which have a lower and an upper limit and apply for three-year periods, are as follows:

Member State	Lower limit	Upper limit
Belgium	0.90	1.20
Denmark	0.51	0.67
Germany (FR of)	3.76	14.81
Greece	12.35	15.74
France	11.05	14.74
Ireland	5.64	6.83
Italy	31.94	42.59
Luxembourg	0.06	0.08
Netherlands	1.00	1.34
United Kingdom	21.42	28.56

The lower limit of the range is guaranteed to each Member State provided that it submits an adequate volume of applications for aid. The allocation of the resources of the Fund for the portion of the resources falling between the lower and upper limits is a function of the application of the priorities and criteria (*inter alia* Community interest) laid down in the Regulation.

137. The gradual move from the existing practice of financing studies and individual projects in respect of infrastructure and productive investment to the financing of national programmes of Community interest or Community programmes is a further feature of the amendments to the ERDF Regulation, which are aimed at increasing its effectiveness. Community programmes are intended to serve Community objectives and to implement Community policies, with a view to better coordination between the objectives of the various Community policies proposed by the Commission. The Council will adopt decisions by a qualified majority on the specific objectives of each programme, the areas or regions where it is to apply, the nature and terms of assistance, and the level of Community participation.

138. In order to ensure that assistance from the Fund has a more significant impact and simplify its administration, the lowest rates of participation have been raised. A contribution of 50% is laid down for ordinary projects, with an exceptional rate of up to 55% for projects of particular importance for the regions in which they are located.

139. Lastly, the Regulation provides for a number of other improvements or innovations. Most importantly, it extends to the whole range of Fund activities the provisions for greater exploitation of the potential for internally generated development of regions already contained in certain Regulations implementing 'non-quota' measures. In addition, priority is also given to integrated Community development programmes which combine ERDF assistance with that from other structural funds. Finally, some administrative improvements have been made, for example in that the existing procedure for granting assistance for major infrastructure projects has been simplified and the Fund may now grant advance payments under certain conditions.

SPECIFIC NON-QUOTA COMMUNITY MEASURES FOR REGIONAL DEVELOPMENT

Second series of projects

140. In accordance with Article 13 of Regulation No (EEC) 724/75, on 18 January 1984 the Council adopted six Regulations instituting a second series of specific Community regional development measures.

The aim of these measures is to strengthen the measures in the first non-quota series¹ by introducing new forms of action and extending the territorial scope. They relate to the regional problems involved in enlargement,^{2,3} the restructuring of the iron and steel industry⁴ and the shipbuilding industry,⁵ and new techniques in the energy sector.⁶ In addition, there is a new measure for certain regions affected by the restructuring of the textile sector.⁷ The regions covered by these measures are in the following Member States:

- (i) enlargement measure: France, Italy and Greece
- (ii) energy measure: Italy and Greece
- (iii) shipbuilding measure: Germany and the United Kingdom
- (iv) iron and steel measure: Belgium, Germany, France, Italy, Luxembourg and the United Kingdom

¹ The first series comprises five Regulations adopted in 1980, on enlargement, the iron and steel industry, shipbuilding, Irish border regions, and new sources of energy (OJ L 271, 15.10.1980) (see 28th Review, paragraph 129).

² Regulation (EEC) No 214/84, OJ L 27, 31.1.1984.

³ Regulation (EEC) No 215/84, OJ L 27, 31.1.1984.

⁴ Regulation (EEC) No 216/84, OJ L 27, 31.1.1984.

⁵ Regulation (EEC) No 217/84, OJ L 27, 31.1.1984.

⁶ Regulation (EEC) No 218/84, OJ L 27, 31.1.1984.

⁷ Regulation (EEC) No 219/84, OJ L 27, 31.1.1984.

- (v) textile measure: Belgium, France, Ireland, Italy, the Netherlands and the United Kingdom.

The overall sum allocated to these measures is 710 million ECU over a period of 5 years.

Third series of measures

141. In a letter dated 21 December 1984, which was received by the Council on 8 January 1985, the Commission presented four proposals for Regulations instituting a third series of non-quota measures.

The aim of these proposals is to create new activities in certain areas which are facing particularly difficult employment problems (shipbuilding, textiles, border regions and fisheries).

NINTH ANNUAL REPORT OF THE ERDF

142. On 3 October 1984 the Commission presented to the Council the ninth annual report (for 1983) on the European Regional Development Fund. This report reviews the activities of the ERDF over the period 1975-83, describes developments in regional policy in 1983, and gives an analysis of the various activities of the Fund.

SECOND PERIODIC REPORT ON THE ECONOMIC AND SOCIAL SITUATION AND DEVELOPMENT OF THE REGIONS OF THE COMMUNITY

143. On 8 May 1984 the Commission sent the Council its second periodic report on the economic and social situation and development of the regions of the Community.

This report, which was drawn up pursuant to the Council Decisions of 6 February 1979,¹ follows the first periodic report published in 1981 and a previous analysis on the various regions of the Community (the Thomson report). It covers the situation in the regions at the beginning of the 1980s and developments since 1973, when the economic crisis began. It also deals with the prospects for vacancies in the regions in the 1980s and the regional aspects of the enlargement of the Community from 10 to 12 Member States.

¹ OJ L 35, 9.2.1979.

Integrated Mediterranean programmes

144. During the period under review the Council's subordinate bodies continued their examination of this topic, in the light of the opinions of the European Parliament and the Economic and Social Committee, received on 29 March and 24 May 1984 respectively, and of the proposal from the Commission, which it amended on 6 September 1984 to take account in particular of these two opinions. The topic was on the agenda of the Council and the European Council on several occasions.

This examination showed that there was a consensus among the delegations on a number of important points, namely:

- (i) that the IMPs should be launched in 1985 and that increased funds should be granted for carrying them out,
- (ii) that these programmes should be of limited duration,
- (iii) that the objectives should be clarified.

Following a further exchange of views at the Council meeting on 17 December 1984, the Commission was instructed to examine the situation and to submit its conclusions for the meeting of the Council in January 1985.

Greek Memorandum

145. In 1984 certain major steps were taken towards meeting the demands in the Greek Memorandum.

The Council adopted three specific Regulations which the Commission had proposed with regard to various sectors. These were:

- (i) in the social field: Regulation (EEC) No 815/84 of 26 March 1984 on exceptional financial support in favour of Greece;¹
- (ii) in the agricultural field: Regulation (EEC) No 619/84 of 5 March 1984 extending to all the rural areas of Greece Regulation (EEC) No 1975/82 on the acceleration of agricultural development;²
- (iii) in the field of transport: Regulation (EEC) No 3620/84 of 19 December 1984 on a specific measure in the field of transport infrastructure.³

¹ OJ L 88, 31.3.1984.

² OJ L 68, 10.3.1984.

³ OJ L 333, 21.12.1984.

146. In addition, on 10 March 1984 the Council received three further specific proposals in the agricultural sphere, on the transhumance of sheep, goats and cattle in Greece, reinforcement of the quality control services for agricultural products, and assistance for transporting means of production to certain Greek islands. These proposals are currently being examined by the Council's subordinate bodies, as are the integrated Mediterranean programmes, which the Council has recognized as being of importance with regard to the Greek Memorandum.¹

147. Lastly, the Council asked the Commission to examine the investment programmes which the Greek Government was to propose.

D — DEVELOPMENT OF A COMMUNITY ENERGY POLICY

Energy policies of the Member States

148. Further to the Council Resolution of 9 June 1980 on Community energy policy objectives for 1990,² on 6 March 1984 the Commission forwarded to the Council two communications on:

- (i) progress in structural change (main findings of the Commission's review of Member States' energy policies), and
- (ii) the review of Member States' energy policies.

At its meeting on 22 May 1984 the Council held an exchange of views on these communications and subsequently adopted its initial conclusions, stressing in particular the importance of the common objectives of independence in energy for the Community and recognizing the decisive role of a regular review by the Commission of national policies and of the progress made by each Member State towards the common objectives.

In addition, the Council gave the Permanent Representatives' Committee the task of continuing its examination of these communications with a view to:

- (i) an in-depth analysis of national energy policies, in order to see the extent to which they were making a harmonized and balanced contribution to the common objectives,

¹ See paragraph 144 of this Review.

² OJ C 149, 18.6.1980.

- (ii) drawing conclusions at Community level regarding the areas for concern and the priorities for action.
- (iii) consideration of new common guidelines for 1995.

This discussion was continued at the Council's meeting on 13 November 1984. The Council welcomed the progress already made by Member States in reducing dependence on oil and increasing the efficiency of energy use. It recognized the need for this progress to be sustained, in spite of the current relaxed energy market situation, given the major uncertainties on the long-term outlook for supply and demand. The Council reaffirmed the importance in this context of appropriate and common long-term energy objectives as a framework for both national and Community action. It also agreed that progress in each Member State and at Community level towards such objectives should continue to be monitored through in-depth reviews carried out by the Commission on its own responsibility, the findings of which should be reported to the Council on a regular basis.

Moreover, the Council noted the importance of realizing the further potential for savings in energy use identified in the Commission's review of the Member States' energy policies and its review of the Member States' energy-saving programmes. It agreed that in future the Commission's review of the Member States' energy policies should incorporate the results of a detailed examination of Member States' energy-saving programmes.

Lastly, the Council stated that it was awaiting the Commission's proposals for new objectives for the next decade taking into account on the one hand the results of the detailed examination of Member States' energy policies and on the other — in the light of consultations with Member States — the Commission's study of energy supply and demand options up to the year 2000. Such guidelines should constitute a framework of ambition and a stimulus to action both at national and at Community level while being sufficiently flexible to respond to possible changes in the energy market during the rest of the century.

Energy saving

PROGRAMMES OF THE MEMBER STATES

149. On 6 March 1984 the Council received a communication from the Commission on the comparison of the energy-saving programmes of the Member States of the EEC which, as in the previous case, referred to an earlier Council Resolution¹ on new lines of action by the Community on energy saving.

¹ Resolution of 9.6.1980, OJ C 149, 18.6.1980.

In this communication the Commission compared three types of measures used in the Member States' energy-saving policies, i.e. regulations, financial support, and information and advice programmes.

At its 929th meeting on 22 May 1984, the Council noted with satisfaction the progress already achieved in all the Member States. It stressed both the importance of the principle of true prices and that of market forces for an effective energy-saving policy, while taking into consideration the individual economic and social development characteristics of the various Member States. It also made a point of emphasizing the need for the Member States to continue to develop integrated energy-saving policies comprising in particular, in the light of particular circumstances, regulations, financial incentives and information and advice programmes.

In addition the Council instructed the Permanent Representatives Committee to continue its examination of the Commission's Report in close cooperation with the Commission, with a view to preparing conclusions for the Council on possibilities for reinforcing the Member States' energy-saving policies, so as to attain an optimum level of action.

Finally, it requested the Commission to circulate widely the results obtained from national and Community demonstration programmes and to study the results obtained through energy saving in the Member States and to report back to it.

The work carried out subsequently by the Permanent Representatives Committee culminated in a draft Council resolution on improving the Member States' energy-saving programmes to which, at its 966th meeting on 13 November 1984, the Council gave its assent in principle, without prejudice to the finalization of this text, which is in hand.

RATIONAL USE OF ENERGY IN THE BUILDING SECTOR

150. On 20 November 1984 a communication on a European policy for the rational use of energy in the building sector was forwarded to the Council by the Commission. On the basis of previous programmes which have already been implemented, it sets out a number of guidelines for action, i.e. promoting the thermal auditing of buildings, optimum use of funds, and user information and behaviour.

The Council has begun its examination of this communication.

ENERGY PRICES

151. On 20 September 1984 the Commission sent the Council a report on the application of Community energy-pricing principles in the Member States with particular reference to the gas and electricity sectors.

With a view to preparing for the next meeting, at its meeting on 15 November 1984 the Council agreed to instruct the Permanent Representatives Committee to take appropriate steps to examine the Commission's report in greater depth, in the light of the exchange of views at that meeting, with particular regard to the various implications of energy prices.

DEMONSTRATION PROJECTS IN THE FIELD OF ENERGY

152. Two Regulations in this field were adopted by the Council at its meeting on 23 July 1984.¹ They are based on a Commission proposal of 5 August 1982, following which the Council had initially adopted two Regulations covering, provisionally, only 1983.² The new Regulations concern the granting of financial support for pilot industrial projects and for demonstration projects relating to the liquefaction and gasification of solid fuels and demonstration projects relating to the exploitation of alternative energy sources and to energy saving and the substitution of hydrocarbons.

These Regulations cover a period of three years, i.e. from 1983 to 1985. The estimated funds required amount to 50 million ECU for the first Regulation and 215 million ECU for the second. The relevant annual amounts are entered in the general budget of the Communities.

ENERGY IMPLICATIONS OF CERTAIN QUESTIONS CONCERNING MEASURES TO COMBAT AIR POLLUTION

153. The Council discussed these implications at its 966th meeting on 13 November 1984, which was devoted to energy questions. Particular attention was given to three categories of topics which are currently under consideration by the bodies responsible for environmental matters, namely limits on pollutant emissions into the atmosphere from large combustion plants, certain aspects connected with motor vehicle traffic, and the specific problems of leaded petrol.

¹ OJ L 196, 26.7.1984.

² OJ L 195, 19.7.1983.

This exchange of views revealed a number of key points, which were brought to the attention of the Presidency of the Environment Council for the latter's meeting on 6 December 1984.

Problems specific to the various energy sectors

SOLID FUELS

Aid for investment in production

154. At its 929th meeting on 22 May 1984 the Council confirmed that solid fuels were an essential aspect of the Community's energy strategy. It noted that the Commission was to re-examine the proposal for a Regulation which it had presented on this matter and did not intend, in particular, to pursue its work on the stocks aspect.

A revised proposal for a Regulation was thus the basis for the Council's discussions on this matter at its 966th meeting on 13 November 1984, which led to a debate on the various aspects of a solid fuels policy in the Community.

At the end of this exchange of views the President drew a number of conclusions.

The main point which arose was that differences of approach were still apparent, thereby making agreement difficult at that stage. Nevertheless, since all the delegations were keen to improve the effectiveness of the Community energy policy, they recorded their resolve to achieve the goal they had set themselves of moving towards an equitable overall Community solid fuels strategy. In particular, they decided to continue their efforts to increase the proportion of solid fuels in the Community energy balance. To achieve this, without prejudice to any final decisions on the various suggestions before them, they wished to examine how to increase solid fuel penetration to benefit the Community economy under environmentally acceptable conditions.

Aid for social measures in connection with the restructuring of the coal industry

155. The need for social measures on coal, for which 60 million ECU were entered in the general budget of the Communities for 1984, was confirmed by the Council at its 917th meeting on 12 and 13 March 1984.

In view of this, the transfer of this amount to the ECSC budget was approved in principle by the Council at its 929th meeting on 22 May 1984, and the formal decision was taken at its 946th meeting on 23 and 24 July 1984. The Council specified that, on the basis of the relevant articles of the ECSC Treaty, the aim of this transfer was to finance measures in the social field in accordance with two criteria relating, for the Member States concerned, to the number of jobs lost over a given period and to the amount spent on social measures for each job lost.

Investment aid under Article 54, second paragraph, of the ECSC Treaty

156. During the period under review the Council gave its unanimous assent in several cases as requested by the Commission, to either the financing of certain projects or the granting of global loans.

Thus assent was given to funds for the building of a coal-fired heating station (Clichy, Hauts-de-Seine, France) and for the construction of the link to the existing network (assent of 21 February 1984). Mention should also be made of the assent (given on 3 October 1984) to the financing of an investment project of the Elektromark company (Hagen, Federal Republic of Germany) for the conversion of three power stations from natural gas to coal.

With regard to global loans, assent was given to the granting of loans to Barclays Bank plc (London) (assent given on 15 October 1984), to Finance for Danish Industry A/S, to Banque Bruxelles Lambert SA and to Den Danske Bank A/S (assent given on 17 and 18 December 1984).

Coking coals

157. Under the terms of Article 95, first paragraph, of the ECSC Treaty, in a letter dated 2 December 1983 the Commission requested the Council's assent to a draft Decision amending Decision 73/287/ECSC concerning coking coal and coke for the iron and steel industry in the Community, on the grounds in particular that the existing arrangement was due to expire on 31 December 1983.

This draft was based on the outline which the Commission had communicated to the Council at its meeting on 4 November 1983. The new arrangement was

to run for three years, expiring therefore on 31 December 1986. The maximum tonnage would be 10 million tonnes, the average rate of aid per tonne being 3.6 ECU. The finance for this new arrangement would come, as before, from three sources, being made up of 6 million ECU from the ECSC budget, 6 million ECU from the iron and steel industry, and a maximum of 24 million ECU from the six original Member States of the ECSC. Finally, there was provision for a phased reduction in the third year, to be determined in conjunction with the re-appraisal of the general system of national aid to the coal industry under Decision 528/76/ECSC, which is due to expire on 31 December 1985.

The assent requested was given by the Council at its 917th meeting on 12 and 15 March 1984. At this meeting the Council and the Commission agreed that the figures for the phased reduction for 1986 should be laid down in accordance with the procedure for adopting the arrangements for coking coal and coke for the Community iron and steel industry.

In addition, under the terms of Article 12 of Commission Decision 73/287/ECSC of 25 July 1973 on coking coal and coke for the iron and steel industry in the Community, by letter dated 5 September 1984 the Commission requested consultation with the Council on a draft Commission Decision amending Decision 3544/73/ECSC (implementing the above Decision 73/287/ECSC). At its 967th meeting on 22 November 1984 the Council granted the consultation requested.

*Community system of measures taken by the Member States
to assist the coal-mining industry*

(Commission Decision No 528/76/ECSC of 25 February 1976)

158. In accordance with the first paragraph of Article 6 of the above Decision the Commission asked the Council for consultation on the measures taken by the Member States in 1983 and on certain supplementary measures taken in 1982.

This consultation was granted by the Council at its 946th meeting on 25 and 24 July 1984.

OIL AND GAS AND SUBSTITUTE FUELS

159. In order to ensure the long-term security of supplies, by encouraging technological development directly associated with prospecting for, extracting, storing or transporting hydrocarbons, in 1973 the Council adopted Regulation

(EEC) No 3056/73¹ providing for financial support from the Community. The amount allocated for this support and the projects for which it is granted are specified each year in a Council Decision.

As in previous years this procedure was applied for 1984 when the Council, at its meeting on 13 November 1984, adopted a Decision allocating a total of approximately 35 million ECU as financial support for 51 projects.

In addition more wide-ranging work was done with regard to the 1973 Regulation referred to above. On 22 May 1984 the Commission put before the Council a communication on the programme of support for Community projects in the hydrocarbons sector, containing an overall evaluation of the implementation of Regulation (EEC) No 5056/73.

At its meeting on 15 November 1984 the Council took note that the Commission would shortly present a proposal for a Regulation amending the above Regulation, the main features of which would be a multiannual programme, the possibility of revising it and provision for promoting cooperation in carrying out projects between at least two associated independent companies established in different Member States.

This proposal for an amending Regulation was sent to the Council by the Commission on 26 November 1984 and is currently being examined.

With regard to substitute fuels, on several occasions during 1984 the relevant subordinate bodies of the Council examined a proposal for a Council Directive which the Commission had presented in August 1982 and amended in April 1983.

This proposal, which involves substituting other types of fuel (mixtures) for the oil products consumed by motor vehicles in order to contribute to a reduction in oil imports and oil consumption, is still being examined.

NATURAL GAS

160. At its meeting on 22 May 1984 the Council took note of a communication sent by the Commission on 17 April 1984 and of the Commission's intention to supplement this document.

¹ OJ L 312, 13.11.1973.

On 30 October 1984 the Commission sent the Council a new communication. At its meeting on 13 November 1984 the Council agreed to ask the Permanent Representatives Committee to make a detailed examination of this new text in preparation for the next meeting of the Council on energy.

NUCLEAR ENERGY

New provisions relating to Chapter VI (Supplies) of the EAEC Treaty

161. The examination of the proposal for a Council Decision laying down new provisions relating to the above chapter of the EAEC Treaty, which the Commission had forwarded to the Council on 8 December 1982, continued during the period under review. However, on 14 November 1984 the Commission sent the Council an amendment to its original proposal.

Health protection

162. On the basis of the proposals forwarded by the Commission, on 3 September 1984 the Council adopted two Directives.¹ The first relates to Article 31 of the EAEC Treaty and lays down basic measures for the radiation protection of persons undergoing medical examination or treatment. The second, based on Articles 31 and 32 of the Treaty, amends Directive 80/836/Euratom as regards the basic safety standards for the health protection of the general public and workers against the dangers of ionizing radiation.

In addition, the Council continued its work on a communication from the Commission, dated 22 July 1983, comprising a proposal for a resolution on the safety of nuclear installations and the trans-frontier health protection of the general public. This proposal involves in particular the collection of information on trans-frontier plans for countermeasures in the event of an emergency and the examination, at Community level, of the overall radiological impact of all the radioactive effluents discharged or expected to be discharged into waterways and marine waters of Community interest.

¹ OJ L 265, 5.10.1984.

External relations in the field of energy

EURATOM-CANADA NEGOTIATIONS

163. By its Decision of 8 February 1983 the Council had adopted the Directives to the Commission on the negotiation with the Government of Canada of appropriate adjustments to the Euratom-Canada Agreement on nuclear supplies.

After four negotiating sessions between the Commission and the Canadian Government, the last of which was held in November 1984, the Commission and Canadian delegations initialled a draft exchange of letters embodying the outcome of these negotiations. At the end of December 1984 the Commission put this document before the Council together with an introductory communication, and the Council is currently working on these texts.

E — TRANSPORT

164. In 1984 the Council held four meetings devoted to transport matters, on 22 March, 10 May, 8 November and 11 and 12 December.

165. The Ministers for Transport also met informally in Créteil on 2 April 1984.

166. The Council continued its discussions on the relaunching and further development of the common transport policy. Accordingly, at its meeting on 10 May 1984 the Council decided to form two high-level working parties for land transport and air transport. At its December meeting the Council examined reports from these two working parties and laid down guidelines for further work in these two sectors.

167. During the year under review the Council took a great number of decisions, thus reaching an important stage in the development of the common transport policy. The main decisions are analysed below.

Land transport

WEIGHTS AND DIMENSIONS OF COMMERCIAL ROAD VEHICLES

168. The first Directive on the weights, dimensions and certain other characteristics of certain road vehicles, which was formally adopted by the Council on

19 December 1984,¹ occupied the Transport Council's attention throughout 1984.

The Directive lays down standards for the dimensions of all road vehicles for the carriage of goods with a maximum laden weight exceeding 3.5 tonnes and a maximum speed exceeding 25 km/h. It also lays down standards for the weights and certain other characteristics of trailers with two or three axles and combined vehicles with five or six axles. Of these standards particular mention should be made of the limit of 40 tonnes for road trains and articulated vehicles with five or six axles and the limit of 10 tonnes per single non-driving axle. For articulated vehicles made up of a three-axle motor vehicle with a two- or three-axle semi-trailer carrying an ISO 40-foot container as a combined transport operation, this limit will be increased to 44 tonnes.

The standards for weights and dimensions will apply as from 1 July 1986. To have the right to be used freely in traffic between the Member States, combined vehicles must conform to the Community technical specifications as regards noise, safety and emissions. However, these provisions will become compulsory only for vehicles which are first put into circulation on or after 1 January 1990.

The Council has not yet laid down the weight on the driving axle, since there are still differences of opinion on this subject among the Member States. The Council nevertheless agreed that a figure for the weight on the driving axle of combined vehicles with five or six axles will be adopted before 31 December 1985 and that meanwhile the legislation of the Member State in which the vehicle is circulating will continue to apply.

In addition the Council will continue its work with a view to adopting as soon as possible harmonized provisions governing the maximum authorized weights for motor vehicles with two, three and four axles and combined vehicles with four axles and for the driving axles of these vehicles, as well as the weights and dimensions of vehicles for passenger transport.

The weights specified by the Directive apply as traffic standards. Thus they refer to loading conditions and not production standards, which will be laid down in a later Directive.

The Directive also contains an important exemption in favour of two Member States, Ireland and the United Kingdom. Owing to the state of certain sections of their road networks these two States will not be required for the time being to

¹ OJ L 2, 3.1.1985.

apply certain standards on weights specified by the Directive, in particular the limit of 40 tonnes for combined vehicles with five or six axles. The general conditions governing this exemption — and in particular its duration — are to be adopted by the Council by 28 February 1987.

Lastly, the Directive provides that a Member State which authorizes higher weights and greater dimensions on its territory than those laid down in the Directive may limit their application to vehicles registered or put into circulation in that Member State when used in domestic traffic, but it does not prevent the Member State from accepting, possibly on a reciprocal basis, the circulation in international traffic on its territory of such vehicles registered or put into circulation in one or more of the other Member States.

COMMUNITY QUOTA

169. On 19 December 1984 the Council formally adopted the Regulation amending Regulation (EEC) No 3164/76 on the Community quota for the carriage of goods by road between Member States.¹ The new Regulation provides for a substantial increase in the number of Community authorizations to be issued to the Member States, i.e by 30% for 1985 and by 15% for each of the four subsequent years. In order to compensate for the geographical handicap of Greece, Ireland and the United Kingdom, the Regulation allows these countries an additional increase in the number of authorizations.

COMMERCIAL VEHICLE HIRE

170. The Council formerly adopted, on 19 December 1984, the Directive on the use of vehicles hired without drivers for the carriage of goods by road.² This Directive lays down in particular that each Member State must allow the use within its territory, for the purposes of traffic between Member States, of vehicles hired by operators established on the territory of another Member State, and that the Member States must allow their transport operators to use hired vehicles registered or put into circulation within their territory in compliance with their laws for the purposes of both domestic and international traffic, under the same conditions as vehicles owned by them. The Member States may exclude own-account carriage from these latter provisions. A Member State may also lay down a minimum hiring time for companies established on its territory.

¹ OJ L 333, 21.12.1984.

² OJ L 335, 22.12.1984.

TRANSPORT INFRASTRUCTURES

171. On 9 August 1983 the Commission had sent the Council a proposal for a Regulation on the granting of financial support under a multiannual transport infrastructure programme.¹

On the basis of this proposal, on 19 December 1984 the Council formally adopted a Regulation on a specific measure in the field of transport infrastructure, to be financed from the 1983 and 1984 budgets. The budgetary appropriations available total 95 million ECU.²

HARMONIZATION OF SOCIAL LEGISLATION

172. On 20 March 1984 the Commission sent the Council a proposal for a Regulation amending Regulation (EEC) No 543/69 on the harmonization of certain social legislation relating to road transport and also Regulation (EEC) No 1463/70 concerning the introduction of recording equipment in road transport. At the same time, it presented a draft Council recommendation on the implementation of the social regulations in road transport.

At its meeting on 10 May 1984 the Council adopted a set of guidelines laying down priorities for examining these proposals. It hoped in particular to improve the implementation of the Regulations, simplify their provisions and strengthen the system of checks.

At its meeting on 11 and 12 December 1984 the Council took note of an interim report from the Permanent Representatives Committee on its work on this matter. It instructed the Committee to speed up its work in order to put the Council in a position to adopt a revision of the existing Regulation as soon as possible.

ROAD SAFETY

173. A Resolution on road safety was adopted by the Council and the Representatives of the Governments of the Member States meeting within the Council on 19 December 1984.³

¹ See 31st Review, paragraph 170.

² OJ L 333, 21.12.1984.

³ OJ C 341, 21.12.1984.

This Resolution provides *inter alia* that 1986 will be Road Safety Year in the Community.

RECOMMENDATION TO THE RAILWAY COMPANIES

174. At its meeting on 19 December 1984 the Council addressed a recommendation to the railway companies of the Member States on the development of an active policy of cooperation in order to promote international passenger and goods traffic by rail, including combined transport.¹

The Council invites the railway companies to develop, over and above the present degree of cooperation, a dynamic commercial policy based on their common interests.

The railway companies are invited to furnish the Commission and the Council by 30 June 1985 with an action programme covering two years and also, by 31 December 1986, a joint report on the results obtained and the difficulties encountered in implementing this programme.

COMBINED TRANSPORT

175. On 14 December 1984 the agreement between the European Economic Community and the Kingdom of Spain on the international combined road/rail carriage of goods was signed in Brussels by the contracting parties.²

NAVIGATION OF THE RHINE

176. At its meeting on 8 November 1984 the Council adopted a Decision relating to joint action by certain Member States concerning the conditions for issuing the document certifying that a vessel belongs to the Rhine navigation fleet.³

Under the terms of this Decision the Member States of the Community which are also contracting parties to the revised Convention for the Navigation of the

¹ OJ L 333, 21.12.1984.

² See also Council Decision of 26 March 1981 — opening of negotiations between the Community and certain non-member countries — 29th Review, paragraph 170.

³ Not published in the Official Journal.

Rhine, viz. Germany, Belgium, France, the Netherlands and the United Kingdom, will take joint action with a view to the adoption by the Central Commission for the Navigation of the Rhine of a Resolution on restricting the freedom to use the Rhine enjoyed by vessels of all nations.

Under the terms of the Resolution of the Central Commission for the Navigation of the Rhine only those vessels which have a genuine link with a contracting State will continue to enjoy the freedom to use the Rhine, on the understanding that the fleets of the other member States of the Community will receive equal treatment.

With regard to the Community, the conditions under which a vessel is recognized as belonging to the Rhine navigation fleet will be determined by the Council in accordance with the procedure laid down in Article 75 of the Treaty.

Maritime transport

COMMON TRANSPORT POLICY – MARITIME ASPECTS

177. On 12 December 1984 the Council heard an introductory statement by Mr Contogeorgis concerning the Memorandum on maritime transport policy adopted the same day by the Commission. The Permanent Representatives Committee was invited to give its attention to this Memorandum as a matter of priority so as to enable the Council to discuss it thoroughly at its next meeting.

CODE OF CONDUCT FOR LINER CONFERENCES

178. The United Nations Convention on a Code of Conduct for Liner Conferences entered into force on 6 October 1983, following ratification and accession on the part of two Member States (Germany and the Netherlands). At its meeting on 10 September 1984 the Council took note of an interim progress report from the Commission on the procedures in hand in the other Member States.

RULES OF COMPETITION

179. At its meeting on 11 and 12 December the Council took note of a progress report by the Presidency on the examination of the Commission

proposal for a Regulation laying down rules for the application to maritime transport of Articles 85 and 86 of the Treaty.

UNFAIR COMMERCIAL PRACTICES

180. At this same meeting the Council held an exchange of views on the Memorandum from the French delegation on unfair commercial practices in shipping. The Council requested the Commission to present proposals before 31 December 1984 on measures which might be taken in this field.

SYSTEM FOR THE COLLECTION OF INFORMATION ON CARGO LINER TRAFFIC

181. On 18 December 1984 the Council adopted a Decision extending until 31 December 1986 the operation of the system for the collection of information in the field of maritime transport instituted by Council Decisions 79/4/EEC, 80/1181/EEC, 81/189/EEC and 82/870/EEC.

RELATIONS WITH NON-MEMBER COUNTRIES ON MARITIME AFFAIRS

182. The Council decided in certain cases that the Community and its Member States should take steps jointly against non-member countries whose conduct appeared to be contrary to the United Nations Convention on a Code of Conduct for Liner Conferences.

Air transport

183. At its meeting on 10 May 1984 the Council decided to set up a working party composed of high level representatives of the Member States and the Commission with the task of presenting a report on possible changes in the existing system of intra-Community air transport, which was based on bilateral relations between States and cooperation between airlines, so as to give more flexibility and thus ensure greater efficiency in economic and social terms.

This report, which was put before the Council at its meeting on 11 and 12 December 1984, enabled the Council to hold an exchange of views on the future of civil aviation within the Community. The Council instructed the Permanent Representatives Committee to make a detailed study of the possibilities for

adapting the existing air transport system, with particular reference, *inter alia*, to questions of capacity, fares and competition. The Council requested a progress report by the end of June 1985, and asked for initial proposals for Community action to be presented by the end of that year.

General questions

EASING OF FORMALITIES AND INSPECTIONS IN RESPECT OF THE CARRIAGE OF GOODS BETWEEN MEMBER STATES

184. In the first half of 1984 some delegations stated that they intended to speed up the implementation of Directive 83/643/EEC on the facilitation of physical inspections and administrative formalities in respect of the carriage of goods between Member States.

In addition, under the Regulation providing for a specific measure financed out of the 1983 and 1984 budgets mentioned above (paragraph 171), the Community granted financial support for certain urgent measures to facilitate border crossings; these are two projects in France and Italy respectively, i.e. access to Mont Blanc (the new road between Fayet and Les Houches) and the new alignment of the Chiasso-Milan railway line, and also a number of border infrastructure projects to be selected in accordance with a procedure laid down in the Regulation.

SUMMER TIME

185. The Council adopted a third Directive at its meeting on 11 and 12 December 1984.¹ This Directive lays down, for the period from 1986 to 1988 inclusive, the date for the beginning of summer time throughout the Community as the last Sunday in March and the date for its end as the last Sunday in September in eight Member States and the fourth Sunday in October in Ireland and the United Kingdom.

NEGOTIATIONS WITH AUSTRIA

186. Negotiations with Austria on surface transport have been in hand since 1982 on the basis of the negotiating Directives adopted by the Council on 15 December 1981 and 20 December 1983.

¹ OJ L 331. 19.12.1984.

In 1984 a plenary session of the negotiations was held on 16 and 17 May in Brussels, and this was followed by contacts at expert level in Vienna.

Subsequently, on 16 November 1984 the Commission presented a second report to the Council.¹ At its meeting on 11 and 12 December 1984 the Council held an exchange of views on this report.

The Council agreed to request the Permanent Representatives Committee to expedite its examination of the report on the traffic balance between the Community and Austria and to examine the possibility of concluding a cooperation agreement with Austria, without excluding appropriate means of contributing to Austrian transport infrastructure costs if this should prove to be justified. The Committee was to submit a report to the Council at its next meeting on transport.

SWISS ROAD TAXES

187. After hearing an oral report from the Commission on its recent contacts with the Swiss authorities the Council deplored the road taxation measures taken by Switzerland. The Commission was invited to present a report accompanied by proposals for possible further action on the part of the Community *vis-à-vis* the Swiss authorities.

F — RESEARCH

Science and technology

DEVELOPMENT OF A COMMON POLICY IN THE COMMUNITY

188. In 1984 the Council held four meetings on research, on 28 February, 29 June, 16 October and 19 December.

¹ The first Commission Report was presented to the Council on 20 May 1983, see 31st Review, paragraph 180.

189. At its meetings in 1984 the Scientific and Technical Research Committee (CREST) delivered opinions on the programmes proposed to the Council by the Commission in the following fields:

- (i) concerted-action research project on the effect of processing and distribution on the quality and nutritive value of food;
- (ii) raw materials R&D programme (amendment to Decision);
- (iii) sectoral R&D programme on the environment (revision of programme);
- (iv) concerted-action research project on the use of by-products containing lignocellulose for animal feeding;
- (v) programme for the development of the specialized information market in Europe;
- (vi) programme of R&D on the optimization of the production and utilization of hydrocarbons;
- (vii) plan to stimulate European cooperation and scientific and technical interchange — 1985-88;
- (viii) EEC multiannual research action programme in the field of biotechnology (1985-89).

Research programmes

NUCLEAR AND NON-NUCLEAR PROGRAMMES

190. In 1984 the Council adopted 6 multiannual research programmes involving 795.83 million ECU in commitment appropriations (see table below).

In addition, on 21 February 1984 the Council approved an amendment to the Statutes of the joint undertaking Hochtemperatur-Kernkraftwerk GmbH, increasing its subscribed capital to DM 90 million.¹

On 29 June 1984 the Council decided to adopt a Decision on the multiannual research and training programmes to be carried out by the Joint Research Centre (JRC) and the management of these programmes by the Board of Governors of this institution.¹

On 29 June 1984 the council also adopted a Decision dealing with structures and procedures for the management and coordination of Community research, development and demonstration activities.¹

¹ OJ L 58, 29.2.1984.

¹ OJ L 177, 4.7.1984.

Table of research programmes adopted by the Council during 1984

Field	Date of Decision	Expenditure (million ECU)	Staff	Duration (years)	OJ reference
1. Decommissioning of nuclear power stations	31.1.1984	12.1	3	5	L 36 8.2.1984
2. Esprit	28.2.1984	750.0	—	—	L 67 9.3.1984
3. Revision of 1981-85 environment programme (environmental protection and climatology), indirect and concerted actions	1.3.1984	7.3	—		L 71 14.3.1984
4. EEC concerted-action research project on the effects of processing and distribution on the quality and nutritive value of food	24.5.1984	0.780	—	4	L 151 7.6.1984
5. EEC concerted-action project on the use of lignocellulose-containing by-products and the other plant residues for animal feeding	2.4.1984	0.650	—	4	L 103 16.4.1984
6. Development of the specialized information market in Europe	27.11.1984	25	—	5	L 314 4.12.1984

At its meeting on 19 December 1984, the Council approved the amounts considered necessary for the following programmes, totalling 1 225 million ECU:

- (i) Fusion
- (ii) Radiation protection and radioactive waste
- (iii) Biotechnology
- (iv) Stimulation
- (v) Brite
- (vi) Non-nuclear energy

The formal Decisions on these programmes will be taken in the first half of 1985.

ECSC

191. In order to encourage technical and economic research aimed at improving methods for the production, beneficiation and utilization of coal in the Community, on 18 June 1984 the Council gave its assent as requested by the Commission under the terms of Article 55(2)(c) of the ECSC Treaty to the allocation of financial support, out of funds derived from the levies, amounting to 19.5 million ECU for a research programme on mining engineering and the preparation and beneficiation of coal. The total cost of this programme is 32 314 500 ECU.

EXTERNAL RELATIONS

European Cooperation in the field of Scientific and Technical Research (COST)

192. On 10 December 1984 the Council adopted the Decision on the conclusion of a Community-COST Concertation Agreement on five concerted-action projects in the field of the environment:

COST 611 – physico-chemical behaviour of atmospheric pollutants,

COST 641 – organic micropollutants in the aquatic environment,

COST 681 — treatment and use of organic sludges and liquid agricultural wastes,

COST 647 — benthic coastal ecosystems,

COST 612 — air-pollution effects on terrestrial and aquatic ecosystems.

EAEC-Nagra (Switzerland) Cooperation Agreement

193. On 25 May 1984, the Council took note of a communication from the Commission on a Cooperation Agreement with the 'Nationale Genossenschaft für die Lagerung radioaktiver Abfälle' (Nagra) on the management of radioactive waste.

G — ENVIRONMENT

Introduction

194. In 1984 the Council held three meetings specifically devoted to the environment, on 1 March, 28 June and 6 December.

Following the discussions held at these meeting it approved in principle a number of Directives, Decisions and Resolutions which were formally adopted later (see below).

At these meeting it also continued its work on other Commission proposals (see below).

In addition the Council acted on behalf of the Community in a number of matters at international level.¹

¹ See paragraphs 204-213 of this Review.

Directives, Decisions and Resolutions adopted by the Council during 1984

DIRECTIVE ON LIMIT VALUES AND QUALITY OBJECTIVES FOR MERCURY DISCHARGES BY SECTORS OTHER THAN THE CHLOR-ALKALI ELECTROLYSIS INDUSTRY¹

195. This Directive, which had been approved in principle at the meeting of the Council on 16 December 1983, was formally adopted on 8 March 1984.

It constitutes the third Directive implementing the framework Directive 76/464/EEC, which was adopted by the Council in 1976 to combat the pollution caused by dangerous substances discharged into the aquatic environment of the Community.

Mercury is a substance which is on 'List I' (the list of particularly dangerous substances) of the framework Directive. This new Directive rounds off Community legislation in respect of mercury discharges.² It applies particularly to the chemical industry and the non-ferrous metals industry.

The Directive lays down two series of limit values, of increasing stringency, to be applied as from 1 July 1986 and 1 July 1989 respectively.

The Directive also provides for quality objectives for those Member States which are invoking the exception provided for in Article 6 (3) of the framework Directive.

DIRECTIVE ON LIMIT VALUES AND QUALITY OBJECTIVES FOR DISCHARGES OF HEXACHLOROCYCLOHEXANE³

196. This Directive was approved in principle at the meeting of the Environment Council on 28 June 1984. It was formally adopted on 9 October 1984.

This fourth Directive implementing the framework Directive 76/464/EEC concerns a further substance, hexachlorocyclohexane, which is on 'List I' because of its toxicity, its persistence and its bio-accumulation properties.

¹ OJ L 74, 17.3.1984.

² In 1982 the Council adopted a Directive on discharges of mercury by the chlor-alkali electrolysis industry (Directive 82/176/EEC – OJ L 81, 27.3.1982).

³ OJ L 274, 17.10.1984.

The Directive applies mainly to discharges by establishments which manufacture pesticides used in agriculture. It provides for increasingly stringent limit values, to be applied on 1 April 1986 and 1 October 1988. The Directive also provides for quality objectives and appropriate monitoring procedures.

DIRECTIVE ON THE COMBATING OF AIR POLLUTION FROM INDUSTRIAL PLANTS¹

197. This Directive was approved in principle at the meeting of the Environment Council on 1 March 1984. It was formally adopted on 28 June 1984.

The Directive constitutes the first Community text to define, in general terms, the legal framework within which the Member States are to combat air pollution from industrial plants and is comparable in importance to the framework Directive 76/464/EEC on the aquatic environment.

It is aimed mainly at the industries concerned with energy, the production and processing of metals, the manufacture of mineral products, waste disposal and certain sectors of the chemical industry.

Any new industrial plant belonging to these categories requires prior authorization. Before granting this the competent authority must be satisfied that all appropriate preventive measures have been taken and that the operation of the plant will not cause air pollution such as to endanger human health or harm living resources and ecosystems.

In addition, existing plants must be gradually adapted to the best available technology.

Lastly, the Council may, if necessary, fix emission limit values at Community level, based on the best available technology.

DIRECTIVE ON THE SUPERVISION AND CONTROL WITHIN THE COMMUNITY OF THE TRANSFRONTIER SHIPMENT OF HAZARDOUS WASTE²

198. This Directive was approved in principle at the meeting of the Environment Council on 28 June 1984. It was formally adopted on 6 December 1984.

The Directive lays down the measures necessary to ensure the supervision and control, for purposes of the protection of human health and the environment, of transfrontier shipments of hazardous waste within the Community and on its entering and/or leaving the Community.

¹ OJ L 188, 16.7.1984.

² OJ L 326, 13.12.1984.

The Directive institutes a system of notification and supervision of movements of hazardous waste. Under this system any holder of waste who proposes to carry out a transfrontier shipment must provide the competent authorities with information concerning, *inter alia*, the nature of the waste, the route and safety measures. He must await an acknowledgement of receipt of the notification from the competent authorities of the Member State of destination before carrying out the shipment. In addition shipments must meet certain criteria as regards, for example, packaging and labelling.

The Member States must comply with the provisions of the Directive by 1 October 1985 at the latest.

REGULATION ON ACTION BY THE COMMUNITY RELATING TO THE ENVIRONMENT¹

199. This Regulation was adopted in principle at the meeting of the Environment Council on 1 March 1984. It was formally adopted on 28 June 1984.

The Regulation institutes a system of financial support totalling 13 million ECU spread over three years for projects in the following fields:

- (i) demonstration projects on the development of new 'clean' technologies (i.e. which cause little or no pollution and which may be more economical of natural resources) in certain specific industrial fields;
- (ii) demonstration projects for developing new techniques and methods for measuring and monitoring the quality of the environment;
- (iii) projects concerning the protection of seriously threatened biotopes which are the habitat of endangered species and are of particular importance to the Community under Directive 79/409/EEC on the conservation of wild birds.

RESOLUTION ON THE LINK BETWEEN THE ENVIRONMENT AND DEVELOPMENT² AND RESOLUTION CONCERNING NEW FORMS OF COOPERATION IN THE SPHERE OF WATER²

200. These two Resolutions were approved in principle at the meeting of the Environment Council on 28 June 1984. They were adopted formally on 3 October 1984.

¹ OJ L 176, 3.7.1984.

² OJ C 272, 12.10.1984.

In the first Resolution the Council expresses its support for the action of international bodies to give an environmental dimension to their development aid policy and requests the Commission to intensify its efforts in this direction.

The second Resolution is more particularly concerned with collaboration between the Community and the developing countries in the sphere of water resources. The Council, having noted with satisfaction the appearance of new forms of cooperation in this field between certain Member States and developing countries, requests the Commission to examine how this development could be put to best use.

Progress on other Commission proposals examined by the Environment Council in 1984

201. At its meeting on 6 December 1984 the Council approved in principle the following:

- (i) proposal for a Directive laying down air-quality standards for nitrogen dioxide;
- (iii) proposal for a Decision on the adoption of a work programme concerning information on the state of the environment and natural resources in the Community.

The texts of these two proposals will be adopted formally at the beginning of 1985.

202. At the same meeting on 6 December, while awaiting the Opinion of the European Parliament the Council reached a common position on the proposed Council Directive on the harmonization of the laws of the Member States on the lead content of petrol.

The Council agreed to adopt this Directive formally in the light on the one hand of the Opinion of Parliament and on the other of the progress achieved in connection with the proposal for a Directive relating to exhaust gases from motor vehicles.¹

203. The Council also examined the problems arising in connection with the following:

¹ See paragraph 203 of this Review.

- (i) proposal for a Directive on the assessment of the environmental effects of certain public and private projects;
- (ii) proposal for a Directive on procedures for harmonizing the programmes for the reduction and eventual elimination of pollution caused by waste from the titanium dioxide industry;
- (iii) proposal for a Directive on the limitation of the emissions of pollutants into the air from large combustion plants;
- (iv) proposal for a Directive on containers of liquids for human consumption;
- (v) proposal for a Directive on the approximation of the legislation of the Member States on measures to be taken against air pollution by gases from engines of motor vehicles.

Work at international level

TEXTS ADOPTED BY THE COUNCIL

On 1 March 1984 the Council approved on behalf of the Community the 4th Protocol to the Barcelona Convention concerning Mediterranean specially protected areas

204. The aim of this Protocol is to safeguard marine or coastal areas of the Mediterranean of ecological or historical value.¹

*On 28 June 1984 the Council adopted a Decision concerning the conclusion of the Agreement for cooperation in dealing with pollution of the North Sea by oil and other harmful substances.*²

205. The Agreement provides for the speedy transmission of information and for the mutual assistance in the event of a serious and imminent danger of pollution of the waters of the North Sea by oil or other dangerous substances.

On 25 September 1984 the Council adopted a Decision authorizing the signing on behalf of the Community of the Protocol to the

¹ OJ L 68, 10.3.1984.

² OJ L 188, 16.7.1984.

1979 Geneva Convention on Long-range Transboundary Air Pollution which provides for the long-term financing of the cooperative programme for the continuous monitoring and evaluation of the long-range transmission of air pollutants in Europe (EMEP)

206. The Protocol was signed in Geneva on 28 September 1984.

WORK IN INTERNATIONAL ORGANIZATIONS

207. In accordance with the action programmes on the environment, the Member States and the Commission representatives acted together during 1984 on the work undertaken by international organizations regarding environmental matters.

United Nations Environment Programme (UNEP)

12th session of the Governing Council of the UNEP

208. In May 1984 the 12th session of the Governing Council of the United Nations Environment Programme was held in Nairobi.

The Community took part in the work of this session. Apart from budgetary and organizational matters, discussions mainly concerned implementation of the international development strategy and in particular the problem of the spread of deserts.

Global Framework Convention on the Protection of the Ozone Layer

209. The Community took part in the work of the group responsible for drafting this Convention.

Organization for Economic Cooperation and Development (OECD)

210. The Community took part in the OECD's work on the environment, mainly at the two annual meetings of its Environment Committee. During 1984 the work centred mainly on the relationship between the environment and the economy, and in particular on drawing up guidelines on the environment for

multinational companies, various matters concerning energy and the environment, air pollution, and the problems raised by chemicals and controlling them at international level.

United Nations Economic Commission for Europe (ECE-Geneva)

12th meeting of the principal Government Advisers on environmental problems

211. In February 1984 the Community took part in the work of this 12th meeting. The Advisers made a general review of the policies and strategies of the ECE countries on the environment, including the long-term prospects. In addition they held discussions on the problems connected with evaluating environmental impact and those concerning waste, air pollution and the conservation of natural resources.

Second meeting of the Executive Body of the Convention on Long-range Transboundary Air Pollution

212. At this meeting, which was held in September 1984, work was done on finalizing the EMEP Financial Protocol¹ and on drawing up a draft protocol on reducing sulphur emissions, an *ad hoc* group having been set up for this purpose.

The Executive Body also adopted a Decision recognizing the need to reduce nitrogen oxide emissions and calling for the development at a later date of a long-term strategy for achieving this objective.

OTHER ACTIVITIES AT INTERNATIONAL LEVEL

Multilateral conference in Munich on the causes and prevention of damage caused by air pollution to forests and water bodies in Europe

213. The Community took part in this conference, which was held at ministerial level from 24 to 27 June 1984. It was attended by 31 countries of

¹ See paragraph 206 of this Review.

Western and Eastern Europe as well as the United States and Canada. The conference concluded with the adoption of a Resolution in which a majority of the countries undertook to reduce, by 1993 at the latest, their total annual sulphur emissions or their 'exported' emissions by 30% compared with 1980.

In addition the contracting parties recognized the need to reduce nitrogen oxide emissions and called for common strategies to be established with a view to reducing the pollutants emitted in the exhaust gases of motor vehicles.

H — OTHER MATTERS

Education

214. The Council and the Ministers for Education meeting within the Council held their 10th meeting in Luxembourg on 4 June 1984.

At the end of the meeting the Council and the Ministers for Education meeting within the Council adopted conclusions concerning the following five topics:

TECHNOLOGICAL CHANGE AND SOCIAL ADJUSTMENT (section concerning education and training)

215. The Council and the Ministers for Education meeting within the Council drew up the section of their conclusions concerning this subject with a view to contributing to the discussions which the Employment and Social Affairs Council subsequently held on technological change and social adjustment at its meeting on 7 June 1984.

In this section of their conclusions the Council and the Ministers for Education meeting within the Council indicated three priority areas for measures to be taken at Community level, namely the training of teachers, the development of software and hardware, and educational activities and research. Practical measures on which Community action should be centred are proposed in each of these three sectors.

In addition, with regard to strengthening cooperation between the universities and industry, the conclusions stated, *inter alia*, that this cooperation should lead to better adaptation of general education and vocational training to the changing needs of industry, particularly in favour of small and medium-sized businesses which are highly innovatory in the different fields of technological development. Lastly, with regard to information and bringing new technology to the attention

of the public at large, the Council and the Ministers for Education meeting within the Council agreed to promote publicity drives, particularly in the framework of adult education, which would complement the training of schoolchildren and highly-skilled manpower.

TEACHING OF FOREIGN LANGUAGES

216. In this section of the conclusions the Member States agreed to promote all appropriate measures to enable the maximum number of pupils to acquire, before the end of compulsory education, a practical knowledge of two languages in addition to their mother tongue, as well as all measures which could maintain levels of knowledge of foreign languages in vocational training, higher education and adult education.

In addition, the Member States were to make arrangements enabling them to increase their cooperation in the training of language teachers.

Furthermore, in order to encourage cooperation between all the bodies engaged in the promotion of foreign language teaching, the Member States were to designate one or more information centres responsible for providing teachers with all available information on methods and materials used and on experiments in progress in other Member States.

They also agreed to invite the competent authorities to take measures to give a real impetus to collaboration between Member States and to individual efforts in connection with:

- (i) the recognition of study periods spent abroad by prospective language teachers;
- (ii) the use by prospective language teachers of national scholarships for study periods abroad;
- (iii) periods abroad for language teachers for retraining purposes;
- (iv) periods of linguistic and cultural study in other Member States for pupils and young people.

The Commission was to encourage consultations on ways of attaining the various objectives.

INTEGRATION OF HANDICAPPED CHILDREN INTO ORDINARY SCHOOLS

217. The conclusions of the Council and the Ministers for Education meeting within the Council affirmed their desire:

- (i) to continue to promote and ensure the maximum possible integration of handicapped children into ordinary schools;
- (ii) to improve the reciprocal provision of information and exchange of ideas on measures undertaken by the Member States in this area;
- (iii) to further the integration of handicapped children into ordinary schools within the framework of the various measures undertaken by the European Community in the field of education.

The Member States agreed to take a number of measures within the framework of their respective educational systems regarding access to school premises, teaching materials, teacher training, adjustments to syllabuses, and making the family, school and social milieu of handicapped children aware of and involved in these questions.

With a view to supporting the measures of the Member States, the Commission was to take account of the integration of handicapped children into ordinary schools in implementing a number of Community measures.

MEASURES TO COMBAT ILLITERACY

218. In this section of the conclusions the Member States agreed to the launching of several measures, within their respective educational systems, to enable the relevant authorities to attach more importance to the problems of illiteracy in all educational and training programmes.

With a view to supporting the measures taken by the Member States, the Commission was instructed to organize exchanges of information among national experts on various aspects of the phenomenon and to take account of illiteracy in both existing and future Community projects in connection with the implementation of the action programme on education of 9 February 1976.

PILOT SCHEMES RELATING TO THE EDUCATION OF MIGRANT WORKERS' CHILDREN

219. From the comparative assessment of the pilot schemes operated since 1976 in the sphere of the education of migrant workers' children, the Council and the Ministers for Education meeting within the Council drew a number of conclusions which constitute guidelines for the Member States and the Commission. These guidelines concern:

Reception

(need for adequate tuition, attention to the problems of the meeting of different cultures and those caused by the simultaneous or consecutive learning of host language and language of origin etc.);

Languages and cultures of origin

(coordination of the methods and content of the teaching of the languages and cultures of origin to primary school children with other teaching activities; strengthening of links between the educational system and migrant communities etc.);

Intercultural tuition

(the intercultural dimension should find expression in all the teaching disciplines);

Teaching materials

Teacher training

(familiarizing teachers with the educational needs of the children of migrant workers and the methods used for meeting these needs; information for teachers on the relationship between immigration, social and educational structures and educational methods; extending experimental schemes to the countries of origin as well as the host countries).

Culture

220. Following the informal meeting in Athens on 28 November 1983, the Council and the Ministers for Cultural Affairs meeting within the Council held their first formal meeting on 22 June 1984.

At this meeting three Resolutions of the Representatives of the Governments of the Member States were adopted.

These Resolutions¹ concern:

¹ OJ C 204, 3.7.1984.

Measures to combat audio-visual pirating

The Member States undertook to apply a series of measures to combat the scourge of audio-visual pirating. They were to implement a systematic policy of cooperation between the authorities and members of the professions concerned with a view to following developments in the phenomenon of pirating and constantly adapting to that development the techniques of prevention, detection and repression of acts of fraud, and, in collaboration with the international intellectual property organizations, pursue a policy of making available to States and copyright holders any information on laws and case law concerning audio-visual pirating.

In addition, the authorities concerned were to examine any measures the situation might demand to ensure that close cooperation was instituted and developed between them in combating audio-visual pirating;

Rational distribution of films through all the audio-visual communication media

In this connection the Representatives of the Governments of the Member States agreed to endeavour, within the powers at their disposal, to implement measures to ensure the rational distribution of films through all the audio-visual communication media;

Measures to ensure that an appropriate place is given to audio-visual programmes of European origin

On this question the Representatives of the Governments of the Member States agreed to encourage, within the powers at their disposal, the implementation, in appropriate forms, of measures which would ensure that work and programmes of European origin were given an appropriate place in all audio-visual communication media.

221. The meeting also covered other important topics. These were in particular:

Promotion and development of a European programme industry

Discussion mainly concerned the possibility of setting up a multilateral system of support for the European film and television programmes industries. A group of experts was instructed to make an early study, in collaboration with the Commission, of the various possible aspects and practical details of this system and to put forward suitable proposals;

social aspects of Community cultural measures: aid for vocational training from the European Social Fund

The Council and the Ministers for Cultural Affairs meeting within the Council held an exchange of views on the basis of a statement by the Commission representative on this matter and noted that a draft resolution on the matter would be put before the next ministerial meeting.

222. The Council and the Ministers for Cultural Affairs meeting within the Council held their second formal meeting on 22 November 1984.

On this occasion, following up the work of their previous meeting, they adopted a Resolution on increased aid from the European Social Fund for cultural workers. In the text adopted the Council and the Ministers for Cultural Affairs meeting within the Council drew the attention of the Member States to the possibility of preparing and submitting projects eligible for aid from the European Social Fund and invited the Commission to give careful consideration, within the framework of the existing Regulations of the Social Fund, to proposals for the vocational training and the employment of artists and cultural workers, in the knowledge that art and culture constitute an important source of income and employment as well as enriching the artistic, cultural and social life of communities.

In addition, the ministerial meeting continued its work on the multilateral system of support for the European film and television programme industries on the basis of an interim report by a group of experts and in the light of a study from the Commission. It was noted that progress had been made on the various possible aspects of a multilateral system.

The group of experts was invited to complete its report in time for the next ministerial meeting. The President of the Commission stated that in view of the ideas put forward by the Ministers and in the light of the studies already carried out the Commission would make appropriate proposals in the areas where it was competent to do so.

223. With regard to free circulation for works of art, the Council and the Ministers for Cultural Affairs meeting within the Council took note with interest of a working document drawn up by the Commission's departments and looked forward to receiving proposals.

224. With regard to the strengthening of cultural cooperation, although no unanimous agreement was reached on a draft resolution from the Presidency on this question, all the delegations gave their assent in principle to the continuation

of work on the specific cultural projects contained in the draft resolution. The President of the Commission announced the Commission's intention of continuing its work in this field and took note of the encouragement given to it. The current projects are as follows:

- (i) European Music Year
- (ii) European Community Youth Orchestra and Eurojazz
- (iii) Young theatre companies and young public
- (iv) Theatre of Europe in Paris and Milan
- (v) European festival at Wiltz, Grand-Duchy of Luxembourg
- (vi) European Film Festival
- (vii) Itinerant exhibition of contemporary painting
- (viii) Support for the translation of contemporary literary works.

It was agreed to name a European City of Culture each year, and the choice of Athens was confirmed for 1985.

225. In addition it was decided, with the agreement of the Foreign Ministers meeting in political cooperation, to intensify cultural cooperation in non-member countries, particularly by providing material for European Film Weeks which could combine cultural cooperation with the commercial promotion of films.

226. It was agreed to examine at an early date the possibility of establishing in Florence a European information centre on stolen works of art on the basis of an Italian Government project showing the specific role of such a centre.

227. Further preparatory work was to be done on the following projects and measures, with a view to taking early decisions:

- (i) a European scheme for concerted national sculpture competitions;
- (ii) exchanges among cultural workers, in particular a proposal for funding visits by artists to residential centres for artists in other Member States;
- (iii) the encouragement of traditional song and dance by appropriate methods;
- (iv) joint action to protect and promote the cultural heritage;
- (v) promoting transnational itineraries for cultural tourism;
- (vi) measures designed to overcome language barriers, as well as measures aimed at improving knowledge of the other Member States of the Community and greater information about European history and culture.

228. Lastly, with regard to policy on the book trade, the Council and the Ministers for Cultural Affairs meeting within the Council expressed their interest

in a note from the French delegation on the possibility of introducing a pricing system based, *inter alia*, on establishing a single price for books.

It was agreed to come back to this matter when the Court of Justice had given its judgement on a relevant case currently before it.

European Foundation

229. On 24 July 1984 the Conference of the States Signatory to the Agreement Setting up the European Foundation gave its assent to a solution which, while safeguarding the position of the interested parties on matters of principle, gives the Foundation, its members and its staff a system of privileges and immunities which takes account of the functional interests of the Foundation and its independent nature.

Health

230. Six years after the previous meeting of the Council and the Representatives of the Member States meeting within the Council, the Ministers for Health of the Member States met informally in Brussels on 29 November 1984 under the Presidency of the Irish Minister, Mr Desmond.

They held a wide-ranging exchange of views on problems of common interest, such as health costs, as well as certain matters which were the subject of formal proposals by the Commission,¹ and agreed to meet at more regular intervals in future.

Consumer protection

231. In 1984 the Council adopted two acts under the second Community programme for a consumer protection and information policy:

- (i) **a Decision introducing a Community system for the rapid exchange of information on dangers arising from the use of consumer products, adopted on 2 March 1984.**²

¹ (i) protection of dialysis patients by minimizing exposure to aluminium;
(ii) European emergency health card;
(iii) action on drug addiction and smoking;
(iv) cooperation at Community level on health-related problems.

² OJ L 70, 13.3.1984.

This Decision stipulates that any urgent measure taken by a Member State concerning the marketing or use of a consumer product because of the risk which the product presents or may present for the health or safety of consumers must be communicated immediately to the Commission, which will inform the other Member States;

- (ii) **a Directive relating to the approximation of the laws, regulations and administrative provisions of the Member States concerning misleading advertising, adopted on 10 September 1984.**¹

The aim of this Directive is to protect consumers and those who carry on a trade, business, craft or profession, as well as the interests of the public in general, against misleading advertising and its unfair consequences. The Member States must ensure that adequate and effective means exist for the control of misleading advertising as defined in the Directive. These means must include legal provisions under which persons having a legitimate interest in prohibiting misleading advertising may take legal action or bring the case before an administrative body competent either to decide on complaints or to initiate appropriate legal proceedings.

The Member States must confer powers on the courts and the administrative authorities enabling them, if necessary, to order the cessation of misleading advertising or to prohibit its publication.

232. The Council held two specific meetings on consumer affairs, on 2 March and 5 June 1984.

At these two meetings the Council considered the questions raised by the proposal for a Directive on misleading advertising (see paragraph 231 above) and by the following proposals:

- (i) proposal for a Council Directive relating to the approximation of the laws, regulations and administrative provisions of the Member States concerning liability for defective products;
- (ii) proposal for a Council Directive to protect the consumer in respect of contracts negotiated away from business premises (door-to-door sales);
- (iii) proposal for a Directive amending Directive 79/581/EEC on consumer protection in the display of prices on foodstuffs;
- (iv) proposal for a Directive on consumer protection in the display of prices on non-food products.

¹ OJ L 250, 19.9.1984.

233. In addition the Council held regular exchanges of views on the overall pattern of consumer policy at the two meetings mentioned above and at a joint internal market/consumer protection meeting on 18 December 1984.

234. Lastly, the Council's subordinate bodies responsible for preparatory work started their examination of the proposal on the approximation of the laws, regulations and administrative provisions of the Member States as regards consumer credit, which had been amended by the Commission after Parliament had delivered its opinion.

Chapter IV External relations and relations with the associated States

A — ENLARGEMENT OF THE COMMUNITY

Portugal

235. The Conference between the European Communities and Portugal concentrated firstly on agriculture. Following its statement at the end of November 1983 on the transition arrangements to be made for in this sphere, in January the Community stated its position on structures and later, in February and March, specified for the product sectors in which the transition was to be made by stages the objectives to be attained and the practical steps to be taken at each of the two stages. Following an exchange of statements, in May the Conference was in a position to record that both parties were now in agreement on the general aspects of the transitional arrangements for this sector and on the implementation from the moment of accession of a specific programme on structures for Portugal involving approximately 700 million ECU over 10 years, i.e. 70 million ECU a year. On the basis of the work accomplished by the two sides, the Conference noted in June that agreement was close on a significant number of points. Both parties then agreed to step up their examination of the outstanding questions. To this end discussions on technical matters were held between the Commission departments and the Portuguese delegation during a 'green' week in July. In the light of the outcome of these meetings, in September the two parties exchanged statements on the majority of the problems, both horizontal and sectoral.

All the elements forming the basis for the final negotiations on this topic were in place at the end of the year, after the Community had amplified its position on vegetable oils and fats and sugar in October, and on wine in December. At that stage the two parties expressed their intention of continuing exploratory talks.

The Conference also concentrated on another important topic, fisheries. After both parties had stated their positions in May and June, this gave rise to a further exchange of statements in December. The two parties then agreed that their exploratory talks would also cover this topic.

In addition, the two parties again clarified their positions on social affairs and made known their positions on a new topic, institutional affairs.

The Conference furthermore discussed patents and some of the points still outstanding in areas which had basically been agreed. It reached agreement on some of these points, as well as on the question of Portugal's membership of the European Investment Bank, thus bringing the number of subjects on which negotiations are practically complete to 13.

On 22 October 1984 the two parties adopted a joint policy statement confirming, in the light of the progress made, the irreversible nature of the process of Portugal's integration into the European Communities.

In December they agreed to set up a drafting group to start work in January 1985 on the accession instruments, which would consist of a single Accession Treaty for Portugal and Spain.

During 1984 the Conference held nine meetings at ministerial level, on 23 January, 13 March, 14 May, 18 June, 23 July, 3 and 18 September, 3 October and 18 December, and also two meetings at deputy minister level, on 24 February and 13 April.

Spain

236. The Conference between the European Communities and Spain continued during 1984 to concentrate firstly on the industrial sector. Agreement was thus reached in December on the transitional measures for the industrial sector and on the ECSC, in particular the measures to be adopted with regard to the restructuring of the Spanish iron and steel industry.

Secondly, the Conference also gave some attention to two other important topics, agriculture and fisheries. With regard to agriculture, the work begun by the Community at the end of 1983 resulted in February in its putting forward the main points of the procedures whereby Spain would adopt the *acquis communautaire*, specifying the transition timetable for the various sectors. Following the Spanish delegation's response to this proposal in March, the Community defined its position again in June in a statement which marked a further step in the process of reaching agreement. Following the Spanish delegation's replies to this statement in July and September, meetings continued at technical level between the appropriate Commission departments and the delegation. The Community amplified its position in October with regard to vegetable oils and fats and in December with regard to wine and the question of the supplementary mechanism for trade. At that stage both parties expressed their intention of continuing exploratory talks on the general aspects of this topic.

The Community defined its position on fisheries in May. Following the reply of the Spanish delegation in June some intensive work was done, which enabled the Community to clarify its position in December. Both parties then agreed that their exploratory talks would also cover this topic.

In addition, the two parties further clarified their positions on social affairs, and in December the Conference was able to note that the outstanding problems in this area had been clearly identified.

They also defined their respective positions on a new topic, Spain's membership of the European Investment Bank.

The Conference also discussed several of the points still outstanding in areas which had basically been finalized or on which negotiations were at an advanced stage, in particular foreign relations. It reached agreement on patents, as well as on one other topic, institutional affairs, on which work began during 1984.

In October the two parties noted the irreversible nature of the process of the enlargement of the Community, and in December they agreed to set up a **Drafting Group** to start work in January 1985 on the accession instruments, which would consist of a single Accession Treaty for Portugal and Spain.

During 1984 the Conference held eight meetings at ministerial level, on 21 February, 10 April, 19 June, 24 July, 3 and 18 September, 23 October and 18 and 19 December, and also three meetings at deputy minister level, on 27 January, 21 March and 28 May.

B — COMMERCIAL POLICY

General commercial policy

COMMERCIAL POLICY REGULATIONS

Regulations governing imports

237. With regard to Community legislation on imports, in the light of the relevant provisions of the Regulations concerned, the Commission had proposed to the Council in December 1983 the abolition as from 1985 of the right of the Member States to take national protective measures — the 'national triggering mechanism' — provided for in Regulations (EEC) Nos 288/82 (the basic Regulation), 1765/82 (rules for State-trading countries), and 1766/82 (Regulation on imports from China).

At its meeting on 3 December 1984 the Council found on the one hand that this proposal was not supported by the majority necessary for it to be adopted, while on the other hand there was no possibility of amending it either. Accordingly, the Council took note that under the provisions of Article 17 the national triggering mechanism lapsed as from 1 January 1985. In addition it should be stressed that, in order to go some way to meeting the wishes expressed by several Member States, the Council took note of the fact that the Commission had confirmed its intention of making full use of the provisions of paragraph 1 of Article 15 of Regulation (EEC) No 288/82 and of Article 11 of Regulation (EEC) Nos 1765/82 and 1766/82, which specify that immediate protective measures can be taken by the Commission at the request of a Member State when the appropriate conditions are fulfilled.

In addition, with regard to specific protective measures, on 19 June 1984 the Council, in implementation of Regulation (EEC) No 288/82, adopted a Regulation confirming Commission Regulation (EEC) No 1087/84 of 18 April 1984 introducing protective measures in respect of certain electronic piezo-electric quartz watches with digital display.

As regards Community legislation on State-trading countries, at its meeting on 18 December 1984 the Council, as in previous years, adopted a Decision on the import quotas to be opened by the Member States in respect of State-trading countries in 1985.¹ Several of these quotas showed increases over the 1984 figures.

¹ Decision 84/657/EEC, OJ L 344, 31.12.1984.

Regulations on exports

238. In accordance with the provisions of the basic Regulation (EEC) No 2063/69 establishing common arrangements for exports,¹ the Council adopted Regulation (EEC) No 3629/84 of December 1984² laying down for 1985 the export arrangements for certain types of non-ferrous metal waste and scrap, which provided for the monitoring of exports of aluminium and lead waste and scrap, and for quotas for exports of copper ash and residues and of copper waste and scrap.

Protection against dumped or subsidized imports

239. With regard to Community legislation on dumping and subsidies, at its meeting on 23 July 1984 the Council adopted Regulation (EEC) No 2176/84,³ which repeals the previous Regulation (EEC) No 3017/79 and now constitutes the new version of the basic Regulation on protection against dumped or subsidized imports from countries which are not members of the EEC. Firstly this new version makes a number of amendments to Community anti-dumping legislation in the light of the experience gained over several years of administering these rules, and secondly it brings together in a single codified text all the amendments which have been made since the Council adopted the basic Regulation (EEC) No 3017/79 in 1979, thereby helping to improve the clarity of Community legislation on this matter.

It should be noted that in implementation of the basic anti-dumping Regulation the Council, acting on proposals from the Commission, adopted ten Regulations instituting permanent anti-dumping duties, mainly on products in the mechanical engineering sector, iron and steel products and chemicals.

Extension or automatic renewal of trade agreements

240. Council Decision 69/494/EEC of 16 December 1969 on the progressive standardization of agreements concerning trade between the Member States and third countries and the negotiation of Community agreements,⁴ and in particular

¹ OJ L 324, 27.12.1969.

² OJ L 335, 22.12.1984.

³ OJ L 201, 30.7.1984.

⁴ OJ L 326, 29.12.1969.

Article 3 thereof, provides that any extension or renewal requires a preliminary authorization.

In this connection the Council, acting on proposals from the Commission, adopted Decisions on 6 February, 22 November and 10 December 1984 authorizing the extension of a number of friendship, trade and navigation treaties and similar agreements concluded by the Member States with non-member countries.

Fairs and exhibitions

241. As usual, the Council's subordinate bodies examined the programme for the participation of the Commission and the Member States in fairs and exhibitions in non-member countries, the aim being to improve the Community's image at these events.

Moreover, acting on proposals from the Commission, the Council gave its assent to the participation of the Community in the international exhibitions in Tsukuba in Japan in 1985 and in Vancouver in Canada in 1986.

MATTERS CONCERNING THE DEVELOPMENT OF THE COMMON COMMERCIAL POLICY

242. The detailed discussions which the Council's subordinate bodies had been conducting since 1983 on the proposal presented by the Commission in March 1983 for the creation of a new instrument for the protection of trade were completed in September 1984. At its meeting of 17 September the Council adopted, by a qualified majority, Regulation (EEC) No 2641/84¹ on the strengthening of the common commercial policy with regard in particular to protection against illicit commercial practices. It should be noted however that the Council had already given its agreement in principle to the content of this new instrument on 9 April 1984, but the formalization of this agreement was linked to the formal adoption of 15 Directives on the technical harmonization of industrial products, which also took place on 7 September 1984.

By putting into effect in this way the policy laid down by the European Council of June 1982, which had considered that it was of the highest importance for the Community to act 'with as much speed and efficiency as its trading partners

¹ OJ L 252, 20.9.1984.

and to defend vigorously the legitimate interests of the Community' at international level, the Council has strengthened the arsenal of instruments for the protection of trade available to the Community, i.e. the procedures to combat dumping and subsidies and the monitoring and safeguard mechanism. In substance this new commercial policy instrument sets out the ways in which the Community, while complying with international obligations and procedures, is able:

- (i) to respond to any illicit commercial practice on the part of a non-member country which is incompatible, in terms of international trade practices, either with international law or with the generally accepted rules, with a view to removing the injury resulting therefrom;
- (ii) to ensure full exercise of the Community's rights with regard to the commercial practices of non-member countries.

The other main features of this Regulation, in addition to the procedure for referral by a Member State to the Commission, are the right of complaint granted also to Community producers who consider themselves harmed by an illicit practice, a formal investigation procedure to be conducted by the Commission, a diversification of the counter-measures available and decision-making machinery which makes it possible for the Community to act quickly.

WCRK IN CONNECTION WITH THE OECD

243. In the OECD the Community continued to endeavour to contribute to the collective and individual efforts of the Western governments to encourage lasting economic growth in a stable economic and financial environment, with due regard to international economic interdependence. These efforts were concentrated particularly on reducing inflation and interest rates, on encouraging adaptability and innovation in order to increase the flexibility of the economic and social structures and on a general expansion in world trade.

244. It is within this general framework that in November 1984 the Council took the decision to bring forward to 1 January 1985, in accordance with the conclusions of the 1984 OECD meeting at ministerial level, the implementation of a number of tariff reductions agreed at the end of the GATT multilateral trade negotiations (the Tokyo Round) which concerned more particularly the developing countries. At the same time the Council reaffirmed its commitment to bring forward to 1 July 1985 the implementation of all the other tariff reductions which would not normally be applicable until 1 January 1986, on the understanding that the Community's main trading partners would follow suit.

245. With the same general objectives, the Community took a practical part in the dismantling by stages of certain trade restrictions which was also provided for in the conclusions of the 1984 OECD ministerial meeting, by offering to abolish or ease a number of quantity restrictions concerning more particularly the developing countries. The aim of this practical measure, which was announced at the annual meeting of the contracting parties to GATT in November 1984, is to increase the openings for exports from certain developing countries and also to encourage the Community's trading partners in the West to take concrete steps along the same lines.

246. Lastly, the Community took an active part at expert level in the various research, study and consultation activities traditionally organized by the OECD with a view to preparing the policy guidelines to be followed by the Western countries in response to the challenge of the current general economic situation.

GATT

247. In 1984 the world economy emerged from the longest recession of the post-war period, although recovery remained very uneven from one country to another. On the one hand North America, and in particular the United States, enjoyed unexpectedly vigorous expansion, without however jeopardizing the progress achieved in controlling inflation. A number of developing countries in Asia also experienced a significant economic recovery.

On the other hand, in Western Europe and, to a lesser extent, Japan, the growth in production was not so extensive. In the State-trading countries in Europe the upturn remained moderate and in the majority of the developing countries, in Africa and Latin America in particular, the economic situation remained depressed.

The most striking feature of the economic recovery in 1984 was the weak world reaction to the vigorous prosperity of the United States. This failure of the recovery to spread strongly at international level dominated relations between the main trading partners. The general uncertainty in business circles remained very marked in many countries and was aggravated by the problem of international debt.

248. It was in this general context that the contracting parties to GATT endeavoured during 1984 to put into effect the programme of work drawn up at the ministerial meeting in November 1982. It was in 1984 that the contracting parties were to carry out a general appraisal of the implementation of this programme with regard to the current economic outlook and the future of the multilateral trading system.

For certain contracting parties their meeting in November 1984 was to constitute the first step in an ongoing process of discussions leading to a new round of multilateral trade negotiations. They considered that this process should provide the psychological boost which businessmen throughout the world needed to produce a general upturn in trade and a substantial increase in investment.

For other countries, in particular the developing countries, on the other hand, new negotiations could be considered only after the programme adopted by the ministers in November 1982, especially the various aspects of this programme of more particular interest to the developing countries, had been implemented.

249. One of the dominant features of the work of the GATT organization in 1984 was an increasingly marked North/South polarization. Signs of this had already appeared during the GATT ministerial meeting in November 1982. This tendency greatly influenced the general climate of the meeting of the contracting parties in 1984 and the international trade system came very close to a major crisis.

The fact is that the United States adopted a very firm attitude on all the questions directly affecting its interests. With regard to other points under discussion, such as the restrictions imposed by the United States on imports of sugar from Nicaragua, the speeches made on both sides took on a distinctly political tone, which was unusual for GATT proceedings.

250. The Community was faced with difficult problems in discussing various matters, such as trade in agricultural products, quantity restrictions and the problem of the safeguard clause. Nevertheless it reached agreement, in particular regarding procedure, on these various questions before the meeting of the contracting parties.

Consequently the Community was able to play a moderating and conciliatory role during the meeting of the contracting parties. In this way it made a substantial contribution to the adoption of an overall compromise on all the items on the programme drawn up by the ministers in 1982.

251. Progress was made in almost every field, although this largely related to matters of a procedural nature, and the work of GATT in 1984 must be seen more in the light of the fact that serious failure, which would have jeopardized the continuing existence of an open multilateral system, was avoided, rather than in terms of real achievements leading to immediate improvements to this system.

Procedures were thus devised for discussing within the GATT structure such complex and difficult questions as:

- (i) international trade in services,
- (ii) trade in counterfeit goods,
- (iii) the effects of erratic fluctuations in exchange rates.

These questions will lie at the heart of the discussions and negotiations over the next decade, which will put GATT in a better position to deal with the complex realities of the international economy.

252. Throughout the year the Community's actions reflected its determination to preserve the GATT multilateral system and to resist protectionist pressures. Accordingly, despite the difficulties of the economic situation and the persistence in Western Europe of serious unemployment, the Council confirmed the political commitments which the Community had entered into at the ministerial meeting in November 1982, which had marked an important step in ensuring the survival of GATT during a time of crisis and recession.

Sectoral problems

STEEL INDUSTRY

253. Since the internal crisis measures were to continue until the end of 1985 (as decided by the Council on 25 July 1983), the Commission and the Council considered that the external measures, which safeguard the correct functioning of the internal measures, should likewise continue in 1985. Accordingly, at its meeting on 23 October the Council agreed to renew the 1984 provisions on external measures, subject to a number of minor adjustments reflecting the experience gained in administering these measures during the previous year and taking account of developments in the situation in the steel sector. In addition, the improvement in the market situation and the increase, albeit modest, in the Community's steel consumption justified a certain relaxation of the quantity restriction applied in previous years. This attitude reflects the Community's willingness, in connection with the consensus arrived at in the OECD in 1977, to abide by market shares corresponding to the traditional patterns of trade in steel from non-member countries.

TEXTILES

254. The main work in the field of textiles policy concerned the administration of the textiles agreements negotiated by the Community with all the countries supplying low-price goods.

It should be noted, however, that 1984 also saw the continuation of negotiations with China on a textiles agreement with the Community. These negotiations had begun in November 1983, but it had not been possible to conclude them by the end of the year. They reached a successful conclusion following a final round of talks in Peking from 19 to 29 March 1984.

C — RELATIONS WITH THE INDUSTRIALIZED COUNTRIES AND THE STATE-TRADING COUNTRIES

Relations with the EFTA countries

The year under review was marked by two important events.

255. With the elimination, at the beginning of 1984, of the last tariff barriers and quantity restrictions on trade in industrial products, the Community and the EFTA countries attained the goal they had set themselves more than 10 years previously. There has thus been established the largest free-trade system in the world, which accounts for one quarter of world trade and comprises more than 300 million consumers. This achievement has been a major factor in the considerable growth in trade between the European countries concerned. The results which have been achieved are a remarkable success for European cooperation, in particular in view of the difficulties and protectionist pressures encountered since the 1970s.

256. The meeting at ministerial level between the European Community and its Member States and the EFTA countries, which was held in Luxembourg on 9 April 1984, was an event of considerable importance. At this meeting the ministers stated that they were convinced of the importance of further action to consolidate and strengthen cooperation, with the aim of creating a dynamic European economic area of benefit to their countries.

They also stressed the importance of continued, pragmatic and flexible cooperation between the Community and its Member States and the EFTA countries above and beyond the provisions of the Agreements.

The meeting amply satisfied the wishes expressed by the Economic and Social Committee in its opinion of 28 March 1984, and by the European Parliament in its Resolution of 13 April 1984.

257. During the past year the Free Trade Agreements continued to operate very satisfactorily. These consistently good day-to-day relations between the countries concerned were, moreover, praised by the ministers on 9 April.

Most of the Joint Committees met twice during the year.

It should also be mentioned that a number of agreements were concluded and unilateral decisions taken by the Community as part the process of administering the EEC/EFTA Free Trade Agreements, namely:

- (i) Agreements in the form of exchanges of letters between the Community and the EFTA countries consolidating and modifying the text of Protocol No 3 to the Agreements between the Community and the EFTA countries:¹
- (ii) the opening of tariff preferences in Greece for 1984² and 1985³ for ECSC products originating in Austria, Finland, Norway, Sweden and Switzerland;
- (iii) Council Regulation on the application of Decision No 1/84 of the EEC-Portugal Joint Committee amending Protocol 3 to the EEC-Portugal Agreement to take account of the accession of the Hellenic Republic to the Community;⁴
- (iv) Council Regulations opening, allocating and providing for the administration of tariff quotas for certain wines originating in Portugal (Verde, Dão, Port, Madeira and Setubal muscatel wines).⁵

258. Lastly, the EEC-Austria and EEC-Switzerland Agreements on Community transit also operated satisfactorily. The two Joint Committees met in October, and technical amendments were made to these Agreements and implemented by Council Regulations.⁶

Relations with non-European industrialized countries

UNITED STATES

259. In the industrial field, steel remained the main bone of contention between the Community and the United States.

¹ OJ L 323, 11.12.1984.

² OJ L 104, 17.4.1984.

³ not yet adopted.

⁴ OJ L 150, 6.6.1984.

⁵ OJ L 149, 5.6.1984.

⁶ Not yet published in the Official Journal.

As regards special steels, it will be recalled that in July 1983 the United States adopted restrictive measures against Community exports. When consultations on the basis of Article XIX of the GATT were unfruitful, the Community decided to adopt unilateral counter-measures if the United States did not make acceptable offers of compensation by 15 January 1984. Accordingly the Community found itself obliged to apply measures against imports from the United States as from 1 March 1984. These took the form, on the one hand, of an increase in duty on certain products and, on the other, of the imposition of quantity restrictions on other products.¹ Like the American measures, these counter-measures are degressive and are within the limits of the estimated damage caused.

Another problem arose with regard to exports to the United States of steel tubes. In this connection it will be recalled that when a voluntary restraint arrangement was concluded in October 1982 on Community exports of ordinary steel to the American market the Community had refused to include steel tubes and pipes in this arrangement. It had accepted, however, in respect of these products an exchange of letters providing for consultations if Community exports in 1983 exceeded the average for the period 1979-81, i.e. 5.9% of the American tubes market. It should be emphasized, however, that this figure was never regarded as a commitment to voluntary restraint. In 1984 Community exports of tubes increased considerably, so that the share of European tubes on the American market rose to over 14%. This increase was the result of a revival in consumption in the United States, but — as the International Trade Commission acknowledged — did not harm the American steel industry.

Nevertheless, in view of the exceptionally high level of exports from Europe and the intention of the United States to take unilateral measures, in November 1984 the Council authorized the Commission to negotiate a voluntary restraint arrangement with the United States.

The negotiations were complex and delicate. They even broke down when the United States took unilateral measures restricting Community exports to 5.9% of the American market, which implied a total embargo for December. At the beginning of January 1985, however, these negotiations finally culminated in the conclusion of an Arrangement under which the United States reserves 7.6% of the American market in steel tubes for Community exports and allows this quota to be exceeded in respect of products which are either not produced at all or not produced in sufficient quantity in the United States. The problem of the deliveries which were held up in December was also resolved.

¹ Regulation (EEC) No 349/84 of 6.2.1984. OJ L 40, 11.2.1984.

260. A further source of major concern in relations with the United States lies in the adoption by that country — despite all the Community's efforts — of a law known as the 'Omnibus Trade Bill'. This law, which was adopted just before the American elections, covers a whole series of trade policy measures and reflects — more in the spirit than in the letter — protectionist tendencies in the most diverse sectors.

The sections of the law which deal with the wine sector (the Wine Equity Act) and with anti-dumping and anti-subsidies measures give particular cause for concern. The Community is determined to follow closely the practical implementation of this law and will be sure to adopt suitable provisions to safeguard its interests.

Lastly, matters relating to trade in agricultural products have been and will continue to be the subject of discussions with the American authorities both bilaterally and within the multilateral framework of GATT.

JAPAN

261. During 1984 the Community continued its efforts to persuade the Japanese authorities to implement measures to rectify the imbalance of trade between the Community and Japan. On a general level, it was found at the end of 1984 that the Community's trade deficit for that year had stabilized and was likely to be of the same order of magnitude as for 1983. Thus there are signs that Japan is starting to recognize its responsibilities as an industrial and economic power. However, much remains to be done by Japan, particularly in opening up its markets and with regard to monetary matters and development aid.

262. At the beginning of 1984 Japan announced a new 'package' of measures aimed at opening up its market to products of foreign origin. However, the effects of these measures were limited. Several of the demands which the Community had made to Japan in this connection were not met and a new series of demands was made in April 1984. These concerned in particular a revision of the veterinary regulations and the regulations governing standards, public contracts and infringements, and a reduction in customs duties on a whole series of products.

263. With regard to limiting Japanese exports to the Community, in December 1984 the Council took note of the renewal for 1985 of Japan's undertaking concerning exports of certain sensitive products such as video recorders, television sets, machine tools, cars and quartz watches. In addition, it also took note at

about the same time of the measures adopted by Japan concerning, in particular, the opening up of its financial market, the measures to promote investment in Japan, and the bringing forward of the reductions under the Tokyo Round to help the developing countries. However, all this had only a minimal effect on the real problems.

It can therefore be said that very substantial efforts will have to be made to achieve an equitable and lasting improvement in the situation.

OTHER COUNTRIES

264. With regard to the other major industrialized countries, it should be noted that high-level consultations took place regularly in 1984. In the course of these meetings discussions were held with Australia on general problems arising in connection with trade. The problems which were discussed with Canada in this context included the question of imports of newsprint into the Community and that of Canada's interpretation of the rules laid down by GATT on anti-dumping procedures.

With regard to newsprint, the problem was resolved in December 1984 in the course of negotiations conducted under Article XXVIII of the GATT. Thus the Community opened an annual duty-free quota of 650 000 tonnes for imports from countries not already in receipt of this preferential treatment. The Scandinavian countries are now eligible for such treatment because of the free trade area set up with the EFTA countries. Canada will obviously be able to take advantage of this tariff quota to a very large extent.

Relations with State-trading countries

POLAND

265. In 1983 the Polish bishops had launched the idea of a massive programme of aid to private farmers and craft industries in Poland and proposed that initially a number of pilot projects should be carried out. Approaches had been made to the Community and to various governments and organizations in the West with a view to procuring finance for this pilot phase.

The bodies responsible for political cooperation and those of the Community discussed the political, financial and technical aspects of this question on several occasions during 1984.

At this stage no final decision has been made on this question, which is still being studied by the competent bodies.

HUNGARY

266. Following an initial series of exploratory talks between the Commission and Hungary, in January 1984 the Council stressed the political importance it attached to the negotiation of an EEC/Hungary trade agreement and the need in consequence, while acting with all necessary caution as regards economic concessions, to arrive at a satisfactory offer.

The Commission informed the competent bodies of the Council of the current situation following a further series of exploratory talks which it had held with Hungary in May 1984 on the possible content of a trade agreement. These talks had showed that there was a substantial gap between the positions of the two sides.

Work is continuing within the Community on this matter, which is particularly complex in view of the nature and the magnitude of what Hungary is asking for.

ROMANIA

267. The fourth meeting of the EEC-Romania Joint Committee took place in Bucharest in November 1984. As usual, it provided an occasion for a comprehensive review of relations between the Community and Romania and the operation of the agreements governing trade between the two parties. The Community position for this meeting was drawn up by the Council's subordinate bodies.

It should be noted that on this occasion the Community expressed its particular regret at the persistent deterioration of trade with Romania. Since 1980 its trade balance has shown a steady decline apart from a slight improvement in the first quarter of 1984. The Community thus insisted that the minutes of the meeting should contain a recommendation requesting the Romanian authorities to give particular attention to the provisions of Article 9 (1) of the Industrial Agreement, which stipulates that 'Romania shall develop and diversify its imports of products originating in the EEC'. For their part, the Romanian authorities raised the question of the possibility of negotiating a Cooperation Agreement with the Community. On this point both parties agreed to step up discussions at expert level so as to go into this question further in 1985.

CHINA

Draft Commercial and Economic Cooperation Agreement

268. At its meeting on 23 and 24 July 1984 the Council adopted the Guidelines for the Negotiation of a Commercial and Economic Cooperation Agreement between the Community and the Peoples' Republic of China. On this basis a draft agreement was initialled in Peking on 26 September 1984. This constitutes a concrete expression of the desire of the two parties to embark on a new phase in their commercial and economic relations while expanding and diversifying the trade between them on a basis of equality and mutual advantage, and by actively fostering economic and technical cooperation to serve their mutual interests.

The Cooperation Agreement replaces the EEC-China Trade Agreement of 1978. To the provisions of the current Trade Agreement, which remain unchanged, it adds clauses on cooperation to take account of the fact that relations with the Community are developing all the time and now go far beyond the strictly commercial field.

This Agreement is on the same lines as the cooperation agreements already concluded by the Community with certain important trading partners in that it provides for future development and lays down targets and procedures for action in the fields of commercial and economic cooperation etc.

The Cooperation Agreement will run for five years and will be renewable by tacit agreement. It will enter into force in 1985 once both parties have notified each other that the necessary legal procedures have been carried out.

Sixth Joint Committee meeting

269. The sixth meeting of the EEC-China Joint Committee was held in Brussels on 4 and 5 December 1984. General guidelines for this meeting had been drawn up during preparatory work undertaken by the Council. This meeting of the Joint Committee, the last to be held under the 1978 Trade Agreement, took place in a particularly good atmosphere.

Both delegations expressed their pleasure at the growth in trade. This trend should become more firmly established in future because of China's avowed policy of making internal economic reforms and becoming more open to the outside world, and because of the considerable scope for developing trade.

Both parties also stressed the new prospects opened up by the Commercial and Economic Cooperation Agreement, which should enable relations between the EEC and China to grow and diversify (see above).

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

Economic Commission for Europe

270. As for the previous meetings of the United Nations Economic Commission for Europe, the Council's subordinate bodies laid down the general guidelines for the position to be adopted by the Community on the political problems on the agenda of the 39th annual meeting of the ECE in Geneva from 3 to 14 April 1984. These general guidelines, which were clarified through on-the-spot coordination, made it possible for the Ten to adopt common positions on each of the questions under discussion and for the Community to play a leading role in the Western 'caucus'.

This meeting began in a relatively tense atmosphere, owing to the continuing East-West tension, but was concluded fairly satisfactorily and without confrontation, which reflected the concern of both sides to improve the prospects for economic cooperation under the ECE, in particular with regard to the environment.

CSCE

271. The Community and its Member States took part in the seminar on economic, scientific and cultural cooperation in the Mediterranean which was held in Venice from 16 to 26 October 1984 as part of the CSCE process.

For this seminar the Council's subordinate bodies prepared a factual document analysing the development of economic and scientific cooperation between the Community and all its Mediterranean partners.

D — NORTH-SOUTH DIALOGUE

General

272. The North-South Dialogue continued throughout 1984 in the usual United Nations fora (General Assembly, Unctad, Ecosoc, Unido, etc.) and in the Bretton Woods institutions, in particular the IMF and the World Bank.

In view of the fairly modest achievements of these various meetings it appears that the North-South Dialogue, as conceived in the 1970s, is marking time. It will be noted in particular that there were no significant developments in 1984 on launching global North-South negotiations.

The Council, which has always been in favour of an overall approach to North-South problems which would go beyond the short term, considers that under the present circumstances a more specific and concrete approach is necessary and that all available opportunities for dialogue and international cooperation in the regions or sectors with the most urgent problems should also be explored. In this respect the Council considers that certain problems require special and urgent attention, such as for example the debts of the developing countries and the current serious difficulties in Africa. Lastly, the Council considers that it is necessary to create more favourable conditions for the North-South Dialogue in its various fora so that points of view can be expressed satisfactorily and brought closer together on basic matters and that some progress can be made. It supports in particular the efforts to rethink these matters undertaken on an informal basis by Group B as an adjunct to the work of Unctad.

Among the events to which the Community gave greatest attention and which gave rise to particularly intensive Community activity, mention should be made of Unido IV and the process of examining and evaluating the International Development Strategy.

It should also be noted that the worsening of the economic situation in Africa and the famine which afflicted certain countries there were topics of prime importance in the context of the North-South dialogue and in particular in the debate at the 39th session of the United Nations General Assembly. In December 1984 the General Assembly adopted a declaration on the critical economic situation in Africa, and the Community and its Member States contributed actively to the drafting of this important text.¹

Unido IV

273. The fourth General Conference of the United Nations Industrial Development Organization, which met in Vienna from 2 to 20 August 1984, was one of the main events of 1984 with regard to the North-South dialogue. This Conference, coming at a time when the world situation was still in serious dif-

¹ For the Community's programme of aid for Africa, see paragraph 345 et seq. of this Review.

faculties, as a result in particular of the most serious economic recession since the 1930s, extended the North-South dialogue to the specific problems of industrializing the developing countries and of cooperation in the industrial field.

274. The Conference adopted by consensus nine Resolutions in which it described a series of concrete measures covering the full range of Unido's activities (science and technology, human resources, energy and industrialization etc.). The Conference attached particular importance to the severe problems facing Africa and the least developed countries. It should also be noted that it was not possible to complete negotiations on two draft resolutions concerning industrial restructuring and the mobilization of financial resources respectively. Consequently these two drafts were referred back to the United Nations General Assembly.

275. During the final phase of the Conference its attention was focused on the negotiations relating to a draft 'umbrella' or general declaration by the Conference, in which a number of general and often controversial topics were raised, namely the impact of the recession, the debt problem, protectionism, improvement of the international monetary and financial systems etc. Since a consensus could not be reached, the text which emerged from the negotiations was put to the vote and adopted with 79 votes in favour (including those of six Community Member States: Denmark, France, Greece, Ireland, Italy and the Netherlands), one against (the United States) and 12 abstentions (including four Member States: Belgium, Germany, Luxembourg and the United Kingdom).

276. The Community and its Member States took an active part in the work of Unido IV in a spirit of cooperation in accordance with the guidelines adopted by the Council at its meeting on 23 July 1984 following the preparatory work done by the Council's subordinate bodies on the basis of a general communication and proposals from the Commission. Intensive efforts continued on the spot to fill out the details of these guidelines, thus enabling the Community to establish its position on all the points discussed by the Conference. In the general debate in plenary session the President of the Council, Mr O' Keefe, Minister of State at the Irish Department of Foreign Affairs, made a statement on 2 August 1984 on behalf of the Community and its Member States in which he stressed in particular the priority fields of action where Unido has an important role to play. In the Working Committees five statements were made on behalf of the Community and its Member States reflecting the Community's position on the main items on the agenda, namely strengthening the scientific and technological potential of the developing countries, mobilization of financial resources to industrialize the developing countries, restructuring and redeployment of world industry, measures to help the least advanced countries and, lastly, Africa's Industrial Development Decade.

277. At the end of the Conference the Community noted that Unido IV had provided an opportunity to make a comprehensive review of industrialization, particularly in the Third World, and to determine the means – which were inevitably limited in view of the current financial constraints on development cooperation – whereby Unido could contribute to industrializing the developing countries. Lastly, the Community repeated that it remained fully committed to the active promotion of industrialization in the developing countries.

Review of the implementation of the International Development Strategy

278. The text of the International Development Strategy for the Third Development Decade, which was adopted by consensus by the United Nations General Assembly on 5 December 1980, provides for a process of reviewing and appraising the implementation of the strategy comprising, within the framework of an overall examination of the international economic situation, a methodical critical analysis of the progress made towards attaining the aims and objectives of the Strategy, and the determination and appraisal of the factors responsible for any inadequacies.

279. To this end a Committee was set up at the 37th General Assembly. It began its work in New York from 7 to 25 May 1984 and continued there from 10 to 18 September after a series of informal consultations in Geneva from 9 to 20 July on the fringe of the Ecosoc meeting.

The Community made a useful contribution to the preparatory work for the review by publishing a basic document setting out details of all the Community's development cooperation activities, for which each of the Member States supplied information on its own activities in this field. It also took an active part in the work of the Appraisal Committee. As a result of intensive coordination work on the spot, the Community was able to present, during the May meeting of this Committee, a complete alternative document to that presented by the Group of 77 containing the main points which the Community considered should appear in the final document to be drawn up by the Committee.

The Appraisal Committee was unable to complete its work, since it had not been possible to engage in any real negotiations on the basis of the texts put forward. Accordingly the General Assembly, at its 39th session, invited the Secretary-General of the United Nations to begin consultations and make proposals to Ecosoc so that the Appraisal Committee could resume its work.

Commodities

280. With regard to the commodities which concern the Community, whether as a producer (in particular of agricultural raw materials) or as a major consumer (in particular of minerals and tropical products), the year was important for a series of negotiating conferences (on sugar and cocoa) and for the signing and entry into force of new agreements (on tropical timber, jute and sugar).

281. With regard to sugar, the work of the United Nations Sugar Conference continued at the session in June and July 1984 and culminated in the drawing up of a new International Agreement.¹

282. The aim of the negotiating conference on cocoa was to lay the foundation for a new agreement in view of the expiry on 30 September 1985 of the 1980 agreement, under which the basic stabilizing mechanism is a buffer stock. This conference took place in two sessions, held in Geneva in May and October-November 1984, at which the EEC and its Member States played an important part. On the basis of a common position adopted by the Council at its meeting on 12 and 13 March 1984 and supplemented by Coreper on 11 May 1984, the EEC was able to introduce into the discussions, to supplement the concept of a buffer stock, that of 'withdrawals from the market', the aim being to avoid the disadvantages of export quotas (the system favoured by the producer countries), in particular the risk of the appearance of a 'two-tier market'. In the second session of the conference the Community was able to expound the advantages of this concept. However, owing to the difficulties surrounding this matter the second session was not conclusive and a third session was convened to start on 18 February 1985. After the end of the second session the Council's subordinate bodies immediately started work to clarify the EEC's position with a view to the next stage of the negotiations.

283. The International Jute Agreement came into force on 9 January 1984 on a provisional basis under a decision of the signatories (including the EEC and its Member States) taken in accordance with Article 40 (3) of the Agreement at a special meeting in Dhaka (Bangladesh), the seat of the new international organization. Since then the Community has taken an active part in managing this new Agreement, which is the first agreement under the Unctad integrated programme which does not provide for market intervention but was drafted with a view to the 'second window' of the Common Fund. The two meetings of the International Jute Council held in May and October 1984 enabled the new organization to begin its work. In this connection it is worth noting that certain

¹ See paragraph 479 of this Review.

Member States undertook to make a voluntary financial contribution to this organization, bearing in mind the precariousness of its financial position due to the delay in the entry into force of the Common Fund.

284. With regard to the Agreement on Tropical Timber, on 29 June 1984 the Council adopted a Decision on the signing of this Agreement by the EEC and its Member States. This took place the same day in New York. However, for reasons beyond the Community's control it was not possible for the Agreement to enter into force on 1 October 1984 as initially intended, since the required number of signatories was not reached, in particular among the producer countries. The Community initiated the necessary internal procedures for the provisional implementation of the Agreement so as to keep to the next deadline of 1 April 1985 and enable the Agreement to enter into force in 1985.

285. The Community and its Member States took part in the management of the International Agreements covering other commodities, namely wheat, olive oil (the Agreement on which was extended for one year until 31 December 1985), coffee, tin and rubber. With regard to the Rubber Agreement, which is due to expire on 22 October 1985, the Council's subordinate bodies began preparatory work — on the basis of proposals from the Commission — with a view to the participation of the Community and of its Member States in the negotiating conference planned for April and May 1985.

Accordingly, by letter dated 18 December 1984 the Community forwarded to the International Rubber Organization (INRO) its preliminary ideas with a view to a new Agreement.

286. Lastly, it should be noted that, as in the past, the Member States and the representatives of the Community took an active part in the work of other specialist organizations concerned with commodities such as the FAO and the OECD.

E — THIRD ACP-EEC CONVENTION

Negotiations

287. The year under review saw further intensive negotiations, culminating on 8 December 1984 in the signing in Lomé (Togo) of the third ACP-EEC Convention.¹

¹ These negotiations began in Luxembourg on 6 October 1983.

During the year four conferences were held at ministerial level, on 9 and 10 February in Brussels, from 3 to 5 May in Suva (Fiji), from 28 to 30 June in Luxembourg and from 9 to 13 October in Brussels (with a restricted attendance only). A large number of preparatory meetings were necessary before each conference, either within the Community (in the Council or between the Commission and the Representatives of the Member States) or jointly with the ACP States (in a central negotiating group and nine sectoral groups).

MINISTERIAL CONFERENCE OF 9 AND 10 FEBRUARY 1984 IN BRUSSELS

288. This Ministerial Conference, which followed the opening session of the negotiations, was the occasion for detailed exchanges of views, both in two ministerial working groups and in plenary session, and arrived at a general picture of the problems to be discussed at a later stage of the negotiations. There was already a wide measure of agreement on certain topics, namely the general objectives of cooperation, the priority to be given to rural development and attempts to achieve self-sufficiency and security of food supplies, the objectives of financial and technical cooperation and also increased cooperation in the fields of industry, energy and mining.

MINISTERIAL CONFERENCE FROM 3 TO 5 MAY 1984 IN SUVA (FIJI)

289. The third Ministerial Negotiating Conference entrusted the various sectoral aspects of the negotiations to three ministerial groups, while a presidential group discussed political and institutional questions and the general outline of the work.

Broad agreement was reached on general principles in the sectors of social and cultural cooperation, regional cooperation, agricultural cooperation and industrial cooperation, and also on the principle of safeguarding the achievements of the previous Conventions. Substantial progress was made on a number of other topics.

MINISTERIAL CONFERENCE FROM 28 TO 30 JUNE 1984 IN LUXEMBOURG

290. The fourth Ministerial Conference was organized on the basis of four ministerial working groups and a presidential group. The text of the articles to appear in the Convention was finalized in several sectors, viz. cultural and social cooperation, agricultural cooperation, measures to combat drought and

desertification, mining and energy cooperation. With regard to the other sectors, the points on which differences remained were identified and the negotiators in Brussels were instructed to continue the negotiations with a view to arriving at conclusions on the outstanding problems.

RESTRICTED MINISTERIAL CONFERENCE FROM 9 TO 13 OCTOBER 1984 IN BRUSSELS

291. This restricted Ministerial Conference was able to finalize a large number of chapters in the new Convention and made considerable progress on many other points, such as investments, marine fisheries, maritime transport, cooperation between ACP States and Overseas Departments and Territories, and aid for refugees, but it was not able to complete the negotiations on the renewal of the Lomé Convention. At the end of the meeting some points were still outstanding, in particular in the sections on agricultural products available (joint declaration), trade (with regard to rum, rice, beef and veal, and rules of origin), Stabex (monitoring and use of transfers), fisheries, financial and technical cooperation (amounts of financial aid and the question of 'dialogue', and maritime transport. The important questions of the reference to human rights and of the duration of the new Convention also remained outstanding.

It was agreed that the negotiators would endeavour to resolve the outstanding points at their own level (*ad referendum*) and that the Presidencies of the ACP and the EEC and the Member of the Commission responsible for development would take stock of the negotiations in November in order to determine whether the conditions had been met for a formal end to the negotiations and the signing of the new Convention, in Lomé, on the date planned.

JOINT PRESIDENTS' MEETING ON 22 NOVEMBER 1984 IN BRUSSELS

292. During the meeting on 22 November 1984 of the President of the Council of ACP Ministers Mr R.L. Namaliu (Papua New Guinea), the President of the Council of the European Communities Mr P. Barry (Ireland) and the Vice-President of the Commission with responsibility for development, Mr Pisani, the last outstanding problems were resolved, in particular that of the volume of aid and the question of the reference to human rights. The two parties consequently noted that the conditions had been met for formal closure of the negotiations and that the date of 8 December 1984 could be confirmed for the signing of the new Convention.

SIGNING OF THE THIRD ACP-EEC CONVENTION IN LOMÉ ON 8 DECEMBER 1984

293. The third ACP-EEC Convention was signed on 8 December 1984 at a formal ceremony presided over by H.E. General Gnassingbe Eyedema, President of the Republic of Togo, in the Maison du Rassemblement du Peuple Togolais in Lomé.

The plenipotentiaries of 65 ACP States — those which were contracting parties to the second Convention and the Peoples' Republic of Mozambique — of the ten Member States of the Community and of the Community itself signed the new Convention. On 30 April 1985 Angola signed the new Convention as the 65th ACP State.

Main features of the new Convention

294. The new Lomé Convention confirms the achievements of the previous Conventions. It reaffirms clearly the principles which form the basis of ACP-EEC cooperation, i.e. non-interference, mutual respect for the sovereignty of the other parties, equality of the partners and the right of each State to choose its own political options and its own policies in social, cultural and economic matters.

Yet the new Convention goes far beyond simply maintaining existing achievements. The main cooperation instruments have been revised and improved. Increased effectiveness was the constant concern of the negotiators and this shared aim is reflected at all levels in the Convention, both as regards the objectives of cooperation, which are clearly expressed at the beginning of the Convention, and also as regards the instruments, of which all the mechanisms were reviewed with the aim of achieving prompter, more appropriate and more effective implementation.

However, the new Convention does not confine itself to improving the existing instruments. It extends cooperation to new sectors which were either omitted or dealt with very marginally in the previous Conventions, and it makes many remarkable innovations.

The finance allocated for the Convention is 8 500 million ECU, an increase of almost 60% over Lomé II, made up as follows:

- (i) 7 400 million ECU under the EDF,
- (ii) 1 100 million ECU from the own resources of the EIB.

IMPROVEMENTS TO EXISTING MECHANISMS

295. Among the main improvements to existing mechanisms made by the new Convention, particular mention should be made of those concerning financial and technical assistance, Stabex, Sysmin, trade, the institutions and other sectors.

Financial and technical assistance

296. The most notable improvement in this field concerns the programming process which, following long and difficult negotiations, was reorganized with a view to greater effectiveness.

The new process is based on genuine discussions, to be held as soon as possible at a time to be agreed between the Community and the ACP State concerned. The main aim will be to acquaint the Community with the development objectives and priorities of the ACP State, and to enable both parties, on the basis of a proposal from the State concerned, to identify the sector or sectors which will receive support from the Community and the appropriate means for achieving the required objectives.

The improvement of programming is all the more essential since Lomé III has extended the scope of financial and technical cooperation. This is no longer limited to investment projects but gives considerable attention to the rehabilitation and maintenance of projects and to sectoral development programmes which, with the aim of maximizing output in the production sectors and satisfying fundamental human needs, provide finance for raw materials, spare parts, fertilizers, insecticides etc.

In addition, there are measures for speeding up the procedures.

Stabex

297. The changes made to the system above all make it more flexible in a number of ways, thus widening the range of risks covered.

Three new products were thus added, namely dried bananas, mangoes and shea-nut oil, and at the same time both the dependence and fluctuation thresholds were reduced from 6.5% to 6% in general and from 2% to 1.5% for the least developed, land-locked and island countries. In addition, special rules were laid down for calculating the dependence threshold when the normal threshold is not reached following natural disasters.

On the financial side, the funds allocated for the system were increased from 550 to 925 million ECU.

The principle of the replenishment of resources was maintained under Lomé III, but steps were taken to lessen its impact. It is now laid down not only that amounts due under the system can in future be set off against subsequent transfers or reimbursed in local currency, but also that the obligation to replenish lapses if during the seven years following the payment of a transfer the conditions for replenishment are not met.

With a view to linking the financial operations under this system more closely to its objectives, i.e. support for the sector concerned or economic and social diversification, the ACP States requesting a transfer are required, before the transfer agreements are signed, to provide the Commission with substantive information on the underlying reasons for the loss of revenue and on the programmes and projects to which the transfers are to be allocated.

This information gives the managers of the system a preliminary opportunity to check that the utilization of the resources is in conformity with the objectives laid down.

In addition, during any subsequent financial year the Commission may halt the allocation of further transfers if it considers the reports supplied by the recipient ACP States on the utilization of previous transfers to be insufficient.

More stringent rules than those in the previous Conventions were also introduced concerning the steps to be taken in the event of a shortfall of resources. Anticipated drawings on the subsequent tranche — up to a maximum of 25% — were made automatic and precise measures are laid down regarding possible reductions in transfers. For this purpose precise reduction coefficients are laid down and a differentiated limit set on the reductions depending on whether or not the country concerned is least developed or landlocked. If, after reductions have been made in accordance with these rules, the money available is still insufficient, the matter will be referred to the Council of Ministers, which will decide on the measures to be taken in accordance with the Convention.

Finally, with regard to the calculation of transfers, the new Convention contains explicit provisions governing the conversion into ECU of export earnings expressed in national currency. There is a special mechanism designed to correct the effects of applying this method in the event of excessive fluctuations in the exchange rates.

Sysmin

298. With regard to the objectives of the system, greater emphasis is now laid on re-establishing the viability of the mining sector in the ACP States con-

cerned, the priority for financial aid being given to rehabilitation, maintenance and rationalization programmes. Particular attention will be given to their proper incorporation into the overall process of development in the countries concerned.

Where the aid provided under Sysmin is not sufficient to bring output and export capacities to a viable level, attempts will be made to achieve the objectives of the system by means of suitable diversification measures.

While maintaining the list of products covered by the system, the new Convention nevertheless provides for extended access to its financial resources which, as under Lomé II, are repayable in the same way as the special loans. It is true that the rules governing eligibility, with a dependence threshold of 15% of the previous export earnings, have been maintained for the products covered explicitly by the system, albeit with a reference period reduced from four to two years. However, new provisions extend the special finance facility, on a case-by-case basis, to countries which do not reach these thresholds for the above-mentioned products but do, in general, obtain 20% or more of their export earnings from their mining products as a whole (excluding precious stones, oil and gas). In the first case funds for a given country are limited to 35%, and in the second case to 15%, of an annual tranche, and priorities are laid down, in the case of the latter countries, for the allocation of the funds (maintaining major development projects, projects capable of replacing the affected capacity as a source of export earnings).

The overall amount allocated for Sysmin was increased to 415 million ECU, compared with 280 million ECU under Lomé II.

Trade and customs cooperation

299. With regard to the general trade arrangements, which constitute one of the fundamental aspects of the Convention, the Lomé III system follows very closely the system under the Lomé II Convention whereby ACP products are admitted duty-free into the Community, on the understanding that with regard to agricultural products:

- (i) either they are admitted free of customs duty, if Community regulations do not provide for any other measure to be applied on importation;
- (ii) or the Community accords them more favourable treatment than that granted to third countries eligible for most-favoured-nation treatment.

In connection with the latter case, the new text (Article 130) supplements and improves the procedures for handling requests from ACP States for preferential

access for their agricultural products. In particular this provision lays down a precise time limit of 6 months for replying to requests. In addition, with regard to requests for more favourable tariff treatment, the Community will take account of the concessions granted for the same product to other developing countries and the possibilities of out-of-season markets.

The new Convention maintains the Lomé II provisions whereby the Community reserved the right to take, or to authorize a Member State to take, safeguard measures if application of the Convention would cause serious disturbances in a sector of the economy or would jeopardize the external financial stability of the Community or of a Member State. This also applies if difficulties arise which are likely to have these effects in the Community or a region of the Community. Provision is made for consultations, but these must not prevent the taking of any immediate decisions which special circumstances might necessitate.

With regard to the rules of origin in Protocol 1, the system of derogations was improved by increasing the duration of derogations and introducing a provision whereby a derogation will be granted when the value added to non-originating products in an ACP State is at least 60% of the value of the finished product, provided that the derogation is not likely to have serious adverse effects in a sector of the economy of the Community or of one or more of its Member States.

Institutions

300. The functions of the ACP-EEC Council of Ministers are defined more clearly in the new Convention. Its role in laying down the broad outline of activities and of general cooperation policy was strengthened.

With the aim of avoiding duplication in the work of the parliamentary institutions, the Consultative Assembly and the Joint Committee provided for in Lomé II were amalgamated into a new parliamentary body called the Joint Assembly, composed of equal numbers of Members of the European Parliament representing the Community on the one hand, and of Members of Parliament or, failing that, designated Representatives of the ACP States on the other.

In order to help finance the expenditure incurred by ACP participants at meetings organized by the Joint Assembly other than its general sessions, a fund was set up to which on the one hand the ACP States make their contribution, while on the other the Community also contributes an amount not exceeding 1 million ECU for the duration of the Convention (cf. Annex XXXI to the Final Act).

The new Convention also provides for the various social and economic interests to play a more active part in implementing its provisions.

The consultation mechanisms are considerably strengthened, being extended in particular to cover cases where differences arise in the interpretation of texts in connection with the application of the Convention. In such cases the contracting parties will make every effort to arrive at a common interpretation by means of a joint examination within the ACP-EEC institutions.

With the aim of speeding up the settling of disputes, the new Convention contains provisions for accelerating the arbitration procedure, laying down shorter time limits for the nomination of arbitrators and for the taking of decisions.

Other improvements

301. The new Convention also contains major improvements in the fields of industrial cooperation, the development of mining and energy potential, regional cooperation and in the provisions concerning the least developed, land-locked and island ACP States.

EXTENSION OF COOPERATION AND INNOVATIONS

Objectives of cooperation

302. Unlike the previous Conventions, Lomé III contains an introductory section which constitutes a sort of overall framework. This section sets out the objectives of cooperation, the basic principles governing the various instruments, and the concepts underlying the operation of the ACP-EEC institutions. This outline should give the new Convention a more coherent structure and make it more readable.

Human rights

303. For the first time the Convention contains a reference to human rights. In the preamble reference is made to the United Nations Charter and fundamental human rights. The concept of human dignity is mentioned in the general provisions of the Convention and defined in a joint statement.

The references to human rights in the new Convention are the expression of increased political solidarity between the Community and the ACP States.

Agricultural and rural cooperation

304. The title concerning cooperation in this sphere was redrafted and refined, so that the new Convention now attaches very particular importance to the security of food supplies and self-sufficiency in food for the ACP States. It thus provides support for food policies and strategies, stresses the need for coordination between food aid projects and other cooperation activities and the need to integrate food aid into the development policies of the ACP States. Lastly, it makes provision for measures to replace food aid.

With regard to the question of supplying agricultural products available in the Community to the ACP States, the new Convention makes provision for the advance fixing for longer periods of the refunds in respect of exports to all ACP States of a range of products laid down in accordance with the food requirements expressed by these States. In addition, specific agreements may be concluded with ACP States which request them as part of their policy on security of food supplies.

The new Convention makes provision for 'thematic measures' to be undertaken to maintain or restore the natural balance in major areas. This means that very long-term measures can be undertaken which require a regional approach, such as measures to combat drought and desertification, combating the effects of natural disasters by the setting up of preventive systems and aid mechanisms, the fight against major diseases and epidemics, large-scale projects on hygiene and basic health, and research on new and renewable sources of energy.

With regard to agricultural commodities, a new Chapter notes the extreme dependence of the majority of ACP States on their exports of these products and recognizes the need to strengthen and increase cooperation in this sector. To this end it sets up an Agricultural Commodities Committee responsible for monitoring the application of the Convention in this sector and for examining any problems.

Fisheries

305. The new Title on the development of fisheries comprises a major extension of cooperation in this field.

The new Convention:

- (i) gives prominence to Community aid to improve the management by the ACP States of the fisheries resources of their exclusive economic zones;
- (ii) emphasizes the need to promote the conservation and optimum use of living resources;
- (iii) recognizes the role of the Community fishing fleets operating legally in ACP waters;
- (iv) affirms the readiness of the ACP States to negotiate with the Community mutually satisfactory fisheries agreements based on the principle of non-discrimination;
- (v) lays down the general guidelines governing the concessions to be made by the Community in return for the rights granted to its fishing fleets.

Maritime transport

306. For the first time, the new Convention contains a coherent set of provisions on transport and communications, thus recognizing the essential role of these sectors in the development of the ACP States.

In this sphere special importance is attached to maritime transport, which plays a primordial role in economic development and the promotion of trade between the ACP States and the Community.

The objective of cooperation in this sector is to ensure the harmonious development of efficient and reliable shipping services under economically satisfactory conditions, by encouraging all the parties concerned to share in this activity while maintaining the principle of unrestricted access to this traffic on a commercial basis.

In addition, both sides stress the particular importance of the Code of Conduct for Liner Conferences, and the Community recognizes the aspirations of the ACP States to have a larger share of international bulk transport by sea. Both sides agree that there must continue to be free competition for access to this traffic.

Provision is made for a consultation mechanism to ensure that the agreed provisions are implemented effectively.

Cultural and social cooperation

307. The new Title on cultural and social cooperation reflects an important shift in ACP-EEC relations, aimed at more self-reliant development of the ACP

States, focussed on the human dimension and rooted in the culture of each people.

This form of cooperation will provide support for the policies of the ACP States and the measures they take to enhance their human resources, to increase their own creative capacities and to promote their cultural identities by means of integrated and coordinated programmes involving measures in the fields of education and training, research, science and technology, information and communications, popular participation, the rôle of women, and health. Criteria have also been laid down to ensure that more account is taken of the cultural and social dimension at the conception, preparation, implementation and evaluation stages of projects and programmes in the various areas of cooperation.

Particular attention is paid to efforts to upgrade the work done by women, to improve their living conditions, to enhance their role and to promote their status in the process of production and development.

A joint statement on migrant workers and ACP students in the Community, annexed to the Final Act of the Convention, is aimed at improving the position of these two groups. It provides for bringing questions relating to them to the attention of the Council of ACP-EEC Ministers.

Investment

308. Whereas the Convention of 1979 did not include additional provisions on this matter, a new Title of the Convention comprises:

- (i) recognition by the two parties of the importance of private investment and a commitment to promote it;
- (ii) a joint commitment to treat investors justly and fairly and to encourage or create clear and stable conditions to promote investment;
- (iii) a commitment to maintain a predictable and reliable climate for investment;
- (iv) willingness to negotiate agreements between States;
- (v) the affirmation, at the time of negotiating, implementing and interpreting such agreements, of the principle of non-discrimination, as defined in a joint statement.

In addition the parties undertake:

- (i) to study a joint ACP-EEC insurance and guarantee system;

- (ii) to examine measures to facilitate and increase the flow of private capital towards the ACP States:
- (iii) to seek technical and financial means of facilitating exports from the ACP States and assisting national and regional finance institutions.

INTERNAL AGREEMENT ON THE MEASURES TO BE TAKEN AND THE PROCEDURES TO BE FOLLOWED TO IMPLEMENT THE LOMÉ III CONVENTION

309. This Internal Agreement, which concerns the Member States, lays down in particular the procedures for determining, in the fields for which they are responsible, the positions to be adopted in the ACP-EEC bodies by the Representatives of the Community, together with the measures to be taken in the event of disagreement. In addition, this Agreement provides for a procedure for exchanging information on the promotion and protection of investments. The Agreement was drawn up at the end of 1984, approved on 19 February 1985 and then submitted to the Member States for ratification.

INTERNAL FINANCIAL AGREEMENT

310. The Member States drew up the Internal Agreement on the financing and management of aid from the Community which institutes the sixth EDF, to which 7 500 million ECU have been allocated. It lays down the procedures for endowing the Fund and the contributions of the Member States, specifies certain procedures for aid from the EIB and lays down, *inter alia*, rules for administering financial cooperation and procedures for monitoring and utilizing aid. This Agreement was also drawn up at the end of 1984, signed on 19 February 1985 and submitted to the Member States for ratification.

TRANSITIONAL MEASURES

311. On 19 December 1984 the ACP-EEC Council of Ministers adopted a Decision delegating power to the ACP-EEC Committee of Ambassadors to adopt transitional measures upon expiry of the second ACP-EEC Convention. These measures were examined and adopted by the Committee of Ambassadors in January and February 1985.

F — MANAGEMENT OF THE SECOND ACP-EEC CONVENTION

Membership of the Convention

312. On 5 March 1984 St Christopher and Nevis acceded to the Second ACP-EEC Convention. This State, together with Belize and Antigua and Barbuda — former overseas countries and territories which have achieved independence — was included in the list of the least developed ACP States and/or the list of island ACP States.

Institutions

ACP — EEC COUNCIL OF MINISTERS

313. On 2 May 1984 the ACP-EEC Council of Ministers held its ninth regular meeting — the fourth since the entry into force of Lomé II — in Suva (Fiji). The Council discussed major aspects regarding implementation of the Convention, in particular in the fields of trade cooperation, customs cooperation, the Sugar Protocol, Stabex, industrial cooperation and financial and technical cooperation.

On 1 May 1984 the third ministerial meeting of the Committee provided for in Article 108 (6) of the Convention was also held in Suva. This Committee drew up a report on the implementation of financial and technical cooperation, as well as a draft resolution on the same subject which was subsequently adopted by the Council of Ministers.

THE ACP — EEC COMMITTEE OF AMBASSADORS

314. The ACP-EEC Committee of Ambassadors held its 17th meeting on 30 March 1984. It assisted the Council of Ministers in fulfilling its tasks, monitored the implementation of the Convention and supervised the work of the various subordinate bodies in the fields laid down in the Convention.

THE ACP — EEC CONSULTATIVE ASSEMBLY

315. Preparatory work for the ACP-EEC Consultative Assembly was carried out by the Joint Committee, which met twice — from 22 to 24 February in

Brazzaville and from 17 to 19 September in Luxembourg. The Assembly held its annual meeting in Luxembourg from 19 to 21 September 1984. It adopted several Resolutions, in particular on the eighth annual report of the ACP-EEC Council of Ministers, the environment, measures to combat drought and desertification, and fisheries. A significant proportion of the work of these bodies was naturally devoted to the new ACP-EEC Convention, which was being negotiated at the time.

Trade cooperation

IMPORTS OF CERTAIN ACP AGRICULTURAL PRODUCTS INTO THE COMMUNITY

316. At the meeting of the ACP-EEC Council of Ministers in Suva the two sides continued their discussion of a request from the ACP States concerning imports of ACP strawberries into the Community. On 30 July 1984 the EEC Council adopted a Regulation reducing the duty payable under the Common Customs Tariff for ACP strawberries by 60% during the period from 1 November to the end of February, up to a tariff quota of 700 tonnes.¹

At the same meeting the ACP States expressed their anxiety over certain Commission proposals currently being studied by the EEC Council's subordinate bodies regarding aflatoxin in animal feedingstuffs and a tax on oil seeds and vegetable oils and fats.

For its part the Community stated that these anxieties would be taken fully into consideration and that the ACP States would be consulted before any decision was taken.

317. In addition the Community gave assurances that it was ready to examine any detailed information that the ACP States could provide on trends in their trade in wheat bran and residues following the adoption of Regulation (EEC) No 414/83, which for the first time granted them real preferential treatment for these products.

318. Lastly, the Community gave assurances that a proposal before the EEC Council for extending the statistical monitoring of carnations and cut roses was in no way intended to restrict imports from the ACP States. The Community

¹ Regulation (EEC) No 2247/84, OJ L 206, 2.8.1984.

stated that it would not hesitate to enter into consultations should specific problems arise in this respect.

RUM

319. On 28 June 1984 the Council adopted a Regulation opening, allocating and providing for the administration of a Community tariff quota for rum, arrack and tafia originating in the ACP States¹ for the period from 1 July 1984 to 28 February 1985.

CONSULTATIONS ON THE INTERNATIONAL COCOA AGREEMENT

320. The Community and the ACP States held an exchange of views at the meeting of the ACP-EEC Council regarding the negotiations on the renewal of the International Cocoa Agreement. It was agreed that the two sides would remain in contact during these negotiations.

ENLARGEMENT OF THE COMMUNITY TO INCLUDE SPAIN AND PORTUGAL

321. During the meeting of the Committee of Ambassadors on 30 March 1984 the Community made a statement on the progress of the accession negotiations with Spain and Portugal.

At the meeting of the ACP-EEC Council of Ministers on 2 May 1984 the ACP States for their part stressed the importance to them of receiving regular information on the progress of these negotiations and expressed the wish that in future contacts for this purpose might be of an official nature. The Community replied that the Commission was at the disposal of the ACP States to provide them with additional technical information on a regular basis and confirmed that it was willing to consult the ACP States, when appropriate, through the competent Convention bodies. Information has since been provided regularly.

GENERALIZED PREFERENCES

322. In December 1984 the ACP States presented a memorandum on the Commission's proposal regarding the scheme of generalized preferences for

¹ Regulation (EEC) No 1834/84, OJ L 172, 30.6.1984.

1985, at a time when the Community had already given its assent in principle to this scheme. None the less, the Council adopted decisions in certain cases which went some way to meeting the wishes of the ACP States. Subsequently the ACP-EEC Committee of Ambassadors asked the ACP-EEC Subcommittee on Trade Cooperation to examine the practical functioning of the mechanism for consultations on the GSP.

STUDY BY THE WORKING PARTY ON TRENDS IN ACP-EEC TRADE

323. The meeting of the ACP-EEC Council of Ministers in Suva instructed the Working Party on trends in ACP-EEC trade to speed up its work in order to be able to draw up a final report by September 1984.

Customs cooperation

DEROGATIONS FROM THE RULES OF ORIGIN

324. On 31 July 1984 the ACP-EEC Customs Cooperation Committee decided to grant a new derogation from the rules of origin to Mauritius in respect of 600 tonnes of canned tuna originating in other developing countries and exported from Mauritius between 1 August 1984 and 28 February 1985.¹

The Committee also decided, on 3 October 1984, to grant a derogation from the rules of origin to Jamaica in respect of 80 000 square yards of tufted carpet exported from Jamaica between 3 October 1984 and 28 February 1985.²

IMPLEMENTATION OF ANNEX XXI TO THE SECOND LOMÉ CONVENTION RELATING TO THE JOINT STATEMENT ON THE ORIGIN OF FISHERY PRODUCTS

325. The ACP-EEC Council noted that the report of the Customs Cooperation Committee on this matter was not yet available, but the two sides confirmed their respective positions.

¹ Regulation (EEC) No 2591/84, OJ L 243, 13.9.1984.

² Regulation (EEC) No 3124/84, OJ L 292, 9.11.1984.

Sugar

326. On 9 January 1984 the Council adopted Regulation (EEC) No 68/84 on the conclusion of an Agreement in the form of an exchange of letters between the EEC and the ACP States concerned on the guaranteed prices for cane sugar for the 1983/84 delivery period.¹

The negotiations with the ACP States to fix the guaranteed prices for sugar for the 1984/85 delivery period were completed on 26 September 1984 with agreed prices of 44.34 ECU/100 kg for raw sugar and 54.68 ECU/100 kg for white sugar. These prices are the same as for the previous delivery period.

In connection with the accession of Portugal to the Community, the ACP States asked the Community whether after accession they could continue to supply the 300 000 tonnes of cane sugar which they currently export to Portugal. The Council is studying this request.

During 1984 St Christopher and Nevis, which had previously benefited from the sugar provisions relating to the overseas countries and territories, acceded to the ACP Sugar Protocol and will continue to produce 14 800 tonnes per annum.

Stabex

327. On 2 May 1984 the ACP-EEC Council of Ministers adopted a Decision extending the application of the Stabex system to exports of cowpeas from Niger to other ACP States.

328. The Council also adopted a Decision delegating power to the Committee of Ambassadors in the event of a shortfall in the funds for the transfers to be made in respect of stabilizing export earnings for the year of application 1983. In fact, the requests for transfers lodged by the ACP States for the year of application 1983 and accepted by the Community only reached, in total, an amount considerably lower than the 97 897 637 ECU available for 1983. The Community made 21 transfers in 1983, in respect of the loss of export earnings of 14 ACP States, amounting to 50 403 781 ECU.

329. The ACP-EEC Council of Ministers took note of a Community statement to the effect that it was not in a position to give a favourable reply to the

¹ OJ L 10, 13.1.1984.

request of the ACP States that the Stabex system should apply to all exports from Fiji irrespective of destination.

Industrial cooperation

THE ACP – EEC COUNCIL OF MINISTERS

330. The ACP-EEC Council of Ministers took note of the joint report drawn up under the aegis of the Industrial Cooperation Committee on additional finance for industrial cooperation, as provided for in Annex X to the second Lomé Convention.

On 2 May 1984 the ACP-EEC Council of Ministers adopted a Decision increasing the number of members of the Advisory Council of the Centre for Industrial Development from 16 to 20, two new members being nominated by the Community and two by the ACP States.

THE ACP – EEC COMMITTEE ON INDUSTRIAL COOPERATION

331. The ACP-EEC Committee on Industrial Cooperation (set up in accordance with Article 78 of Lomé II) met at ambassador level on 30 March and 28 November 1984. The main questions dealt with were as follows:

Discharge in respect of the accounts of the CID for the financial years 1981, 1982 and 1983

332. Pursuant to the Financial Regulation of the Centre for Industrial Development, on 30 March 1984 the Committee, on the basis of the auditors' report, adopted a Decision giving a discharge to the Director of the CID in respect of the implementation of the budgets of the Centre for the financial years 1981 and 1982.

Similarly, on 28 November 1984 it adopted a Decision giving a discharge for the financial year 1983.

The Committee took several decisions in implementation of the staff regulations of the Centre.

Budget and work programme of the CID for 1985

333. On the basis of a proposal from the Director of the Centre, together with the opinion of the Advisory Council, the Committee gave its assent to the work programme and adopted the budget of the Centre for 1985. The grand total of the Centre's expenditure is 6 987 101 ECU. The EDF subsidy for this budget is taken from the remainder of the sum of 25 million ECU provided for in Article 81 of the second Lomé Convention.

Agricultural cooperation

334. On 27 January 1984 the ACP-EEC Committee of Ambassadors adopted a Decision adopting the budget of the Technical Centre for Agricultural and Rural Cooperation for 1984. The grand total of the Centre's expenditure is 1 281 000 ECU.

Financial and technical cooperation

335. The Article 108 Committee held two meetings at delegation level, on 28 March and 18 April 1984, and one meeting at ministerial level, on 1 May 1984, in Suva immediately before the ninth meeting of the ACP-EEC Council of Ministers on 2 May 1984. It submitted a report to the ACP-EEC Council on the basis of which this body adopted a Resolution.

The Resolution sets out new guidelines for improving cooperation under Lomé II and contains statements on a series of key questions relating to principles (cofinancing, microprojects, regional cooperation, aid for programmes and maintenance), procedures (financing of overspending and payment procedures), and sectors (agriculture, rural projects and food strategies, energy, human resources, health and social services, transport and communications, environment and development).

336. During the year under review the Council's subordinate bodies also studied various reports by the Court of Auditors relating to development aid, namely:

- (i) the annual report for 1982 (section relating to the European Development Fund);
- (ii) the special report on coordinating Community aid to non-member countries;

- (iii) the special report on the management by the EIB of the Community development aid funds.

After examining the first of these reports, and having regard to the revenue and expenditure accounts and the balance sheets of the various Funds as at 31 December 1982, on 10 April 1984 the Council gave discharges to the Commission in respect of operations under the second and third EDFs and recommended to the European Parliament that it should give discharges in respect of the operations under the fourth and fifth EDFs.¹

337. The Council's subordinate bodies started their examination of the Commission's annual report on the results of the invitations to tender and the third Commission report on the measures taken or contemplated to improve conditions for competition in tendering for contracts financed by the EDF.

338. In addition they discussed the following:

- (i) the evaluation (*ex-post*) of certain projects and programmes carried out in ACP countries;
- (ii) specific cases of typical difficulties encountered in implementing financial and technical cooperation;
- (iii) the reports from the Commission and the EIB provided for in the Internal Financial Agreement of 1979;
- (iv) certain specific problems relating to the EIB.

339. By Decision 84/470/EEC of 3 October 1984,² the Council adjusted the amounts made available to the 5th EDF for the ACP States and the overseas countries and territories to take account of the fact that the former overseas territory St Kitts-Nevis had, under the name of St Christopher and Nevis, become a Party to the second Lomé Convention.

Lastly, in its Decision of 14 December 1984 the Council laid down the timetable for the collection of contributions from the Member States to the fifth EDF for 1985.

Conclusions

340. The year under review marks a historic point in ACP-EEC relations. Major progress was made in implementing the second Lomé Convention and in consolidating its administration.

¹ OJ L 104, 17.4.1984.

² OJ L 226, 6.10.1984.

However, it is the signing of the third Lomé Convention on 8 December 1984 which constitutes the decisive event of 1984. This new Convention is above all an act of solidarity aimed at improving living conditions in the ACP States. It is based on the principles of interdependence, mutual interest, respect for each other's sovereignty, equality between partners and the right of each State to determine its own political options.

Lomé III confirms the achievements of the previous Conventions. This is important in a particularly difficult international situation which is marked by considerable hesitation in the North-South dialogue.

However, the new Convention is more than a simple confirmation of previous achievements. It offers new fields for cooperation and opens up new prospects.

The first stage is now complete. Future work must be concentrated on implementing the new provisions effectively and quickly in order to achieve the main objective of the new Convention, i.e. to improve the living conditions of people in the ACP States by means of effective cooperation.

Associated overseas countries and territories

341. In implementation of Council Decision 80/1186/EEC of 16 December 1980, which governs relations between the Community and the overseas countries and territories, the following Community measures were adopted:

RUM

342. Council Regulation (EEC) No 1835/84 of 28 June 1984 opening, allocating and providing for the administration of a Community tariff for rum, arrack and tafia originating in the overseas countries and territories (for 1984/85).¹

SUGAR

343. Council Regulation (EEC) No 69/84 of 9 January 1984 fixing the guaranteed prices applicable for cane sugar originating in the overseas countries and territories for the 1983/84 delivery period.

¹ OJ L 172, 30.6.1984.

344. In addition, St Kitts-Nevis and Brunei having become independent on 19 September 1983 and 1 January 1984 respectively, by Decision 84/471/EEC of 3 October 1984¹ the Council amended Decision 80/1186/EEC on the association of the overseas countries and territories with the Community.

G — DEVELOPMENT COOPERATION

345. The Council, in the form of the Council of Ministers for Development Cooperation, held two meetings during 1984, on 5 June and 6 November.

Famine in Africa

346. Because of the famine which affected millions of people in Ethiopia, several countries of the Sahel, Kenya, Sudan and a number of countries in southern Africa in 1984, the Development Cooperation Council devoted a major part of its discussions on 6 November 1984 to this tragic situation.

In this connection the Council gave its full support to a new emergency plan drawn up by the Commission. Taking account of an initial emergency plan involving almost 80 million ECU implemented by the Community in April 1984, this plan comprised, *inter alia*, immediate aid measures, totalling 32 million ECU, for the local purchase of food products and internal transport by road, rail and air, and short-term food-aid projects to provide the equivalent of 100 000 tonnes of grain with an estimated value of 25 million ECU.

The Resolution which the Council adopted in this connection expressed satisfaction in particular that, thanks to cooperation between the European Parliament, the Council and Commission, this emergency plan had been set up within a few days and was already under way. It thanked the Commission for taking this initiative and for the work done and, stressing the need for close coordination between the donors, took note of a meeting to be held in Brussels to coordinate the work of the Commission and the Member States in implementing the emergency measures. It also pointed out the need for more intensive contacts with NGOs — which play a very important rôle in the distribution of aid — and the organizations of the Red Cross family and the United Nations system.

¹ OJ L 266, 6.10.1984.

Lastly, the Council and the Commission stressed that the emergency measures should not jeopardize the continuation of long-term aid measures, in cooperation with the countries concerned, to develop their self-sufficiency in food.

347. In view of the persistently serious famine in Africa, at its meeting in Dublin on 3 and 4 December 1984 the European Council stressed the need for additional aid from the Community and the Member States amounting to 1.2 million tonnes of grain or the equivalent to bridge the gap until the next harvest. The relevant Community authorities took the necessary decisions before the end of 1984 to enable the Community to finance the portion of this additional aid (0.5 million tonnes) which was to be charged to the 1984 budget as well as the emergency aid under the fifth EDF.

The European Community and Africa

348. At its meeting on 5 June 1984 the Development Cooperation Council had also received a communication for the Commission on the European Community and Africa.¹ This communication described the disturbing deterioration of the economic and social situation in Africa and aimed to give an overall integrated view of the continent's problems and to lay down guidelines for Community action.

Of the other main topics regarding development cooperation discussed during the year, the following should be mentioned:

Thematic measures

349. On the basis of a communication from the Commission the Council held an exchange of views on thematic measures, i.e. long-term measures in structural fields concerning a number of developing countries in each case. Certain guidelines emerged. The measures are to concentrate on desertification and drought, the improvement of domestic and wild livestock, and water management, on an overall basis. The priority regions would be the Sahel, the Horn of Africa and the Zaire/Nile mountainous region. The measures must be integrated into coherent plans at regional, national and international level and must be

¹ The Council took note of the Commission's intention of possibly submitting at some future date a communication concerning the Caribbean and the Pacific together with other regions as appropriate.

financed by means of the existing Community aid instruments. The Council took note that, on the basis of these guidelines, the Commission intended to present specific implementing proposals.

Coordination of cooperation policies and operations within the Community

350. At its meeting of 5 June 1984 the Development Council adopted a Resolution aimed at increased coordination of cooperation policies and operations within the Community. The Resolution stated in particular that this 'à la carte' coordination must take account, on the one hand, of the approaches adopted by each Member State towards specific regions, countries or sectors and, on the other, of local conditions. There was to be a better two-way flow of information between the Commission and the Member States concerning their respective aid activities. On-the-spot contacts between the Representatives of the Member States and the Commission delegates were to be intensified. The Council asked the Commission to submit a report at one of its forthcoming meetings on the implementation of this Resolution.

Plan to combat the effects of an exceptional drought in the Sahel

351. At the meeting on 5 June 1984 the French Minister responsible for cooperation presented a plan to combat the effects of an exceptional drought in the Sahel. This plan was discussed in detail by the experts. At its meeting on 6 November 1984 the Council accepted the conclusions of the experts. Those provide for both a methodology and practical measures concerning the early detection of critical situations and the evaluation of aid requirements, pre-programming and joint planning by donors on the basis of known needs for the following year, and the taking of decisions granting and mobilizing aid.

The drawing up of a plan of this kind, which could be extended, if necessary, to other countries affected by natural disasters, constitutes the first instance in which the abovementioned Council Resolution on the coordination of policies and aid has been put into effect.

Food strategies

352. On the basis of an interim report by the Commission's departments on the experience gained by the Community, in cooperation with the Member

States, in supporting food strategies in Mali, Kenya, Zambia and Rwanda, the Council held a general debate on this matter. It emphasized the progress made in implementing these strategies and considered such questions as extending support for food strategies to other developing countries, maintaining a balance between the interests of the producer and those of the consumer, the emphasis to be placed on crops suited to local eating habits (sorghum, millet, cassava and pulses) and the improvement of the situation of women in rural areas. The Council's conclusions also emphasize the need for more detailed diagnosis (to be carried out at a later stage on the basis of data and notes supplied by the Commission) and the crucial importance of coordination on the spot.

In addition the Council was informed of the progress made in 1984 in applying Regulation (EEC) No 1993/83 of 11 July 1983¹ implementing a special programme to combat hunger in the world.

Environmental dimension in the Community's development policy

353. At its meeting on 6 November 1984 the Development Council had before it a communication from the Commission — further to the formulation of the Community's policy on the environment — on environmental considerations in Community development policy. In a Resolution the Council instructed the Permanent Representatives Committee to submit a report in time for its next meeting on all the measures designed to assure the effective implementation of the principles and objectives concerning the environment in the Community's development aid policy.

Food aid

354. The Council's activities in this matter mainly concerned the following:

COMMUNITY FOOD AID PROGRAMMES FOR 1984

355. In implementation of Regulation (EEC) No 3331/82 of 3 December 1982 on food-aid policy and food-aid management, the Council adopted Regulation (EEC) No 1278/84, which lays down for 1984 the products involved in the food aid programmes, the total quantities and the countries and organizations eligible for aid.² The quantities laid down are:

¹ OJ L 196, 20.7.1983.

² OJ L 124, 11.5.1984.

- (i) for cereals: an initial instalment of 927 663 tonnes, followed by a second instalment of up to 200 000 tonnes;
- (ii) for milk powder: a maximum of 122 500 tonnes;
- (iii) for butteroil: a maximum of 32 760 tonnes;
- (iv) for sugar: a maximum of 13 500 tonnes;
- (v) for vegetable oil, including olive oil: a maximum of 20 000 tonnes;
- (vi) for other products (fish, dried vegetables, vegetable flour etc.): quantities equivalent to not more than 147 000 tonnes of cereals.

On this basis, the food-aid allowances were decided by the Commission after favourable opinions had been delivered by the Food Aid Committee at its meetings on 16 May, 21 June, 12 July and 25 October 1984.

356. In addition, in accordance with Article 6 of Regulation (EEC) No 3331/82, a number of emergency food-aid operations were approved for the benefit either directly or via international organizations and NGOs, of countries faced with sudden and unforeseeable natural disasters or with comparable circumstances (in particular Ethiopia, Mali, Niger, Burkina Faso, Senegal, Mauritania, Chad, Sudan, Kenya and Mozambique). Similarly, aid was granted for refugees or displaced persons, in particular in South-East Asia.

COMMUNITY FOOD-AID PROGRAMMES FOR 1985

357. In accordance with the procedural provisions agreed on between the Council and the Commission at the end of 1983, in September 1984 the Council received from the Commission a proposal for a Regulation on the implementation, as from 1 January 1985, of Regulation No 3331/82 on food-aid policy and food-aid management.

This proposal involved laying down overall quantities for 1985 which, however, the Commission reserved the right to amend in the light of the outcome of the budgetary procedure or of increasing food crises in certain regions.

At its meeting on 15 February 1985 the Council adopted Regulation (EEC) No 457/85 laying down implementing rules for 1985. The quantities laid down for food aid are as follows:

- (i) for cereals: (a) an initial instalment of 927 700 tonnes;
(b) a second instalment of up to 200 000 tonnes;
- (ii) for milk powder: a maximum of 108 600 tonnes;
- (iii) for butteroil: a maximum of 28 700 tonnes;
- (iv) for sugar: a maximum of 11 000 tonnes;

- (v) for vegetable oil: a maximum of 9 100 tonnes;
- (vi) for other products: quantities equivalent to not more than 211 700 tonnes of cereals.

The Regulation also lays down the list of eligible countries and organizations.

ALTERNATIVE OPERATIONS IN PLACE OF FOOD-AID DELIVERIES

358. On the basis of a proposal from the Commission and after receiving the Opinion of Parliament, on 19 June 1984 the Council adopted a Regulation¹ which enables the Community, where conditions justify it, to implement alternative operations in place of food-aid deliveries for developing countries. These operations, in the form of financial and technical aid, are intended to help towards improving self-sufficiency in food by developing agricultural and food production in the country concerned and by securing food supplies.

1980 FOOD AID CONVENTION

359. On the basis of a proposal from the Commission, the Council adopted Decision 84/256/EEC of 7 May 1984² approving on behalf of the Community the 1980 Food Aid Convention. The instrument of approval was deposited with the Government of the United States of America, the depositary of the Food Aid Convention, on 23 July 1984.

This Convention has been extended for a period of three years, from 1 July 1983 to 30 June 1986. The apportionment of the quantities of cereals provided for under the Convention was laid down for this period in Council Regulation (EEC) No 665/84 of 13 March 1984.³ The minimum quantities to be contributed annually by the Community and the Member States, which total 1 650 000 tonnes of cereals, are apportioned as follows:

Community operations: 927 663 tonnes (56%);
national operations: 722 337 tonnes (44%).

¹ OJ L 165, 23.6.1984.

² OJ L 124, 11.5.1984.

³ OJ L 73, 16.3.1984.

EEC-UNRWA CONVENTION

360. By Decision 84/359/EEC the Council approved a new Convention between the Community and UNRWA covering the period 1984-1986, which enables the Community to continue its programme of aid to Palestine refugees in the countries of the Middle East. In particular the Convention provides for an annual contribution from the Community to financing the UNRWA education programme (1984: 16 million ECU, 1985: 17 million ECU, 1986: 17 million ECU), as well as aid in kind or in cash for the various UNRWA food programmes.

POSITION OF THE COMMUNITY IN THE INTERNATIONAL FOOD-AID BODIES

361. The Council's subordinate bodies determined, as necessary, the position to be adopted by the Community, in coordination with the Member States, at the meetings of the Food Aid Committee of the Food Aid Convention, the Committee on Food Aid Policies and Programmes and more generally of the World Food Programme and of the World Food Council.

Financial and technical aid to non-associated developing countries

362. At its meeting on 6 November 1984, pending the Opinion of the European Parliament, the Council reached a measure of agreement on the Decision laying down the general guidelines for 1985 on financial and technical aid to non-associated developing countries.

In accordance with Regulation (EEC) No 442/81 of 17 February 1981,¹ the general guidelines again stress the priority which Community measures must give to the needs of the poorest countries and the most needy sections of the population, together with the special importance of the rural sector, particularly of measures to improve the food situation.

The geographical distribution laid down for most of the appropriations remains the same as for 1984, i.e. Asia 75%, Latin America 20% and Africa 5%, without prejudice to the specific appropriations for Central America.

¹ OJ L 48, 21.2.1981.

363. In addition, the Council's subordinate bodies again examined the question of cofinancing by the Community, the Member States and other donors under the programme of aid for non-associated developing countries.

364. After receiving the Commission's annual report on the implementation of the 1983 programme of financial and technical aid to non-associated developing countries, the Council's subordinate bodies stressed the need to evaluate the aid and the priority to be given to the poorest countries.

365. Because of special circumstances the Council gave its assent to the granting of special aid of 6 million ECU to China.¹

World Population Conference

366. The Council's subordinate bodies decided on the position to be adopted at the second session of the World Population Conference in Mexico City in August 1984, at which the Council was represented by its President, Mr O' Keefe (Ireland).

Cooperation with European non-governmental organizations

367. The Council's subordinate bodies examined the Commission's annual report on cooperation with NGOs concerned with development, in particular in the field of cofinancing (1983 budget), and stressed the particularly important and positive rôle of these organizations.

In addition, they examined a Commission document on the revision of the general conditions for cofinancing with regard to the arousing of public interest.

Scientific and technical research in developing countries

368. The Working Party on Development Cooperation delivered an Opinion on the proposal for a Council Decision on the adoption of a programme of development aid for the indigenous scientific and technical research capabilities of the developing countries.

¹ In the same circumstances, the same amount of special aid had been agreed for China in 1983.

Promotion of trade with the developing countries

369. On the basis of a Commission document, at its meeting on 5 June 1984 the Development Cooperation Council drew initial conclusions of a general nature with regard to future guidelines for improving the effectiveness of Community aid in promoting trade with the developing countries, the areas involved being the integration of measures into development strategies, cooperation with other donors, regular meetings of experts, trade between developing countries, development of promotion organizations, training programmes, adaptation of products, and fairs and exhibitions.

H — GENERALIZED PREFERENCES FOR DEVELOPING COUNTRIES — COMMUNITY SCHEME FOR 1985

370. In the light of the Opinions of Parliament and of the Economic and Social Committee, the Council approved the new scheme of generalized Community preferences for 1985. The Regulations and the Decision adopted¹ follow the guidelines laid down by the Council in 1980. These aim at achieving, in a gradual and progressive manner, a degree of differentiation in favour of those countries which have most need of generalized preferences, in particular the least developed countries.

The scheme of generalized preferences for 1985 may be summarized as follows:

Iron and steel products

371. The 1984 system is renewed unchanged.

Industrial products

372. As in 1984, the 1985 GSP provides for the duty-free importation of industrial products subject to quotas or ceilings for certain sensitive products.

Eleven products were transferred from the category of sensitive products to that of non-sensitive products and vice-versa.

¹ OJ L 338, 27.12.1984.

Moreover, in revising the list of sensitive products the Council introduced additional quotas for nine countries. In addition, in 11 cases it replaced the quotas by the more flexible system of ceilings.

The total quotas for certain products were increased by approximately 5 to 10%, while the ceilings were raised in general by approximately 5 to 15%. For non-sensitive products the Council agreed to an increase of 10%.

Textile products

373. With regard to MFA textile products, the Council agreed on the same increase in volume as for the 1984 GSP.

The Council reduced the number of ceilings allocated among the Member States, and replaced them by the more flexible mechanism of non-allocated Community ceilings.

For non-MFA textiles and for jute and coconut fibre products the Council also agreed to maintain the 1984 arrangements.

Agricultural products

374. The Council agreed to improve the preferential margins for all the beneficiary countries for some 20 products which had already been incorporated into the Community's GSP. It also added bamboo shoots to the list of products.

The Council also decided to improve the GSP arrangements for certain products subject to quotas or ceilings, i.e. raw tobacco and pineapples. With regard to cocoa butter and soluble coffee, the 1984 system will be maintained subject to an amendment to the allocation of the quota for these products.

China and Romania

375. The arrangements for China and Romania were renewed.

Recipient countries

376. Brunei Darussalem was added to the list of independent countries eligible for the GSP in 1985. This list now comprises 128 countries.

Greenland was added to the list of eligible overseas countries and territories, which now comprises 22 countries and territories.

I — MEDITERRANEAN — EURO-ARAB DIALOGUE — GULF STATES — YEMEN

Mediterranean policy

377. In 1984, on the basis of the communications forwarded by the Commission in June 1982 and April 1984 on the implementation of a Mediterranean policy for the enlarged Community and of supplementary documents presented by the Commission's departments, the Council continued its analysis of the Community's relations with the Mediterranean countries concerned and in particular of the possible effects on these relations of the accession of Spain and Portugal.

The analysis of the trade relations between the Community and these countries continued actively during the first half of the year, in particular with regard to agricultural products. In a second phase the cooperation aspects of these relations were examined in more detail.

It should be recalled that this work is being carried out under the procedural decision taken in January 1983¹ and later statements made by the Community to the Mediterranean countries on this subject.

Implementation of existing Agreements with Mediterranean countries

ASSOCIATION AGREEMENTS

Turkey

378. The EEC-Turkey Association Council did not meet during 1984. The Association Committee met once, on 20 July 1984, at the request of the Turkish delegation, which chaired the meeting. This meeting reviewed a series of problems arising on one side or the other in the field of trade. In addition, the

¹ See 31st Review, paragraph 327.

Community delegation took note of the Turkish delegation's statements calling for the resumption of work in other fields, in particular those on which Decisions had been taken at the last ministerial meeting of the EEC-Turkey Association Council on 30 June 1980.

Following the discussions held by the Ministers for Foreign Affairs of the Ten meeting in political cooperation in Dublin on 11 September, in October and November 1984 the Permanent Representatives Committee held an exchange of views — without, however, arriving at common conclusions — on the internal situation in Turkey since the setting up of a civilian government under the premiership of Mr Ozal and on the possible conclusions to be drawn regarding the Community's attitude to Turkey.

Malta

379. During 1984 the EEC-Malta Association bodies did not meet. It was not possible to open negotiations on the conclusion of a second Financial Protocol on the basis of the guidelines adopted by the Council on 17 October 1983, since the Maltese authorities still considered the Community's offer inadequate. Following an exchange of letters between the Maltese Minister for Foreign Affairs and the President of the Council, in December 1984 the two sides finally agreed that the Commission would contact the Maltese authorities with a view to discussing in depth all the questions outstanding in the Association.

As in previous years, pending the restoration of contractual trade relations, the Council of the Community adopted Regulation at the end of June and at the end of December 1984¹ extending unilaterally, in each case for a period of six months, the arrangements previously applicable to trade with Malta.

Cyprus

380. The second EEC-Cyprus Financial Protocol,² which was signed on 20 December 1983, entered into force on 1 May 1984. In August 1984 the Council's subordinate bodies received a report on the visit to Cyprus in May 1984 by staff of the Commission and the European Investment Bank for planning purposes. As a result of this trip three investment projects intended to benefit the

¹ OJ L 172, 30.6.1984 and OJ L 335, 22.12.1984.

² For the contents of this Protocol see 31st Review, paragraph 334.

whole of the population of the island and were selected as being eligible to be financed under this second Financial Protocol.

The 10th meeting of the EEC-Cyprus Association Council took place at ministerial level on 17 December 1984 in Brussels, under the Presidency of Mr P. Barry, Irish Minister for Foreign Affairs and President-in-Office of the Council of the Communities. The Cypriot delegation was headed by Mr G. Iacovou, Minister for Foreign Affairs of the Republic of Cyprus. The main item on the agenda of this meeting concerned the negotiations to be opened between the EEC and Cyprus on the process of transition to the second stage of the Association Agreement. The Cypriot delegation was anxious that these negotiations should begin soon, in accordance with the Association Council Decision of 24 November 1980.¹ The Community concluded the exchange of views on this point by stating its firm intention of laying down appropriate guidelines shortly with a view to starting these negotiations and indicated that it proposed to adopt these guidelines in 1985. It should be noted that the Council working party responsible had, at a large number of meetings in the course of 1984, continued its examination of the complex problems arising in connection with the opening of negotiations with Cyprus on the process of transition to the second stage.

Pending the opening of the negotiations on the arrangements to be applied once the second stage of the Association Agreement came into effect, the Council unilaterally adopted Regulations at the end of June and at the end of December 1984² extending the period of validity of the trade arrangements provided for in the Protocol signed with Cyprus on 26 July 1983.³

Cooperation Agreements

RELATIONS WITH THE MAGHREB AND MASHREQ COUNTRIES

The EEC – Morocco Cooperation Committee

381. The EEC-Morocco Cooperation Committee met in Rabat on 10 November. It discussed in particular questions relating to trade cooperation and to economic, technical and financial cooperation. With regard to the latter, it ex-

¹ See 28th Review, paragraph 295.

² OJ L 172, 30.6.1984 and OJ L 335, 22.12.1984.

³ OJ L 353, 15.12.1983.

pressed satisfaction at the fruits of this cooperation, in view of the completion of several major projects.

In addition the Moroccan delegation once again voiced its concern regarding the effect of the enlargement of the Community on its future relations with Morocco. The Community delegation referred to the work it had undertaken on implementing a Mediterranean policy for the enlarged Community and stated that, on the basis of exploratory talks and of specific proposals from the Commission, it would work towards laying down, before the end of the accession negotiations, any political guidelines and any decisions adapting the cooperation or association Agreements which might appear necessary.

Implementation of Financial Protocols with the Maghreb countries

382. In implementation of the Financial Protocols a number of funding schemes were approved:

Algeria

- (i) extension of the capacity of the port of Bejaia: 25 million ECU;
- (ii) training in the fisheries sector: 2.7 million ECU (loan on special terms) and 800 000 ECU (non-repayable aid);
- (iii) training of agricultural managers: 2.9 million ECU.

Morocco

- (i) global loan to the Caisse Nationale de Crédit Agricole: 20 million ECU
- (ii) credit schemes for small farmers: 14 million ECU (non-repayable aid) and 10 million ECU (loan on special terms);
- (iii) slum clearance in Salé: 18 million ECU.

Tunisia

- (i) global loan to the Banque Nationale de Développement Agricole: 5 million ECU;
- (ii) storage of fertilizers: 4 million ECU (EIB loan with an interest-rate subsidy) and 1.5 million ECU (loan on special terms).

In addition, a global commitment authorization was given (for 5 million ECU) for the funding by the accelerated procedure of technical cooperation measures for the Maghreb and Mashreq countries.

Egypt

383. The EEC-Egypt Cooperation Committee met in Brussels on 16 March to prepare for the third meeting of the EEC-Egypt Cooperation Council.

The third meeting of the EEC-Egypt Cooperation Council was held at ministerial level in Luxembourg on 10 April with Mr Boutros-Ghali, Minister of State for Foreign Affairs of the Arab Republic of Egypt, in the chair. The Community delegation was led by Mr C. Cheysson, Foreign Minister of the French Republic and President-in-Office of the Council of the European Communities.

The Cooperation Council first of all discussed implementation of economic, technical and financial cooperation. In conclusion it stressed the importance of this cooperation and also the generally satisfactory results in view of the financing of major projects currently being carried out. With regard to trade, while noting a favourable trend in the cover rate Egypt pointed out its persistent trade deficit with the Community.

384. The Egyptian delegation once again voiced its concern regarding the effect of the enlargement of the Community on its future relations with Egypt. The Community stated that, on the basis of exploratory talks and of specific proposals from the Commission, it would work towards laying down, before the end of the accession negotiations, any political guidelines and any decisions adapting the cooperation or association Agreements which might appear necessary.

385. Lastly, the Cooperation Council took note with interest of a number of statements by the Egyptian delegation concerning three-way cooperation, Community food aid, the conclusion of framework agreements on the multiannual supply of agricultural products and the position of Egyptian citizens resident or working in the Community.¹

Jordan

386. On 23 October the first meeting of the EEC-Jordan Cooperation Council at ministerial level took place in Luxembourg under the Presidency of Mr Peter Barry, Irish Minister for Foreign Affairs and President-in-Office of the Council of the European Communities, the head of the Community delegation.

¹ For further details see the joint press release issued following the meeting of the Cooperation Council (Doc. CEE-RAE 2805/84).

The Jordanian delegation was led by Mr Taher Masri, Minister for Foreign Affairs of the Hashemite Kingdom of Jordan.

The two delegations were glad to have the opportunity of making an initial assessment of the implementation of the various provisions of the Cooperation Agreement.

387. The Cooperation Council adopted three Decisions concerning its rules of procedure and certain aspects of customs cooperation, and went on to discuss the implementation of economic, financial and technical cooperation. In this connection the Cooperation Council expressed its satisfaction with the results achieved in implementing this cooperation, which constitutes an essential component of the Agreement. It stressed the importance which both sides attach to the implementation of cooperation in all the fields covered by the Agreement for developing manufacturing industry and the economic infrastructure and for the diversification of Jordan's exports to the Community.

388. The Cooperation Council then examined the main aspects of the application of the trade provisions of the Cooperation Agreement. In this connection it took note of Jordan's persistent trade deficit with the Community and expressed the hope that efforts would be made on both sides to develop and diversify Jordan's exports to the Community and thus achieve a better trade balance. With regard to the question of re-examining the Agreement, the Cooperation Council felt that a response to Jordan's anxieties and requests should be studied in due course, as part of adapting the Agreement following the enlargement of the Community.¹

Implementation of the Financial Protocols with the Mashreq countries

389. In implementation of the Financial Protocols a number of funding schemes were approved:

Egypt

- (i) university cooperation in the field of marine sciences and fisheries: 3 million ECU;
- (ii) Helwan waste water project: 15 million ECU;

¹ For further details see the joint press release issued following the meeting of the Cooperation Council (Doc. CEE-RHJ 3305/84).

- (iii) study for a thermal power station: 2 million ECU;
- (iv) study on soil improvement in Kom-Ombo: 1 million ECU.

Jordan

- (i) installation of water supply and sewage networks in the towns of Madaba and Ma'an: 9 million ECU;
- (ii) two vocational training centres: 624 000 ECU;
- (iii) Loan to 'Cities and Villages Development Bank':
2.5 million ECU (EIB loan with an interest-rate subsidy) and
1.5 million ECU (loan on special terms).

Syria

- (i) Euphrates drainage and irrigation project:
20 million ECU (EIB loan with an interest-rate subsidy)
9.3 million ECU (loan on special terms) and 700 000 ECU
(non-repayable aid);
- (ii) water supply for the Sweida area:
3.2 million ECU (loan on special terms).

390. In addition, non-repayable aid (of 200 000 ECU) was approved for financing programmes of participation in international trade fairs in 1984 for all the Mashreq countries.

RELATIONS WITH ISRAEL

391. The EEC-Israel Cooperation Committee met in Brussels on 7 February 1984 to prepare for the third meeting of the EEC-Israel Cooperation Council. In particular it took stock of the situation regarding trade, the implementation of the Agreement and the operations undertaken in the various fields of cooperation.

392. The third meeting of the EEC-Israel Cooperation Council was held at ministerial level in Brussels on 20 February 1984, under the Presidency of Mr C. Cheysson, French Foreign Minister and President-in-Office of the Council of the European Communities, who also headed the Community delegation. The Israeli delegation was headed by Mr Y. Shamir, Prime Minister and Foreign Minister of the State of Israel.

393. First of all the Cooperation Council discussed developments in trade and the implementation of the Agreement. It went on to hold an exchange of views on the implementation and continuation of cooperation. In conclusion it stressed the importance of this cooperation and noted the satisfactory results it had produced.

394. The Israeli delegation once again voiced its concern regarding the effect of the enlargement of the Community on its future relations with Israel. The Community delegation referred to the work it had undertaken on implementing a Mediterranean policy for the enlarged Community and stated that, on the basis of exploratory talks and specific proposals from the Commission, it would work towards laying down, before the end of the accession negotiations, any political guidelines and any decisions adapting the cooperation or association agreements which might appear necessary.

395. Lastly, the Cooperation Council took note of a statement by the Israeli delegation concerning the Arab boycott.¹

396. On 18 December the Community and Israel signed the Third Additional Protocol to the EEC-Israel Cooperation Agreement. This Protocol provides for a second (and final) postponement of the deadlines laid down for Israel to abolish customs duties imports of industrial products from the Community, i.e. until 1 January 1989, and the postponement for two years, i.e. until 1 January 1988, of the expiry date of the clause on 'new industries' and of the date for applying the prohibition on duty draw-back.

397. As in previous years, the Council also adopted certain Regulations implementing the Agreement between the Community and Israel.

398. In implementation of the Financial Protocols, on 23 May a contract for a global loan of 20 million ECU to the Industrial Development Bank of Israel was signed by the EIB and the State of Israel.

RELATIONS WITH YUGOSLAVIA

399. The EEC-Yugoslavia Cooperation Committee held its first meeting on 4 May 1984 in Brussels for consultations, in accordance with Article 38 of the EEC-Yugoslavia Cooperation Agreement, on anti-dumping measures relating to imports into the Community of copper sulphate originating in Yugoslavia.

¹ For further details see the joint press release published at the end of the meeting of the Cooperation Council (Doc. CEE-ISR 2903/84).

400. The EEC-Yugoslavia Cooperation Committee held its second meeting in Ohrid (Yugoslavia) on 31 May and 1 June 1984. At this meeting the Committee prepared for the work of the Cooperation Council, which held its second meeting, at ministerial level, in Luxembourg on 18 June 1984, with Mr Raif Disdarevic, Federal Secretary for Foreign Affairs of the Federal Republic of Yugoslavia and head of the Yugoslav delegation, in the chair. The Community delegation was headed by Mr Claude Cheysson, Minister for Foreign Affairs of the French Republic and President-in-Office of the Council of the European Communities.

401. The Cooperation Council first examined the results of applying the commercial and financial provisions of the Agreement and noted further improvement in the pattern of trade between the two parties, particularly with regard to exports from Yugoslavia to the Community, which had enabled Yugoslavia to achieve a substantial reduction in its trade deficit with the Community. The Cooperation Council also expressed satisfaction at the results of financial cooperation, which constitutes an essential part of the Agreement. The sum of 200 million ECU provided for in the first Financial Protocol had been taken up in its entirety.

402. With regard to the prospects for renegotiating the commercial and financial provisions of the Agreement, which expire on 30 June 1985, the Cooperation Council decided firstly (Decision No 1/84) that the first stage of the trade section of the Agreement should be extended until the conclusion of a Protocol adapting the Cooperation Agreement following the accession of Spain and Portugal to the Community and secondly (Decision No 2/84) that before the expiry of the first Financial Protocol the contracting parties would begin negotiations with a view to concluding a second Financial Protocol.

403. In addition the Council discussed the problem of Yugoslavia's exports of beef and veal. The Yugoslav delegation recalled the importance it attached to this problem and expressed the wish for an early start to negotiations on this subject. The Community stated that it was continuing to consider the matter.

404. The Cooperation Council took stock of the implementation of Decision No 4/83 and expressed satisfaction at the encouraging results achieved so far with regard to cooperation and at the many contacts which had developed between the business circles concerned. It then adopted a Decision (Decision No 3/84) emphasizing the desire of the contracting parties to continue their efforts with regard to cooperation within the limits of the resources available, in particular in respect of a number of priority sectors in the industrial, agricultural, scientific and technical fields. In this connection the Council decided to set up a working party comprising representatives of the Yugoslavian authorities and the Commission to monitor progress on cooperation and to advise, when ap-

propriate, on current work. Lastly, the Cooperation Council adopted two recommendations in the field of transport, firstly on the conclusion of a specific arrangement with regard to the Agreement on the International Carriage of Passengers by Road by means of Occasional Coach and Bus Services (ASOR) and secondly on stepping up the current negotiations with the aim of establishing mutually acceptable arrangements regarding combined means of transport.¹

405. At the meeting of the Cooperation Council an *ad hoc* working party was set up to enable the Member States and Yugoslavia to hold the exchanges of views provided for in the exchange of letters annexed to the Agreement on social and cultural problems and those connected with the reabsorption of Yugoslav workers into the Yugoslavian economy.

406. With regard to the enlargement of the Community, the Cooperation Council expressed its sympathy with the Yugoslavian delegation's anxieties over the possible effects of the enlargement of the Community on its trade with Yugoslavia. The Community stated that, on the basis of exploratory talks and specific proposals from the Commission, it would work towards laying down, before the end of the accession negotiations, any political guidelines and any decisions adapting the cooperation or association agreements which might appear necessary.

Relations with Spain and Portugal

SPAIN

407. In June 1984 the Council agreed to recommend to the European Investment Bank, with a view to extending financial cooperation with Spain, that it should make available to Spain for the period from 1 July 1984 to the end of 1985 a sum of the order of 250 million ECU in the form of ordinary loans out of its own resources.

In addition, as in previous years the Council adopted several Regulations implementing the Agreement.

PORTUGAL – PRE-ACCESSION AID

408. On 18 December 1984 the Community concluded an Agreement with Portugal in the form of an exchange of letters on the provision of specific finan-

¹ For further details see the joint press release issued following the meeting of the Cooperation Council (Doc. CEE-YU 1013/84).

cial aid for improving the agricultural and fisheries structures in Portugal. The amount of this aid is 50 million ECU in the form of non-repayable aid from the Community budget.

409. In addition, as part of the provision of pre-accession aid to Portugal, the following funding schemes were approved by the Council, on the basis of proposals from the Commission and the EIB:

- (i) Construction of the western exit road from Funchal (Madeira): 2 million ECU
- (ii) Construction of a refrigerating complex in the port of Madalena (Pico Island in the Azores): 373 000 ECU
- (iii) Establishment of an information service on agricultural markets: 672 000 ECU
- (iv) Ampelography and synonymy of vine varieties: 112 000 ECU
- (v) Programme to improve conditions in the dairy sector in the Beira Litoral region: 771 000 ECU
- (vi) Forestry improvements in the Cabeco-Rainha area: 204 000 ECU
- (vii) Empresa de Electricidade dos Açores E.P.: 15 million ECU (of which approximately 10 million with interest-rate subsidy)
- (viii) Establishment of 10 vocational training centres: 15 million ECU
- (ix) Programme to improve animal rearing and meat production conditions in the Ribatejo-Oeste region: 504 491 ECU.

Administration of Mediterranean Agreements

410. In addition, as part of its work of administering the Association and Cooperation Agreements with the Mediterranean countries, the Council adopted several Regulations and, as in previous years, concluded a number of agreements in the form of exchanges of letters on the rules for applying the concessions granted to these countries in respect of certain natural or processed agricultural products.

Euro-Arab Dialogue

411. The contacts between the Presidency of the European side and with the Secretariat-General of the League of Arab States, after the fifth meeting of the General Committee of the Euro-Arab Dialogue, which was held in Athens on 15 December 1983, provided an opportunity of pursuing the various activities of the Dialogue in all its aspects. With a view to preparing for the next meeting of

the General Committee. European and Arab representatives held a tripartite meeting in Tunis on 12 and 13 November 1984.

412. At this meeting the two sides were able to take stock, in a constructive spirit, of the situation regarding the Dialogue in respect of both political aspect and questions concerning economic, technical, financial, social and cultural cooperation. With regard to these latter aspects of the Euro-Arab Dialogue, the two sides noted with satisfaction that progress had been made by certain Working Committees, for example on the drafting of a Euro-Arab Convention for the promotion and mutual protection of investments, the preparation of a synopsis of general conditions of contract, the preparation of a symposium in Paris entitled 'Two civilizations and the challenge of urban growth' and preparatory work for cooperation projects in the social and cultural field, in accordance with certain guidelines which had emerged at the first symposium in Hamburg on 'Relations between the two civilizations'. The two sides agreed to hold a further tripartite Euro-Arab meeting, possibly at the beginning of 1985, at which they could continue the preparatory work for the next meeting of the General Committee with a view to taking the necessary decisions, including financial decisions, for approving certain projects and measures and giving the stimuli and guidelines needed for continuing the work of the Dialogue.

Gulf States and North Yemen

GULF STATES

413. On 29 and 30 March 1984 Dr Abdullah El-Kuwaize, assistant (for economic affairs) to the Secretary-General of the Gulf Cooperation Council, visited the Commission of the European Communities to discuss the possibility of future cooperation between the Council and the Community.

414. On 7 and 8 November 1984 a Commission delegation had informal contacts on behalf of the Community with the representatives of the Gulf Cooperation Council in Bahrain. The aim of these contacts was to explore the possibilities and make preparations with a view to launching negotiations to conclude a Cooperation Agreement. The two sides agreed at this meeting to hold further exploratory meetings at the beginning of 1985.

RELATIONS WITH NORTH YEMEN

415. The Cooperation Agreement between the European Economic Community and the Yemen Arab Republic was signed in Brussels on 9 October 1984.

The Cooperation Agreement was signed on behalf of the European Economic Community by Mr P. Barry, Irish Minister for Foreign Affairs and President-in-Office of the Council, and Mr Haferkamp, Vice-Président of the Commission of the European Communities, and on behalf of the Yemen Arab Republic by Mr Mohamed Al-Guneid, Minister for Development and Chairman of the Central Planning Organization.

416. At this meeting the representatives of the contracting parties laid particular stress on the importance of this first Cooperation Agreement concluded by the Community in the Gulf region, as a testimony to the will of both parties to strengthen their relations and as a valuable aid to intensifying these relations. The representative of the Yemen Arab Republic highlighted the importance which his country attached, as part of its policy of balance, to the presence and the role of the Community in his country and in the region.

417. The EEC-North Yemen Agreement is a framework Cooperation Agreement, valid for five years and renewable, of the same type as those concluded by the Community with other non-associated developing countries. This Agreement makes provision for future development and lays down the objectives and procedures for commercial, economic and development cooperation.

418. With regard to commercial cooperation, the contracting parties undertake to promote the development and diversification of their trade to the greatest possible extent, taking into account their respective levels of development. In addition the Agreement lays down that the parties shall, within certain limits, grant each other most-favoured-nation treatment in respect of their imports and exports of goods.

419. With regard to economic cooperation, the contracting parties undertake – in the light of their respective policies and economic objectives and within the limits of their respective competences – to foster economic cooperation in all fields of mutual interest in order to contribute to the development of their respective economies.

The main objectives of this cooperation will be:

- (i) to encourage cooperation in the fields of agriculture, agro-industries, fisheries, rural development and the development of tourism in the Yemen Arab Republic;
- (ii) to develop the human resources of the Yemen Arab Republic, in particular in the field of vocational training;
- (iii) to facilitate cooperation in the field of energy;
- (iv) to encourage scientific and technological progress;
- (v) to encourage the mutual recognition of the need to maintain and improve a favourable climate for investment.

420. In the context of development cooperation, the Community recognizes that the Yemen Arab Republic is a developing country and states its willingness to pursue and develop its policy of financial and technical cooperation with a view to contributing to the development of the Yemen Arab Republic, within the framework of its aid programmes for non-associated developing countries. The Community will also seek to coordinate its development cooperation activities with those of its Member States in the Yemen Arab Republic.

421. The Agreement establishes a Joint Cooperation Committee composed of representatives of both parties, to promote and keep under review the various cooperation activities envisaged between the contracting parties under the Agreement.

422. The Agreement will be valid for an initial period of five years and may be tacitly renewed thereafter for periods of two years.

J — ASIA — LATIN AMERICA

Asia

ASEAN

423. The fact that the first five-year period of the EEC-Asean Cooperation Agreement was drawing to a close set the tone of the work of the fifth meeting of the EEC and the Asean countries at ministerial level, which was held in Dublin on 15 and 16 November 1984. The Community and the Asean Ministers felt that this constituted an ideal occasion to take stock and to look into ways of strengthening relations between the two groups of countries. They also agreed to hold an informal meeting of Ministers as soon as possible, devoted exclusively to economic questions, with a view to identifying new areas of activity and laying down guidelines for cooperation in the future.

424. In this spirit, the meeting of the Joint Committee which was held in Thailand in December, in addition to its ordinary management tasks, also discussed the conclusions of the ministerial meeting in Dublin. An initial assessment was drawn up of the achievements of the Agreement and a start was made on examining priorities and targets for future cooperation. In addition, certain points were clarified regarding the conduct of the ministerial meeting on economic questions in 1985.

425. Lastly, it should be noted that the Cooperation Agreement was extended to include Brunei Darussalam, which in January had become the sixth member

of the Asean group. A Protocol was signed to this effect at the ministerial meeting in Dublin on 15 November.

INDIAN SUB-CONTINENT

426. With a view to putting relations between the Community and Pakistan into a more comprehensive framework which would reflect both the expansion of mutual relations and the hopes for further growth and enlargement, the Community decided to open negotiations with Pakistan for a Commercial and Economic Cooperation Agreement similar to that which exists with India. This new Agreement would replace the simple Commercial Cooperation Agreement which has governed relations with Pakistan since 1976 and under which a meeting of the Joint Commission was held in Islamabad on 25 February 1984.

427. The Joint Commissions for the other countries of the Indian sub-continent also met in 1984 and endeavoured to concentrate on the more promising areas for cooperation. These meetings were held in India from 5 to 7 May, Sri Lanka on 28 and 29 May and in Bangladesh on 16 and 17 July 1984. These meetings reflected the desire of the Community and of these countries to develop cooperation in all the fields of common interest.

Latin America

428. A new chapter in relations with Latin America was reached with the Conference on Central America which was held in San José, Costa Rica, on 28 and 29 September 1984. This Conference was attended on the one hand by the Community and its Member States, and Spain and Portugal, and on the other by the countries of Central America (Costa Rica, Guatemala, Honduras, Nicaragua and Salvador) and the members of the Contadora group (Colombia, Mexico, Panama and Venezuela).

429. The aim of the Community and its Member States, and of Spain and Portugal, in taking part in the San José Conference was to lend both political and economic support to the peace process started in Central America by the Contadora group. The connection between the region's economic weaknesses and social imbalances on the one hand and political instability and violence on the other makes it essential to take coordinated measures of both political and an economic nature.

The measures to be taken to give substance to the dialogue between the European Community and Central America are set out in the text of the joint communiqué adopted at the end of the ministerial meeting. The holding of this meeting constitutes in itself the first stage in the proposed cooperation between the two regions.

430. With regard to the more strictly political aspects of the San José Conference, a measure of agreement emerged on the necessity, if peace and stability were to be achieved in Central America, of respecting within each country the basic principles of any true democracy, i.e. political pluralism, free elections, social justice and respect for human rights, and of following externally a policy of respecting the sovereignty of other States, i.e. the inviolability of frontiers and non-interference. The European side emphasized in particular the need for a solution of a political nature coming from within the region itself and for the renunciation of armed force. Under the circumstances, the process initiated by the countries of the Contadora group represents this region's best hope of resolving its current crisis.

431. With regard to the economic aspects, the joint communiqué mentions a number of fields in which cooperation could be strengthened. These are agriculture, regional integration and trade promotion. Industrial development projects may also be included if they would have a regional impact and were designed to further the formation of a basic economic fabric of small and medium-sized companies. In the field of economic cooperation mention should be made of the possibilities for cooperation between the financial instruments of the two regions and also of the promotion and the protection of investment. With regard to increasing the flow of aid to Central America, the Community did not give any specific commitments. Nevertheless, it indicated that the Community would do everything in its power, through its aid programmes, to promote the development of this region.

432. Lastly, the joint communiqué provides for giving institutional form to relations between the two groups of countries. The ministers on both sides stated that they were ready to start discussions as soon as possible with a view to negotiating a framework agreement on regional cooperation. To this end, it would be for the Commission to present proposals to the Council following exploratory talks with the countries of Central America.

433. On 4 June the Community ratified the Cooperation Agreement which it had signed in December 1983 with the Andean Pact countries. This Agreement will enter into force when the ratification procedures have been completed by the countries of the Andean Pact.

434. The strengthening of relations with Mexico was apparent at the fifth meeting of the Joint Committee under the Agreement concluded with Mexico in 1975, which was held in Mexico City from 5 to 7 December 1984. The work of this Committee revealed the practical results achieved in the field of commercial, industrial, energy and scientific and technical cooperation, which promise well for the future of this Agreement.

Chapter V: Common fisheries policy

A — COMMUNITY SYSTEM FOR THE CONSERVATION AND MANAGEMENT OF RESOURCES

TACs and catch quotas

435. The year under review was the first in which it was possible to implement in its entirety the system of TACs (total allowable catches) and catch quotas, which are considered essential for the functioning of the common fisheries policy.¹

On 31 January 1984 the Council, acting on a proposal from the Commission, adopted Regulation (EEC) No 320/84² and thus established the framework for fisheries activities in 1984.

436. When fixing TACs for 1984 the Council took account of scientific opinions on likely trends regarding the stocks of the various species, and in allocating these TACs among the Member States it adhered to the principle of guaranteeing fishermen relative stability in the pursuit of their activities from one year to another, as agreed as part of the compromise on the new common fisheries policy reached on 25 January 1983.³

¹ See 30th Review, paragraph 499.

² OJ L 37, 8.2.1984.

³ Regulation (EEC) No 170/83, OJ L 24, 27.1.1983 and 31st Review, paragraph 499.

437. However, for stocks of certain species the TAC and quotas adopted on 31 January 1984 were provisional and had to be amended during the year¹ in the light either of new scientific opinions or of consultations with certain non-member countries — in particular Norway and Spain — which are linked to the Community by Fisheries Agreements. Of these amendments, the most significant affected the following:

- (i) stocks of herring in the North Sea (TAC fixed at 155 000 tonnes, compared with 78 000 tonnes in 1983 and with the practically total ban on fishing in preceding years), which was a unilateral decision by the Community, since it had not been possible to reach agreement with Norway on the joint management of these stocks;²
- (ii) stocks of sprats in the North Sea (TAC reduced from 205 000 tonnes to 130 000 tonnes, and for the first time this TAC was allocated among the Member States);
- (iii) stocks of anglerfish and megrim in divisions VI, VII and VIII (TACs increased following the consultations between the EEC and Spain and in the light of new statistical data on the characteristics of the fishing for these species);
- (iv) salmon stocks in the zone to the west of Greenland (TAC reduced from 1 190 tonnes to 870 tonnes following the proposal of the West Greenland Commission established under the Convention for the Conservation of Salmon in the North Atlantic Ocean³);
- (v) mackerel stocks in divisions VI, VII and VIII (removal of the seasonal ban on mackerel fishing in the part of division VI A north of latitude 58° N).

438. In addition, at its meeting on 24 May 1984 the Council agreed to improve conditions for the proper management of fishing activities by doing in all its power to ensure that in future TACs and quotas would be fixed at the latest in December of the year preceding the year during which they apply.⁴

¹ Regulation (EEC) No 599/84; OJ L 67, 9.3.1984.
Regulation (EEC) No 1638/84; OJ L 156, 13.6.1984.
Regulation (EEC) No 2179/84; OJ L 199, 28.7.1984.
Regulation (EEC) No 2305/84; OJ L 213, 9.8.1984.
Regulation (EEC) No 2666/84; OJ L 253, 21.9.1984.
Regulation (EEC) No 3175/84; OJ L 298, 16.11.1984.
Regulation (EEC) No 3434/84; OJ L 318, 7.12.1984.

² See paragraph 448 of this Review.

³ OJ L 378, 31.12.1982.

⁴ Minutes of the meeting on 24 May 1984, Doc. 7396/84 Annex I.

In accordance with this Resolution the Council, acting on a proposal from the Commission, fixed the TACs and quotas for 1985 at its meeting on 19 December 1984.¹ In making its decisions the Council followed the Commission's approach, which was to maintain overall fishing activities in 1985 at the same level as in previous years. This approach, which stresses stability in fisheries activities rather than the rapid reconstitution of stocks, was justified, in the view of the Council and the Commission, to take account of the social and economic difficulties suffered by fishermen during the initial phase of implementing the common fisheries policy because of the need to adjust their activities to the constraints which this policy imposes on them.

439. With regard more particularly to the stock of herring in the North Sea, the restrictions imposed in the past, in particular the total ban on fishing applied for several years, have been very effective in reconstituting stocks, which made it possible to fix a TAC of 228 650 tonnes for 1985 (compared with 155 000 tonnes for 1984). However, the Council maintained the ban on the direct fishing of herring for industrial purposes, such as the production of fish meal or oil, which has been in force since 1977.²

Lastly, as in 1984 the TACs and quotas fixed by Regulation (EEC) No 1/85 are liable to revision, either in the light of new scientific opinions or following the consultations with certain non-member countries which were still continuing at the beginning of the year.

Technical conservation measures

440. The second aspect of the Community system for the conservation and management of resources is embodied in Regulation (EEC) No 171/83,³ which establishes the technical standards to be observed in fishing, in particular minimum mesh sizes, size of fish, prohibited fishing zones, by-catch rates etc.

Several of these standards were amended in 1984, either to adjust them in the light of the experience gained in their practical implementation (e.g. the postponement of the increase in minimum mesh size in the North Sea and the

¹ Regulation (EEC) No 1/85, OJ L 1, 1.1.1985, and Regulation (EEC) No 97/85, OJ L 13, 16.1.1985.

² Regulation (EEC) No 2115/77, OJ L 247, 28.9.1977.

³ OJ L 24, 27.1.1983.

English Channel), or to supplement them in the light of new scientific opinions (e.g. on measuring the size of certain shellfish).¹

441. In addition to these amendments, acting on a proposal from the Commission the Council introduced a temporary derogation from Article 8 (1) of Regulation (EEC) No 171/83 when it authorized, for the period from 1 October 1984 to 31 May 1985, a by-catch rate of whiting in fishing for Norway pout in the North Sea of 18% instead of 10%, provided that the by-catch of other whitefish, such as cod, haddock etc. was reduced from 10% to 8%.²

B — GREENLAND

442. Fisheries continue to play a very special role in the new relations established between the Community and Greenland by the Treaty amending the Treaties establishing the European Communities which was signed on 13 March 1984.³ From the start of the negotiations to confer on Greenland, at its own request, the status of a non-member country the Council endeavoured to find a solution which, while taking into account that country's particular development needs, would make it possible nevertheless for Community fishermen to continue, within certain limits, to pursue their activities in Greenland's waters.

The compromise reached at the end of these negotiations, as incorporated in the Fisheries Agreement and the Protocol on the conditions relating to fishing concluded between the Community on the one hand and the Government of Denmark and the local Government of Greenland on the other,⁴ lays down basically that in return for access to part of Greenland's fisheries resources the Community shall pay financial compensation to Greenland and also grant it the right to export fishery products to the Community free of duty.

While the Fisheries Agreement, being a framework instrument, was concluded for a period of ten years, the first period of implementation, for which precise

¹ Regulation (EEC) No 1637/84, OJ L 156, 13.6.1984.

Regulation (EEC) No 2178/84, OJ L 199, 28.7.1984.

Regulation (EEC) No 2664/84, OJ L 253, 21.9.1984.

Regulation (EEC) No 3625/84, OJ L 335, 22.12.1984.

² Regulation (EEC) No 2665/84, OJ L 253, 21.9.1984.

³ See paragraph 30 of this Review.

⁴ Regulation (EEC) No 223/85, OJ L 29, 1.2.1985.

Regulation (EEC) No 224/85, OJ L 29, 1.2.1985.

Regulation (EEC) No 225/85, OJ L 29, 1.2.1985.

conditions are laid down in the abovementioned Protocol, was to end on 31 December 1989.

443. Under these provisions. Greenland undertook to grant the Community the following catch quotas each year:

tonnes

	West Greenland stocks	East Greenland stocks
Cod	12 000	11 500
Redfish	5 500	57 820
Greenland halibut	1 850	3 750
Halibut	200	—
Shrimps	1 300	3 050
Catfish	2 000	—
Blue whiting	—	30 000

444. However, these quotas may be reduced if particular biological circumstances require that the TAC should be fixed at a level which would not permit Greenland to meet its obligation *vis-à-vis* the Community and at the same time maintain its own fishing activities at a level corresponding to the following minimum quantities:

tonnes

	West Greenland stocks	East Greenland stocks
Cod	50 000	2 250
Redfish	2 500	5 000
Greenland halibut	4 700	—
	23 000 for the 1st year of the Protocol	1 000 for the 1st year of the Protocol
Shrimps	24 000 for the 2nd year of the Protocol	1 300 for the 2nd year of the Protocol
	25 000 for the 3rd year of the Protocol	1 500 for the 3rd year of the Protocol
Catfish	4 000	—

For its part, the Community undertook to pay Greenland each year the sum of 26 500 000 ECU, irrespective of whether the agreed level of catch quotas can be achieved or not. However, this amount will be increased if Greenland is in a position to grant the Community more extensive fishing rights.

445. Although the provisions governing the new fisheries relations between the Community and Greenland were to enter into force in their entirety only on 1 February 1985, owing to the delay in the ratification by all the Member States of the Treaty amending the status of Greenland, on 19 December 1984 the Council decided to apply the agreed catch quotas under the EEC/Greenland Protocol (but with the exception of the West Greenland quota for cod) as from 1 January 1985 and to pay Greenland the sum of 26 500 000 ECU for 1985.¹ The Council thus honoured the political commitment it had given during the negotiations on the new status of Greenland whereby it was to adopt by 1 January 1985, if necessary, interim measures corresponding as far as possible to the provisions laid down in connection with the change in the status of Greenland.

As for the West Greenland stocks of cod, which scientific opinions had meanwhile confirmed as being in an alarming situation, the Council confined itself to authorizing the Member States to continue their fishing activities within the limits of the 1984 quotas which were not yet exhausted, pending the consultations which were to be held with the Greenland authorities on this subject.

C — COMMON ORGANIZATION OF THE MARKET IN FISHERIES PRODUCTS

446. The prices applicable in the fisheries sector for the fishing year 1 January to 31 December 1985 were fixed by the Council, acting on a proposal from the Commission, on 4 December 1984. Prices for fresh or chilled products (Annex I (A) and (D) to Regulation (EEC) No 3796/81)² were increased over the 1984 prices at rates varying between 0% (for herring and Atlantic sardines) and 6% (for cod, anchovies and shrimps).³

¹ Regulation (EEC) No 2/85, OJ L 1, 1.1.1985, and Regulation (EEC) No 97/85, OJ L 13, 16.1.1985.

² OJ L 379, 31.12.1981.

³ Regulation (EEC) No 3431/84, OJ L 318, 7.12.1984.

447. The following table shows the price increases for each species.

Species (fresh or refrigerated)	Guide price (ECU/tonne)		Increase %
	1984	1985	
1. Herring	336	336	0
2. Sardines (<i>Sardina Pilchardus</i>):			
(i) Atlantic	537	537	0
(ii) Mediterranean	428	441	3
3. Dogfish (<i>Squalus acanthias</i>)	836	844	1
4. Dogfish (<i>Scylliorhinus</i> spp.)	806	814	1
5. Redfish (<i>Sebastes</i> spp.)	782	821	5
6. Cod	1 053	1 116	6
7. Saithe	606	624	3
8. Haddock	788	827	5
9. Whiting	725	761	5
10. Ling	867	876	1
11. Mackerel	277	280	1
12. Anchovies	540	572	6
13. Plaice			
(i) from 1 January to 30 April 1985	722	744	3
(ii) from 1 May to 31 December 1985	976	1 015	4
14. Hake (<i>Merluccius merluccius</i>)	2 316	2 385	3
15. Shrimps of the genus <i>Crangon</i> crangon	1 401	1 485	6

With regard to chilled products (Annex II to Regulation (EEC) No 3796/81), on 4 December 1984 the Council increased the guide prices at rates which also varied between 0% (for sardines) and 6% (for crab and octopus).¹ At the same meeting the Council decided to maintain for 1985 the producer price of tuna intended for the canning industry at 1 351 ECU/tonne, i.e. at the same level as for 1984.²

With regard to arrangements for trade with non-member countries, on 19 December 1984, acting on a proposal from the Commission, the Council adop-

¹ Regulation (EEC) No 3432/84, OJ L 318, 7.12.1984.

² Regulation (EEC) No 3433/84, OJ L 318, 7.12.1984.

ted Regulation (EEC) No 3655/84,¹ which removed the total and permanent suspension of CCT duties provided for in Article 20 of the Regulation on the common organization of the market² for dried or salted cod (whole or filleted). However, before this Regulation enters into force — on 1 July 1985 — the Council will re-examine the situation in the Community market in terms of production and consumption and will take any measures necessary to ensure the required stability of supplies for the industry concerned.

Secondly, the Council took account of the processing industry's requirements, in certain Member States, for herring of a specific quality and opened a zero-duty tariff quota of 10 000 tonnes for fresh or chilled herring from the Baltic Sea.³

D — RELATIONS BETWEEN THE COMMUNITY AND NON-MEMBER COUNTRIES WITH REGARD TO FISHERIES

Scandinavian countries

448. Although in 1984 the Fisheries Agreements concluded by the Community with Norway, Sweden and the Faeroe Islands respectively functioned normally on the whole,⁴ two matters should nevertheless be mentioned since they gave rise to unilateral decisions by the Community owing to the impossibility of reaching a satisfactory arrangement with the non-member countries concerned.

The first concerns herring fishing in the North Sea, which, under the Fisheries Agreement between the EEC and Norway, should have been regulated jointly by the Community and Norway. In spite of numerous consultations between the two parties, however, it was not possible to reach agreement either on the fixing of TACs for 1984 or on the allocation of these TACs between the Community and Norway. The basic reason for this failure lies in the divergent opinions of the two parties on the zonal attachment key for this stock. In view of this situation both the Community and Norway took unilateral measures concerning the management of herring fishing in the North Sea,⁵ which could in the medium term be prejudicial to the normal reconstitution of the stock.

¹ OJ L 340, 28.12.1984.

² Regulation (EEC) No 3796/81, OJ L 379, 31.12.1981.

³ Regulation (EEC) No 3656/84, OJ L 340, 28.12.1984.

⁴ See 31st Review, paragraph 502 and Regulations (EEC) Nos 550/84 and 549/84, OJ L 61, 2.3.1984.

⁵ See paragraph 437 of this Review.

The second matter on which the Community was obliged to take a unilateral decision concerns fishing in the Skagerrak and the Kattegat. The three parties responsible for managing fishing activities in this zone, i.e. the Community, Norway and Sweden, were unable to lay down common rules on herring and sprat fishing and therefore abandoned any attempt to conclude an arrangement on fisheries for 1984.

449. With regard to arrangements for 1985, the bilateral consultations between the EEC and Norway, Sweden, and the Faeroe Islands respectively were concluded on time, so that the Council was in a position to adopt them, acting on a proposal from the Commission, at its meetings on 4 and 19 December 1984.¹

However, as was the case for 1984, the Community and Norway were unable to reach agreement on the management of the stock of herring in the North Sea, and consequently the Council laid down TACs for 1985 unilaterally.

Lastly, at the end of 1984 consultations were still under way between the Community, Norway and Sweden on the arrangements for fishing activities in the Skagerrak and the Kattegat in 1985.

Iceland

450. In 1984 the Community made two attempts to reach an agreement with Iceland and Norway on capelin fishing in division XIV (East Greenland). Since these consultations broke down the Council kept to its decision, taken unilaterally on 31 January 1984, to fix the TAC for the Community part of this division at 106 250 tonnes.²

In 1985, however, owing to the change in the status of Greenland, the Community will no longer be responsible for the management of fishing activities in division XIV.

Spain

451. In accordance with the Fisheries Agreement concluded with Spain in 1980, the two parties consulted each other on the arrangements for 1985

¹ (i) EEC/Sweden: Regulations (EEC) Nos 3435/84 and 3436/84, OJ L 318, 7.12.1984.

(ii) EEC/Norway: Regulations (EEC) Nos 3/85 and 4/85, OJ L 1, 1.1.1985.

(iii) EEC/Faeroe Islands: Regulations (EEC) Nos 5/85 and 6/85, OJ L 1, 1.1.1985.

² Regulation (EEC) No 320/84, OJ L 37, 8.2.1984.

regarding Spanish vessels pursuing their activities in Community waters. They agreed, in view of the current accession negotiations, to maintain the 1984 arrangements in 1985.

Accordingly the Council, acting on a proposal from the Commission, adopted Regulation (EEC) No 7/85,¹ which re-enacts in their entirety the provisions for 1984 contained in Regulation (EEC) No 598/84.²

Fishing activities pursued by certain non-member countries in the waters of the French department of Guyana

452. As in the past, the Community allocated fishing rights in these waters for 1984 and 1985 (in particular for shrimps) to certain non-member countries, namely the United States, Japan and various developing countries with fishing fleets.

In adopting, on a proposal from the Commission, Regulations (EEC) Nos 1499/84³ and 8/85⁴ the Council nevertheless took account of the unsatisfactory situation regarding the stock of shrimps and of the increasing economic importance of shrimp fishing for the local population and consequently placed stricter limits on access for fishermen from non-member countries to the waters of French Guyana.

United States

453. The new Fisheries Agreement with the United States, to which the Council had given its assent in adopting Regulation (EEC) No 2876/84,⁵ came into force on 14 November 1984 and will apply until 1 July 1989. This Agreement ensures the continuation of the activities exercised by the fishermen of certain Member States — in particular Germany, Italy and the Netherlands — in American waters under the 1977 Agreement, which expired on 1 October 1984 after being extended for three months.⁶

¹ OJ L 1, 1.1.1985.

² OJ L 67, 9.3.1984.

³ OJ L 145, 31.5.1984.

⁴ OJ L 1, 1.1.1985.

⁵ OJ L 272, 13.10.1984.

⁶ Decision 84/385/EEC, OJ L 208, 3.8.1984.

However, the fishing rights enjoyed by the Community were not fixed in the Agreement itself, but will be decided on each year by the United States authorities.

Canada

454. In implementation of the Fisheries Agreement concluded with Canada in 1981¹ and amended in 1983,² the Council opened tariff quotas for 1985 for frozen redfish and cod as well as herring flaps prepared or preserved in vinegar.³ This is a tariff concession granted to Canada in exchange for the access to Canadian waters enjoyed by Community fishermen.

As in previous years, these catch quotas were allocated among the Member States concerned, viz. France, Germany, Italy and the United Kingdom, under a Regulation adopted by the Council.⁴

Lastly, the Community complied with Canada's request that it should take action on the Resolution adopted by the Commission of the North-West Atlantic Fisheries Organization (NAFO) and conclude a bilateral arrangement on the establishment of a scientific observation programme, with the aim of increasing scientific knowledge on the state of stocks in the regulated area of the NAFO Convention.

The Council, acting on a proposal from the Commission, adopted a Regulation on this matter on 6 November 1984.⁵

African countries

455. During 1984 the Community continued its efforts to maintain the fishing rights acquired under agreements concluded in the past with the ACP States and to obtain further fishing rights in the waters of these States.

Accordingly, on 31 January 1984 the Council decided to apply provisionally, pending a final decision, the Agreement between the Community and Senegal

¹ Decision 81/1053/EEC, OJ L 379, 31.12.1981.

² Decision 83/652/EEC, OJ L 371, 31.12.1983.

³ Regulation (EEC) No 3409/84, OJ L 316, 6.12.1984.

⁴ Regulation (EEC) No 3410/84, OJ L 316, 6.12.1984.

⁵ Regulation (EEC) No 3114/84, OJ L 292, 9.11.1984.

amending for the second time the Agreement on fishing off the coast of Senegal and the new Protocol thereto.¹ This amended Agreement and the new Protocol will govern the activities of Community fishermen in the waters of Senegal until 15 January 1986.

In addition, on 21 February and 28 June 1984 respectively the Council approved the Fisheries Agreements with the Democratic Republic of Sao Tomé Príncipe and the Republic of Equatorial Guinea,² which it had decided to apply provisionally in 1983.³

With regard to obtaining new fishing rights for the Community, on 16 March 1984 the Council decided to apply provisionally, pending a final decision, the Fisheries Agreement between the Community and the Republic of Seychelles⁴ which was initialled by the negotiators for the two sides 18 January 1984. This Agreement, which is applicable retroactively as from 11 January 1984, is the first which the Community has concluded with an Indian Ocean country and is intended to supplement the existing agreements on tuna fishing concluded with several West African countries.

Lastly, negotiations between the Community and a second Indian Ocean country, Madagascar, were conducted in accordance with the Council's guidelines on the matter and culminated on 20 December 1984 in the initialling of an Agreement on fishing for tuna and deep sea shellfish. The Council will have to take a decision on this Agreement in the early months of 1985.

E — INTERNATIONAL ORGANIZATIONS

456. In accordance with the Council Decision on the matter,⁵ the instrument of the Community's accession to the Convention on Fishing and the Conservation of Living Resources in the Baltic Sea and the Belts was deposited with the Government of the People's Republic of Poland on 17 February 1984, so that the Community became a contracting party to this International Convention with effect from 18 March 1984. Thus the Community was able to take part as a member — and no longer just an observer, as at the previous meetings — in the tenth annual meeting of the International Baltic Sea Fishery Commis-

¹ Decision 84/84/EEC, OJ L 37, 8.2.1984.

² Regulation (EEC) No 477/84, OJ L 54, 25.2.1984, and Regulation (EEC) No 1966/84, OJ L 188, 16.7.1984.

³ See 31st Review, paragraph 505.

⁴ Decision 84/170/EEC, OJ L 79, 23.3.1984.

⁵ Decision 83/414/EEC, OJ L 237, 26.8.1983, and 31st Review, paragraph 507.

sion, held in Gdynia in September 1984, at which the TACs for certain species and the distribution of these TACs among the fishing zones of the various Members of the Commission were fixed for 1985. The quantities allocated to the Community were approved by the Council when it adopted the Regulation on TACs and quotas for 1985.¹

457. The Convention for the Conservation of Salmon in the North Atlantic Ocean entered into force on 1 October 1983,² and the Council of the European Communities, in accordance with its obligations as depositary of the Convention, convened the first meeting of the Council and the three regional Commissions provided for under this new international Convention in Edinburgh from 17 to 21 January 1984. The Community took an active part in this first meeting and also in the annual meetings of the Council and the regional Commissions which were held later in 1984, at the end of which two proposals were adopted for regulatory measures concerning salmon fishing in the Faeroe Islands fishing zone and in Greenland waters. An act implementing the latter measures was adopted by the Council on 6 August 1984.³

458. As in previous years, the Community took a very active part in the work of a number of international organizations of which it is a member, such as the North-East Atlantic Fisheries Commission (NEAFC), the Commission and the Scientific Committee for the Conservation of Antarctic Marine Living Resources, and the North-West Atlantic Fisheries Organization (NAFO). With regard to the work of NAFO, on 4 December 1984 the Council adopted a Regulation implementing the decisions taken.⁴

459. Lastly, the Community also attended, as an observer, the meetings held during 1984 by the OECD Fisheries Committee, the International Commission for South-East Atlantic Fisheries (Icseaf), the International Commission for the Conservation of Atlantic Tuna (Iccat), the General Fisheries Council for the Mediterranean (GFCM), the Committee for Eastern Central Atlantic Fisheries (Cecaf) — these last two being regional bodies under the aegis of the FAO — and the FAO World Conference on Fisheries Management and Development. With regard to Iccat, it should be mentioned that the Community also attended the conference of the plenipotentiaries of the States which are parties to this Convention, held in Paris on 9 and 10 July 1984, which ended with the approval of a Protocol opening the way for the accession of the Community to this Convention, probably in the course of 1985.

¹ Regulation (EEC) No 1/85, OJ L 1, 1.1.1985.

² 31st Review, paragraph 507.

³ Regulation (EEC) No 2305/84, OJ L 213, 9.8.1984.

⁴ Regulation (EEC) No 3411/84, OJ L 316, 6.12.1984.

CHAPTER VI: Agriculture

A — PROBLEMS CONCERNING ALL THE SECTORS COVERED BY THE COMMON AGRICULTURAL POLICY

1984/85 farm prices and related measures

460. On 17 January 1984 the Commission presented to the Council a set of proposals for fixing the prices for certain agricultural products and various related measures for the 1984/85 marketing year. Parliament and the Economic and Social Committee were consulted and delivered their opinions in March 1984.

The Council held wide-ranging discussions on the whole subject in the course of various meetings during February and, more particularly, March. These discussions were linked to those on the programme of measures proposed by the Commission in July 1983 on the rationalization of the common agricultural policy involving, in particular, the question of controlling production in the dairy sector and that of dismantling the monetary compensatory amounts (MCAs).

Following these negotiations, on 31 March 1984 the Council was finally able, on the basis of an overall compromise proposed by the Commission which embodied the compromise solutions arrived at during the discussions, to reach overall agreement both on farm prices for the 1984/85 marketing year and on the measures relating to the rationalization of the common agricultural policy.

The main points of this Agreement are as follows.

461. The decisions on prices reflect the desire of the Council to follow a very cautious pricing policy. The average price level in ECU adopted by the Council

is in fact lower than that proposed by the Commission, i.e. -0.5% instead of +0.8%. However, taking account of the agri-monetary measures, the increase in prices expressed in national currency is on average 3.3% for the community as a whole. With regard to the price levels in ECU for the various agricultural products, in general the Council followed the modulated approach suggested by the Commission, with increases for certain Mediterranean products above the general average. The effect of these decisions on food prices at consumer level works out at an increase of slightly more than 1%.

462. The Council's decisions also comprise a programme for dismantling the positive MCAs in three stages, with their complete abolition at the beginning of the 1987/88 marketing year, and technical amendments to the method of calculating the MCAs which will have the effect of reducing these amounts for various products.

463. In the dairy sector, where there is a serious imbalance between supply and demand, the Council decided to introduce, for a period of five years, a quota system giving producers guaranteed prices for limited quantities.

464. The Council approved the guidelines suggested by the Commission on the creation of guarantee thresholds, and decided to extend this system to further products, viz. sunflower seeds, durum wheat and dried grapes, and stressed the desirability of introducing these instruments in the organization of the markets for products where there was, or was likely to be, a surplus or a rapid increase in expenditure.

465. With regard to the financial effects of the Council's decisions, the Commission pointed out that they implied additional resources to cover the expenditure of the EAGGF (Guarantee Section) in excess of the appropriations allocated in the 1984 budget and stated that it would submit proposals for covering the additional financial requirements in 1984.

Agri-Monetary Decisions

466. When fixing the farm prices for the 1984/85 marketing year, on 31 March 1984 the Council took a number of decisions concerning adjustments to agri-monetary matters, in particular the dismantling of the monetary compensatory amounts in the medium term.¹

¹ Regulation (EEC) No 855/84, OJ L 90, 3.4.1984.

FUTURE MCAs

467. With regard to future MCAs, the Council adopted provisions to ensure that up to the beginning of the 1987/88 marketing year any adjustments to monetary parities would under no circumstances involve the institution of fixed positive MCAs.

This is to be carried out by applying a corrective coefficient to the central rates used for the ECU.

The Commission undertook to take the necessary measures to prevent the resulting negative MCAs from producing distortions in respect of export refunds.

The dismantling of the resulting negative MCAs will be carried out on the basis of a proposal from the Commission having regard to the economic situation of the Member States and taking account, in the light of past experience, of the need not to disturb market balances and not to aggravate inflation in the Member States concerned.

By 31 December 1986 the Commission will put before the Council a report on the implementation of this system and will make proposals in the light of the economic and monetary situation in the Community, trends in farm incomes and the experience gained.

If by the beginning of the 1987/88 marketing year the Council has not decided, in the light of this report, either to extend the existing system or to institute some other system, the system applicable before the 1984/85 marketing year will be reinstated.

EXISTING POSITIVE MCAs

468. At the beginning of the 1984/85 marketing year for each product, a proportion of the positive MCAs of all the Member States concerned will be dismantled by applying a corrective coefficient to convert them to negative MCAs. This coefficient is to be calculated so as to reduce the German MCAs by 3 percentage points.

The resulting negative MCAs are to be abolished with effect from the beginning of the 1984/85 marketing year for each product.

469. On 1 January 1985 the German positive MCAs will be dismantled by 5 percentage points. In return the Federal Republic of Germany will be authorized

by the Community to grant special aid, using the VAT as an instrument, in the form of payments based on the invoiced amounts and/or the VAT returns. The amount of this aid is equal to 3% of the ex-VAT price paid by the purchaser of the agricultural product concerned.

The Community will contribute to the financing of this aid on a decreasing scale, with 120 million ECU in 1985 and 100 million ECU in 1986. A Community contribution may be granted in 1987, depending on developments in the level of national compensation in the Federal Republic of Germany.

470. On 1 January 1985 the Netherlands positive MCAs will be dismantled by 0.6 percentage points for milk, 0.7 for cereals and 0.8 for other products, so that the Netherlands MCAs will be equal to the German MCAs. If the Netherlands, at its request, is authorized to take national measures similar to those for the Federal Republic of Germany, it will be eligible for Community measures similar to those decided for the Federal Republic.

471. The German and Netherlands positive MCAs remaining after 1 January 1985 will be abolished by the beginning of the 1987/88 marketing year for each product at the latest.

472. With regard to the United Kingdom, the status of the pound sterling does not make it possible to programme any dismantling of positive MCAs other than as described in (a) above. A dismantling process over and above this will therefore be provided for, if necessary, when the farm prices for the Community are fixed annually.

EXISTING NEGATIVE MCAs

473. The existing negative MCAs are to be dismantled on the basis of proposals from the Commission.

In this respect the Council adopted new representative rates by amending the Annexes to Regulation (EEC) No 1223/83.

METHOD FOR CALCULATING THE MONETARY COMPENSATORY AMOUNTS

474. The Council agreed to introduce the non-cumulation rules, whereby if the monetary gap (less the neutral margin) resulting from a parity adjustment lies

between 0 and 0.5 there is no MCA, whereas if the monetary gap (less the neutral margin) is greater than 0.5 and less than or equal to 1, the MCA is 1 percentage point.

The current rules relating to the neutral margins as provided for in Regulation (EEC) No 974/71 were maintained.

With regard to wine, the 'contraction' rule was abolished. In this sector the Commission, after consulting the Management Committee, will be able to increase the neutral margin up to a maximum of 5 percentage points.

The Commission's proposal for changing the method for calculating MCAs for pigmeat was adopted and will enter into force as from 1 January 1985. This change will apply for as long as the new system governing the MCAs is in force. However, the purchase price was not abolished in the basic Regulation.

475. In connection with the authorization to the Federal Republic of Germany — under Regulation (EEC) No 855/84 — to grant special aid to its agricultural producers by using the value-added tax as an instrument, on 30 June 1984 the Council authorized Germany by written procedure to grant the German farmers relief of up to 5% of the ex-VAT price paid by the purchaser of the agricultural product, for the period 1 July 1984 to 31 December 1988, to compensate for the dismantling of the positive MCAs.

476. In December 1984 the Council decided to extend once again, until 31 March 1987, Regulation (EEC) No 652/79 on the impact of the EMS on the common agricultural policy¹ so that the ECU could continue to be used for the common agricultural policy.

Amendment of the general rules concerning the financing and management of the common agricultural policy

477. In June 1984 the Council amended for the sixth time the Annex to Regulation (EEC) No 1883/78,² on measures complying with the concept of intervention intended to stabilize the agricultural markets, to take account of the adoption of new measures and the repeal of other measures since 1983.

¹ Regulation (EEC) No 3657/84, OJ L 340, 28.12.1984.

² Regulation (EEC) No 1716/84, OJ L 163, 21.6.1984.

478. In accordance with Regulation (EEC) No 3247/81, authorization obtained through the Management Committee procedure for transporting to other Member States or non-member countries agricultural products bought in by the intervention agencies would automatically entail Community finance.

In June 1984 the Council amended the Regulation so as to provide that EAGGF finance for these transport operations may be authorized only after they have also been reviewed by the EAGGF Committee.¹

International agreements

INTERNATIONAL SUGAR AGREEMENT

479. In March 1983 the Council had adopted negotiating directives for the preparation of a new International Sugar Agreement.² Work on this Agreement continued in 1984 at the meetings of the Presidency's Consultation Group and of the United Nations Sugar Conference. These negotiations, which were conducted on behalf of the Community by the Commission, in consultation with the Article 113 Committee, resulted in July 1984 in the realization that there was no prospect of concluding an Agreement containing economic provisions. Consequently, an administrative agreement was drawn up, with the aim of:

- (i) promoting international cooperation on problems relating to sugar, and
- (ii) providing a suitable framework for the possible negotiation of a new International Sugar Agreement containing economic provisions.

On 18 December 1984 the Council took note of the Commission's report on these negotiations and adopted the Decision on the conclusion by the Community of the 1984 International Sugar Agreement³. On 20 December 1984 the Community then signed and approved the Agreement in accordance with the prescribed procedure. The number of signatures deposited by 31 December 1984 was sufficient to permit the provisional entry into force of the new Agreement on 1 January 1985. The Agreement is to remain in force until 31 December 1986. However, the International Sugar Council will be able to extend it from one year to the next by special vote.

¹ Regulation (EEC) No 1717/84, OJ L 163, 21.6.1984.

² See 31st Review, paragraph 263.

³ OJ L 22, 25.1.1985.

OLIVE OIL

480. In connection with the Community's participation in the meetings of the International Olive Oil Council (IOOC) in 1984, the main question was that of the decisions to be taken with regard to extending the 1979 International Olive Oil Agreement, which was due to expire on 31 December 1984. The validity of this Agreement was extended until 31 December 1985 by the extraordinary meeting of the IOOC in July 1984.

Subsequently the question of a possible further extension of this Agreement to take account of the outcome of the negotiations on the enlargement of the Community was discussed by the IOOC in November 1984 and will be the subject of further discussions during 1985.

B — DRAFTING OF AND SUBSTANTIVE AMENDMENTS TO REGULATIONS GOVERNING THE COMMON ORGANIZATION OF MARKETS

Drafting of new basic regulations

MILK AND MILK PRODUCTS

481. In order to rectify the persistent imbalance between supply and demand in the milk sector and to give greater control over the budgetary costs arising from over-production, on 31 March 1984 the Council instituted a quota system for milk deliveries which gives producers guaranteed prices for limited quantities.¹

482. The main features of this system are as follows:

- (i) The system will apply for a period of 5 years (1984/85 to 1988/89).
- (ii) The final overall quantity guaranteed was fixed at 98 363 000 tonnes. The distribution between Member States was calculated on the basis of 1981 deliveries plus 1%, except for Ireland and Italy, for which the guaranteed quantity is equal to deliveries in 1983. A Community reserve

¹ Regulations (EEC) Nos 856/84 and 857/84 of 31 March 1984, OJ L 90, 1.4.1984.

- was instituted, the volume of which will be reviewed year by year taking account of the development of the market and the quantities available.
- (iii) For the 1984/85 marketing year, because of the pattern of production and to facilitate the transition to the new system, the guaranteed quantity was fixed at 99 235 000 tonnes. The Community reserve for this marketing year was fixed at 335 000 tonnes, of which 25 000 tonnes were allocated to Luxembourg, 245 000 tonnes to Ireland and 65 000 tonnes to the United Kingdom (Northern Ireland). As a counterpart to these flexible arrangements for the 1984/85 marketing year, the co-responsibility levy for the year was increased by an additional percentage point, from 2% to 3% of the target price for milk.¹
 - (iv) The quantities corresponding to the reference values for each Member State² are to be allocated, in each region defined according to Community criteria and a Community procedure, among either the individual producers, or between the dairies. Each Member State may opt for one or other formula, provided that the formula used is identical for all the producers in a given region. Excess production will be liable to a levy of 75% of the target price for milk in the case of individual quotas and 100% in the case of quotas per dairy.
 - (v) With a view to making it easier to apply the arrangements for the supplementary levy, all the purchasers in Greece are regarded as a single purchaser, bearing in mind the fact that Greece's milk production represents less than 1% of Community production and that the total number of purchasers is very high.
 - (vi) The supplementary levy system extends to direct sales to consumption. Quantities in excess of the quota are liable to a levy of 75% of the target price for milk.
 - (vii) Special provisions have been laid down for quotas freed when milk production is discontinued and for special individual cases, i.e. new milk producers, producers implementing a development plan, producers whose production has been significantly reduced owing to exceptional events such as epizootic diseases. Rules have also been laid down governing the transfer of quotas in the event of the sale or leasing of an undertaking.

During the year the Council regularly monitored the implementation of the quota system and noted that progress was being made towards achieving the desired objective. It found, however, that a number of practical difficulties in this respect were being encountered in the Member States, and the Commission undertook to examine these and to try to resolve them, in particular with regard to the procedures for collecting the levy.

¹ Regulation (EEC) No 861/84 of 31 March 1984, OJ L 90, 1.4.1984.

² The figures for the United Kingdom were corrected by the Council on 4 June 1984 - Regulation (EEC) No 1557/84, OJ L 150, 6.6.84.

Adjustments or amendments to the basic regulations

CEREALS

483. As part of its decisions on farm prices and related measures for the 1984/85 marketing year, the Council made several amendments¹ to Regulation (EEC) No 2727/75² on the common organization of the market in cereals.

In accordance with the Commission's proposal, it fixed a guarantee threshold for durum wheat in order to make this cereal subject to a system comparable with that laid down for other cereals.

The threshold was established on the basis of the average of the three preceding marketing years, which means a quantity of 4.6 million tonnes. Each 50 000 tonnes in excess of the threshold leads to a reduction of 1% in the intervention price for the following marketing year, up to a maximum reduction of 5%.

With regard to the guarantee threshold for other cereals, the Council decided that the price reduction triggered by production in excess of the guarantee threshold would also apply to the target price, in order to make it easier to attain the objectives of producer co-responsibility and to avoid too great an increase in Community preference.

484. In the same Regulation, the Council took the necessary steps to include grain sorghum — production of which has increased considerably over the past few years — in the system of prices laid down for other cereals. Consequently the single intervention price will apply to grain sorghum as from the marketing year 1984/85. As regards the guide price and the threshold price, the level for grain sorghum will be the same as for barley, since the two products have similar characteristics.

485. With regard to triticale, another cereal where production is expanding, the Council provided better protection against imports by amending the Common Customs Tariff so that the same levy is applied for triticale as for rye.

Lastly, the Council decided that special intervention measures may be taken as from 1 July in Greece and Italy, in view of the fact that the harvest is early in these countries, whereas in the other countries these measures may be taken only after the beginning of the marketing year on 1 August.

¹ Regulation (EEC) No 1018/84, OJ L 107, 19.4.1984.

² Regulation (EEC) No 2727/75, OJ 281, 1.11.1975.

RICE

486. At the beginning of the year under review, the Council abolished the requirement that the intervention centres for rice should be determined annually.¹ This can now be done as and when necessary, by means of the 'Management Committee' procedure.

At the same time the Council amended the provisions of the basic Regulation on rice in respect of deliveries of semi-milled rice from the Member States to the French overseas department of Réunion. The amount of the subsidy payable on semi-milled rice for the island of Réunion is now limited to the amount of the levy on husked rice.

As part of its decisions on farm prices and related measures, the Council amended the system laid down in the basic Regulation on rice for applying price increases or reductions to intervention purchases of rice.² This amendment means that increases or reductions in the intervention price are made on the basis of variety criteria, in order to direct production more towards the varieties in demand on the Community market.

PEAS AND FIELD BEANS

487. As part of its decisions on farm prices and related measures, the Council amended Regulation (EEC) No 1431/82, laying down special measures for peas and field beans.³ Under this Amendment⁴ the Council extended the existing support measures for peas and field beans to sweet lupins and also made some technical adjustments to the Regulation.

In this same Regulation the Council also provided that, in the light of the experience gained, the system of aid for peas and field beans intended for human consumption, which had been limited to the 1982/83 and 1983/84 marketing years, should no longer be limited in time.

FRESH FRUIT AND VEGETABLES

488. On 15 May 1984 the Council decided⁵ to bring into force on 1 June 1984 Council Regulations (EEC) No 3284/83 and No 3285/83, which were

¹ Regulation (EEC) No 174/84, OJ L 21, 26.01.1984.

² Regulation (EEC) No 1025/84, OJ L 107, 19.04.1984.

³ Regulation (EEC) No 1431/82, OJ L 162, 12.06.1982.

⁴ Regulation (EEC) No 1032/84, OJ L 107, 19.04.1984.

⁵ Regulation (EEC) No 1489/84, OJ L 143, 30.5.1984.

adopted by the Council as part of the process of modifying the 'acquis communautaire' relating to fresh fruit and vegetables and made substantial changes to the common organization of the market in these products.¹ The entry into force of these Regulations was dependent on the presentation to Spain and Portugal of a declaration concerning the negotiations on fruit and vegetables.² This declaration was presented to Portugal on 29 November 1983, and to Spain on 21 February 1984.

The changes made by the abovementioned Regulation (EEC) No 3284/83 to Regulation (EEC) No 1035/72 with regard to calculating the reference prices for certain fruit and vegetables made certain adjustments necessary in the method of calculating the Community offer price for certain fruit and vegetables originating in Greece. The Council's decision on this matter was embodied in Regulation (EEC) No 1490/84.³

PROCESSED FRUIT AND VEGETABLES

489. As part of its decisions on farm prices for the 1984/85 marketing year and on the reform of the common agricultural policy, the Council adopted a number of measures concerning this sector.

Changes to the system of aid for processed fruit and vegetables

490. On 31 March 1984 the Council adopted a Regulation⁴ amending the basic Regulation (EEC) No 516/77 on the common organization of the market in products processed from fruit and vegetables and Regulation (EEC) No 950/68 on the Common Customs Tariff.

In order to lay greater emphasis on the purpose of the system of aid laid down in Regulation (EEC) No 516/77 as an instrument of agricultural policy, a stronger link was established between the minimum price to be paid to producers by processors and the basic price of the product for consumption as fresh. The former price is to be fixed not simply on the basis of the minimum price for the previous marketing year but also taking into account trends in these basic prices and the need to ensure the normal marketing of fresh products.

¹ See 31st Review, paragraph 375.

² See final Article of the two abovementioned Regulations.

³ Regulation (EEC) No 1490/84, OJ L 143, 30.5.1984.

⁴ Regulation (EEC) No 988/84, OJ L 103, 16.4.1984.

In the light of this new overall approach the Council reviewed the method of calculating aid. Previously this was based on the difference between the cost price of the Community processed product and that of the competing product from non-member countries, including packaging. The new approach is to fix the aid according to the difference in price for the raw materials used for the two products in question. Aid will be fixed in terms of the net weight of the final processed product, without packaging.¹

The aid will be adjusted annually in accordance with changes in the minimum price, the non-member country prices and, if necessary, processing costs.

491. A special arrangement was laid down for dried grapes and dried figs, in view of the existence in Greece of storage agencies of long standing engaged in the storage and – at least to some extent – the marketing of these products. These agencies will remain but they will no longer be able to act as intervention agencies except during the last two months of the marketing year.

To prevent this system from producing concentrated intervention buying at the end of the marketing year, the new Regulation (EEC) No 988/84 provides for monthly increases in the minimum price to producers beginning in the third month of the marketing year. This should have the effect of promoting sales at the beginning of the marketing year.

Lastly, because of the special situation regarding dried grapes and dried figs a minimum import price has been laid down. If this price is not observed a countervailing charge may be imposed.

Following the amendments to the basic Regulation (EEC) No 516/77, the Council made² a number of adjustments to the procedures provided for in Article 103 of the Act of Accession of Greece to the Communities, in particular with regard to the calculation of Community aid to Greece.

Introduction of guarantee thresholds for processed products containing tomatoes and for dried grapes.

492. The Council fixed³ the guarantee threshold for tomatoes intended for processing at an annual quantity equivalent to 4 700 000 tonnes of fresh tomatoes.

¹ Regulation (EEC) No 1277/84, OJ L 123, 9.5.1984.

² Regulation (EEC) No 990/84, OJ L 103, 16.4.1984.

³ Regulation (EEC) No 989/84, OJ L 103, 16.4.1984.

This tonnage was divided as follows:

- (i) 2 987 850 tonnes for the manufacture of tomato concentrate,
- (ii) 1 307 150 tonnes for the manufacture of whole peeled tomatoes,
- (iii) 405 000 tonnes for the manufacture of other processed tomato products.

If the guarantee threshold is exceeded the aid is reduced for the following marketing year, in accordance with the extent to which the threshold has been exceeded and in proportion to the extent to which each of the fixed quantities has been exceeded.

For dried grapes a guarantee threshold is fixed, for each marketing year, at 65 000 tonnes of currants and 93 000 tonnes of sultanas.

If the guarantee threshold for sultanas or currants is exceeded the minimum price to be paid to the producer is reduced, for the following marketing year, in accordance with the amount by which each threshold has been exceeded.

Adjustment of the financial compensation granted for certain varieties of processed oranges.

493. The Council also decided¹ to amend this system of financial compensation, instituted by Regulation (EEC) No 2601/69, so that the processing industry bears a greater share of the raw material cost.

Limitation of production aid for certain fruits in syrup

494. Since in future production aid is to be granted on the net weight of processed products the Council agreed² to limit the granting of aid for each marketing year to quantities of 70 085 tonnes for Williams pears preserved in syrup, 24 872 tonnes for Bigarreau and other sweet cherries preserved in syrup and 51 282 tonnes for Morello cherries preserved in syrup.

Products withdrawn from the market

495. The Council agreed³ to discontinue the provision made under Regulation (EEC) No 1035/72 for processing fruit and vegetables withdrawn from the market for later free distribution.

¹ Regulation (EEC) No 987/84, OJ L 103, 16.4.1984.

² Regulation (EEC) No 991/84, OJ L 103, 16.4.1984.

³ Regulation (EEC) No 985/84, OJ L 103, 16.4.1984.

SUGAR

496. Regulation (EEC) No 1785/81 on the common organization of the market in sugar established, for a period of five marketing years, a production quota system, on the understanding that these arrangements could be revised by the Council in the light of a report to be submitted by the Commission on the supply situation in the sugar market.

In view of trends in the production and consumption of sugar and isoglucose and in the price on the world market, the Commission, in its report to the Council in May 1984, arrived at the conclusion that a revision of the quotas was not necessary during the period of implementation of the current sugar system, which was due to expire in June 1986. At its meeting of 18 and 19 June 1984 the Council took note of this report and the Commission's conclusions.

VEGETABLE OILS

Oils and fats in general

497. Regulation (EEC) No 3331/82 on food-aid policy and food-aid management lays down that agricultural products for food-aid programmes must be mobilized in accordance with the rules and procedures laid down for the various common organizations of markets. On 4 June 1984 the Council amended the basic Regulation on oils and fats to incorporate the procedures for mobilizing vegetable oils to be used as food aid.¹ These are based on the existing procedures for other products likely to be used for food-aid programmes.

OLIVE OIL

498. Having received a set of proposals from the Commission in 1983,² on 17 July 1984 the Council was able to adopt a series of Regulations aimed at improving the management of and ensuring more effective checks in the olive oil sector.³

Accordingly, the Regulations not only provide for rationalization measures in fields already covered by current regulations, but also, more particularly, con-

¹ Regulation (EEC) No 1556/84, OJ L 150, 6.6.1984.

² See 31st Review, paragraph 382.

³ Regulations (EEC) No 2260/84, No 2261/84 and No 2262/84, OJ L 208, 3.8.1984.

tain new provisions such as the introduction of special supervisory agencies in the main Member States which produce olive oil.

In each of these Member States, in accordance with their legal structures, these agencies will be responsible for carrying out certain checks and other duties in connection with the system of production aid to this sector.

In addition, detailed provisions are introduced with regard to the definition and implementation of specific measures to be taken by the Member States concerned to apply sanctions for any breach of the production aid system.

The Council had earlier agreed to extend the system of lump-sum payment of production aid. By Regulation (EEC) No 1097/84 of 31 March 1984¹ it was decided that in future this system would also apply to producers who, while being members of a producer group, do not achieve an average production of 100 kg of oil per marketing year.

OIL SEEDS

499. In connection with the fixing of the farm prices and as part of the rationalization of the common agricultural policy, the Council amended the basic Regulation on oils and fats to introduce a guarantee threshold for sunflower seed.² This was fixed at 1 million tonnes for the 1984/85 marketing year.³

WINE

500. As a result of the persistent imbalance between supply and demand and an increase in the expenditure of the EAGGF in this sector, in 1984 the Commission put before the Council a series of proposals with the main purpose of:

- (i) reinforcing the implementation of Article 41 of the basic Regulation (on the system of compulsory distillation), with a view to discouraging increases in production;
- (ii) reducing production potential by means of abandonment premiums and restrictions on area in the event of replanting;
- (iii) phasing out the addition of sucrose for enriching wines and the aid for the use of musts for this purpose;

¹ OJ L 113 28.4.1984.

² Regulation (EEC) No 1101/84, OJ L 113, 28.4.84.

³ Regulation (EEC) No 1104/84, OJ L 113, 28.4.84.

- (iv) reinforcing the Community's responsibility in the sector of quality wines produced in specific regions (quality wines psr).

The Council will have to take a decision on these proposals in 1985, after receiving the opinion of Parliament and taking account of the conclusions of the European Council at its meeting in Dublin on 3 and 4 December 1984.

501. These conclusions concern in particular:

- (i) strengthening of the compulsory distillation arrangements, in particular with regard to the threshold conditions and the framework for implementing this measure;
- (ii) a restrictive policy on prices when certain conditions are met;
- (iii) agreement in principle on the structural measures proposed by the Commission with the aim of encouraging permanent abandonment of certain vineyards and of limiting replanting rights in certain cases;
- (iv) postponement of any decision on the practice of enriching wine until 1990, when the Commission is to present studies on this subject;
- (v) maintenance of current arrangements concerning quality wines psr.

502. In addition, as part of the measures related to the fixing of farm prices, the Council adopted certain provisions¹ amending the basic Regulation on wine.

The salient points of these provisions are as follows:

- (i) prohibition on new planting extended to all vines until the end of the 1989/1990 marketing year, although derogations may be granted for certain quality wines psr;
- (ii) withdrawal of the aid for the short-term private storage of table wines and musts;
- (iii) fixing of the buying-in price of wine for preventive distillation at 65% of the guide price instead of 60%, to encourage producers to use this distillation agreement;
- (iv) reduction in the buying-in price for the majority of distilled products, so as to take account of the advantages provided for in respect of the enrichment of wine;
- (v) extension of the obligation to produce an annual harvest declaration.

503. Lastly, as part of a series of measures concerning the sparkling wines sector,² the Council adopted Regulation (EEC) No 3685/84 of 19 December

¹ Regulation (EEC) No 1208/84 of 27 April 1984, OJ L 115, 1.5.1984.

² See paragraphs 538 and 539 of this Review.

1984¹ amending the basic Regulation on wine so as to permit, by way of derogation, the importation of certain wines from non-member countries intended to be made into sparkling wines in the Community.

C — MANAGEMENT OF THE COMMON ORGANIZATION OF THE MARKETS

Cereals

CEREAL PRICES FOR THE 1984/85 MARKETING YEAR

504. In general the increases in the cereal prices for the 1984/85 marketing year adopted by the Council were in line with the Commission's proposals.²

The Council fixed the following prices:

Product	Type of price or amount	1983/84 ECU/tonne	1984/85 ECU/tonne	Change %
1	2	3	4	5
Durum wheat	Target price	335.42	357.70	+ 0.6
	Single intervention price	312.08	312.08	0
	Aid (restricted to certain regions)	99.81	101.31	+ 1.5
Common wheat of bread-making quality	Target price	261.41	259.08	- 0.9
	Reference price	215.29	213.14	- 1.0
Common wheat, maize, barley and sorghum	Single common intervention price	184.58	182.73	- 1.0
Barley, sorghum and maize	Target price	238.17	236.30	- 0.8
Rye	Intervention price	184.58	184.58	0
	Target price	238.17	238.17	+ 0.1

¹ OJ L 341, 29.12.1984.

² Regulation (EEC) No 1019/84, OJ L 107, 19.4.1984.

In adopting a very cautious pricing policy for 1984/85 the Council took account of the surpluses in the cereals sector created by the difficulty of finding outlets inside or outside the Community and also of the need to improve the competitiveness of Community cereals.

More specifically, the Council reduced the intervention price and the reference price for common wheat. Because of the particular market situation regarding rye the intervention price for this cereal is slightly higher than the common single intervention price, and this also affects the target price.

With regard to durum wheat, in view of the relatively good balance between supply and demand the Council kept the single intervention price for this cereal at the same level as for the previous marketing year.

505. The Council fixed the guarantee threshold for the 1984/85 marketing year at 4.6 million tonnes for durum wheat and 121.32 million tonnes for the other cereals.

The medium-term production targets were set at 4 777 000 tonnes for durum wheat and 126 million tonnes for the other cereals for the 1989/90 marketing year.

When fixing prices in the cereals sector the Council did not specify a price to be applied in the event of special intervention measures for common wheat of bread-making quality, in order to allow this price to be set as and when such measures were brought in.

PRODUCTION AID FOR DURUM WHEAT

506. The Council set the level of aid for durum wheat for the 1984/85 marketing year¹ at 101.31 ECU/ha, an increase of 1.5%.

This increase was granted to take account of the objectives of this aid, which is intended in particular to ensure a fair standard of living for farmers in those areas of the Community where durum wheat forms a traditional part of agricultural production.

For the regions of Greece which were receiving national aid before accession aid for durum wheat was fixed at 89.34 ECU/ha. Those areas of Greece which had

¹ Regulation (EEC) No 1021/84, OJ L 107, 19.4.1984.

not been receiving national aid were granted aid at the rate of 79.29 ECU/ha. This harmonization of aid was carried out in accordance with Article 68 of the 1979 Act of Accession.

MONTHLY INCREASES

507. For the 1984/85 marketing year the Council maintained the monthly increases at the same level as for the previous marketing year.

The Council took this decision, in the light of the objectives laid down in the basic Regulation on cereals, in order to take account of the storage costs and financing charges for storing cereals in the Community and to ensure that the disposal of stocks did not disturb the market.¹

CARRY-OVER PAYMENT AT THE END OF THE MARKETING YEAR

508. The Council decided to grant a carry-over payment for common wheat, rye and maize remaining in storage at the end of the 1983/84 marketing year.² This measure was taken in order to prevent massive intervention buying of cereals once the monthly increases in the intervention price came to an end, whereas some cereals still in storage before the new harvest and could be sold on the market.

With more particular reference to rye, this situation arises in certain areas of the Community where rye is intended for human consumption. As in the previous marketing year, this measure was also applied to maize, which has a shorter marketing year than the other cereals since it is harvested later. Consequently, large quantities are available at the end of the marketing year despite the shortages of this cereal.

AMENDMENTS TO STANDARD QUALITIES FOR CEREALS

509. The Council amended Regulation (EEC) No 2731/75³ to tighten up the conditions for intervention by adopting stricter requirements for the standard

¹ Regulation (EEC) No 1020/84, OJ L 107, 19.4.1984.

² Regulation (EEC) No 1024/84, OJ L 107, 19.4.1984.

³ Regulation (EEC) No 2731/75, OJ L 281, 1.11.1975.

qualities and thus for the minimum quality stipulated for intervention.¹ To this end, the moisture content for maize was raised and that for the standard quality of durum wheat was defined. In addition a standard quality was specified for sorghum, with a view to introducing an intervention price for this cereal as from the 1984/85 marketing year. The Council also made certain technical amendments to Regulation (EEC) No 2731/75 fixing standard qualities for common wheat, rye, barley, maize and durum wheat.

AMENDMENTS TO THE IMPORT AND EXPORT ARRANGEMENTS GOVERNING PRODUCTS PROCESSED FROM CEREALS AND RICE

510. The Council decided to maintain the fixed component in the method of calculating the import levies on certain brans and sharps, while reducing the corresponding variable component. This measure had already been taken for the 1982/83 and 1983/84 marketing years and had helped to stabilize imports of bran.²

AMENDMENT TO REGULATION (EEC) No 1322/83 ON THE TRANSFER OF 550 000 TONNES OF COMMON WHEAT OF BREAD-MAKING QUALITY BY FRENCH AND GERMAN INTERVENTION AGENCIES

511. For technical reasons the Council amended Regulation (EEC) No 1322/83.³ By this measure⁴ the Council extended the time limit laid down in Regulation (EEC) No 1322/83 with regard to the disposal of 450 000 tonnes of common wheat of bread-making quality which had been transferred to Italy and was to be disposed of by 1 August 1984. Since of this a residual quantity of 32 000 tonnes was stored in Sicily, this measure was intended to allow this quantity to be disposed of.

RICE

512. In the rice sector the Council also followed in general the Commission's amended proposals on prices.

¹ Regulation (EEC) No 1028/84, OJ L 107, 19.4.1984.

² Regulation (EEC) No 1027/84, OJ L 107, 19.4.1984.

³ Regulation (EEC) No 1322/83, OJ L 138, 27.05.1983.

⁴ Regulation (EEC) No 2153/84, OJ L 197, 27.07.1984.

The guide price for husked rice was increased by 5.3% to 539.49 ECU/tonne, and the intervention price for paddy rice was increased by 2.5% to 314.19 ECU/tonne.¹

The monthly increases were raised by approximately 3.5%.²

STARCH PRODUCTS

513. The Council kept the production refunds for starch products from cereals and rice and for potato starch at the same level as for the 1983/84 marketing year.³

The minimum price paid by potato starch producers was reduced by 1% to take account of the reduction in the price of maize. Without this adjustment the maize starch industry would have had a competitive advantage over the potato starch producers.

Under the same Regulation the Council extended for the 1984/85 marketing year the payment of a premium for potato starch producers which had been limited to the 1983/84 marketing year.

At the end of the year under review the Council received from the Commission a series of proposals for Regulations to make fundamental changes in the current arrangements for all starch products.

Beef and veal

PRICES

514. On 31 March 1984⁴ the Council fixed the guide and intervention prices for adult bovine animals for the 1984/85 marketing year 1.5% lower than before. i.e.:

¹ Regulation (EEC) No 1022/84, OJ L 107, 19.4.1984.

² Regulation (EEC) No 1023/84, OJ L 107, 19.4.1984.

³ Regulation (EEC) No 1026/84, OJ L 107, 19.4.1984.

⁴ Regulation (EEC) No 868/84, OJ L 90, 1.4.1984.

- (i) a guide price of 205.02 ECU/100 kg live weight;
- (ii) an intervention price of 184.52 ECU/100 kg live weight.

At the same time, in view of the market situation, the Council extended the rules governing the triggering and suspension of intervention measures, thus derogating from the principle of permanent intervention.

On an experimental basis the Council also¹ took the opportunity of extending to the intervention measures the Community scale for the classification of carcasses.

In addition the Council extended for a further marketing year the granting of an additional premium for maintaining suckler cows in Ireland and Northern Ireland.²

On 16 April 1984 it also extended for a further marketing year the premium for the slaughter of certain adult bovine animals in the United Kingdom³ and the premium for the birth of calves in Greece, Italy, Ireland and Northern Ireland, and authorized Italy to pay a supplementary premium of 19 ECU per calf.⁴

IMPORT ARRANGEMENTS

515. As in previous years, on 18 June 1984 the Council decided to open a tariff quota for 38 000 head of heifers and cows, other than those intended for slaughter, of certain mountain breeds falling within sub-heading ex 01.02 A II b) 2 of the CCT (Austrian quota)⁵ and for 5 000 head of bulls, cows and heifers, other than those intended for slaughter, of certain Alpine breeds falling within sub-heading ex 01.02 A II b) 2 of the CCT (Swiss quota).⁶

In addition, under the GATT agreements (multilateral trade negotiations), on 19 December 1984 the Council decided to open a tariff quota for the importing, at a duty of 20%, of 2 250 tonnes of buffalo meat falling within sub-heading 02.01 A II b) 4 bb) 33 of the CCT.⁷

¹ Regulation (EEC) No 869/84, OJ L 90, 1.4.1984.

² Regulation (EEC) No 870/84, OJ L 90, 1.4.1984.

³ Regulation (EEC) No 1063/84, OJ L 105, 18.4.1984.

⁴ Regulation (EEC) No 1064/84, OJ L 105, 18.4.1984.

⁵ Regulation (EEC) No 1735/84, OJ L 164, 22.6.1984.

⁶ Regulation (EEC) No 1719/84, OJ L 163, 21.6.1984.

⁷ Regulation (EEC) No 3688/84, OJ L 341, 29.12.1984.

Sheepmeat

PRICES

516. On 31 May 1984¹ the Council fixed the basic and the intervention prices in the sheepmeat sector at the following levels:

- (i) basic price: 428.04 ECU/100 kg carcass weight;
- (iii) intervention price: 363.83 ECU/100 kg carcass weight and a derived intervention price applicable in region 4 (Ireland) of 344.22 ECU/100 kg.

This marked the last stage of the harmonization of the national reference prices.

517. At the same time the Council amended² the basic Regulation for the fourth time to take account of the adjustments required in the light of the experience gained during the four-year period laid down when the common organization of the markets was established.

Thus, in view of the fact that reference prices no longer had to be fixed, the Council decided it was time to simplify the method for calculating the premium for sheepmeat producers. The producer's loss of income in a given area should be calculated from the difference, if any, between the Community basic price and the arithmetical mean of the market prices recorded in that region, this loss being weighted by a coefficient representing the normal average annual level of lamb production in the region.

518. In connection with these adjustments the Council amended the general rules for the granting of the premiums to sheepmeat producers,³ so as to harmonize the definitions used for the organization of the market with those laid down in Directive 82/177/EEC on statistical surveys.

For the sake of effectiveness the Council also made it possible to regionalize the triggering of the measures concerning private storage, as well as the aid for private storage.

Lastly, the Council made certain preparations of sheepmeat, in which the trade patterns appeared abnormal, liable to "clawback".

At the same time, with a view to budgetary savings, it amended the system of seasonal adjustments to prices in the United Kingdom.

¹ Regulation (EEC) No 873/84, OJ L 90, 1.4.1984.

² Regulation (EEC) No 871/84, OJ L 90, 1.4.1984.

³ Regulation (EEC) No 872/EEC, OJ L 90, 1.4.1984.

ARRANGEMENTS WITH NON-MEMBER COUNTRIES

519. On 12 July 1984¹ the Council approved the exchange of letters complementing the Agreement between the EEC and New Zealand on trade in mutton, lamb and goatmeat, so as to extend the arrangements regarding restrictions on exports to sensitive areas.

On 11 December 1984² the Council authorized the Commission, within the context of the voluntary restraint agreements on trade in sheepmeat and goatmeat with twelve non-member States, to adopt provisions authorizing the supply of live animals as part of the quantities agreed for fresh or chilled meat or vice-versa.

In addition, on 19 December 1984³ the Council renewed for 1985 the import arrangements applicable to certain non-member countries which export sheepmeat and goatmeat and have not concluded voluntary restraint agreements with the Community, in particular Chile and Spain.

Sheepmeat, beef and veal

520. On 16 July 1984 the Council extended until 31 March 1988 the period of application of the Decision authorizing the United Kingdom to permit the Isle of Man authorities to apply a system of special import licences to sheepmeat and beef and veal.⁴

Pigmeat

PRICES

521. On 31 March 1984 the Council adopted Regulation (EEC) No 1100/84⁵ fixing for the period from 1 November 1984 to 31 October 1985 the basic price and the standard quality for slaughtered pigs. The price, 2033.30 ECU/tonne, represents a reduction of 1% compared to the previous marketing year.

¹ Decision 84/362/EEC. OJ L 187, 14.7.1984.

² Decision 84/633/EEC. OJ L 331, 19.12.1984.

³ Regulation (EEC) No 3658/84. OJ L 340, 28.12.1984.

⁴ Decision 84/363/EEC. OJ L 191, 19.7.1984.

⁵ OJ L 113, 28.4.84.

COMMUNITY SCALE

522. On 13 November 1984 the Council adopted Regulation (EEC) No 3220/84,¹ which introduces a new Community scale for grading pig carcasses. The aim of this Regulation, which was to enter into force on 1 January 1985, was to introduce a scale based on the principle of direct establishment of the lean-meat content of carcasses and thereby ensure fair payment for producers while helping to make the market more transparent.

Eggs and poultry

523. On 19 June 1984 the Council adopted Regulation (EEC) No 1831/84² amending Regulation (EEC) No 2772/75³ on marketing standards for eggs, particularly with regard to a clear indication on packs of the period or date of packing and provision for showing on small packs information concerning the price, the retail management code, the recommended sell-by date and sales promotion.

With regard to the use of incubated eggs, the Council invited the Commission to make an exhaustive study of the practices followed in the Member States and to propose appropriate provisions by 1 July 1986.

Regulation (EEC) No 2772/75 was again amended on 28 November 1984 by Regulation (EEC) No 3341/84,⁴ with a view in particular to permitting the retail management code to appear on large packs and the concomitant application of the old and new labelling rules during a transitional period, in order to allow the necessary adjustments to be phased in and to ensure freedom of movement for eggs within the Community.

Milk and milk products

MARKET SITUATION

524. As in previous years, the market situation in the dairy sector in 1984 was one of structural production surpluses. This was reflected in particular in in-

¹ OJ L 301, 20.11.84.

² OJ L 172, 30.6.84.

³ OJ L 282, 1.11.75.

⁴ OJ L 312, 30.11.84.

creased stocks of butter and skimmed-milk powder, which amounted to around one million tonnes for the whole of the Community.

There was a further increase in milk production, due mainly to increased yields per cow, whereas consumption remained stable.

Because of this growing imbalance the Council sought ways of bringing supply more in line with demand and introduced as from the 1984/85 milk marketing year the system of milk quotas accompanied by a super-levy in the event of the quota being exceeded, as mentioned above.¹

PRICES

525. After extending the current milk year to 1 April 1984,² the Council adopted Regulation (EEC) No 858/84 fixing prices in the dairy sector for the 1984/85 marketing year.³

The prices are as follows:

	1983/84 marketing year		1984/85 marketing year	
	ECU/tonne	increase %	ECU/tonne	increase %
Target price for milk	274.3	2.3	274.3	0.0
Intervention prices				
butter	3 578.6	2.3	3 197.0	- 10.6
skimmed-milk powder	1 496.4	2.3	1 658.8	10.9
cheeses				
Grana-Padano				
30-60 days	3 612.8	2.3	3 817.5	5.7
Grana-Padano				
6 months	4 395.3	2.3	4 727.5	7.6
Parmigiano-Reggiano				
6 months	4 802.6	2.3	5 216.1	8.6

¹ See paragraph 482 of this Review.

² Regulation (EEC) No 854/84 of 31 March 1984, OJ L 89, 31.3.84.

³ OJ L 90, 1.4.84.

The substantial changes in the prices for butter and skimmed-milk powder result from an adjustment of the values given to the milkfat/protein ratio, which was set at 50:50 (previously 55:45) and the yield of butter (839 g milkfat/kg butter instead of 850 g).

At the same time as it fixed the guide price and the intervention prices the Council adopted the threshold prices in this sector¹ adjusted certain amounts used for calculating the import levies on certain cheeses to take account of the new threshold prices.²

AID

526. In adopting Regulation (EEC) No 1207/84 of 27 April 1984³ the Council decided to maintain for two marketing years the Community aid of 120 million ECU for small-scale milk producers. The Council also amended this Regulation on 13 November 1984, in particular to allow the Member States to give this aid also to new small-scale milk producers and not to grant it to producers exempt from the normal co-responsibility levy.⁴

The aid for direct consumption of butter in the United Kingdom, which is financed in full by the EAGGF, was reduced from 51 to 12.75 ECU/100 kg.⁵

The list of those eligible to purchase butter at reduced prices was extended⁶ by the Council and now includes:

- (i) non-profit-making institutions and organizations;
- (ii) military forces and units of comparable status in the Member States;
- (iii) manufacturers of pastry products and ice-cream;
- (iv) manufacturers of other foodstuffs to be determined.

The system of aid for the use of milk as animal feed was supplemented by provisions concerning the band within which the aid for skimmed-milk powder may be fixed⁷ and the granting of aid for concentrated skimmed milk⁸ and partly-skimmed milk powder.⁹

¹ Regulation (EEC) No 860/84 of 31 March 1984, OJ L 90, of 1.4.84.

² Regulation (EEC) No 859/84 of 31 March 1984, OJ L 90, of 1.4.84.

³ OJ L 115, 1.5.84.

⁴ Regulation (EEC) No 3177/84 of 13 November 1984, OJ L 298, 16.11.84.

⁵ Regulation (EEC) No 862/84 of 31 March 1984, OJ L 90, 1.4.84.

⁶ Regulation (EEC) No 863/84 of 31 March 1984, OJ L 90, 1.4.84.

⁷ Regulation (EEC) No 867/84 of 31 March 1984, OJ L 90, 1.4.84.

⁸ Regulation (EEC) No 865/84 of 31 March 1984, OJ L 90, 1.4.84.

⁹ Regulation (EEC) No 2128/84 of 17 July 1984, OJ L 196, 26.7.84.

OTHER MEASURES

Inward processing

527. On 31 March 1984 the Council, by Regulation (EEC) No 866/84, suspended for a period of two marketing years, because of the situation in the milk market, the inward processing arrangements for milk and milk products and prohibited certain usual forms of handling.¹ On 14 June 1984 the Council relaxed this Regulation slightly by excluding whey from its provisions.²

Christmas butter

528. On 22 October 1984 the Council adopted Regulation (EEC) No 2957/84,³ which allows Greece and Italy to take part in the 'Christmas butter' scheme adopted by the Commission in the exercise of its normal responsibilities. Since Greece and Italy had insufficient intervention stocks of butter, the Council's agreement was required to allow these two countries to subsidize a certain quantity of fresh butter available on the market, for consumption in the respective countries.

Fat content of standardized whole milk imported into Ireland and the United Kingdom.

529. As in other years, in December the Council adopted for the following milk year the guideline figure for the fat content of standardized whole milk imported into Ireland and the United Kingdom. This was fixed for the 1985/86 milk year at 3.60% for Ireland and 3.9% for the United Kingdom.⁴

Arrangements for the non-marketing of milk and the conversion of herds to beef and veal production

530. On 7 May 1984 the Council adopted Regulation (EEC) No 1300/84,⁵ which eases certain provisions of Regulation (EEC) No 1078/77⁶ introducing a

¹ OJ L 90, 1.4.84.

² Regulation (EEC) No 1686/84, OJ L 159, 15.6.84.

³ OJ L 280, 24.10.84.

⁴ Regulation (EEC) No 3414/84 of 4 December 1984, OJ L 316, 6.12.84.

⁵ OJ L 125, 12.5.84.

⁶ OJ L 131, 26.5.77.

system of premiums for the non-marketing of milk and milk products and for the conversion of dairy herds to beef and veal production.

IMPORTS

New Zealand butter

531. In the absence of an agreement on new arrangements for preferential butter imports into the United Kingdom from New Zealand, which were to have come into force on 1 January 1984, the Council took provisional interim measures for the first five months of 1984 authorizing for each month, pending the conclusion of a final agreement, a twelfth of the quantity proposed by the Commission for 1984.¹

The final agreement on new arrangements, concluded in July 1984,² provides for a preferential system valid for five years, with the following quantities for the first three years:

- (i) 83 000 tonnes for the calendar year 1984,
- (ii) 81 000 tonnes for the calendar year 1985,
- (iii) 79 000 tonnes for the calendar year 1986.

The quantities for the calendar years 1987 and 1988 will be determined by the Council by 1 August of the preceding year on the basis of a report and a proposal from the Commission.

The Council will take a decision before 1 August 1988 on whether to maintain the preferential arrangements after 1 January 1989.

Cheese

532. On three occasions the Council amended Regulation (EEC) No 2915/79³ as regards the application of annual tariff quotas for certain cheeses because

¹ Regulation (EEC) No 3667/83 of 19 December 1983, OJ L 366, 28.12.83.

Regulation (EEC) No 551/84 of 28 February 1984, OJ L 61, 2.3.84.

Regulation (EEC) No 864/84 of 31 March 1984, OJ L 90, 1.4.84.

Regulation (EEC) No 1384/84 of 8 May 1984, OJ L 133, 19.5.84.

² Regulation (EEC) No 2007/84 of 12 July 1984, OJ L 187, 14.7.84.

³ Regulation (EEC) No 1473/84 of 24 May 1984, OJ L 143, 30.5.84.

Regulation (EEC) No 1736/84 of 18 June 1984, OJ L 164, 22.6.84.

Regulation (EEC) No 3690/84 of 19 December 1984, OJ L 341, 29.12.84.

amendments had been made to the Agreements between the countries concerned (Austria and Finland) and the Community.¹

Sugar

SUGAR PRICES FOR THE 1984/85 MARKETING YEAR

533. For the 1984/85 marketing year the Council decided to keep the same prices in the sugar sector as for the previous year.¹

These prices formed part of the Council's brief to the Commission for negotiating with the ACP States concerned and the Republic of India the guaranteed prices for preferential sugar for the 1984/85 delivery period.²

Since the overall cost of disposing of surplus sugar in the 1983/84 marketing year had exceeded the product of the production levies, on 18 June 1984 the Council, in accordance with the provisions of the basic Regulation on sugar, revised the maximum amount of the levy on B sugar, increasing it from 30% to the maximum ceiling, i.e. 37.5% of the intervention price for white sugar for the 1984/85 marketing year.³

SUGAR USED BY THE CHEMICAL INDUSTRY

534. In May and June 1984 the Commission put before the Council a series of proposals aimed firstly at extending to isoglucose, so as to give equal treatment, the production refund arrangements already provided for under Regulation (EEC) No 1400/78 for sugar used in the chemical industry⁴ and secondly at allowing, for a trial period, the use of non-quota sugar and non-quota isoglucose in the manufacture of certain chemicals and, in the case of isoglucose, certain pharmaceutical and dietetic products. These proposals were examined in detail by all the appropriate subordinate bodies of the Council. It was agreed that this examination should continue in the light of the review of the production refund arrangements in the starch products sector.⁵

¹ Regulations (EEC) Nos 1105/84 and 1106/84, OJ L 113, 28.4.84.
See 31st Review, paragraph 416.

² See paragraph 326 of this Review.

³ Regulation (EEC) No 1737/84, OJ L 164, 22.6.1984.

⁴ See 26th Review, paragraph 442.

⁵ See paragraph 513 of this Review.

Wine

MONITORING OF THE MARKET SITUATION

535. On 22 and 23 October 1984 the Council took note of the final estimates of the market situation at the end of the 1982/83 marketing year. These estimates are provided annually by the Commission in accordance with Article 5 of Regulation (EEC) No 337/79.

The Commission's 1984 report to the Council on trends in vine planting and replanting in the Community and the relationship between production and utilization in the wine sector was approved by the Council at its meeting on 10 and 11 December 1984.

PRICES

536. On 27 April 1984¹ the Council fixed the following guide prices in the wine sector for the period 1 September 1984 to 31 August 1985:

Type of wine	Guide price
R I	3.42 ECU per % vol/hl
R II	3.42 ECU per % vol/hl
R III	53.30/hl
A I	3.17 ECU per % vol/hl
A II	71.02 ECU/hl
A III	81.11 ECU/hl

These prices represent a reduction of 1% compared with the previous levels for all the various types of table wine, in view of the need not to increase the existing gap between production and demand.

As from 1 September 1984 the activating threshold prices for intervention which constitute the second category of prices relating to the wine sector, will no longer be fixed annually.¹

¹ Regulation (EEC) No 1209/84, OJ L 115, 1.5.1984.

INTERVENTION SYSTEM

537. Since aid for the short-term private storage of table wines and musts was withdrawn under the terms of Regulation (EEC) No 1208/84,¹ at the request of the Member States concerned the Council authorized the granting of national aid for the short-term private storage of these products in France and Italy² and in Greece³ during the 1984/85 marketing year.

Following the adoption in 1983 of general rules for all distillation operations in the wine sector,⁴ on 18 September 1984⁵ the Council, on a proposal from the Commission, adopted technical amendments to these rules. In particular, the security for the granting of an advance on aid to the distiller under the "preventive distillation" scheme laid down in Article 11 of the basic Regulation on wines was increased from 110% to 120%.

In addition, in 1984 the Council received a proposal from the Commission on the laying down of general rules for the disposal of alcohol obtained from compulsory distillation operations and held by the intervention agencies.

PRODUCTION ARRANGEMENTS

538. In the absence of a common organization of the market in alcohol or of provisions governing the production of aromatized wines, by its Regulation (EEC) No 3689/84 of 19 December 1985⁶ the Council extended until 31 December 1984 the provisions of Regulation (EEC) No 351/79 regarding authorization, by way of derogation from Article 69 of the basic Regulation on wine, to add alcohol to grape musts and wines intended for the production of aromatized wines.

With regard to sparkling wines, on 19 December 1984 the Council, on proposals from the Commission, adopted two Regulations⁷ amending certain rules for the production of these wines. In particular, it was decided:

¹ See paragraph 502 of this Review.

² Decision 84/230/EEC of 27 April 1984, OJ L 115, 1.5.1984.

³ Decision 84/258/EEC of 7 May 1984, OJ L 139, 25.5.1984.

⁴ See 31st Review, paragraph 421.

⁵ Regulation (EEC) No 2687/84, OJ L 255, 25.9.1984.

⁶ OJ L 341, 29.12.1984.

⁷ Regulations (EEC) Nos 3686/84 and 3687/84, OJ L 341, 29.12.1984. See also paragraph 503 of this Review.

- (i) to reduce from 9 months to 6 the minimum duration of the wine-making process for quality sparkling wines psr fermented in closed tanks and to increase the minimum periods of fermentation and of presence on the lees for these wines;¹
- (ii) to restrict the list of the basic products which may be used as constituents of the cuvée for certain aromatic sparkling wines.

DESCRIPTION AND PRESENTATION OF WINES

539. In 1984 the Council received an amendment to the proposals in this field presented by the Commission the previous year.² This amendment concerns the proposal on the description of sparkling wines. Pending a decision on all these proposals, the Council twice extended³ the period during which the Member States are authorized to make it compulsory to show the actual alcoholic strength on the labels of still wines.

Under the latter of these two Regulations, the authorization was extended to 30 June 1985.

TRADE ARRANGEMENTS

540. With a view to fostering the harmonious development of trade between the Community and the United States of America in the wine sector, on 28 June 1984⁴ the Council adopted measures authorizing the release for direct human consumption in the Community of certain imported wines to which substances not provided for in Community Regulations have been added.

LUXEMBOURG PROTOCOL

541. Since harmonization of taxes on wines in the Community had not been achieved by 31 December 1984, the application of the specific provisions of the

¹ These proposals involved the withdrawal by the Commission of the proposal it presented in 1983 for drawing up a list of Italian sparkling wines which, by way of derogation, would come under the six-month rule (see 31st Review, paragraph 422).

² See 31st Review, paragraph 423.

³ Regulations (EEC) Nos 2056/84 of 16 July 1984, OJ L 191, 19.7.1984, and 3490/84 of 11.12.1984, OJ L 327, 14.12.1984.

⁴ Regulation (EEC) No 1873/84, OJ L 176, 3.7.1984.

Convention on the Belgium-Luxembourg Economic Union in favour of Luxembourg wines continued to be of some importance for the agricultural income of the Grand Duchy of Luxembourg. In its Regulation (EEC) No 3659/84 of 19 December 1984¹ the Council therefore extended for a further year the applicability of the provisions of the second subparagraph of Article 1 (1) of the Protocol on the Grand Duchy of Luxembourg, which thus remains applicable until the entry into force of provisions relating to the harmonization of excise duties on wine in the Community, or until 31 December 1985 at the latest.

Fresh fruit and vegetables

PRICES AND MARKETING PREMIUMS FOR THE 1984/85 MARKETING YEAR

Prices

542. In fixing the prices for agricultural products for the year, on 31 March 1984 the Council fixed² the basic and buying-in prices for the eleven species of fruit and vegetables covered by the single price system.

Following the Council's general policy of ensuring a fair standard of living for the farming population, guaranteeing security of supply and ensuring reasonable prices for supplies to consumers, these prices were increased over the levels for the previous year by 2% for cauliflowers, table grapes and aubergines, and by 0.5% for peaches, lemons, pears, apples, mandarins and sweet oranges, but reduced by 1% for tomatoes and apricots.

Premiums

543. By the same Regulation (EEC) No 986/84 the Council decided to increase the financial compensation for the 1984/85 marketing year by some 0.5% for oranges and mandarins, and to reduce it by 33% for clementines and 25% for lemons, in accordance with the provisions of Regulation (EEC) No 2511/69 as amended by Regulation (EEC) No 2004/83.³

¹ OJ L 340, 28.12.1984.

² Regulation (EEC) No 986/84, OJ L 103, 16.4.1984.

³ Regulation (EEC) No 2004/83, OJ L 198, 21.7.1983.

Processed fruit and vegetables

AID FOR THE PRODUCERS OF TINNED PINEAPPLES

544. On 25 July 1984¹ the Council fixed the aid payable to producers of tinned pineapples for the 1984/85 marketing year at 49.51 ECU/100 kg. This aid is intended to compensate for the difference between the Community offer price and the prices asked by non-member countries. This minimum price to be paid to producers of fresh pineapples was fixed at 29.88 ECU/100 kg.

AMENDMENTS TO THE GENERAL RULES FOR THE SYSTEM OF PRODUCTION AID FOR DRIED GRAPES AND DRIED FIGS

545. On 16 July 1984 the Council decided² to extend into the following marketing years the period of storage for certain quantities of dried grapes and dried figs from the 1981/82, 1982/83 and 1983/84 marketing years.

Since some dried grapes and dried figs from the 1982 harvest bought in by the storage agencies in accordance with Article 3 of Regulation (EEC) No 2194/81 were still in stock and were liable to upset the balance of the market if sold for human consumption, on 11 December 1984 the Council decided³ to extend the authorization to the storage agencies, already granted in respect of stocks from the 1981 harvest, to sell these products to specified processing industries under certain conditions.

Soya beans

GUIDE PRICE AND MINIMUM PRICE

546. For the 1984/85 marketing year the Council fixed the guide price for soya beans at 57.01 ECU/100 kg⁴ and the minimum price at 50.17 ECU/100 kg, an increase of 1.5% in each case.⁵

¹ Regulation (EEC) No 2180/84, OJ L 199 of 28.7.1984.
² Regulation (EEC) No 2057/84, OJ L 191 of 19.7.1984.
³ Regulation (EEC) No 3489/84, OJ L 327 of 14.12.1984.
⁴ Regulation (EEC) No 1035/84, OJ L 107, 19.4.1984.
⁵ Regulation (EEC) No 1036/84, OJ L 107, 19.4.1984.

AMENDMENT TO REGULATION (EEC) No 1614/79 LAYING DOWN SPECIAL MEASURES IN RESPECT OF SOYA BEANS

547. On 31 March 1984 the Council fixed¹ with effect from the 1984/85 marketing year the dates for the beginning and the end of the marketing year for soya beans as 1 September and 31 August respectively. It also decided to allow the Member States, on a trial basis for the 1984/85 Marketing year, to grant aid to oil mills which fulfill certain conditions, and provided for the aid to be fixed periodically throughout the marketing year.

Vegetable oils

PRICES

548. In accordance with the provisions concerning the guarantee threshold, on 31 March 1984 the Council decided, for the 1984/85 marketing year, firstly to reduce by 2% the target price and the intervention price for colza and rape seed and secondly to reduce by 1% the target price and the intervention price for sunflower seeds, on the understanding however that these latter prices would be adjusted to take account of any change in the oil content of the standard quality for sunflower seeds.²

At the same time the Council also decided to keep the monthly increases at the same level as for the previous marketing year³ and fixed the guarantee threshold for oil seeds for the 1984/85 marketing year.⁴

These prices and other amounts are as follows:

Colza and rape seed

— Target price	47.26 ECU/100 kg
— Intervention prices	42.92 ECU/100 kg
— Monthly increases	0.520 ECU/100 kg
— Guarantee threshold	2 410 000 tonnes

¹ Regulation (EEC) No 1037/84, OJ L 107, 19.4.1984.

² Regulation (EEC) No 1102/84, OJ L 113, 28.4.1984.

³ Regulation (EEC) No 1103/84, OJ L 113, 28.4.1984.

⁴ Regulation (EEC) No 1104/84, OJ L 113, 28.4.1984.

Sunflower seeds

– Target price	58.22 ECU/100 kg
– Intervention prices	53.27 ECU/100 kg
– Monthly increases	0.615 ECU/100 kg
– Guarantee threshold	1 000 000 tonnes.

DAY-TO-DAY MANAGEMENT OF THE MARKET

549. By its Regulation (EEC) No 2027/83 the Council instituted for the 1983/84 marketing year a system of differential amounts in the oil seeds sector,¹ with a view to reducing the serious distortions arising between undertakings located in various Member States with regard to the cost to them of obtaining Community oil seeds. On the basis of experience gained, on 24 May 1984 the Council decided to extend this system indefinitely and to make certain amendments to simplify its implementation.²

LINSEED

550. On 31 March 1984³ the Council fixed the guide price for linseed for the 1984/85 marketing year at 54.86 ECU/100 kg, an increase of 0.5%.

OLIVE OIL

551. With regard to the prices for the 1984/85 marketing year, the Council adopted a series of Regulations fixing in particular:

- (i) the production target price, the intervention price and the production aid for olive oil, including the separate level of aid for Greece;⁴
- (ii) the representative market price and the threshold price;⁵
- (iii) the monthly increases in the representative market price, the intervention price and the threshold price for olive oil.⁶

¹ See 31st Review, paragraph 435.

² Regulation (EEC) No 1474/84, OJ L 143, 30.5.1984.

³ Regulation (EEC) No 1034/84, OJ L 107, 19.4.1984.

⁴ Regulation (EEC) No 1098/84 of 31 March 1984, OJ L 113, 28.4.1984.

⁵ Regulation (EEC) No 3014/84 of 23 October 1984, OJ L 285, 30.10.1984.

⁶ Regulation (EEC) No 1099/84 of 31 March 1984, OJ L 113, 28.4.1984.

The table below gives the main components of the price system in the olive oil sector for the 1984/85 marketing year:

	ECU/100 kg
Production target price	316.23
Representative market price	196.87
Intervention price	227.62
Threshold price	195.74
Production aid	69.56
Production aid for Greece	55.04
Consumption aid	49.80
Consumption aid for Greece	43.39

552. In addition, on the basis of new provisions inserted into the basic Regulation on oils and fats by Regulation (EEC) No 2260/84,¹ on 22 November 1984² the Council fixed the percentage of the production aid which may be withheld to finance the activities of produced organizations and associations thereof.

For the 1984/85 marketing year this percentage is 2.1%.

In view of the experience gained regarding production refunds for olive oil used in the manufacture of certain preserved foods, on a proposal from the Commission the Council amended Regulation (EEC) No 591/79,³ which lays down the general rules relating to these refunds.

Regulation (EEC) No 3176/84 of 13 November 1984⁴ provides for extending the field of application of this refund system and improving the method of calculating the refunds.

In accordance with Article 2 of Regulation (EEC) No 1970/80,⁵ in 1984 the Commission presented to the Council a communication on the programme of measures to promote the consumption of olive oil for the 1985/86 marketing year. This programme provides for:

¹ See paragraph 498 of this Review.

² Regulation (EEC) No 3301/84, OJ L 308, 27.11.1984.

³ See 27th Review, paragraph 409.

⁴ OJ L 298, 13.11.1984.

⁵ See 28th Review, paragraph 455.

- (i) public relations and publicity campaigns;
- (ii) measures for the dissemination of scientific information;
- (iii) market research and studies of consumer motivation.

The total overall budget for these three sectors is 4.3 million ECU. The Council took note of this programme at its meeting on 22 and 23 October 1984.

Dried fodder

553. The flat-rate production aid for dried fodder was fixed by the Council¹ at 8.41 ECU/tonne, which represents a reduction of approximately 1%.

A similar reduction was adopted by the Council for the guide prices for the products covered by the basic Regulation on dried fodder.²

Peas and field beans

554. As part of its decisions on farm prices and related measures, the Council fixed the activating price for aid for the peas and field beans at 51.24 ECU/100 kg, a reduction of 1%.

For the first time the Council fixed an activating price for sweet lupins of 47.82 ECU/100 kg.

The minimum purchase price for peas and field beans was fixed at 28.90 ECU/100 kg, which also represents a reduction of 1%. The corresponding price for sweet lupins was fixed at 31.79 ECU/100 kg.

The guide price for peas and field beans for human consumption was fixed for the 1984/85 marketing year at 33.11 ECU/100 kg, which is equivalent to a reduction of 1%.⁴

¹ Regulation (EEC) No 874/84, OJ L 90, 1.4.1984.

² Regulation (EEC) No 1117/78, OJ L 142, 30.5.1978.

³ Regulation (EEC) No 1032/84, OJ L 107, 19.4.1984.

⁴ Regulation (EEC) No 1033/84, OJ L 107, 19.4.1984.

Tobacco

PRICES AND PREMIUMS FOR THE 1984 HARVEST

555. On 31 March 1984 the Council fixed¹ for the 1984 harvest the norm price, the intervention price and the premiums for leaf tobacco, and the derived intervention price for baled tobacco. These prices and premiums are given in the following table:

Norm prices, intervention prices and premiums for leaf tobacco for the 1984 crop
Derived intervention prices for baled tobacco of the 1984 harvest

(ECU/kg)

Serial No	Varieties	Norm price	Intervention price	Premium	Derived intervention price
1	Badischer Geudertheimer	3.759	3.195	2.163	4.764
2	Badischer Burley E	4.604	3.913	2.876	5.518
3	Virgin D	4.491	3.817	2.706	5.052
4	(a) Paraguay and its hybrids (b) Dragon vert and its hybrids, Philippin, Petit Grammont (Flobecq), Semois, Appelterre	3.507	2.981	2.426	—
5	Nijkerk	3.463	2.944	2.199	—
6	(a) Misionero and its hybrids (b) Rio. Grande and its hybrids	3.227	2.743	2.227	—
7	Bright	3.951	3.358	2.275	4.650
8	Burley I	2.906	2.470	1.605	3.621
9	Maryland	3.313	2.816	1.784	4.014

¹ Regulation (EEC) No 1029/84, OJ L 107, 19.4.1984.

(ECU/kg)

Serial No	Varieties	Norm price	Inter-vention price	Pre-mium	Derived inter-vention price
10	(a) Kentucky and its hybrids (b) Moro di Cori (c) Salento	2.741	2.330	1.713	3.294
11	(a) Forchheimer Havanna Ilc (b) Nostrano del Brenta (c) Resistente 142 (d) Gojano	3.415	2.903	2.395	4.349
12	(a) Beneventano (b) Brasile Selvaggio and similar varieties	1.844	1.567	1.352	2.380
13	Xanti-Yaka	3.645	3.098	2.685	4.901
14	(a) Perustitza (b) Samsun	3.452 3.452	2.934 2.934	2.556 2.488	4.284 4.308
15	Erzegovina and similar varieties	3.101	2.636	2.302	3.863
16	(a) Round Tip (b) Scafati (c) Sumatra I	16.410	13.949	9.912	21.273
17	Basmas	5.775	4.909	2.841	6.617
18	Katerini and similar varieties	4.852	4.124	2.527	5.978
19	(a) Kaba Koulak classic (b) Ellassona	4.302	3.657	2.234	5.192
20	(a) Kaba Koulak non-classic (b) Myrodata Smyrnis, Trapezous and Phi 1	3.321	2.823	1.593	4.256
21	Myrodata Agrinion	4.257	3.618	2.256	5.083
22	Zichnomyrodata	4.445	3.778	2.379	5.328
23	Tsebelia	4.032	3.427	3.253	4.934
24	Mavra	3.935	3.345	2.659	4.842
25	Burley GR	2.260	1.921	0.962	3.045
26	Virginia GR	3.387	2.879	1.715	4.065

AMENDMENT TO THE BASIC REGULATION (EEC) No 727/70

556. To alleviate the heavy costs caused in particular by the large surpluses of tobacco, on 18 May 1984¹ the Council decided to extend the measure providing for a reduction in the existing ratio between the intervention price and the normal price from 90% to 85%.

AMENDMENT TO REGULATION (EEC) No 1469/70

557. In view of the overall production level of tobacco and foreseeable demand, on 31 March 1984 the Council decided² to reduce from 120% to 115% the percentage of Community production above which the market management measures for the tobacco market set out in Article 13 of the basic Regulation No 727/70 are implemented.

Textile fibres and silkworms

COTTON

558. On 31 March 1984 the Council fixed the guide price for the 1984/85 marketing year for unginned cotton at 94.14 ECU/100 kg³ and the minimum price at 89.44 ECU/100 kg,⁴ an increase of 1.5% in each case.

Production aid is granted to ginning undertakings provided that they pay the minimum price to the producer. The amount is derived from the difference between the guide price and the world price for unginned cotton. For the 1984/85 marketing year the quantity of cotton for which aid may be granted in full is limited to 500 000 tonnes.⁵

AMENDMENT TO THE GENERAL RULES FOR THE SYSTEM OF AID FOR COTTON

559. With a view to the correct implementation of the system of aid for unginned cotton, on 31 March 1983⁵ the Council decided that the date on which

¹ Regulation (EEC) No 1030/84, OJ L 107, 19.4.1984.

² Regulation (EEC) No 1031/84, OJ L 107, 19.4.1984.

³ Regulation (EEC) No 1109/84, OJ L 113, 28.4.1984.

⁴ Regulation (EEC) No 1110/84, OJ L 113, 28.4.1984.

⁵ Regulation (EEC) No 1108/84, OJ L 113, 28.4.1984.

the percentage of aid that the Member States pay provisionally until such time as the final quantity of cotton harvested is determined should be very near the date on which the product is actually harvested. Accordingly it postponed the beginning of the marketing year from 1 August to 1 September. The 1983/84 marketing year was consequently extended until 31 August 1984.

FLAX AND HEMP

560. The Council fixed the amounts of aid for the 1984/85 marketing year in the flax and hemp sector as follows:¹

- flax: 277.72 ECU/ha for Greece and 351.57 ECU/ha for the other Member States, a reduction of 1%;
- hemp: 252.22 ECU/ha for Greece and 319.29 ECU/ha for the other Member States, a reduction of 1%.

SILKWORMS

561. The amount of aid for silkworms for the 1984/85 rearing year was fixed by the Council² at 95.80 ECU for Greece and 107.59 ECU for the other Member States per box of silkworm eggs used, an increase of 1.5%.

MEASURES TO PROMOTE THE USE OF FLAX FIBRE

562. In 1982 the Council had adopted Community measures to encourage the use of flax fibre for the marketing years from 1982/83 to 1986/87.³ These measures concern information campaigns and the search for new outlets and are financed by withholding part of the aid for fibre flax. For the 1984/85 marketing year these sums are 18.05 ECU per hectare for Greece and 22.85 ECU per hectare for the other Member States.⁴

¹ Regulation (EEC) No 1107/84, OJ L 113, 28.4.1984.

² Regulation (EEC) No 875/84, OJ L 90, 1.4.1984.

³ Regulation (EEC) No 1423/82, OJ L 162, 12.6.1982.

⁴ Regulation (EEC) No 1107/84, OJ L 113, 28.4.1984.

RESTRICTIVE MEASURES CONCERNING HEMP AND HEMP SEED TO PROTECT HUMAN HEALTH

563. On 16 July 1984 the Council decided¹ to authorize imports of certain hemp seed only subject to verification that the products in question will be used for a purpose other than sowing. At the same time it laid down² general rules relating to the import restrictions on these products.

Bee-keeping

564. At its meeting on 22 and 23 October 1984 the Council took note of the Commission's report on the system of aid for bee-keeping instituted by Regulation (EEC) No 1196/81.³ In this report the Commission reviewed the current situation and trends in bee-keeping in the Community and the implementation of the aid system, which expired in June 1984. In conclusion, it considered that in future Community action in this sector should be more concerned with structural measures aimed at improving productivity.

D — STRUCTURAL POLICY

565. In 1984 the Council adopted a Regulation which makes major changes to Community measures on the marketing and processing of agricultural products. It also adopted a number of specific measures and decided to organize two surveys on farm structures.

The Council continued its work on other Commission proposals, giving particular attention to the problems involved in revising the policy of improving farm structures.

Measures adopted

566. At its meeting on 19 June 1984 the Council adopted Regulation 1932/84,⁴ which amends Regulation (EEC) No 355/77 on common measures to improve

¹ Regulation (EEC) No 2058/84, OJ L 191, 19.7.1984.

² Regulation (EEC) No 2059/84, OJ L 191, 19.7.1984.

³ See 29th Review, paragraph 388.

⁴ OJ L 180, 7.7.1984.

the conditions under which agricultural products are processed and marketed and Regulation (EEC) No 1820/80 on the stimulation of agricultural development in the less-favoured areas of the west of Ireland.

Taking account of the experience gained in applying Regulation (EEC) No 355/77, the aim of the new Regulation is to adapt this common measure to the needs of the common agricultural policy and especially to the state of the market for many agricultural products. To this end it particularly emphasizes new products and new technology, encouraging industry to develop new processing techniques, to reduce energy consumption and to improve the recycling of industrial residues and waste.

Depending on the products concerned and the structural situation of the region, the Regulation also provides for aid for the purchase of harvesting equipment in connection with certain processing projects. In addition, the procedure for the admission of projects concerning the processing of basic products not included in Annex II to the Treaty is made more flexible.

Lastly, the Regulation takes particular account from the financial point of view of the particular needs of certain regions in the Community.

The Council did not at that time determine the estimated cost of the new measures but reserved its position on this subject till a later date, when a decision was taken on the next allocation of funds to the EAGGF (Guidance Section).

567. On 28 February 1984 the Council adopted three Directives¹ amending the list of less-favoured farming areas within the meaning of Directive 75/268/EEC in Italy, the Netherlands and the United Kingdom. The changes made are very substantial with regard to Italy and the United Kingdom, much less so with regard to the Netherlands.

568. On 5 March 1984 the Council adopted Regulation (EEC) No 619/84 extending the common measure provided for in Regulation No 1975/82 on the acceleration of agricultural development in certain regions of Greece.²

The aim of this Regulation is to authorize for one year the extension to all rural areas of Greece of the measures for infrastructure improvement, irrigation and drainage and forestry improvement already provided for in certain regions of Greece under Regulation (EEC) No 1975/82.

¹ Directives 84/167/EEC and 84/169/EEC, OJ L 82, 26.3.84.

² OJ L 68 of 10.3.1984.

The estimated cost to be borne by the EAGGE (Guidance Section) is 44.7 million ECU.

569. The Council adopted Regulation (EEC) No 1302/84, amending Regulation (EEC) No 2968/83 introducing a common measure for the acceleration of collective irrigation operations in Greece, and Regulation No (EEC) 1301/84, amending Regulation No (EEC) 2966/83 on the development of agricultural advisory services in Greece.¹ These two Regulations extend these common measures through 1985 in view of the need to continue and step up the Community's efforts in these fields.

570. Pending a decision on the new agricultural structures policy, at its meeting on 27 and 28 February 1984 the Council agreed to extend the socio-structural Directives 72/159/EEC, 72/160/EEC, 72/161/EEC and 75/268/EEC, as well as the special measures relating to interest rate subsidies for all the Member States.² In addition the Council decided to suspend aid for investment in the milk sector from 1 March 1984 until an agreement was reached on controlling milk production. This agreement was finalized as part of the process of fixing farm prices for the 1984/85 marketing year.

571. On 24 March 1984 the Council adopted Regulation No (EEC) 1463/84³ on the organization of surveys on the structure of agricultural holdings for 1985 and 1987, which makes it possible to continue the EEC's programme of such surveys.

Apart from minor amendments, this Regulation maintains the features and the definitions laid down by previous Regulations. As in the past, the Statistical Office of the European Communities will coordinate the work so as to guarantee a uniform procedure for analysing the data obtained and thus meet the Community's information requirements in this field.

Other proposals under study

572. The Council continued its examination of the Commission's proposal for revising the farm structures policy. It expects to take a decision on this impor-

¹ OJ L 125, 12.5.1984.

² OJ L 72, 15.3.1984. A further extension, until 31 December 1984, was adopted by the Council on 23 October 1984, see OJ L 285, 30.10.1984.

³ OJ L 142, 29.5.1984.

tant proposal as soon as the problems relating to the financial resources to be allotted to the EAGGF (Guidance Section) are resolved.

The Commission's proposal would ease the conditions of eligibility for Community aid by taking into consideration farm improvement plans which are more flexible than the development plans provided for under Directive 72/159/EEC. *Inter alia*, it also provides for regional modulation of aid, special aid for young farmers and forestry measures.

573. With regard to forestry, the Council's subordinate bodies continued their examination of the Commission's proposal on the protection of forests against fires and acid rain.

E — HARMONIZATION OF PROVISIONS LAID DOWN BY LAW, REGULATION AND ADMINISTRATIVE ACTION

574. On 10 May 1984 the Council adopted a Resolution¹ establishing a work programme in the field of harmonization of legislation on animal and plant health, animal feedingstuffs and seeds and seedlings. This programme comprises a timetable for the proposals to be adopted by the end of 1986. The Council thus affirmed its commitment to continuing to eliminate barriers to trade in the agricultural sector by making this contribution to consolidating the internal market while at the same time providing increased protection for consumers and the environment.

Veterinary legislation

575. By Directives 84/186/EEC² and 84/335/EEC,³ the Council extended the derogations applicable, in the fresh poultrymeat sector, to certain national products, in particular partially eviscerated meat.

Likewise, on 13 June 1984, it extended for a further period of six months the derogation granted by the Act of Accession to Ireland in respect of protection against foot-and-mouth disease.

¹ OJ C 134, 22.5.1984.

² OJ L 87, 30.3.1984.

³ OJ L 177, 4.7.1984.

These extensions were necessary to permit the adoption of permanent regulations in these two fields.

576. On 11 December 1984 the Council adopted a series of harmonizing measures in the veterinary field which basically supplement or update existing regulations.

577. With regard to trade, the Council amended Directive 71/118/EEC on health problems affecting trade in fresh poultrymeat.¹ The aim of this amendment is to authorize, for an indefinite period, the continuation of certain national production practices concerning partially eviscerated meat, "New York dressed" meat and poultrymeat chilled by means of immersion. The conditions under which these meats are produced will be reviewed by the Council by 15 August 1986 on the basis of the conclusions of scientific studies currently being carried out by the Commission.

578. The Council also amended Directives 64/432/EEC and 72/461/EEC governing intra-Community trade in live cattle and pigs and the meat thereof.² This amendment extends to Ireland and, in respect of Northern Ireland, to the United Kingdom the Arrangements adopted by the Council in 1976 on foot-and-mouth disease for the purposes of trade between the original Community and the United Kingdom and Denmark, which do not practise vaccination, thus ending the special arrangements applied to Ireland since its accession. In this context the Council confirmed the safeguard measures which these countries may take *vis-à-vis* imports from a Member State, a region of a Member State or a non-member country in the event of one or more outbreaks of swine fever in the country concerned.

These Arrangements are now permanent, although remaining subject to a three-yearly review to take account of developments in the control of foot-and-mouth disease in the Community. In order to assist the introduction of these arrangements the Council also came out in favour of extending to cases of classic foot-and-mouth disease the measures provided for under the Veterinary Emergency Fund, which provides Community aid for national control measures in the event of outbreaks of certain epizootic diseases.

579. In addition the Council amended Directive 64/432/EEC as regards brucellosis, more specifically in respect of the buffered brucella antigen test, the

¹ Directive 84/642/EEC. OJ L 339, 27.12.1984.

² Directive 84/643/EEC. OJ L 339, 27.12.1984.

micro-agglutination test and the milk ring test as applied to milk samples.¹ The aim of this measure is to bring Community regulations in this field up to date in view of developments regarding brucellosis in the Community.

580. With regard to the control of swine fever, the Council reinforced the provisions of Directive 80/217/EEC for combating this epizootic,² in particular by defining a 'high health-risk area' for which specific measures may be recommended by the Commission. The provision of Community funds for this 'high health-risk area' depends on the implementation of these measures by the Member State concerned.

Legislation on foodstuffs

GENERAL PROVISIONS

Amendments to existing legislation

581. Work continued but was not concluded on the 17th Amendment to Directive 64/54/EEC on preservatives, the aim of which is firstly to authorize on a permanent basis the use of thiabendazole for the surface treatment of citrus fruits and bananas, and secondly to add to the list of authorized preservatives potassium sulphite acid (for wine-making) and natamycine (for the surface treatment of sausages and cheeses). The last remaining difficulties concern the authorization of the last-mentioned substance.

In the absence of a decision the Council twice took measures to preserve the status quo and extended, first until 6 September 1984 and then until 6 March 1985, the authorization to use thiabendazole, so as to avoid any interruption in the freedom of citrus fruits and bananas in the Community.³

582. With regard to institutional matters, the Council adopted Directive 85/7/EEC of 19 December 1984⁴ which, for 10 Directives relating to the foodstuffs sector based on Article 100 of the Treaty, extends the possibilities of using the Standing Committee procedure for a period of two years from the date on which matters are first referred to the Standing Committee for

¹ 84/644/EEC Directive. OJ L 339. 27.12.1984.

² 84/645/EEC Directive. OJ L 339. 27.12.1984.

³ Directive 84/458/EEC of 18 September 1984, OJ L 256. 29.9.1984.

⁴ OJ L 2, 3.1.1985.

Foodstuffs after 1 January 1985. The Council thus opted for a further transitional period which would enable a better judgement to be made on the functioning of this procedure on the basis of experience.

583. In the sector of emulsifiers, stabilizers, thickeners and gelling agents, the Council was not in a position to take an overall decision on the proposed amendments to the positive permitted lists proposed by the Commission, in particular in the absence of Parliament's Opinion. Consequently, in view of the deadline of 1 January 1985 laid down in the legislation, it adopted Directive 85/6/EEC of 19 December 1984¹ which, in order to preserve the status quo, extends until 30 September 1985 the validity of the list of additives in Annex II which the Member States may choose to authorize if they wish.

New Directives

584. The Council's subordinate bodies continued their examination of three proposals forwarded in 1980, 1981 and 1982.

- (i) The first concerns flavouring agents authorized for use in foodstuffs and the basic materials for their production. This raises difficulties regarding the lists of permitted flavouring agents other than natural agents (artificial flavouring agents and flavouring agents identical to natural agents).
- (ii) The object of the second is to prohibit or limit the making of certain claims in the labelling and presentation of foodstuffs intended for the ultimate consumer and to control the advertising of these foodstuffs. Work on this proposal has revealed divergences on the actual principle of a list of prohibitions. In its Opinion Parliament had reservations on the appropriateness of this proposal and linked it to the proposal concerning misleading advertising² on 10 September 1984, the Commission maintained its proposal.
- (iii) The third concerns a decision on the general principles to be followed with regard to the establishment of microbiological criteria for foodstuffs for human and animal consumption, including the conditions under which they are produced. So far it has not been possible to reach a consensus on either the form of the act (Resolution or Directive) or the field of application (animal feedingstuffs, stage of production etc.).

¹ OJ L 2, 3.1.1985

² Directive 84/450/EEC of 10 September 1984, OJ L 250, 19.9.1984.

585. On the other hand, the Council's subordinate bodies completed their technical examination of the proposal for amending the basic Directive 79/112/EEC concerning the labelling and presentation of foodstuffs, the aim of which is to lay down rules for labelling the ingredients and the alcohol content of beverages containing more than 1.2% of alcohol. This proposal must now be studied in conjunction with the rules on labelling which are under consideration in the agricultural sector and in that of spirituous beverages and sparkling and still wines.

586. Lastly, the Council received two new proposals, one (on 6 February 1984) concerning methods of taking and analysing samples for checking foodstuffs, and the other (on 2 April 1984) containing a list of simulants for checking the migration of the constituents of materials and articles made of plastic.

SPECIFIC OR INDIVIDUAL PROVISIONS

587. In this field the Council mainly received new proposals.

With regard to amendments to existing legislation it received the following:

- (i) a proposal for codifying the Directive on cocoa and chocolate, amending it with regard to the possible use of vegetable oils and certain additives and revising the rules on labelling with reference to Directive 79/112/EEC (on 17 January 1984);
- (ii) a proposal amending the Directive on coffee and chicory extracts, which also seeks to amend the rules on labelling and to revise other rules in the light of technical advances (on 20 March 1984).

The Opinions of Parliament and the Economic and Social Committee have been sought.

With regard to new regulations, the Council received a proposal concerning deep-frozen food (on 24 September 1984).

The Opinions of Parliament and the Economic and Social Committee have been sought.

Legislation on animal feedingstuffs

588. During the year under review the Council made some important amendments to Community legislation concerning the additives used in animal feedingstuffs.

While Directive 84/587/EEC, adopted by the Council on 29 November 1984,¹ is in form no more than an amendment of Directive 70/524/EEC, nevertheless it introduces so much in the way of principles and other innovatory features relating to additives that it may be regarded as a new and complete piece of legislation.

These principles and new features are as follows:

- (i) instead of authorization for the use of additives being given solely in respect of active substances and ingredients, as in the past, it now also covers preparations;
- (ii) more control is exercised over the production of additives and of premixtures and compound feedingstuffs, which must meet precise technical and hygiene requirements, while the authorization of new additives is subject to the examination at Community level of technical reports presented by the Member States;
- (iii) these conditions are made more stringent for the production and distribution of certain products, in particular antibiotics and coccidiostats, which can now be monitored from the manufacturing stage to the moment of their incorporation into feedingstuffs;
- (iv) compulsory and comprehensive labelling provisions also apply to intermediate products, such as premixtures, and provision is made for technical amendments to take account of changes in the rules on straight and compound feedingstuffs.

The main provisions of this Directive will enter into force two years after notification.

589. Meanwhile the Council's subordinate bodies continued their examination of a proposal for supplementing Directive 74/63/EEC² with regard to the fixing of maximum permitted levels for pesticide residues. As in other cases concerning pesticide residues in foodstuffs for human consumption, this matter raises difficulties which are inherent in the very principle of binding maximum levels applicable throughout the Community.

590. Lastly, the Council received a proposal for a Directive³ amending Directive 74/63/EEC⁴ on undesirable substances, Directive 77/101/EEC⁵ on straight

¹ OJ L 319, 8.12.1984.

² OJ L 38, 11.2.1974.

³ OJ C 258, 26.9.1984.

⁴ OJ L 38, 11.2.1974.

⁵ OJ L 32, 3.2.1977.

feedingstuffs and Directive 79/373/EEC¹ on compound feedingstuffs. This proposal is intended primarily to introduce provisions regulating the presence of certain toxic substances, in particular aflatoxine, in raw materials used in the manufacture of compound feedingstuffs. The Council will begin its examination of this proposal soon.

Plant health legislation

PROTECTIVE MEASURES AGAINST THE INTRODUCTION INTO THE MEMBER STATES OF ORGANISMS HARMFUL TO PLANTS OR PLANT PRODUCTS

591. On 28 June 1984 the Council adopted a Directive amending the Annexes to Directive 77/93/EEC on protective measures against the introduction into the Member States of organisms harmful to plants or plant products.² The aim of this Directive, in accordance with the Commission's proposal, is to adapt Community plant health legislation to developments in scientific and technical knowledge by laying down new provisions concerning certain harmful organisms or certain plants and plant products.

592. In this same field, on 5 June 1984 the Council received two proposals for Directives amending Directive 77/93/EEC on protective measures against the introduction into the Member States of organisms harmful to plants or plant products. The aim of these two proposals, the technical examination of which was completed at the end of the year under review, is basically to simplify the procedures laid down in the basic Directive, in particular for amending the Annexes, and to extend the transitional period laid down so as to enable the Hellenic Republic to comply with the basic Directive.

PESTICIDE RESIDUES

593. The Council's subordinate bodies continued their examination of the proposals for Directives on fixing maximum levels for pesticide residues:

- (i) on and in cereals for human consumption;
- (ii) on and in foodstuffs of animal origin.

¹ OJ L 86, 6.4.1979.

² OJ L 207, 2.8.1984.

The adoption of these two texts, which will depend on the acceptance of a compromise solution with regard to the fixing of binding maximum levels, should lead to the establishment of rules applicable throughout the Community.

594. In addition, the Council's subordinate bodies are still studying the following proposals:

- (i) Proposal for a Directive amending Directive 76/895/EEC relating to the fixing of maximum levels for pesticide residues on and in fruit and vegetables (second series of amendments), Directive 82/528/EEC,¹ which was adopted by the Council on 19 July 1982, covers only part of the amendments proposed by the Commission, and the other amendments still have to be examined;
- (ii) Proposal for a Directive amending, with regard to ethoxyquine and diphenylamine, Annex II to Directive 76/895/EEC relating to the fixing of maximum levels for pesticide residues on and in fruit and vegetables. The examination of this proposal is to continue on the basis of the outcome of a further consultation between the Scientific Committee for Pesticides and the Scientific Committee for Foodstuffs.

PLANT PROTECTION PRODUCTS

595. At its meeting on 29 May 1984 the Permanent Representatives Committee took note of a communication from the Commission to the Council concerning the marketing and use of plant protection products containing 2,4,5-T and asked the Commission to continue its study of the various problems arising not only from the use of weedkillers containing TCDD but also from other major sources of pollution due to this substance.

596. With regard to the proposal for a Directive concerning the marketing of EEC type-approved plant protection products, the Council is still encountering difficulties regarding the type-approval procedure to be adopted, so that it has not yet been possible to reach a consensus.

597. The examination of the proposal for a Directive amending Directive 79/117/EEC prohibiting the placing on the market and use of plant protection products containing certain active substances, which aims to prohibit the use

¹ OJ L 234, 9.8.1982.

of ethylene oxide in plant protection products, is to continue on the basis of a new approach whereby provision might be made in amending the basic Directive for a transitional derogation in respect of certain products.

Legislation on seeds and seedlings

598. In the course of 1984 the Council made several amendments to existing Community legislation in this field by adopting in particular the following:

- (i) Council Decision amending Decision 81/956/EEC concerning the equivalence of seed potatoes produced in third countries;¹
- (ii) Council Decision amending Decision 80/817/EEC concerning the equivalence of field inspections on seed-producing crops carried out in third countries;²
- (iii) Council Decision amending Decision 80/818/EEC concerning the equivalence of seed produced in third countries;²
- (iv) Council Directive amending Directive 64/403/EEC on the marketing of seed potatoes;³
- (v) Council Decision of 19 December 1984 concerning the equivalence of field inspections on seed-producing crops carried out in third countries;⁴
- (vi) Council Decision of 19 December 1984 concerning the equivalence of seed potatoes produced in third countries.⁴

599. In the same area, the Council's subordinate bodies are also continuing their examination of two proposals for Decisions which were presented to the Council on 14 December 1984, concerning firstly the equivalence of field inspections on seed-producing crops carried out in third countries, and secondly seed produced in third countries.

The aim of both proposals is to renew the system of equivalences for 21 non-member countries which are entitled to declarations of equivalence under the previous Decisions.

¹ OJ L 54, 25.2.1984.

² OJ L 87, 30.3.1984.

³ OJ L 104, 17.4.1984.

⁴ OJ L 2, 3.1.1985.

Coordination of the position of the Member States with regard to matters outside the Community context

CODEX ALIMENTARIUS

600. During the year under review a number of Codex Alimentarius standards (under the joint FAO/WHO programme) reached advanced draft stages.

To the extent that these standards involve matters on which harmonization work was in hand or had already been completed in the Community, the Member States and the representatives of the Commission coordinated their position with regard to the work of the different Codex Alimentarius committees, and generally reached a common position on the various questions under consideration.

COUNCIL OF EUROPE

601. Under the aegis of the Council of Europe a draft European Convention is currently being prepared on the protection of vertebrate animals used for experimental or other scientific purposes.

The Member States and the Commission, recognizing the importance and usefulness of this Convention for the protection of animals, but also considering the possible consequences for scientific research and the possible implications for testing procedures laid down by Community legislation in various fields, agreed to take an active part in the work of the Council of Europe on this matter, without prejudice to the question of the possible accession of the Community as such to the Convention.

UNITED NATIONS FOOD AND AGRICULTURE ORGANIZATION (FAO)

602. A draft international code of conduct for the distribution and use of pesticides is being drawn up under the aegis of the FAO.

Some aspects of this code of conduct concern the responsibilities both of the Community and of the Member States. Consequently they agreed to liaise with each other with a view to adopting a common position on this draft, without prejudice to the legal form which the code of conduct will ultimately take.

INTERNATIONAL VINE AND WINE OFFICE

603. The Council followed attentively the work of the Office, in particular at its 64th General Assembly, which was held in Oporto (Portugal) from 3 to 9 September 1984.

This work mainly concerned problems relating to the economic situation of the wine industry, with particular reference to the world surpluses, and scientific developments in vine-growing and oenology.

The Council's subordinate bodies also prepared a coordinated position regarding the attitude to be adopted by the Member States on the request from the United States of America to become a member of the International Vine and Wine Office and the prior conditions set out by the United States on this subject.

OLIVE OIL AND TABLE OLIVES

604. In this sector coordination work in 1984 was concerned with the three meetings of the International Olive Oil Council (IOOC) held in Madrid from 7 to 11 May, on 12 and 13 July and from 21 to 25 November 1984, at which, in addition to the question of the extension of the 1979 International Olive Oil Agreement, the following main topics were discussed:¹

- (i) the convening by the FAO and the IOOC of a world olive-growing conference (scheduled for November 1985);
- (ii) the project for improving olive production in collaboration with the FAO and other bodies;
- (iii) sales campaigns for olive oil, in particular in the United States and the Arab countries of the Gulf.

¹ See paragraph 480 of this Review.

Chapter VII: Administrative matters

A — BUDGETARY MATTERS

1984 Budget

AMENDING AND SUPPLEMENTARY BUDGET No 1/84

605. In its Document COM (84) 250 final, dated 17 April 1984, the Commission provided an analysis of the measures necessary to put the Council and Parliament in a position to meet the essential needs of the 1984 financial year and thus safeguard the smooth operation of the Community and the satisfactory implementation of Community policies and measures.

On 4 July 1984 the Commission drew up a preliminary draft supplementary and amending budget No 1/84 and by letter dated 6 July 1984 forwarded it to the Council.

Overall, the proposals put forward by the Commission in respect of this preliminary draft supplementary and amending budget No 1 meant an increase in the 1984 budget of 1 953 378 359 ECU in commitment appropriations and 1 999 378 359 ECU in payment appropriations.

The preliminary draft budget provided for additional expenditure of 1 983 million ECU for the EAGGF (Guarantee Section), 27 714 000 ECU for the appropriations for staff and 46 million ECU for commitments under the Third Financial Protocol with Turkey.

Proposed adjustments to revenue and expenditure gave a revenue requirement which exceeded by 2 071.5 million ECU the funds available under the 1% ceiling on the VAT rate.

The Commission proposed that the difference should be financed by advances on own resources from the Member States.

By letter dated 3 August 1984 the Commission put before the Council a letter of amendment to preliminary draft supplementary and amending budget No 1/84 containing technical changes to the estimated VAT balance for the financial year 1984 as well as adjustments to the balance for previous financial years.

At its meeting on 2 October 1984 the Council established draft supplementary and amending budget No 1/84.

606. In this draft budget the Council provided for overall additional revenue and expenditure of 1 861 166 359 ECU for 1984.

The grand total of the estimated revenue and expenditure for 1984 is thereby increased from 25 361 461 363 ECU to 27 222 627 772 ECU in payment appropriations and from 27 377 288 363 ECU to 29 238 454 722 ECU in commitment appropriations.

For expenditure the Council adopted a figure of 1 861 million ECU, compared with the Commission proposal of 1 999 million ECU.

With regard to the revenue required to cover this expenditure, the Council considered that economies could be made over and above the figure proposed by the Commission (500 million instead of 350 million ECU).

In addition, the Council maintained the estimates of own resources other than VAT provided for in the original 1984 budget.

With regard to the method for raising the additional funds in excess of the own resources available in 1984, i.e. 1 003.4 million ECU, the Council agreed to invite the Member States to make repayable advances, on the basis of an inter-governmental agreement.

Draft amending and supplementary budget No 1/84 was transmitted to Parliament on 3 October 1984.

607. At its sitting on 23 October 1984 Parliament made amendments and proposed modifications to supplementary and amending budget No 1/84 at first reading and transmitted its conclusions to the Council the same day.

Before taking a decision on this draft budget at second reading, on 24 October 1984, the Council held an exchange of views with a delegation from Parliament.

At this meeting the Council was able to note and discuss Parliament's reasons for proposing amendments and modifications to draft supplementary and amending budget No 1/84.

The Council then took decisions on each of Parliament's amendments and proposals. It rejected all the amendments relating to revenue, pointing out that this rejection did not imply any recognition of their status as amendments; the fact is that amendments within the meaning of Article 203 of the EEC Treaty relate to non-compulsory expenditure and not the statement of revenue.

The Council accepted the inclusion of 150 million ECU under item 2049 (Other measures) and the corresponding reduction under item 2033 (Other storage costs) and added to the remark on item 2049 the sentence "An amount of 150 million ECU is provided for under this item to cover a Christmas butter sales campaign".

In addition the Council accepted the amendment and the proposed modification transferring the appropriations entered under Chapter 100 of Part B of the general budget to the operating items. Similarly, it did not alter the amendment transferring 400 000 ECU from Part A of the general budget to Article 282 (Subsidy for the establishment and operation of a Europe-Latin America Institute).

Parliament was informed of the outcome of the Council's deliberations on 24 October 1984.

608. By letter dated 26 October 1984 the President of Parliament informed the Council that following Parliament's deliberations on 25 October 1984 he had declared the final adoption of supplementary and amending budget No 1 of the European Communities for the financial year 1984.¹

In this supplementary and amending budget No 1/84 Parliament restored two of its 'amendments' on revenue, concerning Article 120 (Customs duties and other duties referred to in Article 2 (b) of the Council Decision of 21 April 1970) and Article 302 (Expected balance from current year) respectively.

By letter dated 9 November 1984 the President of the Council informed the President of Parliament that the Council had the gravest reservations on these two 'amendments' and entirely reserved its position regarding the possible consequences.

¹ OJ L 329, 17.12.1984.

1985 budget

ESTABLISHMENT OF THE DRAFT GENERAL BUDGET OF THE EUROPEAN COMMUNITIES FOR 1985

609. By letter dated 15 June 1984 the Commission forwarded to the Council the preliminary draft budget of the European Communities for the financial year 1985.

Knowing Parliament's point of view, and after consulting the Commission, the Court of Justice, the Court of Auditors and the Economic and Social Committee, the Council discussed this draft budget at its meetings on 18 and 19 July, 23 and 24 July, 6 September and 2 October 1984. At this last meeting the Council established the draft general budget of the European Communities for the financial year 1985, which it forwarded to Parliament by letter dated 3 October 1984.

In this draft budget the Council provided for overall total expenditure of 27 873 080 318 ECU in commitment appropriations and 25 949 379 118 ECU in payment appropriations.

610. The following two tables summarize the appropriations for each institution:

Commitment appropriations

(in ECU)

Institution	1984 Budget		Draft 1985 budget		Difference 1984/1985	
	Amount	%	Amount	%	ECU	%
Parliament	239 127 804 ¹	0.87	235 999 231	0.85	- 3 128 573	- 1.31 ¹
Council	137 048 720	0.50	158 385 009 ²	0.57	+ 21 336 289	+15.57 ²
Commission	26 951 726 088	98.45	27 427 828 755	98.40	+476 102 667	+ 1.77
Court of Justice	31 333 251	0.11	32 273 248	0.11	+ 939 997	+ 3.00
Court of Auditors	18 052 500	0.07	18 594 075	0.07	+ 541 575	+ 3.00
Total	27 377 288 363	100	27 873 080 318	100	+495 791 955	+ 1.81

Payment appropriations

(in ECU)

Institution	1984 Budget		Draft 1985 budget		Difference 1984/1985	
	Amount	%	Amount	%	ECU	%
Parliament	239 127 804 ¹	0.95	235 999 231	0.95	- 3 128 573	- 1.31 ¹
Council	137 048 720	0.54	158 385 009 ²	0.61	+ 21 336 289	+15.57 ²
Commission	24 935 899 088	98.32	25 504 127 555	98.29	+568 228 467	+ 2.28
Court of Justice	31 333 251	0.12	32 273 248	0.12	+ 939 997	+ 3.00
Court of Auditors	18 052 500	0.07	18 594 075	0.07	+ 541 575	+ 3.00
Total	25 361 461 363	100	25 949 379 118	100	+587 917 755	+ 2.32

¹ Including: 18 609 500 ECU as a contribution towards preparations for the next election. Without this amount the 1984/85 difference is +7%.

² Including, for the Council itself in this strict sense, 17 378 600 ECU set aside to finance an agreement on the construction of a building and the expenditure to be allowed for in respect of the accession of Spain and Portugal. Without this amount the 1984/85 difference is +2.76%.

Community expenditure Commitment appropriations

611.

	Budget 1984		Council draft (1st reading)		Difference (3/1)	
	Amount	%	Amount	%	Amount	%
	(1)	(2)	(3)	(4)	(5)	(6)
<i>1. Support for agricultural markets</i>						
EAGGF Guarantee (Ch. 10 to 29)	16 500 000 000	60.27	18 000 000	64.58	+ 1 500 000 000	+ 9.09
Total 1	16 500 000 000	60.27	18 000 000	64.58	1 500 000 000	+ 9.09
<i>2. Structural policies</i>						
EAGGF Guidance (Ch. 30 to 33)	723 500 000	2.64	640 967 700	2.30	- 82 532 300	-11.41
Specific agricultural measures (Ch. 38)	86 560 000	0.32	55 427 300	0.20	- 31 132 700	-35.97
Fisheries (Ch. 40 to 46)	159 108 000	0.58	154 351 400	0.55	- 4 756 600	- 2.99
Regional Fund (Ch. 50 and 51)	2 140 000 000	7.82	2 240 000 000	8.04	+ 100 000 000	+ 4.67
EMS measures (Ch. 52)	token entry	-	token entry	-	-	-
Supplementary measures for the United Kingdom (Ch. 53)	token entry	-	-	-	- token entry	-
Miscellaneous - regional, (Ch. 54 to 56)	45 700 000	0.17	87 200 000	0.31	+ 41 500 000	+90.81
Transport (Ch. 58)	81 750 000	0.30	31 350 000	0.11	- 50 400 000	-61.65
Social Fund (Ch. 60 and 61)	1 846 000 000	6.74	1 040 000 000	6.96	+ 94 000 000	- 5.69
Miscellaneous - social (Ch. 64, 65 and 69)	175 022 000	0.64	177 869 000	0.64	+ 2 847 000	+ 1.63
Education and culture (Ch. 63 and 67)	18 956 000	0.07	18 747 500	0.07	- 208 500	- 1.10
Environment and consumers (Ch. 66)	19 964 000	0.07	14 770 000	0.05	- 5 194 000	-26.02
Total 2	5 296 560 000	19.34	5 360 682 900	19.23	+ 64 122 900	+ 1.21

<i>3. Research, energy and industry</i>						
Energy policy (Ch. 70 and 71)	183 035 000 ¹	0.67	137 700 000	0.49	- 45 335 000	-24.77
Research and investment (Ch. 72 and 73)	743 837 000	2.72	788 048 400	2.83	+ 44 211 400	+ 5.94
Information and innovation (Ch. 75)	27 435 000	0.10	9 685 000	0.03	- 17 750 000	-64.70
Industry and internal market (Ch. 77)	64 021 000	0.23	33 350 000	0.12	- 30 671 000	-47.91
Total 3	1 018 328 000	3.72	968 783 400	3.48	- 49 544 600	- 4.87
<i>4. Refunds and reserves</i>						
Refunds to the Member States (Ch. 80)	1 057 343 000	3.86	1 047 098 000	3.76	- 10 246 000	- 0.97
Other refunds (Ch. 82 and 86)	46 165 033	0.17	23 622 055	0.08	- 22 542 978	-48.83
Financial mechanism (Ch. 81)	-	-	-	-	-	-
Miscellaneous - guarantees (Ch. 79, 83, 84 and 85)	token entry	-	token entry	-	-	-
Reserves (Ch. 101)	1 207 000 000 ²	4.41	5 000 000	0.02	-1 702 000 000	-
Total 4	2 310 508 033	8.44	1 075 720 055	3.86	-1 234 787 978	-53.44
<i>5. Development cooperation and non-member countries</i>						
EDF (Ch. 90 and 91)	token entry	-	-	-	-	-
Food aid (Ch. 92)	506 100 000	1.85	570 794 800	2.05	+ 64 694 800	+12.78
Cooperation with non-ass. dev. countries (Ch. 93)	237 050 000	0.87	252 850 000	0.91	+ 15 800 000	+ 6.67
Specific and exceptional measures (Ch. 94 and 95)	113 170 000	0.41	53 500 000	0.19	- 59 670 000	-52.73
Cooperation with Mediterranean countries (Ch. 96)	108 000 000	0.39	208 400 000	0.75	+ 100 400 000	+92.96
Miscellaneous - cooperation (Ch. 98 and 99)	58 500 000	0.21	61 240 000	0.22	+ 2 740 000	+ 4.68
Total 5	1 022 820 000	3.74	1 146 784 800	4.11	+ 123 964 800	+12.12
<i>6. Staff and administrative appropriations</i>						
Section III.A	803 510 055	2.93	875 857 600	3.14	+ 72 347 545	+ 9.00
Section I, II, V and V	425 562 275	1.55	445 251 563	1.60	+ 19 689 288	+ 4.63
Total 6	1 229 072 330	4.49	1 321 109 163	4.47	+ 92 036 833	+ 7.49
Grand total	27 377 288 363	100.00	27 873 080 318	100.00	+ 495 791 955	+ 1.81

¹ including 30 million ECU entered under Ch. 100 for Ch. 70, 73, 75, 77 and 58 (Ch. 78 in 1984)

² including 1 202 million ECU entered under Ch. 100 for the UK/Federal Republic of Germany measures.

Community expenditure Payment appropriations

612.

	Budget 1984		Council draft (1st reading)		Difference (3/1)	
	Amount	%	Amount	%	Amount	%
	(1)	(2)	(3)	(4)	(5)	(6)
<i>1. Support for agricultural markets</i>						
EAGGF Guarantee (Ch. 10 to 29)	16 500 000 000	60.27	18 000 000	69.37	+ 1 500 000 000	+ 9.09
Total 1	16 500 000 000	60.27	18 000 000	69.37	+ 1 500 000	+ 9.09
<i>2. Structural policies</i>						
EAGGF Guidance (Ch. 30 to 33)	595 610 000	2.35	632 464 700	2.44	- 36 854 700	- 6.19
Specific agricultural measures (Ch. 38)	79 520 000	0.31	53 977 300	0.21	- 25 542 700	- 32.12
Fisheries (Ch. 40 to 46)	112 358 000	0.44	109 601 400	0.42	- 2 756 600	- 2.45
Regional Fund (Ch. 50 and 51)	1 412 500 000	5.57	1 610 000 000	6.20	+ 197 500 000	+ 13.89
EMS measures (Ch. 52)	token entry	-	token entry	-	-	-
Supplementary measures for the United Kingdom (Ch. 53)	token entry	-	-	-	- token entry	-
Miscellaneous - regional, (Ch. 54 to 56)	43 300 000	0.17	52 200 000	0.20	+ 9 900 000	+ 23.40
Transport (Ch. 58)	33 750 000	0.13	21 350 000	0.08	- 12 400 000	- 36.74
Social Fund (Ch. 60 and 61)	1 220 000 000	4.81	1 358 000 000	5.23	+ 138 000 000	+ 11.31
Miscellaneous - social (Ch. 64, 65 and 69)	174 222 000	0.69	177 727 000	0.68	+ 3 505 000	+ 2.01
Education and culture (Ch. 63 and 67)	18 956 000	0.07	18 747 500	0.07	- 208 500	- 1.10
Environment and consumers (Ch. 66)	16 214 000	0.06	11 420 000	0.04	- 4 794 000	- 29.57
Total 2	3 705 430 000	14.61	4 045 487 900	15.59	+ 340 057 000	+ 9.18

<i>3. Research, energy and industry</i>						
Energy policy (Ch. 70 and 71)	124 650 000 ¹	0.49	83 700 000	0.32	- 40 950 000	- 32.85
Research and investment (Ch. 72 and 73)	509 567 000	2.01	532 247 400	2.05	+ 22 680 400	+ 4.45
Information and innovation (Ch. 75)	23 185 000	0.09	8 385 000	0.03	- 14 800 000	- 63.83
Industry and internal market (Ch. 77)	61 901 000	0.24	37 150 000	0.14	- 24 751 000	- 39.98
Total 3	719 303 000	2.83	661 482 400	2.55	- 57 820 600	- 8.04
<i>4. Refunds and reserves</i>						
Refunds to the Member States (Ch. 80)	1 057 343 000	4.17	1 047 098 000	4.04	- 10 245 000	- 0.97
Other refunds (Ch. 82 and 86)	46 165 033	0.18	23 622 055	0.09	- 22 542 978	- 48.83
Financial mechanism (Ch. 81)	-	-	-	-	-	-
Miscellaneous - guarantees (Ch. 79, 83, 84 and 85)	token entry	-	token entry	-	-	-
Reserves (Ch. 101)	1 207 000 000 ²	4.76	5 000 000	0.02	-1 202 000 000	-
Total 4	2 310 508 033	9.11	1 075 720 055	4.15	-1 234 787 978	- 53.44
<i>5. Development cooperation and non-member countries</i>						
EDF (Ch. 90 and 91)	token entry	-	-	-	-	-
Food aid (Ch. 92)	506 100 000	2.00	365 461 900	1.41	+ 140 638 100	+ 27.79
Cooperation with non-ass. dev. countries (Ch. 93)	131 305 000	0.52	128 750 000	0.50	+ 2 555 000	+ 1.95
Specific and exceptional measures (Ch. 94 and 95)	95 170 000	0.38	41 500 000	0.16	- 53 670 000	- 56.39
Cooperation with Mediterranean countries (Ch. 96)	106 073 000	0.23	248 627 000	0.96	+ 142 554 700	+134.39
Miscellaneous - cooperation (Ch. 98 and 99)	58 500 000	0.23	61 240 000	0.24	+ 2 740 000	+ 4.68
Total 5	897 148 000	3.54	845 579 600	3.26	+ 51 568 400	+ 5.75
<i>6. Staff and administrative appropriations</i>						
Section II A	803 510 055	3.17	875 857 600	3.38	+ 72 347 545	+ 9.00
Section I, II, V and V	425 562 275	1.68	445 251 563	1.72	+ 19 689 288	+ 4.63
Total 6	1 229 072 330	4.85	1 321 109 163	5.09	+ 92 036 833	+ 7.49
Grand total	25 361 461 363	100.00	25 949 379 118	100.00	+ 587 917 755	+ 2.32

¹ including 30 million ECU entered under Ch. 100 for Ch. 70, 73, 75, 77 and 58 (Ch. 78 in 1984)

² including 1 202 million ECU entered under Ch. 100 for the UK/Federal Republic of Germany measures.

613. Having regard to the resources available under existing Community legislation, the Council established the main components of the draft 1985 budget as follows.

(million ECU)

EAGGF (Guarantee Section)	18 000
Other compulsory expenditure	2 087 (rounded off)
Non-compulsory expenditure	5 862.3
Total draft budget	25 949.3

The Council gave priority to the structural funds, in particular the European Social Fund and the European Regional Development Fund, by broadly taking responsibility itself for the amounts proposed by the Commission in the preliminary draft budget.

In addition, while making its priorities unequivocally clear, the Council was again very strict in fixing the administrative appropriations, as is the current practice in national administrations.

614. However, aware that the resources on which it could call were insufficient and anxious to enable the Community to carry out its tasks and meet its commitments in 1985, the Council adopted the following statement:

'In deciding on a budget appropriation for the 1985 EAGGF of 18 000 million ECU, i.e. a reduction of 1 315 million ECU with regard to the figure considered necessary by the Commission in the preliminary draft budget, the Council for its part, while emphasizing the need for rigorous market management, undertakes to meet by 1 October 1985 the additional budgetary requirements which will arise in 1985, including the obligations entered into *vis-à-vis* the United Kingdom, as prescribed under the Fontainebleau agreement, through a supplementary and amending budget, for which additional funds will be provided.'

615. On 28 September 1984 the Commission addressed to the Council letter of amendment No 1 to the preliminary draft budget of the European Communities for the financial year 1985, involving a total of 1 694 700 ECU to fill 51 new permanent posts in the Commission's Directorate-General for Regional Policy.

By letter dated 9 November the Council informed Parliament that after careful examination of this letter of amendment it did not intend to adopt it.

On 29 October 1984 the Commission addressed to the Council letter of amendment No 2 to the preliminary draft budget of the European Communities for the financial year 1985. This letter, which was connected with the accession negotiations with Spain in the fisheries sector, covered the granting of pre-accession aid to facilitate adjustment of the capacity of the Spanish fishing industry. The amount involved was 28 500 000 ECU in commitment appropriations, with a token entry for payment appropriations.

On the basis of this letter of amendment and after consulting the Commission, on 9 November 1984 the Council incorporated letter of amendment No 2 in the draft budget for 1985 and created, in Title 9, Chapter 96 'Cooperation with Mediterranean countries', a special line (item 9605 'Specific aid to adjust fishing capacity in Spain') endorsed "token entry" and entered a commitment appropriation of 28 500 000 ECU in Chapter 100.

616. At its sitting to discuss the budget on 15 November Parliament adopted amendments and proposed modifications to the draft general budget of the European Communities for the financial year 1985. By letter dated 15 November 1984 Parliament forwarded to the Council the draft general budget for the financial year 1985 thus amended and modified.

Before taking a decision on this draft budget, at its meeting on 29 and 30 November 1984 the Council held an exchange of views with a delegation from Parliament concerning in particular the priorities adopted by the Parliament in the budget debates and the general problems raised by this draft budget.

The Council then took decisions on each of Parliament's amendments and proposed modifications, under the conditions laid down in Article 203 (5) of the Treaty establishing the European Economic Community.

617. As regards the financing of the common agricultural policy, the Council, wishing to allay Parliament's fears as far as possible, referred to its statement of 2 October 1984¹ and agreed to enter in brackets 1 315 million ECU of additional revenue and expenditure which, owing to their particular nature, were not included in the budget total and could only be used — i.e. made operational by transfers to other entries in the Titles concerning the EAGGF (Guarantee Section) — on the binding condition that the revenue provided for in Title 9, Article 901, of the statement of revenue was made available to the Communities.

¹ See paragraph 614 of this Review.

618. With regard to 'non-compulsory' expenditure, the Council decided for its part to increase the commitment appropriations by 405.1 million ECU and the payment appropriations by 183.4 million ECU, while retaining the particular priorities proposed by Parliament:

Sector	Commitments	Payments
Other institutions	2 028 261	2 028 261
Staff (Com. officials)	4 413 000	4 413 000
Guidance and Agriculture	16 300 000	1 300 000
Fisheries	130 000	2 130 000
ERDF	50 000 000	
IMP	50 000 000	
	(Chapter 100)	
Transport	60 200 000	14 200 000
Social Fund	70 000 000	52 000 000
Education	905 000	905 000
Other social	4 410 000	2 994 000
Environment and consumers	3 895 000	3 745 000
Culture	380 000	380 000
Energy	7 065 000	3 065 000
Research	64 895 000	38 735 000
Information and innovation	12 000 000	5 350 000
Industry	5 450 000	7 500 000
Food aid	9 400 000	17 000 000
Developing countries	30 000 000	12 000 000
Cooperation – other	13 700 000	15 700 000
Total	405 171 261	183 445 261

This table shows that the Council agreed in particular to enter a reserve of 50 million ECU in commitment appropriations for the integrated Mediterranean programmes.

It also agreed to increase the commitment appropriations in the draft budget by 50 million ECU for the ERDF and by 70 million ECU for the European Social Fund.

In addition, the Council gave particular attention to the appropriations for food aid and for aid to disaster victims in non-member countries. It agreed to 30 million ECU in commitment appropriations and 12 million ECU in payment appropriations, in addition to the amounts in the preliminary draft, for non-

associated developing countries, mainly for central America following the San José Conference.

619. The Council adhered for its part to the classification in the Annex to the Joint Declaration of 30 June 1982.

With regard to the budgetary lines inserted by Parliament during its first reading of the 1985 draft, the Council was able to accept the classification proposed by Parliament except for Article 582 (EEC Guarantee for Community borrowing and lending in respect of transport infrastructure projects) and Article 970 (Common Fund) with Items 9700 (Financing of buffer stocks) and 9701 (Financing of measures for the structural improvement of the world market), which it considered should be classified as compulsory expenditure.

Parliament was informed of the outcome of the Council's deliberations by letter dated 2 December 1984.

620. At its budgetary sitting on 13 December 1984 Parliament rejected the draft general budget of the European Communities for 1985 on the grounds that the draft submitted by the Council did not enable Community expenditure to be financed for the 12 months of the financial year concerned and that for this reason it did not adhere to the principle of annual budgets laid down in Article 202 of the EEC Treaty.

3. Other budgetary matters

TRANSFERS OF APPROPRIATIONS BETWEEN CHAPTERS WITHIN THE BUDGET ESTIMATES OF THE INSTITUTIONS FOR 1984

621. The Council approved various requests for transfers of appropriations between chapters relating to compulsory expenditure forwarded by the Commission under the second subparagraph of Article 21 (2) of the Financial Regulation.

The Council was consulted by Parliament on several other requests for transfers relating to non-compulsory expenditure under the third subparagraph of Article 21 (2) of the Financial Regulation.

618. With regard to 'non-compulsory' expenditure, the Council decided for its part to increase the commitment appropriations by 405.1 million ECU and the payment appropriations by 183.4 million ECU, while retaining the particular priorities proposed by Parliament:

Sector	Commitments	Payments
Other institutions	2 028 261	2 028 261
Staff (Com. officials)	4 413 000	4 413 000
Guidance and Agriculture	16 300 000	1 300 000
Fisheries	130 000	2 130 000
ERDF	50 000 000	
IMP	50 000 000	
	(Chapter 100)	
Transport	60 200 000	14 200 000
Social Fund	70 000 000	52 000 000
Education	905 000	905 000
Other social	4 410 000	2 994 000
Environment and consumers	3 895 000	3 745 000
Culture	380 000	380 000
Energy	7 065 000	3 065 000
Research	64 895 000	38 735 000
Information and innovation	12 000 000	5 350 000
Industry	5 450 000	7 500 000
Food aid	9 400 000	17 000 000
Developing countries	30 000 000	12 000 000
Cooperation — other	13 700 000	15 700 000
Total	405 171 261	183 445 261

This table shows that the Council agreed in particular to enter a reserve of 50 million ECU in commitment appropriations for the integrated Mediterranean programmes.

It also agreed to increase the commitment appropriations in the draft budget by 50 million ECU for the ERDF and by 70 million ECU for the European Social Fund.

In addition, the Council gave particular attention to the appropriations for food aid and for aid to disaster victims in non-member countries. It agreed to 30 million ECU in commitment appropriations and 12 million ECU in payment appropriations, in addition to the amounts in the preliminary draft, for non-

associated developing countries, mainly for central America following the San José Conference.

619. The Council adhered for its part to the classification in the Annex to the Joint Declaration of 30 June 1982.

With regard to the budgetary lines inserted by Parliament during its first reading of the 1985 draft, the Council was able to accept the classification proposed by Parliament except for Article 582 (EEC Guarantee for Community borrowing and lending in respect of transport infrastructure projects) and Article 970 (Common Fund) with Items 9700 (Financing of buffer stocks) and 9701 (Financing of measures for the structural improvement of the world market), which it considered should be classified as compulsory expenditure.

Parliament was informed of the outcome of the Council's deliberations by letter dated 2 December 1984.

620. At its budgetary sitting on 13 December 1984 Parliament rejected the draft general budget of the European Communities for 1985 on the grounds that the draft submitted by the Council did not enable Community expenditure to be financed for the 12 months of the financial year concerned and that for this reason it did not adhere to the principle of annual budgets laid down in Article 202 of the EEC Treaty.

3. Other budgetary matters

TRANSFERS OF APPROPRIATIONS BETWEEN CHAPTERS WITHIN THE BUDGET ESTIMATES OF THE INSTITUTIONS FOR 1984

621. The Council approved various requests for transfers of appropriations between chapters relating to compulsory expenditure forwarded by the Commission under the second subparagraph of Article 21 (2) of the Financial Regulation.

The Council was consulted by Parliament on several other requests for transfers relating to non-compulsory expenditure under the third subparagraph of Article 21 (2) of the Financial Regulation.

CARRY-OVER OF APPROPRIATIONS FROM THE FINANCIAL YEAR 1983 TO THE FINANCIAL YEAR 1984

622. At its meeting on 24 May 1984 the Council decided not to take a contrary decision on the requests for the non-automatic carry-over of appropriations from the financial year 1983 to the financial year 1984 presented by Parliament, the Council and the Economic and Social Committee pursuant to Article 6 (3) of the Financial Regulation.

In addition, on 5 July 1984 the Commission presented to the Council, for its information, in accordance with Article 6 (7) of the Financial Regulation,¹ a list of the appropriations carried over automatically from the financial year 1983 to the financial year 1984.

DISCHARGE GIVEN TO THE COMMISSION IN RESPECT OF IMPLEMENTATION OF THE 1982 BUDGET

623. At its meeting on 12 March 1984 the Council recommended Parliament to give a discharge to the Commission in respect of the implementation of the budget and the amending and supplementary budgets of the European Communities for the financial year 1982.

This Recommendation was forwarded to Parliament by letter dated 13 March 1984.

On 14 November 1984 parliament refused to give a discharge to the Commission in respect of the implementation of these budgets.²

Financial regulations

624. Preliminary work was carried out by the Council's subordinate bodies on the revision of the Financial Regulation of 21 December 1977.

¹ Article 6 (7) of the Financial Regulation stipulates that 'The European Parliament and the Council shall be provided, for their information, before 1 April, with a list of the automatic carry-overs'.

² Decision refusing to grant a discharge to the Commission of the European Communities for the financial year 1982, OJ C 337, 17.12.1984.

B — STAFF REGULATIONS

Matters concerning salaries

ADJUSTMENT OF THE WEIGHTINGS APPLICABLE TO THE REMUNERATIONS AND PENSIONS OF OFFICIALS AND OTHER SERVANTS

625. By Regulation No 1897/84 of 29 June 1984¹ the Council adjusted the weightings applicable to the remunerations and pensions of officials and other servants of the Communities to take account of changes in the cost of living recorded in the various countries of employment during the second half of 1983, in accordance with the provisions of the method for adjusting remunerations adopted on 15 December 1981.

ANNUAL REVIEW OF THE SALARIES OF OFFICIALS AND OTHER SERVANTS

626. Since this matter was not brought before the Council until 4 December 1984, the decision-making procedure could not be completed before the end of the year. However, under Regulation No 3718/84 of 28 December 1984² the Council instituted an interim protective measure pending its final decision.

Proposal for the revision of the Staff Regulations for officials

627. During 1984 the Council continued its work on a proposal for the revision of the Staff Regulations with regard to the pension scheme for officials and social security for temporary staff.

¹ OJ L 178, 5.7.1984.

² OJ L 341, 29.12.1984.

Tables

Table 1

NUMBER OF DAYS SPENT ON COUNCIL MEETINGS AND MEETINGS OF PREPARATORY BODIES

Year	Ministers	Ambassadors and ministerial delegations	Committees and working parties
	EEC/EAEC/ECSC	EEC/EAEC/ECSC	EEC/EAEC/ECSC
1958	21	39	302
1959	21	71	325
1960	44	97	505
1961	46	108	655
1962	80	128	783
1963	63 ¹ / ₂	146 ¹ / ₂	744 ¹ / ₂
1964	102 ¹ / ₂	229 ¹ / ₂	1 002 ¹ / ₂
1965	35	105 ¹ / ₂	760 ¹ / ₂
1966	70 ¹ / ₂	112 ¹ / ₂	952 ¹ / ₂
1967	75 ¹ / ₂	134	1 233
1968	61	132	1 253
1969	69	129	1 412 ¹ / ₂
1970	81	154	1 403
1971	75 ¹ / ₂	127 ¹ / ₂	1 439
1972	73	159	2 135
1973	79 ¹ / ₂	148	1 820
1974	66	114 ¹ / ₂	1 999 ¹ / ₂
1975	67 ¹ / ₂	118	2 079 ¹ / ₂
1976	65 ¹ / ₂	108 ¹ / ₂	2 130
1977	71	122	2 108 ¹ / ₂
1978	76 ¹ / ₂	104 ¹ / ₂	2 090
1079	59	107 ¹ / ₂	2 000
1980	83	106 ¹ / ₂	2 078 ¹ / ₂
1981	83	110	1 976
1982	86	107	1 885
1983	121 ¹ / ₂	105 ¹ / ₂	1 912 ¹ / ₂
1984	133	86	1 868 ¹ / ₂

Table 2

INTERIM COMMITTEE FOR THE COMMUNITY PATENT

NUMBER OF MEETINGS

Period	Plenary	Groups
1979	1	11
1980	2	4
1981	—	2
1982	1	2
1983	1	4
1984	1	6

List of abbreviations

— A —

ACP
African, Caribbean and Pacific States

Asean

Association of South-East Asian Nations

ASOR
Agreement on the International Carriage of
Passengers by road by means of Occasional
Coach and Bus Services

— B —

Brite
Basic research in industrial technologies for
Europe

— C —

CAP
Common agricultural policy

CCT
Common Customs Tariff

CFPE
Community financing projects for the en-
vironment

CIF
Cost, insurance and freight

CIUTS

Collective investment undertaking for
transferable securities

Coreper

Permanent Representatives Committee

COST

European cooperation in the field of scientific
and technical research

Crest

Scientific and Technical Research Committee

CSCE

Conference on Security and Cooperation in
Europe

— E —

EAEC

European Atomic Energy Community

EAGGF

European Agricultural Guidance and Guar-
antee Fund

ECE

Economic Commission for Europe

ECSC

European Coal and Steel Community

ECU

European currency unit

EDF

European Development Fund

EEC

European Economic Community

EFTA

European Free Trade Association

EIB

European Investment Bank

EMS

European Monetary System

ERDF

European Regional Development Fund

ESC

Economic and Social Committee

ESF

European Social Fund

Esprit

European strategic programme for research and development in information technology

— F —**FAO**

Food and Agriculture Organization

FAST

Forecasting and assessment in the field of science and technology

— G —**GATT**

General Agreement on Tariffs and Trade

GCC

Gulf Cooperation Council

— I —**IADF**

International Agricultural Development Fund

ICCAT

International Commission for the Conservation of Atlantic Tuna

ICES

International Council for the Exploration of the Sea

ICSEAF

International Commission for South East Atlantic Fisheries

IDA

International Development Association

IDC

Industrial Development Centre

ILO

International Labour Organization

IMF

International Monetary Fund

IMP

Integrated Mediterranean programmes

IOOC

International Olive Oil Council

IWO

International Wine Office

— J —**JET**

Joint European Torus

JRC

Joint Research Centre

— L —

LAES

Latin-American Economic System

LDC

Least-developed country

LEI

Local employment initiative

— M —

MCA

Monetary compensatory amount

MTN

Multilateral trade negotiations

— N —

NAFO

North-West Atlantic Fisheries Organization

NCI

New Community Instrument

NEAFC

North-East Atlantic Fisheries Commission

NGO

Non-governmental organization

— O —

OCT

Overseas countries and territories

OECD

Organization for Economic Cooperation and Development

— P —

Psr

Produced in specific regions (quality wines)

— R —

R&D

Research and development

— S —

SDR

Special drawing rights

SRS

Search and rescue services

Stabex

Stabilization of export earnings

Sysmin

System of stabilization of export earnings from mining products

— T —

TAC

Total allowable catch

TCA

Technical centre for agricultural and rural aid

TCDD

Tetrachlorodibenzodioxine

— U —

Unctad

United Nations Conference on Trade and Development

UNEP

United Nations Environment Programme

Unido

United Nations Industrial Development Organization

UNRWA

United Nations Relief and Works Agency for Palestine Refugees in the Near East

— W —

WHO

World Health Organization

WIPO

World Intellectual Property Organization

Index

The numbers refer to paragraphs. When a subject is dealt with in several successive paragraphs, only the first is given.

— A —		Arrangement on Guidelines for Export Credits	110
ACP States	21, 27, 293, 300, 313, 455	Art works	223, 226
ACP-EEC Council of Ministers	300, 335	Artists	222, 227
ACP-EEC Industrial Cooperation Committee	331	Asbestos	133
ACP-EEC Internal Agreement	309	Asean	423
Additives	588	Asia	423
Advertising	231, 584	Association Agreements	378, 410
Aflatoxine	590	Aubergines	542
Africa	272, 346	Audio-visual media	220
Agricultural advisory services	569	Australia	264
Agricultural products	260, 304, 316, 374, 478, 565	Austria	186, 257, 515, 532
Agricultural structures	235, 565, 570	Axle weights	168
Agricultural workers	132, 235, 460		
Aircraft	110	— B —	
Air pollution	153, 197, 206, 210	Baltic Sea	456
Air transport	183	Bamboo shoots	374
Air-quality standards	201	Bananas	581
Algeria	382	Bankruptcy convention	81
Aluminium	238	Barcelona Convention	204
Anchovies	446	Barley	484, 504
Andean Pact	433	Basic products	566
Angler fish	437	Beef and veal	403, 514, 520, 578
Antarctic	458	Bee-keeping	564
Antibiotics	588	Belgium-Luxembourg Economic Union	541
Antigua and Barbuda	312	Belize	312
Apples	542	Blue whiting	443
Apricots	542	Books	228
Arab countries	381, 604	Border inspections	184
Architects	70	Borrowing	101
Arrack	319	Bran	510

Brunei	344, 376, 425
Brussels Convention	37
Budget — 1982	623
Budget — 1984	605
Budget — 1985	605, 609
Budget — supplementary and amending budget No 1 for 1984	605
Budgetary discipline	103
Buffalo meat	515
Burkina Faso	356
Butter	524, 528, 531, 607
Butteroil	355

— C —

Canada	264, 454
Carry-over of appropriations	622
Cassava	352
Catfish	443
Cauliflowers	542
Central America	17, 428, 618
Centre for Industrial Development	332
Ceramic objects	52
Cereals	355, 483, 504, 593
Cheese	525, 532, 581
Chemicals	195, 210, 534
Cherries	494
Chicory	587
Children	122
Chile	519
Chilled meat	519
China	237, 254, 268, 365, 375
Chlor-alkali: electrolysis industry	195
Chocolate	587
Christmas butter	528, 607
Circulation of art works	223
Citrus fruits	581
Clementines	543
Coal	155, 191
Coccidiostats	588
Cocoa	280, 320, 587
Cocoa butter	374
Coconut products	373
Cod	441, 454

Codex alimentarius	600
Coffee	374, 587
Colza seed	548
Commercial agents	71
Commodities	280, 285, 304
Common agricultural policy	11, 460, 476, 566, 617
Common Customs Tariff	44, 485
Common commercial policy	242
Common fisheries policy	435
Community medium-term social action programme	113
Community patent	83
Community transit	258
Company law	76
Compensatory payments	104
Compound feedingstuffs	588
Consumer credit	234
Consumers	231, 255, 574
Contractual obligations	35
Convention for the Conservation of Salmon in the North Atlantic Ocean	457
Convention on Fishing and the Conservation of Living Resources in the Baltic Sea	456
Conversion of industry	131
Cooperation Agreements	381, 410
Copper	238
Copyright	91
Cotton	558
Council of Europe	601
Counterfeit goods	251
Court of Justice	32, 609
Cow peas	327
Crabs	447
Credit insurance	110
Crisis	252
Cultural cooperation	224, 307
Cultural workers	222, 227
Customs duties	262
Customs union	42
Cyprus	380

— D —

Dangerous substances	195
----------------------	-----

Data processing	58
Deep-frozen food	587
Defective products	93
Denmark	30, 578
Desertification	208, 304, 349
Developing countries	200, 248, 618
Development	200, 208, 278, 345
Diphenylamine	594
Direct insurance other than life	75
Displaced persons	356
Distillation	500, 537
Dogfish	447
Dried figs	491, 545
Dried fodder	553
Dried grapes	491, 545
Dried milk	355
Dried vegetables	355
Dumping	239
Duty-free allowances	106

— E —

EAGGF	465, 478, 500, 566, 568, 572, 605, 614
Economic Commission for Europe	211, 270
Economic and social situation	143
Economic policy	94
ECU	14, 78, 98
Education	214
EEC-UNRWA Convention	360
EFTA	255
Eggs	523
Egypt	383, 389
Employment	112, 115
Employment survey	132
Emulsifiers	583
Energy	210
Energy policy	148
Energy saving	149
Enforcement of judgements	37
Enlargement	12, 17, 140, 235, 321
Environment	194, 210, 353, 574
Epizootic diseases	578

Equal treatment and equal opportunities for men and women	120
Equatorial Guinea	455
Ethiopia	356
Ethoxyquine	594
Ethylene oxide	597
Euratom-Canada Agreement	163
Euro-Arab dialogue	411
Europe/Latin America Institute	607
European Convention on the protection of vertebrate animals used for experimental or other scientific purposes	601
European Council	6, 500
European Development Fund	310, 336
European Foundation	229
European Monetary System	96, 476
European Parliament	23, 30
European Regional Development Fund	24, 134, 613, 618
European Social Fund	128, 222, 613, 618
European Union	30
European cooperation in the field of scientific and technical research	192
European economic interest grouping	79
European industrial area	108
European social dialogue	113
Exchange rates	251
Exhaust gases	202, 213
Export Credits	110
Exports	238, 259

— F —

Faeroe Islands	448, 457
Fairs and exhibitions	241
Famine	346, 352
FAO	459, 602
Farm prices	110, 460, 570
Feedingstuffs	584, 588
Film and TV industry	221
Financial Regulations	624

Financial and technical aid	362
Financial and technical cooperation	335
Financial institutions	67
Financial interests of the Communities	36
Finland	257, 532
Fish	355
Fisheries	30, 235, 305, 435, 615
Fishery products	30, 325, 446
Flavouring agents	584
Flax	560, 562
Fontainebleau Agreement	614
Food Aid Convention	359
Food aid	354, 618
Food-processing industry	447
Food self-sufficiency	304
Food strategies	352
Foodstuffs	232, 581, 584, 593
Foot-and-mouth disease	575, 578
Foreign languages	216
Forestry	572
Forests	213, 537
France	35, 37, 38, 140, 156, 176, 184, 275, 454, 537
Free-Trade Agreement	257
French Guyana	452
French Presidency	2, 4
Fresh fruit	488, 542
Fresh meat	519, 575
Fresh vegetables	488, 542
Fresh water	200
Frontier checks	28, 46
Fruit	594
Fruits in syrup	494

— G —

GATT	244, 247, 264, 515
Gelling agents	583
General budget of the European Communities for 1985	609
Generalized preferences	322, 370
Geneva Convention (1979) on Long-range Transboundary Air Pollution	206, 212
Germany	468, 475

Goatmeat	519
Greece	51, 257, 482, 488, 506, 514, 528, 560, 568, 592
Greek memorandum	145
Greenland	30, 376, 442, 457
Greenland halibut	443
Gulf States	413

— H —

Haddock	441
Hake	447
Halibut	443
Handicapped children	217
Harmful substances	205
Harmonization of customs legislation	46, 51
Hazardous waste	198
Health	230
Hemp	560
Hemp seed	563
Herring	437, 454
Hexachlorocyclohexane	196
Higher education	216
Hochtemperatur-Kernkraftwerk GmbH	190
Human rights	303
Hungary	266
Hydrocarbons	152, 159, 189

— I —

ICCAT	459
Iceland	450
ICSEAF	459
Illiteracy	218
India	533
Indian Subcontinent	426
Industrial products	242, 255, 372
Industrial property	89
Industrial waste	566
Inflation	94
Information	215
Information instruments	132
Information on the environment	201

Inland waterways	176	Jute	280, 283
Institutional affairs	235		
Institutional affairs	235	— K —	
Insurance	72, 111, 308		
Insurance contracts	74	Kenya	352, 356
Insurance other than life assurance	72, 75		
Integrated Mediterranean programmes	144	— L —	
Integration of handicapped children	217	Labelling	523, 584
Intellectual property	83	Latin America	428, 607
International Cocoa Agreement	320	Law of the sea	40
International Convention on the Harmonization of Frontier Controls of Goods	46	Lead	202, 238
International Labour Organization	133	Lemons	542
International Monetary Fund	105	Lending	101
International Olive Oil Agreement	604	Less-favoured farming areas	567
International trade	251	Letters of amendment to the preliminary draft budget for 1985	615
International Trade Commission	259	Liner Conferences	178
International Vine and Wine Office	603	Ling	447
Investments	308	Linseed	550
Inward processing	527	Live animals	578
Ireland	482, 514, 566, 575, 578	Lomé II	312
Irish Presidency	3, 5	Lomé III	287
Iron and steel products	371	Lupins	487, 554
Irrigation	569	Luxembourg	482
Isle of Man	520	Luxembourg Convention on the Community patent	84
Isoglucose	534	Luxembourg Protocol	541
Israel	391		
Italy	482, 514, 528, 537, 567	— M —	
		Mackerel	437
— J —		Madagascar	455
Jamaica	324	Maghreb	381
Japan	261	Maize	504
Joint Assembly	300	Mali	352, 356
Joint Declaration of 30 June 1982	619	Malta	379
Joint insurance	111	Mandarins	542
Jordan	386, 389	Mashreq	381, 389
Jurisdiction	37	Mauritania	356
		Mauritius	324
		Measuring instruments	53
		Mediterranean policy	377

Mediterranean specially protected areas	204
Megrim	437
Mercury	195
Mexico	434
Migrant workers	122, 219, 307
Milk and milk products	355, 481, 524
Millet	352
Mines	191
Mining products	298
Monetary compensatory amounts	462, 466
Monetary situation	14
Morocco	381
Motor vehicles	202, 213
Mozambique	356
Multinational companies	210
Munich Convention on the European patent	85
Munich multilateral conference	213
Musts	500, 537

— N —

NAFO	454, 458
Natamycine	581
NEAFC	458
Netherlands	470, 567
New Community Instrument	101
New Zealand	519, 531
New Zealand butter	531
New technologies	113, 140, 199, 215, 566
Newsprint	264
Nicaragua	249
Niger	327, 356
Nitrogen dioxide	201
Nitrogen oxide	213
Noise abatement	112, 124
Non-associated countries	362, 618
Non-ferrous metals	238
Non-governmental organizations	356, 367
Non-marketing premiums	530

Non-member countries	182, 452, 519, 598
North Sea	205, 448
North-South dialogue	272
Northern Ireland	482, 514, 578
Norway	257, 437
Nuclear energy	161
Nuclear power stations	110

— O —

Octopus	447
OECD	243, 253, 459
Oil and gas	159, 205
Oil mills	547
Oil seeds	499, 548
Oils and fats	235, 497, 548, 552, 587
Olive oil	498, 551, 604
Olives	604
Omnibus Trade Bill	260
Oranges	493, 542
Overseas countries and territories	30, 341
Own resources	6, 103, 605
Own resources (EIB)	294, 407
Ozone	209

— P —

Packaging	203, 523
Paris Convention for the protection of industrial property	89
Parliamentary Committees	18
Patents	83, 235
Peaches	542
Pears	542
Peas and field beans	487, 554
Pensions	625
Periodic report on the economic and social situation	143
Pesticides	196, 589, 593, 602
Pharmacists	69
Pigmeat	474, 521, 578
Pineapples	374, 544
Pirating	220
Plaice	438
Plant health legislation	591

Plant protection products	595
Plants and plant products	591
Plastic articles	586
Poland	265
Pollution	595
Portugal	235, 257, 408, 488, 610
Potassium sulphite acid	581
Potato starch	513
Potatoes	598
Poultry	523, 575
Pound sterling	472
Poverty	112, 125
Preservatives	581
Processed fruit	489
Processed vegetables	489
Public limited-liability companies	80
Pulses	352

— Q —

Quartz watches	237
----------------	-----

— R —

Radioactive waste	193
Rail transport	174
Rape seed	548
Recession	252
Redfish	443, 447, 454
Refugees	356
Regional policy	134, 140
Remunerations	625
Research	188, 368
Réunion	486
Rhine	176
Rice	486, 510, 512
Right of abode	29
Right of establishment	67
Road safety	173
Road taxes	187
Road transport	169, 187
Road vehicles	168
Romania	267, 375
Rome Convention	35
Rubber	285

Rules of competition	179
Rum	319, 342
Rural areas	568
Rwanda	352
Rye	485, 504, 508

— S —

Sahel	351
Saithe	447
Salmon	437, 457
Samples	586
San José	
Conference	13, 428, 618
Sao Tomé Principe	455
Sardines	446
Sausages	581
Scandinavian countries	448
Scientific and Technical Research Committee	189
Scientific research	601
Scrap	64
Seedlings	598
Seeds	598
Senegal	356, 455
Services	251
Seychelles	455
Sharps	510
Shellfish	440, 455
Shipbuilding	59, 110, 140
Shrimps	443
Sicily	511
Silkworms	561
Simulants	586
Skagerrak and Kattegat	448
Skimmed-milk powder	524
Small and medium-sized businesses	215
Social adjustment	114, 127, 215
Social policy	112
Social protection	113
Solid fuels	154
Soluble coffee	374
Sorghum	352, 484, 504
Soya beans	546

Spain	236, 407, 437, 451, 488, 519, 610, 615
Sparkling wine	503, 538, 585
Special drawing rights	110
Spirituous beverages	585
Sprats	437
St. Christopher and Nevis	312, 344
Stabex	295, 297, 327
Stabilizers	583
Staff Regulations	627
Standardization	53
Standards for weights of road vehicles	168
Starch products	513, 534
State-trading countries	265
Statutory audit	77
Steel	60, 140, 236, 253, 259
Straight feedingstuffs	590
Strawberries	316
Subsidies	239
Sucrose	500
Sudan	356
Sugar	33, 249, 280, 326, 343, 355, 479, 534
Sulphur	213
Summer time	185
Sunflower seeds	499, 548
Sweden	257, 448
Swine fever	580
Switzerland	187, 257, 515
Sysmin	295, 298

— T —

Table crockery	52
Table grapes	542
TACs	435
Tafia	319
Tax barriers	106
Technical barriers	51
Technological change	114, 127, 215
Telecommunications	54
Television	221
Temporary staff	627
Textile fibres	558
Textile products	373

Textiles	140, 254
Thiabendazole	581
Thickeners	583
Tied aid credit	110
Titanium dioxide	203
Tobacco	374, 555
Tokyo Round	263
Tomatoes	492, 542
Tourism	82, 227
Tourist assistance	72
Toxic substances	590
Trade	51, 299
Trade agreements	240
Trade-mark law	87
Transboundary pollution	206, 212
Transfers of appropriations	621
Transnational undertakings	126
Transport	10, 164
Transport infrastructure	171
Triticale	485
Tropical timber	280, 284
Tsukuba	241
Tufted carpet	324
Tuna	324, 447, 455
Tunisia	382
Turkey	378, 605

— U —

Unemployment	15, 17, 112, 115, 127, 252
Unido	273
United Kingdom	472, 514, 518, 531, 567, 578, 614
United Nations Convention on the Law of the Sea	41
United Nations Convention on a Code of Conduct for Liner Conferences	178
United Nations Environment Programme	208
United States	259, 453, 540, 603
United States Congress	23
Universities	215

— V —

Vaccination	578
-------------	-----

VAT	109, 241, 475
Vegetable oils	355, 497
Vegetables	594
Vehicle hire	170
Veterinary harmonization	576
Vine-growing	603
Vocational training	118, 215, 222
Volunteer development workers	123

— W —

Water	200, 213
Water pollution	195
Weightings	625
Weights and dimensions of road vehicles	168
Wheat	317, 464, 483, 504
Whey	527
Whitefish	441
Whiting	441

WHO	600
Wild birds	199
Williams pears	494
Wine	235, 257, 260, 474, 500, 535, 585
Wine-making	581
Women	9, 112, 117, 120, 307, 352
Workers	126, 131
Working time	119, 172
World Food Council	361
World Population Conference	366

— Y —

Yemen Arab Republic	415
Young people	216
Yugoslavia	399

— Z —

Zambia	352
--------	-----

European Communities – Council

**Thirty-second Review of the Council's work
1 January – 31 December 1984**

Luxembourg: Office for Official Publications of the European Communities

1986 – 285 pp. – 14.8×21 cm

DA, DE, GR, EN, FR, IT, NL

ISBN 92-824-0291-6

Catalogue number: BX-44-85-371-EN-C

Price (excluding VAT) in Luxembourg

ECU 6.65 BFR 300 IRL 4.80 UKL 3.80 USD 5.50

The annual review of the work of the Council of the European Communities examines the different subjects which fell within the Council's scope during the year concerned.

**Salg og abonnement · Verkauf und Abonnement · Πωλήσεις και συνδρομές · Sales and subscriptions
 Venta y abonos · Vente et abonnements · Vendita e abbonamenti
 Verkoop en abonnementen · Venda e assinaturas**

BELGIQUE/BELGIË

Moniteur belge/Belgisch Staatsblad
 Rue de Louvain 40-42/Leuvensestraat 40-42
 1000 Bruxelles/1000 Brussel
 Tél. 512 00 26
 CCP/Postrekening 000-2005502-27

Sous-dépôts/Agentschappen:

**Librairie européenne/
 Europese Boekhandel**

Rue de la Loi 244/Wetstraat 244
 1040 Bruxelles/1040 Brussel

CREDOC

Rue de la Montagne 34/Bergstraat 34
 Bte 11/Bus 11
 1000 Bruxelles/1000 Brussel

DANMARK

Schultz EF-publikationer

Møntergade 19
 1116 København K
 Tlf: (01) 14 11 95
 Girokonto 200 11 95

BR DEUTSCHLAND

Verlag Bundesanzeiger

Breite Straße
 Postfach 01 80 06
 5000 Köln 1
 Tel. (02 21) 20 29-0
 Fernschreiber:
 ANZEIGER BONN B 882 595
 Telecopierer:
 20 29 278

GREECE

G.C. Eleftheroudakis SA

International Bookstore
 4 Nikis Street
 105 63 Athens
 Tel. 322 22 55
 Telex 219410 ELEF

Sub-agent for Northern Greece:

Molho's Bookstore

The Business Bookshop
 10 Tsimiski Street
 Thessaloniki
 Tel. 275 271
 Telex 412885 LIMO

ESPAÑA

Boletín Oficial del Estado

Trafalgar 27
 E-28010 Madrid
 Tel. (91) 76 06 11

Mundi-Prensa Libros, S.A.

Castelló 37
 E-28001 Madrid
 Tel. (91) 431 33 99 (Libros)
 431 32 22 (Abonos)
 435 36 37 (Dirección)
 Télex 49370-MPLI-E

FRANCE

**Service de vente en France des publications
 des Communautés européennes**

Journal officiel
 26, rue Desaix
 75732 Paris Cedex 15
 Tél. (1) 45 78 61 39

IRELAND

Government Publications Sales Office

Sun Alliance House
 Molesworth Street
 Dublin 2
 Tel. 71 03 09

or by post

Stationery Office

St. Martin's House
 Waterloo Road
 Dublin 4
 Tel. 68 90 66

ITALIA

Licosa Spa
 Via Lamarmora, 45
 Casella postale 552
 50 121 Firenze
 Tel. 57 97 51
 Telex 570466 LICOSA I
 CCP 343 509

Subagenti:

Libreria scientifica Lucio de Biasio - AEIOW

Via Meravigli, 16
 20 123 Milano
 Tel. 80 76 79

Libreria Tassi

Via A. Farnese, 28
 00 192 Roma
 Tel. 31 05 90

Libreria giuridica

Via 12 Ottobre, 172/R
 16 121 Genova
 Tel. 59 56 93

GRAND-DUCHÉ DE LUXEMBOURG

**Office des publications officielles
 des Communautés européennes**

2, rue Mercier
 L-2985 Luxembourg
 Tél. 49 92 81
 Télex PUBOF LU 1324 b
 CCP 19190-81
 CC bancaire BIL 8-109/6003/200

Messageries Paul Kraus

11, rue Christophe Plantin
 L-2339 Luxembourg
 Tél. 48 21 31
 Télex 2515
 CCP 49242-63

NEDERLAND

Staatsdrukkerij- en uitgeverijbedrijf

Christoffel Plantijnstraat
 Postbus 20014
 2500 EA 's-Gravenhage
 Tel. (070) 78 99 11

PORTUGAL

Imprensa Nacional

Av. Francisco Manuel de Melo, 5
 P-1000 Lisboa
 Tel. 65 39 96

Grupo Bertrand, SARL

Distribuidora de Livros Bertrand Lda.

Rua das Terras dos Vales, 4-A
 Apart. 37
 P-2701 Amadora CODEX
 Tel. 493 90 50 - 494 87 88
 Telex 15798 BERDIS

UNITED KINGDOM

HM Stationery Office

HMSO Publications Centre
 51 Nine Elms Lane
 London SWB 5DR
 Tel. (01) 211 56 56

Sub-agent:

Alan Armstrong & Associates Ltd

72 Park Road
 London NW1 4SH
 Tel. (01) 723 39 02
 Telex 297635 AAALTD G

SCHWEIZ/SUISSE/SVIZZERA

Librairie Payot

6, rue Grenus
 1211 Genève
 Tél. 31 89 50
 CCP 12-236

UNITED STATES OF AMERICA

**European Community Information
 Service**

2100 M Street, NW
 Suite 707
 Washington, DC 20037
 Tel. (202) 862 9500

CANADA

Renouf Publishing Co., Ltd

61 Sparks Street
 Ottawa
 Ontario K1P 5R1
 Tel. Toll Free 1 (800) 267 4164
 Ottawa Region (613) 238 8985-6
 Telex 053-4936

JAPAN

Kinokuniya Company Ltd

17-7 Shinjuku 3-Chome
 Shinjuku-ku
 Tokyo 160-91
 Tel. (03) 354 0131

Journal Department

PO Box 55 Chitose
 Tokyo 156
 Tel. (03) 439 0124

Price (excluding VAT) in Luxembourg
ECU 6.65 BFR 300 IRL 4.80 UKL 3.80 USD 5.50



OFFICE FOR OFFICIAL PUBLICATIONS
OF THE EUROPEAN COMMUNITIES

L-2985 Luxembourg

ISBN 92-824-0291-6



9 789282 402917