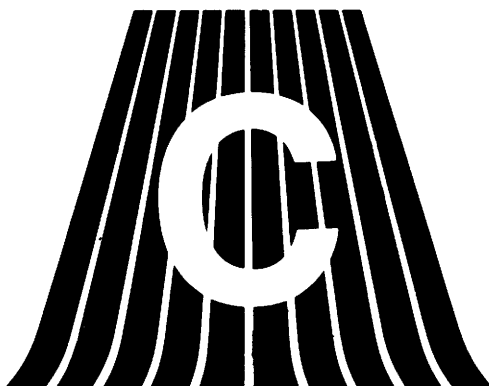


General Secretariat of the Council
of the European Communities

THIRTIETH REVIEW OF THE COUNCIL'S WORK

1 JANUARY – 31 DECEMBER 1982



CEE: 29

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This publication is also available in:

DA ISBN 92-824-0137-5

DE ISBN 92-824-0138-3

GR ISBN 92-824-0139-1

FR ISBN 92-824-0141-3

IT ISBN 92-824-0142-1

NL ISBN 92-824-0143-X

Cataloguing data can be found at the end of this publication

Office for Official Publications of the European Communities, 1984

ISBN 92-824-0140-5

Catalogue number: BX-37-83-893-EN-C

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Printed in Greece

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INTRODUCTION

The year 1982, which saw the 25th anniversary of the signing of the Treaties of Rome, was particularly eventful at both international and Community levels and this profoundly affected the work of the Council, which was already facing the difficulties inherent in a world recession of very long duration.

Nevertheless, as it continued its work the Council was able to demonstrate both the desire of the governments of the Member States to continue and extend the process of integration in Europe and also, for all the cries of alarm which are often heard, its own effectiveness in achieving the necessary compromises and finding appropriate solutions. It is true that it was not always possible to reach final conclusions, but in many cases solutions were found and substantial progress was made.

Attention in political circles continued to concentrate increasingly on the question of financing the activities of the Community. This was due not only to the budgetary difficulties of each Member State at national level, but also — and more importantly — to the fact that by its very nature this question tends increasingly to give rise to critical comparative evaluations of the various policies pursued by the Community. Much thought continued to be given to these matters and it proved possible, for 1982, to take steps to allay the concern felt by the United Kingdom.

The economic and social situation obviously remained the main focus of the Community's attention, since despite certain signs of improvement, in particular in inflation rates, the recession continued and unemployment increased. Thus, while continuing its efforts to restore economic stability, at its meeting in November the Council adopted conclusions calling on the Member States to take practical measures to increase levels of investment and profitability in industry, to restructure public expenditure in favour of productive expenditure, and to reduce budget deficits. It also undertook to ensure that all young people entering the labour market for the first time would have access to vocational training or preliminary work experience.

On social matters particular mention should be made of a Council resolution supporting the movement towards equal treatment for men and

women at work, a directive on the protection of workers against illnesses caused by lead and a recommendation on the principles of a Community policy on the age of retirement.

In addition, recognizing the great importance for the Community of a fully operational internal market, the Council decided on a programme of work on a whole series of measures to round off Community provisions in this field, particularly with regard to technical standards, company law; certain services and formalities concerning the crossing of internal Community frontiers. Efforts to restore the competitiveness of industry and to mitigate the effects of the crisis were continued in several sectors, in particular the iron and steel industry, shipbuilding and the textile industry. Alongside this work on industrial restructuring new initiatives were launched in rapidly expanding sectors where there is fierce international competition, such as micro-electronics and data processing, with the aim of reinforcing the role of Community industry in a field which is vital to the industrial future of Europe.

Energy policy remained a matter of high priority for the Ten, even though the combined effects of the recession and the efforts to save energy have meant a continuing reduction in the Community's dependence on imported energy. Accordingly, without detracting from the work being done on the various aspects of the Community's energy supply situation, the Council adopted a recommendation on encouraging investment in the field of the rational use of energy, a decision increasing the finance available for demonstration projects, and a number of decisions concerning financial support for prospecting projects in the hydrocarbons sector.

In the field of transport policy the Council adopted an important directive on inland waterway vessels. It also took an initial decision making it possible to grant financial support for transport infrastructure projects.

Very significant progress was also made on the environment, in particular on controlling pollution of the aquatic environment, with the adoption of the directive on mercury, on the prevention of the major-accident hazards of certain industrial activities, and with regard to the protection of species of wild fauna and flora threatened with extinction (regulation implementing the Washington Convention).

In the agricultural sector, where once again, following the yields of the 1981/82 farming year, there were surpluses of certain agricultural products, particularly in the dairy sector, the Council continued its efforts to achieve a better balance in the markets concerned and to limit

the impact of agricultural expenditure on the Community budget. To this end the Council stepped up the expenditure on the co-responsibility measures to deal with over-production. On the other hand, the Council also took account of the fact that for several years in succession farm incomes had decreased and that they therefore needed to be stabilized. In view of all these considerations an increase of 10.4% expressed in ECU was granted. In connection with the adjustments to the acquis communautaire in respect of wine, olive oil and fruit and vegetables, the Council adopted a series of measures on wine aimed at ensuring a more regular development of this market. As regards agricultural structural policy, the Council extended the main regulations and directives on making agriculture in the Community more modern and more competitive.

Difficult negotiations continued throughout 1982 to overcome the obstacles to the adoption of common arrangements for the management and conservation of fisheries resources. These negotiations were completed in January 1983, when the Council reached unanimous agreement on a series of provisions concerning access to resources, total allowable catches and quotas, certain technical measures and adjustments to production structures.

Significant progress was made on the accession negotiations with Spain and Portugal. Some 10 topics were practically settled in the negotiations with Portugal. Six topics were also settled with Spain, and the remainder are close to being resolved.

In the field of international economic relations, the major meetings in 1982 — the meeting at ministerial level of the OECD, the Western Summit at Versailles and the GATT meeting at ministerial level — were dominated by the struggle against protectionism and the search for means of ensuring economic recovery. The outcome of these meetings largely reflects the Community's ideas, i.e. realistic and credible commitments on resisting protectionism and the need for greater cooperation among the major industrialized countries, in particular with regard to interest rates, exchange rates and increased North-South cooperation. With regard to the disputes with the United States and Japan, the Community's policy was notable for its greater unity of action, its determination to defend its rights vigorously on the basis of mutually agreed international undertakings — in particular in the GATT negotiations — and its readiness to enter into a dialogue. This approach made it possible to resolve the dispute with the United States on steel and led to the lifting of the embargo on European firms involved in the construction of the Siberian gas pipeline. In addition bilateral talks were started on the

common agricultural policy. An overall strategy was formulated with regard to Japan.

Relations with the Eastern European countries were clouded by the impasse in the East-West dialogue and were also influenced by the political situation in Poland. Mention should also be made of the temporary measures vis-à-vis Argentina which the Community was called on to take as an expression of solidarity with the United Kingdom in the wake of the Falklands crisis.

The Community continued its policy of strengthening relations with the developing countries. Particular mention should be made of the decision to provide a special financial contribution to the Stabex system within the framework of relations with the ACP countries, the negotiation and the entry into force of the majority of the second generation financial protocols with the Mediterranean countries, the start of a reappraisal, in the light of a Commission memorandum, of the Community's development policy and the continued efforts to implement the plan of action against hunger in the world.

Continuing its efforts to improve and develop its relations with Parliament, the Council took another important step in the field of budgetary relations between the two institutions with the adoption on 30 June of a joint declaration on various measures to improve the budgetary procedure.

A significant event was the signing at the European Council in Brussels, on the 25th anniversary of the signing of the Treaties of Rome, of the Convention setting up the European Foundation. The task of the Foundation will be to help give tangible form to this European solidarity, in particular by increasing the exchange of ideas.

The range of matters dealt with by the Council was too broad for them all to be mentioned here. To mention only one or two examples, this work included the right of establishment and freedom to provide services, company law, research, and economic agreements with non-member countries.

Lastly it should be recorded that in the course of the 71 meetings held by the Council in 1982 it adopted in all 393 regulations, 128 decisions and 42 directives.

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

Chapter I: Work of the institutions

A — COUNCIL

1. In the first half of 1982 the Presidency of the Council was held by the Kingdom of Belgium, and in the second by the Kingdom of Denmark.

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

Mr F. Aerts	Under Secretary for Public Health and the Environment
Mr D. Coens	Minister for Education
Mr W. de Clercq	Minister for Finance
Mr H. de Croo	Minister for Transport and the Post, Telegraphs and Telephones
Mr M. Eyskens	Minister for Economic Affairs
Mr M. Hansenne	Minister for Employment and Labour
Mr P. de Keersmaeker	Under-Secretary for European Affairs and Agriculture
Mr E. Knoops	Under-Secretary for Energy
Mrs J. Mayence-Goossens	Under-Secretary for Development Cooperation
Mr P. Maystadt	Minister for the Budget
Mr L. Tindemans	Minister for External Relations.

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

Mr C. Christensen	Minister for the Environment and Nordic affairs
Mr H. Christophersen	Minister for Finance
Mr U. Ellemann-Jensen	Minister for Foreign Affairs
Mr K. Enggaard	Minister for Energy
Mrs G. Fenger Møller	Minister for Labour
Mr H. Grove	Minister for Fisheries
Mr B. Haarder	Minister for Education
Mr K. Hjortnaes	Minister for Fisheries

Mr. N. A. Kofoed	Minister for Agriculture
Mr A. Melchior	Minister for Public Works
Mr O. Møller	Under-Secretary at the Ministry of Foreign Affairs
Mr P. Nielson	Minister for Energy
Mr E. Ninn-Hansen	Minister for Justice
Mr I. Nørgaard	Minister for Economic Affairs
Mr K. Olesen	Minister for Foreign Affairs
Mr B. Westh	Minister for Agriculture.

The 71 meetings held during 1982 were devoted to the following topics:

- 15 Agriculture
- 13 External relations
- 10 Economic and financial problems¹
- 7 Fisheries
- 4 Budget
- 4 Labour and social affairs¹
- 3 Energy
- 3 Research
- 2 Development cooperation
- 2 Environment
- 2 Industry
- 2 Transport
- 1 Education
- 1 Legal matters
- 1 Problems in the field of textiles
- 1 Preparatory work for the ACP-EEC Council.

B — PARLIAMENTARY AFFAIRS

2. In 1982 the Council and Parliament continued their efforts to improve and develop their relations.

Accordingly on 30 June 1982 the European Parliament, the Council and the Commission adopted a common declaration relating to various measures to improve the operation of the budgetary procedure. These measures affect in particular the procedure for the classification of compulsory and non-compulsory expenditure.

¹ Including one joint meeting on economic and financial problems and on labour and social affairs.

On 21 April 1982 the Belgian President-in-Office of the European Council informed Parliament of the results of the European Council which met on 29 and 30 March 1982, and on 15 December 1982 the Danish President-in-Office informed Parliament of the results of the meeting held on 3 and 4 December 1982.

In addition, the President-in-Office of the Council took part in various aspects of Parliament's work, both at plenary sittings and also in committee. In its own work the Council always tried to take into account the resolutions adopted by Parliament.

Participation of the President-in-Office of the Council in the work of Parliament at plenary sittings

STATEMENTS ON THE PROGRAMMES OF THE PRESIDENCY

Belgian Presidency

3. Presenting the programme of the Belgian Presidency on 21 January 1982, Mr Tindemans indicated the major topics which would call for particular attention, namely:

- (i) reinforcement of the economic and social aspects of Europe;
- (ii) a fresh impetus to be given to European Union and improvements in the functioning of the institutions;
- (iii) strengthening of Europe's influence in the world;
- (iv) substantial progress to be made with regard to a 'Europe of the citizens'.

Mr Tindemans stressed the need to consolidate and develop the *acquis communautaire*, in particular by reaching an agreement on the mandate of 30 May 1980. In this connection he called for an end to all unjustified blocking of the decision-making process and an improvement in the dialogue between the institutions.

In view of the need to make the world more aware of European identity Mr Tindemans added that the Community should form a common market not only for goods and capital, but also for services. Much remained to be done in this domain. Europe's power in the world derived solely from its economic power. Without this economic force political cooperation and its influence in the world were meaningless. That should

be borne in mind in any discussion of the role and the meaning of Europe on the international scene.

Danish Presidency

4. On 7 July 1982 Mr Olesen presented the programme of the Danish Presidency. He stressed the need to give highest priority to reducing unemployment and encouraging economic recovery, in particular by improving the competitiveness of European industry, raising investment levels and reducing oil imports.

With regard to the budget for 1983, the President-in-Office of the Council stated that the Danish Presidency would make every effort to ensure that the discussions on the size of the budget and its breakdown into the various items of expenditure were consistent with the policy underlying the development of cooperation. The Presidency was alive to the fact that the very cautious line followed by a number of Member States with regard to the size of public spending and the deficit in the public sector would inevitably have repercussions on the positions adopted by those Member States on the Community budget. It was hardly realistic to expect Member States which at home were carrying out the painful process of cutting back public expenditure to accept significant increases in the Community budget.

Mr Olesen also looked at the progress made on the proposals for the European Act and reported on the differences of opinion among the Member States regarding the voting procedure within the Council. He added that in his opinion there was a risk in trying to impose institutional progress without the necessary political backing.

STATEMENTS ON THE PRESIDENCY

Belgian Presidency

5. Reviewing the activities of the Belgian Presidency at the sitting of 15 June 1982, Mr Tindemans spoke of the difficult international context in which the Community had had to act. He commented that the preceding months had proved that progress in building Europe could always be made and that the Community was capable of asserting itself and making decisions. In connection with this he reiterated the need for a European anti-crisis policy.

Mr Tindemans argued that a more enterprising course should be adopted based on political will backed by a broad measure of public support.

He considered that 'rethinking Europe' meant making decisions that affected the daily life of the citizens. In addition, it was essential to apply the rules laid down in the Treaties and to recreate the legal Community as envisaged by the pioneers of Europe. A Europe 'à la carte' would not be able to ensure the cohesion necessary for the Community to make progress.

Mr Tindemans furthermore expressed his conviction that Europe could not remain a Europe of the 1% (of VAT). He was also convinced that the draft agreement on the classification of expenditure would ensure a smoother budgetary procedure.

Lastly, Mr Tindemans expressed his satisfaction with the numerous contacts and the constructive cooperation he had enjoyed with the European Parliament and its committees.

Danish Presidency

6. Reviewing the Danish Presidency at the sitting on 15 December 1982, Mr Ellemann-Jensen pointed out that the economic and social situation had taken priority in the work of the Community.

The President of the Council stressed in particular the contribution which an economic revival would make to the problems of the labour market. In the first place there were the efforts to re-establish the stability of national economies by reducing a number of imbalances and shortcomings which had emerged in recent years. Secondly, there was a direct and more concrete effort towards increasing the level of investment. This meant productive investment aimed first and foremost at research, technology and energy. There was a close link between an effort in these areas and the long-term survival capacity of Community industry, as well as our competitiveness in the shorter term.

In this context Mr Ellemann-Jensen spoke of the Community's situation under current world trade conditions. He emphasized that during the GATT ministerial meeting endorsement of the international trade system was not achieved without the European Community having to stress very strongly its views on conditions in the agricultural sector.

The result which had been achieved earlier in this area, particularly with the conclusion of the Tokyo Round, must not be undermined or thrust aside. This too was a position which the Community would defend in the future.

With regard to relations with the developing countries, Mr Ellemann-Jensen said that the Council recognized the need to allocate more resources to development aid.

STATEMENT ON THE WORK OF THE EUROPEAN COUNCIL

7. On 21 April 1982 Mr Martens, the Belgian Prime Minister and President-in-Office of the European Council, reported on the European Council held in Brussels on 29 and 30 March 1982.

He began by outlining the general context within which the European Council worked. It met both within the context of the Treaties and at the level of European political or purely intergovernmental cooperation. He stressed that each time some impetus or guidelines were given, these were always subsequently established in the correct form in accordance with set rules and procedures.

Mr Martens stated in particular that with regard to general economic strategy the European Council had tried to lay down pragmatic guidelines which were as practical as possible. Lastly he appealed for a show of solidarity and sense of European political responsibility on the part of all the Member States in order to resolve the discussions on the mandate within the shortest possible time, according to the financial resources and abilities of each.

8. Reporting on the conclusions reached at the European Council on 28 and 29 June 1982, regarding both economic and political problems, Mr Olesen stressed the current difficulties in relations between the Community and the United States and the need to make every effort to prevent the situation from deteriorating, both with regard to the level of interest rates and on questions of international trade.

In connection with the situation in the Middle East Mr Olesen stated that while the Ten remained opposed to all terrorist action they felt that Israel would not obtain the security it sought by using military force but only through a negotiated settlement. The Ten considered that for the negotiations to lead to any result the Palestinian people would have to be actively associated with them.

Lastly, Mr Olesen spoke of the keen interest of the Ten in developing their relations with the peoples of Latin America, which had led them to examine ways of helping to reduce tension and promote peace in the region.

9. Presenting his report on the European Council of 3 and 4 December 1982 in Copenhagen, Mr Poul Schlüter, Danish Prime Minister and President-in-Office of the European Council, stressed the solidarity shown there, which would help resolve the serious internal and international problems. He recalled that the European Council had given top priority to restoring economic stability, encouraging productive activity, strengthening the domestic market and increasing the possibilities for the employment or training of young people.

Mr Schlüter stressed the need to strengthen international cooperation, *inter alia* in GATT. He also pointed out that the Ten, on the basis of a position of 'firmness and of dialogue' had called upon the USSR to make the necessary contributions to improve confidence in international affairs. In this context the Council declared that the Ten were ready to respond positively to such efforts, including for their part a conference on disarmament in Europe.

Finally, Mr Schlüter emphasized that all the parties involved in conflicts in the Middle East must assume their international responsibilities without further hesitation.

OTHER DEBATES

International agreements – role of the European Parliament

10. On 17 February 1982 Mr de Keersmaecker, Belgian Under-Secretary of State for European Affairs and Agriculture, represented the Council in the debate on the role of the European Parliament in the negotiation and ratification of international agreements and accession treaties.

Multifibre Arrangement

11. On 10 March 1982 Mr de Keersmaecker took part in a debate on the third Multifibre Arrangement.

Farm prices

12. Mr de Keersmaecker represented the Council in the debate on 24 March 1982 on the 1982-83 farm prices.

25th anniversary of the Treaty of Rome

13. In his speech on 25 March 1982 to commemorate the 25th anniversary of the signing of the Treaty of Rome, Mr Tindemans invited

the politicians and also the people of the Community to find inspiration in the 'spirit of 1957' so that new achievements would give greater and better shape to the European ideal.

Mandate of 30 May 1980

14. On 25 March 1982, Mr de Keersmaecker gave the European Parliament a progress report on work on the mandate of 30 May 1980.

Community institutions

15. On 21 April 1982 Mr Tindemans answered three oral questions on relations between the Community institutions.

The Falklands conflict

16. Speaking in a debate on the Falklands conflict on 12 May 1982, Mr de Keersmaecker reiterated that Community solidarity was not at all directed against the people of Argentina.

European Foundation

17. Replying to an oral question, Mr Tindemans stated that the European Foundation, while maintaining its independence, would be able to collaborate closely with the Community institutions.

Hunger in the world

18. On 16 June 1982, Mr de Keersmaecker drew attention to Council decisions which constituted a new approach to the fight against hunger in the world.

Voting in the Council

19. During Question Time on 7 July 1982 Mr Olesen answered several questions concerning voting in the Council.

30th anniversary of the European Parliament

20. On 15 September 1982, in his address on the occasion of the 30th anniversary of the European Parliament, Mr Ellemann-Jensen, President-

in-Office of the Council, stressed the moral authority and the great value of the work of Parliament. He called on all the institutions to help to maintain and develop cooperation in the Community.

Frontier checks

21. On 15 September 1982 Mr Ellemann-Jensen answered two oral questions concerning checks at internal Community frontiers.

Relations with the United States

22. Answering an oral question relating to relations between the Community and the United States, on 13 October 1982 Mr Ellemann-Jensen stressed the importance of prior consultations to avoid disputes which could only have harmful effects on the economies of both partners.

Annual report on the economic situation

23. On 17 November 1982 Mr Ellemann-Jensen spoke in the debate on the annual report on the economic situation in the Community.

European Act

24. On 14 October 1982 Mr Genscher and Mr Colombo, the German and Italian Ministers for Foreign Affairs, gave a progress report on their proposed European Act.

Participation in the proceedings of the committees and other parliamentary bodies

PARLIAMENTARY COMMITTEES

Political Affairs

25. On 28 January 1982 Mr Tindemans made a statement on the situation in Poland to the Political Affairs Committee.

Agriculture

26. On 24 February 1982 Mr de Keersmaecker held an exchange of views with the Committee on Agriculture.

On 7 July 1982 Mr Westh, Danish Minister for Agriculture and President-in-Office of the Council, made a speech to this committee in Strasbourg.

On 17 November Mr Kofoed, Danish Minister for Agriculture, represented the Council in Strasbourg.

On 22 November 1982 Mr Grove, Danish Minister for Fisheries and President-in-Office of the Council, held an exchange of views with the Working Party on Fisheries of the Committee on Agriculture.

Economic and Monetary Affairs

27. On 26 April 1982, Mr Eyskens, Belgian Minister for Economic Affairs and President-in-Office of the Council, made a speech on the economic situation and the Community's domestic market.

On 23 June Mr de Clercq, the Belgian Minister for Finance and Foreign Trade, held an exchange of views with the Committee for Economic and Monetary Affairs, with particular reference to the New Community Instrument.

On 27 May 1982 Mr de Clercq and Mr Eyskens received a delegation from the Committee on Economic and Monetary Affairs in Brussels.

On 24 November Mr Christophersen, Danish Minister for Finance and President-in-Office of the Council, made a statement before this Committee.

Energy and research

28. On 17 March 1982 Mr Knoops, Under-Secretary of State for Energy and President-in-Office of the Council, held an exchange of views on energy problems.

Mr Maystadt, Minister for the Budget and for Scientific Policy, represented the Council before this Committee on 23 June 1982.

On 24 November 1982 Mr Enggaard, Minister for Energy and President-in-Office of the Council, held an exchange of views with this Committee on energy policy.

On 25 November 1982 Mr Haarder, Minister for Education and President-in-Office of the Council, reported on the measures taken in the field of research.

External economic relations

29. On 16 May 1982 the President-in-Office of the Council, Mr de Clercq, made a speech on trade with other industrialized countries and on policy towards the Mediterranean countries.

Mr Møller, Danish Secretary of State for Foreign Affairs and President-in-Office of the Council, held an exchange of views with this Committee on 19 November 1982.

Legal Affairs

30. Mr Gol, Belgian Minister for Justice and Institutional Reforms, represented the Council before this Committee 18 May 1982.

On 23 November 1982, Mr Ninn-Hansen, Danish Minister for Justice and President-in-Office of the Council, held an exchange of views with the Legal Affairs Committee.

Social Affairs and Employment

31. On 16 March 1982 Mr Hansenne, Belgian Minister for Labour and Employment and President-in-Office of the Council, presented a report on the Community's social policy.

On 20 October 1982 Mrs Fenger-Møller, Danish Minister for Labour and President-in-Office of the Council, took part in a joint meeting between the Committee on Social Affairs and Employment and the social affairs section of the Economic and Social Committee.

Regional Policy and Regional Planning

32. Mr de Keersmaecker represented the Council at a meeting of this Committee on 26 May 1982.

On 25 November Mr Stetter, Danish Minister for Industry and President-in-Office of the Council, made a speech to this Committee.

Transport

33. On 15 February 1982 Mr de Croo, Belgian Minister for Transport

and the Post, Telegraphs and Telephones and President-in-Office of the Council, held an exchange of views with the Committee on Transport.

Mr Stetter, Danish Minister for Industry and Mr Bollman, Danish Minister for Housing, represented the Council before this Committee on 20 October 1982.

Environment, Public Health and Consumer Protection

34. On 26 May 1982 Mr Aerts, Belgian Under-Secretary of State for Public Health and the Environment and President-in-Office of the Council, made a speech to this Committee.

Mr Christensen, Danish Minister for the Environment, represented the Council at the meeting of this Committee on 3 November 1982 in Rome.

On 4 February 1982, Mr Aerts held talks with the Chairman of this Committee, Mr Collins.

Youth, Culture, Education, Information and Sport

35. On 5 November Mr Haarder, Danish Minister for Education, held an exchange of views with this Committee.

Development and Cooperation

36. On 26 May Mrs Mayence-Goossens, Belgian Under-Secretary of State for Development Cooperation and President-in-Office of the Council, took part in a meeting of the Committee on Development and Cooperation.

Mr Møller represented the Council before this Committee on 19 October 1982.

Institutional Affairs

37. On 28 April 1982 Mr Tindemans, President-in-Office of the Council, spoke in the meeting of the Committee on Institutional Affairs devoted to work on the reform of the Treaties and the achievement of European union.

Inquiry into the Situation of Women in Europe

38. On 24 May 1982 Mr Hansenne held an exchange of views with the Committee of Inquiry into the Situation of Women in Europe.

Mrs Fenger-Møller took part in a debate at the meeting of this Committee in Rome on 5 November 1982.

PARLIAMENTARY ASSOCIATION BODIES

ACP-EEC Consultative Assembly

39. On 2 February 1982 Mr de Keersmaecker represented the Council at the meeting of the Joint Committee of the ACP-EEC Consultative Assembly which was held in Harare (Zimbabwe) from 1 to 5 February 1982.

40. Mr Ellemann-Jensen represented the Council at the meetings of the Joint Committee and of the ACP-EEC Consultative Assembly which were held in Rome from 1 to 3 and 3 to 6 November 1982 respectively.

Interparliamentary delegations

41. On 6 January 1982 Mr Tindemans received a delegation from the United States Congress.

42. On 26 September 1982 Mr Haarder and Mr Stetter took part in a meeting of the EEC-Canada interparliamentary delegation.

43. On 17 November 1982 Mr Ellemann-Jensen received a delegation from the Norwegian Parliament.

Questions

44. During 1982 the Council received 344 written questions, 52 oral questions and 195 questions at Question Time.

C — INSTITUTIONAL AFFAIRS

Uniform electoral procedure

45. The Council began its examination of the draft Act relating to a

uniform electoral procedure which was adopted by the European Parliament on 10 March 1982.

Passport union

46. On 30 June 1982 the representatives of the governments of the Member States of the European Community meeting within the Council adopted a supplementary resolution to the resolution of 23 June 1981 relating to the establishment of a uniform model for passports.

Special rights of citizens

47. The Council continued its examination of the proposal for a Commission directive relating to the right of abode on the territory of another Member State of nationals of the Member States who are not covered by the provisions of Directives 68/360, 73/148 or 75/34/EEC or Regulation (EEC) No 1251/70.

Conciliation procedure

48. At the meeting on 17 November 1981 between the enlarged Bureau of the European Parliament and the Foreign Ministers of the Member States of the European Community, the President of the Commission was prepared to put forward specific proposals for improving the conciliation procedure. The Commission forwarded these proposals in December 1981 and the Council continued its examination of them in 1982.

International agreements

49. The Council began its examination of the communication from the Commission on the role of the European Parliament in the negotiation and ratification of international agreements and accession treaties.

Relations between the European Parliament and the Council

50. Following the adoption by the European Parliament on 9 July 1981 of resolutions on institutional matters, the Council forwarded a letter dated 6 April 1982 containing its views at that stage on certain subjects touched on by the European Parliament in these resolutions.

In a letter of October 1982, from the President-in-Office of the Council, Mr Ellemann-Jensen, the Council and the Ministers for Foreign Affairs meeting in political cooperation expressed their readiness to take part, under certain conditions, in urgent debates held by the European Parliament.

D — COURT OF JUSTICE

Matters concerning the operation of the Court

COMPOSITION OF THE COURT

51. On 8 July 1982 the Conference of Representatives of the Governments of the Member States decided to appoint the following as judges at the Court of Justice for the period from 7 October 1982 to 6 October 1988 inclusive:

Mr Giacinto Bosco
Lord Mackenzie Stuart,
Mr Thymen Koopmans,
Mr Ulrich Everling,
Mr Kai Bahlmann,
Mr Yves Galmot.

The conference also nominated the following as advocates-general at the Court for the period from 7 October 1982 to 6 October 1988 inclusive:

Mrs Simone Rozès,
Mr Federico Mancini.

ESTABLISHMENT OF AN ADMINISTRATIVE TRIBUNAL FOR DISPUTES BETWEEN THE INSTITUTIONS AND THEIR STAFF

52. Work on the proposal for a Commission regulation providing for the establishment of an administrative tribunal continued within the Council's subordinate bodies. The Council of Ministers of Justice examined this proposal on 25 October 1982 together with a compromise proposal from the Presidency which it instructed the Permanent Representatives Committee to study in more detail.

Cases brought before the Court of Justice

53. During 1982, the Council appeared before the Court in 42 cases.

In one case the Commission brought proceedings against the Council for the annulment of an act of the Council. In one case where the validity of a Council regulation was at issue, a case was brought simultaneously against the Council and the Commission. In two cases private firms with registered offices within the Community brought proceedings under Article 215 of the EEC Treaty against the Council and the Commission and claimed damages. In nine cases, six of which were joined, officials brought proceedings against the Council.

The Council was also involved in 29 cases, 25 of which were joined, relating to requests for a preliminary ruling within the meaning of Article 177 of the EEC Treaty.

54. In addition the Council brought a case against Parliament for the annulment of the act of the President of Parliament dated 21 December 1981 declaring the final adoption of the general budget of the European Communities for 1982 and the annulment of the said general budget as annexed to that act, and a case against the Commission for the annulment of an act of the Commission implementing this budget. Following a declaration of withdrawal by the Council these two cases were subsequently struck from the register of the Court.

E — ECONOMIC AND SOCIAL COMMITTEE

55. During 1982 the Council was represented twice at plenary meetings of the Economic and Social Committee.

During the period of the Belgian Presidency Mr Hansenne, Minister for Labour, made a statement before the Committee on 25 February 1982 on the unemployment situation and the employment prospects.

On 27 October 1982 Mrs Fenger-Møller, Danish Minister for Labour, made a statement before the plenary meeting of the Committee which was mainly concerned with the economic and social problems created by the current crisis.

After consulting the Commission the Council appointed the members of the Economic and Social Committee for the period from 21 September 1982 to 20 September 1986.

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 matters

CUSTOMS UNION

Common Customs Tariff

56. In 1982 the Council adopted two regulations amending the Common Customs Tariff, nine regulations temporarily suspending the autonomous duties applicable under the Common Customs Tariff and 26 regulations opening or increasing Community quotas for certain products.

Harmonization of customs legislation

57. On 16 March 1982 the Council adopted a regulation amending Regulation (EEC) No 1798/75 relating to the importation free of Common Customs Tariff duties of educational, scientific or cultural materials,¹ thereby providing for the further transposition into Community legislation of the Nairobi Protocol adopted under the Unesco Agreement on the duty-free importation of educational, scientific or cultural materials (the Florence Agreement).

58. On 24 June 1982 the Council adopted a regulation amending Regulation (EEC) No 1430/79 relating to the repayment or remission of import or export duties.² This regulation increases the number of cases in which duties may be repaid or remitted.

¹ OJ L 74, 19.3.1982.

² OJ L 186, 30.6.1982.

59. On 17 December 1982 the Council adopted a regulation amending Regulation (EEC) No 222/77 relating to Community transit.¹ This amendment makes the rules governing the operation of the guarantee under these arrangements somewhat more flexible.

60. Lastly, on 21 December 1982 the Council adopted a regulation on the temporary importation arrangements.² This regulation lays down the procedures and conditions in accordance with which goods from non-member countries which are to remain temporarily in the Community pending re-exportation may be imported wholly or partly free of import duties.

International customs conventions

61. On 14 June 1982 the Council adopted three decisions concerning the approval of draft additional protocols to three agreements drawn up on the initiative of the Council of Europe which provide for the duty-free importation of various articles used for medical purposes. These additional protocols will enable the Community to become a contracting party to these agreements. On 14 June the Council also adopted two decisions³ accepting on behalf of the Community the recommendations of the Customs Cooperation Council concerning technical cooperation in customs matters and customs requirements regarding commercial invoices respectively.

62. The Member States and the Commission took an active part within the Customs Cooperation Council in the work of developing a harmonized system for describing and codifying goods, and a draft convention for implementing the system was drawn up.

63. With regard to the draft Convention on the Harmonization of Frontier Checks, negotiations are continuing within the ECE in Geneva with the Community and its Member States taking part. These negotiations have proceeded in a satisfactory manner and are on the point of being concluded.

Free movement of goods

64. Further progress in eliminating technical barriers to trade in industrial products continues to depend on resolving the problem of access

¹ OJ L 382, 31.12.1982.

² OJ L 376, 31.12.1982.

³ OJ L 204, 12.7.1982.

to the Community certification systems for products originating in non-member countries. Discussions on this subject continued within the Council but so far no consensus has been reached. In the absence of the Council's agreement, some 20 proposals for directives on harmonization concerning various industrial products are still waiting to be adopted.

65. Only one new directive was adopted by the Council in 1982. On 15 February it adopted a directive concerning electric equipment for use in potentially explosive atmospheres in mines susceptible to firedamp.¹ In accordance with the directive this electrical equipment may be put on the market throughout the Community if it conforms to the harmonized standards or if it uses techniques which ensure a level of safety equivalent to that of equipment which conforms to these standards.

66. There were also amendments to six existing directives in 1982. On the subject of dangerous substances, on 31 March the Council adopted two directives, one relating to methods of testing the biodegradation of non-ionic surfactants and amending Directive 73/404/EEC and the other amending Directive 73/405/EEC relating to the methods of testing the biodegradation of anionic surfactants.² These two directives supplement the Community provisions concerning detergents, the main aim being to fix a minimum level of biodegradability.

On 17 May the Council adopted an amendment to Directive 76/768/EEC relating to cosmetic products³ which makes certain adjustments to the 1976 directive and introduces two innovations, namely the establishment of a positive list of substances authorized for use as preservatives and the introduction of a rapid and flexible procedure for adjusting the annexes to the 1976 directive to take account of technical progress.

The second amendment to Directive 76/769/EEC concerning restrictions on the marketing and use of certain dangerous substances and preparations, adopted by the Council on 22 November 1982,⁴ provides for a ban on the use of dangerous quantities of benzene in toys.

The amendment to this directive, adopted by the Council on 3 December 1982,⁵ provides for authorization of the use of polychlorinated terphenyls

¹ OJ L 59, 2.3.1982.

² OJ L 109, 22.4.1982.

³ OJ L 167, 15.6.1982.

⁴ OJ L 339, 1.12.1982.

⁵ OJ L 350, 10.12.1982.

(PCTs) for limited periods and only in premises notified to the appropriate authorities.

Lastly, on 17 December 1982 the Council adopted a directive amending the directives on wheeled agricultural or forestry tractors.¹ Now that the maximum speed of the tractors covered by these directives has been increased from 25 to 30 km/h most of the farm tractors in production come within the scope of Community provisions.

67. In addition, work continued within the Council on the proposal for a directive on an information procedure in the sphere of technical standards and regulations.

Sectoral activities

SHIPBUILDING: STATE AID

68. Owing to the continuing crisis in the shipbuilding sector and its social and regional effects, and in view of the efforts made by the Community shipyards to adjust to the prevailing market conditions, on 21 December the Council, acting on a Commission proposal, adopted a directive extending until 31 December 1984 Directive 81/363/EEC on aid to shipbuilding.²

NEW INFORMATION TECHNOLOGIES

69. On 28 July the Council adopted a decision concerning the coordination of the actions of the Member States and the Commission related to activities preparatory to a long-term programme for the use of telematics for Community information systems concerned with imports/exports and the management and financial control of agricultural market organizations (Caddia).³

This decision initiates coordination between the Member States and the Commission on a series of preparatory activities to analyse the needs, feasibility, costs and benefits of a 10-year concerted development programme on the use of telematics systems for the processing of data on imports and exports and on the management and financial control of

¹ OJ L 378, 31.12.1982.

² OJ L 371, 30.12.1982.

³ OJ L 247, 23.8.1982.

agricultural market organizations. A user advisory committee will be responsible for assisting the Commission on these matters.

70. On 13 December the Council adopted a decision relating to the coordination of the activities of the Member States and the Community institutions with a view to assessing the need for a Community interinstitutional information system and preparing proposals for the establishment of such a system (Insis).¹ A user advisory committee will assist the Commission in this task.

71. Lastly, on various occasions the Council continued its discussions on the proposals for Council recommendations forwarded by the Commission in the field of telecommunications.

IRON AND STEEL INDUSTRY

72. In view of the deterioration in the world steel market and the worsening situation in the European iron and steel industry the Council, after reaching an agreement in principle on 4 May, gave its assent on 8 June, in accordance with Article 58 of the ECSC Treaty, to a draft Commission decision extending the production quota system for 12 months from 1 July 1982, with the possibility of deciding on a further extension on the basis of a Commission report. In addition to the products covered previously, the arrangements included wire rod. They also comprise provisions for updating the reference production figures, raising the thresholds in the event of exceptional difficulties and adjusting the reference figures following changes in capacity as part of a restructuring programme.

73. As regards prices, on 4 May the Council delivered its assent in accordance with Article 95 of the ECSC Treaty to a draft Commission recommendation to the Member States amending Recommendation 1835/81/ECSC on the obligation to publish price lists and conditions of sale and on prohibited practices in the steel trade, and to a draft Commission decision amending Decision 1836/81/ECSC on the obligation of distributive undertakings to publish price lists and conditions of sale and on practices prohibited for these undertakings.

74. At their meeting on 18 November in Elsinore the Ministers for Industry held a wide-ranging discussion on the problems of restoring the

¹ OJ L 368, 28.12.1982.

balance between the levels of supply and demand, the reductions in capacity required to re-establish the viability of the undertakings and the accompanying measures proposed as regards organization of the market, aid monitoring and also reconversion and employment.

75. At its meeting on 13 and 14 December the Council adopted a series of conclusions to reinforce the system of crisis measures. It expressed its support for the guide prices proposed by the Commission as from 1 January 1983, while stressing the need to keep a close watch on the market. It gave its agreement in principle to a tightening up of checks on deliveries by not only the iron and steel undertakings but also the steel dealers, with a view to ensuring stricter compliance with the rules on quantities and prices. After a preliminary examination of the Commission's proposal to extend the list of products in Annex I of the ECSC Treaty, it asked the Permanent Representatives Committee and the Commission to make a more detailed study of all the repercussions this would have.

76. As regards the social measures, following a decision in December 1981 on the payment for 1981 of an initial tranche of 50 million ECU, on 22 and 23 February the Council approved the transfer to the ECSC of a second tranche of 62 million ECU out of the general budget for operations under the programme of special temporary allowances to workers in iron and steel firms and iron-ore mines in the Community whose posts are directly abolished or threatened in consequence of a restructuring plan.¹

On 20 and 21 September the Council approved an additional contribution of 100 million ECU to the ECSC out of the general budget for the financial years 1982 and 1983 to enable the programme of special temporary allowances for 1981-84 to be carried out.²

77. Lastly, during the year the Council gave its assent, under Article 54(2) of the Treaty, to a number of projects relating to:

- (i) the co-financing of a project of Hellenic Ferroalloys of Volos, Greece, for the working and enrichment of chromite and its conversion into ferrochromium;
- (ii) the financing of an iron ore project in Carajas to be carried out by Companhia Vale Do Rio, Rio de Janeiro, Brazil;

¹ OJ L 74, 18.3.1982.

² OJ L 277, 29.9.1982.

- (iii) the co-financing of the acquisition of goods wagons specially designed for transporting coal and iron and steel products;
- (iv) the part-financing of an investment project of Société Oxylux SA to improve supplies of nitrogen to iron and steel plants;
- (v) a global loan to Finance for Industry plc, London.

The Council also gave its assent, under Article 55(2)(c) of the Treaty, to financial assistance for setting up and carrying out an iron and steel research programme.

B — RIGHT OF ESTABLISHMENT AND FREEDOM TO PROVIDE SERVICES

Financial institutions

DIRECTIVES ADOPTED

Periodic information

78. At its 754th meeting on 15 and 16 February 1982 the Council adopted a directive on periodic information to be published by companies quoted on the stock exchange.¹ This directive supplements those already adopted in the same field, i.e. those regarding conditions for the admission of securities to official stock exchange listing² and the particulars to be published when these securities are admitted to listing,³ and also the Fourth Directive on company law concerning annual accounts⁴ as regards the requirement to publish annual reports. It requires quoted companies to publish, within the four months following the relevant six-month period, a report relating to their activities and their profits and losses during the six months of each financial year. This report is to consist of figures and an explanatory statement to enable investors to form an opinion on trends in the company's activities and performance.

The competent authorities will endeavour to accept as it stands, or in translation if necessary, the text of the report which meets the require-

¹ OJ L 48, 20.2.1982.

² OJ L 66, 16.3.1979.

³ OJ L 100, 17.4.1980.

⁴ OJ L 222, 14.8.1978.

ments of the country in which the company's shares were first admitted to an official stock exchange listing. The Member States will consult together with a view to convergence between any more stringent requirements which they may impose, so as to arrive ultimately at the mutual recognition of a single report meeting only the requirements of the above-mentioned country. The Commission is to make a report on developments over the next five years.

Amendment of the dates of entry into force for the directives on conditions for admission to stock exchange listing and on the requirements for the drawing up of the listing particulars to be published for admission

79. Following the adoption of the directive on periodic information (see previous paragraph), on 3 March 1982¹ the Council agreed to amend the dates for the entry into force of the other two above-mentioned directives in order to enable the Member States to adopt the measures provided for in these three directives in the form of a single legal instrument, since they all concern the field of stock exchange information.

WORK IN PROGRESS

Collective investment undertakings (transferable securities)

80. The Council's subordinate bodies continued their examination of the difficulties which had been encountered. This work was greatly helped by the acceptance in 1982 of a compromise solution drawn up in the first half of 1981.

Prospectuses

81. The Council's subordinate bodies began their examination of the Commission proposal to make it a general requirement throughout the Community that any body which issues shares or bonds for public subscription (whether or not through a stock exchange), must publish information, in a form which corresponds as far as possible to the listing particulars to be published for admission to the stock exchange, concerning the issuer, the amounts to be subscribed and the intended use of these funds. However, the scope of this measure and the concessions to be granted to small and medium-sized undertakings have still to be decided in detail.

¹ OJ L 62, 5.3.1982.

Liberal and craft professions

DIRECTIVES ADOPTED

Doctors

82. As anticipated in the previous Review,¹ at its 751st meeting on 26 January 1982 the Council formally adopted the directive amending Directive 75/362/EEC of 16 June 1975 concerning the mutual recognition of diplomas, certificates and other evidence of formal qualifications in medicine, including measures to facilitate the effective exercise of the right of establishment and of freedom to provide services, and also amending Directive 75/363/EEC concerning the coordination of provisions laid down by law, regulation or administrative action in respect of the activities of doctors (part-time specialists).²

Transport agents

83. At its 784th meeting on 28 and 29 June 1982 the Council adopted a directive on measures to facilitate the effective exercise of freedom of establishment and freedom to provide services in respect of the activities of self-employed persons in certain services incidental to transport and travel agencies (ISIC Group 718) and in storage and warehousing (ISIC Group 720).³

This directive concerns a large number of professional persons, such as travel agents, freight forwarders, shipping agents and motor vehicle examiners. At present members of these professions can only establish themselves freely in those Member States which have no regulations governing them. Under this directive, as from January 1984 at the latest they will also be able to establish themselves or provide services in the Member States which do have regulations in this field.

Hairdressers

84. At its 789th meeting on 19 and 20 July 1982 the Council adopted a directive laying down measures to facilitate the effective exercise of the right of establishment and freedom to provide services in hairdressing.⁴

¹ See 29th Review, paragraph 76.

² OJ L 43, 15.2.1982.

³ OJ L 213, 21.7.1982.

⁴ OJ L 218, 27.7.1982.

In so doing the Council has now extended the series of Community directives adopted since 1964 to cover practically all the activities regarded as craft activities by the Member States. Hairdressers, who form a large professional group, will also be free, as from January 1984 at the latest, to establish themselves in the Member States which have regulations governing this profession.

WORK IN PROGRESS

Architects

85. The Council is still studying this matter, in particular with regard to the questions it raises in respect of the new Member State of the Community.

Pharmacy

86. The technical examination of the texts submitted to the Council has been suspended since Parliament, which was consulted in February 1981, has not yet delivered its opinion on this matter.

Commercial agents

87. The Council's subordinate bodies continued their work on a directive which, for the first time in the history of the Community, is designed to establish a legal framework for a profession, in this case that of commercial agents, which is exercised independently. Harmonization in this field presents particular difficulties, in that it is necessary to take account of differing commercial practices and deal with several aspects of the Member States' legal systems, i.e. the rights and obligations of contracting parties, commercial agents' contracts, arrangements for remuneration and allowances, length of notice, etc.

Insurance

WORK IN PROGRESS

Provision of services — insurance other than life insurance

88. The Council again actively pursued this matter in the year under review, but many problems remain.

Legal protection

89. The technical examination of this subject was started in July. It raises questions of principle which will have to be resolved before any substantial progress can be made.

Third party motoring insurance

90. The Council's subordinate bodies tried to finalize a directive amending the second Council Directive 72/166/EEC of 24 April 1972¹ relating to insurance against civil liability in respect of the use of motor vehicles (the green card). They did not succeed this year because of difficulties of principle. The matter was referred to the Permanent Representatives Committee to resolve some of these difficulties and enable some progress to be made.

Insurance contracts

91. No progress was made on this matter.

WORK TO BE UNDERTAKEN

Credit insurance

92. Because of the amount of work before the Council in the whole sphere of insurance it has not yet been able to start its examination of the proposal for a directive on credit insurance.

Company law

93. Following the guidelines drawn up by the European Council of 29 and 30 March 1982, at its 803rd meeting on 15 November 1982 the Council emphasized the need, with a view to improving the working of the domestic market, to seek closer harmonization of company law and to take practical measures in this respect at an early date.

ADOPTED DIRECTIVE

Division of public limited-liability companies

94. At its 816th meeting on 17 December 1982 the Council adopted

¹ OJ L 103, 2.5.1972 as amended in OJ L 75, 23.3.1973 and OJ L 105, 20.4.1973.

the Sixth Directive on company law, based on Article 54(3)(g) of the EEC Treaty, concerning the harmonization among the Member States of the rules applicable to the division of public limited-liability companies coming under the law of a single Member State.¹ The aim of this directive is to coordinate the procedures for and the effects of division and similar operations, with a view to establishing throughout the Community an equivalent level of protection for the shareholders, creditors and employees of the companies involved in such operations. It thus supplements the Third Directive on mergers of public limited-liability companies² and completes the coordination of the laws of the Member States in two spheres of great practical importance for companies' restructuring operations.

WORK IN PROGRESS

95. During the year the Council's subordinate bodies continued their examination of two proposals for directives on company law based on Article 54(3)(g) of the EEC Treaty.

Consolidated group accounts

96. The proposal for a Seventh Directive on consolidated group accounts was the subject of detailed discussions regarding the area it should cover, particularly with regard to the nature and the size of the groups of companies concerned. It was decided to continue with parallel discussions on the technical accountancy aspects of this proposal; some progress was made on this particularly important question, which the Permanent Representatives Committee confirmed as a priority task.

Auditing of accounts

97. The Eighth Directive, on the authorization of the persons responsible for the statutory audit of the annual accounts of certain types of company, was the subject of discussions which offer the possibility that the Council will adopt it fairly soon.

98. The Council's subordinate bodies also started detailed discussions on two texts based on Articles 235 and 220 respectively of the EEC Treaty.

¹ OJ L 378, 31.12.1982.

² OJ L 295, 20.10.1978.

European cooperation grouping

99. The amended proposal for a Council regulation for the institution of a European cooperation grouping raises specific problems relating to the novelty, in Community law, of an instrument of this kind providing for cooperation between companies. If it is adopted, it should prove particularly useful to small and medium-sized undertakings.

Bankruptcy convention

100. The draft convention on bankruptcy, legal settlements and similar procedures supplements the Convention on Jurisdiction and the Enforcement of Judgments in Civil and Commercial Matters.¹ In the current economic situation the importance of such a convention is obvious, even if the legal difficulties which it raises should not be underestimated.

C — INTELLECTUAL PROPERTY

Patent law

101. On 19 January 1982 the Interim Committee for the Community Patent held its eighth meeting, at which Mr Krieger (Federal Republic of Germany) was elected Chairman following the retirement of Mr Papini (Italy). The Committee took stock of the progress made in the process of ratifying the Luxembourg Convention and noted that there were delays in three of the nine States which had signed the Convention.

102. Working Party III (on infringements) of the Interim Committee continued its work on drawing up a protocol on disputes relating to the Community patent. The major topic discussed was the setting up of a joint court of appeal with the power to hand down judgments on the validity of and any infringements against Community patents in respect of cases referred by the national courts of appeal.

103. In connection with the negotiations for the accession of Spain to the European Communities the Community finalized its position on the

¹ OJ L 304, 30.10.1978.

question of patents. In particular it requested Spain to adapt its national legislation with a view to becoming a party to the Luxembourg Convention on the Community patent and to accede to the Munich Convention on the European patent, which was an essential preliminary to becoming a party to the Luxembourg Convention. The Community also indicated under what conditions it might consider a derogation with regard to the patentability of chemical and pharmaceutical products in Spain during the years preceding Spain's accession to the Luxembourg Convention.

104. A further exchange of views on progress towards ratification of the Luxembourg Convention by the Member States took place on the initiative of the Commission at the meeting of the Council of Ministers for Justice on 25 October 1982.

Trade-mark law

105. The Working Party on Intellectual Property (trade-marks) continued its first reading of the proposal for a regulation on the Community trade-mark.

Union of Paris Convention for the protection of industrial property

106. The third session of the Diplomatic Conference for the revision of the Paris Convention was held in Geneva from 4 to 29 October and from 23 to 27 November 1982. The Member States of the Community acted jointly during the preparatory work and throughout the session, coordinating their positions in accordance with the usual procedures. The discussions concerned the protection of the names of States (Article 6 ter of the Convention), the protection of geographical designations (Article 10 quater), the definitions of a patent and an inventor's certificate (Article 1) and the sanctions for failure to exploit a patent (Article 5A). Negotiations were not completed on any except the first of these topics and will be continued at a fourth session to be held in spring 1984. With regard to Article 5A, following the resumption of informal negotiations on the provisional results of the second session of the Conference (held in Nairobi in October 1981), on 22 November 1982 the Council, acting on a Commission proposal, adopted a decision comprising guidelines for joint action by the Member States.

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

LIABILITY FOR DEFECTIVE PRODUCTS

107. The Council's subordinate bodies 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

108. The Council devoted 10 meetings to examining economic and financial questions.

COORDINATION OF THE ECONOMIC POLICIES OF THE MEMBER STATES

109. The main trends in the economic situation in the Community were a reduction in rates of inflation, an improvement in the Community's balance of payments and a fall in interest rates. On the other hand there was no economic growth and unemployment got worse. In view of this the Council was fully occupied with the problems of investment and of improving the employment situation.

110. At each of its meetings the Council of Ministers for Economic Affairs and Finance studied the economic situation in the Community. In particular, on 15 March, 12 July and 17 December the Council carried out the three annual examinations of the economic situation provided for under the Decision of 18 February 1974 on the attainment of a high degree of convergence between the economic policies of the Member States.¹

On the occasion of its first examination the Council confirmed the economic policy guidelines for 1982 which it had laid down on 14 December 1981.² At the same time the Council adopted the economic policy guidelines for Greece for 1982.³ When it made its second ex-

¹ OJ L 63, 5.3.1974.

² OJ L 385, 31.12.1981.

³ OJ L 78, 24.3.1982.

amination, which particularly concerned the budgetary policies of the Member States, the Council noted the quantitative guidelines for the 1983 national budgets. At its third examination the Council adopted the annual report on the economic situation in the Community and laid down the guidelines for each Member State to follow in its economic policy for 1983.¹

A joint meeting with the Ministers for Social Affairs on 16 November 1982 was devoted particularly to examining the unemployment problem. The object of this meeting, as of that held in Luxembourg on 11 June 1981, was to arrive at a better mutual understanding of the various aspects of the unemployment problem and to examine together the economic and social situation and the possibilities of taking action which might constitute a worthwhile response to this serious problem.

FIFTH MEDIUM-TERM ECONOMIC POLICY PROGRAMME

111. At least once every five years a medium-term economic policy programme is adopted by the Council and the governments of the Member States. In adopting this programme the Council and the governments express their intention of acting, in the sphere covered by the programme, in accordance with the guidelines laid down therein.² The fifth programme was adopted on 28 July 1982.³ Its aim is to develop and define a medium-term strategy for achieving a number of economic policy objectives at both national and Community level.

THE EUROPEAN MONETARY SYSTEM (EMS)

112. The EMS has worked well in its present form and has contributed to monetary stability within the system and also among world currencies. Nevertheless, two realignments had to be made, reflecting both the great strains in the international markets in 1982 (in the form of particularly high interest rates and wide fluctuations in exchange rates, in particular for the dollar) and insufficient convergence of economic performance within the Community. With regard to the level of interest rates, the Council gave its attention to this problem on several occasions, and it was also discussed with the United States authorities and the other countries concerned. Regarding the convergence of economic performance,

¹ OJ L 368, 31.12.1982.

² Decision on convergence: OJ L 63, 5.3.1974.

³ OJ L 236, 11.8.1982.

the European Council itself reaffirmed the need for closer coordination of the national policies to ensure greater cohesion within the Community.

On 21 February 1982 the Belgian franc and the Luxembourg franc were devalued by 8.5% and the Danish krone was devalued by 3%.

On 12 June 1982 the German mark and the Netherlands guilder were revalued by 4.25% while the French franc and the Italian lira were devalued by 5.75% and 2.75% respectively.

In order to maintain in force the EMS intervention and credit mechanisms the Council extended the machinery for medium-term financial assistance until 31 December 1984¹ and the central banks renewed for a further period of two years, i.e. until 13 March 1985, the renewable swap mechanism whereby ECUs are created against payments of gold and dollars into the European Monetary Cooperation Fund.

RENEWAL OF THE NEW COMMUNITY INSTRUMENT (NCI)

113. As early as October 1981 the Council had declared itself in favour of a new decision which would enable the New Community Instrument to continue to function on the same terms as before. After consulting Parliament, the Council renewed the instrument in March 1982² and in April 1982 adopted the implementing decision, under the terms of which a single tranche of loans amounting to 1 000 million ECU was authorized for the whole of NCI II.³ The loans are to finance investment projects in the spheres of energy, infrastructure and the development of small and medium-sized undertakings.

EURATOM LOANS

114. On 15 March 1982 the Council adopted the decision increasing to 2 000 million ECU the total amount of Euratom loans which the Commission is empowered to contract for the purpose of contributing to the financing of nuclear power stations.²

This decision follows the Decision of 29 March 1977 instituting this instrument with a ceiling of 500 million ECU and that of 17 January 1980 which increased the amount to 1 000 million ECU.

¹ OJ L 368, 28.12.1982.

² OJ L 78, 24.3.1982.

³ OJ L 116, 30.4.1982.

COMPENSATORY PAYMENTS TO THE UNITED KINGDOM FOR 1982

115. In accordance with the conclusions of the Council of 30 May 1980, and in particular item 7 of these conclusions,¹ during 1982 the Foreign Ministers of the Member States of the Community examined the problem of the British contribution to the financing of the Community budget. An initial agreement was reached on 25 May, which was supplemented and finalized on 26 October.

In implementation of the agreement of 26 October, in November 1982 the Commission put forward a proposal for preliminary draft supplementary and amending budget for the current year and two proposals for regulations to make the payments to the United Kingdom and to Germany under the supplementary measures introduced in 1980² and a special energy development programme respectively.

In December 1982 Parliament rejected the draft supplementary and amending budget approved by the Council.³

Implementation of the agreements reached in May and October 1982 was consequently deferred until the following year, and in January 1983 the Commission accordingly produced new proposals for both the budget and the regulations.

OWN RESOURCES FROM VAT

116. On 28 December 1982 the Council adopted a regulation extending Regulation (EEC) No 2892/77 for a period of three years to allow the Commission to draw up proposals for a final uniform system for collecting VAT resources.⁴ The fact is that Regulation (EEC) No 2892/77, implementing, in respect of own resources accruing from VAT, the Decision of 21 April 1970, effectively came into force in all the Member States only as from 1 January 1980. This meant that the Commission did not have the full transitional period of five years provided for in Article 14 of Regulation (EEC) No 2892/77.

¹ OJ C 158, 27.6.1980; 28th Review, paragraph 77.

² OJ L 284, 29.10.1980.

³ See paragraph 506 of this Review.

⁴ OJ L 373, 28.12.1982.

When adopting this extension the Council stated that it was continuing to study the other amendments to this regulation proposed by the Commission.

INTERNATIONAL MONETARY PROBLEMS

117. The Council did preparatory work for the meetings of the Interim Committee and the annual meeting of the International Monetary Fund and the World Bank. The Community's point of view was presented at these meetings by the President of the Council in the form of a statement which had previously been prepared at Community level.

With a view to the Western Economic Summit which took place on 4, 5 and 6 June 1982 in Versailles, the Council held an exchange of views on the problems likely to be discussed at the summit, and in particular the economic and financial problems involved in relations between the EEC and Japan, interest rates and fluctuations in exchange rates.

Tax harmonization

118. In 1982 the Council's work was primarily devoted to the problem of strengthening the domestic market by simplifying border formalities.

Here the Council concentrated on completing its work on the proposal for a directive laying down the arrangements for implementing Article 14(1)(d) of the Sixth Directive on VAT concerning exemptions for certain imports. Since this work is now finished the directive should be adopted early in 1983.

In addition the Council continued its examination of two proposals for directives relating to the tax-free allowances applicable respectively to temporary imports of certain means of transport and to final imports of personal property when people move house.

119. During the year under review the Council also discussed the problem of extending the system of tax-free allowances for international travellers. Thus on 29 June 1982 it adopted a new directive which as from 1 January 1983 allows persons travelling within the Community to import free of tax goods up to a maximum value of 210 ECU.

Also with regard to tax-free allowances, on 30 December 1982 the Council extended the authorization which it had granted to Denmark to apply quantitative limits for alcoholic beverages, beer and tobacco

products imported by travellers who are resident in Denmark. However, this derogation provides for a timetable of progressive adjustments of the authorized limits so that as from 1 January 1988, unless a further extension is granted, Denmark will be applying fully the system of Community allowances.

120. With regard to harmonization of the excise duties on manufactured tobaccos, because of the unfavourable position adopted by Parliament on the Commission proposal relating to the third stage of the harmonization process, the Council extended for one year, i.e. until the end of 1983, the second harmonization stage.

121. Lastly, on 21 June 1982 the Council adopted a decision authorizing Italy to extend for one year, i.e. until 31 December 1982, the derogation to the VAT system which makes it possible to exempt from VAT certain goods supplied as aid to the victims of the earthquakes which occurred in the south of Italy in November 1980.

Credit insurance, credit guarantees and financial credit

122. Particularly detailed work was required throughout the first half of 1982, both at Community level and by the parties to the Arrangement, on amendments to the Arrangement concerning the guidelines for export credits supported by public funds which entered into force on 1 April 1978.¹ By their extent these amendments were in contrast with those made previously to the original text of the Arrangement on 1 July 1980 and 16 November 1981 respectively.²

The Community's negotiating position, the main points of which had been worked out by the Council on 26 April 1982, was contained in a formal Council decision adopted on 4 May 1982. As the meeting of the parties to the Arrangement at the beginning of May revealed substantial divergences, compromise proposals presented by the chairman of this meeting were studied by the Council on 14 June 1982. It was noted that at this stage certain counter-proposals ought to be formulated by the Community, and a revised compromise version was subsequently discussed at two special meetings of the Council on 19 and 30 June 1982. At the latter meeting it was concluded that the Community was in a

¹ None of the decisions mentioned in this section were published in the OJ.

² See 28th Review, paragraph 88, and 29th Review, paragraph 108.

position to agree to the revised version provided certain minor adjustments were made to a number of provisions in the text, and also to specific problems of classification in the list of purchaser countries.

After consulting his partners on the requested revisions the chairman of the meetings of the parties to the Arrangement laid down that the amendments to the Arrangement adopted on 6 July 1982 would enter into force on 1 May 1983. On behalf of the Community the Council adopted the decision relating to the entry into force of these amendments on 28 July 1982.

123. The amended provisions concern four main points.

Firstly, in the chapter on minimum interest rates for credit with government support, the previous matrix was adjusted upwards. However, the particularly difficult problems of the poorer countries were taken into consideration by leaving unchanged the rate applicable to these countries.

In addition, new provisions were adopted to cover cases where government support is granted for commercial loans in the currencies of the contracting parties at interest rates which are lower than those in the above-mentioned matrix. The rate granted for such loans must not be lower than certain reference rates, and must furthermore be increased by an annual margin laid down in the revised Arrangement.

Secondly, the classification of the purchaser countries into the three categories of relatively rich countries, countries described as 'intermediate', and relatively poor countries, which had remained unchanged since the original entry into force of the Arrangement, was completely revised. The objective criterion selected was that of *per capita* income, as defined in the most recent final statistics from the World Bank (for 1980). The main effect of these changes was firstly that certain East European countries were put into Category I and secondly that a substantial number of purchaser countries moved from the category of relatively poor countries to that of intermediate countries. On this second point, however, account was taken of the need to avoid excessively abrupt changes. Thus the reclassified countries will continue to enjoy a maximum credit period of 10 years. In addition, until 31 December 1982 the minimum interest rates will be set at intermediate levels between those of the old matrix and those of the revised matrix.

Thirdly, the discipline imposed by the Arrangement was considerably tightened up by the commitment, with effect from 15 October 1982, to

refrain from invoking the derogation procedures in the Arrangement, either for maximum credit periods or for minimum interest rates.

Lastly, new arrangements were adopted for tied aid credit. These made the procedure more stringent and also included a commitment in future not to grant credit with a liberality element of less than 20%.

124. The problem also arose of a possible revision of the OECD Arrangement on export credits for ships, more particularly in connection with minimum interest rates. The Community's negotiating position, the main points of which had been worked out by the Council on 26 April 1982, was contained in a formal Council decision adopted on 4 May 1982.¹ However, the negotiations between the contracting parties to the Arrangement were unable to produce complete agreement at that stage. Accordingly, by its Decision of 28 July 1982 the Council again extended, until 31 January 1983, the Decision of 28 April 1981 on implementation by the Community of the OECD Arrangement.¹

125. Without prejudice either to the continued operation of the Community consultation procedure under Council Decision 73/391/EEC of 3 December 1973 for all operations planned for more than five years ahead, or to exchanges of views on the changing risk situation in various purchaser countries, more intensive efforts also continued to find better formulae for cooperation on export credit insurance among the competent bodies in the Member States.

An initial result of this work was the adoption by the Council on 10 December 1982 of Decision 82/854/EEC² on the rules applicable, in the fields of export guarantees and finance for export, to certain subcontracts with parties in other Member States of the European Communities or non-member countries.

This decision replaces a previous decision of 16 December 1970,³ and maintains the previous system whereby inclusion of subcontracts is compulsory on a scale in accordance with the contract value. On the other hand, the provisions governing the financing of subcontracts included in the cover have been altered. Without prejudice to the application of the usual banking criteria, export contracts including subcontracts incorporated automatically in the guarantee given to the principal contractor must be given equal treatment with export contracts comprising domestic supplies.

¹ None of the decisions mentioned in this paragraph was published in the OJ.

² OJ L 357, 18.12.1982.

³ Decision 70/552/EEC: OJ L 284, 30.12.1970.

B — SOCIAL POLICY

General remarks

126. In view of the growth in unemployment, during the period under review the Council's work was mainly concerned with the problems of employment. In particular, on 10 May and 15 November the Council examined plans for Community action to combat unemployment. Employment questions were also given priority in the two informal meetings which the Ministers for Social Affairs of the Member States and the Commission held in Brussels on 5 and 6 April 1982 and in Copenhagen on 27 and 28 September 1982 respectively. In addition the Ministers for Labour held a joint Council meeting with the Ministers for Economic Affairs and Finance. The purpose of this meeting, as of that held in Luxembourg on 11 June 1981,¹ was to discuss the problems of unemployment in the context of the economic situation and the new Community measures aimed at supplementing and reinforcing the policies of the Member States. The Standing Committee on Employment also devoted its two meetings on 27 April and 26 October 1982 to the problems of unemployment.

In the field of worker protection, the Council's work culminated in the adoption of the first individual directive on the risks related to exposure to lead, as provided for in the framework directive of 27 November 1980. Lastly, another very important task of the Council concerns the review of the Social Fund, which started recently and is to continue in 1983.

Employment policy and measures to combat unemployment

RESOLUTION ON COMMUNITY ACTION TO COMBAT UNEMPLOYMENT

127. Following its discussions of 27 May 1982, on 12 July 1982 the Council adopted the above-mentioned resolution,² which constitutes a response to the conclusions of the various European Councils, in particular that of 29 and 30 March 1982, on employment. This resolution

¹ See 29th Review, paragraph 112.

² OJ C 156, 21.7.1982.

lays down a number of guidelines for the action to be taken by the Member States and the Community to combat unemployment. The guidelines cover *inter alia* the promotion of private and public productive investment, examination of the possibilities for promoting the development potential of small and medium-sized undertakings, the priority to be given by the Community to vocational training for young people, and the continuation of the dialogue with and between both sides of industry regarding the number of working hours.

JOINT MEETING OF THE COUNCIL ON ECONOMIC, FINANCIAL AND SOCIAL MATTERS

128. As part of the preparatory work for this meeting, the Council of Ministers for Labour and Social Affairs held wide-ranging consultations with the two sides of industry at the meeting on 26 October 1982 of the Standing Committee on Employment, and at its meeting on 15 November 1982 the Council held an exchange of views on various aspects of the communication from the Commission to the joint Council.

129. The social aspects of the conclusions adopted by the joint Council at its meeting on 16 November 1982 concern young people and the labour market and the reorganization of working hours.

With regard to young people, the Council reaffirmed in particular its commitment to ensuring over the next five years that all young people entering the labour market for the first time should be given the opportunity of having vocational training or a first job experience. On the reorganization of working time, the Council considered that a rearrangement of working time, possibly coupled with a reduction in hours of work, might under certain circumstances help improve employment, in particular if it entailed a more flexible use of the means of production.

European Social Fund

REVIEW OF THE EUROPEAN SOCIAL FUND

130. On 15 October 1982 the Council received a communication from the Commission containing its opinion on the review of the Fund as provided for under Article 11 of Directive 71/66/EEC,¹ amended by Decision 77/801/EEC.² This opinion contains proposals for revising all the rules of the Fund.

¹ Council decision on the review of the ESF: OJ L 28, 4.2.1971.

² OJ L 337, 27.12.1977.

At its meeting on 10 December 1982 the Council heard a communication from its President concerning work on this review and agreed to give it priority in the first half of 1983.

DECISION EXTENDING THE PERIOD OF VALIDITY

131. Pending implementation of the new provisions governing the Fund, at its meeting on 10 December the Council, acting on a Commission proposal, also adopted a decision amending Decisions 75/459/EEC,¹ 76/206/EEC,² 77/803/EEC³ and 77/804/EEC³ concerning European Social Fund aid measures for certain categories of persons,⁴ namely, young people, workers in the textile and clothing industries, migrant workers and women.

TENTH REPORT ON THE EUROPEAN SOCIAL FUND

132. At the same meeting the Council took note of the 10th report presented by the Commission on the activities of the European Social Fund covering the financial year 1981, and of the comments made by the delegations.

Vocational training

NEW INFORMATION TECHNOLOGIES AND VOCATIONAL TRAINING - COMMUNITY INITIATIVES FOR THE NEXT FIVE YEARS

133. Following the discussions which took place after the meeting of the Standing Committee on Employment on this topic on 3 November 1981,⁵ on 10 June 1982 the Council received a communication from the Commission on new Community initiatives in the field of new information technologies and vocational training for the period 1983-87, accompanied by a draft resolution on the measures to be taken in this field. At its meeting on 10 December 1982, following a policy discussion on the subject, it expressed a favourable preliminary opinion on the content of the draft resolution and agreed to adopt it at a subsequent meeting when it had taken note of the opinions of Parliament and the Economic and Social Committee.

¹ OJ L 199, 30.7.1975, amended by Decision 77/475/EEC: OJ L 196, 3.8.1977; and Decision 77/802/EEC: OJ L 337, 27.2.1977.

² OJ L 39, 14.2.1976, amended by Decision 77/475/EEC and Decision 77/802/EEC.

³ OJ L 337, 27.12.1982.

⁴ OJ L 357, 18.12.1982.

⁵ See 29th Review, paragraph 130.

VOCATIONAL TRAINING POLICIES IN
THE COMMUNITY FOR THE 1980s

134. On 28 October 1982 the Council received a communication from the Commission on this subject, together with a draft resolution, which, like the review of the European Social Fund, it agreed to deal with as a matter of priority.

COMMISSION REPORT ON THE
YOUNG WORKERS PROGRAMME

135. At its meeting on 10 December 1982 the Council took note of the Commission report on the implementation of the second joint programme of exchanges for young workers over the period 1979-81, and of the comments on this report made by the delegations and the Commission representative.

Improvement of living and working conditions

EQUAL TREATMENT FOR MEN AND WOMEN:
ACTION PROGRAMME ON EQUAL OPPORTUNITIES FOR WOMEN

136. On the basis of a Commission communication on a new Community action programme on the promotion of equal opportunities for women to cover the period 1982-85 and of the draft resolution accompanying this communication, and following its discussions of 27 May 1982, on 12 July 1982 the Council adopted a resolution on the promotion of equal opportunities for women.¹

This resolution follows the action previously taken at Community level, in particular the three Council directives,² in the field of equal treatment for men and women. Under the terms of the resolution the Council approves the general objectives of the Commission communication — increased action to ensure observance of the principle of equal treatment and positive measures to promote equal opportunities in practice — and expresses the political will to implement appropriate measures to achieve these aims; it considers that the particular objectives that this communication contains, with due regard to the courses of action proposed,

¹ OJ C 186, 21.7.1982.

² Directive 75/117/EEC: OJ L 45, 19.2.1975; Directive 76/207/EEC: OJ L 39, 14.2.1978; Directive 79/7/EEC: OJ L 6, 10.1.1979.

should guide the Community and the Member States in their efforts to apply on a broader basis and to realize in practice the principle of equal opportunities, without discriminating against women, whatever the economic situation.

PROTECTION OF WORKERS FROM THE RISKS RELATED TO EXPOSURE TO LEAD

137. Following a final discussion on this point on 27 May 1982,¹ on 28 July 1982 the Council adopted the directive on the protection of workers from the risks related to exposure to metallic lead and its ionic compounds at work.² This directive constitutes the first individual directive within the meaning of the directive on the protection of workers from the risks related to exposure to chemical, physical and biological agents at work.³

PROTECTION OF WORKERS FROM THE RISKS RELATED TO EXPOSURE TO ASBESTOS

138. During the period under review the Council's subordinate bodies continued their work on the Commission proposal on the protection of workers from the risks related to exposure to asbestos, and some progress was made in this field.

The Council, in particular at its meeting on 10 December 1982, considered the two main problems which were still outstanding, i.e.:

- (i) action levels, in other words exposure levels above which the directive as a whole comes into play;
- (ii) limit values for the concentration of asbestos in the air which may not be exceeded under any circumstances when workers are exposed to this substance at their place of work.

While it was not possible to reach final agreement in these discussions, a number of lines of approach emerged which should enable the Council's subordinate bodies to continue their work with a view to the adoption by the Council of this proposal for a directive.

¹ See 29th Review, paragraph 120.

² OJ L 247, 23.8.1982.

³ Directive 80/1107/EEC: OJ L 327, 3.12.1980. See also 28th Review, paragraph 98.

**CONCLUSIONS OF THE COUNCIL ON THE
FINAL REPORT FROM THE COMMISSION
ON THE PROGRAMME TO COMBAT POVERTY**

139. At its meeting on 27 May 1982 the Council took note of the presentation by the Commission of the final report assessing the programme of pilot projects and studies to combat poverty, provided for under Article 1(2) of its Decision 77/779/EEC amending its Decision 75/458/EEC.¹ In accordance with the conclusions reached at that meeting regarding the procedure for dealing with this report, and after studying it in detail, at its meeting on 10 December 1982 the Council adopted a number of conclusions on this matter. These conclusions set out the lines along which more specific Community action might be directed in this field over the next few years and included a request to the Commission to submit appropriate proposals, taking account of these conclusions, for continuing the efforts to combat poverty without prejudice to any positions the Member States may adopt on these proposals.

Reorganization of working hours

**COUNCIL RECOMMENDATION ON THE PRINCIPLES
OF A COMMUNITY POLICY WITH REGARD TO RETIREMENT AGE**

140. On 10 December 1982 the Council adopted Recommendation 82/857/EEC on the principles of a Community policy with regard to retirement age.² The main objective of this recommendation is gradually to introduce flexible retirement into the various pension systems of the Member States. This is to be acknowledged as one of the long-term goals of the Member States' social policies. It applies to all employed persons within the meaning of the national legislation concerned. To achieve the aim of this recommendation the Member States are invited to be guided by a number of principles for easing the rules relating to the age of eligibility for an old-age pension, i.e. the freedom to choose one's own retirement age as from a specified age or certain alternative formulae, such as a fixed age with the right to apply for an early retirement pension or to defer retirement beyond the prescribed age. In addition, workers should have the right to be engaged in at least limited paid employment after reaching pensionable age and there should be programmes to prepare them for retirement. These measures should not stand in

¹ OJ L 322, 17.12.1977.

² OJ L 357, 18.12.1982.

the way of existing or future opportunities for older employed persons to obtain a gradual reduction in their working hours. Lastly, certain early retirement schemes are specified which may not be regarded as forming part of a flexible retirement system. Furthermore, the Member States may specify other schemes to which the recommendation will also not apply.

VOLUNTARY PART-TIME WORK

141. At its meeting on 27 May 1982 the Council held a policy discussion on the proposal for a directive relating to voluntary part-time work which was presented by the Commission on 4 January 1982. It continued this discussion at its meeting on 10 December 1982, the main issue being the legal form of the proposed instrument.

The general principles which emerged from this discussion will guide future work on the matter within the Council.

TEMPORARY WORK

142. In June 1982 the Council's subordinate bodies started a detailed examination of the proposal for a directive on temporary work which was forwarded by the Commission on 7 May 1982.

At its meeting on 10 December 1982 the Council held a detailed exchange of views on this subject, in the course of which the main concerns of the delegations were identified and certain guidelines emerged for continuing the work.

Matters connected with the ILO

143. Together with the Commission representatives the Ten continued, in Brussels and on the spot in Geneva, to coordinate their positions concerning in particular the technical questions on the agenda of the annual sessions (in June 1982 and 1983) of the International Labour Conference. These questions were: termination of employment, social security for migrant workers, vocational rehabilitation of the disabled, and employment policy.

Information instruments

SOCIAL FORECASTS

144. At its meeting on 10 December 1982 the Council, having received

a Commission communication on the continuation of work on the European social budget on the basis of a work programme to be carried out over the next four years on medium-term forecasts of social expenditure and the financing of this expenditure, agreed on a number of conclusions.

In this connection it has been agreed that for the new programme efforts should be concentrated on regularly drawing up a series of short annual reports on the revenue and expenditure in respect of social security in the Member States and also forecasts of medium-term trends in this expenditure and the financing of it. These annual reports are to be supplemented by detailed analyses of social security problems which are regarded as matters of prime concern. The Council emphasized the desirability of involving the two sides of industry in the work on the forecasts to be made under this programme. At the end of the four-year period allowed for this programme the Commission is to draw up a report on the progress made and present to the Council proposals for future activities.

STATISTICAL SURVEYS

145. At its meeting on 28 July 1982 the Council adopted Directive 82/606/EEC relating to the organization by the Member States of surveys on the earnings of permanent and seasonal workers employed in agriculture.¹ This type of survey has been carried out since 1974 on the basis of regulations adopted each year. The directive now institutes a permanent system of surveys to be carried out at two-yearly intervals and financed, as from 1986, entirely from the national budgets.

Relations with management and labour organizations

STANDING COMMITTEE ON EMPLOYMENT

146. The Standing Committee on Employment held its 23rd meeting, devoted to a Community response to the serious problems arising from unemployment, on 27 April 1982. The 24th meeting, held on 26 October 1982, was devoted to preparatory work for the joint meeting of the Council on 16 November 1982.

CONSULTATION BEFORE THE JOINT MEETING OF THE COUNCIL ON ECONOMIC, FINANCIAL AND SOCIAL MATTERS

147. On 15 November 1982 the Presidency, together with the Commis-

¹ OJ L 247, 23.8.1982.

sion, met the representatives of management and labour organizations to hear their views on the topics which the joint Council was to discuss. The Presidency subsequently informed the Council of the results of this meeting.

ECSC aid

AID FOR THE CONVERSION OF INDUSTRY

148. Under the terms of Article 56(2)(a) of the ECSC Treaty the Council received from the Commission some 25 requests for its assent to enable the Commission to arrange for the productive re-employment of ECSC workers who were unemployed or threatened with redundancy by granting loans either to undertakings for conversion purposes or to financial bodies in the form of global loans.

The Council agreed to these requests and authorized loans ranging from 1.72 to 59.48 million ECU.

AID FOR SOCIAL RESEARCH WORK

149. At its meeting on 10 May 1982 the Council gave its assent, in accordance with Article 55(2)(c) of the ECSC Treaty, for the Commission to implement the second research programme on safety in mines.

AID FOR SUBSIDIZED HOUSING

150. At its meeting on 19 July 1982 the Council gave its assent in accordance with the second paragraph of Article 54 of the ECSC Treaty to enable the Commission to grant loans to parties other than the undertakings themselves to finance housing for ECSC workers.

C — REGIONAL POLICY

Revision of the regulation establishing the ERDF

151. To adapt the Regional Fund to the new guidelines and priorities regarding regional policy, on 29 October 1981 the Commission forwarded to the Council a proposal for a Council regulation amending Regulation (EEC) No 724/75 establishing a European Regional Development Fund.

The Council's subordinate bodies continued their work on this proposal throughout the year covered by this Review in a large number of

meetings. These discussions also covered the Commission communication of 20 February 1981 on defining the categories of infrastructure eligible for ERDF aid.

The Council turned its attention to this matter at its meeting on 26 April 1982, when discussion was centred on the geographical and financial concentration of ERDF resources and, correspondingly, the relationship between the 'quota' and 'non-quota' sections.

Work on this matter continues, with a view to putting before the Council as soon as possible all the questions which this proposal raises.

The President-in-Office of the Council twice met the European Parliament's Committee on Regional Policy and Regional Planning, which expressed Parliament's concern regarding the Council's handling of this matter.

Specific Community regional development measures

152. On 19 November 1982 the Council received a communication from the Commission on a second series of specific Community regional development measures under the terms of Article 13 of the ERDF Regulation ('non-quota' section).

This communication comprises six proposals for Council regulations which would contribute to:

- (i) the development of certain French and Italian regions in the context of enlargement;
- (ii) the development of certain Greek regions in the context of enlargement;
- (iii) the elimination of the obstacles to developing new economic activities in certain areas affected by the reorganization of the iron and steel industry;
- (iv) the elimination of the obstacles to developing new economic activities in certain areas affected by the reorganization of the ship-building industry;
- (v) improving the security of energy supplies in certain regions by a better use of new technologies for hydro-electric plants and alternative energy sources; and, lastly,
- (vi) the elimination of the obstacles to developing new economic ac-

tivities in certain areas affected by the reorganization of the textile and clothing industry.

The Council's subordinate bodies started their examination of all these measures, with a view to submitting a report to the Council at the beginning of 1983.

Integrated operation - habitat/Belfast

153. The Council's subordinate bodies examined the proposal which the Commission forwarded to the Council on 23 November 1981 on a specific measure to assist the construction of new housing in Northern Ireland as part of an integrated operation in Belfast.

This measure provides for co-financing by the Community up to a maximum of 50% of the construction costs, including closely related infrastructure works.

The Council itself discussed this question at its meeting on 21 and 22 June 1982, but it did not arrive at a decision, as certain objections had been raised with regard to the term 'integrated operation' and to the fact that the financing of housing by the Community would constitute a precedent.

Seventh annual report on the ERDF

154. On 30 September 1982 the Commission forwarded to the Council the seventh annual report (for 1981) on the European Regional Development Fund. As in the case of the preceding reports, this report covers developments in regional policy during the period under review, i.e. 1981, and goes on to analyse ERDF expenditure.

D — ENERGY

Development of a Community energy policy

ENERGY SUPPLY SITUATION

155. The Council examined the energy supply situation on 16 March 1982 and adopted the following conclusions:

The Council examined the current picture on the energy market. It found that, according to the Commission's figures, the 1980 fall in energy consumption (-4.2%) and in demand for petroleum products (-8%) had con-

tinued in 1981 (-3.6% and -8.5% respectively). It also noted the fall in the world market price for petroleum and the level of stocks.

The Council agreed that the situation should not lead to any relaxation of the efforts to use energy more efficiently and to diversify supplies.

Although the fall in consumption was partly due to changes in the consumption structure and to more efficient use of energy, it was also partly due to a decline in economic activity, and an economic up-turn could trigger an increase in the demand for energy.

The Council therefore remained convinced of the need not only for further progress towards attaining the objectives which the Community had set itself, which were to restructure demand in order to achieve more efficient use of energy and to develop energy sources other than oil, and to keep a constant watch on the results obtained by the Member States in these fields.

OBJECTIVES

156. Taking as its basis the Commission report on Member States' energy programmes and progress towards the 1990 objectives, on 13 July 1982 the Council examined recent developments in the energy markets and the rate of structural changes observed in the energy sector.

The Council noted indications that there would be a further fall in the demand for energy and oil in 1982. It expressed its satisfaction with the sustained progress in the diversification of Community energy supplies. Nevertheless, it shared the Commission's concern over the uncertainties about the future, especially as regards oil price trends and the rate of economic growth. A watch would also have to be kept on trends in supply and demand for non-oil products and in the electricity sector.

The Council agreed to take all the steps necessary to implement the approved policies in order to ensure that neither these uncertainties nor other factors would slow down the rate of structural changes in energy supply and demand.

The Council reaffirmed the importance it attached to regular and effective reviews of the Member States' energy programmes. It welcomed the Commission's intention to draw on its past experience to improve the review procedure, so as to be able to keep a more effective check on the coherence of the Member States' policies and see that they devoted equivalent efforts to pursuing common objectives. It noted the Commission's intention to pay particular attention in its future examinations to

the priority areas defined in its communication on the development of an energy strategy for the Community.

The Council agreed that it would be useful to arrange for the Commission to have the best possible and most recent information on trends and developments in the sphere of energy, so that it could carry out its analysis as far as possible on a sound and reliable basis.

INVESTMENT IN THE RATIONAL USE OF ENERGY

157. On 10 February 1982 the Commission forwarded to the Council a communication on investment in the rational use of energy, accompanied by a draft Council recommendation on the matter.

On 16 March 1982 the Council held an initial exchange of views on this communication and agreed to encourage progress towards achieving the aims of the Community.

On 27 July 1982 the Council adopted the recommendation on the encouragement of investment in the rational use of energy.

On 27 September 1982 the Commission forwarded to the Council a proposal for a Council regulation on the payment of financial incentives in support of certain categories of investment in the rational use of energy.

The examination of this proposal for a Council regulation is in hand within the Council.

ENERGY PRICING — POLICY AND TRANSPARENCY

158. On 16 March 1982 the Council adopted the following conclusions on this matter:

‘The Council is aware of the need for Member States gradually to develop a common approach on price formation in accordance with the Council’s conclusions of 3 December 1981.

The Council considers that government policies must aim gradually to reduce the artificial obstacles which prevent reliable information from reaching the market.

The Council supports the Commission’s efforts to improve price

transparency, wherever necessary, and asks the Commission to report back on the results of these efforts.

The Council asks the Commission to examine pricing policies, sector by sector, for the purpose of ensuring that they conform to the principles adopted by the Council and, if appropriate, to submit to it proposals based on the results of that examination.'

Pending receipt of the final report, on 9 November 1982 the Council took note of the Commission's interim report on energy pricing and developments in Community policy during 1981-82.

RATIONAL USE OF ENERGY

159. On 21 May 1980 the Commission forwarded to the Council three proposals for Council directives applying Directive 79/530/EEC on the indication by labelling of the energy consumption of household appliances to:

- (i) electric washing machines;
- (ii) electric dishwashers with cold water supply only;
- (iii) relectric refrigerators, frozen food cabinets, freezers and combinations thereof.

These are still being examined by the Council.

On 10 December 1982 the Council adopted the directive amending Directive 78/170/EEC on the performance of heat generators for space heating and the production of hot water in new or existing non-industrial buildings, and on the insulation of heat and hot water distribution systems in new non-industrial buildings.

DEMONSTRATION AND EXPLOITATION PROJECTS

160. To ensure the continued credibility of the Community's actions in the sphere of exploitation and demonstration projects in connection with energy, on 23 February 1982 the Council decided to increase the overall appropriation by 55 million ECU.

The Council agreed that together with the Member States the Commission would make an evaluation of the place of projects of this nature in energy and research policy, not only at Community level but also in each Member State.

On 13 July 1982 the Council:

- (i) held an initial exchange of views on the Commission communication concerning an evaluation of the Community demonstration programmes in the energy sector;
- (ii) noted that the Commission would shortly be forwarding proposals for a regulation concerning the granting of financial support for:
 - (a) demonstration projects relating to the exploitation of alternative energy sources, energy saving and substitute fuels to replace hydrocarbons;
 - (b) industrial pilot projects and demonstration projects relating to the liquefaction and gasification of solid fuels, amending and replacing Council Regulations (EEC) Nos 1302/78 and 728/79.

These proposals for regulations, which were forwarded to the Council on 5 August 1982, are being examined.

Problems specific to the individual energy sectors

SOLID FUELS

Role of solid fuels

161. On 13 July 1982 the Council:

- (i) held a general discussion on the importance of coal and other solid fuels for the Community's energy supplies;
- (ii) decided to pursue in greater depth the discussions on an overall strategy for the energy sector which would take account of the interests of both the importers and also producers and consumers in the Community, with a view to subsequently reaching decisions on this sector;
- (iii) instructed an *ad hoc* working party to pinpoint the essential features which might form the basis of such a strategy and to present a report on this matter.

Following its discussions on 9 November 1982 and on the basis *inter alia* of the report of the above-mentioned *ad hoc* working party, the Council reached the following conclusions:

'A firm political will exists within the Council to promote the role of solid fuels in the energy requirements of the Community.

With a view to creating a solid basis for a coherent Community strategy in this sphere, the ministers will conduct a thorough discussion on this issue in the near future in order to establish terms of reference and a time scale for future work and specific actions in this area. This discussion will be prepared by a meeting of high-level officials on the basis of a paper prepared by the Commission in close consultation with the Presidency.'

This ministerial discussion took place in Copenhagen on 16 December 1982.

Investment aid
(Article 54, 2nd paragraph, of the ECSC Treaty)

162. On 15 February 1982 the Council gave its unanimous assent as requested by the Commission to the:

- (i) financing of the extension to a backpressure industrial power station and the conversion to coal of the fuel oil/gas heating plant of Deutsche Solvay-Werke GmbH, Solingen-Ohligs;
- (ii) part-financing of an investment programme for the production of 2.25 million tonnes of coking coal to be carried out by the 'Oak Creek Joint Venture'.

On 18 October 1982 the Council gave its unanimous assent as requested by the Commission to allow it to finance the construction by Electricité de France of two coal-fired power stations, one in Le Havre and the other in Cordemais.

On 25 October 1982 the Council gave its unanimous consent as requested by the Commission to allow it to co-finance a coal terminal at Jarrow, in the United Kingdom.

On 3 December 1982 the Council gave its unanimous assent as requested by the Commission to allow it to grant a global loan to Charbonnages de France, Paris.

Coking coals

163. In a letter dated 4 August 1981 the Commission asked the Council, in accordance with the first paragraph of Article 95 of the ECSC

Treaty, for its unanimous assent to the draft Commission decision (ECSC) amending Decision 73/287/ECSC relating to coking coals and coke for the Community iron and steel industry.

At its meeting on 8 March 1982, in accordance with the above-mentioned article, the Council gave its unanimous assent to this draft decision.¹

ELECTRICITY

Siting of power stations

164. On 17 May 1979 the Commission forwarded to the Council a communication updating the explanatory memorandum which had accompanied the draft proposal for a Council regulation concerning the introduction of a Community consultation procedure for power stations likely to affect the territory of another Member State.

This proposal is being studied by the Council.

OIL AND GAS

Oil supplies

165. At the beginning of the year the Council noted that the other industrialized countries had adopted procedures similar to those under consideration by the Community and undertook to implement, if circumstances required it, the procedure and measures to deal with a limited shortage of oil already agreed by the Council in 1981. In this connection it invited the Member States to endeavour to ensure in 1982 that stocks were maintained in each category of petroleum products laid down in Council Directive 68/414/EEC at levels equal to no less than 90 days' requirements at the daily rate of internal consumption recorded during 1980.

At the end of the year the Council reaffirmed its position on maintaining the above-mentioned stocks by inviting the Member States to endeavour during 1983 to maintain their level at no less than the equivalent of 90 days' requirements at the average rate of internal consumption recorded in the preceding three years, allowing for any reductions in consumption due to long-term structural changes.

¹ OJ C 71, 20.3.1982.

Support measures

166. Acting on a proposal from the Commission, on 27 July 1982 the Council decided to grant support totalling 25 977 600 ECU over the period 1982-84 to 36 Community projects in the hydrocarbons sector, in the form of subsidies which become repayable if the results are exploited commercially.

On 21 December 1982 the Council adopted a supplementary decision to that of 28 July 1982 concerning support for seven projects totalling 2 657 134 ECU.

Substitute fuels

167. On 5 August 1982 the Commission forwarded to the Council a communication comprising a proposal for a Council directive concerning the savings in crude oil which could be made by using substitute fuel components.

On 9 November 1982 the Council expressed a favourable opinion on the general outlines of this proposal. Work is in progress in the Council on the technical aspects.

Natural gas supplies

168. At its 802nd meeting on 9 November 1982, the Council recognized the major role played by natural gas in the Community's energy supplies, in particular with regard to diversification of the sources of supply and the reduction of dependence on oil.

NUCLEAR ENERGY

169. At its 787th meeting on 13 July 1982, the Council adopted a series of conclusions on the contribution of nuclear power to energy supplies in the Community.

In particular it recognized that:

- (i) despite the growing role of gas and renewable sources of energy, major progress in diversifying the Community's sources of supply could only be achieved between now and the year 2000 by increased use of coal and other solid fuels and of nuclear power;

- (ii) development of electricity generation from nuclear energy had economic advantages in particular insofar as it would give industrial operators access to competitive sources of energy.

In addition, the Council emphasized that carrying out the nuclear energy programmes on the necessary industrial scale involved first and foremost a clear political choice on the part of the Member States on the objectives and the means to be used.

EXTERNAL RELATIONS IN THE FIELD OF ENERGY

Euratom/IAEA relations

170. At its 792nd meeting on 20 and 21 September 1982, the Council adopted the decision approving the conclusion by the Commission of subsidiary arrangements supplementing the agreement between France, the European Atomic Energy Community and the International Atomic Energy Agency on the application of safeguards in France.

E — TRANSPORT

171. In 1982 the Council held two meetings, on 10 June and 16 December, devoted to transport matters.

The Council continued its work on many subjects concerning the various sectors and means of transport with a view to speeding up the development and implementation of the common transport policy.

The main decisions taken by the Council concern the spheres mentioned below.

Goods transport by navigable waterway

TECHNICAL REQUIREMENTS FOR INLAND WATERWAY VESSELS

172. At its meeting on 4 October 1982 the Council formally adopted the directive laying down technical requirements for inland waterway vessels approved by the Council at its meeting on 10 June 1982. This directive provides for the adoption, for the vessels to which it is applicable, of a Community certificate for inland navigation which will be

valid on the waterways of the Community except those where the revised Convention on the Navigation of the Rhine applies. This certificate attests that vessels comply with the common technical requirements laid down in Annex II to the directive.¹

Road transport

FREIGHT HAULAGE

Community quota

173. At its meeting on 15 December 1981 the Council declared itself in favour, subject to the opinion of Parliament, of increasing the Community quota by 5% for eight Member States and by 15% for Ireland and Greece, taking into account their particular geographical situation.

Parliament delivered its opinion on 12 March 1982, and on 22 March 1982 the Council adopted Regulation (EEC) No 663/82² amending Council Regulation (EEC) No 3164/76 of 16 December 1976 on the Community quota for the carriage of goods by road between the Member States.³ This regulation is in line with principles worked out at the meeting on 15 December 1981.

174. On 15 September 1982 the Commission forwarded to the Council a new proposal for a regulation amending Regulation (EEC) No 3164/76 and also Regulation (EEC) No 2964/79.⁴ At its meeting on 16 December 1982 the Council was not able to adopt the proposal to increase the Community quota. On the other hand it agreed to make permanent the hitherto temporary system under which the Member States may request the conversion of their annual authorizations into 12 authorizations lasting 30 days each. In addition the ceiling for these conversions was raised from 10% to 15% of the overall quota for the Member State concerned.

This regulation was formally adopted on 21 December 1982.⁵

¹ OJ L 301, 28.10.1982.

² OJ L 78, 24.3.1982.

³ OJ L 357, 29.12.1976, last amended in OJ L 34, 6.2.1981.

⁴ OJ L 336, 29.12.1979.

⁵ OJ L 369, 29.12.1982.

Fixing of rates

175. In accordance with Council Regulation (EEC) No 2877/77 of 12 December 1977 on the fixing of rates for the carriage of goods by road between Member States,¹ which expires on 31 December 1983, the Commission forwarded to the Council a proposal for a regulation on the system to be applied from 1 January 1984.

At its meeting on 16 December 1982, the Council took note of a progress report by the Presidency on this proposal and instructed the Permanent Representatives Committee to continue its examination of it.

Activities of road hauliers engaged in the carriage of goods by road on certain routes

176. At its meeting on 10 June 1982 the Council noted the intention of the Commission of gathering information, from 1 January 1983, on the activities of European road hauliers from countries outside the European Community engaged in the carriage of goods by road on certain routes, either between Member States, or between Member States and non-member countries. The Council asked the Commission to present, as from 1 July 1984, an annual report containing its conclusions on the experience and results obtained.

PASSENGER TRANSPORT

ASOR Agreement

177. The Agreement, negotiated at the European Conference of Ministers of Transport (ECMT), on the carriage of passengers by road by means of occasional coach or bus services (ASOR)² was signed by the Community, subject to approval, on 26 May 1982. On 12 July 1982 the Council adopted the decision concluding this Agreement.³ The Community instrument of approval was lodged on 20 July 1982.

On 16 December 1982 the Council adopted a regulation concerning implementation of the ASOR Agreement in the Community.⁴ This regulation lays down the respective responsibilities of the Council, the Commis-

¹ OJ L 334, 24.12.1977.

² See 29th Review, paragraph 163.

³ OJ L 230, 5.8.1982.

⁴ OJ L 10, 13.1.1983.

sion and the Member States regarding the implementation of this Agreement.

Negotiation of an agreement between the Community and non-member countries concerning arrangements for certain international shuttle services

178. At its meeting on 21 December 1982 the Council authorized the Commission to negotiate an agreement with non-Community countries belonging to the ECMT establishing uniform arrangements for international shuttle services by coach and bus.¹ This agreement was to be based on the arrangements laid down in Regulation (EEC) No 516/72.

WEIGHT AND DIMENSIONS OF ROAD VEHICLES

179. Throughout 1982 the Council's subordinate bodies continued work on the Commission proposal relating to the weights and dimensions of certain commercial road vehicles. The Council noted that this work had considerably narrowed the gap between the positions of the delegations. It instructed the Permanent Representatives Committee to continue its examination of this question.

HARMONIZATION OF SOCIAL LEGISLATION (AETR)

180. On 28 June 1982 the Commission forwarded to the Council a second recommendation for a decision on amendments to the European Agreement concerning the work of crews of vehicles engaged in international road transport (AETR).

Since the first set of amendments to this Agreement had not yet entered into force² the Council's subordinate bodies agreed to await the expiry of the time limit for their entry into force (2 May 1983) before taking a decision regarding further amendments.

Rail transport

INTERNATIONAL COOPERATION

181. At its meeting on 10 June 1982 the Council took note of the

¹ Not published.

² See 29th Review, paragraph 165.

Commission's communication of 11 May 1982 on an action programme for international railway cooperation. The Council asked the Commission to present as soon as possible specific proposals to further such cooperation. The Commission presented to the Council, at its meeting on 16 December 1982, a progress report on its work in this sphere.

FIXING OF RATES

182. At its meeting on 19 July 1982 the Council formally adopted a decision on the fixing of rates for the international carriage of goods by rail.¹ This decision enables the railway undertakings to determine for themselves the rates and terms for the carriage of goods in international traffic between Member States under the conditions laid down in the decision.

TARIFFS FOR THE CARRIAGE OF COAL AND STEEL

183. On the lines of the agreements already concluded with Switzerland and Austria to facilitate rail traffic through their territory, on 10 June 1982 the Council adopted a decision authorizing the Commission to enter into negotiations with Yugoslavia. The aim of these negotiations is to conclude an agreement on the drawing up of through international rail tariffs for the transport of coal and steel between Member States of the Community in transit through Yugoslavian territory.

Combined modes of transport

DEVELOPMENT OF COMBINED MODES OF TRANSPORT

184. The Council adopted two new provisions aimed at promoting combined modes of transport.

Firstly, on 10 June 1982 the Council adopted a regulation amending Regulation (EEC) No 1107/70. This lays down that the system of aid for surface transport shall in future include investment aid for combined modes of transport.²

In addition, on 28 July 1982 the Council adopted a directive supplementing Directive 75/130/EEC on the establishment of common rules

¹ OJ L 234, 9.8.1982.

² OJ L 184, 25.6.1982.

for certain types of combined rail/road carriage of goods. The new common rules concern in particular certain reductions in taxes applicable to road vehicles used for combined transport and an extension of the existing liberalization provisions to the combined transport of containers by inland waterway between Member States.¹

Transport infrastructure

SUPPORT FOR TRANSPORT INFRASTRUCTURE WORKS

185. In connection with its work on the proposal for a regulation concerning support for projects of Community interest regarding transport infrastructure, at its meeting on 10 June 1982 the Council asked the Commission to put forward a balanced experimental programme covering a period of between three and five years and composed of specific infrastructure projects. In response to this request, on 10 December 1982 the Commission sent the Council a communication concerning an experimental transport infrastructure programme covering the period 1983-87. At its meeting on 16 December 1982 the Council instructed the Permanent Representatives Committee to study this programme and to present a report at its next meeting on transport.

186. In addition, on 30 December 1982 the Council adopted a regulation on the granting of limited support in the field of transport infrastructure.² Under this regulation the Community will grant financial support, within the limits of the 10 million ECU available in appropriations in the 1982 budget, for works concerning firstly the Domodossola marshalling and customs clearance yard, to increase the capacity of the Simplon railway line, and secondly the Klidi-Axios section of the Evzoni-Volos road in Greece, to improve the main routes connecting Evzoni and Igoumenitsa to the ports of Volos and Kalamata, which are used by ferries to the Middle East.

Some appropriations will be also made available for a study on the technical aspects of a fixed cross-Channel link.

Maritime transport

CODE OF CONDUCT FOR LINER CONFERENCES

187. On 10 June 1982 the Council took note of a Commission report

¹ OJ L 247, 23.8.1982.

² OJ L 376, 31.12.1982.

on progress in the procedures initiated in the Member States for the ratification of or accession to the United Nations Convention on a Code of Conduct for Liner Conferences. It also noted the intention of the Member States to keep each other informed on this matter, with a view to the joint lodging, as far as possible, of their instruments of ratification or accession.

The Council's subordinate bodies have also carried out preparatory work for the exploratory negotiations on the Code of Conduct between the United States, the Community, its Member States and certain non-member countries.

MARITIME INFORMATION SYSTEM

188. On 16 December 1982 the Council adopted a decision extending until 31 December 1984 the collection of information on the activities of carriers taking part in cargo liner traffic between the Member States and Eastern Africa, Central America and the Far East.¹ This system for the collection of information was instituted by Council Decisions 79/4/EEC, 80/1181/EEC and 81/189/EEC.

RULES OF COMPETITION

189. The Council's subordinate bodies started their examination of the proposal for a regulation laying down detailed rules for the application to maritime transport of Articles 85 and 86 of the Treaty, which the Commission had forwarded to the Council on 16 October 1981.²

Air transport

SCHEDULED INTERREGIONAL SERVICES

190. The Council continued its examination of the proposal for a directive concerning the authorization of scheduled interregional air services for passengers, mail and freight between Member States.³ At its meetings on 10 June and 16 December 1982 several important matters were settled. The Council instructed the Permanent Representatives Committee to continue its efforts so as to produce final agreement on all aspects of this proposal as soon as possible.

¹ OJ L 368, 28.12.1982.

² OJ C 282, 15.11.1981; OJ C 339, 29.12.1981.

³ See 29th Review, paragraph 178.

AIR FARES IN EUROPE

191. At its meeting on 10 June 1982 the Council held an initial exchange of views on the proposal for a directive on tariffs for scheduled air services between the Member States. The Council's subordinate bodies are continuing their examination of this proposal, which raises a series of difficult problems on a number of points.

NOISE EMISSIONS FROM PLANES AND HELICOPTERS

192. At its meeting on 10 June 1982 the Council expressed a favourable opinion on the text of a draft directive amending Council Directive 80/51/EEC of 20 December 1979 on the limitation of noise emissions from subsonic aircraft.¹ The aim of this directive is to bring Community legislation into line with the noise standards established by Annex 16 to the Chicago Convention as subsequently amended and supplemented by the International Civil Aviation Organization.² The Council instructed the Permanent Representatives Committee to re-examine this draft directive in the light of the opinion of Parliament, which was delivered on 19 November 1982.

193. The Council's subordinate bodies are also continuing their examination of a draft directive on the limitation of noise emissions from helicopters.

RULES OF COMPETITION

194. The Council's subordinate bodies started their examination of a draft regulation laying down the rules for applying Articles 85 and 86 of the EEC Treaty to air transport.

General questions

SUMMER TIME

195. At its meeting on 10 June 1982 the Council adopted a second directive on the provisions relating to summer time. This directive lays down the dates for the beginning and end of summer time in the Community for 1983, 1984 and 1985.³

¹ OJ L 18, 24.1.1980.

² See 29th Review, paragraph 180.

³ OJ L 173, 19.6.1982, p. 16.

FRONTIER INSPECTIONS

196. At its meeting on 16 December 1982 the Council held an initial policy discussion on the proposal for a directive relating to the easing of the formalities and checks in respect of the carriage of goods between Member States. The Council instructed the Permanent Representatives Committee to do its utmost to enable a decision to be reached on the matter as soon as possible.

NEGOTIATIONS WITH AUSTRIA

197. On 15 December 1981 the Council adopted a decision relating to the opening of negotiations with the Republic of Austria in the land transport sector.¹

The negotiations opened in April 1982 and are continuing.

F — RESEARCH

Science and technology

DEVELOPMENT OF A COMMON POLICY IN THE COMMUNITY

198. The Council held three meetings on research in 1982, on 8 March, 30 June and 4 November respectively. In addition to taking decisions concerning specific research programmes² the Council held exploratory discussions on the horizontal problems concerning Community research, in particular the overall strategy for the 1980s and the drawing up of a first framework programme for Community research to cover the period 1984-87.

199. At its meetings in 1982 the Scientific and Technical Research Committee (CREST) delivered opinions on the programmes proposed to the Council by the Commission in the following fields:

- (i) R&D programme in the field of science and technology for development;
- (ii) implementation of the current programme of the Community Bureau of Reference;

¹ See 29th Review, paragraph 186.

² See paragraphs 200 to 203 of this Review.

- (iii) half-way review of the second energy R&D programme;
- (iv) medical R&D research programme — research in medicine and public health;
- (v) five-year R&D programme in the field of applied metrology and reference materials;
- (vi) European strategic R&D programme in the field of information technologies: pilot phase;
- (vii) stimulation of the Community's scientific and technical potential (1983 experimental phase).

Research programmes

NUCLEAR AND NON-NUCLEAR PROGRAMMES

200. In 1982 the Council adopted nine multiannual research programmes to which a total of 782.57 million ECU was allocated in commitment appropriations.

201. On 30 June 1982 the Council adopted the recommendation concerning the registration of work involving recombinant deoxyribonucleic acid (DNA).¹

202. In addition, on 15 November 1982 the Council approved an amendment to the statutes of the Kernkraftwerk Lingen GmbH Joint Undertaking, reducing the capital from DM 80 million to DM 20 million.²

ECSC

203. In order to encourage technical and economic research aimed at improving methods for the production, beneficiation and utilization of coal in the Community, on 4 May 1982 the Council gave its assent as requested by the Commission under the terms of Article 55(2)(c) of the

¹ OJ L 213, 21.7.1982.

² OJ L 329, 25.11.1982.

**Table of research programmes adopted by the Council
during 1982**

Field of research	Date of decision	Expenditure (million ECU)	Staff	Duration (years)	OJ reference
1. Raw materials	17.5.1982	54	19	4	L 174, 21.6.1982
2. Controlled thermonuclear fusion	25.5.1982			5	L 157, 8.6.1982
(a) other than JET		301	113 falling to 105		
(b) JET		319	150-165		
3. Medicine and public health - concerted action	17.8.1982	13.3	9	5	L 248, 24.8.1982
4. Eurotra	4.11.1982	16	8	5.5	L 317, 13.11.1982
5. Effect of processing on the physical properties of foodstuffs - concerted action	22.11.1982	0.67	1	4	L 353, 15.12.1982
6. Science and technology for development	3.12.1982	40	9	4	L 352, 14.12.1982
7. EEC joint action in the field of marine navigation aid systems	13.12.1982	2.1	1	3	L 378, 31.12.1982
8. R & D programme in the field of information technologies (Esprit) - pilot projects	21.12.1982	11.5		1	L 369, 29.12.1982
9. R & D five-year programme in the field of applied metrology and reference materials (1983-87)	21.12.1982	25	16	5	L 26, 25.1.1983

ECSC Treaty to the allocation of financial aid, out of funds derived from the levies, amounting to 6 083 000 ECU, for two research programmes on mining engineering and the use and beneficiation of products. The total cost of these two programmes is approximately 10.1 million ECU.

EXTERNAL RELATIONS

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

204. By a decision of 11 March 1982 the Council concluded the agreement between the Community and the Swiss Confederation on a concerted action project in the field of detecting the predisposition to thrombosis.
205. On 26 April 1982 the Council decided to approve the conclusion by the Commission of protocols with the Kingdom of Sweden and the Swiss Confederation amending the cooperation agreements in the field of controlled thermonuclear fusion and plasma physics.
206. On 25 May 1982 the Council agreed to conclude the cooperation agreement between the Community and the Kingdom of Sweden relating to a European research and development programme in the field of the recycling of urban and industrial waste.
207. On 15 November 1982 the Council decided to conclude an agreement in the form of an exchange of letters between the Community and the Republic of Finland concerning the interconnection of the Community data transmission network (Euronet) and the Finnish national data network.
208. On the basis of the COST cooperation arrangements, on 22 November 1982 the Council approved the conclusion of a Community-COST cooperation agreement on the effect of processing on the physical properties of foodstuffs (COST project 90 bis).
209. On 17 December 1982 the Council decided to extend from 3 November 1982 until 31 December 1983 the Community-COST cooperation agreements relating to concerted action projects in the following fields:
- (i) physical and chemical behaviour of atmospheric pollutants (COST project 61a bis);

- (ii) analysis of organic micropollutants in water (COST project 64b bis).

Cooperation with the IEA

210. The Council noted the intentions of the Commission regarding the following:

- (i) on 19 July 1982, to become a contracting party on behalf of the Community to Annex III to the IEA Agreement on the implementation of an R&D programme in the field of energy saving by the storage of energy;
- (ii) on 22 November 1982, participation in the additional task, laid down in Annexes VI and VII, which is required for the implementation of the IEA Agreement on an R&D programme in the field of heating and cooling systems using solar energy.

Cooperation with the US-DoE

211. On 27 July 1982 the Council noted the Commission's intention of concluding, in accordance with the procedure provided for in Article 101(3) of the EAEC Treaty, a cooperation agreement with the United States Department of Energy (US-DoE) on the handling of radioactive waste.

Work of the United Nations Conference on science and technology in the service of development (UNCSTD)

212. The *ad hoc* group set up to coordinate the Community's position for meetings of the Intergovernmental Committee held several consultation meetings during the year.

G — ENVIRONMENT

Work at Community level

TEXTS ADOPTED BY THE COUNCIL

213. In 1982 the Council adopted several acts in the sphere of environmental protection in accordance with the aims of the European Com-

munities' 1973¹ and 1977² action programmes on the environment. These acts were adopted at or following the specific meetings which the Council devotes twice yearly to environmental problems.

*Directive on limit values and quality objectives for mercury discharges into the aquatic environment by the chlor-alkali electrolysis industry*³

214. This directive, which the Council adopted on 22 March 1982, constitutes the first implementing directive under the framework Directive 76/464/EEC, known as the '131' Directive, which was adopted by the Council in 1976 to control the pollution caused by dangerous substances released into the aquatic environment of the Community, namely, inland surface waters, territorial sea waters and inner coastal waters. Because of its toxicity, its persistence and its tendency to bio-accumulate in the environment, mercury is one of the most dangerous substances contained in 'List I' (list of particularly dangerous substances) in Directive 76/464/EEC.

The directive on mercury applies to the basic chemical industries which manufacture chlorine and sodium. The manufacturing process by electrolysis used in these industries causes particularly severe pollution owing to the large quantities of mercury which it produces.

This directive lays down limit values for mercury discharges to be complied with by certain time limits and also various monitoring procedures. Member States may grant authorization for an industrial plant to discharge mercury only if the waste from this plant is within the limit values laid down. The directive also lays down quality objectives to be complied with by the Member States which apply the exception provided for in Article 6(3) of the basic Directive 76/464/EEC. Finally, the directive on mercury provides that in the case of discharges affecting the waters of more than one Member State these States must cooperate with a view to harmonizing monitoring procedures.

*Directive on prevention of the major-accident hazards of certain industrial activities*⁴

215. This directive, which was drafted following the accident at Seveso

¹ OJ C 112, 20.12.1973.

² OJ C 139, 13.6.1977.

³ OJ L 81, 27.3.1982.

⁴ OJ L 230, 5.8.1982.

in 1976, was adopted on 24 June 1982. It aims to prevent the major-accident hazards which are likely to arise in the chemical industry and, should such accidents occur, to limit their effects on man and the environment. To achieve these aims, the directive contains two sets of provisions.

The first set of provisions is of a general nature and concerns any industrial activity involving highly toxic, flammable or explosive substances. In such cases the directive lays down that the manufacturer must adopt all necessary safety measures to prevent major accidents and to limit the consequences thereof, in particular with regard to persons working on the industrial site concerned,

The second set of provisions is more specific and applies to industrial activities involving a number of particularly dangerous substances (nearly 200) mentioned in the directive. In this case the directive lays down a systematic and detailed monitoring procedure, the central feature of which is a notification to be submitted by the manufacturer to the competent national authorities. This notification must contain information relating to the substances in question, the industrial installations and the hazards of major accidents.

The directive also lays down that as soon as a major accident occurs the manufacturer is required to provide the competent supervisory authorities with all the necessary information on the circumstances of the accident and the measures taken to avoid any recurrence. The directive further requires the Member States to inform persons liable to be affected of the safety measures to be taken in the event of an accident.

This information must also be communicated to the nationals of other Member States in the case of industrial activities located close to a border. In this case the Member States must also consult each other within the framework of their bilateral relations on measures to prevent major accidents.

Decision on the exchange of information and data from networks and individual stations measuring air pollution within the Member States¹

216. This decision establishes a reciprocal exchange of information and data from stations measuring air pollution in the Member States.

¹ OJ L 210, 19.7.1982.

The aim of this exchange of information is to obtain a better understanding of the major trends and long-term developments in air pollution in the Community. This exchange of information follows that instituted by the Council in 1975¹ but substantially increases the number of pollutants measured. In addition to the sulphur dioxide and the suspended particulate matter measured under the 1975 decision, heavy metals such as lead and cadmium, nitrogen oxides, carbon monoxide and ozone must now also be measured.

Decision on the consolidation of precautionary measures concerning chlorofluorocarbons in the environment²

217. This decision, adopted on 15 November 1982, is a preventive measure to protect the ozone layer in the stratosphere. It extends until 31 December 1983 the measures adopted by the Council in 1980³ and elaborates on and harmonizes the rules for implementing these measures, the main provision of which was for a 30% reduction in the use of chlorofluorocarbons in aerosols. The decision of 15 November 1982 also institutes cooperation between the Member States and the Commission to limit chlorofluorocarbon emissions in sectors other than aerosols, such as plastic foams, refrigeration plant and solvents.

Regulation on the implementation in the Community of the Washington Convention on trade in endangered species of wild fauna and flora⁴

218. This Convention, which was signed in Washington in 1973 by more than 57 States, aims to protect endangered species of fauna and flora by controlling international trade in products derived from these species.

Since all the Member States of the Community, except Greece, have signed this convention the aim of the regulation adopted by the Council on 3 December 1982 is to ensure uniform implementation of the Convention provisions throughout the Community. This harmonized approach applies mainly to the instruments of the trade policy, in particular in the sphere of customs checks and administrative formalities, but also to measures more directly concerned with the actual protection of the species of fauna and flora.

¹ OJ L 194, 25.7.1975.

² OJ L 329, 29.11.1982.

³ OJ L 90, 3.4.1980

⁴ OJ L 384, 31.12.1982.

In this respect it should be emphasized that one of the most significant aspects of the regulation lies in the provisions which go even further than the Washington Convention. In fact the regulation provides for stricter protection arrangements than the Convention for more than 250 species of fauna and flora which are particularly endangered.

Directive on a limit value for lead in the air¹

219. Basically this directive lays down, with a view to protecting human life, a limit value of 2 microgrammes of lead per cubic metre of air. It lays down that Member States which cannot comply with this standard in certain places must forward programmes to the Commission for the progressive improvement of the quality of the air in these places with a view to complying within certain time limits with the standard of 2 microgrammes. The directive also lays down rules for monitoring compliance with the standard through the installation of measuring stations at appropriate sites and specifies the conditions for sampling and analysing lead concentrations in the atmosphere.

It should be noted that the adoption of this directive marks an important stage in the introduction of a Community policy of atmospheric pollution control. It is the second directive to lay down limit values for the level of pollutants in the air.

Directive on procedures for the surveillance and monitoring of environments concerned by waste from the titanium dioxide industry¹

220. This directive follows that of 1978 laying down rules for waste from the titanium dioxide industry.² Its particular aim is to specify the parameters and criteria for monitoring the various environments — fresh surface water and sea water, the land surface and underground strata — affected by waste from the titanium dioxide industry.

MEETING OF THE COUNCIL ON THE ENVIRONMENT

221. In 1982 the Council held two meetings devoted to matters concerning environment protection.

¹ OJ 378, 31.12.1982.

² OJ L 54, 25.2.1978.

222. At its meeting on 24 June 1982 the Council adopted several of the acts mentioned in the preceding section,¹ and also held a further exchange of views² on the principles and methods to be applied in a Community legal instrument on assessing the environmental effects of certain public and private projects. In addition to the general question of how binding the Community instrument should be, the Council examined certain specific problems, such as the conditions for exemption for projects subject to a compulsory impact study and the question of extending the directive to public plans.

The Council also adopted a resolution containing guidelines for examining the draft third action plan of the European Communities on environmental protection.³

223. At its 810th meeting, on 3 and 17 December 1982, the Council approved the third action programme for the period 1982-86. The Council also adopted a resolution relating to the control of water pollution, in order to speed up Community projects in this sphere.

224. Lastly, the Council approved a resolution of the Council and of the representatives of the governments of the Member States of the European Communities, meeting within the Council, with regard to seal pups. In this resolution the Council and the representatives of the governments of the Member States call on the Commission, in collaboration with the authorities of the countries concerned (in particular Canada and Norway) to examine further all the problems arising from the killing of pups of harp and hooded seals. The Council undertook to adopt, by 1 March 1983 at the latest, all appropriate measures on the basis of the Commission's communications and proposals on this matter. Pending a Community decision the representatives of the governments of the Member States undertook to implement all possible necessary measures to prevent imports into their territory of certain products derived from pups of harp and hooded seals.

225. At this same meeting the Council took stock of the progress made on the proposal for a directive relating to the assessment of the environmental effects of certain public and private projects. The Council mainly discussed the fundamental question of defining the scope of the directive.

¹ See paragraph 213 *et seq.* of this Review.

² The Council had held an initial policy discussion on this proposal for a directive at its meeting on 11 June 1981 (see 29th Review, paragraph 200).

³ The Council had held an initial policy discussion on the draft third action programme at its meeting on 3 December 1981 (see 29th Review, paragraph 201).

226. The Council also discussed the proposal for a directive on discharges of cadmium into the aquatic environment in the Community. In this discussion it concentrated mainly on the problem of the rules to be applied to new industrial installations.

International matters

TEXTS ADOPTED BY THE COUNCIL

Decision authorizing the Commission to take part in the negotiations on a protocol to the Barcelona Convention of 1976 relating to the specially protected areas of the Mediterranean

227. The Council adopted this decision on 31 March 1982.

Decision concerning the conclusion on behalf of the Community of the Convention on the conservation of migratory species of wild animals¹

228. The conclusion of this Convention by the Council will enable the Community to negotiate and conclude regional agreements relating to Directive 79/409/EEC on the conservation of wild birds.² This decision was adopted on 24 June 1982.

Decision on a supplement to Annex IV to the Convention on the protection of the Rhine against chemical pollution¹

229. By this decision the Council, on behalf of the European Economic Community, which since 1977³ has been a contracting party to the Convention combating the chemical pollution of the Rhine, adopted a recommendation on supplementing Annex IV to this Convention by fixing limit values for mercury.

Decision authorizing the Commission to take part on behalf of the Community in the negotiations for a global convention on the protection of the ozone layer

230. The Governing Council of the United Nations Environment Programme decided in 1981 to draw up this convention. On 19

¹ OJ L 210, 19.7.1982.

² OJ L 103, 25.4.1979.

³ OJ L 240, 19.9.1977.

December 1982 the Council authorized the Commission to take part in these negotiations on behalf of the Community.

OTHER WORK AT INTERNATIONAL LEVEL

231. In accordance with the 1973 and 1977 action programmes, the Member States acted together during 1982 on the work undertaken by international organizations regarding environmental matters. In this respect, mention should be made in particular of the work carried out under the United Nations Environment Programme (UNEP), in the Organization for Economic Cooperation and Development (OECD), and in the United Nations Economic Commission for Europe (ECE-Geneva).

United Nations Environment Programme (UNEP)

232. In May 1982 the United Nations Environment Programme (UNEP) celebrated the 10th anniversary of the 'Stockholm Declaration' and the 'Stockholm Action Plan' for the protection of the environment on a world scale. The special session at ministerial level of the Governing Council of the UNEP, which was attended by delegates from more than 105 countries as well as by representatives of many international governmental and non-governmental organizations, took stock of the major points on which progress had been made in implementing the Stockholm action plan and also looked at future prospects and identified the major trends in environmental matters over the period 1982-92. The session adopted the 'Nairobi Declaration', and a resolution entitled 'The environment in 1982: retrospect and prospect'. The 'Nairobi Declaration', which was addressed to the international community and to international public opinion, expresses deep concern about the state of the world environment and recognizes the pressing need for intensifying efforts to safeguard and improve the environment at international, national and regional level. The European Economic Community was represented at this session by the President of the Council and the Member of the Commission responsible for environmental questions. It played an active part and reaffirmed its support for the United Nations Programme for the Protection of the Environment.

Organization for Economic Cooperation and Development (OECD)

233. The Community took part in the regular work of the OECD Committee on the Environment, whose activities concerned more particularly the general relationship between environmental problems and

the economy. The second high-level OECD meeting on chemicals was held in November 1982.¹ Despite the difficult economic situation this meeting marked a further step forward in the implementation of a policy of international cooperation aimed at providing maximum guarantees for human health and environmental protection, when new chemicals are brought onto the market. The Community, whose legislation is well developed in this field,² took an active part in the work of this meeting in order to achieve better cooperation and coordination between the member countries of the OECD on management of new chemicals.

United Nations Economic Commission for Europe

234. In February 1982 the Community took part in the work of the the 10th meeting of the Principal Government Advisers on environmental problems, which is the main body responsible for environmental matters in the Economic Commission for Europe. At this meeting particular attention was given to the problems of the conservation and rational use of natural resources, the protection of fauna and flora, the assessment of environmental impact, and air pollution. In this context it should be noted that in July 1982, at the same time as the majority of the Member States, the Community lodged with the Secretary-General of the United Nations its instrument of notification approving the Convention on Long-range Transboundary Air Pollution which was signed in Geneva in November 1979.

H — OTHER MATTERS

Education

235. The Council and the Ministers for Education meeting within the Council held their eighth meeting in Brussels on 24 May 1982. The main items on the agenda were as follows:

EDUCATION AND TRAINING IN RELATION TO THE EMPLOYMENT SITUATION IN THE EUROPEAN COMMUNITY

236. The Council and the Ministers for Education meeting within the

¹ The OECD's first high-level meeting on chemicals was held in 1980.

² See the sixth amendment to the 1967 directive on dangerous substances (OJ L 259, 15.10.1979).

Council adopted a resolution concerning measures to be taken to improve the preparation of young people for work and to facilitate their transition from education to working life.¹

Under the terms of this resolution at least 25 pilot projects to support the national policy in each Member State are to be implemented during the period up to 31 December 1986.

These projects, which are to be launched in a limited number of zones or geographical areas still to be determined, follow an initial series of pilot projects which were adopted under the terms of the resolution of 13 December 1976² and extended by the resolution of 15 January 1980.³ They concern in particular:

- (i) the use of the out-of-school environment as a learning resource enabling both young people and teachers to gain experience of the world of work, to develop understanding of the mechanisms of society, and to practise skills relating to living or which are of a social nature;
- (ii) the involvement of adults, including parents, employers and trade unionists, in activities taking place within the school in order to increase understanding about the role of education institutions and to support schools in their task of preparing young people for adult life. Further, a continuous dialogue with a range of social groups, including parents and the two sides of industry, about the role of schools in enabling young people to gain the basic understanding, knowledge and skills they will need for adult life;
- (iii) the coordinated provision of information and guidance about post-school opportunities for young people and the development of systematic guidance for young people in the 14-18 years age group on future career options as well as of further education and training opportunities;
- (iv) the development of practical cooperation between education authorities and employment and social agencies and with other bodies active in this field in order to provide direct work experience, simulated work experience with help from industry, work experience in the local community and the general use of the local environment as a learning resource;

¹ OJ C 193, 28.7.1982.

² OJ C 308, 30.12.1976.

³ OJ C 23, 30.1.1980.

- (v) the development of systems of certification or credit units flexible enough to make possible the assessment of the variety of learning experience considered important for the period of transition including experience gained in an out-of-school environment, whether formally or informally;
- (vi) the development of continuous in-service training and personnel policies designed to enable teaching staff to adjust, individually and collectively, to the new demands made on them, and the introduction of cooperation with staff from post-school education institutions as well as from industry, commerce or agriculture.

In this connection the Council and the Ministers for Education meeting within the Council instructed the Education Committee to make a detailed evaluation of the results of the first series of pilot projects on the basis of a report to be presented by the Commission. They also approved the Commission proposal that a joint conference should be organized of the senior officials responsible for questions relating to the education, training and employment of young people.

ACADEMIC RECOGNITION OF DIPLOMAS AND PERIODS OF STUDY

237. The Council and the Ministers for Education meeting within the Council approved the report which the Education Committee had drawn up in accordance with the mandate received at their previous meeting. This report contains 10 specific suggestions for accelerating progress on this matter.

In addition the Council and the Ministers for Education meeting within the Council also gave their assent to the formation of a working party within the Education Committee which would submit a report on the situation regarding academic recognition of diplomas and periods of study in the various Member States, and on the social and material situation of nationals of other Member States and the requirements for their admission to courses reserved for them. They instructed the Education Committee to submit a report on this matter.

EFFECTS OF DEMOGRAPHIC CHANGE ON EDUCATION SYSTEMS IN THE EUROPEAN COMMUNITY

238. The Council and the Ministers for Education meeting within the Council instructed the Education Committee to continue its work along the lines indicated at their meeting on 21 June 1981 and to submit a report at their next meeting.

**EFFECTS OF NEW INFORMATION TECHNOLOGIES
ON EDUCATION AND TRAINING SYSTEMS**

239. Following a report by Mr Richard, the Council and the Ministers for Education meeting within the Council considered that a conference should be organized by one of the Member States to examine the main problems facing education systems in this field. They also asked the Commission to prepare for the Education Committee a list of projects at present under way or planned at international level, in particular under the OECD or the Council of Europe. Lastly, they instructed the Education Committee to submit a report on these matters in the course of 1983.

PARLIAMENT RESOLUTION OF 11 MARCH 1982

240. The Council and the Ministers for Education meeting within the Council instructed the Education Committee to make a detailed comparison of Parliament's resolution and their resolution of 9 February 1976 to see whether any amendments should be made to the current programme. The Education Committee was instructed to submit a report on this subject at the next meeting.

European Foundation

241. On 29 March 1982 the Foreign Ministers meeting in a diplomatic conference signed the Agreement instituting the European Foundation.

Article 2 of the Agreement states that the objective of the Foundation is to increase mutual understanding between the peoples of the Community, to promote a better knowledge of the European cultural heritage in its rich diversity and its unity and to foster a deeper perception of European integration.

The work of the Foundation will be complementary to that of other institutions or bodies operating at national, bilateral or multilateral level in the fields for which it is responsible, but will not duplicate the activities in the Community's programmes.

The activities which the Foundation may undertake in furtherance of its objectives may be aimed, *inter alia*, at:

- (i) fostering, in the first place among the peoples of the Community, understanding of the European idea and information on the con-

struction of Europe, including information on the countries of the Community and their history;

- (ii) studying the means by which Community countries may preserve and then develop their common cultural heritage, taking account of the present development of society and technology;
- (iii) encouraging the study of the languages of the countries of the European Communities and opportunities to put such knowledge to practical use;
- (iv) fostering exchanges of persons within the Community, including professional exchanges and those concerning activities designed to increase understanding of the Community;
- (v) preparing, in particular, and promoting programmes to meet the interests and requirements of young people.

The signatory States also agreed to negotiate the administrative arrangements for the Foundation, its members and its staff in the light of the Foundation's functional needs and interests and its independent nature. Work on drafting these arrangements is at present in hand.

Consumer information and protection

242. In 1982 the Council continued its examination of the following proposals for directives:

- (i) proposal for a directive on consumer protection in the case of contracts negotiated away from business premises, particularly in respect of doorstep selling;¹
- (ii) proposal for a directive relating to the approximation of the laws, regulations and administrative provisions of the Member States concerning misleading and unfair advertising;²
- (iii) proposal for a directive relating to the approximation of the laws, regulations and administrative provisions of the Member States as regards liability for defective products.³

¹ OJ C 22, 29.1.1977.

² OJ C 70, 21.3.1978.

³ OJ C 241, 14.10.1976.

243. The Council also started its examination of two new proposals:

- (i) a proposal for a directive relating to the approximation of the laws, regulations and administrative provisions of the Member States concerning consumer credit;¹
- (ii) a proposal for a decision introducing a Community system for the rapid exchange of information on dangers arising from the use of consumer products.²

Rome Convention on the law on contractual obligations

244. The Council's subordinate bodies continued their work on the question of conferring on the Court of Justice the power to interpret the above-mentioned Rome Convention. A compromise proposal was drawn up and submitted to the Ministers for Justice for discussion on 25 October 1982. They instructed the Permanent Representatives Committee to continue its work on the basis of this proposal.

Common rules on legal protection

COMMON RULES ON THE RESPONSIBILITY AND LEGAL PROTECTION OF OFFICIALS AND OTHER SERVANTS OF THE EUROPEAN COMMUNITIES

Common rules for the legal protection of the financial interests of the European communities

245. In view of the priority given by the Permanent Representatives Committee to studying the draft regulation relating to the legal protection of the financial interests of the Communities, the Council's subordinate bodies concentrated their efforts on this draft. They achieved overall agreement on the content of corresponding legislation. The reservations which remain on the overall agreement and also the question of the legal form of the instrument were referred to the Permanent Representatives Committee for further study.

Accession of Greece to the Brussels Convention of 1968

246. Work was successfully concluded on drafting a convention on the accession of Greece to the 1968 Convention on Jurisdiction and the En-

¹ OJ C 80, 27.3.1979.

² OJ C 321, 22.12.1979.

forcement of Judgments in Civil and Commercial Matters, and to the 1971 Protocol on its interpretation by the Court of Justice, as amended by the 1978 Convention on the accession of the Kingdom of Denmark, of Ireland and of the United Kingdom of Great Britain and Northern Ireland. The Convention on the Accession of Greece was signed on 25 October 1982 by the Representatives of the Governments of the Member States meeting within the Council.

Some purely technical amendments containing references to the competent Greek judicial bodies were made to the 1968 Convention, to which Greece had undertaken to accede at the time of its accession to the European Communities as part of the *acquis communautaire*. The Convention on the Accession of the Hellenic Republic will enter into force as soon as it is ratified by the Hellenic Republic and by seven other Member States, six of which must be the six original Member States of the Community.

Chapter IV: External relations and relations with the associated States

A — ENLARGEMENT OF THE COMMUNITY

Accession negotiations with Portugal and Spain

PORTUGAL

247. In 1982 the Conference between the European Communities and Portugal started the first half of the year by practically settling five of the topics under negotiation, namely, movements of capital, transport, regional policy, economic and financial questions, and Euratom.

It then concentrated its efforts on the questions relating to the industrial sector — i.e. customs union and free movement of goods, the ECSC, and external relations — and those relating to taxation and the right of establishment and freedom to provide services. It practically settled the problems in these five fields during the second half of the year.

In connection with one or other of these 10 topics, which as a whole have been practically settled, a limited number of points still remain to be resolved, and some of these cannot usefully be dealt with until a later stage in the negotiations.

In addition, initial discussions were held on other topics, i.e. the approximation of laws, and the environment and consumer protection. In addition the Portuguese delegation twice clarified its position on agriculture following the statement by which the Community broached this topic in 1981. It also clarified its position on social affairs, on which the Community had made its position known in 1981. The Conference also continued its examination of secondary Community legislation.

The Conference met seven times at deputy minister level, on 29 January, 12 February, 2 April, 28 May, 16 July, 12 November and 21 December 1982, and also five times at ministerial level, on 22 February, 26 April, 22 June, 21 September and 22 November 1982.

SPAIN

248. At the 10th meeting at ministerial level of the Negotiating Conference, on 22 March, agreement was reached on six of the topics under negotiation, i.e. capital movements, transport, regional policy, right of establishment and freedom to provide services, approximation of laws, and economic and financial questions, as well as on a number of general considerations which apply to all the topics covered by the negotiations.

The work of the Conference subsequently concentrated on the industrial sector — customs union and free movement of industrial goods, the ECSC, and external relations — and also on taxation matters. Some points of agreement were noted, while among the unresolved questions it was possible to identify those on which there was a prospect of some movement towards agreement and those on which, in view of the wide gap between the two positions, further reflection on both sides appeared necessary.

In the case of the customs union and the ECSC, the two sides moved closer together and the Conference reached further points of agreement which were formalized at the 12th meeting at ministerial level in October.

The progress made on taxation should make it possible to finalize the agreement between the two parties on this topic without delay.

During the year several statements were made, particularly by the Spanish delegation, regarding external relations, with a view to clarifying the respective positions. Agreement was reached between the two parties on a number of points, and those for which solutions remain to be found were identified.

In addition the Community clarified its position on the question of the duration of transitional measures on industrial tariffs and on the question of patents.

In 1982 the Conference held four meetings at ministerial level, on 22 March, 21 June, 26 October and 13 December, and seven meetings at deputy minister level, on 29 January, 26 February, 7 May, 4 June, 20 July, 5 October and 26 November.

Mediterranean policy

249. The Council's subordinate bodies began their examination of the communication which the Commission sent to the Council in June 1982, on implementation of a Mediterranean policy by the enlarged Community.

This work centred initially on trade in the industrial sector with a view to identifying the problems involved in defining and implementing a new Mediterranean policy, taking into account in particular the enlargement of the Community to include Spain and Portugal.

Work on various aspects of the Commission communication, such as the agricultural and industrial sectors and cooperation, will continue over the coming months.

B — COMMERCIAL POLICY

General commercial policy

COMMERCIAL POLICY REGULATIONS

Regulation governing imports

250. It will be recalled that major adjustments were made in 1981 to the Community's unilateral commercial policy towards non-member countries. In particular a Community investigation procedure was introduced and criteria were drawn up relating to the concept of 'injury', and these were incorporated into the new rules for imports from non-member countries other than State-trading countries and China. These new rules are laid down in Regulation (EEC) No 288/82,¹ which entered into force on 9 February 1982 and replaces the previous Regulation (EEC) No 926/79.

Work continued in 1982 with regard to the rules for imports from State-trading countries and China. The outcome was that on 30 June 1982 the Council adopted two new Regulations, (EEC) No 1765/82² (State-trading countries) and (EEC) No 1766/82² (China), which replace the previous Regulations (EEC) Nos 925/79 and 2532/78.

In addition, at its meeting on 21 December 1982 the Council, in accordance with Article 3 of Regulation (EEC) No 3286/80, fixed the import quotas for the Member States for 1983 with regard to State-trading countries. These import quotas generally comprise certain increases over 1982 levels.

¹ OJ L 35, 9.2.1982.

² OJ L 195, 5.7.1982.

Regulations on exports

251. On 12 July 1982 the Council amended Regulation (EEC) No 2603/69 establishing common rules for exports.¹ The new regulation updates the list of the few remaining restrictions on exports from one or other of the Member States, and also specifies the Member States in which these restrictions may still be maintained. This new regulation thus constitutes a step towards more transparent Community legislation in this matter.

252. With regard to the particular case of non-ferrous metals, in accordance with the provisions of the above-mentioned basic Regulation No 2603/69, the Council renewed for 1983 — by its Regulation (EEC) No 3440/82 adopted on 21 December 1982² — the existing arrangements for certain non-ferrous metals, namely, surveillance for exports of aluminium and lead waste and scrap, and export quotas for copper ash, waste and scrap.

253. It should be noted in this same context that by its Regulation (EEC) No 3327/82, adopted on 10 December 1982,³ the Council maintained until 31 December 1982 the emergency measures adopted by the Commission on 28 October 1982 authorizing Denmark to suspend the issue of export licences for aluminium waste and scrap.

Anti-dumping regulations

254. In implementation of the basic anti-dumping regulation the Council, acting on Commission proposals, took a series of decisions imposing definitive anti-dumping duties.

Extension or automatic renewal of trade agreements

255. The Council, acting on Commission proposals, adopted several decisions authorizing the extension of a commercial, friendship and shipping pacts and similar agreements concluded by Member States. These decisions are instances of the implementation of the Council Decision of 16 December 1969, which requires such preliminary authorization.

¹ OJ L 324, 27.12.1982.

² OJ L 362, 23.12.1982.

³ OJ L 351, 11.12.1982.

Cooperation agreements

256. In 1982 a number of consultation meetings took place on the basis of the Council Decision of 22 July 1974 instituting an information and consultation procedure on cooperation agreements between member States and certain non-member countries. At these meetings views were exchanged on the main questions raised at the meetings of the Joint Committees held under these agreements and on specific requests from certain countries, in particular the State-trading countries, in connection with the negotiations on cooperation agreements.

Development of the common commercial policy

257. The Council started to consider the desirability of adding to the existing commercial regulations with a view to making them more effective in defending trade interests. These discussions originated in a French memorandum of April 1982 on the development of the common commercial policy, which aimed in particular at giving the Community a new instrument which would enable it to put a stop to unfair practices on the part of non-member countries when it cannot do so under existing regulations.

Following a Commission communication in July 1982, which contained an initial assessment of these French proposals, by the end of 1982 further discussions had led to a number of conclusions of a relatively technical nature on improvements to the follow-up procedure for measures in connection with the statistical monitoring of imports. With regard to the question of adopting a new instrument for the protection of trade along the lines of Section 301 of the US Trade Act (including the problem of possible improvements to the decision-making process within the Council), the Commission undertook to forward — in the light of the various opinions expressed in this respect by the Member States — appropriate proposals at the beginning of 1983.

GATT — ADMINISTRATION OF INTERNATIONAL TRADE

258. In 1982 the decline in world trade, which had for the first time actually shrunk in 1981, became still more marked, in a general climate of recession which affected not only the industrialized countries but also those with planned economies and the developing countries.

International trade was threatened by the climate of uncertainty created in particular by persistent inflation, high interest rates and unstable exchange rates, factors which in their turn generate unemployment, negative growth and increased protectionist pressures.

Trade relations between the main trading partners, and in particular between the United States, Japan and the Community, were affected by this gloomy atmosphere and friction increased to a disturbing extent. In 1982 as never before these countries fell back on the GATT procedures for settling disputes. It was in this general context that in November 1982 a meeting of the contracting parties was held at ministerial level with the objective of recreating favourable conditions for a return to lasting economic growth.

This meeting at ministerial level, which was first mooted at the Ottawa Summit in 1981, constituted the first meeting at such a level within GATT since the 1973 meeting which had launched the multilateral trade negotiations (the Tokyo Round). Preparatory work for this in fact dominated the work of GATT throughout 1982.

While a general consensus soon emerged that this meeting would basically have to consolidate the results achieved by GATT at the end of the Tokyo Round and resist protectionist tendencies, each contracting party was also pursuing its own objectives, which reflected its own internal situation, but were not always particularly compatible with the vital interests of other contracting parties. These various points of view gave rise to long and difficult negotiations.

For its part the Community made a plea for reasonable and credible realism. In a spirit of determination and solidarity it stated that it was ready to defend and preserve the achievements of GATT by entering into serious commitments which could be fulfilled, without yielding to the temptation to forge ahead regardless, which would be unrealistic under the present economic conditions.

The results of the meeting at ministerial level were given in a political declaration by the contracting parties, who reaffirmed their commitment to abide by their GATT obligations and to support and improve the system of international trade. The Community gave its support to this political commitment, but in a public statement made in plenary session it clarified its own interpretation of certain points in the declaration.

It would be pointless to measure the results of the GATT meeting at ministerial level in terms of the success or failure of this or that party. In a crisis situation, the ministerial meeting had the merit of making all the trading nations aware of the need to strengthen the GATT multilateral system so that it could better accommodate the complex realities of the international economy.

Throughout these negotiations the Community presented a perfectly united front. In the preparatory work for the meeting at ministerial level, the special Article 113 Committee, meeting periodically in Brussels and Geneva, assisted the Commission. Throughout the ministerial meeting the Council of the European Communities itself was in almost continuous session in Geneva on the sidelines of the meeting in order to adjust the Commission's negotiating brief as the situation developed.

The Council of the European Communities approved the results of the GATT ministerial meeting at a final meeting held on the spot in Geneva on 28 November 1982.

PREPARATORY WORK FOR THE VERSAILLES SUMMIT AND THE OECD MEETING AT MINISTERIAL LEVEL

259. The European Council and the Council of the Community laid down the Community's position on the trade questions on the agenda of the economic summit of the world's principal industrialized countries in Versailles in June 1982. In this connection the European Council held in March 1982 produced the following statement:

'The European Council looks to the Versailles Summit at the beginning of June to institute increased cooperation between the major industrial partners, aimed particularly at encouraging a reduction in interest rates, making interest rates less volatile and strengthening North-South relations. This cooperation must be based on a joint definition of the obligations incumbent on each party. The Community is ready to make its contribution to such cooperation and will submit proposals on the matter.

The persistence of high real interest rates on the international financial markets, combined with the inadequacy of economic activity and the low level of overall demand, is leading to a significant reduction in productive investment and a further worsening of unemployment, since, because of the considerable squeeze on their liquidity and profits, undertakings are reducing their investments and staffing levels. This development is

particularly disturbing at a time when the adjustment of industrial structures, following the oil price rises and the need to deal with unemployment, calls for an increase in the part played by investment in overall demand.

High interest rates also greatly increase the cost of servicing the public debt in many industrialized countries and developing countries.

Fluctuations in exchange rates not justified by the basic facts of the economy add a further element of uncertainty and are affecting international trade.

The coordination of the major countries' exchange-market policies in order to avoid uncontrolled fluctuations in price levels continues to be a matter of urgency.

The Community urges Japan to open its market and integrate it more fully into international trade. Japan should follow an economic, commercial and exchange policy which is more compatible with the balance of responsibilities to be borne by the whole of the industrialized world, thereby contributing to economic recovery.

The Council intends to persevere in a policy of active cooperation for the benefit of the developing countries and would like to see the North-South dialogue resumed without delay. The European Council points out that the countries of Eastern Europe also have responsibilities in this context.'

Following the Versailles meeting, the European Council issued a statement in which it 'considered that it was in the interests of the world economy to adhere to the lines of policy agreed by the participants at Versailles. It confirmed its intention for its part of doing so to the full.'

260. The Community continued to play an active role in the work of the OECD which culminated in the annual meeting of the OECD at ministerial level in Paris in May 1982. The OECD ministers approved economic policy guidelines to help the Western world to overcome the economic crisis and lay down a positive trade policy in the context of the Economic Summit in Versailles in June 1982 and the GATT ministerial meeting in November, which was discussed in the previous section. The general strategy adopted by the OECD emphasized 'the urgent necessity of reducing unemployment', the need to achieve 'durable non-inflationary growth' based on 'an increase in productive investment, an improvement in productivity and technological progress' and the 'maintenance of an open trading system'.

Sectoral problems

STEEL INDUSTRY

261. In view of the serious deterioration in the situation of the Community steel market in 1982, and also the prospects for 1983, the Commission proposed to the Council that, concurrently with internal measures, the existing external measures should continue in 1983, subject to any adjustments which changes in the situation might call for. Work on these proposals within the Council covered the various aspects of the matter, such as:

- (i) prospects for steel consumption within the Community, and their relation to trends in the world market;
- (ii) the need to ensure reasonable continuity in import flows while avoiding discrimination against Community production in favour of imports from foreign countries;
- (iii) the need not to penalize non-member countries which exercise voluntary restraint on their exports to the Community, when an appreciable increase had been recorded in imports from other non-member countries.

Following its examination of these topics, on 22 November 1982 the Council adopted the main features of the external measures on steel for 1983, which, taken as a whole, should improve the Community's ability to keep the situation under control. In essence the system of base prices with which non-member countries must comply was reinforced so as to provide for more effective and rapid application of anti-dumping measures. As for the arrangements with non-member countries which accept bilateral restrictions on their exports, the Council approved adjustments to the existing scheme with regard in particular to quantities, monitoring, and sanctions in the event of any violation of the rules.

TEXTILES

262. With regard to the textile sector, the main work of the Council culminated in a series of decisions setting out Community policy for trade in textiles with the countries supplying low-priced goods over the period 1983-86.

In February 1982 the Council agreed to the acceptance by the Community of the protocol extending the MFA. This protocol lays down the

multilateral system to succeed MFA II, which expired on 31 December 1981, and constitutes the general framework for concluding the network of bilateral agreements with the low-price supplier countries through which the Community achieves its economic objectives in the textiles sector.

Accordingly, at the same time that it decided to accept the MFA protocol, the Council authorized the Commission to open negotiations with the non-member countries for the renewal of the bilateral agreements which were to expire at the end of 1982.

At the same time the Council also confirmed that the Community's continued participation in the MFA was dependent on the conclusion of satisfactory bilateral agreements.

On the basis of the guidelines adopted by the Council in February, which supplemented those already adopted in 1981, the Commission started negotiations with the non-member countries in May 1982. These negotiations continued throughout the second half of 1982 and were completed in December. At its meeting on 13 December the Council, having at its October and November meetings taken stock of progress in the negotiations and decided on certain adjustments to make the existing negotiating directives more flexible, received the Commission's report on the final outcome of the bilateral textile negotiations. The Council noted that the outcome was satisfactory and fully in line with the negotiating directives, and decided that the Community would continue to participate in the Multifibre Arrangement.

On 23 December the Council finally adopted Regulation (EEC) No 3589/82¹ on common rules for imports of certain textile products originating in non-member countries. This regulation, which replaces Regulation (EEC) No 3059/78, translates into Community legislation the contents of the bilateral agreements negotiated with non-member countries which are signatories to the MFA.

In addition, it will be recalled that at the end of 1981 the Council had authorized the Commission to discuss with the preferential Mediterranean countries new voluntary restraint arrangements to replace those due to expire at the end of 1981. In the course of 1982 the Council filled in the detail of the broad guidelines it had given to the Commission on the discussions to be held with these countries. These discussions resulted in informal arrangements to regulate the quantities of exports of textile products originating in these countries.

¹ OJ L 374, 31.12.1982.

C — RELATIONS WITH THE INDUSTRIALIZED COUNTRIES

Relations with the EFTA countries

COOPERATION WITH THE EFTA COUNTRIES

263. On 19 July 1982 the Council approved the fifth annual report on cooperation with the EFTA countries drawn up by the Permanent Representatives Committee.

The Council instructed the Permanent Representatives Committee to continue its work on examining the various fields of cooperation and to submit a new report in June 1983.

264. At the same time the Council adopted a statement in which it made a point of emphasizing, on the 10th anniversary of the signature of the Free Trade Agreements between the Community and the EFTA countries, the political as well as the economic importance to the Community of cooperation and solidarity with the EFTA countries. In this statement the Council in particular:

- (i) expressed its satisfaction at the excellent way these Free Trade Agreements had functioned over the past 10 years;
- (ii) reaffirmed the Community's interest in improving the functioning of these Agreements and extending their scope in all the fields where this was shown to be useful;
- (iii) also confirmed the particular importance which it attached to developing with the EFTA countries cooperation additional to the Free Trade Agreements and the readiness of the Community to undertake such cooperation in the mutual interests of the parties concerned;
- (iv) emphasized that the economic and commercial interdependence between the Community and the EFTA countries made closer cooperation in many fields all the more desirable, and that a great deal of progress had been made here over the last few years;
- (v) emphasized finally that it considered this dynamic approach important and intended, in close cooperation with the Commission, to continue the work in hand in the various fields of cooperation with a view to producing concrete results, and that to this end it

was also prepared to examine any suggestion for more extensive cooperation which might be made by the EFTA countries.

ADMINISTRATION OF THE EEC-EFTA FREE TRADE AGREEMENTS

265. In 1982 the Free Trade Agreements functioned satisfactorily in general. The Joint Committees established by these Agreements met regularly, watched over the correct implementation of the Agreements, and discussed and settled as far as possible the difficulties which arose.

In connection with their examining the operation of the Agreements and ways of improving and perfecting them, the Joint Committees took a number of decisions amending Protocols 1, 2 and 3 to these Agreements.

The most important decision concerns Protocol 3 to each Agreement relating to the definition of the concept of originating products and methods of administrative cooperation. Under this decision it was agreed to apply, for a trial period of three years, alternative simplified rules regarding percentages for the mechanical, electric and electronic products falling within Chapters 84 to 92 of the customs nomenclature.

For its part the Council, having already adopted a joint Community position in order to enable it to take the above-mentioned decisions in the Joint Committees, subsequently adopted the necessary regulations for implementing these decisions.¹

266. On 30 December 1982 the Council established for 1983 the indicative ceilings and the Community supervision arrangements with regard to imports of certain sensitive products originating in Austria, Finland, Norway and Sweden.²

267. As in the past three years, in August the Community concluded an Agreement in the form of an exchange of letters with Finland amending certain zero-duty quotas opened by the United Kingdom for 1982, in accordance with Protocol 1 to the Agreement between the Community and Finland.³

¹ OJ L 174, 21.6.1982; OJ L 385, 31.12.1982; OJ L 382, 31.12.1982.

² OJ L 380, 31.12.1982 and OJ L 46, 18.2.1983.

³ OJ L 235, 10.8.1982.

RELATIONS WITH PORTUGAL

Conclusion of a Transitional Protocol between the Community and the Portuguese Republic

268. Articles 2 and 3 of the Additional Protocol between the Community and Portugal, which entered into force on 1 January 1980,¹ allowed Portugal:

- (i) to suspend, until 31 December 1982, the dismantling of the tariffs applicable to Community products at the level reached on 31 December 1979 for six categories of products ('tariff freeze');
- (ii) to establish, increase or re-establish, under certain conditions — also until 31 December 1982 — *ad valorem* customs duties in cases where Portugal's level of industrialization and development made protection measures necessary ('new industries' clause).

269. At the beginning of 1982 the Portuguese authorities made three main requests to the Community, namely:

- (i) extension for one year (i.e. from 1 January 1983 to 31 December 1983) of the tariff freeze provisions;
- (ii) extension for two years of the right to invoke the 'new industries' clause;
- (iii) finally, permission to reintroduce or increase duties on certain sensitive products even in they did not fall under the 'new industries' clause.

On 26 April the Council adopted guidelines for starting negotiations with Portugal on these requests. These negotiations culminated in the signing, on 27 October 1982, of a Transitional Protocol which meets the main Portuguese demands.

This Protocol was concluded in December 1982 to enter into force on 1 January 1983 for two years (i.e. until 31 December 1984). Its main provisions may be summarized as follows:

Tariff freeze

270. The tariff freeze currently in force will be extended for a further year, i.e. until 31 December 1983, for a number of products. The subsequent arrangements for further dismantling of tariffs will vary from

¹ See 28th Review, paragraph 303.

product to product. For some products total elimination of duties must be completed by 1 January 1985, while for the most sensitive products from Portugal's point of view further dismantling of tariffs is to be negotiated as part of the negotiations for Portugal's accession to the Communities.

'New industries' clause

271. As requested by Portugal it will be possible to invoke the 'new industries' clause until 31 December 1984. However, to cover the possibility that Portugal might accede to the Communities before this date it was specified in an exchange of letters that Portugal will no longer be able to invoke this provision as from the first day of the month preceding the signing of the instruments of accession to the Communities. In addition, the Transitional Protocol provides that any invocation of this clause must be authorized, on a case by case basis, by the Joint Committee set up under the 1972 Agreement.

Reintroduction of duties on products not falling under the 'new industries' clause

272. The Transitional Protocol also provides that after consulting the Joint Committee set up under the 1972 Agreement, Portugal may be authorized to reintroduce on 1 January 1983 — and on this date only — an *ad valorem* duty of 20% on a number of products, even though these do not fall under the 'new industries' clause.

These reintroduced customs duties must be reduced by 20% at the time of their introduction, and on 1 January 1983 Portugal must simultaneously remove the existing surcharges (or quantity restrictions, as applicable) on the products in question, and may not reintroduce them subsequently.

The further dismantling of tariffs for these products is to be negotiated as part of the negotiations on Portugal's accession to the Communities.

Discontinuation by Portugal of discrimination against the Community vis-à-vis EFTA

273. As from 1 January 1983 Portugal must align its system of tariffs applicable to the Community with that for the EFTA countries or, where applicable, to the most favoured non-member countries. This involves in

general a reduction in customs duties, as from the above-mentioned date, of about 25% for some 130 tariff headings. Following the removal of existing discriminatory duties Portugal undertakes not to introduce new duties.

Clause on Greece

274. The provisions of the Transitional Protocol do not affect those of the Protocol between the Community and Portugal consequent on the accession of Greece to the Communities.

Accordingly Portugal will continue to dismantle the tariffs applicable to Greece and ensure that these are at no time more favourable than those applicable to the Community of the Nine.

ADMINISTRATIVE MATTERS UNDER THE 1972 FREE TRADE AGREEMENT

275. On 8 March 1982 the Council adopted a regulation on the conclusion of an Agreement in the form of an exchange of letters between the Community and Portugal regarding, for 1982, tomatoes prepared or preserved without vinegar or acetic acid falling within sub-heading 20.02 c of the Common Customs Tariff.¹

276. On 13 July 1982 the Council adopted regulations opening, allocating and providing for the administration of Community tariff quotas for certain wines originating in Portugal (Verde, Dão, Port, Madeira and Setubal muscatel wines).²

277. On 15 November 1982 the Council adopted a regulation establishing ceilings and Community supervision for imports of certain products originating in Portugal (paper and board).³

ADMINISTRATION OF PRE-ACCESSION AID TO PORTUGAL

278. In implementation of the Agreement in the form of an exchange of letters between the European Economic Community and the Por-

¹ OJ L 73, 17.3.1982.

² OJ L 209, 17.7.1982.

³ OJ L 345, 6.12.1982.

tuguese Republic on the implementation of pre-accession aid to Portugal, which entered into force on 1 January 1981,¹ a number of finance projects were approved during the year under review.

Firstly, funds were committed from the Community budget for non-repayable aid to finance in particular:

- (i) the creation of a farm accountancy data network (844 000 ECU);
- (ii) rebuilding of the N 16 road between Aveiro and Vilar Formoso (27 million ECU);
- (iii) the construction and equipping of 10 secondary schools (5.05 million ECU);
- (iv) a water supply and drainage project in the Algarve (1.4 million ECU);
- (v) water management works on the river Douro (6 million ECU).

Secondly, the European Investment Bank granted out of its own resources, with a 3% interest rebate charged to the Community budget:

- (i) a second global loan to Caixa Geral de Depositos (CGD) for financing small and medium-scale projects in the industry and tourism sectors (20 million ECU);
- (ii) a loan to finance the coal-fired power station at Sines (30-35 million ECU).

EEC-AUSTRIA AND EEC-SWITZERLAND 'COMMUNITY TRANSIT' AGREEMENTS

279. The two Joint Committees set up under these Agreements met in June to examine the functioning of the Agreements.

On 14 June and 3 December 1982 the Council adopted regulations on the application of the decisions of these Joint Committees amending the EEC-Austria and EEC-Switzerland 'Community transit' Agreements.²

¹ See 28th Review, paragraph 318.

² OJ L 180, 24.6.1982; OJ L 355, 16.12.1982.

On 19 January and 4 October 1982 the Council adopted regulations on the conclusion of Agreements in the form of exchanges of letters also amending the above Agreements.¹

**ECSC PRODUCTS ORIGINATING IN AUSTRIA, FINLAND,
NORWAY, SWEDEN AND SWITZERLAND**

280. Since ratification had not been completed of the Additional Protocols concluded between the ECSC and EFTA Countries following the accession of Greece to the Communities, on 30 December 1982 the Representatives of the Governments of the Member States of the ECSC meeting within the Council decided, as in the two previous years, to open tariff preferences in Greece for ECSC products originating in Austria, Finland, Norway, Sweden and Switzerland.²

Relations with non-European industrialized countries

281. During 1982, the Council regularly examined its relationships with its principal non-European industrialized trading partners and in particular deliberated at frequent intervals on its relations with the United States and Japan.

The European Council in December 1982 summed up the foundations of its policies on economic relations with its industrialized partners in the following terms:

‘The European Council stressed that the overriding priority for the Community’s economic and commercial relations with other industrialized countries will be a strengthening of international cooperation in all major areas to counteract recession, with particular emphasis on a return to a stable monetary, financial and trade situation.’

During the year under review, the Commission has continued its regular programme of high-level consultations with the principal trading partners of the Community on bilateral trading problems.

¹ OJ L 19, 27.1.1982; OJ L 285, 8.10.1982.

² OJ L 12, 14.1.1983.

UNITED STATES

282. The year 1982 was dominated by a number of major problems with the United States in a number of trade fields, including steel, agricultural policy, the Siberian gas pipeline, etc.

At its meeting in June, the European Council emphasized 'the necessity for a genuine and effective dialogue between the United States and the Community in areas of possible dispute ... with a view to ensuring solid and confident relations between the Community and the United States.'

Steel

283. The early part of 1982 saw the continuation of the countervailing and anti-dumping procedures against Community exports to the United States, which were initiated in 1981 at the behest of the US steel industry.

In July the Council authorized the Commission to negotiate with the United States a global steel arrangement which would result on the one hand in the suspension of the American legal procedures, and on the other hand preserve a reasonable proportion of the Community's export markets in the United States. These negotiations were finally concluded in October 1982 when on the one hand an arrangement was concluded between the Community and the United States limiting exports of certain steel products by the Community, and on the other hand letters were exchanged between the two partners regarding tubes and pipes. The EC-US arrangement on steel was noted with satisfaction by the European Council in December.

Gas pipeline

284. Considerable concern was caused in the early part of 1982 by the American decision, following the crisis in Poland, to impose an embargo on exports of US technology to all European companies or American subsidiaries domiciled in Europe which were participating in the construction of the trans-Siberian pipeline.

Following a number of contacts between the Community and the US authorities, the United States modified its policy and the matter was eventually settled in late 1982 when the United States agreed to lift its embargo, a move which was acknowledged with satisfaction by the December European Council.

Agricultural matters

285. 1982 was marked by the continuation of an offensive conducted largely in GATT by the United States on the agricultural front, with particular reference to the provisions of the CAP on export refunds and the Community's Mediterranean preference scheme for citrus fruits.

The United States continued its pressure in the agricultural field at the GATT ministerial meeting, following which the two partners agreed to embark at the beginning of 1983 on a series of high-level agricultural consultations which aim at avoiding creating problems for each other while fully respecting the existing systems.

DISC

286. The Council decided at its July session that the Community should seek authorization from the GATT Council to apply compensatory measures in view of the prejudices suffered by the Community as a result of the American tax legislation known as DISC. A GATT panel had previously concluded that the DISC legislation had effects which were not in accordance with the GATT obligations of the United States. In the meantime, the United States has informed GATT that it is examining the possibility of introducing certain amendments to the DISC legislation. Consultations in GATT at the Community's request are, of course, continuing at the same time.

JAPAN

287. The large trade imbalance between the Community and Japan continued to cause the Council major concern during 1982, as a result of which the Council in March 1982 defined a comprehensive common strategy covering the following elements:

- (i) the continuation in bilateral contacts and multilateral fora of efforts to persuade Japan to modify its trading and economic policies and to achieve a more balanced integration of the Japanese economy with that of its main industrialized partners, and thereby to address the cause of economic friction at its root, i.e. Japanese low import propensity;
- (ii) the search for tangible assurances from Japan that, from 1982 onwards, it will pursue a policy of effective moderation towards the Community as a whole as regards Japanese exports in sectors

where an increase in Japanese exports to the Community would cause significant problems, notably passenger cars, colour television sets and tubes, certain machine tools including numerically-controlled lathes and machining centres;

- (iii) insistence that Japan's policy in the field of macroeconomic policy and the development of the yen had to take account of Japan's international responsibilities;
- (iv) the strengthening of the international competitiveness of European industry through adequate investment and modernization efforts, and the completion of a Community policy within which the European firms will be better able to develop positive strategies to meet Japanese competition;
- (v) the exploration of the possibilities of scientific and technological cooperation between the Community and Japan;
- (vi) the initiation of procedures against Japan under Article XXIII of GATT, which is directed at measures by a contracting party aiming at nullifying or impairing the advantages which other parties should obtain from the agreement.

In fulfilment of the Council's strategy, intense activity continued throughout 1982:

- (i) on the one hand a number of meetings took place with Japan within a GATT framework under Article XXIII, paragraph 1;
- (ii) on the other hand, bilateral discussions both at political and at technical level were held between the Community and Japan during 1982, during which in particular the Community had pressed home with the Japanese a request list detailing the specific actions which the Community wished to see Japan taking, both in the fields of export moderation to the Community and with a view to the Japanese authorities further opening up their market to Community products;
- (iii) a high-level working party has been studying the issues involved with a view to improving the competitiveness of European industry from the point of view of structural adjustment, linked to trade policy.

A certain number of measures with a view to opening up the Japanese market were announced by Japan during 1982, in response to Communi-

ty pressure, which the Community recognized were steps in the right direction although they did not respond in a sufficient manner to the Community's requests. These measures covered the following:

- (i) in January 1982 the Japanese authorities announced the bringing forward of two tranches of tariff reductions agreed in the Tokyo Round;
- (ii) in May 1982 Japan's Prime Minister announced a number of measures concerning tariffs, customs procedures, quantitative restrictions, standards and testing procedures.

At the end of 1982, against a background of undiminished concern about the state of Community-Japan trade, the Council stressed the necessity of taking appropriate action immediately, with particular reference to the following matters:

- (i) the Community would now avail itself of the procedures laid down under Article XXIII, paragraph 2, seeking the setting up of a working party by the contracting parties of the GATT to consider the issues which the Community had raised;
- (ii) the Commission was asked to pursue vigorously discussions with the Japanese authorities to provide tangible assurances that from 1983 onwards Japan would pursue a policy of clearly defined and effective moderation towards the European Community as a whole as regards sectors where pressure of Japanese imports to the Community would cause significant problems;
- (iii) the extension of the present system of statistical surveillance of certain imports from Japan.

On 27 December 1982 a further package of tariff measures were announced by the Japanese Government which are being closely studied by the Community, but at the end of the year under review concern continued within the Council about EC-Japan relations, which are still, however, the subject of ongoing discussions.

OTHER COUNTRIES

288. As far as other important industrialized countries are concerned high-level consultations were held on a regular basis during 1982 with both Australia and Canada. In the case of Canada, further contacts were

held within the larger economic and technical framework of the Joint Cooperation Committee set up under the terms of the framework agreement signed by the Community with Canada on 6 July 1976.

Relations with State-trading countries

EVENTS IN POLAND

289. Because of the events in Poland in 1981 the Council, at the request of the Polish Government, had launched an operation to provide economic support for that country by selling food products on special terms.¹

The new political situation arising from the proclamation of martial law in Poland on 13 December 1981 caused the Community to reconsider its position. The final communiqué issued at the end of the meeting of the Foreign Ministers in Brussels on 4 January 1982 set out the Community's new line of action. While the communiqué states that 'the Ten utterly disapprove of the development of the situation in Poland', it also affirms that 'the Ten are totally in sympathy with the Polish people and are willing to continue the direct economic aid to them'.

At its meeting on 26 January 1982 the Council, taking account of the fact that after December 1981 the Community was no longer in a position to obtain a guarantee that the products supplied under the special measures would in fact reach the Polish people, drew the following conclusions from this new situation:

- (i) firstly it suspended the adoption of new decisions allowing the sale of foodstuffs to Poland on special terms, on the understanding however that this decision would affect neither the implementation of previous decisions on sales on special terms nor exports on normal terms.
- (ii) secondly it decided to use all or part of the funds initially earmarked for the economic support operation for an emergency operation of a humanitarian nature (Article 950 in the Community budget) to send goods directly to the Polish people through non-governmental organizations which would be in a position to guarantee actual delivery to the intended recipients.

¹ See 29th review, paragraph 254.

The provision of this humanitarian aid by the Council was carried out in three successive phases. In February, June and November 1982 the Council decided to grant three tranches of aid amounting to 8 million, 7.5 million and 9.5 million ECU respectively, the last tranche being to cover the period from December 1982 to March 1983. Thus, together with the 2 million ECU allocated by the Council in December 1981, humanitarian aid from the Community to Poland totalled 27 million ECU. By means of this aid, which was administered by the Commission, substantial quantities of foodstuffs, health products and medical supplies were sent to Poland for the use of the most needy sections of the Polish people, such as detainees and their families, infants, old people, etc.

On 29 November 1982 the Council also adopted a resolution authorizing the Member States, during the 1982/83 marketing year, to make available to various charitable organizations apples of Community origin withdrawn from the market, for free distribution to the Polish people.

RELATIONS WITH THE USSR AND THE EAST EUROPEAN COUNTRIES

290. Following the Foreign Ministers' discussions on 4 January 1982, the Community authorities also took measures concerning relations with the USSR.

The Council meeting on 15 February 1982 (at which Greece adopted a negative position) instructed the Commission to propose to the parties to the OECD arrangement (the 'consensus' arrangement) on guidelines for export credit supported by public funds, that the USSR should be classified in Category I of purchaser countries, which means the application of a higher interest rate.¹

The Council of 15 March 1982 (at which Greece adopted a negative position) adopted two regulations on restricting imports of products from the Soviet Union into the Community for the period from 17 March to 31 December 1982 and on the provisional suspension of these measures in respect of Greece, taking into account the stage reached in integrating that country into the customs union. The list of the products affected by this measure, totalling about 60, includes both a number of products liberalized at Community level, imports of which were reduced by 25%, and a number of products subject to quota, for which the reduction for 1982 was fixed at 50%. On 23 December 1982 the Council extended for

¹ See paragraph 124 of this Review.

one year the commercial measures relating to the USSR while agreeing to keep the matter under review and reserving the right, if it should consider it desirable, to decide to amend, extend or annul these measures.

291. In addition, the European Council of 30 March 1982 — as part of its political discussions on East-West relations with reference to the situation in Poland — adopted the following conclusions on economic relations with the East European countries:

‘The Heads of State or Government reviewed the state of economic relations between their own countries and those of Eastern Europe, particularly in the light of the significant role played by Community trade with these countries.

They recognized the role which economic and commercial contacts and cooperation have played in the stabilization and the development of East-West relations as a whole and which they wish to see continue on the basis of a genuine mutual interest. They discussed the basis on which East-West economic and commercial relations had been conducted.

The Heads of State or Government agreed that these questions, including the important and related question of credit policy, should be the subject of careful study by the European Community and by their own and other governments, both nationally and internationally and in close consultation with other members of the OECD.’¹

These conclusions formed the basis for the position of the representatives of the Community in the discussions at the Versailles Summit (June 1982) relating to economic relations with the Eastern Bloc. It should be noted that this position was also discussed by the meeting of the Council on 25 March 1982, which had received an interim report on the quantitative aspects of a number of priority topics, such as trade between the EEC and non-member countries, credit policy, and specific commercial problems.

292. The Heads of State or Government taking part in the Versailles Summit adopted the following conclusions:

‘We agree to pursue a prudent and diversified economic approach to the USSR and Eastern Europe, consistent with our political and security interests. This includes actions in three key areas.

¹ The Greek delegation reserved its position on the section of this text beginning ‘They discussed...’ and ending ‘...the other members of the OECD’.

First, following international discussions in January, our representatives will work together to improve the international system for controlling exports of strategic goods to these countries and national arrangements for the enforcement of security controls.

Second, we will exchange information in the OECD on all aspects of our economic, commercial and financial relations with the Soviet Union and Eastern Europe.

Third, taking into account existing economic and financial considerations, we have agreed to handle cautiously financial relations with the USSR and other Eastern European countries, in such a way as to ensure that they are conducted on a sound economic basis, including also the need for commercial prudence in limiting export credits. The development of economic and financial relations will be subject to periodic *ex-post* review'.

293. After the Versailles Summit consultations continued between the Western partners, as a result of which it was agreed that studies would be carried out by various appropriate bodies, including the OECD, in particular on export credit policy, trade in agricultural products, energy supplies and technology transfer.

294. The Council meeting of 14 December 1982 agreed on the following procedure for Community participation in these studies:

- (i) with regard to matters falling within the Community' competence, Community procedures would apply to the preparatory work for and participation in these studies;
- (ii) it would be necessary to define a general Community approach, integrating the individual sectors falling within the Community's competence into a general framework and working out a Community position for each of these sectors;
- (iii) the Community would have to decide on the conclusions to be drawn from these studies once they were completed, and on the most appropriate channels through which they could be discussed with the main industrialized partners.

ROMANIA

295. The second meeting of the EEC-Romania Joint Committee, set up under the Agreement signed on 28 July 1980, was held in Bucharest on 2 and 3 December 1982.

The preparatory work for this meeting was done within the Council by the Article 113-Romania Committee. It enabled both parties to hold a wide-ranging exchange of views on the various aspects of their economic relations, in accordance with the provisions of the above-mentioned Agreement. At this meeting the Community stressed the deterioration in trade relations between the EEC and Romania since 1980, resulting from a considerable drop in Community sales to Romania, which contrasted with the increase in Romanian exports to the Community. It emphasized in this connection the difficulties which continue to confront Community exporters, due partly to Romanian legislation on counter-trade transactions and the lack of information available to Community exporters on openings for exports to Romania.

Nevertheless both parties stressed the importance which they attached to the agreements signed in 1980 and reaffirmed their determination to make every effort to achieve harmonious and dynamic development of their mutual trade.

Accordingly the Community delegation undertook to recommend that a number of additional economic concessions should be granted to Romania in the form of new quotas, increases in existing quotas and the liberalization of further products.

CHINA

296. Following preparatory work within the Council by the Article 113-China Committee, the 4th meeting of the EEC-China Joint Committee, in Brussels on 11 and 12 November 1982, provided an opportunity for a general exchange of views, in the light of the provisions of the 1978 Trade Agreement, on trends in trade between the two parties and future prospects.

While recognizing the need for a long-term view in considering relations with China, the Community expressed its disquiet at the unfavourable trend in trade with China since 1980, as reflected in a fall in Community exports to China and a reduction in the share of the Chinese market held by exports originating in the Community. It took note with satisfaction of the statements made at the meeting by the Chinese side on the intentions of the Chinese Government on economic matters, which should in the future offer more favourable prospects for increased Community exports to China.

In accordance with what had been agreed at the meetings of the Article 113-China Committee, the Community informed the Chinese delegation of the additional economic concessions which it proposed to grant to China. The Chinese welcomed the Community's offer but expressed the wish that certain Member States might make an additional effort with regard to some products.

The excellent atmosphere during the work of the Joint Committee shows the immense importance which both parties attach to the harmonious development of trade and the effective implementation of all the provisions of the 1978 Trade Agreement. Accordingly they agreed to renew the Agreement, whose original period of application was due to expire on 31 May 1983, for a period of one year starting from this date.

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

297. In the work of the CSCE in Madrid the matters related to Basket II (cooperation in the fields of economics, science, technology and the environment), which fall to a large extent within the Community's competence, played only a marginal role in 1982. It was thus not necessary for the Council's subordinate bodies to establish any further positions or to take any action.

As in the case of the previous meetings of the United Nations Economic Commission for Europe, the Council's subordinate bodies laid down general guidelines for the position to be adopted by the Community on the problems of a political nature which were discussed at the 37th annual meeting of the ECE, which was held in Geneva from 23 March to 2 April 1982. This position took into consideration the unsatisfactory general situation regarding East-West relations, i.e. developments in Poland, lack of progress in the work of the CSCE in Madrid, etc., and basically consisted of support for continuing work of a technical nature in the ECE.

D — NORTH-SOUTH DIALOGUE

Global negotiations

298. In accordance with the position which it had reiterated on many occasions supporting the principle of global negotiations, the Community spared no effort throughout 1982 to contribute to the search for a consensus which would allow these negotiations actually to get under way under the aegis of the United Nations.

From this point of view the early months of 1982 had been quite promising. In March the Group of 77 had prepared a draft resolution which did not meet with any fundamental objections from the Community. In addition the outcome of the talks at the Versailles Summit was encouraging. Prompted by the Member States of the Community which took part in the summit and the Presidents of the Council and the Commission, the final communiqué of the summit stated that 'the launching of global negotiations is a major political objective approved by all participants in the summit. The draft resolution circulated by the Group of 77 is helpful and the latest discussion in Versailles showed general acceptance of the view that it would serve as a basis for consultations with the countries concerned. We believe that there is now a good prospect for the early launching and success of the global negotiations, provided that the independence of the specialized institutions is guaranteed'.

Unfortunately, in the subsequent discussions in New York — in which the representatives of the Ten took an active part — it has so far not proved possible to overcome the fundamental divergences which exist, above all between the United States and the Group of 77. Accordingly, before suspending its work on 21 December, the 37th United Nations General Assembly decided that the current consultations would continue and that an assessment of these consultations would be made at the beginning of 1983.

Unctad VI

299. Particularly in view of the situation regarding the global negotiations, Unctad VI, to be held in Belgrade in June 1983, will be of particular political importance since it will provide an opportunity for all the members of the international community to discuss most of the main topics of current interest in the North-South dialogue.

In order to allow the Community, on the basis of a common position, to play as constructive a role as possible in the preparatory work and at the actual conference, at the beginning of December 1982 the Commission forwarded an initial communication suggesting the main positions which the Community might adopt on the major topics to be discussed in Belgrade, namely, commodities, international trade and monetary and financial problems.

On this basis the competent bodies within the Council started the process of drawing up a Community position for Unctad VI. This work should intensify in the early months of 1983.

Commodities

300. The Council continued to pay close attention to questions relating to commodities, in view of their importance in world trade (approximately 30% excluding petroleum products) and the international commitments entered into by the Community.

301. Careful attention was paid to the management of the existing agreements (on wheat, olive oil, coffee, cocoa, tin and natural rubber). In some cases, e.g. tin, the situation was particularly disturbed and unstable in the first half of the year, while in others, e.g. cocoa, the trend in prices gave rise to particular concern. In accordance with what was agreed in July 1981,¹ the Council began internal discussions on the future of the agreement on cocoa.

302. In addition a number of decisions were adopted in connection with the provisional or definitive entry into force of certain product agreements or the extension of existing agreements. In this context, the decisive role of the Community regarding the entry into force of the Sixth International Tin Agreement should be emphasized. The main decisions were as follows:

- (i) Decision of 31 March on the signature and notification of provisional application of the Sixth International Tin Agreement, which entered into force on a provisional basis on 1 July;²
- (ii) Decision of 8 April giving final approval to the 1979 International Natural Rubber Agreement,³ which the Community had already started to implement on a provisional basis;
- (iii) Decision of 29 September on the notification of the Community's intention to apply provisionally the 1976 International Coffee Agreement, as extended until 30 September 1983.⁴ It should be noted in this context that the Community and its Member States took an active part in the work of the International Coffee Council in September, which culminated in the drafting of a new International Coffee Agreement which is open for signature with a view to its entry into force on 1 October 1983. In 1983 the Council will have to take decisions on the texts forwarded by the Commission in this matter with a view to the participation of the EEC and its Member States in this new Agreement;¹

¹ See 29th Review, paragraph 271.

² OJ L 342, 3.12.1982.

³ OJ L 111, 24.4.1982.

⁴ OJ L 278, 30.9.1982.

- (iv) in addition the Council's subordinate bodies agreed in principle to a further extension for a period of three years from 1 July 1983 of the 1971 Convention on Trade in Wheat.

303. The Community also continued to play a constructive part in the continued implementation of the Unctad Integrated Programme. Appreciable progress had been made by the end of the year, in particular on jute and tropical woods. The negotiations on an International Agreement on Jute and Jute Products were completed at the end of September. This is an agreement of the 'second window' type under the Common Fund, like the draft Agreement on Tropical Woods, which is expected to be finalized at a negotiating conference convened for March 1983.

304. Lastly, with regard to the Common Fund progress was made in the process of ratification by the Member States and its ratification by the Community is expected in the course of 1983.

E — DEVELOPMENT COOPERATION

Community aid

305. The Ministers for Development Cooperation meeting within the Council held two meetings in 1982, on 15 June and 8 November. They also held two informal meetings to exchange views on questions regarding the Community's development policy.

Among the main topics relating to development cooperation dealt with in the year, besides the North-South dialogue, mention should be made of the following:

THE FIGHT AGAINST HUNGER IN THE WORLD

306. In 1982 the Council continued its work on implementing the plan of action to combat hunger in the world, to which it had given its agreement in principle at its meeting on 3 November 1981.² It concentrated in particular on the section which concerns support from the Community and its Member States for the food strategies of the developing countries.

¹ This remark applies equally to the extension of the Wheat Convention and to the signing and conclusion by the EEC and its Member States of the Jute Agreement.

² See 29th Review, paragraph 274.

At its meeting on 15 June 1982 the Council agreed to respond favourably to the requests from Mali, Kenya and Zambia for support for their food strategies. The Council meeting of 8 November 1982 noted the progress achieved in these three countries and agreed to add Rwanda.

307. The Council and its subordinate bodies also held preliminary exchanges of views on the section of the plan of action which concerns action on specific problems and projects in support of food policies, in order to allow the Commission to make concrete, detailed proposals for implementation of this section.

308. Lastly, at the Rome meeting on hunger in the world organized by the Italian Government from 26 to 29 April 1982, the President-in-Office of the Council made a statement on developments within the Community.

FOOD AID

309. The activities of the Council in this matter concerned in particular the following aspects:

Community food aid programmes for 1982:

Cereals:

310. The Council adopted Decision No 82/270/EEC relating to the supply in 1982 of 927 663 tonnes of cereals.¹ The Council amended this act on 3 December 1982 by adopting Decision 82/836/EEC, which increases the amount of cereals to be supplied for 1982 to 1 000 000 tonnes and at the same time provides for certain changes in the allocation among the recipients.²

Milk and milk products:

311. On 26 April 1982, acting on a Commission proposal and after Parliament had delivered its opinions, the Council adopted four

¹ OJ L 120, 1.5.1982.

² OJ L 352, 14.12.1982.

regulations¹ on the supply in 1982 of 150 000 tonnes of skimmed-milk powder and 45 000 tonnes of milk fats as food aid.

Regulation on food-aid policy and management

312. After consulting Parliament the Council adopted this 'framework regulation' at this meeting on 3 December 1982.²

The main aim of this regulation is to make food aid a real instrument of the Community's policy of cooperation with the developing countries, by providing, *inter alia*, for multiannual development projects.

A further aim is to improve the management and implementation procedures in order to ensure that food aid is administered more in accordance with the interests and needs of the recipient countries. The regulation lays down firstly the general objectives and guidelines for food aid and secondly the procedures for implementing food-aid projects, specifying in particular the respective areas of responsibility of the Council and the Commission and providing for the setting up, under the Commission, of a Food Aid Committee.

Emergency food aid

313. The Council's subordinate bodies, in close cooperation with the Commission, decided on specific emergency food-aid projects (in particular in emergencies other than those resulting from natural disasters).

With regard to emergency food aid in various products (other than cereals and milk and milk products), at its meeting on 25 and 26 October 1982 the Council agreed on an *ad hoc* procedure applicable for a limited period. This allows the Commission, pending the measures to be taken by the Council and the Commission to implement the framework regulation, under certain circumstances to initiate emergency aid operations in products such as vegetable oils, sugar, beans, etc.

In 1982 the main recipients of emergency food aid were:

- (i) firstly, (through international or non-governmental organizations) refugees or displaced persons (Afghan refugees in Pakistan,

¹ OJ L 120, 1.5.1982.

² OJ L 352, 14.12.1982.

refugees in Thailand, Namibian refugees in Angola, displaced persons in Salvador, refugees in Somalia and Ugandan refugees in the Sudan);

- (ii) secondly, countries faced with either sudden and unforeseeable natural disasters or comparable circumstances (Lebanon, Mauritania, Mozambique, Nicaragua, Niger, Peru, Sri Lanka, Swaziland and Chad, as well as, through the World Food Programme, several other countries).

FINANCIAL AND TECHNICAL AID TO NON-ASSOCIATED DEVELOPING COUNTRIES

314. On 17 February 1981 the Council adopted Regulation (EEC) No 442/81 on financial and technical aid to non-associated developing countries.¹ Article 9(2) of this regulation stipulates that, acting on a Commission proposal and after consulting Parliament, the Council shall determine, in good time before the end of the year, the general guidelines to be applied to aid for the following year.

In accordance with this provision, in 1982 the Council adopted two decisions, the first, on 26 January, determining the general guidelines for 1982 and the second, on 21 December, concerning the general guidelines for 1983.

These guidelines emphasize the priority that the Community must give to the least-favoured countries and the most needy sections of the population, and also the particular importance which attaches to agricultural and rural development projects, especially those designed to improve the food situation in the countries concerned.

COMMUNITY DEVELOPMENT AID IN RELATION TO THE SITUATION OF WOMEN IN THE DEVELOPING COUNTRIES

315. Following discussions in depth within the Council and its subordinate bodies, the Council adopted conclusions on this subject at its meeting on development on 8 November 1982. Expressing concern that its cooperation measures should contribute to the harmonious development of the entire population in the countries assisted, the Council declared its willingness to take full account of the role of women in development and of the specific problems of women. The conclusions also comprise guidelines both for implementing the Community aid

¹ See 29th Review, paragraph 281.

programme and for Community participation in international organizations which deal with the situation of women in developing countries.

COOPERATION WITH THE DEVELOPING COUNTRIES IN THE FIELD OF ENERGY

316. At its meeting on 15 June 1982 the Council adopted a resolution on this subject. This stresses in particular the importance of the following aspects:

- (i) energy planning,
- (ii) use of firewood,
- (iii) education, training and research in the field of energy.

The Council considered that the recommendations in the resolution should serve as initial guidelines for future Community action in the field of energy cooperation. It also expressed the wish that there should continue to be an active exchange of information between the Member States and the Commission on the measures carried out and the experience gained.

EVALUATION OF COMMUNITY AID (URBAN PROBLEMS SECTOR)

317. With a view to following up its Decision of 28 April 1981 to carry out periodical evaluations of Community aid which would lead to recommendations to make future Community aid more effective, the Council examined aid for urban populations. In its conclusions, adopted at its meeting of 15 June 1982, the Council stressed in particular the importance of developing secondary centres which would make it possible to reduce overcrowding in towns by decentralizing the services concentrated in them and thereby encourage rural development, which remained the main priority of Community aid.

MAINTENANCE AID

318. On 3 December 1982 the Council approved the conclusions on maintenance aid, i.e. aid for maintaining the productive capacity in the developing countries, which has priority over investment in new projects or programmes in certain situations.

These conclusions will be used in future by the Commission in drawing up development projects both under the Lomé Convention and in connection with aid programmes for the non-associated developing countries.

AID TO UNRWA

319. In a communication forwarded to the Council in May 1982 the Commission, in response to a request from UNRWA, proposed a reduction in the food aid intended mainly for the basic food programme, in order to enable financial aid to be allocated for the education programme which UNRWA is implementing in the Middle East. At its meeting on general affairs on 27 and 28 July 1982 the Council agreed to approve in principle the communication from the Commission and instructed it to negotiate the necessary amendments to the Convention between the EEC and UNRWA. Subsequently, acting on a proposal from the Commission, on 21 December 1982 the Council adopted a decision on the conclusion of a convention amending the EEC-UNRWA Convention. The effect of this amendment is to replace part of the food aid allocated to UNRWA for the Palestinian refugees in the Middle East by financial aid of 16 million ECU for that organization's education programme.

Commission memorandum on the Community's development policy

320. In October 1982 the Commission presented an important memorandum on future policy in the field of development, mainly on the basis of the experience gained over the past 20 years. At its meeting on development on 8 November 1982 the Council held a wide-ranging and thorough exchange of views on several aspects of this memorandum. The discussion was continued and extended to other aspects by the General Affairs Council at its meeting on 22 and 23 November 1982.

At this meeting the Council emphasized the importance and value of the memorandum, the discussion of which could constitute a useful basis for drawing up the specific proposals that the Commission would be called upon to put forward for implementing development policy.

321. Subsequently the European Council in Copenhagen on 3 and 4 December 1982, expressed its satisfaction at the work undertaken in connection with this important initiative on the part of the Commission in the field of relations with the developing countries. It emphasized the importance of taking this as a basis for proposals which would lead to Council decisions on priority questions such as the negotiations for the new ACP-EEC Convention.

322. In addition the European Council agreed on the urgent need to take steps to improve the developing countries' ability to cope with their economic and financial problems, which would constitute an important factor in favour of international economic recovery.

Generalized preferences

323. In the light of the opinions of Parliament and of the Economic and Social Committee, on 8 December 1982 the Council approved the new scheme of generalized Community preferences for 1983. In adopting its decision the Council followed the guidelines which it had laid down in 1980 for industrial products, which aim at continuing, in a gradual and progressive manner, a degree of differential application of the generalized preferences on favour of those countries which have most need of them, in particular the least developed countries.

The system of generalized preferences for 1983 may be summarized as follows.

IRON AND STEEL PRODUCTS

324. The 1982 system is renewed unchanged.

INDUSTRIAL PRODUCTS

325. As in 1982, the 1983 GSP provides for the duty-free importation of industrial products, subject to quotas or ceilings for certain sensitive products. In general, imports from the least-developed countries are not subject to quotas.

In revising the lists of sensitive and non-sensitive products, the Council took account of the relevant economic factors and introduced additional quotas for certain countries, while in certain cases replacing quotas by the more flexible system of ceilings.

For certain products the volume of the quota was raised by from 5 to 10%, but there was no increase in the quotas for the more sensitive sectors (steel, footwear, leather, chemicals).

The ceilings for other sensitive products were increased in general by a maximum of 5 to 15%. For all non-sensitive products the Council agreed on a general increase of 15%.

Lastly, a number of products were transferred from the category of sensitive products to that of non-sensitive products and vice versa.

TEXTILE PRODUCTS

326. The Council decided that the basic framework of the Community

GSP for textiles should remain as established in 1980, subject to the following adjustments and improvements.

With regard to MFA products, the Council decided that:

- (i) the GSP volume could not be increased for the most sensitive products in Group I. However, for almost all the products in Group II an increase of 2.5% in the specific ceilings was granted to a large majority of the beneficiary countries, together with an increase of 5% for the products in Group III. For five countries, namely, South Korea, Hong Kong, Macao, Romania and China, no increases were made in the amounts of MFA products, except for certain products in Group III;
- (ii) increases of 5% or more in volume will be granted to the countries for which there are no specific ceilings.

In addition the Council simplified the system, in particular by replacing for several countries the system of ceilings allocated between the Member States with the more flexible system of Community ceilings.

Lastly, the Council finally agreed that in 1983 the advantages of the GSP in respect of MFA products would, as in the past, only be granted to countries which had renewed a bilateral agreement (or entered into a similar commitment) with the Community.

In the same way, with regard to non-MFA products, the Council decided to establish in 1983 a new system of individual ceilings (as in the industrial products sector) to replace the overall ceilings provided for in 1982. These individual ceilings were raised in general by 5% or more.

AGRICULTURAL PRODUCTS

327. The Council agreed on a potentially major extension of the advantages of the Community GSP to the least-developed countries, for whom the GSP is the only means of access to preferences, unless they are parties to the ACP-EEC Convention. This extension consists of exemption from customs duties for the large majority of the products falling within Chapters 16 to 24 of the Common Customs Tariff (comprising approximately 350 additional tariff headings) in respect of which the ACP States already enjoy this exemption.

In respect of all the beneficiaries the Council agreed:

In respect of all the beneficiaries the Council agreed:

- (i) to improve the preferential margins for 15 agricultural products already included in the GSP;
- (ii) to include nine new products.

The Council also revised the distribution of the quotas among the Member States for certain agricultural products subject to quota, namely cocoa butter, soluble coffee, tinned pineapples whether sliced or not, and raw tobaccos of the Virginia type, in order to take better account of actual trade patterns in recent years.

CHINA AND ROMANIA

328. For China the advantages of the GSP were also extended to certain products based on fruits (fruit juices) and the quotas for cocoa butter, soluble coffee and sliced or diced pineapples.

329. China and Romania continue to enjoy certain preferences for a slightly wider range of products than in 1982, in accordance with special arrangements.

BENEFICIARY COUNTRIES

330. The list of beneficiary countries for 1983 comprises 125 countries, as in 1982. For the first time in 1983 two countries, Bolivia and Ecuador, will also enjoy certain preferences in the MFA textiles sector. In addition two new countries, Togo and Sierra Leone, have been added to the list of the least-developed countries.

F — RELATIONS WITH THE ACP STATES AND THE OVERSEAS COUNTRIES AND TERRITORIES

Relations with the ACP States

331. On 13 and 14 May 1982 the ACP-EEC Council of Ministers held its seventh meeting — the second since the entry into force of Lomé II — in Libreville (Gabon). The dominant feature of this meeting was the search for mutually acceptable solutions to the problems encountered in implementing the provisions of the Convention on the Stabex system. The Council also discussed other important aspects of the implementa-

tion of the Convention, in particular in the fields of trade, the Protocol on sugar, and industrial, agricultural, and financial and technical cooperation. Lastly, at the request of the ACP States, it discussed the situation in southern Africa and the position of ACP students and nationals in the Member States of the EEC.

332. The first meeting at ministerial level of the Committee provided for in Article 108(6) of the Convention was also held in Libreville, on 12 May 1982. This is a new joint body with the task of studying appropriate measures to improve the implementation of financial and technical cooperation. In particular this Committee prepared a draft resolution comprising guidelines for future cooperation in this field which was subsequently adopted by the Council of Ministers.

333. The ACP-EEC Committee of Ambassadors held its 13th and 14th meetings on 20 April 1982 and 1 February 1983 (the latter having been postponed for two months). It assisted the Council of Ministers in its tasks, monitored the implementation of the Convention and supervised the work of the various subordinate bodies.

334. Preparatory work for the ACP-EEC Consultative Assembly was done by the ACP-EEC Joint Committee, which met twice (on 1-4 February in Harare, Zimbabwe, and 1-3 November in Rome). The Assembly held its annual meeting on 4 and 5 November in Rome. It adopted several resolutions, in particular on the sixth annual report of the ACP-EEC Council of Ministers, hunger in the world, energy and southern Africa.

335. In the course of the year three States acceded to the second ACP-EEC Convention:

- (i) Zimbabwe, on 1 March 1982, following completion of the ratification procedures for the accession agreements (to the Convention and the ECSC Agreement) which had been signed in Luxembourg on 4 November 1980;
- (ii) Belize, on 5 March 1982;
- (iii) Antigua and Barbuda, on 30 July 1982.

TRADE COOPERATION

Trends in ACP-EEC trade

336. The ACP-EEC Council of Ministers gave its assent in Libreville to the mandate of a joint working party on trends in trade. This working

party made an initial assessment of overall trade between the Community and the ACP States at a meeting in September 1982.

ACP-EEC consultations on generalized preferences

337. In October 1982 the ACP States presented a memorandum on the Commission's proposals for the scheme of generalized preferences for 1983. These had already been discussed at an informal meeting with the Commission departments in July 1982.

The EEC Council was thus in a position to take into account the wishes of the ACP States during its internal deliberations and to meet them to some extent in the scheme which was adopted on 8 December 1982.

At the meeting of the ACP-EEC Committee of Ambassadors on 1 February 1983 both parties expressed their satisfaction with the operation of these information and consultation procedures in connection with the 1983 GSP.

Rum

338. On 24 June 1982 the EEC Council adopted a regulation opening, allocating and providing for the administration of a Community tariff quota for ACP rum.¹ This regulation is concerned with the implementation of Protocol No 5 on rum annexed to the second ACP-EEC Convention.

339. The ACP-EEC working party on rum held its third meeting on 9 July 1982 to discuss the ACP rum import arrangements for 1982-83 and a Commission proposal relating to the definition of rum. The ACP States said that they would present their comments on this proposal at a later date.

Agricultural products available

340. The ACP-EEC working party on agricultural products available is responsible for examining requests from ACP States for guaranteed long-term supplies of certain agricultural products at preferential prices and on special terms of payment, together with the position of the Community on these questions.

¹ Regulation (EEC) No 1699/82: OJ L 189, 1.7.1982.

This working party met twice in 1982. At these meetings a number of questions were clarified and an exchange of views was held on the supply needs of the ACP States.

The meeting of the ACP-EEC Council of Ministers in Libreville instructed the working party to submit a report, through the Committee of Ambassadors, at its next meeting in 1983.

Arrangements for imports of certain ACP agricultural products into the Community

341. When the ACP-EEC Council of Ministers met in Libreville, the ACP States described the difficulties encountered in respect of some of their exports to the Community (bran, chickens, coffee and maize). In a letter dated 17 June 1982 they asked for consultations on these products (and also on cocoa and strawberries), as provided for in Article 2(2)(b) of the Convention.

Initial consultations were held on 7 July 1982 at a meeting of the ACP-EEC subcommittee on trade cooperation. Subsequently the ACP States set out their arguments in a memorandum which they sent to the Community on 25 August 1982.

Two other meetings of the ACP-EEC subcommittee on trade cooperation were held, at which a number of the problems mentioned above were clarified, namely those regarding cocoa butter, maize, chickens and coffee. Solutions to these problems were sought at bilateral level between the parties concerned, while other problems (regarding wheat bran and residues, and strawberries) were still being examined by the Community bodies at the end of the year.

Consultation procedures (implementation of the safeguard clause)

342. At its meeting of 17 September 1982 the ACP-EEC subcommittee on trade cooperation approved a joint statement on the implementation of the provisions relating to the consultation procedures with regard to safeguard measures provided for in Article 13 of the Convention.

This text was approved by the Committee of Ambassadors on 1 February 1983, pending its final adoption at the next meeting of the ACP-EEC Council of Ministers.

ACP-EEC trade arrangements and relations with non-member countries

Presentation of the Convention to GATT

343. On 23 and 24 February 1982 a GATT working party in accordance with its mandate examined the second ACP-EEC Convention to check the conformity of the convention with the provisions of the General Agreement.

In its conclusions the working party acknowledged in general terms that the aims and objective of the Convention were in conformity with those of the GATT.

The meeting of the ACP-EEC Council of Ministers in Libreville expressed its satisfaction at the cooperation between the Lomé partners on this occasion.

Enlargement of the Community to include Portugal and Spain

344. A statement by the Community on the progress made in the accession negotiations with Spain and Portugal was presented to the Committee of Ambassadors on 20 April and to the meeting of the ACP-EEC Council of Ministers in Libreville.

At the 14th meeting of the Committee of Ambassadors the Community gave the ACP States further information on this matter.

Financing of the participation of the ACP States in fairs and exhibitions

345. In July 1982 the Member States and the Commission of the European Communities agreed on a text to regulate the future financing of the participation of ACP States in trade events organized within the Community or elsewhere.

With regard to the finance provided by the EDF, in 1982 this Fund financed 200 instances of participation in fairs and exhibitions involving 45 ACP States and five regional organizations, namely, the Ecowas, Escap, COLEACP, African Groundnut Council and FEDEAU.

Provisional arrangements applicable to trade between Greece and the ACP States

346. Pending the entry into force of the Protocol to the Second ACP-

EEC Convention and the Protocol to the Agreement between the Member States of the ECSC and the ACP States, which were signed on 8 October 1981 following the accession of the Greek Republic to the Community but for which the ratification procedures had not yet been completed, the Community decided on two occasions in 1982¹ to extend unilaterally the provisional arrangements applicable to trade between Greece and the ACP States.

CUSTOMS COOPERATION

Exemptions from the rules of origin

347. In June 1982 the ACP-EEC Customs Cooperation Committee decided to grant an exemption from the rules of origin to Mauritius in respect of 1 000 tonnes of tuna preserves for two years as from 1 August 1982.

Origin of fishery products

348. With a view to the examination of the problems relating to the origin of fishery products provided for in Annex XXI to the Lomé II Final Act, on 25 November 1982 the ACP States forwarded a detailed document on the fishing industries of some of these States containing proposals for changes in the rules of origin. At the end of the year this document was being examined by the competent Community authorities.

STABILIZATION OF EXPORT EARNINGS (STABEX)

349. The requests for transfers lodged by the ACP States for the year of application 1981 (approximately 453 million ECU) far exceeded the resources available under the Convention (approximately 90 million ECU). Accordingly, with a view to the meeting of the ACP-EEC Council of Ministers in Libreville, the EEC Council put forward a solution — described as an exceptional and one-off measure applicable for 1981 only — providing in particular for the mobilization by the Community of an additional amount of approximately 70 million ECU. This proposal

¹ See (i) in respect of the EEC: Regulations (EEC) No 1734/82 and No 3551/82: OJ L 190, 1.7.1982 and OJ L 373, 31.12.1982; (ii) in respect of the ECSC: Decisions of the Representatives of the Governments of the Member States of the ECSC 82/439/ECSC and 82/882/ECSC: OJ L 190, 1.7.1982 and OJ L 373, 31.12.1982.

enabled the ACP-EEC Council to come to an agreement in principle, and the Committee of Ambassadors was empowered to take the decisions involved.

The Committee of Ambassadors took these decisions on 5 August 1982. In essence they involve advance utilization of part (20%) of the 1982 tranche, reduction of the 1981 transfers and setting off the credits in the system against the applications from five ACP States. Thus, taking into account the additional appropriations mobilized by the Community, the resources to be allocated among the ACP States concerned totalled 182 853 710 ECU, giving a rate of cover of 46.5% for the least-developed ACP States and 41.9% for the others. In addition provision was made for a special arrangement to deal with applications for less than 1 million ECU or amounts only slightly exceeding this figure.

The ACP-EEC Council of Ministers also instructed the Committee of Ambassadors to make a thorough examination of the Stabex system, with regard to both the letter and the spirit of the Convention, in preparation for discussions at an extraordinary meeting of the Council of Ministers to be convened for this purpose.

Lastly, the ACP-EEC Council of Ministers adopted decisions:

- (i) concerning the inclusion of nutmeg, mace and shea seed in the system and delegating to the Committee of Ambassadors the power to include other products if necessary, since there were applications from the ACP States concerning plywood, wood pulp, sisal products, tobacco and citrus fruits;
- (ii) applying the system to exports from Dominica of coconuts and coconut oil to other ACP States.

SUGAR

Guaranteed prices

350. The negotiations on the prices for the 1981/82 marketing year were considerably delayed owing to the fact that the ACP States opposed the Community's proposal — on the lines of its internal arrangements — for differentiated price increases for white and raw sugar. The Council discussed this problem on several occasions and finally accepted the point of view of the ACP States. On this basis the negotiations culminated in February 1982 in the fixing of the guaranteed prices at 38.94 ECU/100 kg for raw sugar and 48.16 ECU/100 kg for white sugar.

During these negotiations, as at the meeting of the ACP-EEC Council of Ministers in Libreville, the ACP States expressed their concern regarding maritime freight costs and the problem of the rate of inflation levels, which was higher than the rate of increase in the guaranteed prices.

For the delivery year 1982/83 the negotiations on 28 June 1982 resulted in the fixing of prices at 42.63 ECU/100 kg for raw sugar and 52.62 ECU/100 kg for white sugar. In addition it was agreed that the contracting parties would examine as a matter of urgency the problem of maritime freight as raised by the ACP States and that their findings would be communicated in good time before the negotiations for the 1983/84 guaranteed prices.

Re-examination of the conditions for implementing the guarantee referred to in Article 1 of the Protocol

351. The re-examination of the guarantee in Article 1 of the Protocol — which lays down the fundamental commitments of the contracting parties — began formally on 19 February 1982 at a meeting to negotiate the guaranteed prices for 1981/82, i.e. before the expiry on 1 March 1982 of the period of seven years laid down in Article 2(2) of the Protocol.

Accession to the Protocol

352. Two countries acceded to the Protocol on sugar in 1982, namely:

- (i) Belize (a former OCT which acceded to the Convention) for the same quantity as when it had OCT status, i.e. 39 400 tonnes with effect from 1 July 1982;
- (ii) Zimbabwe, for a quantity of 25 000 tonnes with effect from 1 July 1982, plus a quantity of 6 000 tonnes to be supplied for the period up to 30 June 1982.

The Ivory Coast also applied to accede to the Protocol. This application is being considered.

MINERAL PRODUCTS (SYSMIN)

353. A new scheme for mineral products (Sysmin), created under Title III of the second Convention, is designed on the one hand to guarantee

aid to the ACP States to maintain their production capacity for the main mining products which they export and on the other to provide these States with technical and financial assistance from the Community for the long-term development of their mining and energy resources. A budget of 280 million ECU was allocated for these arrangements.

Applications for aid under Sysmin are subject to the procedure for financial and technical cooperation (the EDF Committee).

The first two applications for aid under the new system had already been judged admissible in 1981, and their substance was examined in 1982.

Thus, after a favourable opinion had been given by the EDF Committee, the Commission approved:

- (i) a special loan of 55 million ECU to Zambia to finance the redevelopment of copper and cobalt mines;
- (ii) a special loan of 40 million ECU to Zaire to finance the redevelopment and consolidation of copper and cobalt production.

INDUSTRIAL COOPERATION

354. The Council attended, for the Community's part, to the implementation of Title V of the Lomé Convention relating to industrial cooperation, which continued and intensified with regard to both the general policy aspects and the practical activities of the institutions and bodies concerned.

355. At its meeting in Libreville on 13 and 14 May 1982 the ACP-EEC Council of Ministers held a general exchange of views on the implementation of the provisions of the Lomé Convention relating to industrial cooperation, which included a review of the industrial policy and its impact on the opportunities for industrial development in the ACP States.

The ACP-EEC Council took note that the Industrial Cooperation Committee had made all the necessary provisions for the operation of the Centre for Industrial Development, which extended the scope of its activities.

More generally, it confirmed the importance which it attached to industrial development and expressed its satisfaction at the great efforts made by the institutions and other bodies (the Commission, the EIB, and the CID) which are responsible for it.

356. The ACP-EEC Committee on Industrial Cooperation (set up under Article 78 of the Lomé Convention) met four times. The experts met on 23 July, 13 October and 30 November 1982, and a meeting was held at ambassador level on 7 December.

The main questions discussed were:

*Work programme and budget of the
Centre for Industrial Development for 1983*

357. When the Committee met at ambassador level on 7 December 1982, in accordance with Article 81(5) of the Convention and Article 6 of the Financial Regulation of the Centre (Decision No 3/81/CIC of the Committee on Industrial Cooperation of 2 September 1981) it adopted the draft budget of the Centre for 1983. The budget was finally adopted on 21 December 1982, the date of the Commission decision. It is financed in essence by the EDF from the separate allocation of a maximum of 25 million ECU provided for in the Lomé Convention for this purpose (Article 81) and totals 5 806 832 ECU (3 019 832 ECU in operating appropriations and 2 787 000 ECU in intervention appropriations).

*Annual report of the
Centre for Industrial Development for 1981*

358. After examining the technical aspects, on 7 December 1982 the Committee on Industrial Cooperation meeting at ambassador level took note of this report and the comments on it from the Community and the ACP States.

*Various questions relating to the management
of the Centre for Industrial Development*

359. It is the responsibility of the Committee on Industrial Cooperation to guide, supervise and control the activities of the Centre for Industrial Development (Article 78(1)(d) of the Convention). To this end the Committee took several decisions. In particular it designated two auditors to examine the financial management of the Centre, and extended to 7 May 1983 the mandate of the members of the Advisory Council of the Centre. The Advisory Council is composed of persons with wide experience in the industrial field, especially in the manufacturing sector. They are chosen on a personal basis on the grounds of their qualifications from nationals of the States which are parties to the Convention, and are appointed by the Committee on Industrial Cooperation.

*Selection of an aspect of industrial cooperation
to be discussed within the CIC*

360. In order to exercise to the full the functions assigned to it by Article 78 of the Convention, the Committee on Industrial Cooperation had previously agreed to select a major aspect of industrial cooperation which it would discuss in depth. Different topics were proposed by the Committee and discussions are continuing on this matter.

361. The joint declaration in Annex X to the second Lomé Convention on complementary financing of industrial cooperation reflects the intention of the Community and the ACP States to study, jointly and in depth, ways and means of tapping additional financial resources for industrial development in the ACP States. Emphasizing the importance of this question, the declaration envisages a detailed joint analysis of the problem, followed by a report to be submitted to the Council of Ministers through the Committee of Ambassadors.

At the request of the ACP-EEC Council of Ministers when it met in Nairobi in May 1980, a high-level ACP-EEC group of experts, chaired by Professor Onitiri of Nigeria, prepared a major study on this subject. Work continues within the Committee on Industrial Cooperation to pinpoint, on the basis of this study, the areas of agreement between the Community and the ACP States and the remaining questions.

AGRICULTURAL COOPERATION

362. The main aim of the agricultural cooperation between the Community and the ACP States is to assist these States in their efforts to solve the problems of rural development and the improvement and expansion of agricultural production for domestic consumption and for export, as well as any problems they encounter regarding the security of food supplies for their people.

Technical Centre for Agricultural and Rural Cooperation

363. When it met in Libreville on 13 and 14 May 1982 the ACP-EEC Council of Ministers agreed to the Community's proposals for establishing this Centre, which is provided for in Article 88 of the Lomé Convention, at Wageningen in the Netherlands with an operational office in Brussels, and for the structure of the Centre and the number of staff. The Council also took note of the intention of the ACP States to choose

a candidate for the post of Director of the Centre. For its part, the Community indicated that it would put forward a candidate for the post of Assistant Director.

Draft resolution on agricultural development

364. Using the powers delegated to it by the Council of Ministers, the ACP-EEC Committee of Ambassadors adopted a resolution on the evaluation of integrated rural development projects.

This resolution applies to integrated rural development projects the 'basic principles' formulated largely at a meeting of ACP and EEC experts held in Lomé in February 1981. It recommends in particular that the competent bodies of the ACP-EEC partners should take account firstly of these 'basic principles' and secondly of the particular, specific conditions existing in the areas for which integrated rural development projects are planned.

Other aspects

365. At the meeting of the ACP-EEC Council of Ministers in Libreville the Community informed the ACP States informally of certain developments regarding its policy for combating hunger in the world.¹

FINANCIAL AND TECHNICAL COOPERATION

Article 108 Committee

366. The year under review saw the initial work of the Committee provided for by Article 108(6) of the second ACP-EEC Convention.²

¹ See also paragraph 306 of this Review.

² The Committee is made up, on a basis of parity, of representatives of the ACP States (11 in number) and of the Community (10 Member States and the Commission). Representatives of the European Investment Bank and the Committee on Industrial Cooperation attend its meetings.

By its Decision 7/82 of 14 May 1982, the Council of Ministers delegated to the Committee of Ambassadors the power to nominate annually the representatives of the Community and of the ACP States on the Committee.

The Article 108 Committee held two meetings at delegation level, on 24 March and 28 April 1982, and a meeting at ministerial level, on 12 May 1982, immediately before the meeting of the ACP-EEC Council of Ministers.

In accordance with its mandate from the Council of Ministers, adopted in Luxembourg on 9 and 10 April 1981, the Committee examined the Commission reports on the implementation of financial and technical cooperation in 1979 and 1980, together with the appraisals of these reports presented by the ACP States.

The Article 108 Committee submitted a report to the ACP-EEC Council of Ministers together with a draft resolution on financial and technical cooperation, drawn up following a discussion on basic questions concerning development cooperation, which reflects the constructive atmosphere in which these discussions were held.

After reiterating the main objectives of the drive to improve financial and technical cooperation and the procedural criteria for achieving these objectives, this resolution emphasizes the sectors to which particular importance should be attached, namely aid to the least-developed ACP countries and to landlocked and island countries, regional cooperation, micro-projects, and the financing of small and medium-sized undertakings.

The resolution describes the principles which should govern cooperation, such as the economic and financial viability of the operations or the participation of the local population, and contains a series of recommendations for effectively accelerating and improving the implementation of financial and technical cooperation.

Amendments to the 1979 Internal Financial Agreement

367. With regard to internal Community matters, 1982 saw the entry into force of the Internal Financial Agreement concerning Zimbabwe and the adoption of the Council decision amending the Internal Financial Agreement of 1979 subsequent to the accession of Greece to the European Communities.

Following its ratification by all the Community Member States, the Internal Agreement amending the Agreement on the financing and management of Community aid of 20 November 1979, which had been signed in Brussels on 16 December 1980 when Zimbabwe acceded to the second ACP-EEC Convention, entered into force on 1 March 1982. This

'Zimbabwe' Internal Financial Agreement provides for an increase of 85 million ECU in the total appropriation for the 5th EDF.

In addition, on 27 July 1982 the Council of the European Communities adopted the decision amending the 1979 Internal Financial Agreement subsequent to the accession of the Hellenic Republic to the European Economic Community. By this decision, the Council adjusts the apportionment of contributions and the weighting of the votes provided for by the 1979 Internal Agreement to take account of the presence of the new Member State.

Management of financial and technical cooperation

368. The management of financial and technical cooperation continued without a break between one Convention and the next, so that the 5th EDF is now running smoothly, while practically all the funds from the 4th EDF have been committed.

Provisions concerning the least-developed, landlocked and island ACP States

369. The second ACP-EEC Convention devotes a special title to the least-well-endowed ACP States. It provides for special treatment for the least-developed ACP States and special measures for landlocked and island ACP States, in order to enable them to overcome the specific difficulties and obstacles which result from the nature of their needs or from their geographical situation.

The three lists in Article 155(3) of the second ACP-EEC Convention currently cover 49 different ACP States, which are eligible for more favourable treatment under various provisions of the Convention.

The ACP-EEC subcommittee responsible for the specific problems of the least-developed, landlocked, and island countries held three meetings in 1982. In accordance with a work programme, it devoted its attention to progress in implementing the special provisions of the Convention. The subcommittee also discussed the implementation of the recommendations of the United Nations Conference on the least-advanced countries, and the ACP States particularly emphasized the importance of the 'New substantial action programme for the 1980s'.

Associated Overseas Countries and Territories

370. Since many decisions and regulations adopted in connection with

the ACP-EEC Convention also apply to the OCTs, the following should also be mentioned here:

- (i) the Agreement amending the 1979 Internal Financial Agreement drawn up following the accession of Zimbabwe to the Convention, which entered into force on 1 March 1982;¹ and
- (ii) the Council Decision of 27 July 1982 amending the 1979 Internal Financial Agreement following the accession of the Hellenic Republic to the EEC.¹

It is also interesting to note that with regard to Stabex every OCT continues to draw on the funds allocated to the OCTs (and not the ACP Fund) even when it has acceded to the ACP-EEC Convention. It should thus be mentioned here that Vanuatu, which has been an ACP State since March 1981, received a transfer of 341 412 ECU for cocoa beans relating to the period when it was one of the OCTs.

371. In implementation of Decision 80/1186/EEC, which governs relations between the Community and the OCTs, the following Community regulations were adopted:

Sugar

Council Regulation (EEC) No 999/82² of 26 April 1982 fixing the guaranteed prices applicable for cane sugar originating in the Overseas Countries and Territories for 1981/82;³

Council Regulation (EEC) No 1750/82⁴ of 30 June 1982 fixing the guaranteed prices applicable for cane sugar originating in the Overseas Countries and Territories for the 1982/83 delivery period.

Rum

Regulation (EEC) No 1700/82⁵ of 24 June 1982 opening, allocating and providing for the administration of a Community tariff quota for rum, arrack and tafia, falling within subheading 22.09 C I of the Common

¹ See paragraph 367 of this Review.

² OJ L 118, 1.5.1982.

³ Adopted after some delay because of difficulties in the negotiations between the ACP States and the Community.

⁴ OJ L 193, 3.7.1982.

⁵ OJ L 189, 1.7.1982.

Customs Tariff and originating in the Overseas Countries and Territories associated with the European Economic Community (1982/83).

In addition, after Antigua and Barbuda became independent¹ and pending its accession to the ACP-EEC Convention, on 21 December 1982 the Council, by its Decision 82/32/EEC,² decided to maintain provisionally the application to that State of the arrangements provided for in Decision 80/1186/EEC concerning the association of the OCTs with the EEC.

G — MEDITERRANEAN COUNTRIES — EURO-ARAB DIALOGUE — GULF STATES

Implementation of existing agreements with Mediterranean countries

ASSOCIATION AGREEMENTS

Turkey

372. In accordance with a mandate which he had received from the Ten, on 19 March 1982 the President-in-Office of the Council, Mr L. Tindemans, went to Ankara. The main aim of this was to explain to the Turkish authorities the concern felt by the Member States regarding respect for human rights in Turkey, and to emphasize the need for that country to return as soon as possible to democratic rule, following the seizure of power by the armed forces on 12 December 1980. At the European Council on 29 and 30 March 1982 Mr Tindemans presented a report on his conversations in Ankara, and he also informed the European Parliament of this visit.

373. The work of the bodies connected with the EEC-Turkey Association was restricted to the management of relations under the Association and examination of the problems encountered in the textile sector. As regards financial cooperation with Turkey the Community's position remained the same as in 1981.³ It was primarily in order to discuss the problems of textiles that the Association Council was convened at am-

¹ On 1 November 1982.

² OJ L 16, 22.1.1982.

³ See 29th Review, paragraph 329.

bassador level on 2 April 1982 and the Association Committee met on 26 May 1982.

It will be recalled that Turkey — unlike the majority of the other Mediterranean partner countries — had refused, essentially as a matter of principle, to conclude a quantitative arrangement regarding its exports of sensitive textile products to the Community, although it is one of the main suppliers of low price textile products to the Community, and in particular of cotton yarn.

374. With regard to this product the Commission, following a thorough investigation, concluded that a dumping margin of at least 16% was being practised by the main Turkish exporters of cotton yarns and considered that this was causing considerable harm to Community enterprises in this sector. Accordingly, by its Regulation (EEC) No 3453/81 of 2 December 1981,¹ it instituted a provisional antidumping duty of 16% on imports of Turkish cotton yarn into the Community.

Since it proved impossible to reach an amicable agreement covering both the quantities and the prices of Turkish cotton yarn exported to the Community at the meeting of the EEC-Turkey Association Council on 2 April 1982, the Council, acting on a Commission proposal, instituted a definitive antidumping duty of 12% with effect from 3 April 1982.² This Community measure was followed by the imposition by Turkey of a tax of 15% on imports of certain iron and steel products originating in the Community. This tax — which, according to Turkey, was to be paid into a stabilization fund for the Turkish iron and steel sector — was considered by the Community to be contrary to the provisions of the Association Agreement.

After much effort, and exhaustive discussions at the meeting of the Council of the Communities on 26 April 1982, an arrangement was finally reached on 30 July between the Commission and the Turkish Government and exporters. In particular this arrangement provided for the institution in Turkey of a system of minimum prices for exports of cotton yarn and the implementation by the Community and Turkey of a dual monitoring system to ensure compliance with the provisions regarding both prices and quantities. Accordingly the antidumping duty applied by the Community to this product was repealed by Council Regulation (EEC) No 2306/82 of 19 August 1982³ and Turkey revoked

¹ OJ L 347, 3.12.1981.

² Regulation (EEC) No 789/82: OJ L 90, 3.4.1982.

³ OJ L 246, 21.8.1982.

the tax of 15% it had applied since April 1982 to Community exports of certain iron and steel products.

375. During 1982 there was a considerable increase in Turkish exports of other sensitive textile products at very low prices, which caused certain Member States to request the application of measures in accordance with the decisions taken by the Council on textiles policy on 25 February 1982. The Commission therefore adopted a number of safeguard measures in respect of Turkish exports of these products either to the whole of the Community (T-shirts) or to certain Member States (in particular cotton fabrics and shirts). At the end of 1982 Turkey again imposed a tax of 15% on imports of 45 Community products, mainly in the iron and steel sector. The Community protested against these measures and against other practices directed at the exports of one Member State, and asked for the Association Committee to be convened.

376. Lastly, in December 1982, besides the regulations adopted annually in implementation of the Association Agreement concerning quotas, ceilings and other arrangements for imports of Turkish products into the Community, the Council adopted Regulation (EEC) No 3590/82¹ providing for the second stage in the abolition of CCT duties on Turkish agricultural products, in accordance with Decision 1/80 adopted by the Association Council on 30 June 1980.

377. It should also be noted that during 1982 it was not possible to resume the negotiations started with Turkey on 21 January 1981² on the conclusion of a protocol of adaptation to the Association Agreement following the accession of Greece. Accordingly trade in both directions between Greece and Turkey continued to be governed by the arrangements applicable to countries enjoying most-favoured-nation status.

Malta

378. To settle the impasse in relations between the Community and Malta, at its meetings on 25 May and 22 June 1982 the Council again³ discussed the various problems concerning relations with that country. It instructed the Commission to resume contact with the Maltese delegation and to seek solutions on a practical and realistic basis.

In the communication which it forwarded to the Council on 6 October 1982 the Commission made suggestions concerning in particular the con-

¹ OJ L 375, 31.12.1982.

² See 29th Review, paragraph 329.

³ See 29th Review, paragraph 330.

clusion with Malta of a second Financial Protocol to succeed the one due to expire at the end of October 1983 and the question of granting the island exceptional financial aid. This communication is still being studied by the Council's subordinate bodies.

379. Pending the resumption of contractual trade relations with Malta, on 29 June and 21 December 1982 the Council adopted regulations¹ extending unilaterally, in each case for a period of six months, the arrangements previously applicable to trade with Malta.

Since it was not possible to complete negotiations with Malta on the conclusion of a protocol of adaptation to the EEC-Malta Association Agreement following the accession of Greece, trade in both directions between Greece and Malta continued to be governed by the arrangements applicable to the countries enjoying most-favoured-nation status.

380. With regard to implementation of the first EEC-Malta Financial Protocol (involving a total of 26 million EUA, of which 16 million EUA were EIB loans from its own resources and 10 million EUA consisted of gifts and special loans from Community budgetary resources), which was signed in 1976 and is due to expire on 31 October 1983, it was not possible to settle the problems resulting from Maltese regulations which prevent the country from accepting loans at an annual rate of more than 3%, and the balance of 13 million EUA remaining from the 16 million EUA reserved under the above-mentioned Financial Protocol for EIB loans remained unused.²

On the other hand, all the budgetary appropriations provided for in the first Financial Protocol (10 million EUA) have now been committed, the balance of 118 821 EUA still remaining out of these appropriations having been allocated, at the end of 1982, to training and technical assistance projects.

Cyprus

381. With the unilateral arrangements for trade with Cyprus³ due to expire on 30 June 1982, in May 1982 the Council's subordinate bodies resumed their work on drawing up guidelines to enable the Commission

¹ OJ L 190, 1.7.1982 and OJ L 371, 30.12.1982.

² See 29th Review, paragraph 330.

³ Regulation (EEC) No 3746/81: OJ 374, 30.12.1981.

to negotiate with Cyprus, in accordance with the Association Council decision of 24 November 1980,¹ the contractual trade arrangements to apply from 1 July 1982 to 31 December 1983.

At its meeting on 21 and 22 June 1982 the Council held a long discussion on this matter but did not reach an agreement. Accordingly, the Council extended the unilateral trade arrangements applicable to Cyprus for a further six months.²

382. At its meeting on 25 October 1982 the Council reached agreement on the content of the negotiating guidelines, but when the Commission held talks with Cyprus on 8 December 1982 it was not possible to conclude them on this basis.

The trade arrangements applicable to Cyprus thus had to be extended unilaterally once again for six months.³

383. On 20 October 1982 the eighth meeting of the EEC-Cyprus Association Council was held at ministerial level, with Mr. U. Ellemann-Jensen, Danish Foreign Minister and President-in-Office of the Council of the Community, in the chair. The Cypriot delegation was led by Mr N. Rolandis, Foreign Minister. After taking stock of the progress made by the Association on trade and financial cooperation, Mr Rolandis expressed his regret in particular at the delays which had occurred in implementing the above-mentioned Association Council decision of 24 November 1980. As regards the conclusion of a second Financial Protocol, both delegations expressed the wish that the negotiations for this should be completed in time for this Protocol to enter into force on the expiry of the first Financial Protocol on 31 December 1983.

384. The resources available under this first Protocol, amounting to a total of 30 million ECU (20 million ECU in EIB loans from its own resources, plus 6 million ECU in subsidies and 4 million ECU in special loans from budgetary resources), had been committed in their entirety by the end of 1982, to finance a number of projects to improve the island's water supply and the drainage system in Nicosia.

Firstly, a loan of 8 million ECU was granted (for 15 years at an interest rate of 11.10% per annum) from the EIB's own resources and a special

¹ See 28th Review, paragraph 295.

² Regulation (EEC) No 1737/82: OJ L 190, 1.7.1982.

³ Regulation (EEC) No 3532/82: OJ L 371, 30.12.1982.

loan of 1 million ECU (for 40 years at an interest rate of 1% per annum) from the Community's budgetary resources. These two loans will contribute to financing plant for two impounding dams, one at Kalavassos, on the River Vasilikos, and the other at Dhypotamos, on the river Syrkatis, together with water treatment plant, pipes and ancillary equipment.

Another special loan, of 3 million ECU (for 40 years at an interest rate of 1% per annum) together with a non-repayable grant of 4.5 million ECU from Community budgetary resources, contributed to the completion of the second phase of the Nicosia drainage network and the improvement of the water supply system in Nicosia. This work will comprise, in addition to sewers, a network for the supply of drinking water in the old town of Nicosia and extensions to an existing water treatment plant.

It should be noted that the Community took care, in the financial field as well as in its choice of projects to be financed, that the implementation of the Agreement should benefit the whole population on the island of Cyprus.

OTHER MEDITERRANEAN AGREEMENTS

Relations with the Maghreb countries

385. The negotiations for the protocols of adaptation and transition to the EEC-Algeria Cooperation Agreement and to the ECSC-Algeria Agreement following the accession of Greece were completed in October 1982.

The protocols of adaptation will enter into force after completion of the necessary procedures and in particular after they have been ratified by the Member States of the Community and concluded by the Council.

Pending their entry into force, the Community decided to apply unilaterally, with effect from 24 December 1982, the provisions agreed with Algeria under these protocols.¹

386. It should be noted that it was not possible during 1982 to complete the negotiations with Tunisia on the conclusion of protocols of adaptation following the accession of Greece. Accordingly trade in both

¹ OJ L 364, 23.12.1982.

directions between the two countries continued to be governed by the arrangements applicable to the countries enjoying most-favoured-nation status.

387. With regard to prepared or preserved sardines originating in Morocco and Tunisia, in 1982 the Council agreed to extend, initially from 1 April 1982 to the end of the year, and then again until 31 December 1983 at the latest, the system of tariff quotas previously applicable to these products.¹

These new extensions had to be granted because it had not been possible during 1982 to conclude the exchanges of letters provided for in Article 19 of the Cooperation Agreements with the countries concerned.

This article provides for tariff exemption to be granted in respect of preserved sardines from Morocco and Tunisia subject to observance of minimum prices on the part of these two countries. However, despite several discussions, the Council was unable to reach agreement on the question of the minimum prices to be observed by these countries.²

388. On the other hand, in the course of administering the Cooperation Agreements with the Maghreb countries, the Council adopted several regulations and concluded, as in previous years, a number of agreements in the form of exchanges of letters concerning detailed rules for applying the concessions laid down in the Agreements with regard to certain agricultural products, including processed products.

389. In implementation of the Financial Protocols which entered into force on 1 November 1978, a number of financing schemes were approved.

390. With regard to Tunisia, a commitment was made for a special loan, to the value of 12 million ECU charged to the Community budget, to finance the second phase of an urban drainage project.

With regard to Morocco, the European Investment Bank granted a loan of 18 million ECU out of its own resources, with a 3% interest rate subsidy, for financing a project to improve the port of Mohammedia.

¹ OJ L 375, 31.12.1982.

² See 29th Review, paragraph 339.

Relations with the Mashreq countries

Egypt

391. The EEC-Egypt Cooperation Committee, which was set up by the Cooperation Council to assist it in carrying out its tasks, met in Cairo on 16 January to make preparations for the second meeting of the EEC-Egypt Cooperation Council. More particularly it discussed trends in trade and the operation of the trade arrangements and drew up an assessment of the work done in the various fields of cooperation.

The second meeting of the EEC-Egypt Cooperation Council was held at ministerial level in Brussels on 25 May 1982, 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 Leo Tindemans, Belgian Minister for External Relations and President-in-Office of the Council of the European Communities.

In its discussions the Cooperation Council concentrated first on the implementation and continuation of economic technical and financial cooperation and emphasized, in conclusion, the generally positive results achieved in this field. It then held an exchange of views on trade and the working of the Agreement.

The Egyptian delegation voiced its concern over the implications of enlargement of the Community for its future relations with Egypt. The Community delegation informed the Egyptian delegation of the progress made in the current accession negotiations with Portugal and Spain, and confirmed its readiness to hold exchanges of views with the Egyptian delegation once these negotiations started to produce some results.

Lastly, the Cooperation Council took note with interest of a number of statements from the Egyptian delegation concerning parliamentary cooperation, EEC food aid, the conclusion of framework agreements for the long-term supply of agricultural products, three-way Euro-Egyptian cooperation in Africa, and the position of Egyptian citizens employed in the Community.¹

Implementation of the Financial Protocols

392. In implementation of the Financial Protocols signed with the Mashreq countries, which entered into force on 1 November 1978, a number of financing schemes were approved as follows:

¹ For more details see the joint press release published at the end of the meeting of the Cooperation Council (Doc. EEC-ARE 2803/82).

Egypt:

- (i) storage of agricultural products in Dagahlia: 6 million ECU;
- (ii) land improvement programme in the Governorate of Kafr-ash - Shaykh: 8 million ECU;
- (iii) a general loan to the Development Industrial Bank (DIB): 25 million ECU (EIB loans with rebate) and 3 million ECU (loans under special conditions).

Jordan:

- (i) a production unit for seedlings in the Jordan valley: 950 000 ECU;
- (ii) long-term training programme: 200 000 ECU;
- (iii) global loan to the Industrial Development Bank of Jordan (IDB): 5 million ECU (EIB loans with interest rate subsidy) and 2.5 million ECU (loans on special terms).

Lebanon:

- (i) assistance to the Union Nationale de Crédit Cooperatif (UNCC): 1 400 000 ECU;
- (ii) automation on the documentation of the Chamber of Commerce and Industry in Beirut (CCIB): 240 000 ECU.

Syria:

- (i) long-term training programme: 600 000 ECU;
- (ii) scientific and technical cooperation with the Centre d'Études et de Recherche Scientifique (CERS): 600 000 ECU.

In addition, global authorization was given (up to a maximum of 3 million ECU) for commitments to finance technical cooperation projects for the Maghreb/Mashreq countries by the accelerated procedure.

Spain

393. At its meeting on 22 November 1982 the Council received a statement from the United Kingdom delegation regarding difficulties encountered in the operation of the 1970 Agreement with Spain. Further to

this statement, at the Council meeting on 13 December 1982 the Commission presented a statement in which it indicated in particular its intention of pursuing its contacts with the Spanish authorities and of reporting to the Council at its next meeting in 1983.

In addition, as in previous years, the Council adopted several regulations implementing this Agreement.¹

Israel

394. The EEC-Israel Cooperation Committee held its 3rd meeting on 11 January to take stock of the operation of the Agreement, particularly in the field of trade and economic, technical and financial cooperation. The Israeli delegation took this opportunity of reiterating its government's serious misgivings regarding the consequences of the enlargement of the Community, in particular to include Spain.

In addition, as in previous years, the Council adopted certain regulations implementing the Agreement between the Community and Israel.²

Yugoslavia

395. The negotiations for the conclusion of the protocols of adaptation to the EEC/ECSC-Yugoslavia Agreements following the accession of Greece continued at the beginning of 1982³ and the protocols of adaptation negotiated by the Commission were initialled by the Commission and the Yugoslav delegation on 15 January 1982. These protocols were signed by the Community and the Member States and by Yugoslavia on 1 April 1982. The European Parliament was consulted on 17 September 1982. The protocols will enter into force after completion of the necessary procedures and in particular after they have been ratified by the Member States of the Community and concluded by the Council.

In response to Yugoslavia's concern regarding the trend in exports of 'baby beef' to Greece, its main export market, following the accession of that country to the Community, at the end of 1981 the Council, on a unilateral basis, adopted a regulation providing for a reduction in the

¹ OJ L 208, 16.7.1982; OJ L 345, 6.12.1982; OJ L 365, 24.12.1982.

² OJ L 333, 27.11.1982; OJ L 372, 30.12.1982; see also paragraph 399 of this Review.

³ See also 29th Review, paragraph 346 *et seq.*

levy applicable to imports of Yugoslavian baby beef into the Community,¹ on the understanding that Yugoslavia would observe a minimum offer price.

Pending the entry into force of the above-mentioned protocols, the Community decided to apply unilaterally from 1 February 1982 the new arrangements as agreed, on the understanding that for baby beef the unilateral regulation of November 1981 would remain in force.

396. On 2 April 1982, in Brussels, the EEC-Yugoslavia Joint Committee held its second meeting since the signing of the Cooperation Agreement.

At this meeting the two parties discussed the operation of the provisions of the interim agreement relating to trade and trade cooperation and of the Protocol on Financial Cooperation. They also held an exchange of views on future relations between the Community and Yugoslavia in the light of the forthcoming implementation of the Cooperation Agreement, which is due to enter into force early in 1983.

397. In 1982 the Community negotiated with Yugoslavia an additional protocol to the Cooperation Agreement relating to trade in textile products.

Pending completion of the procedures necessary for its entry into force, this protocol is applicable *de facto* as from 1 January 1983.

With a view to the administration of the provisions contained in the protocol, on 23 December 1982 the Council, on a proposal from the Commission, adopted a regulation on the rules applicable to imports of textile products originating in Yugoslavia.² This regulation entered into force on 1 January 1983 and will apply until 31 December 1986.

398. In addition, as in previous years the Council adopted certain regulations implementing the existing Agreements between the Community and Yugoslavia.

'Second generation' Financial Protocols with the Mediterranean countries

399. On the basis of the negotiating directives adopted by the Council on 27 July 1981 and supplemented on 29 and 30 September 1981, the

¹ See Council Regulation (EEC) No 3349/81 of 24.11.1981: OJ L 339, 26.11.1981.

² Regulation (EEC) No 3588/82: OJ L 374, 31.12.1982.

Commission successfully concluded negotiations for the new Financial Protocols, in the first instance with Egypt, Jordan, Lebanon, Morocco, Syria and Israel,¹ and in a second phase with Algeria and Tunisia.²

The Council approved the results of these negotiations on 20 April and 20 and 21 September 1982 respectively, and agreed to the signing of these protocols. This took place in the following order: Egypt (25 May 1982), Jordan, Morocco and Syria (10 June 1982), Lebanon (17 June 1982), Algeria and Tunisia (28 October 1982). The signing of the protocol with Israel, which was planned for 14 June 1982, was suspended by the Community for political reasons.

After consulting the European Parliament, on 22 and 23 November 1982 the Council adopted the regulations on the conclusion of the above-mentioned protocols with the Maghreb and Mashreq countries, which were then published in the *Official Journal of the European Communities*.³

Following exchange of the instruments of ratification four protocols (with Algeria, Egypt, Jordan and Morocco) entered in force on 1 January 1983. The protocol with Syria is to enter into force on 1 February and that with Lebanon on 1 March 1983.

400. The structure of these protocols, which cover a further period of five years ending on 31 October 1986, is no different from that of the 'first generation' Financial Protocols, although the beneficiary countries no longer have the choice between 3% and 2% for the interest rate subsidy.

The forms of aid granted by the Community remain identical, i.e. loans from the European Investment Bank, loans on special terms, and non-repayable grants. The total amount of aid was increased by approximately 52% (from 669 million ECU to 1 015 million ECU). The increase in loans from EIB funds was of the order of 65%, whereas the other forms of aid (special loans and grants) increased by approximately 35%.

The apportionment of aid among the various countries (see table below) was based on the desire to maintain a certain balance between the various partners, taking into account a number of factors.

¹ See Commission report to the Council dated 18 March 1982 on the results of these negotiations.

² See Commission report to the Council dated 23 July 1982 on the results of these negotiations.

³ OJ L 337, 29.11.1982.

401. The funds provided for in these protocols are to be used by the Community to finance or part-finance:

- (i) investment projects in the fields of production and economic infrastructure, aimed mainly at diversifying the economic structure of the Mediterranean partners and in particular at encouraging industrialization and the modernization of their agricultural sector;
- (ii) technical cooperation projects to prepare or supplement the investment projects drawn up by these countries with a view to improving their self-sufficiency in food;
- (iii) technical cooperation projects in the field of training.

Before the expiry of these protocols the contracting parties are to examine what arrangements could be made in the field of financial and technical cooperation for a possible further period.

Financial Regulation relating to the application of the Financial Protocols with the Mediterranean countries.

402. On the basis of the joint guidelines it had adopted on 25 July 1978, the Council resumed its work — which had been suspended since 1978 — concerning a regulation on the application of the provisions of the Financial Protocols concluded with the Mediterranean countries.

Euro-Arab dialogue

403. Owing mainly to recent events to the Middle East, and particularly the situation in the Lebanon, there were no new fundamental developments in the Euro-Arab dialogue, although work continued on economic cooperation questions with a view to a further Euro-Arab meeting at ministerial level.

The European Working Party on Coordination met twice in order to take stock of progress to date and future prospects for the dialogue, in view also of certain intimations from the Arab League about reactivating the dialogue.

Gulf States

404. Informal contact was established by the Commission's departments with the Secretariat of the Gulf Cooperation Council, and its

Secretary-General, Mr Bishara, subsequently made an exploratory visit, in June 1982, to the Commission and the Presidency of the Council.

(Mio Ecu)

Country	Second Protocols				
	Budget			EIB	Total
	Total budget	consisting of			
		special loans	grants		
Morocco	109	42	67	90	199
Algeria	44	16	28	107	151
Tunisia	61	24	37	78	139
Egypt	126	50	76	150	276
Jordan	26	7	19	37	63
Lebanon	16	5	11	34	50
Syria	33	11	22	64	97
Israel	—	—	—	40	40

H — ASIA — LATIN AMERICA

Asia

ASEAN

405. The close cooperation between the Community and the Asean countries continued and intensified during 1982.

The Joint Committee, set up under the Cooperation Agreement which entered into force on 1 October 1980, held its third meeting in Thailand on 2, 3 and 4 November 1982. The results of this meeting were considered positive by both sides since it was the occasion for thorough and fruitful discussions on a wide range of subjects and a number of

programmes were agreed on or identified for future action, in particular in the fields of trade, economic cooperation and development cooperation.

The following main points should be emphasized.

Trade cooperation:

- (i) the Community financed a number of trade promotion programmes at both national and regional level;
- (ii) a working party on trade issues, set up by the Joint Committee at its first meeting in November 1980, held a meeting at which a number of specific trade questions were discussed.

Economic cooperation:

- (i) further to the decision of the representatives of the chambers of commerce of the Asean and Community countries to set up the 'EEC-Asean Business Council', contacts between the two parties concerned continued with a view to establishing a work programme so that a decision could be taken on the first formal meeting of this body;
- (i) in the mining sector the Community organized a fact-finding visit to the Asean countries for the European manufacturers concerned;
- (iii) the Community decided to finance an industrial conference on the machine tools, processing plant and agricultural machinery sectors, which is to be held in Kuala Lumpur in early 1983;
- (iv) in the field of science and technology a cooperation programme was drawn up for a period of two years (1982-83);
- (v) there was increased cooperation in the field of insurance, which led to an agreement on a provisional programme of technical exchanges and training for 1983-84;
- (vi) finally, the Community decided to finance a training programme in 1982.

Development cooperation:

- (i) At both bilateral and regional levels the Community allocated to the Asean countries approximately 20% of the total aid granted to the non-associated developing countries.

INDIAN SUB-CONTINENT

406. Relations between the Community and the four countries of the Indian sub-continent (India, Pakistan, Bangladesh and Sri Lanka) continued to develop within the framework of the existing bilateral agreements.

India

407. The first meeting of the Joint Commission set up by the new Agreement for Commercial and Economic Cooperation, which entered into force on 1 December 1981, was held at ministerial level in New Delhi on 22 and 23 January 1982. The results of this first meeting, which marked the start of effective cooperation between the two parties in the new fields covered by this Agreement, were considered as a whole very positive. The following main points deserve particular mention.

Trade cooperation:

- (i) discussions were held in depth on the current situation and future prospects in various fields of interest to one or the other of the two parties, including, in particular, the balance of trade, trade in textile products, and requests from India regarding hand-made products, jute, sugar and leather;
- (ii) the trade promotion programme for 1982 was approved;
- (iii) a joint working party was set up with a view to resolving the outstanding problems in trade between the two parties;
- (iv) the Community stated that it was prepared in principle to continue to finance the Indian Trade Centre in Brussels after 1982.

Economic cooperation:

- (i) in the field of investment the need to intensify cooperation between the two parties was recognized and found its first practical expression in the programme which was agreed for 1982, covering the publication in various Community languages of a guide to investment in India, organization of seminars in Europe for the economic operators in India and the Community, organization of a sectoral conference, and exploring the possibility of institutionalizing the relations between Indian and European chambers of commerce and industrial federations;

- (ii) in the field of science and technology the two parties explored the possibility of fostering cooperation in various sectors, including that of energy;
- (iii) it was agreed to do more to further cooperation in non-member countries; in particular, with regard to training, the Community stated that within the framework of its programmes for other developing countries it was prepared to use the facilities which India could offer.

Development cooperation:

- (i) in 1982 the Community would continue to grant substantial aid to India under its various aid programmes for developing countries, i.e. food aid, technical and financial assistance, etc.

Pakistan

408. The sixth meeting of the EEC-Pakistan Joint Commission was held in Brussels on 22 and 23 March 1982. It reviewed the functioning of the Commercial Cooperation Agreement and of certain sectoral agreements and identified a number of fields for future action. The following points should be mentioned in particular:

- (i) the Joint Commission approved a substantially increased trade promotion programme for 1982, with particular emphasis on subcontracting for machine products, leather and investment seminars; the subcommittee was instructed to draw up a promotion programme for 1982-83, in particular in the tobacco and fishing sectors; in addition, the Community stated its willingness to step up the training programme for Pakistani craftsmen;
- (ii) a fresh impetus was given to implementing technical and financial assistance from the Community to Pakistan;
- (iii) the Community declared its willingness to use Pakistani training establishments for its programmes in this field in aid of other developing countries.

LATIN AMERICA

409. Relations between the Community and the countries of Latin America were marked during the first half of 1982 by the events connected with the Falklands crisis.

The desire for solidarity which characterizes the Community's external relations policy was reflected on this occasion in the support given to the United Kingdom by the adoption of common measures against Argentina.

Following the discussions held in the context of political cooperation, on 16 April 1982 the Ten decided, in addition to a complete embargo on exports of weapons and military equipment to Argentina, to suspend imports of all EEC or ECSC products originating in that country. This suspension was lifted on 22 June 1982.

410. Although the Falklands conflict cast a shadow on relations between the Community and Latin America, the friendly links which the Ten have traditionally had with these countries are and remain a major element in the Community's external policy.

The desire to develop a more vigorous dialogue with Latin America was emphasized by the Community at the highest level. Indeed, the European Council on 28 and 29 June 1982 made a point of confirming the keen interest that the Ten attach to developing their relations with the peoples of this part of the world, who have so many links with Europe and are called upon to play an increasingly important role on the world stage.

411. During the second half of 1982 certain important decisions were taken which promise well for the future. With regard to Central America, the European Council itself turned its attention to the situation in this area on two occasions (March and June 1982) and provided the necessary political impetus for increased Community aid with the aim in particular of helping to resolve the tensions and conflicts in Central America, which in many cases have their origin in the serious economic problems and social imbalances in the various countries concerned.

In accordance with the two declarations on this matter by the European Council, at its meeting on 22 and 23 November 1982 the Council decided to increase by 30 million ECU the technical and financial assistance to be granted by the Community to Central America in 1982. This increased aid will be devoted mainly to projects aimed at increasing agricultural production in these countries under the existing agrarian reform programmes.

412. The important Framework Cooperation Agreement concluded with Brazil entered into force on 1 October 1982.

This Agreement, concluded for an initial period of five years after which it will be renewable by tacit agreement each year, has introduced a new

dimension into the relations between the two partners. Whereas the old Agreement was a conventional trade agreement containing references to certain sectoral problems, the new Agreement aims at encouraging the expansion and harmonious development of general commercial and economic cooperation between the two parties.

It is a framework agreement which lays down aims and forms of action of a general nature. One of its essential features is that it encourages cooperation between the economic operators of both parties.

The Agreement is open to further developments. No field is excluded *a priori* which falls within the competence of the Community and which could come within the scope of economic cooperation. Both parties to the Agreement intend to examine together, through a Joint Committee, the practical possibilities for developing cooperation.

413. The Community remains convinced that over and above these achievements the resumption, which it hopes will be soon, of the new EEC-Latin America dialogue procedure at ambassador level and of negotiations with the countries of the Andean Group, together with the implementation of the existing cooperation agreements with certain Latin American countries, will make it possible to improve the conditions for cooperation between the two regions.

I — COMMON FISHERIES POLICY

Common stock management and conservation arrangements

414. To illustrate briefly the background to the efforts which continued throughout 1982 — and which met with success in January 1983 — to overcome the last remaining obstacles to the adoption of common stock management and conservation arrangements, it would be useful to recall a number of points which show the extremely urgent need for the establishment of a common fisheries policy.

Firstly, from the legal point of view the Council was confronted not only with the fact that since 1 January 1979 the responsibility for introducing conservation measures for fisheries resources lay completely and unquestionably with the Community,¹ but also with the expiry on 31

¹ See the judgment handed down by the Court of Justice in Case No 804/79.

December 1982, as laid down in Article 103 of the Act of Accession, of the derogations from the principle of equal conditions of access to fisheries resources as laid down in the Treaty and Article 2 of Regulation (EEC) No 101/76.¹

Secondly, the delay in drawing up Community management and conservation measures, which had been awaited since 1 January 1977, the date on which the Member States, acting together, extended their fishing limits to 200 miles, was liable to damage the Community's credibility both internally and externally.

Thus the Council had to exert itself to the full to reach an agreement on all the aspects of the common fisheries policy. For this purpose it had received from the Commission a series of proposals, some new and some amending or supplementing certain previous proposals. On the basis of guidelines laid down by the Council in its declaration of 30 May 1980² the Commission proposed five types of measures, which involved in essence the following points:

- (i) regulation of access to fishing zones with two categories of exemptions from the principle of equal conditions of access, namely:
 - (a) the general institution of a 12-mile coastal limit reserved for fishermen from the adjacent coast, although the established fishing rights of fishermen from other Member States should be maintained. These arrangements would apply until 31 December 1992 and could be extended with or without modification for a further period of 10 years. The drafting of this proposal, which comprised a description by area and species of the fishing rights concerned, was made considerably easier by the prior contacts between the Member States chiefly concerned and the Commission;
 - (b) restriction of fishing activity in a 'biologically sensitive' area around the Shetland islands. In this area fishing activities by ships exceeding a certain size would be subjected to a licensing system administered at Community level. These arrangements would also be applicable until 31 December 1992 and could be extended for a further period of 10 years;

¹ OJ L 20, 28.1.1976.

² OJ C 158, 27.6.1980.

- (ii) the fixing of a total allowable catch (TAC) for the main species and the apportionment of these TACs¹ as quotas among the Member States; in the Commission's opinion the allocation pattern resulting from the quotas proposed for 1982 should ensure a relatively stable level of activity for the fishermen from each Member State over the coming 10 years;
- (iii) institution of a system of technical conservation measures concerning mesh sizes, minimum sizes of fish, by-catch rates, areas and periods in which fishing is prohibited etc.;²
- (iv) introduction of specific control measures to ensure compliance with the TACs and quotas and of technical conservation measures, in particular the obligation that each fisherman — subject to certain exemptions — should keep a log book on his fishing activities and declare the catches landed, the authorities of the Member States being required to report these data regularly to the Commission, which would decide to halt fishing activities as soon as the quota available to a Member State was exhausted;
- (v) lastly, a structural policy, with a financial contribution from the Community, aimed, firstly, at adapting catch capacities to the resources available (premium for temporary or permanent cessation) and, secondly, at facilitating the modernization and development of fishing and aquaculture (aid for the construction and modernization of vessels, the creation of aquaculture facilities or the construction of artificial reefs).

All these proposals were discussed at length by the Council in the six meetings which it held between June and December 1982.

An initial success was achieved on 28 and 29 June, when the Council adopted the regulation on control measures.³ This was to be applicable with effect from the date on which the Council decided on the TACs and quotas for 1982, or from 1 January 1983 at the latest. A second achievement, albeit of limited importance, was the renewal for 1982⁴ of the interim common measure in operation since 1978 to help the inshore fishing industry and aquaculture. Under this measure the Guidance Sec-

¹ Or the share of TACs available to the Community following consultations, in particular with Norway.

² See 29th Review, paragraph 533.

³ Regulation (EEC) No 2057/82: OJ L 220, 29.7.1982.

⁴ Regulation (EEC) No 31/83: OJ L 5, 7.1.1983.

tion of the EAGGF may make a contribution towards financing investment projects up to an overall limit of 30 million ECU, compared with 25 million ECU in 1981, 20 million in 1980, 15 million in 1979 and 5 million in 1978. But the hoped-for agreement on the other aspects of the common fisheries policy was not achieved. Indeed, the Council's discussions on both the question of the allocation of resources and the arrangements for inshore waters quickly led to deadlock, since the compromise solution accepted at the meeting on 25 and 26 October 1982 by nine Member States was not such as would satisfy Denmark.

Despite the efforts made on both sides to reach a solution nevertheless before the end of the year, on 21 December 1982 the Council had to confine itself to noting that it was not in a position to take a decision on the compromise put forward by the Commission. The Danish Government had made it known that for domestic political reasons it could not accept this compromise, nor could it accept a decision by a qualified majority under Article 43 of the Treaty, in view of Denmark's 'vital interest' in fisheries.

In view of this situation, the Commission made a statement¹ — of which the Council took note — in which it recalled that the conservation of fishery resources had lain within the exclusive competence of the Community since 1 January 1979 (by virtue of Article 43 of the Treaty and Article 102 of the Act of Accession) and declared its intention of assuming its responsibilities in this matter. It invited the Member States to adopt, subject to its approval, the necessary national measures and announced that in exercising its responsibilities, in particular with regard to examining and coordinating national measures so as to ensure maximum order and stability in the activities of the entire Community fishing fleet, it would act on the basis of the proposals which it had formally presented to the Council.

In the absence of joint decisions before the time limit of 31 December 1982, the introduction of national measures thus seemed inevitable. However, intensive discussions continued between the Danish Government and the Commission and Council representatives so that in the early days of January 1983 a solution began to emerge which was to lead to a complete reversal of the situation and to the unanimous adoption by the Council of the new common fisheries policy at its meeting on 25 January 1983.

¹ See 29th Review, paragraph 532 and Decision 82/807/EEC: OJ L 339, 1.12.1982.

Common organization of the market in fishery products

415. To enable the new common organization of the market adopted in December 1981¹ to be put into effect during 1982, the Council adopted a series of implementing regulations concerning:

- (i) new rules for intervention based on the principle of financial compensation on a decreasing scale granted to producers' organizations in the event of the withdrawal of products from the market;²
- (ii) aid for the processing and storage firstly of certain white fish such as cod, redfish, saithe, haddock and whiting and secondly of sardines and anchovies ('carry-over premium' and 'special carry-over premium');³
- (iii) a transitional increase in the aid granted for setting up producers' organizations;⁴
- (iv) the extension to non-members of the rules governing the members of producers' organizations;⁵
- (v) common marketing standards for certain fresh fish.⁶

Owing to the complexity of the questions which arose in drafting the regulations on financial compensation and the carry-over premiums, it was not possible to comply with the time limit of 1 June 1982 laid down for implementing the new common organization of the markets, at least as regards Articles 13 and 14 of the last-mentioned regulation.

By its regulation (EEC) No 1865/82⁷ the Council therefore suspended the implementation of these two articles until 31 December 1982.

The prices applicable in the fisheries sector during the year from 1 January to 31 December 1983 were fixed by the Council, acting on a Commission with regard to the effect of the new provisions for the common organization of the market on the income of the producers and to foreseeable trends in production and consumption.

¹ See Regulation (EEC) No 3796/81: OJ L 379, 31.12.1981 and 29th Review, paragraph 534.

² See Regulation (EEC) No 2202/82: OJ L 235, 10.8.1982.

³ See Regulations (EEC) No 2203/82 and No 2204/82: OJ L 235, 10.8.1982.

⁴ See Regulation (EEC) No 3140/82: OJ L 331, 26.11.1982.

⁵ See Regulation (EEC) No 1772/82: OJ L 197, 6.7.1982.

⁶ See Regulation (EEC) No 3166/82: OJ L 332, 27.11.1982.

⁷ See OJ L 206, 14.7.1982.

Thus the Council increased the guide prices of the fishery products in Annex I (A) and (D) to Regulation (EEC) No 3796/81 — fresh or chilled products — by amounts ranging from 0% (herring) to 9.5% (cod).¹ These price increases are shown in the table below.

Species	1982 fishing year ECU/tonne	1983 fishing year ECU/tonne
Herring	336	336
Sardines		
- Atlantic	521	537
- Mediterranean	392	408
Dogfish (<i>Squalus acanthias</i>)	—	820
Dogfish (<i>Scylliorhinus</i> spp.)	—	790
Redfish	706	752
Cod	907	993
Saithe	540	583
Haddock	708	743
Whiting	651	690
Ling	—	850
Mackerel	267	272
Anchovies	485	509
Plaice		
- from 1 January to 30 April 1983	708	708
- from 1 May to 31 December 1983	877	912
Hake	2 042	2 185
Shrimps	1 246	1 374

The Council also adopted two regulations increasing for the 1983 fishing year firstly the guide prices for the fishery products listed in Annex II to Regulation (EEC) No 3796/81 (frozen products) and secondly the producer price for tuna intended for the canning industry.²

External fisheries policy

416. In 1982 the Community pursued its policy of ensuring that Com-

¹ See Regulation (EEC) No 3392/82 of 13.12.1982: OJ L 357, 18.12.1982.

² See Regulations (EEC) No 3393/82 and No 3394/82 of 13.12.1982: OJ 357, 18.12.1982.

munity fishermen obtained fishing rights in the waters of non-member countries under appropriate Community agreements.

The situation at 31 December 1982 can be summarized as follows:

SCANDINAVIAN COUNTRIES

417. The Council approved the arrangements made with Norway¹ and the Faeroe Islands² for 1982. However, it was not possible for the Council to adopt the bilateral arrangements with Sweden and the trilateral arrangements with Norway and Sweden relating to fishing activities in the Skagerrak and the Kattegat for 1982, for reasons connected with the internal difficulties in the field of the common fisheries policy.

CANADA

418. 1982 was the first year of implementation of the long-term Agreement that the Community had signed with Canada covering the period from 1 January 1982 to 31 December 1987.³

UNITED STATES

419. As in previous years the American authorities took the necessary measures to allow Community fishermen to pursue their activities in the exclusive economic zone in the North-West Atlantic, in accordance with Article VI of the Fisheries Agreement concluded with the United States in 1977.⁴ The Council provided for the continued application of the fisheries arrangements for the vessels belonging to the United States and other non-member countries in the 200-mile zone off the coast of the French department of Guiana.⁵

AFRICAN COUNTRIES

420. The Agreement between the Government of the Republic of Senegal and the European Economic Community amending the Agree-

¹ OJ L 87, 1.4.1982; OJ L 286, 9.10.1982.

² OJ L 120, 1.5.1982; OJ L 138, 19.5.1982.

³ See 29th Review, paragraph 369.

⁴ OJ L 141, 9.6.1977.

⁵ Regulation (EEC) 1177/82: OJ L 138, 11.5.1982.

ment on fishing off the coast of Senegal and the Protocol referring thereto, which were signed on 21 January 1982 and applied provisionally with effect from this date, were approved by the Council¹ on behalf of the Communities. The Agreement covers the period up to 15 November 1983.

Two interim Agreements extending the Protocol annexed to the Agreement between the government of Guinea-Bissau and the Community on fishing off the coast of Guinea-Bissau were signed on 13 May and 19 November 1982, thus allowing Community fishermen to continue their activities in these waters.

In implementation of the Council decision of 29 September 1981 the Commission also negotiated a fisheries agreement between the Community and a new partner. The People's Revolutionary Republic of Guinea. At its meeting on 4 October 1982 the Council agreed to the signing of this Fisheries Agreement and its annexes.

Similarly, in December 1982 the Commission entered into initial negotiations with the Government of the Islamic Republic of Mauritania with a view to concluding a fisheries agreement between Mauritania and the Community.

SPAIN

421. Following the annual consultations with Spain, on 29 April 1982 the Council laid down the final arrangements for fishing by Spanish vessels in Community waters for 1982.² Prior to this date interim arrangements had been applicable for the period from 15 February to 30 April 1982.³

In addition, further consultations for 1983 began in December 1982. Pending their completion, the Council adopted interim measures⁴ allowing Spanish fishermen to continue their activities until 31 January 1983.

INTERNATIONAL ORGANIZATIONS

422. The Community took an appreciably more active part — as a

¹ OJ L 234, 9.8.1982.

² OJ L 120, 1.5.1982.

³ OJ L 48, 15.2.1982.

⁴ OJ L 375, 31.12.1982.

member — in the work of the international organizations during the year under review.

423. The Community acceded to the Convention on the Conservation of Antarctic Marine Living Resources with effect from 22 May 1982 and took an active part in the first meeting held under this Convention.

424. In addition, on 13 December 1982¹ the Council adopted the Convention on the Conservation of Salmon in the North Atlantic. This Convention, which is lodged with the Council of the Community, was also ratified during 1982 by the United States of America and Iceland.

425. The Convention on Future Multilateral Cooperation in the North-East Atlantic Fisheries (NEAFC), which was approved by the Council in 1981,² entered into force in 1982 and the Community took part in the first meeting of the Commission of the NEAFC in London in November 1982.

426. At its conference in Warsaw from 9 to 11 November 1982, the International Baltic Sea Fishery Commission approved the adoption of an annex to Article XVII of the Convention on Fisheries and the Conservation of Living Species in the Baltic Sea by which the European Economic Community is invited, by all the States which are signatories to it, to accede to this Convention.

427. In addition the Community took an active part in the meetings of the North-West Atlantic Fisheries Organization (NAFO), of which it is a member. It also took part as an observer in the work of several international organizations dealing with fisheries problems, in particular the OECD, ICSEAF, and ICCAT.

J — INTERNATIONAL CONFERENCES

Conference on the Law of the Sea

428. The Community took part as an observer in the 11th meeting of the Conference on the Law of the Sea, which took place in New York from 8 March to 30 April 1982. At the end of this meeting, on 30 April 1982, the Conference adopted the Convention on the Law of the Sea.

¹ OJ L 378, 31.12.1982.

² See 29th Review, paragraph 377.

The voting was as follows: 130 in favour (including Denmark, France, Greece and Ireland), 4 against (Israel, Turkey, the United States and Venezuela) and 17 abstentions (six Member States, namely, Belgium, the Federal Republic of Germany, Italy, Luxembourg, the Netherlands and the United Kingdom; nine East European countries, Spain and Thailand) while 19 States took no part in the voting although they were present at the meeting.

From the Community's point of view the main achievement at this meeting was the inclusion in the Convention of a clause allowing it to be a contracting party as an international organization. The clause which was adopted marks the first instance of the Community being a signatory to a United Nations codification convention, and so is likely as such to set a precedent. The provision in question, in Annex IX to the Convention, will enable the Community to sign the Convention once the majority of its Member States are themselves signatories. Since this clause requires the signature of six Member States before the Community can sign, whereas on 10 December only five Member States had done so, at this stage the Community is not yet able to sign the Convention.

Although subsequently the Community in fact took part in the closing session of the Conference, which was held in Montego Bay (Jamaica) on 6-10 December 1982 on that occasion it signed only the Final Act of the Conference, as did 140 sovereign States (including the 10 Member States) as well as various other international bodies. The Convention itself was signed at this meeting by 117 sovereign States (including Denmark, France, Greece, Ireland and the Netherlands).

Chapter V: Agriculture

A — PROBLEMS CONCERNING ALL THE SECTORS COVERED BY THE COMMON AGRICULTURAL POLICY

1982/83 farm prices and related measures

429. On 29 January 1982 the Commission presented to the Council a set of proposals on fixing prices and premiums for the main agricultural products and various related measures for the 1982/83 marketing year.

Parliament and the Economic and Social Committee were consulted on these proposals and delivered their opinions in March 1982.

This important topic was the subject of a general debate in the Council spread over several meetings during April and May 1982.

In the course of these discussions certain ingredients of a possible compromise emerged, and these were taken up by the Commission in the form of amendments to its proposals on prices.

At the meeting on 10 and 11 May 1982 nine delegations were able to agree to the overall compromise solution. Finally the decisions regarding the 62 proposals for regulations before the Council were adopted at the meeting of the Council on 17 and 18 May 1982, using the voting procedure provided for in Article 43 of the Treaty (qualified majority).

This was an important event since it was the first time the decisions on prices were not adopted unanimously.

The average increase for the Community in ECU is 10.4% and in national currencies, depending on the various agri-monetary adjustments adopted at the same time, in the region of 12.2%. This is higher than the level originally proposed by the Commission (9%) and takes account in part of the opinions delivered by Parliament and the Economic and Social Committee.

In particular, it should be noted that livestock production generally received a larger increase than crop production (8.5% for cereals and 10% for milk), although an effort was made to favour certain Mediterranean crop products, for which the increase is higher than the Community average.

The impact of these decisions on food prices will be modest and reflects the caution which must be exercised as regards expenditure charged to the Community budget.

It appears that the decisions on prices were taken — after some delay — with a view both to supporting the producers' incomes and also to protecting the interests of the consumers, who in certain Member States were facing difficulties because of inflation.

At this same meeting of the Council on 17 and 18 May 1982 there was agreement in principle on the part of the great majority of the delegations on the points relating to the modification of the *acquis communautaire* in respect of agricultural structures. These latter provisions were formally adopted at a later date, after the opinion of Parliament had been received.

Details of all these agreements are given elsewhere in this chapter.

Repercussions of the monetary situation on the operation of the common agricultural policy

430. The currencies of the Member States of the Community again underwent substantial changes during 1982. Alterations to several central rates resulted in changes in the levels of the compensatory amounts and adjustments to the conversion rates used to express the common prices in national currency (referred to below as 'representative rates').

On 22 February 1982 the central rates for the Belgian and Luxembourg francs and the Danish krone were reduced by 8.5% and 3% respectively against the other currencies in the European Monetary System. These devaluations, which caused an adjustment in the value of the ECU, resulted in the introduction of a negative monetary compensatory amount in Belgium, Luxembourg and Denmark, with modifications to the existing monetary compensatory amounts in certain other Member States. In addition, they led the Council to take the following decisions.

- (i) In order to avoid the introduction of compensatory amounts in France and Greece at a time when the annual decisions on prices

and representative rates for agricultural products were imminent, on 25 February 1982 the Council adopted a regulation suspending until 31 March 1982 certain rules for calculating monetary compensatory amounts.¹

- (ii) On 2 April 1982 the Council adopted a regulation² fixing a new representative rate for the Danish krone, thus eliminating the monetary compensatory amount established in Denmark after the reduction in the central rate for its currency on 22 February 1982.
- (iii) On 4 May 1982, the Council considered it was time to fix a new representative rate more in line with economic reality for the Belgian and Luxembourg francs, the Danish krone, the French franc, the Greek drachma and the Italian lira, and accordingly adopted a regulation amending once again Regulation (EEC) No 878/77 on exchange rates to be applied in agriculture.³

The representative rate for the Greek drachma was again adjusted by the Council on 11 May 1982.⁴

In connection with the negotiations for fixing the farm prices for the 1982/83 marketing year the Council decided to adjust the representative rates for the German mark and the Dutch guilder⁵ in order to reduce the monetary compensatory amounts in Germany and the Netherlands, thus confirming the intention expressed at two meetings in March 1979⁶ to eliminate monetary compensatory amounts in due course in order to re-establish uniform farm prices.

On 12 June 1982 it was decided to make a second adjustment to certain central rates, which led to a change of 10% in the bilateral central rates for the French franc on the one hand and the German mark and the Dutch guilder on the other, and of 7% in the bilateral central rates for the Italian lira on the one hand and the German mark and the Dutch guilder on the other. The cross rates between the Danish krone, the Belgian franc, the Luxembourg franc and the Irish pound remained unchanged, but their bilateral central rates were adjusted by 4.25% against the German mark and the Dutch guilder.

¹ Regulation (EEC) No 448/82: OJ L 55, 26.2.1982.

² Regulation (EEC) No 794/82: OJ L 91, 5.4.1982.

³ Regulation (EEC) No 1051/82: OJ L 123, 6.5.1982.

⁴ Regulation (EEC) No 1154/82: OJ L 134, 15.5.1982.

⁵ Regulation (EEC) No 1207/82: OJ L 140, 20.5.1982.

⁶ See 27th Review, paragraph 329.

The Council studied the agri-monetary consequences of these adjustments and this led to the following decisions:

- (i) on 28 June 1982 the representative rates for the Danish krone, the Irish pound and the Greek drachma were adjusted¹ so that they coincided with the corresponding central rate;
- (ii) on 19 October 1982 the representative rates for the Belgian and Luxembourg francs and the French franc were adjusted,² so that in the case of Belgium and Luxembourg this rate matched the central rate for their currency, and the monetary compensatory amounts applicable in France were reduced by 3 points.

No adjustment was made in 1982 to the representative rate for the pound sterling, and the positive monetary compensatory amounts applicable to the United Kingdom underwent substantial changes in accordance with the fluctuations in the value of the pound on the markets. The rate went from 9.5% at the beginning of the year to 3.1% at the end of the year, having risen to 10.7% in September.

431. In the course of the second half of the year the Council resumed its examination of the proposals which the Commission had forwarded in February 1980.³ These aimed at reinforcing the provisions hitherto applicable in the agri-monetary field, and in particular the permanent application of the ECU to the common agricultural policy. Following discussions in depth, which also covered the advisability of drawing up regulations on the dismantling of monetary compensatory amounts and of laying down guidelines to be followed in future when adjusting representative rates, it became apparent that these proposals were still not ready to be adopted, and in order to avoid a legal vacuum the Council decided to extend once again, until 31 January 1983 Regulation (EEC) No 652/79 relating to the effects of the EMS on the common agricultural policy.⁴ At this meeting the Council also adopted two regulations to adjust the existing agri-monetary regulations to actual conditions, for which the Commission had made proposals as part of the proposed codification mentioned above. These concerned an amendment to Article 2 of Regulation (EEC) No 974/71 concerning the method of calculating the monetary compensatory amounts in the wine sector, which was necessary to take account of the accession of Greece,⁵ and an

¹ Regulation (EEC) No 1668/82: OJ L 184.

² Regulation (EEC) No 2792/82: OJ L 295.

³ See 28th Review, paragraph 359.

⁴ Regulation (EEC) No 3438/82: OJ L 362, 23.12.1982.

⁵ Regulation (EEC) No 3439/82: OJ L 362, 23.12.1982.

amendment to Article 5 of Regulation (EEC) No 878/77 providing for the possibility, following a change in the representative rates, of adjusting amounts fixed in ECU and not connected with the fixing of prices, in particular under the structural policy, beyond the previously authorized level of 2%.¹

Modifying the *acquis communautaire* in respect of Mediterranean products

432. The aim in this field is on the one hand to achieve better control of the market with a balance between supply and demand, and on the other to allow both applicant countries to accede to the Community without harming the sensitive sectors of Mediterranean agriculture. It is to this end that the Commission put forward proposals and communications on adjusting the existing regulations in the wine, olive oil, fruit and vegetables, and citrus fruit sectors. The discussions were concluded on wine and citrus fruits, and further discussions were held on fruit and vegetables and olive oil. Further details of these discussions and decisions are given below.

Guidelines for the Mediterranean programmes

433. As indicated in the previous Review,² in July 1981 the Commission forwarded to the Council a communication on the idea of negotiating framework agreements between the Community and non-member countries for the supply of agricultural products over a number of years.

In view of the fluid situation in world markets and the competition from the main non-member exporting countries, the Commission considered it would be appropriate to provide the Community with a more competitive trade policy by means of a new instrument, i.e. long-term agreements for the supply of agricultural products which would be based, however, on existing Community procedures.

Further to this communication, on 10 March 1982 the Commission put before the Council a recommendation for a decision on the guidelines for negotiating these framework agreements (initially with Mediterranean non-member countries).

During the period under review the Council gave its attention on several

¹ Regulation (EEC) No 3437/82: OJ L 362, 23.12.1982.

² See 29th Review, paragraph 382.

occasions to the various aspects of this matter, i.e. the products to be supplied, the non-member countries concerned, periods of validity, and arrangements for delivery and payment. In view of the difficulties raised it was agreed to continue work on this matter in 1983.

International agreements

Sugar

434. Since the Council of the International Sugar Organization had decided to bring forward the negotiations for a new international agreement which were to start in May 1983, preparatory work for the Community's participation and its position began within the Council's subordinate bodies during the last quarter of 1982.

B — DRAFTING OF REGULATIONS ON THE COMMON ORGANIZATION OF MARKETS AND BASIC AMENDMENTS

Drafting of new basic regulations

Community policy on alcohol

ETHYL ALCOHOL OF AGRICULTURAL ORIGIN

435. The proposal for a regulation instituting a common organization of the market in alcohol, together with the various suggestions with regard to this proposal, on which Parliament has not yet delivered its opinion, is still being studied by the Council.

This examination, which has revealed certain differences of opinion, has been concerned mainly with the effects of the new regulations¹ on wine-growing, in particular with regard to the importance of not disturbing the alcohol market, the marketing of the distillation products referred to in Regulation (EEC) No 2144/82² and the sale of alcohol at low prices in certain Community markets.

DESCRIPTION OF SPIRITUOUS BEVERAGES

436. On 22 June 1982 the Council received a proposal laying down the general rules relating to the definition, description and presentation of

¹ See paragraph 444 of this Review.

² OJ L 227, 3.8.1982.

certain spirituous beverages and of vermouths and other wines of fresh grapes flavoured with plants and other aromatic substances. During the second half of 1982 the Council's subordinate bodies studied the technical aspects of this proposal, which was forwarded to Parliament and the Economic and Social Committee for their opinions.¹

Adjustments or amendments to the basic regulations

CEREALS

Amendments to the basic regulation on cereals

437. As part of its proposals on farm prices and related measures the Commission proposed major amendments to the basic regulation on cereals.² In accordance with these proposals and in implementation of an agreement in principle reached when fixing the 1982/83 prices, the Council established, as it already had done in other sectors such as milk, cotton and tobacco, a system of co-responsibility for producers of cereals.³ In past years there had often been overproduction in the cereals sector, in particular of lower quality wheat and barley. Regulation (EEC) No 2727/75, as amended, now provides for a system of guarantee thresholds for the common intervention price and the reference price. However, an exception was made for durum wheat, which was not regarded as being in surplus. More particularly, under this system the guarantee threshold is to be fixed on the basis of the production of the three most recent marketing years. If this threshold is exceeded the guaranteed prices will be reduced by 1% for each million tonnes, subject to a maximum reduction of 5%.

438. However, because imports of cereal substitutes are at least in part responsible for difficulties in marketing cereals of Community origin, the Council inserted a provision that, if imports of substitute products as defined by the Council in this same regulation exceed 15 million tonnes during the marketing year preceding the fixing of the guarantee threshold, the threshold will be increased by the difference between the volume of imports of the substitute products and 15 million tonnes. The

¹ OJ C 189, 23.7.1982.

² Regulation (EEC) No 2727/75: OJ L 281, 1.11.1975.

³ Regulation (EEC) No 1451/82: OJ L 164, 14.6.1982.

Council adopted this package of measures in order to have greater control over production and to relieve the Community budget of the costs which excessive production would entail.

439. Owing to the increased volume of imports into the Community of manioc, sweet potatoes and maize gluten in particular, the Council made these products subject to the common organization of the market in cereals.

440. In addition, the Council laid down that as from 1983 the beginning of the marketing year for durum wheat should be brought forward from 1 August to 1 July. Technical provisions were also adopted to compensate for the difference between the prices applicable on 1 June and those applicable on 1 July, i.e. the prices fixed for the new harvest. This adjustment to the marketing year for durum wheat had become necessary to take account of the fact that durum wheat is harvested early in the southern areas.

441. Lastly the Council specified in the basic regulation on cereals that the production aid for durum wheat was intended only for the zones of the Community where durum wheat constituted a traditional and important part of agricultural production.

442. A number of amendments had been made to the basic regulation¹ during the previous year.

In addition to the amendment to Regulation (EEC) No 2727/75 made following its decision to grant an export refund for cereals used in the manufacture of spirituous beverages, the Council, acting on a Commission proposal and after Parliament had given a favourable opinion, decided to include these products in the common organization of the market in the cereals sector on account of their being derived from cereals.² Consequently the system of levies and refunds had to be extended to the products concerned. The Council made this amendment on 30 June 1981.³

Another of the Council's decisions on farm prices and related measures was to amend the provisions in the basic regulation regarding the carry-over payment at the end of the marketing year.⁴

¹ Regulation (EEC) No 2727/75: OJ L 281, 1.11.1975.

² Regulation (EEC) No 1784/81: OJ L 177, 1.7.1981.

³ Regulation (EEC) No 1783/81: OJ L 176, 1.7.1981.

⁴ Regulation (EEC) No 1949/81: OJ L 198, 20.7.1981.

SUGAR

443. As reported in the previous Review, at the end of 1981 the Council received three proposals concerning Community sugar arrangements.¹ In the first quarter of 1982 the Council finally adopted the following:

- (i) on 26 January 1982, after Parliament had delivered its opinion, an amendment to the basic regulation on sugar whereby all sugar-producing undertakings in the Community may in future make use of the carry-forward facility at the end of the marketing year, as laid down in Article 27 of the above-mentioned regulation, under the same conditions irrespective of the date on which they begin the production of sugar exceeding their 'A' quota;²
- (ii) on the same date, a regulation laying down general rules for transfers of quotas in the sugar sector.³ This had proved necessary in order firstly to codify existing general rules on this matter and secondly to satisfy the need for new provisions with regard to isoglucose, the partial cessation of production and mergers of sugar-producing factories;
- (iii) on 16 March 1982, after consulting Parliament, a second amendment to the basic regulation.⁴ The effect of this measure is to suspend the compensation system for storage costs in respect of preferential sugar for the 1982/83, 1983/84 and 1984/85 marketing years, which enabled the Community to conclude the negotiations with the ACP States and the Republic of India on guaranteed prices for preferential sugar for the 1981/82 delivery period.⁵

WINE

444. The most important event affecting the common organization of the market in wine in 1982 was the reform decided on by the Council in connection with the *acquis communautaire* in respect of Mediterranean products.⁶

¹ See 29th Review, paragraphs 390 and 391.

² Regulation (EEC) No 192/82: OJ L 21, 29.1.1982.

³ Regulation (EEC) No 193/82: OJ L 21, 29.1.1982.

⁴ Regulation (EEC) No 606/82: OJ L 74, 18.3.1982.

⁵ See 29th Review, paragraph 311 and paragraph 482 of this review.

⁶ See 29th Review, paragraph 294.

On 27 July 1982, on the basis of the proposals that the Commission had put forward in 1981 and after obtaining the opinions of Parliament and the Economic and Social Committee, the Council adopted two regulations¹ amending the basic regulations on the wine sector, namely, Regulation (EEC) No 337/79 and Regulation (EEC) No 338/79.

These measures comprise a major change in the intervention system for table wines, which will be based in future on optional preventive distillation at a reduced price at the beginning of the wine-growing year, followed, depending on the data in the forward estimate, by compulsory distillation and, if market conditions make it necessary, distillation measures during the wine-growing year. This last distillation will be carried out at a guaranteed minimum price level, i.e. 82% of the guide price, and producers must meet the conditions laid down in current regulations.

These measures also provide that alcohol from compulsory distillation may be delivered to an intervention agency, the losses incurred being offset by compensation from the EAGGF.

The whole series of measures adopted by the Council is connected with the implementation, and improvement where possible, of the structural measures for rationalizing production (the '1980-86 action programme')² and with an accelerated project for establishing a vine register. The Commission is to present a report on the results achieved by these new provisions by 31 December 1983.

With regard to the specific amendments made in 1982 to the common arrangements for wine, it should be noted that by its Regulations (EEC) Nos 3082/82 and 3083/82 on 15 November 1982³ the Council continued the adoption of the measures which the Commission had proposed in 1981, and on parts of which decisions had already been taken in the course of that year.⁴

The purpose of the two above-mentioned regulations is to adjust, in the light of experience, a number of definitions of Community or imported wine products, with particular regard to concentrated products (juices, musts, etc.) and wines other than still wines (sparkling or semi-sparkling wines, etc.).

¹ Regulations (EEC) No 2144/82 and No 2145/82: OJ L 227, 3.8.1982.

² See 28th Review, paragraph 371 *et seq.*

³ OJ L 326, 23.11.1982.

⁴ See 29th Review, paragraphs 395 and 396.

Since other proposals¹ have yet to be studied, in particular regarding oenological processes, the Council agreed to discuss these during 1983. In this field the Council did, however, begin its examination of the report and proposal forwarded by the Commission on 8 December 1981² providing for a reduction of 25 mg/l in the maximum total sulphur dioxide content of wine. The Council agreed at this stage, in view of the data currently available on scientific, technological and public health matters, to postpone a decision on this proposal and take up the question again in 1983, on the basis of a supplementary report to be drawn up meanwhile by the Commission.

With regard to structural measures, in 1982 the Council was faced, on the basis of a Commission proposal and for practical and administrative reasons in the light of experience, with the problem of putting back the deadline for the grubbing-up of vines under the system of premiums for abandoning wine-growing laid down in Regulation (EEC) No 456/80.³ Accordingly Regulation (EEC) No 607/82 of 16 March 1982⁴ provided that by way of derogation to this system the deadline would in future be 15 June of each year.

On a more general level, in 1982 the Council's subordinate bodies followed the progress of the structural measures adopted in 1980, in particular as regards the scheme for collective restructuring projects laid down in Regulation (EEC) No 458/80³ and its application to quality wines psr.

FRUIT AND VEGETABLES

Modification of the acquis communautaire

445. The common organization of the market in fruit and vegetables, as embodied in Regulation (EEC) No 1035/72, is at present faced with a double challenge. On the one hand it has to provide Community producers, and in particular those in the Mediterranean areas, with income guarantees which, while taking account of the particular nature of their products, are comparable with those offered by other common organizations of the markets. At the same time this common organization of the market has to provide the authorities responsible for the management of the market with sufficiently effective and, if necessary,

¹ See 29th Review, paragraphs 395 and 396.

² See 29th Review, paragraph 396.

³ See 28th Review, paragraph 373.

⁴ OJ L 74, 18.3.1982.

binding instruments in order to avoid, in particular after the accession of Spain and Portugal with their production potential, the creation of structural surpluses and the harmful consequences this would have. It is with this double aim, and also with a view to the accession negotiations with Spain and Portugal, that the Council studied the proposal which the Commission put forward on this matter.

Firstly, these proposals aim at further encouraging the formation of producers' organizations and at increasing their power to influence the market. Secondly, the Commission proposes to make it possible for the authorities to intervene in the case of certain particularly sensitive products if prices suddenly collapse on the wholesale market. Finally, with regard to trade with non-member countries, the proposals provide for increased Community preference.

The Council will continue its work on these proposals in 1983.

Special measures for Community citrus fruit

446. The experience gained since the entry into force of Regulation (EEC) No 2511/69 has shown that the conversion and restructuring measures laid down in the regulation were not sufficiently attractive to produce a structure for citrus fruit growing that would enable it to compete with non-member countries. To rectify this situation, and with a view to the accession of Spain and Portugal, on 18 May 1982 the Council, acting on a Commission proposal, adopted measures¹ on conversion and restructuring which increased the aid per hectare converted and permitted collective conversion operations, so that the aid would be available not only to full time farmers but also to small part-time producers.

In addition the financial compensation, which is intended to promote the marketing of citrus fruit, will be granted only to sellers established in the producer Member States which have drawn up a conversion plan. Financial compensation for oranges and mandarins will be abolished as from the 1993/94 marketing year. It will be fully withdrawn for lemons and clementines as from the 1986/87 marketing year, and paid on a decreasing scale for the 1983/84, 1984/85 and 1985/86 marketing years.

¹ Regulation (EEC) No 1204/82: OJ L 140, 20.5.1982

Applicability of Category III

447. On 13 December 1982¹ the Council decided to extend until 31 December 1986 the powers of the Commission to allow the marketing of certain fruit and vegetables in Category III according to the needs of the market. These powers had been due to expire on 31 December 1982.

Preventive withdrawals of apples and pears

448. On 28 June 1982² the Council, acting on a Commission proposal and after receiving the opinion of Parliament, decided to extend until 30 June 1987 the system of preventive withdrawals of apples and pears. It will be recalled that under this system apples which meet only lower sub-standard quality specifications can be withdrawn from the markets, in particular at the beginning of the marketing year.

VEGETABLE OILS AND FATS

Olive oil

449. Further to the Commissions's communication of 16 October 1981 on the subject of the *acquis communautaire*,³ in 1982 the Council received from the Commission a proposal for a regulation which would introduce into the basic Regulation, No 136/66/EEC, the principle of a price ratio of 2:1 between olive oil and competing products.

Owing to the major questions of an economic, budgetary, legal and political nature which such a proposal raises, the Council was not able to take a decision on the matter during 1982, although the Commission considered that such a price ratio constituted a fundamental factor in maintaining the level of olive oil consumption in an enlarged Community.

As part of the adjustments to be made to the Community arrangements for olive oil, in particular as regards monitoring, the Council, acting on a Commission proposal and after receiving the opinions of the institutions it consulted, decided to adopt Regulation (EEC) No 1413/82 of 18

¹ Regulation (EEC) No 3409/82: OJ L 360, 21.12.1982

² Regulation (EEC) No 1738/82: OJ L 190, 1.7.1982

³ See 29th Review, paragraph 404.

May 1982,¹ which institutes a specific system for the organization of olive oil production. The system will be based on olive grower groups or associations thereof, which will be responsible for carrying out certain operations relating to the implementation of the production aid arrangements.

It had not been possible to implement the previous arrangements, which were based on the system of organization laid down in the 'horizontal' Regulation (EEC) No 1350/78,² mainly because of the difficulties encountered in putting this regulation into effect in certain Member States. Consequently the olive oil sector had been governed for a number of years by a system of a transitional nature. However, in view of the short deadlines and of administrative requirements, the new system will not be able to enter into force before the 1983/84 marketing year, and the transitional system has been continued for the period from 1 November 1982 to 31 October 1983.³

As regards the production arrangements, in view of the stage the discussions had reached and of the particular difficulties encountered the Council decided to postpone taking a decision on the proposal which the Commission forwarded in 1982 to give a more precise interpretation of the 'standstill' rule laid down in Article 5 of the basic regulation for determining the olive-growing areas eligible for production aid.

The various proposals mentioned above will continue to be discussed as a corollary to the work undertaken by the Council on the reform of the *acquis communautaire* in the olive oil sector.³

PEAS AND FIELD BEANS

450. The system of aid⁴ applicable until 18 May 1982 provided support only for peas and field beans grown for animal feed. In order to guarantee equal treatment, the Commission proposed extending the system of aid to peas and field beans for human consumption, having regard to the characteristics of this latter product. Consequently the Council amended the 'basic' regulation by the regulation of 18 May 1982.⁵

¹ OJ L 162, 12.6.1982.

² See 26th Review, paragraph 498.

³ See paragraph 502 *et seq.* of this Review.

⁴ Regulation (EEC) No 1119/78: OJ L 192, 30.5.1978.

⁵ Regulation (EEC) No 1433/82: OJ L 162, 12.6.1982.

The system was extended to products intended for human consumption mainly because of the difficulties which these products encounter *vis-à-vis* imports from non-member countries at reduced rates of duty. However, the Council took the precaution of limiting this extension of the support measures initially to two marketing years, namely, 1982/83 and 1983/84.

During these two years peas and field beans for human consumption will be eligible for aid equal to the difference between the guide price and the world market price. The guide price takes account of the need to compete on equal terms with imported products while ensuring that the producers of peas and field beans for human consumption receive a fair return.

The aid determined in this way is granted to the processors of peas and field beans who have paid the agricultural producers at least a minimum price.

SEEDS

451. In view of the particular characteristics of spelt the Commission proposed including spelt in the common organization of the market in seeds and granting production aid, to be fixed at 10 ECU/100 kg. The European Parliament delivered a favourable opinion on the proposal.

The Council¹ approved this Commission proposal and at the same time adopted the corresponding amendments to the organization of the market in cereals.

AMENDMENTS TO THE IMPORT AND EXPORT SYSTEM FOR PROCESSED PRODUCTS AND AMENDMENTS TO THE CCT

452. In order to ensure that import levies on certain cereal substitutes or by-products from the processing of cereals should more closely reflect the value of these products as feed, the Council amended the annexes to Regulation (EEC) No 2744/75 together with the tariff nomenclature in the CCT, which incorporates the wording of Regulation (EEC) No 2744/75 as amended.²

¹ Regulation (EEC) No 3808/81: OJ L 382, 31.12.1981.

² Regulation (EEC) No 1459/82: OJ L 164, 14.6.1982.

C — MANAGEMENT OF THE COMMON ORGANIZATION OF THE MARKETS

Cereals

CEREALS PRICES FOR THE 1982/83 MARKETING YEAR

453. The Council raised the prices of the cereals for the 1982/83 marketing year a little more than provided for in the Commission's original proposals and fixed the following amounts:

Product	Type of price or amount	1981/82 ECU/tonne	1982/83 ECU/tonne	%
1	2	3	4	5
Durum wheat	Target price	311.48	339.20	+ 8.90
	Single intervention price	274.99	298.36	+ 8.50
	Aid (restricted to certain regions)	85.18 ECU/ha	92.85 ECU/ha	+ 9.00
Common wheat	Target price	230.55	250.61	+ 8.70
	Single common intervention price	165.23	179.27	+ 8.50
	Reference price for wheat of bread-making quality ¹	192.72	209.10	
Barley	Target price	210.00	228.27	+ 8.70
	Single common intervention price	165.23	79.27	+ 8.50
Rye	Target price	210.00	228.27	+ 8.70
	Single intervention price	165.23	179.27	+ 5.95
Maize	Target price	210.00	228.27	+ 8.70
	Single intervention price	165.23	179.27	+ 8.50

¹ This price is reduced by 10.40 ECU/tonne when special intervention measures are applied in respect of the minimum bread-making quality.

Since making its decisions on 1982/83 prices¹ the Council has incorporated all cereals, including rye, into the 'silo' system.

¹ Regulation (EEC) No 1453/82: OJ L 164, 14.6.1982.

Except for durum wheat, the single common intervention price is thus the same for all cereals, and feed-grains (barley, rye and maize) have the same target price.

In addition, the Council fixed the guarantee threshold at 119.5 million tonnes for the 1982/83 marketing year.

SPECIFICATION OF STANDARD QUALITIES FOR COMMON WHEAT, RYE, BARLEY, MAIZE AND DURUM WHEAT

454. In the light of the experience gained regarding standard qualities for the above-mentioned cereals, the Council² specified certain maximum levels regarding quality (maximum percentages of grains overheated during drying and of broken grains). It also clarified the provisions concerning impurities in durum wheat and redefined the concept of weed seeds. At the same time the Council brought the standard method for determining moisture content into line with international recommendations.

PRODUCTION AID FOR DURUM WHEAT

455. The Council amended Regulation (EEC) No 3103/76³ on aid for durum wheat by restricting this aid to certain regions of the Community where the production of durum wheat constitutes a traditional and important part of agricultural production. Thus certain regions of Italy, France and Greece were specified as being eligible for aid.

With regard to the amount of aid and the list of the regions eligible the Council set the amount for regions in Italy and France at 92.85 ECU/ha (an increase of 9%). The regions of Greece which were receiving national aid before accession were granted an aid of 66.14 ECU/ha, while the regions which were not receiving this national aid were granted 23.21 ECU/ha.⁴

MONTHLY INCREASES IN CEREALS PRICES

456. The Council decided to raise the monthly increases for the 1982/83 marketing year by approximately 9%.¹

¹ Regulation (EEC) No 1453/82: OJ L 164, 14.6.1982.

² Regulation (EEC) No 1454/82: OJ L 164, 14.6.1982.

³ Regulation (EEC) No 1455/82: OJ L 164, 14.6.1982.

⁴ Regulation (EEC) No 1456/82: OJ L 164, 14.6.1982

This increase, which applies to cereals, wheat and rye flour and wheat groats and meal, was granted in accordance with the aims laid down in the basic regulation on cereals and takes account of the storage costs and financing charges for storing cereals in the Community and of the need to ensure that the disposal of stocks conforms to market requirements.

CARRY-OVER PAYMENT AT THE END OF THE MARKETING YEAR

457. In order to prevent a massive inflow of cereals to intervention as soon as the monthly increases in the intervention price ended, and in view of the market situation with regard in particular to common wheat and rye for human consumption, the Council decided¹ to grant a carry-over payment for these cereals. This same measure was also applied to maize to prevent the large quantities of this cereal normally in stock at the end of the marketing year from going to intervention during the last few months of the year. This payment was limited to cereals harvested in 1981 which meet quality requirements laid down in the provisions implementing the basic regulation on cereals.

Arrangements for imports of manioc

458. Further to the Cooperation Agreement between the Community and the Kingdom of Thailand, which provides for voluntary restriction of manioc exports to the Community, and in view of the temporary withdrawal, in agreement with Indonesia and Brazil, of the tariff concessions conceded by the Community under GATT, the Council put into the form of a regulation² the Community's undertaking for 1982 to allow the importation of certain quantities of manioc at a maximum levy of 6% *ad valorem* for GATT contracting parties with due regard to the most-favoured-nation clause.

Accordingly, pending the institution of final arrangement for manioc imports in 1983, the Council adopted a transitional system³ for the beginning of 1983. This was necessary because from 1 January 1983 the agreements with Brazil and Indonesia no longer covered the products falling within the CCT subheading 07.06 A (manioc) and there was a risk of disturbances in trade.

¹ Regulation (EEC) No 1626/82: OJ L 181, 25.6.1982.

² Regulation (EEC) No 2646/82: OJ L 279, 1.10.1982.

³ Regulation (EEC) No 3298/82: OJ L 349, 9.12.1982.

Rice

459. The target price for husket rice was fixed by the Council at 496.69 ECU/tonne, and the intervention price for paddy rice at 290.55 ECU/tonne. These prices for the 1982/83 marketing year represent increases of 10.2% and 12% compared to the prices for the previous year.¹

The monthly increases for the rice sector were raised by the Council in similar proportions to those for the main cereals i.e. approximately 9%.²

Starch products

460. The Council decided³ to increase the level of the production refunds for cereal and rise starches and for potato starch for the 1982/83 marketing year by approximately 10% over that for the 1981/82 marketing year.

At the same time the Council extended the period during which a premium was to be granted for potato starch producers, which had been restricted to the 1981/82 marketing year, and also increased the minimum price to be paid by the starch manufacturer to the producer.

Beef and veal

PRICES

461. On a number of occasions, i.e. on 2 April,⁴ 22 April,⁵ 30 April⁶ and 11 May 1982,⁷ the Council successively extended the 1981/82 marketing year.

On 18 May 1982 it fixed the guide and intervention prices for adult bovine animals for the 1982/83 marketing year, which involved a rise of 10.5% in two stages, i.e.:

¹ Regulation (EEC) No 1457/82: OJ L 164, 14.6.1982.

² Regulation (EEC) No 1458/82: OJ L 164, 14.6.1982.

³ Regulation (EEC) No 1460/82: OJ L 164, 14.6.1982.

⁴ Regulation (EEC) No 791/82: OJ L 91, 5.4.1982.

⁵ Regulation (EEC) No 933/82: OJ L 111, 24.4.1982.

⁶ Regulation (EEC) No 1033/82: OJ L 118, 1.5.1982.

⁷ Regulation (EEC) No 1150/82: OJ L 134, 15.5.1982.

Guide price:

- (i) 191.87 ECU/100 kg live weight for the period up to 5 December 1982;
- (ii) 196.29 ECU/100 kg live weight for the period from 6 December 1982 to the end of the marketing year.

Intervention price:

- (i) 172.68 ECU/100 kg live weight for the period up to 5 December 1982;
- (ii) 176.66 ECU/100 kg live weight for the period from 6 December 1982 to the end of the marketing year.

At the same time, owing to the market situation the Council extended the rules governing the triggering and suspension of intervention measures, thus derogating from the principle of permanent intervention.

The Council also extended for a further marketing year the system of premiums for maintaining suckler cows,¹ the granting of an additional premium for maintaining suckler cows in Ireland and Northern Ireland,² and the premium for the slaughter of certain adult bovine animals in the United Kingdom.³ In addition, it extended to Greece, Ireland and Northern Ireland the premium for the birth of calves.⁴

Lastly it enacted⁵ that as from 28 June 1982 the Member States should, in parallel with the method currently in use, start recording prices on the basis of the Community scale for the classification of carcasses as established by Regulation (EEC) No 1208/81.⁶

IMPORT REGULATIONS

462. On 19 January 1982 the Council opened for 1982 an annual tariff quota at a duty of 20% totalling 50 000 tonnes of boneless meat.⁷

¹ Regulation (EEC) No 1198/82: OJ L 140, 20.5.1982.

² Regulation (EEC) No 1199/82: OJ L 140, 20.5.1982.

³ Regulation (EEC) No 1200/82: OJ L 140, 20.5.1982.

⁴ Regulation (EEC) No 1201/82: OJ L 140, 20.5.1982.

⁵ Regulation (EEC) No 1202/82: OJ L 140, 20.5.1982.

⁶ Regulation (EEC) No 1208/82: OJ L 123, 7.5.1981.

⁷ Regulation (EEC) No 136/82: OJ L 17, 23.1.1982.

This total of 50 000 tonnes is subdivided into two parts, one of 33 500 tonnes, the other of 16 500 tonnes, allocated as follows:

Recipient	From the part totalling 33 500 tonnes	From the part totalling 16 500 tonnes
Benelux	3 189	1 571
Denmark	157	78
FR of Germany	6 020	2 965
Greece	1 710	840
France	3 343	1 647
Ireland	3	2
Italy	9 658	4 757
United Kingdom	9 420	4 640

On 23 November 1982 the Council opened the same quota for 1983, allocated as follows:

Recipient	From the part totalling 33 500 tonnes	From the part totalling 16 500 tonnes
Benelux	3 189	1 571
Denmark	157	78
FR of Germany	6 020	2 965
Greece	1 710	840
France	3 343	1 647
Ireland	3	2
Italy	9 658	4 757
United Kingdom	9 420	4 640

On 2 February 1982 the Council adopted the estimate concerning Community supplies of meat intended for the processing industry, including quantities intended for the production of preserved meat of the corned beef type. It estimated the Community deficit at 60 000 tonnes for 1982;¹ the same figure was subsequently arrived at for.²

In addition the Council fixed the 1982 estimate for imports of young male bovine animals intended for fattening and weighing 300 kg or less at 210 000 head³ with a possible additional quantity of 25 000 head for

¹ Estimate 82/55/EEC: OJ L 26, 3.2.1982.

² Estimate 83/16/EEC: OJ L 23, 26.1.1983.

³ Estimate 82/54/EEC: OJ L 26, 3.2.1982.

Italy if this total was used up, and the 1983 estimate at 237 000 head, comprising 205 000 for Italy, 30 000 for Greece and 2 000 for the other Member States.¹

As in previous years, on 14 June 1982 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 quota² 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.³

On 19 July 1982, pursuant to Protocol No 3 to the 1972 Act of Accession, the Council authorized the United Kingdom to permit the Isle of Man authorities to apply the system of special import licences to sheepmeat and beef and veal for a period of two years, in order to meet the island's needs without endangering its own production pattern.⁴

In addition, under the GATT agreements (multilateral trade negotiations), the Council decided to open two tariff quotas for the importation, at a rate of duty of 20%, of 29 800 tonnes of high quality fresh, chilled or frozen beef and veal falling within sub-headings 02.01 A II a) and 02.01 A II b) of the CCT⁵ (known as 'Hilton beef') and of 2 250 tonnes of buffalo meat falling within sub-heading 02.01 A II b) 4 bb) 33 of the CCT.⁶

Sheepmeat

463. On 2 April,⁷ 22 April,⁸ 30 April⁹ and 11 May 1982¹⁰ the Council extended the marketing year 1981/82 in the sheepmeat sector.

In May 1982¹¹ the Council adopted its Regulation (EEC) No 1196/82 fixing the basic price, the intervention prices and the reference prices in the sheepmeat sector at the following levels:

¹ Estimate 83/17/EEC: OJ L 23, 26.1.1983.

² Regulation (EEC) No 1578/82: OJ L 178, 22.6.1982.

³ Regulation (EEC) No 1579/82: OJ L 178, 22.6.1982.

⁴ Decision 82/530/82: OJ L 234, 9.8.1982.

⁵ Regulation (EEC) No 3340/82: OJ L 353, 15.12.1982.

⁶ Regulation (EEC) No 3226/82: OJ L 340, 2.12.1982.

⁷ Regulation (EEC) No 790/82: OJ L 91, 5.4.1982.

⁸ Regulation (EEC) No 932/82: OJ L 111, 24.4.1982.

⁹ Regulation (EEC) No 1032/82: OJ L 118, 1.5.1982.

¹⁰ Regulation (EEC) No 1149/82: OJ L 134, 15.5.1982.

¹¹ OJ L 140, 20.5.1982.

- (i) basic price: 409.82 ECU/100 kg;
- (ii) intervention price: 348.35 ECU/100kg;
- (iii) reference prices (ECU/100 kg).

Region	Reference price 1981/82	Difference between (a) and central price	Convergence in 1982	(a) + (c)	Percentage increase in reference prices	Reference price 1982/83	Change (f)/(a) (%)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
Italy	395.06	-24.18	-8.06	387.00	10.5	427.64	+ 8.25
France	370.88	-	-	370.88	10.5	409.82	+10.5
Benelux, Denmark, FR of							
Germany	346.69	+24.19	+ 8.06	354.75	10.5	392.00	+13.1
Ireland	342.66	+28.22	+ 9.41	352.07	10.5	389.04	+13.5
United Kingdom	328.95	+41.93	+13.98	342.93	10.5	378.94	+15.2
Greece	370.88	-	-	370.88	10.5	427.64	+15.3

At the same time the Council decided¹ to amend the basic Regulation (EEC) No 1837/80, on the common organization of the market in goatmeat and sheepmeat, so as firstly, to treat Northern Ireland as a separate region, in which – to avoid distortions in trade patterns – the variable slaughter premium would not be applicable, and secondly to relax the rules governing payment of the premium to compensate for loss of income.

In addition, on 19 July 1982² the Council adopted transitional measures in respect of imports of sheepmeat and goatmeat originating in certain non-member countries qualifying for preferential treatment, namely, Algeria, Morocco, Tunisia, Turkey and Spain, so as to maintain, pending an amendment to the relevant agreements, treatment equivalent to that which these products enjoyed before the entry into force of the common organization of the markets.

Similarly, on 21 December 1982³ it laid down the import system applicable to certain non-member countries, in particular Chile and Spain,

¹ Regulation (EEC) No 1195/82: OJ L 140, 20.5.1982.

² Regulation (EEC) No 1985/82: OJ L 215, 23.7.1982.

³ Regulation (EEC) No 3459/82: OJ L 365, 24.12.1982.

in the sheepmeat and goatmeat sector in 1983, pending the conclusion of voluntary restraint agreements with these countries.

464. On 22 March 1982 the Council adopted a directive¹ on the statistical surveys to be carried out by the Member States on sheep and goat stocks, in order to ensure that these surveys are carried out in all Member States on the basis of standard categories and with a comparable degree of precision. The surveys are intended to serve as a basis for decisions adopted in connection with the common organization of the market in sheepmeat and goatmeat.

Pigmeat

DAY-TO-DAY MANAGEMENT OF THE MARKET

465. In the pigmeat sector the Council adopted two regulations during the period under review. On 18 May 1982, when fixing the farm prices for the 1982/83 marketing year, it adopted regulation (EEC) No 1412/82² fixing for the period 1 November 1982 to 31 October 1983 the basic price and the standard quality for slaughtered pigs, which raised the price by 10.5% from 1 761.80 to 1 946.80 ECU/tonne. In addition, on 18 October 1982 it adopted Regulation (EEC) No 2791/82³ amending Regulation (EEC) No 2764/75 laying down the rules for calculating a component of the levy applicable to pig carcasses and Regulation (EEC) No 950/68 on the Common Customs Tariff. This regulation introduces a definition of the basic products 'whole carcasses and half-carcasses of pigs', which enables the Commission to exercise its powers to define the other products 'derived' from these basic products in this sector.

Eggs and poultry

DAY-TO-DAY MANAGEMENT OF THE MARKET

466. The Community arrangements in the egg and poultry sector consist of relatively limited support measures for market prices, in the form of export refunds and sluice-gate prices. This system has been found in practice to contribute to the self-regulation of the market, in that the prices produce a broad balance between supply and demand in the medium term. Accordingly the Council did not need to take any action in this sector.

¹ Directive 82/177/EEC: OJ L 81, 27.3.1982.

² OJ L 162, 12.6.1982.

³ OJ L 295, 21.10.1982.

However, during the period under review it continued its work on the Commission proposal amending Regulation (EEC) No 2772/75¹ on marketing standards for eggs. This proposal raises a number of problems and was discussed on several occasions by the Council's subordinate bodies. Although a certain amount of progress was made, no final agreement has so far been reached.

Milk and milk products

MARKET SITUATION

467. The relatively favourable situation on the world market in 1981 continued to some extent in 1982. However, with a total of approximately 25 million dairy cows (slightly less than in 1981), the production of milk in the Community continued to increase in 1982 (by 3.5% on average). This was due in particular to structural improvements, better working methods and an increase in yield per cow (4 260 kg/cow in 1982 compared with 4 160 kg/cow in 1981).

If this trend continued in the medium and long term, together with a levelling off or even a reduction in consumption, it would be bound to lead to a situation in which milk production exceeded Community consumption by a quantity substantially in excess of actual export opportunities. For this reason measures taken in previous years to reduce the volume of production in the dairy sector had to be extended, and in some cases reinforced.

PRICES

468. Since the Council was not in a position to act by the intended date, i.e. 1 April 1982, on the 'prices and related measures' package for the marketing year 1982/83, it had to extend the current year on several occasions.² The Council finally adopted the following prices, involving the increases shown.³

¹ OJ L 282, 1.11.1975.

² See Regulations (EEC) Nos
— 761/82 of 31.3.1982: OJ L 86, 1.4.1982;
— 792/82 of 2.4.1982: OJ L 91, 5.4.1982;
— 934/82 of 22.4.1982: OJ L 111, 24.4.1982;
— 1034/82 of 30.4.1982: OJ L 118, 1.5.1982;
— 1151/82 of 11.5.1982: OJ L 134, 15.5.1982.

³ Regulation (EEC) No 1184/82 of 18.5.1982: OJ L 140, 20.5.1982.

Milk and milk products	1981/82 Marketing year		1982/83 Marketing year	
	ECU/tonne	% inc.	ECU/tonne	% inc.
Target price for milk	242.60	9	268.10	10.5
Intervention prices				
— butter	3 178.40	9	3 497.00	10
— skimmed-milk powder	1 324.50	9	1 462.30	10.4
— cheeses				
● Grana-Padano 30-60 days	3 172.00	9.53	3 530.40	11.3
● Grana-Padano 6 months	3 842.70	9.84	4 295.10	11.8
● Parmigiano-Reggia 6 months	4 188.70	10.01	4 693.00	12.00

At the same time the Council brought the threshold prices for certain milk products¹ and the conditions of entry into the Community for certain cheeses imported from non-member countries² into line with the new prices. This latter regulation was subsequently amended by Council Regulation (EEC) No 1463/82 of 27 May 1982.³

MEASURES TO ENSURE THE GRADUAL RESTORATION OF MARKET EQUILIBRIUM

Co-responsibility levy

469. The co-responsibility levy to be paid by producers for the 1982/83 marketing year was fixed by the Council at 2% of the target price for milk (compared with 2.5% for 1981/82.⁴ As in the previous year exemptions were granted for Greece, southern Italy and mountainous regions.

Production thresholds

470. Also as part of the 'prices and related measures' package, so as to keep increases in production in the dairy sector under tighter control in

¹ Regulation (EEC) No 1185/82 of 18.5.1982: OJ L 140, 20.5.1982.

² Regulation (EEC) No 1191/82 of 18.5.1982: OJ L 140, 20.5.1982.

³ OJ L 159, 10.6.1982.

⁴ Regulation (EEC) No 1189/82 of 18.5.1982: OJ L 140, 20.5.1982.

future, the Council decided to introduce production thresholds. It therefore inserted a provision in the basic Regulation (804/68)¹ under the terms of which it must fix each year the guarantee threshold for milk,² and fixed this threshold for the 1982/83 marketing year at 100.5% of the quantity of milk delivered in the calendar year 1981.³ If deliveries in 1982 exceeded this guarantee threshold the Council would take appropriate measures to offset the additional expenditure for disposing of these quantities.

Margin for aid for skimmed-milk powder for use as feed

471. The Council adjusted upwards the limits within which the Commission is empowered to fix the amount of aid for skimmed-milk powder for use as animal feed, increasing the previous margin of 50-64 ECU/100 kg to 54-68 ECU/100 kg.⁴

School milk

472. Regulation (EEC) No 1080/77⁵ on school milk provided that the financial contribution of the Member States must be at least 25% of that of the Community. On account of the fact that this limit had caused problems for some Member States, and in order to facilitate implementation of the system, the Council agreed to reduce this contribution to 12.5% and at the same time to increase the Community's contribution in order to limit the financial contribution of the schoolchildren themselves.⁶

Aid for butter consumption

473. As a further 'related measure' in the prices package for the 1982/83 marketing year, the Council agreed to maintain the existing systems of aid for butter consumption, but specified that:⁷

¹ OJ L 148, 28.6.1968.

² Regulation (EEC) No 1183/82 of 18.5.1982: OJ L 140, 20.5.1982.

³ Regulation (EEC) No 1184/82 of 18.5.1982: OJ L 140, 20.5.1982.

⁴ Regulation (EEC) No 1187/82 of 18.5.1982: OJ L 140, 20.5.1982.

⁵ OJ L 131, 26.5.1977.

⁶ Regulation (EEC) No 1188/82 of 18.5.1982: OJ L 140, 20.5.1982.

⁷ Regulation (EEC) No 1186/82 of 18.5.1982: OJ L 140, 20.5.1982.

- (i) for general aid for butter the Community contribution was not to exceed 75% of the aid paid, up to a maximum of 45 ECU/100 kg (compared with 40 ECU/100 kg in 1981/82);
- (ii) for general aid payable in the United Kingdom the Community contribution would remain at 100% of the aid paid, again up to a maximum of 45 ECU/100 kg (compared with 45.94 ECU/100 kg in 1981/82)

Welfare butter

474. Towards the end of the year, on 9 November 1982, the Council, taking account of the market situation regarding butter, reintroduced a system for selling butter at reduced prices to persons receiving social assistance, with the Community providing finance up to a maximum of 80 ECU/100 kg of butter.¹

475. On the same date the Council adopted Regulation (EEC) No 2989/82² on the granting of aid for the consumption of butter in Denmark, Greece, Italy and Luxembourg. This regulation allowed the countries concerned, which had no intervention stocks of butter, to undertake a 'Christmas butter' scheme at reduced prices under conditions comparable with those in the other Member States which had intervention stocks of butter on their territory.

OTHER MEASURES

Support for the incomes of small producers

476. Realizing that following the measures adopted in the dairy sector for the 1982/83 marketing year problems might arise regarding the income of certain small-scale milk producers, the Council decided to allocate a total of 120 million ECU among the Member States taking into account the amount of milk supplied in 1981 by all producers in each Member State, up to a limit of 60 000 kg per producer. On this basis the following allocation was made among the Member States:³

¹ Regulation (EEC) No 2990/82: OJ L 314, 10.11.1982.

² OJ L 314, 10.11.1982.

³ Regulation (EEC) No 1190/82 of 18.5.1982: OJ L 140, 20.5.1982.

Member State	million ECU
Belgium	4.7
Denmark	4.8
FR of Germany	34.9
France	39.6
Greece	0.8
Ireland	6.5
Italy	13.4
Luxembourg	0.3
Netherlands	8.0
United Kingdom	7.0
Total 120.0	

EEC Agreement with Austria and Finland concerning cheese

477. On 18 May 1982 the Council adopted Regulation (EEC) No 1192/82¹ amending Regulation (EEC) No 3661/81² of 15 December 1981 on interim measures concerning application of the arrangements with Austria and Finland concerning cheeses, thereby extending to 5 July 1982, on account of certain delays in the preparatory work, the deadline of 15 April 1982 until which the Commission was authorized to take certain interim measures pending the final application of the Agreements in question.

EEC Agreement with Norway concerning cheese

478. Further to the agreement between the EEC and Norway on trade in cheese³ which was due to enter into force on 1 January 1983, on 15 November 1982 the Council adopted Regulation (EEC) No 3042/82⁴ amending Regulation (EEC) No 2915/79 of 18 December 1979⁵ with regard to a reduced levy on imports of certain cheeses. Following difficulties which arose in implementing the agreement with Norway, some of the provisions of this amended regulation were suspended by the Council on 23 December 1982⁶ pending a solution to these problems.

¹ OJ L 140, 20.5.1982.

² OJ L 366, 22.12.1981.

³ OJ L 345, 6.12.1982.

⁴ OJ L 322, 18.11.1982.

⁵ OJ L 329, 24.12.1979.

⁶ Regulation (EEC) No 3534/82: OJ L 371, 30.12.1982.

Transfer of skimmed-milk powder to Italy

479. Since Italy had no intervention stocks of skimmed-milk powder, and in order to enable that country to take advantage of the aid schemes for skimmed-milk powder intended for pigs and poultry, on 20 July 1982 the Council adopted Regulation (EEC) No 2099/82¹ on the transfer of 10 000 tonnes of skimmed-milk powder to the Italian intervention agency from the intervention agencies of other Member States. Since for administrative reasons it was not possible to adhere to the deadline for taking over the powder the Council extended this deadline initially from 1 October 1982 to 31 December 1982² and then to 1 April 1983.³

Guideline figure for standardized whole milk imported into Ireland and the United Kingdom

480. On 13 December 1982 the Council adopted Regulation (EEC) No 3410/82 fixing for the 1983/84 milk year the guideline figure for the fat content of standardized whole milk imported into Ireland and the United Kingdom from other Member States of the Community.⁴ The rates fixed were 3.52% for Ireland and 3.83% for the United Kingdom.

NEW ZEALAND BUTTER

481. Council Regulation (EEC) No 858/81 of 1 April 1981 relating to imports of New Zealand butter into the United Kingdom on special terms⁵ provides that for a period of three years New Zealand is authorized to export the following quantities of butter to the United Kingdom on special terms:

- (i) 70 250 tonnes for the period from 1 April to 31 December 1981;
- (ii) 92 000 tonnes during 1982;
- (iii) a quantity for 1983 to be fixed by the Council by 1 October 1982.

At its meeting on 18 October 1982 the Council agreed in principle to a quantity for 1983 of 87 000 tonnes with a special levy of 84.36

¹ OJ L 223, 31.7.1982.

² Regulation (EEC) No 2876/82 of 25.10.1982: OJ L 302, 19.10.82.

³ Regulation (EEC) No 3514/82 of 21.12.1982: OJ L 369, 29.12.1982.

⁴ OJ L 360, 21.12.1982.

⁵ OJ L 90, 4.4.1981.

ECU/100 kg which could be adjusted in accordance with the intervention price for the 1983/84 marketing year. However, in view of the fact that certain Member States had made their final agreement dependent on measures to be taken by the Community regarding an overall programme for the marketing of Community butter both within the Community and outside, this agreement in principle could not formally enter into force on 1 January 1983. Accordingly, on 21 December 1982 the Council adopted Regulation (EEC) No 3499/82¹ determining provisionally the quantity of butter which the United Kingdom is authorized to import during January 1983 (7 250 tonnes with a special levy of 84.36 ECU/100 kg).

Sugar

482. On 18 May 1982 the Council fixed the following prices in the sugar sector for the 1982/83 marketing year:²

	ECU/100 kg
Target price for white sugar	54.12
Intervention price for white sugar	51.41
Derived intervention price for white sugar for Italy	53.35
Derived intervention price for white sugar for Ireland and the United Kingdom	52.62
Intervention price for raw sugar	42.63
Minimum price for beet	3.932
Threshold price for white sugar	63.79
Threshold price for raw sugar	54.72
Threshold price for molasses	6.51

The Council thus decided to increase sugar prices by 9.5% over the previous year. These increases were reflected in the brief which the Council gave the Commission on 8 June 1982 for its negotiations with the ACP States concerned and the Republic of India on guaranteed prices for preferential sugar for the 1982/83 delivery period.³

Since for the 1981/82 marketing year the total cost of marketing surplus sugar far exceeded the yield of the production levy, on 14 June 1982 the Council, in accordance with the provisions of the basic regulation on

¹ OJ L 368, 28.12.1982.

² Regulations (EEC) No 1410/82 and 1411/82: OJ L 162, 12.6.1982.

³ See paragraph 443 of this Review.

sugar, revised the maximum amount for the levy on B sugar from 30% to 37.5% of the intervention price for white sugar for the 1982/83 marketing year.¹

In view of the particular situation as regards both the technical and the economic aspects of sugar produced in the French overseas departments, on 11 June 1982 the Commission forwarded to the Council a proposal for a regulation amending Regulation (EEC) No 2067/81 laying down measures for the marketing of sugar produced in these departments. This proposal, which concerns the methods of payment for transport aid and the calculation of aid for refining, is at present being studied by the Council's subordinate bodies.

Wine

MONITORING OF THE MARKET SITUATION

483. The Commission's report for the period 1980/81 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 18 and 19 October 1982.

On 27 and 28 September 1982 the Council took note of the final estimates of the market situation at the end of the 1980/81 marketing year. These estimates are provided annually by the Commission in accordance with Article 5(3) of Regulation (EEC) No 337/79.

PRICES

484. On 18 May 1982² the Council fixed the various guide prices in the wine sector for the period from 16 December 1982 to 15 December 1983 at levels which gave a linear increase of 10% over those for the preceding 12-month period for the various types of table wine.

With regard to the second category of prices in the wine sector, i.e. the activating prices which bring the intervention machinery into operation, in its Regulation (EEC) No 3341/82 of 13 December 1982³ the Council, in consideration of the market situation for the wines in question, modulated the price increases according to the type of wine as follows:

¹ Regulation (EEC) No 1581/82: OJ L 178, 22.6.1982.

² Regulation (EEC) No 1434/82: OJ L 162, 12.6.1982.

³ OJ L 353, 15.12.1982.

- (i) 10.6% over the previous year for R I and R II red wines;
- (ii) 11.3% for A I white wines;
- (iii) 11% for other table wines.

With regard to the system of compulsory distillation of by-products of wine making, the 'wine deliveries' system, the Council adopted its Regulation (EEC) No 2010/82 of 19 July 1982,¹ in which it fixed the following prices for this system:

- (i) 1.00 ECU/% vol./hl for the buying-in price to producers;
- (ii) 1.56 ECU/% vol./hl for the flat-rate price of alcohol from any source (marcs, lees or wine);
- (iii) 1.69 ECU/% vol./hl for the price of alcohol from grape marcs;
- (iv) 1.43 ECU/% vol./hl for the price of alcohol from lees or wine.

These prices apply for the period from 1 September 1982 to 31 August 1983.

INTERVENTION SYSTEM

485. Owing to the continued imbalance between supply and demand on the market, in 1982 the Council, on a proposal from the Commission, had to apply Article 15 of the basic regulation.

Accordingly it adopted Regulation (EEC) No 701/82 of 25 March 1982² in order to absorb the excess quantities of table wine by distilling them. Approximately 6.5 million hectolitres were distilled under these arrangements.

As regards general rules on certain wine distilling operations governed by Regulation (EEC) No 343/79, on 19 July 1982, on a proposal from the Commission, the Council adopted the provisions on this subject which called for a decision before the beginning of the 1982/83 wine-growing year.³ In addition, by its Regulation (EEC) No 2009/82, also adopted on

¹ OJ L 216, 24.7.1982.

² OJ L 80, 26.3.1982.

³ Regulation (EEC) No 2008/82: OJ L 216, 24.7.1982.

19 July 1982, the Council made an amendment to Regulation (EEC) No 2852/81¹ in order to ensure the continuity of the 'satisfactory-outcome guarantee' system.

It is expected that these regulations will be completely recast in 1983, in the light of the amendments made to the basic regulation to modify the *acquis communautaire*² and of the proposal which the Commission forwarded to the Council on 21 December 1982.

PRODUCTION ARRANGEMENTS

486. At this stage, in the absence of a Community organization for alcohol³ or of provisions governing the production of flavoured wines, on 13 December 1982⁴ the Council extended until 31 December 1983 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 flavoured wines.

LUXEMBOURG PROTOCOL

487. Harmonization of taxes on wines in the Community had not been achieved by 31 December 1982, and the application of the specific provisions of the 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 3533/82 of 23 December 1982⁵ 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 1983 at the latest.

¹ See 29th Review, paragraph 445.

² See paragraph 432 of this Review.

³ See paragraph 435 *et seq.* of this Review.

⁴ Regulation (EEC) No 3267/82: OJ L 347, 7.12.1982.

⁵ OJ L 371, 30.12.1982.

Fresh fruit and vegetables

PRICES AND MARKETING PREMIUMS FOR THE 1982/83 MARKETING YEAR

Prices

488. In fixing the prices for agricultural products for the year, on 18 May 1982 the Council fixed¹ the basic and buying-in prices for the 11 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 by 12% over those for the previous year, except for mandarins, apples and tomatoes, for which the prices were increased by 11%, 11% and 9% respectively.

Premiums

489. By the same Regulation (EEC) No 1205/82 the Council decided to increase the financial compensation for the 1982/83 marketing year by some 9% for oranges and mandarins and to leave it unchanged for clementines and lemons.

Processed fruit and vegetables

AID FOR THE PRODUCERS OF TINNED PINEAPPLES

490. On 28 July 1982 the Council fixed the aid payable to producers of tinned pineapples (whose operations are centred on Guadeloupe and Martinique) and the minimum price which the recipients of this aid must pay to the producers of fresh pineapples.²

The production aid for the 1982/83 marketing year, which is intended to compensate for the difference between the Community offer price and the prices charged by non-member countries, was fixed at 53.67 ECU/100 kg. The minimum price to be paid to producers was fixed at 26.34 ECU/100 kg.

¹ Regulation (EEC) No 1205/82: OJ L 140, 20.5.1982.

² Regulation (EEC) No 2100/82: OJ L 223, 31.7.1982.

**GENERAL RULES FOR THE SYSTEM OF PRODUCTION AID
FOR DRIED GRAPES AND DRIED FIGS**

491. Large quantities of sultanas bought in by the storage agencies remained unsold at the end of the 1981/82 marketing year. To resolve the problems of storing the new harvest, on 28 July 1982¹ the Council decided, acting on a Commission proposal, to grant aid for the re-storage of 30 000 tonnes of sultanas from the 1981 harvest.

492. In order to guarantee the quality of the finished product, on 4 October 1982² the Council gave its assent to a Commission proposal for a regulation granting aid only to processors who had not processed:

- (i) at least 8% of the quantities covered by their contracts in the case of sultanas;
- (ii) and at least 15% of the quantities covered in the case of currants.

**PRODUCTION AID FOR CERTAIN PRODUCTS
PROCESSED FROM FRUIT AND VEGETABLES**

493. In the light of the sales potential for Williams pears and cherries preserved in syrup, the Commission proposed an adjustment to the quantities eligible for production aid under Regulation (EEC) No 516/77. In accordance with this proposal, on 19 July 1982³ the Council decided to grant aid, as from the 1982/83 marketing year, for the following quantities:

- (i) 82 000 tonnes for Williams pears preserved in syrup;
- (ii) 29 000 tonnes for Bigarreaux cherries and other sweet cherries preserved in syrup;
- (iii) 60 000 tonnes for Morello cherries preserved in syrup.

¹ Regulation (EEC) No 2101/82: OJ L 223, 31.7.1982.

² Regulation (EEC) No 2674/82: OJ L 284, 7.10.1982.

³ Regulation (EEC) No 2025/82: OJ L 218, 27.7.1982.

Vegetable oils

PRICES

494. On 18 May 1982 the Council adopted the following prices and monthly increases for the 1982/83 marketing year for colza, rape and sunflower seeds:¹

	ECU/100 kg
Colza and rape seeds:	
– guide price	46.39
– intervention price	42.13
– monthly increases	0.493
Sunflower seeds:	
– guide price	54.44
– intervention prices	49.73
– monthly increases	0.583

It should be noted that, in accordance with its decision of 24 June 1980 to end the regionalization of intervention prices,² the Council fixed a single intervention price both for colza and rape seeds and for sunflower seeds.

PROVISIONS FOR IMPLEMENTING THE BASIC REGULATION

495. In accordance with its decision in connection with the measures relating to farm prices for the 1982/83 marketing year³ on 18 May 1982, after consulting Parliament, the Council adopted the regulation fixing for the year in question the guarantee threshold for colza and rape seeds.⁴ For this year the threshold was fixed at 2.15 million tonnes. If Community production exceeded this amount, the target and intervention prices were to be reduced for the following year by 1% for each 50 000 tonnes in excess of the threshold, up to a maximum of 5%.

¹ Regulations (EEC) Nos 1418/82 and 1419/82: OJ L 162, 12.6.1982.

² See 28th Review, paragraph 380.

³ See paragraph 429 *et seq.* of this Review.

⁴ Regulation (EEC) No 1417/82: OJ L 162, 12.6.1982

496. With a view to allowing a more correct and more regular application of the provisions of Regulation No 115/67/EEC relating to the calculation of aid for colza and sunflower seeds, on 19 July 1982 the Council adopted an amendment to this regulation.¹ The amendment provides that the only criterion to be used for adjusting the world market price in calculating the aid for these seeds will in future be the need for orderly disposal of the seeds harvested in the Community.

497. The Community market in sunflower seeds saw a substantial increase in production, particularly in France, while the main outlets for these seeds were in the Member States with strong currencies where the dealers, on account of the effects on the aid of the difference between the green rate and the central rate, were in a position to offer particularly attractive prices to the producers. In order to rectify this situation, on 19 July 1982 the Council decided to extend to sunflower seeds the system of differential amounts provided for by Regulation (EEC) No 1569/72 for colza and rape seeds.² This measure should allow these seeds to be disposed of under normal conditions, without disorganization of the market.

498. In the context of its proposals relating to prices and other measures for the 1982/83 marketing year, the Commission forwarded to the Council a proposal firstly to codify Regulation (EEC) No 2114/71 relating to aid for oleaginous seeds and secondly to extend this aid system to rape and colza seeds intended for use in animal feed. The Council agreed to make a further study of the advantages of extending this aid before taking a decision on the matter.

ACCESSION OF GREECE

499. In Regulation (EEC) No 3408/82, adopted on 13 December 1982,³ the Council set at 35 000 tonnes oil equivalent for 1983 the maximum quantity above which, under the terms of Regulation (EEC) No 39/81, Greece may suspend the issue of import documents. This amount takes account of the situation recorded on the market in oils and fats in Greece and of the fact that as from 1 January 1984 Community import arrangements apply in that Member State.

¹ Regulation (EEC) No 1983/82: OJ L 215, 23.7.1982.

² Regulation (EEC) No 1986/82: OJ L 215, 23.7.1982.

³ OJ L 360, 12.12.1982.

LINSEED

500. On 18 May 1982 the Council fixed the guide price for linseed for the 1982/83 marketing year at 51.50 ECU/100 kg, an increase of 11%.¹

CASTOR SEED

501. On 18 May 1982 the Council fixed the guide price for castor seed for the 1982/83 marketing year at 66.39 ECU/100 kg, an increase of 11%² and the minimum price at 63.23 ECU/100 kg, also an increase of 11%.³

Furthermore, the supplementary aid for castor seed provided for by Regulation (EEC) No 1610/79 was extended for the marketing years 1982/83 and 1983/84.⁴

OLIVE OIL

502. In accordance with Article 113 of the basic Regulation No 136/66/EEC on oils and fats, the Commission put before the Council a communication on the programme of action to promote olive oil consumption during the 1981/82 marketing year. The overall cost is 4 million ECU for the usual four sectors.⁵ The Council took note of this programme on 8 September 1982.

503. With regard to the general rules implementing the above-mentioned regulation, the Council, in view of the practical problems involved,⁶ decided to maintain in force for a further year the main provisions applicable during the 1981/82 marketing year regarding olive oil producer organizations and the system of production aid. These provisions are contained in Regulations (EEC) Nos 2958/82 and 2959/82, which were adopted on 4 November 1982 after Parliament had delivered its opinion.⁷ At the same time the Council agreed to resume in 1983 its

¹ Regulation (EEC) No 1422/82: OJ L 162, 12.6.1982.

² Regulation (EEC) No 1424/82: OJ L 162, 12.6.1982.

³ Regulation (EEC) No 1425/82: OJ L 162, 12.6.1982.

⁴ Regulation (EEC) No 1426/82: OJ L 162, 12.6.1982.

⁵ See 29th Review, paragraph 458.

⁶ See paragraph 449 of this Review.

⁷ OJ L 309, 5.11.1982.

study of the two proposals which the Commission had forwarded on 7 July 1982 with a view to introducing permanent arrangements in these fields.

504. As regards prices for olive oil for the 1982/83 marketing year, on a proposal from the Commission, the Council adopted a series of regulations fixing the usual price components for the year, i.e.:

- (i) the production target price, the intervention price for olive oil and the level of production aid,¹ including a specific production aid figure for Greece;
- (ii) the representative market price and the threshold price;²
- (iii) the monthly increases in the representative market price, the intervention price and the threshold price for olive oil.³

The table below gives the levels for the main components of the pricing system in the olive oil sector for the 1982/83 marketing year.

	ECU/100 kg
Production target price	302.77
Representative market price	159.50
Intervention price	217.93
Threshold price	155.88
Production aid	66.60
Production aid for Greece	25.65
Consumption aid	76.67 ⁽¹⁾
Consumption aid for Greece	29.33 ⁽¹⁾

¹ Of which 1.7% and 4% was to be allocated to the activities referred to in paragraphs 5 and 6 respectively of Article 11 of the basic regulation.

With a view to the continued financing of the olive cultivation register, on 18 May 1982⁴ the Council, acting on a Commission proposal, decided to fix for a number of years to come the percentage to be deducted from the production aid to finance this important instrument of management and control.

¹ Regulation (EEC) No 1414/82 of 18.5.1982: OJ L 162, 12.6.1982.

² Regulation (EEC) No 2673/82 of 4.10.1982.: OJ L 284, 7.10.1982.

³ Regulation (EEC) No 1415/82 of 15.5.1982: OJ L 162, 12.6.1982.

⁴ Regulation (EEC) No 1416/82: OJ L 162, 12.6.1982.

This percentage was fixed at 2.5%. For France and Italy it applies to the marketing years from 1982/83 to 1989/90 and for Greece to the marketing years from 1984/85 to 1989/90.

Soya beans

GUIDE PRICE AND MINIMUM PRICE

505. The Council fixed the guide price and the minimum price for soya beans for the 1982/83 marketing year at 52.74 ECU/100 kg (an increase of 14%)¹ and 46.41 ECU/100 kg (an increase of 11.5%)² respectively.

AMENDMENT TO THE SPECIAL MEASURES

506. The Council brought forward the date for the beginning of the marketing year from 1 November to 1 October.

In addition, so that the special measures provided for by Regulation (EEC) No 1614/79 should apply in the overseas departments, the Council decided to grant producers the aid provided for in Article 2(1) in respect of a level of production established by applying a representative yield to the areas sown and harvested.³

AMENDMENTS TO THE GENERAL RULES CONCERNING SPECIAL MEASURES

507. The Commission considered that the experience acquired in applying the general rules concerning special measures for soya beans over the recent marketing years was not sufficient for a final assessment of the effectiveness of these measures. Accordingly it proposed extending for a further year the validity of Regulation (EEC) No 1724/80 adopting these rules for soya beans.⁴ In adopting this proposal the Council also, to enable the aid scheme to operate more smoothly, made it possible for an advance payment of the aid to be made, provided that a security was lodged.

With regard to the system of aid for the French overseas departments, a system of control was instituted which is based on statements of areas sown and harvested.

¹ Regulation (EEC) No 1420/82: OJ L 162, 12.6.1982.

² Regulation (EEC) No 1421/82: OJ L 162, 12.6.1982.

³ Regulation (EEC) No 1984/82: OJ L 215, 23.7.1982.

⁴ Regulation (EEC) No 2549/82: OJ L 273, 23.9.1982.

Dried fodder

508. When making its decisions on farm prices and related measures, the Council¹ fixed the flat-rate production aid for dried fodder at 8.01 ECU/ha. This new level of aid represents an increase of 14% over the previous year. The same rate of increase was adopted by the Council for the guide prices for the products covered by the basic regulation on dried fodder. This price is now 168.80 ECU/tonne. At the same time the Council fixed the flat-rate aid and the guide price for Greece in accordance with the provisions of the Accession Treaty.

In the light of the experience gained in implementing the system of aid for dried fodder the Council² made some technical amendments to Regulation (EEC) No 1417/78³ which make it possible where necessary to fix a world market price on the basis of prices for competing products imported from non-member countries, if no official quotations are available.

Owing to the need to review all the problems involved in fixing farm prices, and since it was unable to complete its discussions before the end of the dried fodder marketing year (31 March 1982), the Council extended⁴ to 25 April 1982 the validity of the prices for the 1981/82 marketing year in this sector.

509. As part of its decisions on farm prices and related measures, the Council decided to amend the basic regulation on dried fodder so as to extend the system of aid for dehydrated potatoes, which was due to expire on 30 June 1982, to 30 June 1983.⁵

Peas and field beans

510. In making its decisions on farm prices, the Council fixed the activating price for aid for peas and field beans at 47.60 ECU/100 kg, an increase of 13.8%.⁶

The minimum purchase price for these products was fixed by the Council at 27.41 ECU/100 kg, which represents an increase of 12%.

¹ Regulation (EEC) No 1194/82: OJ L 140, 10.5.1982.

² Regulation (EEC) No 2026/82: OJ L 218, 27.7.1982.

³ OJ L 171, 28.6.1978.

⁴ OJ L 91, 5.4.1982, with corrigendum in OJ L 98, 14.4.1982. See also OJ L 111, 24.4.1982, OJ L 118, 1.5.1982 and OJ L 134, 15.5.1982.

⁵ Regulation (EEC) No 1433/82: OJ L 162, 12.6.1982.

⁶ Regulation (EEC) No 1432/82: OJ L 162, 12.6.1982.

In accordance with the amendments to the basic regulation,¹ for the first time the Council fixed a guide price for peas and field beans for human consumption. The guide price for the 1982/83 marketing year is 31.40 ECU/100 kg. Later² the Council adopted the general rules concerning the special measures for these products. This Council regulation lays down the necessary definitions for determining prices, defining the system of aid and operating the control system laid down in the new basic regulation governing this sector.

Hops

511. In view of the harvest and the market prospects in 1981 and of trends in the level of producers' incomes, the Council fixed the aid in the hop sector in respect of this harvest at a level which was 20% lower than for the 1980 harvest for aromatic and other varieties and 10% lower for bitter varieties. The Council thereby complied entirely with the Commission proposal and the opinions of Parliament and the Economic and Social Committee.

In accordance with the provisions of the Act of Accession, Community aids were also fixed for Greece.³

In addition the Council, in accordance with the provisions of the basic regulation on hops, updated the list of the Community regions in which only recognized producer groups may receive production aid.⁴

This updating became necessary because of the inclusion of the United Kingdom, which as from the 1982 harvest fulfills the conditions laid down in the basic regulation.

Tobacco

PRICES AND PREMIUMS FOR THE 1982 HARVEST

512. On 18 May 1982 the Council fixed⁵ for the 1982 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:

¹ See paragraph 450 of this Review.

² Regulation (EEC) No 2036/82: OJ L 219, 28.7.1982.

³ Regulation (EEC) No 1980/82: OJ L 215, 23.7.1982.

⁴ Regulation (EEC) No 1981/82: OJ L 215, 23.7.1982.

⁵ Regulation (EEC) No 1462/82: OJ L 164, 14.6.1982.

**Norm prices, intervention prices and premiums for leaf tobacco for the 1982 crop
Derived intervention prices for baled tobacco of the 1982 harvest**

(ECU/kg)

Serial No	Varieties	Norm Price	Inter-vention price	Pre-miums	Derived inter-vention prices
1	Badischer Geudertheimer	3.513	2.986	2.419	4.430
2	Badischer Burley E	4.199	3.569	2.599	5.031
3	Virgin D	4.096	3.482	2.445	4.606
4	(a) Paraguay and its hybrids (b) Dragon vert and its hybrids, Philippin, Petit Grammont (Flobecq), Semois, Appelterre	3.262	2.773	2.236	—
5	Nijkerk	3.236	2.751	2.036	—
6	(a) Misionero and its hybrids (b) Rio Grande and its hybrids	3.016	2.564	2.062	—
7	Bright	3.604	3.063	2.055	4.239
8	Burley I	2.650	2.253	1.451	3.300
9	Maryland	3.021	2.568	1.612	3.658
10	(a) Kentucky and its hybrids (b) Moro di Cori (c) Salento	2.550	2.040	1.579	2.905
11	(a) Forchheimer Havanna II c (b) Nostrano del Brenta (c) Resistente 142 (d) Gojano	3.386	2.878	2.351	4.245
12	(a) Beneventano (b) Brasile Selvaggio and similar varieties	1.828	1.554	1.328	2.310
13	Xanti-Yakà	3.439	2.751 ¹	2.509	4.380 ¹
14	(a) Perustitza (b) Samsun	3.257 3.257	2.606 ¹ 2.768	2.389 2.325	3.824 ¹ 4.032
15	Erzegovina and similar varieties	2.925	2.340 ¹	2.151	3.447 ¹
16	(a) Round Tip (b) Scafati (c) Sumatra I	15.336	13.036	9.178	19.747
17	Basmas	4.944	4.202	2.567	5.727
18	Katerini and similar varieties	4.254	3.616	2.283	5.281
19	Kaba-Koulak classic	3.776	3.210	2.018	4.592
20	(a) Kaba-Koulak non-classic (b) Elassona, Myrodata Smyrne, Trapezous and Phi I	2.968	2.523	1.489	3.820

(ECU/kg)

Serial No	Varieties	Norm Price	Intervention price	Premiums	Derived intervention prices
21	Myrodata Agrinion	3.818	3.245	2.108	4.572
22	Zichnomyrodata	3.906	3.320	2.149	4.715
23	Tsebelia	3.956	3.363	3.161	4.763
24	Mavra	3.861	3.282	2.584	4.672
25	Burley GR	1.974	1.678	0.869	2.680
26	Virginia GR	3.089	2.626	1.549	3.706

¹ Pursuant to Regulation (EEC) No 1535/81 of 19 May 1981 laying down special measures for certain varieties of raw tobacco from the 1982 and 1983 harvests.

SPECIAL AID IN THE RAW TOBACCO SECTOR FOLLOWING THE EARTHQUAKE IN ITALY IN NOVEMBER 1980

513. To help the tobacco growers and processors in the Campania region and the immediate vicinity who were affected by the earthquake in November 1980, on 25 February 1982 the Council decided¹ not to apply Article 12(a) of Regulation (EEC) No 727/70 in this region and to grant special aid to the tobacco growers and the undertakings engaged in first processing. Community finance for these measures will be provided under Chapter 69 of the Community budget (aid to disaster victims in the Community).

AMENDMENT TO THE BASIC REGULATION (EEC) No 727/70

514. To alleviate the heavy burden which arises in particular from the large surpluses of tobacco, on 18 May 1982² the Council agreed to reduce the existing ratio between the intervention price and the norm price from 90% to 85%.

Textile fibres and silkworms

COTTON

515. On 18 May 1982, the Council fixed the guide price for the 1982/83 marketing year for unginned cotton at 85.88 ECU/100 kg, an

¹ Regulation (EEC) No 482/82: OJ L 58, 2.3.1982.

² Regulation (EEC) No 1461/82: OJ L 164, 14.6.1982.

increase of 13%,¹ and the minimum price at 81.59 ECU/100 kg, an increase of 13%.²

The 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 unginning cotton. For the 1982/83 marketing year the quantity of cotton for which aid may be granted in full is limited to 450 000 tonnes.¹

AMENDMENT TO THE GENERAL RULES FOR THE SYSTEM OF AID FOR COTTON

516. The price of cotton seed is a major factor in determining the world price for unginning cotton.

With a view to determining this price and ensuring the correct implementation of the aid system, the Council decided,³ on a Commission proposal, to take into account the offers and quotations recorded at the principal markets in Greece for the marketing years 1982/83 and 1983/84.

FLAX AND HEMP

517. The Council fixed the amounts of aid for the 1982/83 marketing year in the flax and hemp sector as follows:⁴

- (i) flax: 83.76 ECU/ha for Greece and 335.02 ECU/ha for the other Member States, an increase of 13%;
- (ii) hemp: 76.07 ECU/ha for Greece and 304.26 ECU/ha for the other Member States, an increase of 13%.

SILKWORMS

518. The amount of aid for silkworms for the 1982/83 rearing year was fixed by the Council⁵ at 73.02 ECU for Greece and 100.00 ECU for the other Member States (an increase of 17.6%) per box of silkworm eggs used.

¹ Regulation (EEC) No 1428/82: OJ L 162, 12.6.1982.

² Regulation (EEC) No 1429/82: OJ L 162, 12.6.1982.

³ Regulation (EEC) No 1982/82: OJ L 215, 23.7.1982.

⁴ Regulation (EEC) No 1427/82: OJ L 162, 12.6.1982.

⁵ Regulation (EEC) No 1193/82: OJ L 140, 20.5.1982.

MEASURES TO PROMOTE THE USE OF FIBRE FLAX

519. In accordance with the Commission's proposal for promoting sales of flax products, the Council adopted Community measures to encourage the use of fibre flax for the marketing years from 1982/83 to 1986/87.¹ These measures concern information campaigns and the search for new outlets. They will be financed by withholding part of the aid for fibre flax.

RESTRICTIVE MEASURES CONCERNING HEMP AND HEMP SEED TO PROTECT HUMAN HEALTH

520. To prevent the growing problem of narcotics in the Community from being aggravated by the cultivation of hemp in the Community or by imports of raw hemp and hemp seed, the Council decided² to limit aid for hemp to certain varieties providing adequate safeguards in terms of human health and to prohibit imports of hemp and hemp seed which do not provide such safeguards.

Bee-keeping

521. By its Regulation (EEC) No 1196/81 the Council instituted for three years, beginning with the 1981/82 marketing year, an aid for bee-keeping at a rate of 1 ECU per hive per marketing year.³ This regulation provides that for the 1982/83 and 1983/84 marketing years the maximum percentage of this aid which may be used for the purchase of feeding sugar will be fixed by the Council by the 1 March preceding the marketing year in question. Accordingly on 16 March 1982 the Council decided that for the 1982/83 marketing year the whole of this aid could be used for the purchase of feeding sugar.

D — TRADE ARRANGEMENTS

Goods not covered by Annex II to the Treaty and resulting from the processing of agricultural products

522. By its Regulation (EEC) No 2803/81⁴ the Council decided to make it possible during the 1981/82 marketing year to vary the amounts

¹ Regulation (EEC) No 1423/82: OJ L 162, 12.6.1982.

² Regulation (EEC) No 1430/82: OJ L 162, 12.6.1982.

³ See 29th Review, paragraph 388.

⁴ See 29th Review, paragraph 477.

of the export refund for products used in the manufacture of goods falling within sub-headings 18.06 D II c) or 21.07 G VII to IX of the Common Customs Tariff (mixtures with a high butter content). This measure was intended to enable the Commission to pursue a consistent policy on exports of butter, regardless of the form in which it was exported. In view of the decisions taken in connection with managing the butter market, on 31 March 1982 the Council decided to extend this measure until the end of the 1982/83 marketing year.¹

E — STRUCTURAL POLICY

523. In the course of 1982 the Council adopted various measures of a horizontal nature in the field of structural policy. It also approved specific measures regarding Greece. Lastly, the Council decided to organize a survey on the structure of agricultural holdings, to be carried out in the Community in 1983.

Amendments to horizontal measures

524. At its meeting on 24 June 1982 the Council adopted Directive 82/436/EEC,² which extends until 31 December 1983 the period laid down for completing the common measures provided for in the three directives of 1972 on social structures. The period for the measures provided for in Directive 75/268/EEC on mountain and hill farming and farming in certain less-favoured areas was also extended until the same date, since this measure is connected with that laid down in Directive 72/159/EEC.

525. At the same meeting,³ under the provisions of Directive 72/159/EEC, the Council authorized Belgium, Denmark, Germany, Greece, France, Luxembourg, the Netherlands and the United Kingdom to increase by 3%, under certain conditions, the interest rate rebate for farmers wishing to modernize their holdings. This measure was justified by the capital market situation in these countries. At the same time the Council extended⁴ until 31 December 1983 the special measure which

¹ Regulation (EEC) No 764/82: OJ L 87, 1.4.1982.

² OJ L 193, 3.7.1982.

³ Decision 82/438/EEC: OJ L 193, 3.7.1982.

⁴ Decision 82/437/EEC: OJ L 193, 3.7.1982.

had been applicable to Italy in this respect since 1976. It should be noted that since July 1981¹ Ireland has also benefited from an equivalent *ad hoc* measure, which expires on 31 December 1983.

526. With regard to the common measure laid down in Directive 75/268/EEC, at its meeting on 15 November 1982 the Council adopted Directive 82/786/EEC² which, in view of the specific features of Greek agriculture, extends to the regions of Greece covered by the directive on mountain and less-favoured areas the same system as that at present applicable to the Mezzogiorno. In particular this provides for Community finance at 50% and a reduction from 3 to 2 hectares in the minimum agricultural area of farms qualifying for the compensatory allowance.

527. At its meeting on 16 November 1982 the Council adopted Regulation (EEC) No 3073/82,³ which extends until 31 December 1984 the common measures provided for in Regulation (EEC) No 355/77 to improve the conditions under which agricultural products are processed and marketed. In connection with this the Council decided that applications for assistance from the EAGGF under this measure may be submitted to the Commission until 30 April 1984.

528. At its meeting on 22 November 1982 the Council adopted Regulation (EEC) No 3164/82,⁴ which extends to all the regions of Greece, except Greater Athens, the same conditions as those at present applicable in the Mezzogiorno under the common measures to improve the conditions under which agricultural products are processed and marketed. This provides, in particular, for Community finance of up to 50% for projects in Greece during 1983 and 1984. At the same time the Council asked the Commission to give favourable consideration to the possibility of granting Community finance, again up to a maximum of 50%, for projects in Greece to be approved under the second tranche for 1982. According to estimates, a total of 6 million ECU has not yet been committed from the quinquennial allocation of the Guidance Section of the EAGGF, so that these projects could be financed under the existing budgetary rules.

Specific measures

529. The Council adopted the following two measures:

¹ See 29th Review, paragraph 497.

² OJ L 327, 24.11.1982.

³ OJ L 325, 20.11.1982.

⁴ OJ L 332, 27.11.1982.

COUNCIL REGULATION (EEC) No 389/82 OF 15 FEBRUARY 1982 ON PRODUCER GROUPS AND ASSOCIATIONS THEREOF IN THE COTTON SECTOR¹

530. This regulation is based on the provisions of Protocol 4 to the Act of Accession of the Hellenic Republic. Its aim is to supplement the Community arrangements for the cotton sector in order to stabilize this market by structural improvements at the level of supply and marketing. To this end the regulation provides for:

- (i) a system of incentives for the formation of producer groups and associations thereof in the form of aid to encourage the establishment and facilitate the operation of these groups;
- (ii) investment aid for producer groups and associations thereof, to be granted in particular for harvesting, ginning, storage and packaging facilities.

The EAGGF will refund to the Member States 40% of the chargeable expenditure. The total estimated cost of this common measure to the Community budget is 14 million ECU over a period of five years.

REGULATION (EEC) No 1975/82 OF 19 JULY 1982 ON THE ACCELERATION OF AGRICULTURAL DEVELOPMENT IN CERTAIN REGIONS OF GREECE²

531. The object of this regulation is to set up a specific programme comprising various measures to accelerate agricultural development in certain regions of Greece. These measures relate to the improvement of rural infrastructure, irrigation, land improvement, the development of beef cattle, sheep and goat farming, the improvement of facilities for agricultural training, and forestry improvement. The total estimated cost of this common measure to the Community budget is 198.6 million ECU over a period of five years.

Survey on the structure of agricultural holdings

532. On 15 February 1982 the Council adopted Regulation (EEC) No 449/82³ on organization, between 1 October 1982 and 31 January 1984,

¹ OJ L 51, 23.2.1982.

² OJ L 214, 22.7.1982.

³ OJ L 59, 2.3.1982.

of a survey on the structure of agricultural holdings in the Community. The aim of this survey is to update the results of the survey on the structure of agricultural holdings carried out in the Community in 1979/80, as part of a programme of Community surveys drawn up to meet the needs of the common agricultural policy. In order to ensure comparability of results the regulation largely follows the criteria laid down for the 1979/80 survey. It also contains special provisions for Italy, which had not been in a position to carry out the previous survey within the intended time limit.

F — FINANCING OF THE COMMON AGRICULTURAL POLICY

Financial Regulations

533. On 17 May 1982 the Council adopted Regulation (EEC) No 1262/82¹ amending Regulation (EEC) No 1883/78 laying down general rules for the financing of intervention by the EAGGF, Guarantee Section. The object of the new regulation is to update the annex to Regulation (EEC) No 1883/78, which lists the intervention measures for stabilizing the agricultural markets which are financed by the EAGGF, Guarantee Section.

534. On 15 November 1982 the Council adopted Regulation (EEC) No 3045/82² amending Regulation (EEC) No 3247/81 on the financing by the EAGGF, Guarantee Section, of certain intervention measures, particularly those involving the buying-in, storage and sale of agricultural products by intervention agencies. This amendment to the existing rules had become necessary following changes in the rules governing the common organizations of markets, which provided for the storage at public expense of certain products which had not previously been stored, namely alcohol from certain wine distilling operations and sheepmeat.

G — HARMONIZATION OF PROVISIONS LAID DOWN BY LAW, REGULATION AND ADMINISTRATIVE ACTION

Veterinary legislation

535. In the course of the period under review the Council, as part of its management of Community legislation, had to re-examine certain dates

¹ OJ L 148, 27.5.1982.

² OJ L 322, 18.11.1982.

in a number of Council acts which had proved too close in view of the priorities for implementing Community texts established by the Member States because of the general economic situation in the Community.

Thus the Council:

- (i) by its Decision 82/18/EEC¹ put back the date by which certain Member States must implement their national plans for the accelerated eradication of classical swine fever to be eligible for the Community aid provided for by Decision 80/1096/EEC;²
- (ii) on 26 January 1982, by Directive 82/61/EEC,³ amended Directive 64/432/EEC so as to extend until 31 December 1983 the period of validity of the derogations relating to brucellosis guarantees in trade in certain bovine animals as provided for in points C and E of Article 7⁽¹⁾ of that directive.

In addition, on 14 June 1982 the Council adopted its Directive 82/400/EEC⁴ amending Directive 77/391/EEC so as to allow a supplementary measure for the eradication of brucellosis, tuberculosis and leucosis to be financed for an additional period of two years.

This supplementary measure proved necessary to complete the good work recorded by the Commission in its report to the Council on the implementation of the original measure.

At the same time the Council expressed its intention in future of including all expenditure on veterinary measures in a separate chapter of the budget, thus creating the beginnings of a veterinary fund. On 8 November 1982 the Council received a Commission proposal on this matter⁵ which was still under discussion within the Council at the end of 1982.

Lastly, by its Decision 82/838/EEC,⁶ on 3 December 1982 the Council recognized certain parts of the territory of the Federal Republic of Germany as being either officially swine-fever free or swine-fever free. By this decision the Council, recognizing in particular the level of animal

¹ OJ L 9, 14.1.1982.

² OJ L 325, 1.12.1980.

³ OJ L 29, 6.2.1982.

⁴ OJ L 173, 19.6.1982.

⁵ OJ C 299, 16.11.1982.

⁶ OJ L 352, 14.12.1982.

health in the regions which are officially free of swine fever, authorized these regions — without prejudice to the guarantees to be offered as regards foot-and-mouth disease — to export to Denmark, Ireland and the United Kingdom, pursuant to the provisions of Article 4 of Directive 64/432/EEC.

536. On three occasions the Council was called on — under the 'safety net' procedure, whereby any proposal for a Commission decision which has not obtained a qualified majority in the Standing Veterinary Committee is referred to the Council — to act on certain proposals for decisions which normally fall within the competence of the Commission.

Thus:

- (i) on 17 May 1982¹ it amended Commission Decision 82/259/EEC of 6 April 1982 concerning certain protective measures against foot-and-mouth disease, which had been adopted following the appearance of foot-and-mouth disease in Denmark (under the emergency procedure);
- (ii) on 19 July 1982² it amended the list of establishments in the Eastern Republic of Uruguay approved for the purpose of importing fresh beef and veal, sheepmeat and meat of domestic solipeds into the Community (under the emergency procedure);
- (iii) on 18 October 1982 it adopted decisions relating to the list of establishments in the Republic of Austria,³ the Republic of Finland,⁴ the Czechoslovak Socialist Republic,⁵ the Hungarian People's Republic,⁶ the Swiss Confederation,⁷ the People's Republic of Bulgaria,⁸ the Kingdom of Sweden⁹ and the Argentine Republic¹⁰ approved for the purposes of exporting fresh meat into the Community.

¹ Decision 82/370/EEC: OJ L 167/37, 15.6.1982.

² Directive 82/533/EEC: OJ L 234/14, 9.8.1982.

³ Decision 82/730/EEC: OJ L 311/1, 8.11.1982.

⁴ Decision 82/731/EEC: OJ L 311/4, 8.11.1982.

⁵ Decision 82/732/EEC: OJ L 311/7, 8.11.1982.

⁶ Decision 82/733/EEC: OJ L 311/10, 8.11.1982.

⁷ Decision 82/734/EEC: OJ L 311/13, 8.11.1982.

⁸ Decision 82/735/EEC: OJ L 311/16, 8.11.1982.

⁹ Decision 82/736/EEC: OJ L 311/18, 8.11.1982.

¹⁰ Decision 82/737/EEC: OJ L 311/21, 8.11.1982.

537. On 19 July 1982 the Council adopted its Directive 82/532/EEC¹ amending Directive 71/118/EEC on health problems affecting trade in fresh poultrymeat.

By this directive the Council extended the period laid down for the marketing at national level of poultry carcasses, by way of derogation from the provisions concerning the slaughtering and evisceration of poultry and those on chilling by immersion.

These derogation apply until the entry into force of Community rules on inspection costs and will not continue after 31 March 1984.

Animal husbandry

538. During the period under review the Council's subordinate bodies continued their work on the Commission proposal relating to animal husbandry standards for breeding animals of the porcine species. It was still not possible to reach final agreement at this stage.

Legislation on foodstuffs

GENERAL PROVISIONS

Amendments to existing rules

539. In the main the Council continued its work on adjusting the general rules on additives authorized for use in foodstuffs in the light of developments in scientific knowledge.

It thus adopted:

- (i) on 12 July 1982 amendments and additions² to the specific criteria of purity for emulsifiers, stabilizers, thickeners and gelling agents³ in respect of Xanthan gum (E 415), powdered cellulose (E 460 - (ii)), sucroglycerides (E 474) and propane-1,2-diol esters of fatty acids (E 477);

¹ OJ L 234, 9.8.1982.

² Directive 82/504/EEC: OJ L 230, 5.8.1982.

³ Directive 78/663/EEC: OJ L 223, 14.8.1978.

- (ii) on 18 October 1982 adjustments and additions¹ to the specific criteria of purity for antioxidants² in respect of lecithins (E 322). The question of DL-tartaric acid continued to be governed by existing national provisions pending a decision on the part of the Council to be taken by 1 January 1985.

540. On the other hand, work continued but was still not concluded on the 17th amendment to Directive 64/54/EEC on preservatives. The object of this amendment 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 potassium sulphite acid (for wine-making) and natamycine (for the surface treatment of sausages and cheeses) to the list of authorized preservatives. The last remaining difficulties concern the authorization of the last-mentioned substance.

New directives

541. The Council's subordinate bodies began their examination of three new proposals forwarded in 1980 and 1981.

- (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 final consumer and to control the advertising of these foodstuffs. Work on this proposal revealed divergences on the actual principle of a list of prohibitions.
- (iii) The third concerns a decision on the general principles to be followed with regard to the establishment of microbiological criteria applying to foodstuffs for human and animal consumption, including the conditions under which they are produced. At this stage it was not 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 Directive 82/712/EEC: OJ L 297, 23.10.1982.

² Directive 78/664/EEC: OJ L 223, 14.8.1978.

542. In addition, on 22 October 1982 the Council received a further proposal for amending the basic Directive 79/112/EEC concerning the labelling and presentation of foodstuffs.¹ Its purpose is to lay down rules for labelling the ingredients and the alcohol content for beverages containing more than 1.2% of alcohol. Parliament and the Economic and Social Committee have been asked to give their opinions.

SPECIFIC OR INDIVIDUAL PROVISIONS

Amendments to existing regulations

543. A brief initial examination was made at the end of 1982 of a further proposal (forwarded on 2 March 1982) to bring Directive 76/118/EEC² on preserved milk into line with the general provisions on labelling laid down in Directive 79/112/EEC,¹ in view of the favourable opinions given by Parliament and the Economic and Social Committee.

Implementing directives

544. On 18 October 1982 the Council adopted Directive 82/711/EEC laying down the basic rules necessary for testing migration of the constituents of plastic materials and articles intended to come into contact with foodstuffs.³

Following Directive 78/142/EEC on materials and articles containing vinyl chloride monomer,⁴ this is a further specific directive under the terms of Article 3 of the framework directive on materials and articles in contact with foodstuffs.⁵

The rules adopted differ from the Commission's original proposal in that it was not possible at this stage to lay down an overall limit for migration of the constituents of plastics into foodstuffs. Migration levels will be laid down later when the lists are drawn up of the substances or materials whose use is authorized.

Basically the directive provides that, in the absence of analytical methods laid down under the Standing Committee procedure in implementation of

¹ OJ L 33, 8.2.1979.

² OJ L 24, 30.1.1976.

³ OJ L 297, 23.10.1982.

⁴ OJ L 44, 15.2.1978.

⁵ Directive 76/893/EEC: OJ L 340, 9.12.1976.

the basic directive for determining the level of migration into foodstuffs, this level will be determined in simulants according to the basic rules specified in the annex. This gives the simulants to be used and the test conditions regarding duration and temperature, which depend on the conditions of contact in actual use. However, it is laid down that if for technical reasons these tests prove not to reflect actual conditions the Member States are authorized to adopt more suitable tests temporarily until a Community decision can be taken under the Standing Committee procedure to alleviate the difficulty (safeguard clause).

The directive will take effect at the latest on the entry into force of a specific directive laying down lists of the substances and materials whose use is authorized to the exclusion of any others and the corresponding migration limits.

545. In addition, work continued in the Council's subordinate bodies on the following:

- (i) A further proposal for a specific directive within the meaning of Article 3 of the framework directive on materials and articles in contact with foodstuffs, the main object of which is to lay down an exclusive list of the substances permitted for use in the manufacture of regenerated cellulose film. The examination of this matter has been completed at the technical level and the only remaining problem concerns the procedure for amending the annexes.
- (ii) A proposal concerning caseins and caseinates authorized for use in the preparation of foodstuffs. Since a consensus was reached to avoid the adoption at this stage of specific microbiological criteria for these products, the technical examination of the matter is well on the way to being completed.

Legislation on animal feedingstuffs

546. On 30 June 1982 the Council took a major step forward when it supplemented the regulations governing this sector by adopting Directive 82/471/EEC concerning certain products used in animal nutrition.¹

The object of this directive is to authorize in a harmonized way the use in the Community of various substances which can replace the usual

¹ OJ L 213, 21.7.1982.

protein feedingstuffs and are obtained by new technical processes, such as urea, amino acids and above all 'bioproteins' obtained by cultivating micro-organisms on conventional substrates of vegetable or animal origin (by-products of the agricultural industry) or on non-conventional substrates such as methanol or alkane produced by the petrochemicals industry.

The only products authorized are those listed and described in an annex, which will be supplemented in accordance with the Standing Committee procedure after the Scientific Committee for Animal Nutrition and the Scientific Committee for Food have been consulted. It is laid down in particular that in the case of yeasts of the 'Candida' variety cultivated on n-alkanes a decision must be adopted in accordance with this procedure within two years.

A decision on bioproteins may only be adopted in the light of a scientific dossier, prepared in accordance with guidelines to be adopted by the Council, which must be sent to the Member States and the Commission. These guidelines must be adopted by the date of application of the directive, i.e. by 13 July 1984 at the latest.

Provisionally, until such time as these decisions are taken, the Member States may maintain the national authorizations which they have granted.

These provisions comprise a safeguard clause and become applicable two years after notification of the directive.

547. Further to this directive, the Council's subordinate bodies studied the proposal for a directive forwarded by the Commission on 5 October 1982 on laying down guidelines for the evaluation of certain products (bioproteins) used for animal feedingstuffs.

Work on this proposal was given some priority, since these guidelines were also to come into force on 13 July 1984.

548. During the same period the Council's subordinate bodies continued their examination of the following proposals:

- (i) A proposal to supplement Directive 74/63/EEC¹ concerning undesirable substances in animal feedingstuffs, by laying down

¹ OJ L 38, 11.2.1974.

maximum permitted levels for pesticide residues. This question — like others concerning pesticide residues in human foodstuffs — raises difficulties which are inherent in the very principle of binding maximum levels throughout the Community.

- (ii) A proposal to amend Directive 70/452/EEC¹ on additives. The purpose is firstly to adapt the basic directive to recent developments by tightening up certain definitions (in particular for premixes) and certain labelling rules (to provide the purchaser with better information), and secondly to set up a procedure for the approval and use of additives or preparations of additives. There continue to be differences of opinion on this latter point.

Legislation on plant health

549. On 19 July 1982 the Council adopted Directive 82/528/EEC² amending Annex II to Directive 76/895/EEC³ relating to the fixing of maximum levels for pesticide residues in and on fruit and vegetables.

The aim of this amendment is firstly to simplify the presentation of Annex II to the basic directive by deleting the reference to the EEC number and identifying the pesticide residues by their common names and chemical formulae only, and secondly to modify and add to the list of pesticide residues and amend the maximum levels in accordance with scientific and technical progress in medicine and agriculture.

550. In addition the Council's subordinate bodies continued their examination of the proposals for directives on fixing levels for pesticide residues:

- (i) on and in cereals for human consumption;
- (ii) on and in foodstuffs of animal origin;

which still present a major problem regarding the basic principle of fixing binding maximum levels applicable throughout the Community.

551. Moreover, with regard to the proposal for a directive on the marketing of EEC type-approved plant protection products the Council

¹ OJ L 270, 14.12.1970.

² OJ L 234, 9.8.1982.

³ OJ L 340, 9.12.1976.

is still faced with difficulties regarding the type-approval procedure to be adopted and it has so far been impossible to reach a consensus.

552. Lastly, the Council's subordinate bodies began their examination of the following:

- (i) a communication from the Commission on the marketing and use of plant protection products containing 2,4,5-T,¹ in which the Commission suggests a number of measures regarding the controlled use of this weedkiller so as to avoid any hazard to human or animal health or to the environment;
- (ii) a proposal for a directive amending Directive 79/117/EEC prohibiting the marketing and use of plant protection products containing certain active substances. This proposal would add ethylene oxide to the list of active substances prohibited by Community legislation, while providing for an exemption authorizing the Member States to permit the use of this product temporarily on their territory for fumigating spices.

Legislation on seeds and seedlings

553. As in previous years the Council made amendments to existing Community legislation in the light of experience gained in implementing this legislation or of new considerations regarding the production of seeds in non-member countries.

554. Accordingly it adopted the following acts:

- (i) Decision 82/602/EEC amending the Sixth Decision 80/817/EEC on the equivalence of field inspections carried out in third countries on seed-producing crops;²
- (ii) Decision 82/603/EEC amending the Sixth Decision 80/818/EEC on the equivalence of seed produced in third countries.²

The purpose of these two decisions, adopted in accordance with the Commission's proposal, is on the one hand to extend to Bulgaria, Canada, Hungary and New Zealand the equivalence of certain species of

¹ OJ C 170, 8.7.1982.

² OJ L 247, 23.8.1982.

seeds produced in these countries to seeds of the same species produced in the Community and on the other hand to declare the fact that the field inspections carried out in the above-mentioned countries with regard to seed-producing crops of certain species fully satisfy the conditions laid down in the Community directives.

555. The Council also adopted Directive 82/727/EEC amending Directive 69/208/EEC on the marketing of seed of oil and fibre plants.¹

The object of this directive, adopted in accordance with the Commission's proposal, is twofold. With regard to fibre flax, it authorizes the marketing of 'certified seeds of the third generation'. With regard to linseed, the marketing of this latter category of seeds will no longer be authorized after 31 March 1984, since after this date there will be sufficient supplies of linseed from seeds of the first and second generation.

Coordination of the positions of the Member States with regard to the laws of non-member countries and work on certain matters at international level

CODEX ALIMENTARIUS

556. 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 in the various Codex Alimentarius committees and generally reached a common position on the various questions under consideration.

OECD (PARIS)

557. During the period under review the Member States and the Commission took an active part in the meetings of the OECD Committee for Agriculture and its working parties.

On 2 and 3 December 1982 a meeting of the Committee for Agriculture was held at ministerial level at the Château de la Muette in Paris. This

¹ OJ L 310, 6.11.1982.

gave the OECD Ministers for Agriculture the opportunity for an exchange of views, firstly on the prospects for their agricultural policies and markets, and secondly on the direction of agricultural and food policies and of trade policies for agricultural products.

In this context — after prior coordination of the positions of the Community Ministers for Agriculture — there were also discussions on the problems of making adjustments in agriculture and of the security of world food supplies.

At the end of this meeting a press release was published which sets the tone for the future activities of the Committee for Agriculture.

COUNCIL OF EUROPE

558. Under the aegis of the Council of Europe a draft European Convention on the protection of vertebrate animals used for experimental or other scientific purposes is at present being drafted.

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 attentive part in the work of the Council of Europe on this matter without prejudice to the need to adopt at a later date a common position on the possible accession to the Convention of the Communities as such.

INTERNATIONAL WINE OFFICE

559. In this field work within the Council in 1982 was concerned with:

- (i) establishing a coordinated position on the part of the Member States in connection with the International Wine Office, in particular with regard to the matters to be discussed at the 62nd General Assembly of this Office, which was held in Paris from 30 August to 4 September 1982, and questions (regarding oenological processes and budgetary matters in particular) arising from this work;
- (ii) the technical examination of certain questions relating to oenological processes and other wine-making matters in connection with the consultations between the EEC and the United States. It

should be noted that if these consultations lead to a specific arrangement between the parties concerned it might be necessary for the Council, acting on a Commission proposal, to adopt legislative measures.

Protection of breeding animals — Poultry

560. During 1982 the Council continued its work on the Commission's proposal for establishing minimum standards for the protection of laying battery hens. Although this matter was examined on several occasions, both by technical experts and at ministerial level, a final decision could not be taken in 1982 because of the concern of certain delegations regarding the possible economic and financial effects of adopting legislation on this matter.

Chapter VI: Administrative matters — Miscellaneous

A — BUDGETARY MATTERS

561. 1982 was another eventful year in the budgetary field. The start of the year was fraught with conflict following the controversial — in the view of the Council — adoption of the 1982 budget by the President of the European Parliament just before the Christmas break. The year ended with the adoption, for the first time in five years, of a budget approved by both arms of the budgetary authority. However, against this positive achievement must be set the rejection of the draft supplementary and amending budget No 1/82 concerning supplementary measures regarding the United Kingdom and, to a lesser extent, the Federal Republic of Germany.

Triologue

562. At the first meeting of the Council of Ministers for Foreign Affairs the Council decided for the first time not to endorse the unilateral action by the President of the European Parliament, who declared the adoption of the 1982 budget with an amount of non-compulsory expenditure exceeding Parliament's margin for manoeuvre. Since in such circumstances the Treaty requires mutual agreement between the two arms of the budgetary authority, the Council decided to take the matter to the Court.

Accordingly, there being no precedent in this matter, as a precautionary measure the Council as such brought actions before the Court against both the European Parliament and the Commission (as the implementing body for the contested budget) so that the Community's legal authority could pronounce on the validity of this budget. Simultaneously, however, also at its meeting on 26 January 1982, the Council instructed the Presidency to arrange meetings with authorized representatives of the European Parliament and the Commission at which the three parties could together clarify the legal difficulties which have affected the budgetary procedures in recent years.

563. The first of these meetings between the Presidents of the three institutions took place in Brussels on 5 March 1982.

564. At the meeting of the Council on General Affairs in April, the Council took stock of the progress made on this matter, and at a specially convened meeting of the Council on the Budget on 11 May 1982 the final mandate was adopted which enabled the Presidency to conclude these negotiations. They culminated on 30 June 1982 in the formal signing of a joint declaration on various measures to improve the budgetary procedure.

This joint declaration refers primarily to the classification into compulsory and non-compulsory expenditure of all items entered in the 1982 budget, since it was the absence of a classification approved by both arms of the budgetary authority which had been a source of conflict in recent years. Agreement was also reached on a procedure for classifying new expenditure in the future.

Apart from this problem of classification there were, however, other divergences over the interpretation of Article 203 of the Treaty. These problems were of both a legal and a political nature. Accordingly the declaration specified, *inter alia*, the conditions governing the adoption of the budget by the President of Parliament, the application in supplementary budgets of the margin for manoeuvre given to Parliament, the application of the maximum rate to commitment appropriations, and the need for a basic regulation for implementing appropriations.

In the view of the signatories to this joint declaration these and other measures should contribute to removing friction from the annual procedure for debating the budget and finally adopting it in good time, i.e. before the end of the financial year.

1983 Budget

565. By the time the discussions within the Council's subordinate bodies on the above-mentioned joint declaration were concluded the Member States had already received the Commission's preliminary draft budget for 1983. This preliminary draft contained an increase in expenditure commitments of 671.7 million ECU.

566. However, at the same time as the Commission was forwarding this preliminary draft budget it also put before the Council a preliminary draft supplementary and amending budget No 1, which was intended to finance new Community policies and measures in such varied fields as

research and development aid out of savings made in the EAGGF sector and out of the 1981 administrative account surplus.

This preliminary draft amending budget amounted to approximately 487 million ECU. In addition, the basic decisions for a number of proposed measures had not yet been taken.

In view of this state of affairs the Council considered at length the possibilities open to it for accepting a reduced draft supplementary and amending budget at its meeting on 28 July. When it had to take decisions at the same time on the 1983 budget and on this amending and supplementary budget it rejected the latter, but asked the Commission to make transfers for the amounts which the Council considered to have priority, such as the Social Fund.

567. In fact, after the holiday period the Commission presented a whole series of requests for transfers under Transfer No 30, which covered the essential items in the above-mentioned preliminary draft supplementary and amending budget No 1/82. The Council finally approved half of this transfer. The amounts involved were 240 191 000 ECU in commitments and 240 191 000 ECU in payments.

568. At the same time the Council forwarded to Parliament the draft 1983 budget, having reduced the amounts initially requested by the Commission to 22 389 996 320 ECU in commitments and 21 094 385 320 ECU in payments. While deploring the Council's unilateral action in rejecting the supplementary and amending budget, the European Parliament approved Transfer No 30 in its entirety. However, the Financial Regulation stipulates that in the case of mixed transfers from compulsory expenditure to non-compulsory expenditure, the lower figure is the significant one. Ultimately it is the amounts approved by the Council which should in principle be applied for calculating the relevant increase in the European Parliament's margin for manoeuvre with regard to non-compulsory expenditure under the 1983 budgetary procedure.

However, the European Parliament did not take the same view. Initially during informal contacts between the Presidents of the institutions, as well as in its Committee on Budgets, and finally in plenary session, Parliament maintained, with the aid and approval of the Commission and despite the most unequivocal reservations expressed by the Council, that these transfers, which come under the provisions for implementing the budget and not those for establishing it, would increase its margin for manoeuvre.

Preliminary draft supplementary and amending budget No 2/82

569. Finally, this dispute over Transfer No 30 and the Council's failure to establish a draft supplementary and amending budget No 1 formed the background to the final phase of the budgetary procedure, when the Council received a new proposal for a preliminary draft supplementary and amending budget No 2. The purpose of this was to use the savings made by the EAGGF and various surpluses from the final figures of previous financial years to allocate 1 092 million ECU to Great Britain and 210 million ECU to the Federal German Republic, in implementation of the Agreements of 30 May 1980 and 26 October 1982.

However, since the Council had classified these two measures as compulsory expenditure and was not prepared, in the final phase at the second reading by the European Parliament in Strasbourg, to subscribe to a political undertaking whereby it would refrain in future from taking this kind of supplementary measure in favour of a Member State, Parliament, while adopting the 1983 budget, rejected the draft supplementary and amending budget No 1 as established by the Council.

Other budgetary matters

TRANSFERS OF APPROPRIATIONS BETWEEN CHAPTERS WITHIN THE BUDGET ESTIMATES OF THE INSTITUTIONS FOR 1982

570. 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.

571. 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 1981 TO THE FINANCIAL YEAR 1982

572. At its meeting on May 10 and 11 1982 the Council decided not to take a contrary decision on the list of appropriations which the Commission had requested to be transferred from the financial year 1981 to the financial year 1982 in respect of the Guidance Section of the EAGGF. This list was established under the transitional arrangements provided for in Article 108(3)(b) of the Financial Regulation.

At this same meeting the Council decided not to take a contrary decision on the requests for the non-automatic carry-over of appropriations from the financial year 1981 to the financial year 1982 presented by the Commission under the provisions of Article 6(3) of the Financial Regulation.

In addition, on 23 June 1982 the Commission presented to the Council, for its information, in accordance with Article 6(7) of the Financial Regulation, a list of the appropriations carried over automatically from the financial year 1981 to the financial year 1982.

DISCHARGE GIVEN TO THE COMMISSION IN RESPECT OF THE IMPLEMENTATION OF THE 1980 BUDGET

573. At its meeting on 22 and 23 March 1982 the Council recommended Parliament to give a discharge to the Commission in respect of the implementation of the budget and the supplementary and amending budgets of the European Communities for the financial year 1980.

This recommendation was forwarded to Parliament in a letter dated 24 March 1982.

At its meeting on 2 April 1982 the Council adopted the decisions giving discharges to the Administrative Boards of the European Foundation for the Improvement of Living and Working Conditions and of the European Centre for the Development of Vocational Training in respect of the statement of revenue and expenditure for these bodies for the financial year 1980.

B — STAFF REGULATIONS

Matters concerning salaries

574. Following the annual review of salary levels for the financial year 1981, at its meeting on 15 February 1982 the Council adopted Regulation No 372/82¹ adjusting the remunerations and pensions of officials and other servants of the European Communities.

This decision was taken in the light of the provisions of the new method for adjusting remunerations as well as those relating to the introduction

¹ OJ L 47, 19.2.1982

of an exceptional crisis levy, which were all adopted by the Council on 15 December 1981.

It should also be noted that before adopting the above-mentioned regulation the Council adopted Regulation No 371/82¹ adjusting the remunerations and pensions fixed after the 1980 annual review. This became necessary because of an adjustment to the specific indicator for Italy following a retrospective increase in civil service salaries in that country.

575. By Regulation No 1625/82 of 21 June 1982² the Council adjusted the weightings applicable to the remunerations and pensions of officials and other servants of the Communities, to take account of the trends in the cost of living recorded in the various countries of employment during the second half of 1981.

In accordance with the provisions of the new method adopted on 15 December 1981, a provisional deduction of 1.5% was made from each cost of living index for the reference period. This percentage corresponded to half of the anticipated decline in the purchasing power of national civil servants during the period from 1 July 1981 to 30 June 1982.

576. To comply with the judgment of the Court of Justice of 6 October 1982 in Case 59/81, the Council adopted Regulation No 3139/82 of 22 November 1982³ amending the tables of basic salaries and certain weightings, in line with the original proposals which the Commission had put forward at the time with regard to the adjustment of remunerations and pensions for the reference period from 1 July 1979 to 30 June 1980.

By this judgment the Court had annulled Council Regulation No 187/81 of 20 January 1981 as well as certain later provisions arising from it, mainly because the Council, in deciding to reduce the purchasing power of Community salaries by 1.6% whereas during the period that of national salaries had increased by 0.2%, had disregarded Article 65(1) of the Staff Regulations.

Other matters

577. By Regulations Nos 509/82 and 510/82 of 22 February 1982⁴ the Council accorded to the staff of the European Centre for the Develop-

¹ OJ L 47, 19.2.1982

² OJ L 181, 25.6.1982.

³ OJ L 331, 26.11.1982.

⁴ OJ L 64, 8.3.1982.

ment of Vocational Training and of the European Foundation for the Improvement of Living and Working Conditions rights on pensions and insurance against illness, accident and occupational disease analogous to those applicable to the temporary staff of the Communities.

578. In order to facilitate the rapid recruitment of Greek nationals following the accession of Greece the Council adopted the following two measures:

- (i) Regulation No 662/82 of 22 March 1982¹ introducing special and temporary measures applicable to Greek nationals, which provided for certain exemptions from the provisions relating to the recruitment procedure;
- (ii) Regulations Nos 2150/82, 2151/82 and 2152/82² of 28 July 1982, which contained special temporary measures, applicable until 31 December 1982, for the voluntary departure of 20 Grade A3 officials of at least 55 years of age.³

European Agency for Cooperation

579. In view of the transformation of the European Association for Cooperation into the European Agency for Cooperation,⁴ the Council adopted Regulation (EEC) No 3332/82 of 3 December 1982⁵ laying down special measures for the recruitment and initial classification as officials of the European Communities of the 56 members of the staff of the headquarters of the former Association.

Proposed revision of the Staff Regulations

580. Throughout 1982 the Council continued its examination of two proposals for a revision of the Staff Regulations concerning:

- (i) social measures and family measures;
- (ii) the pension scheme for officials and social security for temporary staff.

Some progress was made, but it was not possible to complete this work in 1982.

¹ OJ L 78, 24.3.1982.

² OJ L 228, 4.8.1982.

³ i.e. 3 for Parliament, 2 for the Council and 15 for the Commission.

⁴ Regulation (EEC) No 3245/81 of 26.10.1981: OJ L 328, 16.11.1981.

⁵ OJ L 352, 14.12.1982.

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

Table 2

INTERIM COMMITTEE FOR THE COMMUNITY PATENT

Period	Plenary	Groups
1979	1	11
1980	2	4
1981	—	2
1982	1	2

LIST OF ABBREVIATIONS

— A —

ACP States

African, Caribbean and Pacific States

AETR

European Agreement concerning the work of crews of vehicles engaged in international road transport

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

— C —

Caddia

Cooperation in automation of data and documentation on imports/exports and agriculture

CCIB

Beirut Chamber of Commerce and Industry

CCT

Common Customs Tariff

CERS

Centre d' Études et de Recherches Scientifiques

CID

Centre for Industrial Development

CIUTS

Collective investment undertaking for transferable securities

COLEACP

Liaison Committee for producers, importers, transporters and distributors of out of season tropical fruit and vegetables

COST

European Cooperation in the field of Scientific and Technical Research

CREST

Scientific and Technical Research Committee

CSCE

Conference on Safety and Cooperation in Europe

— D —

DIB

Development Industrial Bank

DISC

Domestic International Sales Corporation

DNA

Deoxyribonucleic acid

— E —

EAGGF

European Agricultural Guidance and Guarantee Fund

ECE

Economic Commission for Europe

ECMT
European Conference of Ministers for
Transport
Ecowas
Economic Community of West African
States
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
EPC
European political cooperation
ERDF
European Regional Development Fund
Escap
Economic Commission for Asia and the
Pacific
ESF
European Social Fund
EUA
European unit of account

— F —

FAO
Food and Agriculture Organization
FEDEAU
Fédération pour le développement de
l'artisanat utilitaire

— G —

GATT
General Agreement on Tariffs and Trade
GSP
Generalized system of preferences

— I —

IAEA
International Atomic Energy Agency
ICC
Industrial Cooperation Committee
ICCAT
International Commission for the Con-
servation of Atlantic Tuna
ICSEAF
International Commission for South-East
Atlantic Fisheries
IEA
International Energy Agency
ILO
International Labour Organization
Insis
Integrated services interinstitutional
system
ISIC
International Standard Industrial
Classification of all economic activities
IWO
International Wine Office

— M —

MFA
Multifibre Arrangement

— N —

NAFO
North-West Atlantic Fisheries Organiza-
tion

NCI
New Community Instrument
NEAFC
North-East Atlantic Fisheries Commission

— O —

OCT
Overseas Countries and Territories
OECD
Organization for Economic Cooperation and Development
OEEC
Organization for European Economic Cooperation

— P —

psr
Produced in specific regions (quality wines)

— T —

TAC
Total allowable catch

— U —

UNCC
Union Nationale de Crédit Coopératif

UNCSTD
United Nations Conference on Science and Technology for Development

Unctad
United Nations Conference on Trade and Development

UNEP
United Nations Environment Programme

Unesco
United Nations Educational, Scientific and Cultural Organization

UNRWA
United Nations Relief Work Agency

US-DoE
US Department of Energy

USSR
Union of Soviet Socialist Republics

— V —

VAT
Value-added tax

— W —

WHO
World Health Organization

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European Communities – Council

**Thirtieth review of the Council's work
1 January – 31 December 1982**

Luxembourg: Office for Official Publications of the European Communities

1984 — 261 pp. — 14.8×21.0 cm

DA, DE, GR, EN, FR, IT, NL

ISBN 92-824-0140-5

Catalogue number: BX-37-83-893-EN-C

Price (excluding VAT) in Luxembourg

ECU 6.57 BFR 300 IRL 4.80 UKL 3.80 USD 6.00

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.

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Schultz Forlag

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1116 København K
Tlf: (01) 12 11 95
Girokonto 200 11 95

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Tel (514) 937 3519

JAPAN

Kinokuniya Company Ltd

17-7 Shinjuku 3-Chome
Shinjuku-ku
Tokyo 160-91
Tel. (03) 354 0131



Price (excluding VAT) in Luxembourg
ECU 6.57 BFR 300 IRL 4.80 UKL 3.80 USD 6.00



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OF THE EUROPEAN COMMUNITIES

L-2985 Luxembourg

ISBN 92-824-0140-5



9 789282 401408