

COUNCIL OF THE EUROPEAN UNION

PRESS RELEASES

PRESIDENCY: BELGIUM

JULY-DECEMBER 1993

Meetings and press releases 13-21 December 1993

Meeting number	Subject	Date
1720 th	Agriculture	14-17 December 1993
1721 st	Health	13 December 1993
1722 nd	Economics/Finance	13 December 1993
1723 rd	Internal Market	16 December 1993
1724 th	Industry	17 December 1993
1725 th	General Affairs	20 December 1993
1726 th	General Affairs	15 December 1993
1727 th	Fisheries	20-21 December 1993
1728 th	No record of a meeting	

PRESS RELEASE

11188/93 (Presse 235)

1720th Council meeting

AGRICULTURE

Brussels, 14, 15, 16 and 17 December 1993

President: Mr André BOURGEOIS,

Minister for Agriculture of the
Kingdom of Belgium

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

Belgium:

Mr André BOURGEOIS Minister for Agriculture

Denmark:

Mr Bjørn WESTH Minister for Agriculture and Fisheries

Germany:

Mr Jochen BORCHERT Federal Minister for Food, Agriculture and Forestry
Mr Franz-Josef FEITER State Secretary, Federal Ministry of Food, Agriculture and Forestry

Greece:

Mr Georges MORAITIS Minister for Agriculture

Spain:

Mr Vicente ALBERO SILLA Minister for Agriculture, Fisheries and Food

France:

Mr Jean PUECH Minister for Agriculture and Fisheries

Ireland:

Mr Joe WALSH Minister for Agriculture, Food and Forestry

Italy:

Mr Alfredo DIANA Minister for the co-ordination of agricultural, food and forestry policies

Luxembourg:

Ms Marie-Josée JACOBS Minister for Agriculture, Viticulture and Rural Development

Netherlands:

Mr Piet BUKMAN Minister for Agriculture, Nature Conservation and Fisheries

Portugal:

Mr Arlindo CUNHA Minister for Agriculture

United Kingdom:

Mrs Gillian SHEPHARD Minister for Agriculture, Fisheries and Food

Commission

Mr René STEICHEN Member

After lengthy discussions lasting about a week, the Council reached an overall agreement ⁽¹⁾ on the basis of a Presidency overall compromise solution which the Commission endorsed in the final phase of discussions.

The various aspects of this compromise, which constitute amendments to the Commission's initial proposals, are set out below.

The following Commission proposals are adopted subject to the adjustments and clarifications indicated:

- Amendment of Regulation (EEC) No 1765/92 (set-aside, regionalization plans, Article 9)
- Agri-monetary questions: amendment of Regulation (EEC) No 3813/93
- Modification of the common organization of the markets in the sugar sector
- Tobacco
- Amendment of Regulations (EEC)
 - = No 805/68 on the CMO in beef and veal:
 - = No 3013/89 on the CMO in sheepmeat and goatmeat and Regulation (EEC) No 3493/90 on granting of the premium
- Imports of New Zealand butter
- Voluntary-restraint agreements - sheepmeat
- Imports of maize into Portugal
- Integrated system: remote sensing
- Oilseeds

⁽¹⁾ The agreement was obtained unanimously, except in the oilseeds sector, where Portugal voted against and the United Kingdom abstained. Portugal explained its vote as follows: "The Portuguese delegation is voting against the new arrangements for oilseeds since it considers that the system of national quotas is causing situations which are not in conformity either with the meaning of the agreement concluded with the United States or with the legitimate expectations of Portuguese farmers."

In addition, the following conclusions are adopted:

- Drought in Portugal
- Cotton

I. ARABLE CROPS

1. ARTICLE 2 OF REGULATION (EEC) No 1765/92

Article 2(6) of Regulation (EEC) No 1765/92 is clarified to avoid the special unpaid set-aside which is provided for in this paragraph being taken into account in calculating possible overshoot of the regional base area in the year in which this form of set-aside is applied.

2. ARTICLE 3

- (a) Assuming that the corrective mechanism described in the proposed Article 3(6) is accepted, Member States which avail themselves of the possibility of distinguishing between yields of maize crops and of crops other than maize may decide themselves whether or not to make the boundaries of the maize base areas coincide with those of the production regions (or "yield regions").
- (b) Where Member States apply a separate yield figure for maize, the principle whereby a separate base area is fixed for "other crops" becomes optional for the Member States, on the understanding that the choice will have to be made before sowing takes place in the farming year concerned (date to be set in accordance with the procedure laid down in Article 12).

However, if a Member State chooses to fix a base area for other crops and if the base area for maize is not attained during the course of a farming year, the balance of hectares can be reallocated for that same farming year to the corresponding base areas for other crops.

Likewise, if a separate base area is used for maize and if the base area for other crops is not reached during the farming year, the balance of hectares can be reallocated for that same farming year to the maize base area concerned, provided that the yield for maize is not more than the average yield for all cereals.

- (c) The obligation to fix a base area relating to "irrigated crops" for the Member States which choose to apply separate yields in the case of irrigated and non-irrigated areas is abolished.

Member States which avail themselves of the possibility currently provided for in Article 1 of Regulation (EEC) No 1113/93 must limit compensatory payments for irrigated areas to a ceiling in hectares equal to the average of the hectares given over to the cultivation of irrigated cereals, oilseeds or high-protein products in 1989-1990-1991, increased where appropriate by newly irrigated hectares given over to the same crops in respect of which it has been established that the investments began to be made before 1 August 1992. If the applications for aid exceed this ceiling, compensatory payments will be reduced by 1,5% for every 1% overshoot during the farming year in question. However, if the overshoot is not less than 10%, the yield to be used is that for non-irrigated crops.

Member States are authorized to restrict eligibility for compensatory payments for irrigated areas to a single oilseed crop in a region. In this case a ceiling for the crop concerned (deducted from the ceiling on all arable crops) must be fixed for that region, and the rules governing ceilings will apply.

- (d) Article 3(6) is amended to clarify the fact that the corrective mechanism does not apply where data relating to the aid applications show that the figure obtained by multiplying the average yield by the total number of hectares of base areas of the Member State concerned has not been exceeded. The text now incorporates an option open to Member States to apply the corrective mechanism at the level of each base area instead of at national level.

The mechanism for correcting the yield provided for in Article 3(6) applies to the compensatory payments to be paid in the farming year following that in which an overshoot of the historic average yield is noted.

The Council notes a statement by the Commission concerning the objectives of the corrective mechanism (see Annex I) and the explanatory note relating to application of the mechanism (see Annex II).

3. ARTICLE 7

- (a) With the aim of simplifying the set-aside rules, all forms of non-rotational set-aside (apart from transfers of set-aside) must be carried out at a set-aside level which is 5% higher than the level of rotational set-aside. Producers may opt for a set-aside commitment for a five-year period during which payment of the corresponding compensatory payments is guaranteed. In accordance with the provisions already adopted in Regulation (EEC) No 1541/93 the fixed set-aside level in certain regions is maintained at 18%. In those regions the 18% level is also applied to producers carrying out both rotational and fixed set-aside.

- (b) Total set-aside (compulsory plus voluntary) is restricted to 50% (i.e. the areas set aside may not exceed the area under eligible arable crops which is the subject of an aid application). The option for Member States of setting more restrictive limits for specific reasons is maintained as set out in point 6 of the proposal.
- (c) By way of derogation from point (b), producers who, pursuant to Regulation (EEC) No 2328/91, have set aside an area of land greater than that on which they intend to grow eligible arable crops and who have not begun to cultivate that land again may decide to continue to set aside all the land which they had already set aside under that measure for a further period of 60 months. In return, the payment for the set-aside is fixed at ECU 40/t for the part which exceeds 50%.

However, this option is also open to producers whose obligation to set aside for a five-year period expired in August 1993 and who, in view of the uncertainty of the future rules, cultivated that land again with a view to a harvest in 1994.

However, a Member State may opt not to apply this scheme under the conditions mentioned in point 6 of the proposal.

- (d) The payment for voluntary set-aside will be fixed at ECU 57/t.
- (e) The Council notes that in establishing implementing rules for non-compulsory set-aside, the Commission will adopt appropriate mechanisms to ensure that non-compulsory set-aside has the effect of actually reducing the amount of land used for arable crops.
- (f) The Council notes that a Member State may decide not to make any use whatsoever of the provisions on set-aside transfers.

The 10 km limit is increased to 20 km.

The Council also takes note of a Commission statement that Member States' set-aside transfer plans will not be required to give the option of allowing transfers within a limit of 20 km. Member States will therefore be at liberty to apply only the possibility of allowing transfers in specific areas where, inter alia, environmental objectives are being pursued.

- (g) Where a holding is situated both in a "regadio" region and a "secano" region, the set-aside obligation may be satisfied entirely in the part of the holding situated in the "secano" region provided that the set-aside area is adjusted to take account of the difference in yield between the two regions.
- (h) Coppice trees for biomass: in order to help producers cover the initial costs of planting short-rotation bushes (coppices) for the production of biomass, Member States may, from national funds, grant loans equivalent to the amount of payments granted for set-aside earmarked for the five-year period of non-rotational set-aside. These loans should be reimbursed by producers in five equal instalments when set-aside payments are made.

- (i) The Council asks the Commission to examine the relationship between compliance with the set-aside obligation and the areas withdrawn from production with a view to afforestation and/or for environmental purposes.
- (j) Transfer of set-aside obligations: Article 7(7), penultimate sentence, of Regulation (EEC) No 1765/92 is supplemented by: "but by 3 percentage points in the regions referred to in Regulation (EEC) No 1541/93".

4. ARTICLE 9

- (a) The following two paragraphs are added to the Commission proposal:

"Member States may also derogate from the provisions of the first paragraph under certain specific circumstances linked to one or other form of public intervention where such intervention leads a farmer to cultivate land previously deemed to be ineligible in order to pursue his normal farming activity and if, under the public intervention in question, land initially eligible ceases to be so, in such a way that the total quantity of eligible land is not significantly altered.

Furthermore, Member States may, in certain cases not covered by the previous two paragraphs, depart from the provisions of the first paragraph if they can produce proof in a plan submitted to the Commission that the total amount of eligible land remains unchanged."

- (b) The Council takes note of a Commission statement to the effect that the public intervention referred to in the third paragraph of Article 9 may cover, for example, the restructuring taking place in the new Länder or compulsory purchasing for the construction of roads or other works. Cover in the case of restructuring in the new Länder is limited to 2 500 ha and is applicable from the 1993/1994 farming year.

5. INDIVIDUAL BASE AREA

The Council invites the Commission, with a view to submitting proposals as soon as possible, to examine in detail the question of transition from the regional base area system to the individual base area system, particularly in order to ensure that regional base areas can be allocated equitably among producers, having regard to any particular individual situations, and also that these arrangements can under no circumstances constitute for producers currently subject to regional base area arrangements an inducement to increase areas which are the subject of an aid application under Regulation (EEC) No 1765/92 in order to obtain a higher individual base area in the future.

The Commission is invited to consider in particular the possibility of:

- for producers who have produced during the reference period laid down in Article 2(3) of Regulation No 1765/92 but in respect of whom the area worked during that period cannot be accurately established, the data available for the first year of application of the reform being taken into consideration for the establishment of individual base areas;

- calculation of the set-aside obligations in the Member States which apply the individual base area system being aligned on the calculation applied in Member States which apply the regional base area system;
- the transition problems linked with the special set-aside referred to in Article 2(6) of Regulation No 1765/92 in relation to the regional base area system being resolved;
- a reserve being established without, however, the total of individual base areas plus that reserve exceeding the total of regional base areas previously established.

6. BASE AREAS OF THE NEW LÄNDER

The Council notes the Commission's intention to rectify the base areas of the new Länder in Germany to 181 000 ha so as to correct the statistical errors underlying the decision originally determining the base areas of the new Länder.

7. BASE AREAS OF SCOTLAND

The Commission states its intention to adopt a transitional measure comparable to that already applied in the five new Länder so as to alleviate the effects of the unexpected overshoot of one of the base areas in Scotland.

8. STATEMENT FOR ENTRY IN THE COUNCIL MINUTES

The Council invites the Commission to take, on the basis of Article 16 of Regulation (EEC) No 1765/92, measures which might prove necessary to ease the transition to the arrangements laid down in that Regulation.

9. AID FOR ARABLE CROPS

Member States may make the granting of specific aid for arable crops subject to the use of certified seed.

STATEMENT BY THE COMMISSIONOBJECTIVES OF THE CORRECTIVE MECHANISM

The objective of the corrective mechanism proposed in Article 3(6) is not to discourage Member States from adopting complex regionalization plans where there are objective reasons for their doing so, nor to penalize producers in those Member States by comparison with producers in Member States with simple plans.

Its objectives are:

- to ensure that, in total, producers in Member States which have chosen complex plans do not receive more compensatory aid than they would have done had a simple plan been applied, and
 - to reduce the risk that the Commission will be obliged to require changes in conformity with existing Article 3(5) where experience shows that complex plans which appeared in theory to respect the average national yield do not do so in practice. (Of course, if a particular plan regularly gave rise to the need for significant corrections under this provision, a change in that plan could well be the most appropriate long term solution and this possibility would remain.)
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ANNEX IINOTE EXPLAINING THE APPLICATION OF
ARTICLE 3(6) (COM(93) 417 final)

Principle: when, under a regionalization plan, the demarcation of production regions does not correspond to that of regional base areas, Article 3(6) allows the yields in respect of which payments are made to be reassessed at the level of the yield which would have been established without division into a number of production regions with differing yields. Within a given base area, then, the mechanism is confined to cases of crops shifting from low-yield production regions to high-yield production regions. In this way the historic yield is always kept to.

Crop substitution (e.g. cereals/oilseeds) is unaffected by the corrective mechanism introduced by Article 3(6) as long as it is carried out within a production region. Such freedom in crop-rotation options is exactly the same as for regionalization plans where base areas are identical with production regions.

1. How is the historic average yield calculated?

The historic average yield is arrived at from the historic yield for cereals used in establishing existing regionalization plans, being calculated at national level or, if the Member State so chooses, at individual base area level.

2. What is compared with the historic average yield?

The actual yield of crops harvested each year does not under any circumstances serve to trigger off the corrective mechanism in Article 3(6).

It is always the yields used to calculate compensatory payments, i.e. the cereals yield for all crops, including oilseeds (where the Member State has opted to regionalize aid for oilseeds with the oilseed yield, the yield for all cereals which is used in the region will be the figure taken).

3. Where the mechanism does not apply

Where the increase in yield is the result of a reduction in aid applications in low-yield production regions, the mechanism does not apply. In that event the quantity in tonnes equal to the average yield multiplied by the total number of hectares of the base areas must not be exceeded.

For instance:

- a reduction in areas in low-yield production regions;
- a reduction in all production regions, but more markedly in low-yield regions;
- an increase in areas in high-yield production regions offset, in terms of tonnage counting for the calculation of aid, by a reduction in areas in low-yield regions.

II. AGRI-MONETARY MATTERS

1. The neutral margin is extended to 5 points (from -2 to +3). In case of need the Commission will be able to make the margin more asymmetrical, up to a maximum of 0 to +5. The Commission is requested:
 - (a) to propose the measures necessary to make changes in green rates less frequent;
 - (b) to take any measures that may be required to avoid deflecting trade flows or distorting competition.
2. The option of granting advances from national funds has been withdrawn.

III. SUGAR

The farming year for inulin syrup will last for 100 days.

IV. TOBACCO

- (a) The following adjustments are made to the Annex with respect to guarantee thresholds (1994):

1. SPAIN :	group I	29 000 t
	group II	2 470 t
	group III	10 800 t
	group IV	30 t
2. GREECE:	group I	30 700 t
	group II	12 400 t
	group V	15 700 t
	group VI	26 100 t
	group VII	22 250 t
	group VIII	19 550 t

- (b) Guarantee thresholds for Greek tobacco for the 1993 harvest (in tonnes):

	Initial MGQ	Revised MGQ	Difference
I. Virginia	30 000	39 300	+ 9 300
II. Burley	12 400	12 400	-
V. Sun cured	20 650	20 650	-
VI. Basmas	27 500	22 800	- 4 700
VII. Katerini	23 400	20 800	- 2 600
VIII. Kaba-Koulak	20 000	18 000	- 2 000
	<u>133 950</u>	<u>133 950</u>	<u>0</u>

Statement

The Commission undertakes to examine if it is possible as a transitional measure to retrospectively reallocate the Greek MGQs as shown above, given the specific problems which arose in Greece following the major expansion of the production of Virginia in 1992.

- (c) Commission statements

- In order to simplify implementation of the reform and reduce Community tobacco stocks, the Commission is ready to extend export refunds for the 1990, 1991 and 1992 harvests for a further six months and consider, in this connection, reintroduction of export refunds for Greek Virginia.
- In order to enable Member States to distribute the whole of the quota allocated to them, the Commission is prepared to take a measure for the 1994 harvest similar to Regulation (EEC) No 1005/93 enabling Member States to transfer certain quantities between different groups of varieties, should this prove necessary.

V. COMMON ORGANIZATION OF THE MARKETS IN BEEF AND VEAL, SHEEPMEAT AND GOATMEAT

The possibility for Member States to apply appropriate environmental conditions to the payment of premiums for male bovine animals and sheep and goat premiums is introduced into Regulations Nos 805/68 and 3013/89 in accordance with the existing text for suckler cow premiums (Article 4d(7a) of Regulation No 805/68).

Application of the last subparagraph of Article 4d(7) is extended to holdings situated throughout the territory of a Member State if in the Member State concerned the cattle population has a high proportion of suckler cows, representing at least 30% of the total number of cows and at least 30% of male bovine animals slaughtered belong to conformation classes S. and E. Any overshoot of these percentages is established on the basis of the average of the two years preceding that for which the premium is granted.

The Council requests the Commission to examine, with a view to submitting a report before 1 May 1994, the impact of measures to reduce carcass weight on intervention on Member States' production structures, taking into account the specific nature of certain types of breeding and production methods.

VI. VOLUNTARY RESTRAINT AGREEMENTS - SHEEPMEAT

The Council calls on the Commission to continue its contacts with the third countries concerned in order to ensure, in the interests of Community producers and the third countries concerned, that imported chilled sheepmeat is placed on the market in a manner that will not disrupt the Community market for fresh sheepmeat.

VII. IMPORTS OF MAIZE INTO PORTUGAL

Given that the Commission proposal was submitted late during the 1993/1994 farming year, which is the first year of implementation of the import of 500 000 tonnes of maize into Portugal, the Council requests the Commission to adopt, within the framework of the powers at its disposal, any measures for managing the imports that may prove necessary in order to avoid disrupting the Portuguese market.

Provided that the international agreement is respected, and to ensure its implementation, there will be two parallel systems of importation:

- by the intervention agency
- by traders.

The intervention agency will purchase 350 000 tonnes and sales, at intervention prices, will have to be planned.

VIII. INTEGRATED SYSTEM - REMOTE SENSING

1. A third subparagraph is added to Article 1(2):

"However, notwithstanding the first subparagraph, and solely for 1994, the Commission may authorize a part-financing rate higher than 50% on receipt of a duly substantiated request from a Member State, within the budget allocation granted that Member State pursuant to the second subparagraph."

2. A new Article 6 is inserted:

The Commission shall submit a report to the Council on the operation of this Regulation by 1 January 1997. This report will be accompanied by appropriate proposals if necessary.

3. The present Article 6 becomes Article 7.

IX. OILSEEDS

- The provisions relating to non-food oilseeds are modified in line with the European Parliament amendments, i.e. as there is no risk of paragraph 7 of the EEC-United States Agreement being restrictive in the near future, the Council will take appropriate decisions in due course, once the Commission has submitted a report and, if necessary, appropriate proposals to the European Parliament and the Council; that report is to be submitted by 31 December 1996.
- Article 5(1)(g) becomes: "the threshold expressed as a percentage referred to in (f) is set at 0%". Application of this provision will form the subject of a report to be submitted by the Commission to the Council by 31 December 1996 accompanied, where necessary, by an appropriate proposal.
- From 1995/1996 the reductions to be applied in a Member State will be made by reference to the adjusted national historic references set out below (see Article 5(1)(f)).
- The relevant national references for 1994 are similarly adjusted in order to reflect the transitional arrangements laid down for sunflower-seed producers in Spain and Portugal.

1995/1996

(1 000 ha)

Belgium	6
Denmark	236
Germany	929
Greece	26
France	1 730
Ireland	5
Italy	542
Luxembourg	2
Netherlands	7
United Kingdom	385
Spain	1 168
Portugal	93
	<u>5 128 (*)</u>

(*) Difference due to rounded-up figures.

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Spain

The Council approves the Commission's intention progressively to strengthen the present support arrangements for producers of crops such as lentils, chick peas and vetch in order to achieve the objective of the medium-term cultivation of an additional 280 000 hectares of such products in Spain. For each year during which that objective is achieved the level of aid will be reduced by the percentage by which the objective is exceeded.

X. COTTON

The Commission confirms its intention of giving thought to the specific problems of the cotton sector in a spirit of fair management.

XI. DROUGHT IN PORTUGAL

The Council notes that the Commission will very shortly be making a proposal to enable Portugal to use funds provided under Regulation (EEC) No 3311/92 but not yet utilized.

In concrete terms, the remaining sum, which amounts to ECU 28 million, will be carried over from 1993 and used as follows:

- ECU 5 million in the cereals sector,
- ECU 23 million in the livestock sector.

Community financing will be limited to those totals. The maximum amounts to be paid will be those set out below.

Cereals

In seriously affected areas:

- ECU 215/ha in the event of a zero harvest
- ECU 170/ha where the yield is below:

1 000 kg/ha for common wheat
850 kg/ha for barley and triticale
650 kg/ha for rye.

Livestock

(a) In seriously affected areas:

- ECU 145 per suckler cow
- ECU 14,5 per ewe and adult goat
- ECU 75 per dairy cow
- ECU 110 per breeding mare more than twelve months old (national aid).

(b) In other affected areas:

- ECU 60 per suckler cow
- ECU 6 per ewe and adult goat.

XII. GATT: statement in the context of the conclusion of the multilateral trade negotiations

In the context of the conclusions of the Uruguay Round the Council recalls the statements it made at its meeting on 5 and 6 November 1990, its conclusions of 20 and 21 September 1993 and of 13 and 15 December 1993, and those of the European Council of 10 and 11 December 1993. It points out that the implementing measures ensuing from the Uruguay Round in the agricultural sector for the European Community must be based on the principles embodied in the abovementioned texts. The consequences of the Uruguay Round will thus have to be shared out fairly in the light, *inter alia*, of the situation of certain categories of producers and of some of the most affected regions.

It also asks the Commission to make full use of the statutory powers available to it to ensure stability on the Community markets adversely affected by commitments made within the GATT.

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The Council also dealt with the other items on its agenda:

ADJUSTMENT OF AGRICULTURAL STRUCTURES

The Council arrived at a position in favour of the proposal for the adjustment of the measures under Objective 5(a) made necessary further to the reform of the Structural Funds in July 1993.

This adjustment is prompted by the concern to comply with the financial framework and the allocation of appropriations and, while maintaining the general intervention principles in the existing Regulations, is aimed at introducing the simplification and flexibility needed in order to ensure the rapid implementation of intervention during the period 1994-1999.

The Council also agreed that other adjustments to the Regulations relating to Objective 5(a) were necessary to take account in particular of current trends in farming conditions, further to the reform of the CAP, and certain particular situations. To this end, the Commission will submit proposals to it by 30 April 1994 at the latest and the Council will have to take a decision on the matter by 31 July 1994 at the latest.

The Regulation will be formally adopted shortly, once the European Parliament's Opinion has been received.

IMPORTS OF MAIZE AND SORGHUM INTO SPAIN

The Council unanimously adopted the Regulation on special arrangements for imports of maize and sorghum into Spain for the year 1993.

The purpose of this Regulation is to extend for 1993 the initial agreement concluded in 1987 between the Community and the United States within the framework of GATT. This involves opening a quota of 2 million tonnes of maize and 300 000 tonnes of sorghum for import into Spain.

COMMUNITY PLANT VARIETY RIGHTS

The Council continued to examine the Commission proposal designed to set up a system of Community plant variety rights as a special form of industrial property rights for the development of new varieties.

On the basis of a compromise solution submitted by the Presidency, the President noted that the Council had given its broad support to this solution; he also noted that the Danish delegation upheld a substantive reservation on this issue.

The solution concerns the agricultural aspects of the proposal, i.e. the fundamental right, including "farmer's privilege" (farm saved seed).

The Council agreed that discussions on the other aspects of the dossier would continue with a view to proceeding with the formal adoption of the proposal as a whole at another Council meeting.

BOVINE SOMATOTROPHIN (BST)

The Council unanimously agreed on an approach in favour of extending the ban on the use and marketing of Bovine Somatotrophin (BST) for a period of one year (until 31 December 1994).

In the meantime the Council will be able to review the situation, taking into account all the points which emerged subsequently, including the aspects concerning control of the markets and the consequences with regard to international trade.

This Decision will be adopted definitively in the near future following receipt of the European Parliament's Opinion.

ANIMAL WELFARE

- PROTECTION OF ANIMALS AT THE TIME OF SLAUGHTER

The Council signified its agreement to the Directive on the protection of animals at the time of slaughter or killing.

The purpose of this text is to update Directive 74/577/EEC on stunning before slaughter, in the light of the recent proceedings in the context of the European Convention for the Protection of Animals for Slaughter and recent scientific research. This Directive lays down, in particular, the requirements applicable to the movement and lairaging of animals in slaughterhouses and the requirements for their slaughter. The objective of the measures laid down is to spare animals any avoidable pain or suffering at the time of their killing.

The Directive will be formally adopted shortly, after finalization of the text.

- TRANSPORT OF ANIMALS

The Council examined the outcome of proceedings held on the Commission proposal over the last six months.

The Council was unable to close the gap between delegations' divergent positions on the measures to be taken to improve animal welfare during transport. Several delegations continued to consider that only a limit on maximum journey times would be likely to attain such an objective. Other delegations were not prepared to accept the justification for such an approach, which was not based on any scientific requirements and which went further than the Council of Europe recommendations.

The Council therefore referred this matter back to its subordinate technical bodies for further examination with a view to its further discussion within the Council once the European Parliament's Opinion had been received.

FINANCING OF VETERINARY INSPECTIONS AND CONTROLS OF ANIMAL PRODUCTS

The Council signified its agreement to the Directive amending Directive 85/73/EEC on the financing of health inspections and controls of fresh meat of the bovine species, pigs, sheep and goats, meat of solipeds and poultrymeat.

The purpose of this Directive is to extend the principle of the charging of a health fee to all products of animal origin covered by Directive 89/662/EEC and placed on the market, whether of Community origin or imported from third countries.

Initially, the text takes over the relevant provisions of Directive 85/73/EEC and of Decision 88/408/EEC, while adjusting them to take into account the experience acquired by the Member States as regards the charging of fees. In particular, the current standard amounts and the possibility of charging higher amounts up to the limit of the actual costs were confirmed, with the possibility of a reduction to take into account salary costs and production capacities being limited to 55%.

The text also sets the fee to be charged to cover the costs of inspection at the external frontier at ECU 5 per tonne imported.

The need for a uniform rate was acknowledged with a view to the internal market, in order to avoid deflections of trade in imported products.

Until 1 July 1994 reductions of up to 55% of this amount may be maintained so as to enable the third countries concerned to conclude agreements with the Community on the guarantees they are able to provide regarding compliance with Community rules.

Subsequently, the Council, acting on a proposal from the Commission, will fix the level of the fees to be charged and the principles and arrangements for charging them for certain other products of animal origin, taking into account the specific nature of the veterinary controls.

The Directive will be adopted formally in the near future after finalization of the texts.

OTHER DECISIONS CONCERNING AGRICULTURE

(Adopted unanimously, without debate, unless otherwise indicated)

Fruit and vegetables

The Council adopted the Regulation on the free distribution outside the Community of fruit and vegetables withdrawn from the market during the 1993/1994 season. The Regulation makes it possible for table apples and oranges withdrawn from the market to be made available, during that marketing year, to charitable organizations approved by the Member States with a view to their free distribution to the victims of the conflict in the former Yugoslavia.

Pure fructose

The Council adopted the Regulation opening and providing for the administration of a Community quota for chemically pure fructose originating in third countries not bound to the Community by a preferential trade agreement (1994). This involves a quota of 4 504 tonnes at a customs duty of 20%, exempt from the variable component.

Pig carcasses

The Council adopted the Regulation amending Regulation No 3220/84 determining the Community scale for grading pig carcasses. This essentially involves adjusting the rules to the present situation in the light of the technical developments under way.

Animal nutrition

The Council adopted, by a qualified majority,

- the Directive concerning the use and marketing of enzymes, micro-organisms and their preparations in animal nutrition (with the German and United Kingdom delegations abstaining);
- the Directive amending Directive 70/524/EEC concerning additives in feedingstuffs (with the United Kingdom delegation abstaining).

This involves, on the one hand, establishing a common legal framework enabling the Member States to allow provisionally within their territory the use of enzymes and micro-organisms in animal nutrition and, on the other hand, adapting the labelling rules in Directive 70/524/EEC in order to cover new additives and premixtures and the feedingstuffs into which they are incorporated.

PRESS RELEASE

10899/93 (Presse 232)

1721st meeting of the Council

- HEALTH -

Brussels, ~~27 May~~ 1993

13 December

President: Ms Magda DE GALAN
Minister for Public Health of the
Kingdom of Belgium

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

Belgium:

Ms Magda de GALAN Minister for Public Health,
Environment and Social Integration
Ms Léona DETIEGE Flemish Minister for Employment and Social Affairs

Denmark:

Mr Torben LUND Minister for Health

Germany:

Mr Horst SEEHOFER Federal Minister for Health

Greece:

Mr Dimitrios KREMASTINOS Minister for Health, Social Welfare and Social
Security

Spain:

Ms Maria Angeles AMADOR Minister for Health

France:

Ms Simone VEIL Minister d'Etat, Minister for Social Affairs, Health and Urban
Affairs

Ireland:

Mr Brendan HOWLIN Minister for Health

Italy:

Ms Maria Pia GARAVAGLIA Minister for Health

Luxembourg:

Mr Johny LAHURE Minister for Health

Netherlands:

Mr Ate OOSTRA Deputy Permanent Representative

Portugal:

Mr João DE VALLERA Deputy Permanent Representative

United Kingdom:

Mr Brian MAWHINNEY Minister of State for Health

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Commission:

Mr Pdraig FLYNN Member

FUTURE GUIDELINES FOR THE "EUROPE AGAINST CANCER" PROGRAMME

The Council adopted the following Resolution of future guidelines for the "Europe against Cancer" programme following evaluation of it for the period 1987-1992.

THE COUNCIL OF THE EUROPEAN UNION

Having regard to the Treaty establishing the European Community,

Considering Article 3(2) of Council Decision 90/238/Euratom, ECSC, EEC of the Council and the Representatives of the Governments of the Member States, meeting within the Council, of 17 May 1990 adopts a 1990 to 1994 action plan in the context of the "Europe against Cancer" programme, ⁽¹⁾

Whereas a report on the evaluation of the effectiveness of action undertaken in the context of the "Europe against Cancer" programme (1987 to 1992) was submitted by the Commission on 23 March 1993,

RECOGNIZES the importance of the programme, which remains entirely valid today, in particular in its role as a catalyst for, and spur to, action in the Member States to combat cancer;

CONSIDERS that backing projects carried out in Member States and undertaking Community action are appropriate means of implementing the programme;

UNDERLINES, however, the need to redefine and strengthen, as provided in the programme, forms of co-operation between the Commission and Member States and - as one of the means available for that purpose - to ensure improved co-ordination between the various committees under the programme with a stronger role for the Consultative Committee;

INVITES the Commission to submit in due course a draft third action plan, taking into account the Council Resolution of 27 May 1993 on future action in the field of public health as well as the objectives and improvements set out in below.

1. AREAS OF ACTION

A. PRIMARY PREVENTION

The Council gives high priority to action in primary prevention where the Community

⁽¹⁾ OJ L 137, 30.5.1990, p. 1.

can continue to provide impetus for national action.

(1) Information

- (a) Objective : To improve Community citizens' knowledge of cancer prevention in order to encourage them to adopt healthy life-styles, in particular by disseminating the European Code.
- (b) Improvements:
 - to ensure adequate dissemination of information
 - to improve the quality of exchanges of information on cancer prevention activities between Member States.
 - to target information campaigns more precisely on specific groups.

(2) Health education

- (a) Objective : To undertake action directed particularly at young people and children at an early stage to encourage healthy life-styles.
- (b) Improvements :
 - to make greater effort to implement basic health education programmes giving priority to anti-smoking education and emphasizing in particular healthy nutrition.
 - to co-ordinate action undertaken in the context of the cancer programme with that in other programmes, particularly those of international organizations, involving health education.
 - to encourage innovation in continuing training for teachers and others with responsibility for health education.

B. SECONDARY PREVENTION

The Council recognizes that Community action in this field has allowed the knowledge and experience acquired in some of the Member States to be spread throughout the whole Community.

- (a) Objective : To contribute, by Community action, to the development and implementation of efficient screening methods, having due regard to the specific features of each Member State.

(b) Improvements :

- to disseminate suitable practice based on the guidelines drawn up for quality control in the early diagnosis of and screening for cancer.
- to improve the quality of screening through continuing training.
- to continue to study effectiveness of and accuracy in screening, taking into account the particular characteristics of each Member State.

C. OTHER ACTION

The Council stresses the importance of continuing Community action in the areas of research, epidemiological studies, care and training.

(1) Research

(a) Objective : To extend knowledge of the causes, prevention and treatment of cancer.

(b) Improvements :

- to make Community action in this field more transparent to Member States and show, in particular through dissemination and exploitation of research findings, how research contributes to the programme.
- to reinforce basic research and work linking biomedical research to clinical research.
- to increase co-operation between Member States through greater participation in European research networks and through exchanges of young researchers.
- to strengthen co-operation with international organizations involved in cancer research.

(2) Cancer registers and epidemiological studies

(a) Objective: To facilitate the collection, in particular in co-operation with the WHO, of reliable and comparable data on the incidence of cancer in order to monitor the problem, identify trends and carry out epidemiological studies at a European level.

(b) Improvements:

- to strengthen links between existing cancer registers in the context of

the European network.

- to encourage epidemiological studies to be carried out on the risks associated with cancer.

(3) Care

(a) Objective : To promote co-operation between Member States in the fields of quality control regarding care, palliative care and responsibility for patient welfare.

(b) Improvements :

- to increase exchanges of experience and dissemination of best practice and know-how at a European level.
- to promote exchanges of experience on the way in which aspects relating to informing patients, responsibility for their welfare and psychosocial counselling for patients are included in the care which they receive.

(4) Training

(a) Objective: To help to improve cancer-related training for health-care workers.

(b) Improvements:

- to increase participation in the initial and continuing training networks for health-care workers involved in the fight against cancer.
- to facilitate mobility during training.
- to encourage consideration of psychosocial aspects in the training of health-care workers involved in the fight against cancer.

II. THE MEANS

The Council continues to support a comprehensive approach to fighting cancer by using several complementary means, such as those mentioned below, in the context of Community action.

A. LEGAL MEANS

(a) Objective : The legal means adopted by the Council must reinforce public health policy on cancer prevention in each Member State, particularly to promote healthy life-styles and to create an environment conducive to such efforts.

(b) Improvements :

- Community action must encourage the action to be undertaken by Member States.
- Increase the account taken of health aspects in Community policies, with particular attention to cancer risk factors.

B. FINANCIAL MEANS

(a) Objective : To strengthen the role of Community action as a catalyst for Member States' action.

(b) Improvements :

- Make available appropriate resources to continue the fight against cancer, inter alia through cancer research.
- Criteria to ensure consistency in the programme as a whole must be submitted to the various committees before projects are selected.
- Work closely with the Member States to simplify and speed up the funding procedures used in the programme's administration, and ensure that those procedures are better known.

C. CO-OPERATION

(a) Objective : Strengthen co-operation between all the parties involved in the programme.

(b) Improvements :

- Strengthen and extend existing networks and pilot projects.
- Increase co-operation with international organizations involved in the fight against cancer.
- Develop communication and co-operation between the programme and the authorities in the Member States involved in the fight against cancer.
- Inform Member States of all projects.

III. METHOD OF PROGRAMME EVALUATION

The Council is aware of the need to clarify the objectives established by the 1990 Decision in order to improve the effectiveness of programme evaluation.

- (a) Objective : Ongoing assessment of the programme, particularly when the annual report on execution is submitted, on the basis of the effectiveness of action undertaken and achievement of the objectives set out above.
- (b) Improvements :
- Work on the basis of intermediate objectives on which there is a consensus in the Community.
 - See to the incorporation of an evaluation procedure right from the planning stage of measures.
 - Submit the evaluation within the specified time limit.

EUROPE AGAINST AIDS

The Council adopted the following Resolution concerning the extension to the end of 1994 of the 1991-1993 plan of action in the framework of the "Europe against AIDS" programme.

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community;

Whereas Decision 91/317/EEC of the Council and the Ministers for Health of the Member States, meeting within the Council of 4 June 1991 adopted a plan of action in the framework of the 1991 to 1993 "Europe against AIDS" programme ⁽²⁾;

CONSIDERING the conclusions of the Council and the Ministers for Health, meeting within the Council, on 27 May 1993, concerning the need to ensure that the activities of the "Europe against AIDS" programme are continued throughout 1994;

NOTES the report from the Commission to the European Parliament and the Council on the implementation of the plan of action in 1991-1992 in the framework of the "Europe against AIDS" programme;

NOTES the preliminary draft budget for 1994, which contains funding for the programme in question, and the proposal for a Decision presented by the Commission concerning the extension to the end of 1994 of the 1991-1993 plan of action adopted in the framework of said programme;

⁽²⁾ OJ L 175, 4.7.1991, p. 26.

REQUESTS the Commission, pending adoption of the aforementioned proposal for a Decision:

- to ensure that the 1991-1993 plan of action is continued in 1994;
- when pursuing the "Europe against AIDS" programme in 1994, to take account of the following guidelines.

Guidelines for the continuation in 1994 of the 1991-1993
plan of action in the context of the "Europe against AIDS" programme

These guidelines are based on the Council's mid-term assessment on the basis of the Commission's report on the implementation of the action plan in 1991-1992.

I. Structure of the programme

- (a) Objective: Ensure Community support for the activities carried out by the Member States under the programme.
- (b) Improvements: - Strengthen and make optimum use of the human and financial resources allocated to the programme.
- Ensure that the Advisory Committee fully carries out its role.
- Strengthen co-ordination with national structures and programmes, within the Commission, especially as regards research, and between the Commission and international organizations.

II. Evaluation of the programme

- (a) Objective: Improve the transparency of the decision-making mechanism and strengthen the continuous evaluation of the programme to assess the effectiveness of the action undertaken.
- (b) Improvements: - Establish more precise selection criteria.
- Direct selected projects towards targeted and coherent objectives, of a social and less exclusively medical nature.
- Provide for continuous evaluation of all projects.
- Tailor the programme to the development of the disease.
- Inform the Member States of the whole content of the said projects.

SELF-SUFFICIENCY IN BLOOD IN THE EUROPEAN COMMUNITY

The Council adopted the following conclusions on self-sufficiency in blood in the European Community:

"THE COUNCIL OF THE EUROPEAN UNION,

Having regard to Directive 89/381/EEC ⁽³⁾ which provides in particular for special provisions for medicinal products derived from human blood or human plasma,

Taking into account the European Parliament Resolution on self-sufficiency in, and safety of, blood and its derivatives in the European Community,

Taking into account work carried out by the Council of Europe,

APPRECIATES the Commission communication on blood self-sufficiency in the Community;

WELCOMES the recommendations made in that communication;

REAFFIRMS the need to achieve self-sufficiency in blood and its derivatives in the Member States and the Community, in particular through co-operation between Member States, in accordance with the principle of voluntary, unpaid blood donations;

AGREES on the need periodically to update, where appropriate in liaison with the Council of Europe, the studies carried out by the Community regarding blood donations and the availability and use of blood and its derivatives, and on the need to examine the possible consequences for self-sufficiency in blood and derived products in the Community of the emergence of substitute medicinal products;

AGREES to promote Community support for measures in the Member States, in particular those undertaken by national donor organizations, in order to improve information on the usefulness and importance of donations with a view to increasing the availability of blood and products derived from blood;

AGREES to encourage efforts in the Member States in the training and informing of medical staff, for example through Community support for the publication of good-practice guides in order to ensure optimum use of blood and its derivatives;

AGREES to continue to promote the quality and safety of blood collection and of blood-derivative production through Community measures in accordance with the rules laid down in Directive 89/381/EEC."

The Council also took note of the Commissions intention to draw up a list of legal and practical provisions, taking full account of scientific developments, concerning systems for the collection, control, treatment, distribution and sale of blood and derived products, and on

⁽³⁾ OJ L 181, 28.6.1989, p. 44.

that basis submit any appropriate proposals for common minimum safety criteria.

SETTING UP OF AN EPIDEMIOLOGICAL NETWORK IN THE COMMUNITY

The Council adopted the following conclusions on the setting up of an epidemiological network in the Community.

THE COUNCIL OF THE EUROPEAN UNION,

considering the Community's need to ensure a high level of human health protection, in particular by preventive action;

recalling inter alia the Resolution of the Council and the Ministers for Health of the Member States, meeting within the Council, of 13 November 1992, on the monitoring and surveillance of communicable diseases ⁽⁴⁾;

taking account of current work in this field, in particular in international organizations, and the existence in several Member States of networks responsible for gathering and processing epidemiological data;

AGREES that it is necessary for the Community as a whole to acquire a better knowledge of pathologies on the basis of their causes and their epidemiological context;

CONSIDERS that a network should be developed at Community level the main purpose of which would be to collect and co-ordinate information from monitoring networks in the Member States;

EMPHASIZES that the smooth running of such a network requires that theoretical training in epidemiology and practical preparation in epidemiology in the field be developed for the teams participating in the network;

REQUESTS the Commission, in its proposals relating to the framework of action in the field of public health, to devote special attention to setting up an epidemiological network in the

⁽⁴⁾ OJ C 326, 1.12.1992, p. 1.

Community and to examine for that purpose, with the experts appointed in conjunction with the Member States and on the basis of a prior inventory of current proceedings and mechanisms existing at Community level and that of Member States, the feasibility of such a network, taking account of the provisions contained in these conclusions and ensuring the comparability and compatibility of data.

ADVERTISING FOR TOBACCO PRODUCTS

The Council held an exchange of views on the proposal for a Directive on the approximation of the laws, regulations and administrative provisions of the Member States on advertising for tobacco products.

Noting that the delegation's positions on this proposal had not developed sufficiently to enable a compromise formula to be found which would secure the required majority, the Council instructed the Permanent Representatives Committee to continue discussing the proposal with a view to the Council's work under the next Presidency.

FRAMEWORK FOR ACTION IN THE FIELD OF PUBLIC HEALTH

The Council received with great interest the Commission communication on the framework for action in the field of public health presented by Commissioner Flynn. The communication contains proposals for a Community framework in that field, in the light of the entry into force of the Treaty on European Union which introduced explicit provisions on public health.

The Council agreed to examine the communication without delay, in order to give its verdict on the priorities, the fields of action and the relative importance of the different activities undertaken in each field of action.

EUROPEAN DRUG PREVENTION WEEK

The Council adopted the following statement on Drug Prevention Week:

THE COUNCIL,

HAVING TAKEN NOTE of the Commission communication concerning an assessment of the European Drug Prevention Week;

TAKING ACCOUNT of what has been learnt following the organization of the European Drug Prevention Week held from 16 to 22 November 1992;

CONSIDERS that a second European Drug Prevention Week to be held in October 1994 should, together with the Commission's activities in this sector, make an effective and tangible contribution to improved co-operation in Europe;

CONSIDERS that in this context, special attention must be paid to the effectiveness and the assessment of lasting primary prevention actions, targeted on young people in particular;

REQUESTS the Commission and the Member States to commence without delay the preparatory organization of the second European Week, making use of the network of national co-ordinators and, where appropriate, national organizing committees.

PRESS RELEASE

11186/93 (Presse 233)

1722nd Council meeting

ECONOMIC AND FINANCIAL QUESTIONS

Brussels, 13 December 1993

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

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

Belgium:

Mr Philippe MAYSTADT

Minister for Finance

Denmark:

Ms Marianne JELVED

Minister for Economic Affairs

Germany:

Mr Johann EEKHOFF

Mr Gert HALLER

Mr Franz-Christoph ZEITLER

State Secretary for Economic Affairs

State Secretary for Finance

State Secretary for Finance

Greece:

Mr Yiannos PAPANTONIOU

Deputy Minister for Economic Affairs

Spain:

Mr Pedro SOLBES MIRA

Mr Alfredo PASTOR BODMER

Minister for Economic Affairs and Finance

State Secretary for Economic Affairs

France:

Mr Michel TALY

Mr Michel THEROND

Director for Tax Legislation, Ministry of Economic Affairs

Financial Adviser, French Permanent Representation

Ireland:

Mr Bertie AHERN

Minister for Finance

Italy:

Mr Piero BARUCCI

Mr Franco GALLO

Minister for the Treasury

Minister for Finance

Luxembourg:

Mr Jean-Claude JUNCKER

Minister for Finance

Netherlands:

Mr Wim KOK

Mr Marius VAN AMELSVOORT

Minister for Finance

State Secretary for Finance

Portugal:

Mr Eduardo CATROGA

Mr Vasco Jorge VALDEZ MATIAS

Minister for Finance

State Secretary for Fiscal Affairs

United Kingdom:

Mr Kenneth CLARKE

Chancellor of the Exchequer

Commission:

Mr Henning CHRISTOPHERSEN

Mrs Christiane SCRIVENER

Member

Member

The following also attended:

Sir Brian UNWIN

Sir Nigel WICKS

Mr François MONIER

President of the EIB

Chairman of the Monetary Committee

Chairman of the Economic Policy Committee

TAXATION OF SAVINGS - CONCLUSIONS

The Council called upon the Commission to consider the general principles set out below, including the issue of third countries, in particular those vis-à-vis which the risks of displacement of savings are greatest, with a view to the presentation of an interim report to it by the Commission for its meeting on 21 March 1994 and the presentation of a final report by June 1994.

General principles

1. Interest received by Community residents is to be subject either to withholding tax at a minimum rate of 15% or to notification of the tax authorities of the country of residence (system of automatic declarations). "Community residents" should be taken to mean natural persons, or those treated as such, residing in the Community.
2. Where a bilateral agreement between Member States provides either for the charging of withholding tax at a rate of at least 15% or, in order to enable a preferential rate to be charged, for adequate notification of the tax authorities of the country of residence, the provisions of that agreement will continue to be applicable.
3. States which have a system of automatic declarations made by paying institutions to the tax authorities will continue to apply that system to their residents. They may also extend it to interest received by residents of other Member States. In that case, they will inform the tax authorities of the State of residence of the identity of the recipient and the amount of interest paid.
4. In the context of bilateral agreements, States may agree on exchanges of information on

interest received by their residents in another Member State. In such cases, the identity of the recipient and the amount of interest paid will be reported to the tax authorities of the State of residence in accordance with detailed arrangements to be laid down.

5. In Member States which apply a withholding tax system, it will be open to any resident of another Member State to request not to be subject to withholding tax, provided that he authorizes the institution paying the interest to report his identity and the amount of interest paid. In such cases that institution must report this information to its tax authorities, to be passed on to the tax authorities of the State in which the recipient resides.
6. The Member States referred to in paragraph 3 above may require their residents to have recourse to the declaration procedure provided for in paragraph 5 where they receive interest in other Member States.

CO2/ENERGY TAX

The Council noted that the Presidency had recently indicated a number of possible courses of action based on the present Commission proposal concerning a CO2/energy tax involving in particular the creation of environmental excise duties on a wide range of energy products, including those not currently subject to such duty (natural gas, coal, electricity).

The Council called upon the Permanent Representatives Committee to continue examining this question on the basis of the Commission proposal and in the light of the European Council's conclusions of 10 and 11 December 1993.

EXCISE DUTIES ON MINERAL OILS - DEROGATIONS FOR CERTAIN MEMBER STATES

The Council adopted the Decision authorizing certain Member States to apply or to continue to apply to certain mineral oils, when used for specific purposes, reduced rates of excise duty or exemptions from excise duty on mineral oils in the light of certain particular situations in the Member States, in accordance with the procedure provided for in Article 8(4) of Directive 92/81/EEC.

In fact, this means:

- in the case of Belgium and Luxembourg, a reduction until 31 December 1994 in the rate of duty on heavy fuel
- in the case of Greece, relief from the excise duty on fuels used to power the official vehicles of the Ministry of the Presidency, the national police force and the metropolitan bishops;
- in the case of Italy, relief until 31 December 1994 from excise duty on fuels used in the production of alumina in Sardinia;
- in the case of Portugal, relief from excise duty for LPG, natural gas and methane when used as fuel for local public transport.

COMMON FISCAL ARRANGEMENTS FOR INTEREST AND ROYALTY PAYMENTS BETWEEN PARENT COMPANIES AND SUBSIDIARIES IN THE VARIOUS MEMBER STATES

The Council summarized the problems still surrounding certain key issues in the proposal for a Directive on the withholding tax on interest and royalty payments between parent companies and subsidiaries of various Member States, viz:

- definition of the scope of the Directive;
- the treatment of beneficiaries of interest and royalties subject to tax arrangements derogating from the common duty;
- the transitional period to be granted to Greece and Portugal.

The Council heard in particular a call from Mrs Scrivener for a further Council effort to reach agreement on these questions with a view to unblocking this Directive, which was especially important in the context of the internal market. Concluding, the Council instructed the ad hoc Working Party to press actively ahead with its discussions on the subject.

LISTING PARTICULARS FOR THE ADMISSION OF SECURITIES TO STOCK-EXCHANGE LISTING

The Council summarized the progress of discussions on a further amendment to the 1980 Directive co-ordinating the requirements for the drawing up, scrutiny and distribution of the listing particulars to be published for the admission of securities to official stock-exchange listing, with regard to the obligation to publish listing particulars.

The aim of this Directive is, in particular, to simplify cross-border procedures by providing in certain cases for partial or total exemption from the obligation to publish listing particulars for issuers whose securities are already admitted to official stock-exchange listing in another Member State in the case of known companies information regarding which is distributed on

a wide front and is available throughout the Community or where an equivalent obligation to publish exists.

The Council plans to adopt a common position on this amended Directive once the European Parliament's Opinion is in its possession, and in the light of that Opinion.

INTEREST SUBSIDIES ON EIB LOANS FOR SMEs

The Council, having noted that one delegation was unable to agree to the draft Decision on the provision of Community interest subsidies on loans for SMEs extended by the EIB under its temporary lending facility, agreed to give itself time to consider whether any possibility of an agreement existed on a modified basis.

FOLLOW-UP TO THE BRUSSELS EUROPEAN COUNCIL ON 10 AND 11 DECEMBER 1993

The Council reached agreement, in the light of the discussions of the European Council on 10 and 11 December on the White Paper on "growth, competitiveness and employment", on the Recommendation setting out the broad guidelines for the economic policies of the Member States and of the Community, the text of which is in the Annex.

The Council also discussed the financial aspects of the implementation of the European Council's conclusions on trans-European networks. It agreed that preparations in this area would be discussed by the Presidency, the Commission and the EIB with a view to the discussion at the Council meeting in February or March 1994.

EVALUATION OF PROGRESS ON ECONOMIC AND MONETARY CONVERGENCE

On the basis of a report from the Commission, the Council proceeded to evaluate, in accordance with Article 109e(2)(b) of the TEU, progress with regard to economic and monetary convergence and with the implementation of Community law concerning the internal market. The outcome of the Monetary Committee's examination of the Commission report was also available to it for the purposes of the evaluation.

The section of the Commission report relating to the implementation of Community law concerning the internal market will also be discussed at the next meeting of the Internal Market Council on 16 December.

OTHER ECO/FIN DECISIONS

(adopted without discussion)

7th VAT Directive - Council conclusions

The Council adopted conclusions aimed at resolving a number of key questions concerning the special arrangements for VAT to be applied to second-hand goods, works of art, antiques and collectors' items.

These conclusions cover the following situations in particular:

- authorization for the United Kingdom to apply an effective VAT rate until 30 June 1999 to imports of works of art, antiques or collectors' items which currently benefit from exemption at importation under UK law;
- authorization for Germany to continue to apply until 30 June 1999 the normal VAT system

instead of the Margin Scheme to supplies of works of art, collectors' items and antiques;

- amendment of the criteria defining new cars, i.e. "six months" and "6 000 km" instead of "three months" and "3 000 km".

Resolving the above questions will enable the Council to adopt the 7th VAT Directive shortly, it will replace the purely national systems in force up till now by solutions aimed at eliminating rules on the distortion of competition in trade in the various Member States.

Preparation for the 2nd stage of Economic and Monetary Union

The Council, completing in the process the arrangements necessary for the entry into force of the 2nd stage of EMU on 1 January 1994 (see Press Release No 10235/93 - Ecofin Council meeting of 22.XI.1993), adopted the Regulations:

- specifying definitions for the application of the prohibition of privileged access referred to in Article 104a of the Treaty;
- specifying definitions for the application of the prohibitions referred to in Articles 104 and 104b(1) of the Treaty;
- amending Regulation (Euratom, ECSC, EEC) No 549/69 determining the categories of officials and other servants of the European Communities to whom the provisions of Article 12, the second paragraph of Article 13 and Article 14 of the Protocol on the Privileges and Immunities of the Communities apply.

Guarantee to the EIB

The Council adopted the Decision granting a Community guarantee to the EIB against losses under loans for projects in Central and Eastern European countries (Poland, Hungary, Czech Republic, Slovak Republic, Romania, Bulgaria, Estonia, Latvia, Lithuania and Albania).

COUNCIL RECOMMENDATION
on the broad guidelines of the economic
policies of the Member States and of the Community

(provisional version)

The Council of the European Union,

Having regard to the Treaty establishing the European Community, and in particular Article 103(2) thereof;

Having regard to the recommendation from the Commission;

Having regard to the conclusions of the European Council of 10 and 11 December 1993,

hereby makes the following Recommendation:

Article 103 of the Treaty on European Union provides the framework for economic policy co-ordination from the start of Stage II of the process towards Economic and Monetary Union. The economic policy guidelines adopted under that Article will constitute the reference for the conduct of the economic policies in the Community and in the Member States.

Main objectives

There are signs that the recession is bottoming out in the European Union. Output indicators and business surveys in a number of countries are showing signs of improved confidence and prospects. Long-term interest rates have declined substantially and most European central banks have lowered their leading rates. Yet, unemployment continues to increase in most Member States. Against this background, the broad guidelines for economic policies in 1994 should aim, as a priority, for the return of a sustainable and non-inflationary economic growth.

The Community should aim in the short term to turn around the unemployment trend and to cut significantly by the end of the century the number of unemployed, which today stands at the unacceptable level of 17 million. A decrease in unemployment is imperative to reduce the negative economic and social consequences arising from this wastage of human resources. Higher employment creation is also necessary to achieve a more active society where all those wishing to join in the production process are given a chance to do so and where the weight

of the factors leading to social exclusion is substantially reduced.

This employment objective should be obtained by a non-inflationary, strong and employment-creating growth, lasting over many years and respecting the environment. Higher growth is essential not only in relation to employment creation but also to enable the Community to reap the benefits of the internal market, to improve its economic and social cohesion and to meet its growing commitments in relation to the rest of the world. But growth cannot be artificially generated, it must be brought about by market forces and by the dynamism of the European internal market, open to the outside world. The conclusion of the GATT negotiations on a global, durable and balanced basis and the Community's openness to new markets has a vital role to play in this respect.

Achieving a higher growth rate also requires a strengthening of economic convergence among Member States. Convergence will set in place the conditions for stronger job-creation and will allow the Community to reap the full benefits of the internal market. It will also make possible a successful transition to EMU.

In this respect the task of economic policy-makers is to allow market forces to display their full potential by:

- (i) providing a stable and coherent macro-economic framework;
- (ii) removing the macro and micro-economic obstacles to growth.

In the present situation the challenge is a dual one. Firstly, to act decisively to improve the conditions for growth consistent with the commitment to high employment creation in the medium-term. Secondly, to create the economic and social conditions which will permit stronger, sustainable and more employment-creating growth in the medium to longer term.

The recovery process will require a restoration of confidence through a rebalancing of the current macro-economic policy mix combined with credible structural measures. The sooner current and expected pay and budgetary trends incorporate the price stability objective, the sooner interest rates can be further reduced substantially on a sound basis, for lower interest rates, achieved on this basis, represent an important element to boost short-term prospects in the Community. Given the severity of the present situation, however, and the size of the budgetary adjustment to be undertaken in many countries, the recovery process may well be modest and hesitant. Therefore, the full realization of the initiatives agreed at the European Council meetings in Edinburgh and Copenhagen is of paramount importance.

In the medium-term, policies and behaviour must remain consistent with stability. They must help to overcome rigidities and to put an end to the damaging reduction of national saving inflicted by high budget deficits thereby strengthening the investment conditions and

the growth potential of the Community so that many years of stronger and more employment-creating growth become possible.

Economic policy guidelines

In order to create the conditions to realize the Community's economic objectives, in particular the increase of employment and the reduction in unemployment, the Council hereby adopts the following broad economic policy guidelines.

Price and exchange-rate stability

The Community will aim to keep a stable macro-economic framework. A rate of inflation of no more than two to three per cent should be reached in most Member States by 1996 as a step towards price stability in the Community.

All policies and behaviours should be consistent with this objective. Those Member States who have already reached this level of inflation should ensure that policy measures are consistent with the maintenance of this performance. For the other Member States, determined action is needed to provide the basis for lower short-term and long-term interest rates, for example involving action related to budgetary consolidation, wage evolution and inflationary price developments in the services sector.

If these measures are implemented with sufficient speed, conditions would be established for both nominal and real interest rates to come down as inflation expectations are reduced. The setting up of the EMI will represent an additional factor of stability and co-operation, given its major role in strengthening Member States' monetary policy co-ordination mechanisms and in overseeing the operation of the European Monetary System.

The high degree of integration and the reaping of the benefits of the single market demand that the Community continues to aim for exchange-rate stability built on common efforts to make progress on convergence and to create sound economic fundamentals in all Member States of the Community.

The Community reaffirms its commitment to the EMU process and timetable as agreed in the Treaty on European Union. To this end it will intensify its efforts at achieving economic convergence.

Sound public finances

The restoration of confidence requires that in 1994 Member States prevent any further deterioration in their budgetary situations and carry forward the process of deficit reduction. In those Member States facing more worrying fiscal positions, confidence will benefit from an immediate strong pursuit of the consolidation process. This holds especially for Member States with very high and rising public debt ratios. The consolidation process should intensify in those Member States with high budget deficits and which are expected to face a relatively favourable economic situation in 1994. In other Member States tight control of budgets will be necessary in 1994 but the emphasis should mainly be on credible medium-term consolidation strategies with measures to be already announced now which will take effect in future years as the recovery strengthens. At the Community level, the limits on EC spending and revenue agreed at the Edinburgh Council must be respected.

In 1995, Member States should continue action to make their public finance positions sustainable again. Under the expected growth path for the years ahead, this means action towards reducing budget deficits to the reference value indicated in the Treaty on European Union (three percent of GDP). Most Member States have the potential to reach this goal by 1996, with the others needing more time. This action will contribute to meeting the criterion relating to debt stocks in the Treaty.

The measures used to consolidate public budgets will give priority to reductions in current expenditure and to improving the efficiency of the tax system, for example, by strengthening action against tax evasion. All Member States need to re-orient public expenditure to more productive uses and to increased investment in particular.

In the long term, Member States' budgetary policies will be directed towards contributing to higher national savings and investment. This will entail much lower budget deficits (perhaps close to balance by the year 2000).

Creating more employment

Member States and the Community will take resolute action to improve the functioning of their economies, aiming specifically at improving competitiveness and the Community's capacity to create jobs.

The particular institutional, legislative and contractual features of each Member State mean that Community action must focus on defining objectives, leaving the Member States to

select ways and means suited to their particular situation, within a general, jointly defined framework. To that end, the Council considers that, in order to reinforce the capacity of the European economy to create employment, Member States' action should be based on the suggestions taken from the Commission's White Paper.

Pay, investment and employment

Member States set themselves the objective of a significant increase in the share of investment in GDP. Meeting this objective is essential in order to increase the Community's potential for sustainable non-inflationary growth of the European economy in the medium and long term. Moreover, the recovery in private investment will, in the short term, help to stimulate demand.

Recovery in investment will be possible if society is prepared today to make the efforts which will bring more prosperity and more jobs tomorrow. That calls, amongst other things, for pay developments consistent with the improvement in the profitability of investment and in the competitiveness of European enterprises on world markets. That process will also contribute to promoting job-creation in the immediate term.

In the short term, the need to create new jobs will not permit real pay growth in most countries and may result in real pay reductions in certain sectors of the economy. However, pay movements should provide for an appropriate differentiation according to the situation in Member States, industrial sectors and firms, as well as vocational qualifications and work experience.

To this end, Governments and the social partners will use all instruments which national procedures provide to ensure that pay trends in their countries adapt rapidly to the objective concerning inflation.

Pay moderation in the public sector is also important, on the one hand to take the pressure off public finance and to accelerate promotion of public investment and, on the other, to set an example for the private sector.

Schemes promoting new forms of labour organization on a sound economic basis may be introduced through negotiation in a decentralized way (at sector or enterprise level).

Reducing the indirect cost of labour

Where appropriate, Member States must intensify their efforts to bring about a significant reduction in the indirect cost of labour. Such reduction would enable a better balance to be achieved between the costs of the various production factors. Failing that, the labour factor,

in particular low-skill labour, would suffer excessively.

Action to be undertaken in this field has a twofold objective:

- it should promote job-creation in services responding to new society needs, the development of which is currently discouraged by the high level of the indirect cost of labour;
- combined with pay moderation, it should also save jobs in the sector exposed to international competition by curbing the replacement of labour by capital and the relocation of activity.

In order to encourage the process in the right direction, Member States are invited to examine to what extent an adaptation of the financing mechanisms of their social protection system, along with saving measures, could further contribute to the promotion of employment. However changes in the systems should not increase Member States' indebtedness. The question will be re-examined at Community level on the basis of Member States' reports. Fiscal measures possibly relating to, inter alia, the environment could be one means of offsetting the reduction in social contributions in the general context of stabilizing all compulsory levies and reducing fiscal pressure.

Active policies towards employment

Meeting the objective will also depend on adjusting employment policies to the changing economic environment.

Member States are invited to:

- improve educational and job-training systems so that those who enter the labour market have the possibility of developing professionally and at the same time have skills that are useful to enterprises;
- help reintegrate the long-term unemployed in the labour market;
- improve the functioning of local placement services;
- remove excessive rigidities which prevent the labour market from functioning effectively.
- improve labour mobility;
- promote liberalization measures aimed at sheltered sectors, including, where appropriate,

the services industry.

Completion of the large market

The existence of a large export-oriented internal market is a major asset for the European economy which must be exploited to the full. The complete transposition of Community rules into national laws, the simplification and streamlining of rules, the creation of a fiscal, administrative and financial environment favourable to the **SMES** and the control of State aid are fundamental factors in the completion of the large market.

In the same context, the capital market must be made more efficient so as to encourage the inflow of savings in the direction of productive job-creating investment.

Trans-european networks are a further vital cog in the context of the effective operation of the single market and increased economic competitiveness. The Council will accordingly make swift and full use of the new opportunities offered by the Treaty (Article 129(b)).

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The economic policy guidelines laid out above will constitute the reference for all future multilateral surveillance exercises. The implementation of the guidelines will be monitored in accordance with the procedures laid down in the Treaty. The Council will also assess the implementation of those guidelines in their assessment of Member States' convergence programmes.

STATEMENT
by the Greek delegation

The Greek delegation states that it is unable to agree to the third and fourth paragraphs of the section on "Pay, investment and employment" as it takes the view that the Community's economic recovery must be combined with a positive evolution in real pay.

MISCELLANEOUS DECISIONS
(adopted without discussion)

Conclusion of the Agreement on the European Economic Area and of the related bilateral agricultural and fisheries agreements

The Council adopted the Decisions on the conclusion of the Agreement on the European Economic Area (EEA), the Protocol adapting the Agreement on the EEA and the Agreements, in the form of exchanges of letters, in the agricultural and fisheries fields negotiated in the context of the EEA.

The European Economic Area will therefore enter into force on 1 January 1994. Thus, a new phase is ushered in and a dynamic impetus is given to the privileged relationship between the Community and its Member States and the EFTA States which are members of the EEA, which is based on their proximity, the importance of their economic relations, their common values of democracy and a market economy and their common European identity.

The entry into force of this Agreement reflects also the desire of the contracting parties to help to create a focus of stability and prosperity in Europe and will facilitate the ongoing process of Austrian, Swedish, Finnish and Norwegian membership of the European Union.

Once the European Economic Area has come into existence, the Community and its Member States and the EFTA States will make up a large integrated economic area comprising 18 countries, enabling some 380 million citizens, through increased co-operation, to achieve greater prosperity and to assume their responsibilities even more effectively on the international scene, particularly in Europe.

The aim of the Agreement on the European Economic Area is to establish a dynamic and homogeneous integrated structure based on common rules and equal conditions of competition and equipped with the means, including judicial means, necessary for its implementation ; it is based on equality, reciprocity and an overall balance of the contracting parties' benefits, rights and obligations.

The Agreement on the EEA will make it possible to realize within the EEA the free movement of goods, persons, services and capital (the "four freedoms") on the basis of the European Community's existing legislation. Apart from the four freedoms, the EEA Agreement also provides for wide-ranging and balanced co-operation in both areas directly linked to the achievement of the four freedoms (so-called "horizontal" policies, such as social policy, consumer protection, environment, statistics and company law) and the so-called "flanking" Community policies, such as research and technological development, education and training, youth, etc.

Specific solutions have been found for agriculture and fisheries, inter alia through bilateral agreements, in order to intensify trade within the EEA.

With the aim of contributing through the application of the Agreement to the reduction in economic and social imbalances between the regions, the EFTA countries have agreed to establish, in addition to certain agriculture and fisheries arrangements already mentioned, a financial mechanism for a five-year period which will provide financial assistance for Portugal, the island of Ireland, Greece and certain regions in Spain. This assistance will take the form of soft loans totalling ECU 1 500 million and direct grants totalling ECU 500 million.

The establishment of equal conditions of competition within the EEA is a priority objective of the Agreement. This objective will be attained through the inclusion in the Agreement of rules applicable in the Community and through the introduction of an effective surveillance system under which the EFTA countries will establish a structure similar to the Community structure, namely an EFTA Surveillance Authority responsible for surveying application of the EEA rules in the EFTA countries and an EFTA Court which will be responsible for judicial control.

At the institutional level, the EEA Agreement covers:

- the EEA Council
- the EEA Joint Committee
- the EEA Joint Parliamentary Committee
- the EEA Consultative Committee.

Conclusion of the Europe Agreements with Hungary and Poland

The Council adopted the Decisions concluding the Europe Agreements between the Community and Hungary and between the Community and Poland. It adopted the Implementing Regulations relating thereto.

These Agreements will, therefore, enter into force on 1 February 1994. It should be noted that their aim is to establish very close economic and political relations between the Community and Hungary and Poland comprising, in addition to a political dialogue, a wide range of trade, economic, financial and cultural co-operation fields, and provisions on capital movements, right of establishment, movement of workers, harmonization of legislation, etc.

The trade provisions, which have applied under the Interim Agreements since 1 March 1992, are designed to establish a free trade area to be asymmetrically achieved within a maximum period of 10 years.

It should be noted in this connection that the Copenhagen European Council decided to speed up the implementation of Community trade concessions in order to encourage exports from the associated CCEs to the Community

COUNCIL OF THE EUROPEAN COMMUNITIES
COUNCIL OF THE EUROPEAN UNION
GENERAL SECRETARIAT

PRESS RELEASE

11194/93 (Presse 241)

1723rd Council meeting

- INTERNAL MARKET -

Brussels, 16 December 1993

President: **Mr Robert URBAIN**

Minister for Foreign Trade
and European Affairs
of the Kingdom of Belgium

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

Belgium:

Mr Robert URBAIN

Minister for Foreign Trade and
European Affairs

Denmark:

Mr Jan TROEJBORG

Mr Christopher BO BRAMSEN

Minister for Industry
State Secretary for Industry

Germany:

Mr Johann EEKHOFF

State Secretary, Federal Ministry of
Economic Affairs

Greece:

Mr Yiannos PAPANTONIOU

Mr Alexandros BALTAS

Deputy Minister for Economic Affairs
State Secretary for Trade

Spain:

Mr Carlos BASTARRECHE

Deputy Permanent Representative

France:

Mr Alain LAMASSOURE

Minister with special responsibility for
European Affairs

Ireland:

Mr John F. COGAN

Deputy Permanent Representative

Italy:

Mr Rocco Antonio CANGELOSI

Deputy Permanent Representative

Luxembourg:

Mr Georges WOHLFART

State Secretary for Foreign Affairs
and Foreign Trade

Netherlands:

Mr Piet DANKERT

State Secretary for Foreign Affairs

Portugal:

Mr Vitor MARTINS

Mr Alves MONTEIRO

State Secretary for European
Integration
State Secretary for Industry

United Kingdom:

Mr Neil HAMILTON

Minister of State, Department of
Trade and Industry

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Commission:

Mr Martin BANGEMANN

Mrs Christiane SCRIVENER

Mr Raniero VANNI d'ARCHIRAFI

Member

Member

Member

COMPLETION OF THE INTERNAL MARKET

On the basis of a Commission report, submitted pursuant to Article 109e of the Treaty, the Council assessed the progress made towards implementation of the internal market. In the same connection, it took note of another Commission communication reporting on the transfer of Community legislation into national law.

STRATEGIC PROGRAMME ON THE INTERNAL MARKET – COUNCIL CONCLUSIONS

"The Council,

Referring to the undertakings given in its Resolution of 7 December 1992 on making the single market work,

Welcomes the Commission's strategic programme for the internal market, to the broad lines of which it gives a favourable response;

Takes note of the conclusions of the European Council meeting in Brussels on 10 and 11 December 1993 regarding full use of the single market and the development of trans-European networks and emphasizes the need for a co-ordinated approach to their implementation;

Further takes note of the call issued by that European Council meeting to the Council and the Commission to continue their work in the light of the relevant European Council guidelines and of the Commission's strategic programme;

Therefore awaits with great interest the drawing-up and submission by the Commission of the communications and proposals outlined in the strategic programme as regards the measures to be laid down in order to ensure dynamic implementation and management of the internal market;

Undertakes to examine those communications and proposals as a matter of priority in order to arrive at swift decisions."

COUNTERFEIT AND PIRATED GOODS

Pending the European Parliament's Opinion, the Council held a further exchange of views on the proposal for a Regulation prohibiting the release for free circulation, export or transit of counterfeit or pirated goods.

The discussions were based on a draft Regulation drawn up by the Presidency following the latest discussions on the subject, and a statement by Commissioner SCRIVENER.

It should be noted that the main thrust of the Commission proposal is to strengthen the procedure introduced under Regulation No 3842/86 in the effort to combat the "scourge" of counterfeit goods and to extend its scope (currently confined to trade mark protection) to the protection of other intellectual property rights (copyright, designs, etc.).

Following its exchange of views, the Council confirmed that it viewed positively the line taken in the draft Regulation annexed to the Presidency's note and undertook to take a definitive decision on the Regulation at an early date, if possible for the meeting on 10 March 1994.

FOOD ADDITIVES

The Council registered political agreement on the common position on the Directive on food additives other than colours and sweeteners. The proposal is based on Article 100a of the Treaty (co-decision procedure) and forms part of a composite Directive on specific food additives, to be drawn up by stages on the basis of framework Directive 89/107/EEC on additives.

In the context of the composite Directive, on 11 November 1993 the Council adopted common positions on the proposals for Directives on sweeteners and colours; it also adopted a common position on the amendment of the framework Directive.

The composite Directive lays down a positive list of food additives and conditions for their use,

in particular the foodstuffs in which they are permitted and the maximum doses.

The common position on "other additives" is the final component of the composite Directive. It will remove a major regulatory obstacle to the free movement of foodstuffs within the Community and, given the assessment already made by the Scientific Committee for Food, will mean increased safety for consumers.

DANGEROUS SUBSTANCES

The Council agreed in principle to the common position on the Directive amending for the fourteenth time Directive 76/769/EEC on the approximation of the laws, regulations and administrative provisions of the Member States relating to restrictions on the marketing and use of certain dangerous substances and preparations.

The amendment is designed to restrict the use of nickel in jewellery and personal items coming into direct contact with the skin, as some people are nickel-sensitive and present allergic reactions. The Annex to the Directive contains an illustrative list of personal items that regularly come into contact with the skin.

FREEDOM OF MANAGEMENT AND INVESTMENT OF FUNDS HELD BY INSTITUTIONS FOR RETIREMENT PROVISION

The Council again discussed the proposal for a Directive on the freedom of management and investment of funds held by institutions for retirement provision.

The basic purpose of the proposal is to apply the principle of free movement of capital to funds held by institutions for retirement provision, by providing for:

- freedom of cross-border financial management;
- freedom of cross-border investment.

The "third freedom" – freedom of cross-border membership of institutions for retirement provision– is not covered by the proposal.

The discussion produced confirmation of the progress made and a majority view in favour of measures designed to back up the freedom of institutions for retirement provision to choose a manager or custodian of assets in another Member State.

There will need to be further negotiations on matching rules, the Netherlands request for exclusion of the ABP Fund (civil servants' pension fund), and the final date for transposition of the Directive.

COMPULSORY WINDING UP OF DIRECT INSURANCE UNDERTAKINGS

The Council held an initial policy debate on the amended proposal for a Directive on the co-ordination of laws, regulations and administrative provisions relating to the compulsory winding up of direct insurance undertakings. The debate was intended to look more closely at certain questions of principle, in particular the preferential ranking of insurance creditors.

The main objectives of the proposal are:

- the completion of Community legislation on insurance, by extending it to cover situations in which authorization is withdrawn;
- the protection of insurance creditors by guaranteeing them preferential treatment as compared with other creditors, in particular by means of a register of assets covering technical reserves;
- the equivalent treatment of insurance creditors in all Member States.

At present, practice regarding the winding up of insurance undertakings varies widely from one Member State to another, the only common ground being preferential treatment for payment of the costs of winding up.

The debate in Council produced a majority view in favour of the principle that insurance creditors should enjoy a preferential claim in respect of the assets covering the technical reserves as a basis for further discussion; however, more detailed examination will be needed to take account:

- of the other systems of protection provided for insurance creditors, such as guarantee funds, and
- the need to align the provisions on insurance creditors appropriately with the levels of protection afforded to other preferential creditors, in particular employees.

The Permanent Representatives Committee was instructed accordingly.

STATUTE OF THE EUROPEAN COMPANY

Working on the basis of a note from the Belgian Presidency, the Council took note of progress on the proposals for a Regulation and a Directive on the statute for a European company (SE).

The Greek Presidency announced its intention of continuing discussions in order to seek appropriate ways of solving the problems holding up adoption of these two instruments, in particular the problem of worker participation.

STATUTE FOR A EUROPEAN CO-OPERATIVE SOCIETY

The Council took note of the progress of discussions on

- the amended proposal for a Regulation on the Statute for a European co-operative society;
- the amended proposal for a Directive supplementing the Statute with regard to the involvement of employees of the SCE;

The Commission submitted these proposals jointly with proposals on a European Association and a European mutual society. When the proposals were submitted in March 1992, most delegations gave them a generally favourable reception. Preparatory discussions have so far concentrated on the proposal on the SCE.

The Council took note of the progress accomplished and agreed that discussions would be actively pursued under the Greek Presidency.

TELEMATIC NETWORKS – Comedi

The Council reached agreement of principle on the proposal for a Decision on inter-administration telematic networks for statistics relating to the trading of goods between Member States (Comedi: Commerce Electronic Data Interchange), including a guideline on the choice of Article 235 as the legal basis. Formal adoption will take place at a forthcoming meeting, once the texts have been finalized and the European Parliament re-consulted.

The purpose of the Decision is to continue and consolidate the developments begun with the Caddia programme (Co-operation in Automation of Data and Documentation for Imports/Exports and Agriculture) in order to ensure, in the context of the opening of the Internal Market, rapid implementation of Council Regulation (EEC) No 3330/91 on the statistics relating to the trading of goods between Member States (Intrastat) by increased use of automatic processing and electronic transmission of information.

The Decision concerns, amongst other things, a set of measures to facilitate the migration of regional, national and Community systems towards interoperable systems at European level as a first stage for the collection of returns on the trading of goods between Member States from businesses, the validation and pre-processing of such returns and the dissemination of the statistics derived therefrom.

This set of measures is to run for a period of five years, with an interim review after two years and an amount deemed necessary of ECU 20 million for 1994 and 1995.

PRECIOUS METALS

The Council took note of an oral presentation by the Commission of the proposal for a Directive on the approximation of the laws, regulations and administrative provisions of the Member States relating to articles of precious metal.

The purpose of the proposal is to lay down a legislative framework to ensure the necessary and adequate level of consumer protection and to ensure fair trading.

The Council agreed that discussions on this proposal would be carried forward with dispatch, to permit adoption of a common position as soon as possible.

RECREATIONAL CRAFT

The Council adopted by a qualified majority (France having voted against and the United Kingdom having abstained) its common position on the Directive on the approximation of the laws, regulations and administrative provisions of the Member States relating to recreational craft. Explanations of the French vote and the United Kingdom's abstention are given in the Annex.

This is a "new approach" Directive aiming to eliminate barriers to trade created by divergent legislation existing in certain Member States in the recreational craft sector, and to prevent other Member States from introducing disparate legislation.

The Directive applies to recreational craft of any type, regardless of the means of propulsion, from 2,5 to 24 m hull length. It also applies to partly completed boats and components referred to in Annex II to the Directive.

The Directive sets the essential safety, health, environmental protection and consumer protection requirements which recreational craft have to meet.

Member States may not prohibit, restrict or impede the placing on the market and putting into service in their territory of recreational craft covered by the Directive and bearing the CE marking, which indicates their conformity with all the provisions of the Directive, including conformity procedures.

BIOTECHNOLOGICAL INVENTIONS

The Council reached political agreement on its common position on the Directive on the legal protection of biotechnological inventions.

This Directive already featured in the White Paper on completion of the Internal Market; it is designed to harmonize the conditions for issuing patents for biotechnological inventions and certain other related provisions, for example the scope of the protection conferred by such patents, in view of the so-called farmer's privilege, or the possibility of granting compulsory licences on such patents.

The conditions for issuing patents include strict criteria for the patentability of procedures and methods which interfere with the physical integrity of man or animals; the effects of harmonization will be felt most as regards national patents, issued by national patent offices; it will be less noticeable with European patents, which will continue to be issued by the European Patent Office using similar criteria set by the Munich Convention. However, even with European patents, the effects of harmonization will be felt at the post-issue stage, if the patents are contested in proceedings for infringement or revocation before the national courts.

According to the common position, Member States are to put the Directive into national law by the end of 1996 at the latest.

RECREATIONAL CRAFT

EXPLANATION OF THE UNITED KINGDOM'S VOTE

The United Kingdom delegation abstained on the vote on the common position because the coverage of second-hand boats built before the entry into force of the Directive and imported from third countries is unnecessary and contrary to the interests of private boat owners.

EXPLANATION OF THE VOTE BY FRANCE

The French delegation is unable to endorse the common position on the proposal for a Directive on recreational craft because it does not guarantee high safety levels in this sensitive area where so many accidents occur. Furthermore, in its Resolution of 18 June 1992, the Council advocated the widest possible use of European standards. The arrangements for boat conformity in the common position are in direct contradiction with that objective.

MISCELLANEOUS DECISIONS

Renewal of the Convention with UNRWA for 1993 to 1995

The Council adopted a Decision on the signing and conclusion of the new Convention between the Community and the United Nations Relief and Works Agency for Palestinian Refugees (UNRWA) for the period 1993 to 1995. Signing will take place in Brussels on 17 December 1993.

The 8th Convention since 1972 will make a major contribution to UNRWA's education, health and supplementary feeding programmes – in Lebanon, Syria, Jordan and the occupied territories – of ECU 30 million for 1993, ECU 31 million for 1994 and ECU 32 million for 1995.

Customs Union

The Council unanimously adopted Regulations

- opening and providing for the administration of Community tariff quotas for 1994
 - = bound under GATT for certain agricultural and industrial products
 - = for certain fruits and fruit juices
- temporarily suspending totally or partially the autonomous duties of the Common Customs Tariff for certain fishery products for 1994.

The Council also adopted a Decision concerning the conclusion of the Customs Conventions on the temporary importation

- of private road vehicles (New York, 1954) and the acceptance of the United Nations' Resolution of 2 July 1993 on the applicability of carnets de passage en douane and CPD carnets to private road vehicles
- of commercial road vehicles (Geneva, 1956) and the acceptance of the United Nations' Resolution on the applicability of carnets de passage en douane and CPD carnets to commercial road vehicles.

Aid to shipbuilding

The Council adopted an amendment to Directive 90/684 on aid to shipbuilding which has the effect of extending its validity until 31 December 1994.

This extension and Directive 90/684 are without prejudice to the amendments necessitated by international agreements concluded by the Community.

In this connection, the Community is continuing its efforts in the Organization for Economic Co-operation and Development (OECD) to secure a multilateral agreement between the World's major shipbuilding nations to put a rapid end to all public support measures, whether

direct or indirect, for shipbuilding, ship conversion or repair, and other obstacles to the re-establishment of normal conditions of competition in the sector.

RESOLUTION ON YOUNG DRIVERS

"THE COUNCIL OF THE EUROPEAN UNION, AND THE REPRESENTATIVES OF THE GOVERNMENTS OF THE MEMBER STATES, MEETING WITHIN THE COUNCIL

Having regard to the Resolution of the European Parliament of 12 March 1993 on a Community programme for action on road safety ⁽¹⁾, which recognizes the need for a new, improved campaign of assistance for young inexperienced drivers and calls on the Commission to devote special attention to them;

Whereas in its communication for an action programme on road safety the Commission states that it will examine, on the basis of experience acquired by the Member States, the specific problems encountered by young drivers in traffic;

Whereas in this connection the Commission particularly emphasized the part which can be played by information and awareness campaigns and publicity as means of educating road users, within the framework of national road safety policies;

Whereas in the conclusions which it adopted at its meeting on 29 and 30 November 1993 on the said communication the Council drew attention to the need to focus in particular on the causes of the most serious accidents and on the categories of users most frequently involved in road accidents or victims of them;

Whereas young drivers of cars and two-wheel vehicles, as a result of their inexperience, constitute a particularly vulnerable group of road users,

AGREE that 1995 will be considered as the Year of the Young Driver;

CALL on the Commission to co-ordinate this initiative with the Member States within an appropriate framework, so that concrete and effective measures are taken to ensure that this initiative has the greatest possible impact on the public concerned."

⁽¹⁾ OJ C 115, 26.4.1993, p. 260.

PRESS RELEASE

11392/93 (Presse 248)

1724th Council meeting

- INDUSTRY -

Brussels, 17 December 1993

President: Mr Melchior WATHELET,

Deputy Prime Minister, Minister for
Economic Affairs of the Kingdom
of Belgium

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

Belgium:

Mr Melchior WATHELET

Deputy Prime Minister, Minister for Economic Affairs

Denmark:

Mr Jan TRØJBORG

Mr Christopher BO BRAMSEN

Minister for Industry

State Secretary for Industry

Germany:

Mr Günther REXRODT

Federal Minister for Economic Affairs

Greece:

Mr Christos PACHTAS

State Secretary for Industry

Spain:

Mr Juan Manuel EGUIAGARAY

Mr Juan Ignacio MOLTÓ GARCÍA

Minister for Industry

State Secretary for Industry

France:

Mr Gérard LONGUET

Minister for Industry, Posts and Telecommunications and Foreign Trade

Ireland:

Mr Ruairi QUINN

Minister for Employment and Enterprise

Italy:

Mr Paolo SAVONA

Minister for Industry

Luxembourg:

Mr Jean-Jacques KASEL

Ambassador, Permanent Representative

Netherlands:

Mr B.R. BOT

Ambassador, Permanent Representative

Portugal:

Mr Luis MIRA AMARAL

Mr Luis Filipe ALVES MONTEIRO

Minister for Industry and Energy

State Secretary for Industry

United Kingdom:

Mr Tim SAINSBURY

Minister of State, Department of Trade and Industry

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Commission:

Mr Martin BANGEMANN

Mr Karel VAN MIERT

Member

Member

RESTRUCTURING OF THE EUROPEAN STEEL INDUSTRY

After holding fresh, detailed discussions on restructuring the public sector of the steel industry in certain Member States, with particular reference for State aids, the Council reached overall agreement on the substance of the matter, with a view to giving its assent under the first paragraph of Article 95 of the ECSC Treaty on the cases listed below. These assents can be given as soon as the Parliamentary scrutiny reservations and the general reservations still upheld by a number of delegations have been withdrawn ⁽¹⁾:

- Restructuring the public steel company, Sidenor (Spain);
- Privatization of Sächsische Edelstahlwerke GmbH (Freital, Saxony, former GDR);
- Restructuring the Spanish steel company, Corporación de la Diserurgia Integral (CSI) (Spain);
- Restructuring the public steel company, ILVA (Italy);
- Privatization, modernization and restructuring of EKO STAHL AG (former GDR);
- Restructuring of the Siderurgia Nacional Company (Portugal).

⁽¹⁾ These reservations may be withdrawn next week.

The Council will give its assent within the limits and under the conditions set out in the communications from the Commission on the various cases referred to above and also taking into account the amendments to be made to the enacting terms of the decisions as a result of today's discussions.

The Council also signified its agreement to the following provisions on monitoring, which the Commission intends to add to its final decisions in the six cases referred to above:

"The Commission informs the Council that it intends in its final decisions in all six Article 95 ECSC cases presently proposed to the Council to add the following monitoring provisions:

1. The Member States concerned shall supply the Commission twice a year, and not later than 15 March and 15 September respectively, with reports containing full information, in accordance with the enclosed Annex, concerning the companies benefiting from the present Article 95 ECSC proposals.

The first report should reach the Commission by 15 March 1995, and, unless the Commission decides otherwise, the last report by 15 September 1998.

2. The Commission shall draw up on the basis of the aforementioned reports from Member States half yearly reports, which will be submitted to the Council not later than 1 May and 1 November respectively, in order to allow discussion in the Council if appropriate. In particular, if a company which has benefited from aid under Article 95 ECSC intends to participate in an investment creating or extending a capacity, the Commission shall inform the Council by means of a report giving details

of financing and demonstrating the absence of public aid.

3. The Commission may have any necessary checks made in the aided companies in accordance with Article 47 ECSC, in order to verify the accuracy of the abovementioned information and in particular the compliance with the conditions laid down in its decision.

In that context, where a Member State makes a complaint to the Commission that State aid is enabling one of the aided companies concerned to under-price, the Commission will launch an investigation, in particular under Article 60 ECSC.

4. If the Commission, on the basis of the information received, discovers that the conditions laid down in its decisions under Article 95 have not been complied with, it may require suspension of the aid payments and/or recovery of aid already paid. If a Member State fails to fulfil its obligation under such a decision Article 88 ECSC will apply.

Moreover, if the Commission establishes, on the basis of the reports from Member States, that substantial deviations from the financial data on which the viability assessment has been made have occurred, it will require the reports referred to in paragraph 1 to be provided on a quarterly basis and may require the Member States concerned to take appropriate measures to reinforce the restructuring measures of the aided company.

5. The Commission may decide to monitor each dossier on a quarterly basis. It may also decide to use the services of an independent consultant selected in agreement with the Member State concerned to examine the results of the monitoring and to report back to

the Member States.

6. The Commission will ensure in particular that, without prejudice to the financing plans approved by the Commission and incorporated in its decisions under Article 95 ECSC, any financing from loans to the undertaking monitored is granted on normal commercial terms. It will also ensure that there is no cancellation of debts or preferential treatment of debts vis-à-vis the State."

Lastly, the Council and the Commission agreed on the following text concerning the need to put an end to State subsidies for the steel industry:

"The Council and the Commission believe that the only way to secure a healthy EC steel industry, able to compete on the world market, is to put a permanent end to state subsidization of the steel industry and to close loss-making capacity. In giving its unanimous consent to the current Article 95 proposals, the Council reaffirms its commitment to a strict application of the Steel Aids Code in Commission Decision 3855/91/ECSC and, in the absence of authorization under the Code, Article 4c of the ECSC Treaty. Without prejudice to the right of any Member State to request a decision under Article 95/ECSC, and in accordance with the Council conclusions of 25 February 1993, the Council declares its firm commitment to avoid any further Article 95 derogations in respect of aid for any individual companies."

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Once the abovementioned reservations are withdrawn, the Council will also be able to give its assent on the new Community rules for the State aid to the coal industry and to adopt its common position on the Directive on the conditions for granting and using authorizations for the prospection, exploration and production of hydrocarbons.

FINANCING OF LOW-COST HOUSING FOR PERSONS EMPLOYED IN THE ECSC INDUSTRIES

The Council gave its assent under the second paragraph of Article 54 of the ECSC Treaty to the granting of loans within the framework of the twelfth programme of low-cost housing for persons employed in the ECSC industries. (Financial year 1993 - ECU 19 million and financial year 1994 - ECU 17 million).

PROVISIONS ON MONITORINGCommission's information requirements(a) Capacity reductions

- date (or expected date) of cessation of production
- date (or expected date) of dismantling ⁽¹⁾ of the installation concerned
- where installation is sold, date (or expected date) of sale, identity and country of purchaser
- sale price

(b) Investments

- details of investments realised
- date of completion
- the costs of the investment, the sources of finance and the sum of any related aid involved
- the date of aid payment

(c) Workforce reductions

- number and timing of job losses
- the total costs
- a breakdown of how the costs are being financed

(d) Production and market effects

- monthly production of crude steel and finished products per category
- products sold, including volumes, prices and markets

⁽¹⁾ As defined in Commission Decision No 3010/91/ECSC - OJ L 286, 16.10.1991, p. 20.

(e) Financial performance

- evolution of selected key financial ratios to ensure progress is being made towards viability (the financial results and ratios must be provided in a way allowing comparisons to the company's financial restructuring plan)
- level of financial charges
- details and timing of aids received and costs covered
- terms and conditions of any new loans (irrespective of source)

(f) Privatisation

- selling price and treatment of existing liabilities
- disposal of proceeds of sale
- date of sale
- financial position of company at time of sale

(g) Creation of new company or of new facilities corresponding to an extension of capacities

- identity of each private and public sector participant
- the sources of financing for the creation of a new company or of new facilities
- terms and conditions of the private and the public shareholders' participation
- management structure of new company.

PRESS RELEASE

11394/93 (Presse 250)

1725th meeting of the Council

- GENERAL AFFAIRS -

Brussels, 20 December 1993

President: Mr Willy CLAES
Minister for Foreign Affairs
of the Kingdom of Belgium

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

Belgium:

Mr Willy CLAES
Mr Robert URBAIN

Minister for Foreign Affairs
Minister for Foreign Trade and European Affairs

Denmark:

Mr Niels HELVEG PETERSEN
Mr Jorgen ØSTRØM MØLLER

Minister for Foreign Affairs
State Secretary for Foreign Affairs

Germany:

Mr Klaus KINKEL
Ms Ursula SEILER-ALBRING
Mr Jürgen TRUMPF

Federal Minister for Foreign Affairs
Minister of State, Foreign Affairs
State Secretary, Foreign Affairs

Greece:

Mr Theodoros PANGALOS

Alternate Foreign Affairs Minister

Spain:

Mr Carlos WESTENDORP

State Secretary for Relations with the EC

France:

Mr Alain JUPPE
Mr Alain LAMASSOURE

Minister for Foreign Affairs
Minister with special responsibility for European Affairs

Ireland:

Mr Dick SPRING
Mr Tom KITT

Minister for Foreign Affairs
Minister of State at the Department of the Taoiseach with special responsibility for European Affairs

Italy:

Mr Beniamino ANDREATTA

Minister for Foreign Affairs

Luxembourg:

Mr Jacques POOS

Minister for Foreign Affairs

Netherlands:

Mr P.H. KOOIJMANS
Mr Piet DANKERT

Minister for Foreign Affairs
State Secretary for Foreign Affairs

Portugal:

Mr José Manuel DURAO BARROSO
Mr Vitor MARTINS

Minister for Foreign Affairs
State Secretary for European Affairs

United Kingdom:

Mr David HEATHCOAT-AMORY

Minister of State, Foreign and Commonwealth Office

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Commission:

Mr Jacques DELORS
Sir Leon BRITTAN
Mr Manuel MARIN
Mr Peter SCHMIDHUBER
Mr Hans VAN DEN BROEK
Mr Karel VAN MIERT

President
Member
Member
Member
Member
Member

FOLLOW-UP TO THE EUROPEAN COUNCIL

The Council noted a statement by the Presidency outlining the work to be done in the different areas in response to the conclusions of the European Council meeting in Brussels on 10 and 11 December.

FOLLOW-UP TO THE GENERAL AFFAIRS COUNCIL MEETING ON 15 DECEMBER 1993 -
URUGUAY ROUND

The Council welcomed the fact that the draft Final Act concluding the Uruguay Round negotiations had been adopted in the GATT Trade Negotiations Committee on 15 December within the agreed time limits.

It noted the intention of the Community negotiators, in close co-operation with the Member States, to complete, on satisfactory terms, the market-access negotiations still pending and the final verification of texts.

It instructed the Permanent Representatives Committee to monitor the dossier in close co-operation with the Commission.

ACCESSION NEGOTIATIONS

The Council prepared for the accession negotiation sessions at ministerial level to be held with Austria, Sweden, Finland and Norway on Tuesday 21 December.

TUNISIA

The Council approved the directives intended to guide the Commission in its negotiations for a new agreement with Tunisia.

ISRAEL

The Council approved the directives intended to guide the Commission in its negotiations for a new agreement with Israel.

RELATIONS WITH THE BALTIC COUNTRIES

The Council heard the Commissioner Sir Leon Brittan present the Commission's recommendation that it should be authorized to negotiate new trade agreements with the Republics of Estonia, Latvia and Lithuania.

The recommendation was in response to the Copenhagen European Council's request to the Commission to submit proposals for converting the existing trade agreements with the Baltic countries into free-trade agreements, with the Community's aim continuing to be to conclude Europe Agreements with those countries as soon as the necessary conditions were met.

In the light of the current situation in the Baltic countries, the Council took the view that consideration should be given to the scope for expanding still further the content of the directives submitted by the Commission and instructed the Permanent Representatives Committee, in co-operation with the Commission, to finalize the text of the directives at an early date so that they could be approved by the Council at the beginning of 1994.

FORMER YUGOSLAVIA– Meeting on 22 December 1993

The Council prepared for the meeting to be held in Brussels on 22 December with the parties to the conflict in Bosnia-Herzegovina.

It heard a report from the President on the meeting that had taken place between the Presidency and the Commission and the Bosnian Government in Vienna on 17 December.

Humanitarian aid in Bosnia-Herzegovina

The Council approved the priority measures to be taken under the joint action adopted on 8 November on support for the conveying of humanitarian aid in Bosnia-Herzegovina, i.e.:

	<u>MECU</u>
(a) logistic reinforcements (47 lorries adapted to the terrain) for use by UNHCR and ECTF	4
(b) fuel (15 000 tonnes) for use by the UNHCR, to cover the purchase of fuel for operating convoys, electricity generators, water-pumps, etc. needed to provide people with vital goods and services	4
(c) delivery of approximately 250 electricity generators for use by the UNHCR to operate public centres, hospitals, bakeries, water-pumps, etc	4,15
(d) restoration of coal mines (emergency work) for use by the IMG (International Management Group)	2
(e) support for carrying out emergency minimum repairs for electricity, gas, water and shelters, for use by the IMG	10
TOTAL	24,15

It also approved the arrangements for financing this amount from the Community budget.

The Council instructed the Permanent Representatives Committee to submit a proposal for its next meeting in February 1994 concerning the allocation among Member States of the other half of the overall budget of ECU 48,30 million adopted on 6 December.

It asked the Committee to submit at the same time a proposal on the horizontal issue of financing CFSP joint actions in the future.

MID-TERM REVIEW OF THE FOURTH ACP-EC CONVENTION

The Council noted an interim report on the work being done to draw up negotiating directives for the mid-term review of the ACP-EC Convention due to start next May.

It welcomed the progress that had been made on a number of issues of importance for the future of ACP-EC co-operation.

It instructed the Permanent Representatives Committee to consider these issues in detail and to submit a full report enabling it to comment on the whole dossier at its meeting in February 1994.

STABILITY PACT: JOINT ACTION

The Council adopted the Decision setting out the joint action on the Inaugural Conference on the Stability Pact (see Annex).

APPOINTMENT OF A EUROPEAN OBSERVER FOR THE CYPRUS PROBLEM

The Council agreed to send an EU observer to the intra-community talks on Cyprus being held under the aegis of the United Nations Secretary-General. It asked the President of the Commission to propose the appointment of an official from the Commission and asked the Political Committee to define the duties he would have to carry out.

EXPORT CONTROLS ON DUAL-USE GOODS AND TECHNOLOGIES

The Council noted an interim progress report from the Permanent Representatives Committee concerning the discussions on export controls on dual-use goods and technologies. It then held an exchange of views on this dossier, which it described as being a matter of importance.

It instructed the Permanent Representatives Committee to resume the examination of this dossier at the beginning of 1994 with a view to an early decision by the Council.

RELATIONS WITH AUSTRIA

With the German, Netherlands and Luxembourg delegations voting against and the Greek delegation abstaining, the Council adopted by a qualified majority two decisions on the withdrawal of tariff concessions for colour television sets manufactured by Grundig and gearboxes manufactured by General Motors in Austria, the aim being to avoid distortions of competition resulting from the official aid that Austria granted to these manufacturers.

APPOINTMENT OF MEMBERS OF THE COURT OF AUDITORS

The Council recorded its willingness to appoint the six members of the Court of Auditors on the basis of the proposals which had been submitted to the European Parliament, but postponed its decision until the European Parliament had delivered its final and complete Opinion either at its regular part-session from 17 to 21 January or at an extraordinary session to be convened under the second paragraph of Article 139 of the EC Treaty.

COMMITTEE OF THE REGIONS

The Council requested that those Member States which had not yet submitted their lists or which had to complete them to do so with all due speed so that the Council could appoint the members of the Committee of the Regions and the Committee itself could meet before 15 January 1994 in accordance with the conclusions of the European Council meeting in Brussels.

A written procedure will be initiated as soon as the necessary information has been sent to the General Secretariat.

PUBLIC ACCESS TO COUNCIL DOCUMENTS

With the Danish ⁽¹⁾ and Netherlands delegations voting against, the Council adopted by a majority a Decision implementing from 1 January 1994, as regards the Council, the code of

(1) "Denmark regrets that it has not been possible to reach agreement on better conditions for public access to Council and Commission documents. Denmark wishes that the efforts to strengthen the rules on public access to documents continue. Accordingly, Denmark reserves its right to raise the matter again in connection with the preparations for the intergovernmental conference to be held in 1996."

conduct on public access to Council and Commission documents.

ENFORCEMENT OF BUDGETARY DISCIPLINE

The Council discussed a key question still arising with regard to the Decision on budgetary discipline, namely the problem of charging to the Community budget the additional costs resulting from monetary realignments within the EMS.

The Council instructed the Permanent Representatives Committee to press ahead with the discussions so that it could take a decision on the subject as soon as possible.

JOINT IRISH-UNITED KINGDOM DECLARATION - COUNCIL STATEMENT

The Council heard a report from the Irish and United Kingdom delegations, outlining the Joint Declaration issued by the two Governments on 15 December 1993.

The Council welcomed the Joint Declaration and expressed the profound hope that it would provide a basis for a permanent end to violence and a lasting political settlement in Northern Ireland. The Council expressed the hope that organizations which have used or supported violence would respond positively to the Joint Declaration by committing themselves henceforth to using only democratic and constitutional means to advance their aspirations.

The Council agrees that, as the Joint Declaration says, the development of Europe will, of itself, require new approaches to serve interests common to both parts of the island of Ireland, and to Ireland and the United Kingdom as partners in the European Union.

The ending of the painful and bitter conflict in Northern Ireland would bring many social and economic benefits to the region, the Member States concerned and the European Union as a whole.

The Council notes the statement issued by President DELORS in this matter, in which he said that the "Commission wishes to give practical support to the peace process, and is willing to discuss with the two Member States most directly concerned how best this can be done".

**JOINT ACTION ADOPTED BY THE COUNCIL, ON THE BASIS OF
ARTICLE J.3 OF THE TREATY ON EUROPEAN UNION, ON THE
INAUGURAL CONFERENCE ON THE STABILITY PACT**

The **COUNCIL** of the European Union,

Having regard to the Treaty on European Union, and in particular **Articles J.3 and J.11** thereof,

Having regard to the conclusions of the European Council on 21 and 22 June 1993 on a Pact on Stability in Europe and the general approach of the European Council on 29 October 1993 whereby a Stability Pact to resolve the problem of minorities and to strengthen the inviolability of frontiers will be a staple component of joint action aimed at promoting stability, reinforcing the democratic process and developing regional co-operation in Central and Eastern Europe,

Having regard to the conclusions of the European Council on 10 and 11 December calling upon the Council to implement the initiative on a Pact on Stability in Europe as a joint action in accordance with the Treaty on European Union,

HAS DECIDED AS FOLLOWS:

Article 1. The European Union will convene an Inaugural Conference on a Pact on Stability in Europe, to be held in Paris around April 1994, to which the countries principally concerned by the initiative, the countries immediately neighbouring the countries principally concerned, States likely to make a particular contribution to the initiative, countries with an interest in stability in Europe by virtue of their defence commitments and countries which have association agreements with the Union (Albania, Austria, Bailleurs, Bulgaria, Canada, Cyprus, the Czech Republic, Estonia, Finland, the Holy See, Hungary, Iceland, Latvia, Lithuania, Malta, Moldova, Norway, Poland, Romania, Russia, Slovakia, Slovenia, Sweden, Switzerland, Turkey, Ukraine and the United States) will be invited as participants, and representatives of international organizations concerned by the initiative (CSCE, Council of Europe, WEU, NATO and the United Nations). Those countries and organizations would be prepared to endorse the idea of and arrangements for the Conference adopted by the Union at the end of the formal consultations which it is to hold. Any other States participating in the CSCE which accepted that idea and those arrangements would also be invited as observers.

Article 2. The Inaugural Conference will put into effect preventive diplomacy aimed at fostering good neighbourly relations and encouraging countries, in particular through the conclusion of appropriate agreements, to consolidate their borders and to resolve the problems of national minorities which arise. Those agreements, and the complementary arrangements that accompany them, should constitute the basis for a Stability Pact which would be intended to be forwarded to the CSCE, which would act as its guardian.

Article 3. The Inaugural Conference will be preceded by a round of formal consultations held by the Union with all the countries and organizations interested in the project, with a view to preparing for it.

Article 4. The detailed arrangements which will have to govern the holding of this Conference, the negotiation process to be conducted and the Stability Pact to be concluded are laid down in the reports on the Stability Pact approved by the European Council on 10 and 11 December 1993.

Article 5. The Inaugural Conference will be organized by the host country in close co-ordination with the Presidency. This Decision entails no operational expenditure.

Article 6. Overall responsibility for the action to be taken by the European Union to attain the objectives of the Pact falls to the Presidency, which will be assisted, if need be, pursuant to Article J.5(3) of the Treaty on European Union, by the previous and next Member States to hold the Presidency.

Article 7. This Decision shall enter into force on this day. It covers the first stage of the joint action, which will end with the meeting of the Inaugural Conference. In due course the Council will take the necessary measures for continuation of the joint action.

Article 8. This Decision shall be published in the Official Journal.

MISCELLANEOUS DECISIONS

(adopted unanimously without discussion unless otherwise stated)

System of generalized Tariff Preferences for 1994

The Council adopted, in the light of the Opinion of the European Parliament, a Decision renewing on a transitional basis as from 1 January 1994 the provisions of Regulation No 3917/92 on the 1993 GSP. The preferential limits for the first half of 1994 correspond to half the amounts for the year 1993.

The transitional arrangements will be in force for six months and will therefore apply until 30 June 1994. They will automatically be extended until 31 December 1994 if the Council does not adopt the new GSP arrangements by 15 June 1994.

The Council considers it essential to carry out as soon as possible, in 1994, the GSP review scheduled for this decade, and accordingly asked the Commission to submit the necessary proposals at the earliest opportunity.

System of Generalized Preferences - Textile products

The Council adopted a Regulation supplementing Regulation No 3917/92 extending into 1993 the application of Regulations Nos 3831/90, 3832/90, 3833/90, 3834/90, 3835/90 and 3900/91 applying generalized tariff preferences in respect of certain products originating in developing countries and adding to the list of beneficiaries of such preferences. The Regulation is designed to include certain successor countries ⁽¹⁾ of the former USSR among the beneficiaries of the Community's GSP for textile products covered by the MFA (Multifibre Arrangement) as from 1 January 1994.

Trade policy

With Belgium and France voting against, the Council adopted by a qualified majority Regulations opening and providing for the administration of Community tariff quotas for certain mixtures of malt sprouts and barley screenings.

(1) To the countries already included in the proposal (Belarus, Ukraine, Moldova, Uzbekistan, Russia, Tajikistan, Turkmenistan, Armenia and Azerbaijan) Kazakhstan, Kyrgyzstan and Georgia had been added.

The Council also adopted a Decision concerning the conclusion of Agreements in the form of Agreed Minutes on certain oilseeds between the EC and Argentina, Brazil, Canada, Poland, Sweden and Uruguay, respectively, pursuant to Article XXVIII of the GATT.

It adopted two Regulations suspending wholly or in part the duties on certain agricultural products originating in Turkey and Malta (GSP) (1994).

Textiles

The Council adopted a Decision on the provisional application of agreements between the Community and certain third countries on international trade in textiles, the countries in question being Albania, Armenia, Azerbaijan, Belarus, Bulgaria, the Czech Republic, Georgia, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Moldova, Mongolia, Romania, the Russian Federation, the Slovak Republic, Slovenia, Tajikistan, Turkmenistan, Ukraine and Uzbekistan.

Anti-dumping

The Council adopted a Regulation extending for two months the provisional anti-dumping duty on imports of fluorspar from China.

Europe Agreements and Interim Agreements

The Council adopted Decisions on the conclusion, with the **Czech Republic** and **Slovakia** respectively, of Supplementary Protocols to the Interim Agreement with the former Czech and Slovak Federal Republic.

The Council also decided to sign, subject to eventual conclusion, the Additional Protocols to the Interim Agreements with the following countries: **Poland, Hungary, the Czech Republic, Slovakia, Romania and Bulgaria.**

It adopted a Decision on the signing and conclusion of an exchange of letters with **Bulgaria** on the entry into force of the Interim Agreement.

It adopted Regulations implementing the Interim Agreements (agriculture) with **Romania** and **Bulgaria.**

Relations with Morocco

The Council adopted the following conclusions:

"Having received a communication from the Commission on combating drugs and developing the northern provinces of Morocco, the Council:

- endorses this analysis and expresses its appreciation as regards the broad outlines of the approach advocated which is in line with the recommendations of the European Plan to Combat Drugs, adopted by the Rome European Council in December 1990 and revised by the Edinburgh European Council in December 1992, and with the priorities identified by the Lisbon European Council in June 1992 with regard to the common foreign and security policy (CFSP);
- notes that the entry into force of the Treaty on European Union provides the foundations for greater co-operation with certain drug-producing and/or drug transit countries and that the contractual framework of a new agreement with Morocco provides for increased co-operation in this field;
- welcomes the determination expressed by the Moroccan authorities at the highest level to get to grips with the problem of cannabis cultivation and drug trafficking in Morocco;
- considers – further to the formulation on the Moroccan side of an overall strategy to combat drugs including an effective policy to stamp out large-scale traffic and, in addition, the setting-up of the Agency for the Development of the Northern Provinces and the provision of appropriate financial resources – that it is necessary to embark alongside Morocco, as suggested by the Commission, upon a phased pilot action programme which may lead to a multiannual programme for the elimination of cannabis cultivation and traffic and the development of the Northern Provinces, paying special attention to projects which could promote employment;
- notes that this initial pilot action programme, which covers both aspects of the communication, is designed firstly to define and study the problems at hand, assist with the establishment of the policies and bodies needed to initiate and carry out effectively projects in this area, and secondly to draw up, if necessary, a multiannual programme which would endeavour to tackle the substance of these problems;
- notes that the pilot action programmes will be within the available budget resources and may be implemented under all the relevant budget headings, and are intended to serve as an incentive and a basis for action so that the requirements of the proposed multiannual programme can be defined more precisely since the internal redeployment needed to carry out successfully the projects advocated must not prejudice the various co-operation programmes under way;

- points out that the problems addressed by the pilot projects could also be the subject of EIB intervention under the regional aspect of the New Mediterranean Policy (own resources and venture capital);
- notes that the Commission considers that, at a later stage, the probable scale of the proposed multiannual programme is bound to exceed the possibilities afforded by internal redeployment alone and will therefore require ad hoc or other forms of financing;
- calls upon the Commission and the Member States in this connection to appeal to the international organizations concerned and to potential donor third countries, with the Council being willing to examine, within the limits of the financial perspective, the possibilities regarding resources at a later stage;
- stresses also the importance of bilateral action by Member States, particularly at the technical co-operation level;
- notes the importance of close co-ordination and the exchange of information between the Moroccan authorities, on the one hand, and the European Union, on the other hand, also covering the projects carried out or to be carried out by the relevant international bodies, such as the United Nations Programme for International Drug Control, and on a bilateral level by the Member States;
- takes note, without prejudice to the respective powers of the Commission and the Member States, of the role conferred on the Commission also as regards co-ordination;
- points out the need to ensure a rapid exchange of information with all the parties concerned, also involving Member States and Commission delegations on the spot;
- on this basis calls upon the Commission, in co-operation with the Member States, to submit to it at the end of the third quarter of 1994 a report on the implementation of the pilot action programme, including an assessment of the desirability of embarking upon a multiannual programme concerning the two aspects."

Relations with the ACP States

The Council gave its agreement, as regards the Community, to the draft Decision of the ACP-EC Committee of Ambassadors adopting the budget of the Technical Centre for Agricultural and Rural Co-operation (CTA) for 1994, and decided to send the draft Decision to the ACP side with a view to its being approved by the ACP-EC Committee of Ambassadors.

The Council adopted a Decision laying down for the 1994 financial year the schedule of

calls for contributions from the member States to the sixth and seventh European Development Funds.

Own resources/General budget of the Community

The Council adopted two joint guidelines concerning:

- an amendment to Regulation (EEC, Euratom) No 1552/89 implementing Decision 88/376/EEC, Euratom on the system of the Communities' own resources (entry of own resources corresponding to the reserves linked to external actions);
- an amendment to the Financial Regulation of 21 December 1977 applicable to the general budget of the European Communities (creating a reserve for emergency aid for non-member countries and a reserve relating to loans and loan guarantees to non-member countries).

Legal protection of topographies

The Council adopted a Decision on extension of legal protection of topographies of semi-conductor products to persons and companies from the United States of America from 1 January to 1 July 1994, this being the time required to complete the procedure intended to result in the mutual granting of unlimited protection.

Credit institutions

The Council adopted a Decision authorizing the Commission to negotiate bilateral agreements with third countries providing for the supervision on a consolidated basis of credit institutions.

Sprint Programme

With the German delegation abstaining, the Council adopted a Decision amending Decision 89/286/EEC concerning the implementation at Community level of the main phase of the strategic programme for innovation and technology transfer (1989-1993) (Sprint Programme).

PRESS RELEASE

11192/93 (Presse 239)

Continuation of the 1726th meeting of the Council

- GENERAL AFFAIRS -

Brussels, 15 December 1993

President: Mr Willy CLAES
Minister for Foreign Affairs
of the Kingdom of Belgium

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

Belgium:

Mr Willy CLAES
Mr Robert URBAIN
Mr André BOURGEOIS

Minister for Foreign Affairs
Minister for Foreign Trade and European Affairs
Minister for Agriculture

Denmark:

Mr Niels HELVEG PETERSEN
Mr Bjørn WEST
Mr Jørgen ØSTRØM MØLLER

Minister for Foreign Affairs
Minister for Agriculture and Fisheries
State Secretary for Foreign Affairs

Germany:

Mr Klaus KINKEL
Mr Günter REXRODT
Mr Jochen BORCHERT

Federal Minister for Foreign Affairs
Minister for Economic Affairs
Federal Minister for Food, Agriculture and Forestry

Greece:

Mr Georges MORAITIS
Mr Jean CRANIDIOTIS

Minister for Agriculture
Secretary-General of the Ministry for Foreign Affairs

Spain:

Mr Javier SOLANA
Mr Javier GÓMEZ-NAVARRO
Mr Vicente ALBERO SILLA
Mr Carlos WESTENDORP

Minister for Foreign Affairs
Minister for Trade and Tourism
Minister for Agriculture, Fisheries and Food
State Secretary for Relations with the European Communities

France:

Mr Alain JUPE
Mr Gérard LONGUET
Mr Jean PUECH

Minister for Foreign Affairs
Minister for Industry and Foreign Trade
Minister for Agriculture and Fisheries

Ireland:

Mr Charlie MCCREEVY
Mr Joe WALSH

Minister for Tourism and Trade
Minister for Agriculture, Food and Forestry

Italy:

Mr Beniamino ANDREATTA
Mr Paolo BARATTA
Mr Alfredo DIANA

Minister for Foreign Affairs
Minister for Foreign Trade
Minister for Agriculture and Forestry

Luxembourg:

Mr Jacques POOS

Minister for Foreign Affairs

Netherlands:

Mr P.H. KOOIJMANS
Ms Yvonne VAN ROOY
Mr Piet BUKMAN
Mr Piet DANKERT

Minister for Foreign Affairs
Minister for Foreign Trade
Minister for Agriculture, Nature Conservation and Fisheries
State Secretary for Foreign Affairs

Portugal:

Mr José Manuel DURAO BARROSO
Mr Fernando FARIA DE OLIVEIRA
Mr Vitor MARTINS

Minister for Foreign Affairs
Minister for Trade and Tourism
State Secretary for European Affairs

United Kingdom

Mr Douglas HURD

Secretary of State for Foreign and Commonwealth Affairs

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Commission:

Mr Jacques DELORS
Sir Leon BRITTAN
Mr João PINHEIRO
Mr René STEICHEN
Mr Bruce MILLAN

President
Member
Member
Member
Member

URUGUAY ROUND

The Council heard a report by Sir Leon BRITTAN on the final developments in the closing stages of the Uruguay Round in Geneva and discussed in depth the outcome of those negotiations.

The Council shared the Commission's view that the outcome fulfilled the requirement stated by the Community throughout the negotiations that a comprehensive, balanced agreement should be achieved. The success of the most important multilateral negotiations ever embarked upon would ensure, in particular through the establishment of a world trade organization, an enhanced multilateral trading system which should contribute to the development of world trade, economic growth and job creation.

The Council expressed its great appreciation for the part played by the Commission as the Community negotiator and especially to Sir Leon BRITTAN, Mr STEICHEN and their staff. It also welcomed the solidarity shown by the Council and the Member States in the closing stages of the negotiations.

In that connection, to help Portugal resolve the core problem of the future of its textile industry, in view of the specific nature of its economic structures, the Council also decided on special action to help modernize the Portuguese textile industry, in addition to assistance from existing Community instruments. The Council further arrived at ways of strengthening the Community's commercial-policy instruments ⁽¹⁾.

The Commission would therefore be able to announce the Community's acceptance of the outcome of the negotiations at today's meeting of the Trade Negotiations Committee in Geneva.

The Council would be taking the requisite formal decisions in time for the ministerial meeting due to be held in Marrakesh on 12 April, at which the Final Act was to be signed.

(1) The decision in question was taken unanimously except for the part on which the Netherlands and the United Kingdom voted against (safeguard measures and preferential agreements).

PRESS RELEASE

11393/93 (Presse 249)

1727th Council meeting

- FISHERIES -

Brussels, 20 and 21 December 1993

President: Mr André BOURGEOIS,
Minister for Agriculture
of the Kingdom of Belgium

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

Belgium:

Mr André BOURGEOIS Minister for Agriculture

Denmark:

Mr Bjørn WESTH Minister for Agriculture and Minister for Fisheries
Mr Thomas LAURITSEN State Secretary at the Ministry of Fisheries

Germany:

Mr Franz-Josef FEITER State Secretary, Federal Ministry of Food,
Agriculture and Forestry

Greece:

Mr Floros KONSTANTINOU State Secretary for Agriculture

Spain:

Mr Vincente ALBERO Minister for Agriculture, Fisheries and Food

France:

Mr Jean PUECH Minister for Agriculture and Fisheries

Ireland:

Mr David ANDREWS Minister for the Marine

Italy:

Mr Pasquale DIGLIO State Secretary for Agriculture

Luxembourg:

Mr Jean-Marc HOSCHEIT Deputy Permanent Representative

Netherlands:

Mr Piet BUKMAN Minister for Agriculture, Nature Conservation and
Fisheries

Portugal:

Mr Eduardo DE AZEVEDO SOARES Minister for Maritime Affairs

United Kingdom:

Mr Michael JACK Minister of State, Ministry of Agriculture, Fisheries
and Food
Sir Hector MONRO Parliamentary Under-Secretary of State, Scottish
Office

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Commission:

Mr Ionnis PALEOKRASSAS Member

COMMUNITY STRUCTURAL ASSISTANCE

The Council adopted by a qualified majority, with opposition by the United Kingdom delegation (see explanation of the voting in Annex III), the Regulation on Community structural assistance in the fisheries and aquaculture sector and the processing and marketing of its products.

The aim of the Regulation is to incorporate from 1 January 1994 the structural aspects of the common fisheries policy into the Structural Fund legislation, in particular by means of the financial instrument for fisheries guidance (FIFG).

Specifically, the Regulation lays down the conditions to be fulfilled for the provision of assistance from the FIFG for measures concerning:

- implementation of Multiannual Guidance Programmes (MAGP) for fishing fleets, in particular measures concerning the adjustment of fishing effort, reorientatation of fishing activities, fleet renewal and modernization of fishing vessels;
- investment aid in the fields of aquaculture, the development of coastal waters, fishing port facilities and processing and marketing;
- other measures such as measures to find and promote new market outlets, operations by members of the trade and temporary cessation of activities.

Assistance is subject to a two-stage procedure consisting of:

- submission by the Member State to the Commission of a programme document containing a sectoral plan and an aid application;
- adoption by the Commission of Community programmes.

There is suitable provision for the restructuring of the Community's fleets in the context of the multiannual guidance programmes (MAGP).

The maximum amounts of assistance which may be paid under this Regulation and the ceilings for financial participation by Member States, beneficiaries and the Community are detailed in ANNEX I.

FISHING LICENCES

The Council adopted, with the abstention of Spain, a Regulation establishing a Community system laying down rules on the minimum information to be contained in fishing licences.

That instrument, which forms part of the new common fisheries policy arrangements (Regulation No 3760/92) completes the framework set up by Regulation No 2847/93 concerning a control system.

The Regulation, applicable as from 1 January 1995 ⁽¹⁾, provides that all Community fishing vessels shall be required to have on board a fishing licence for the vessel.

The issue and administration of fishing licences remains the responsibility of the Member States, which may temporarily or definitely withdraw licences.

The fishing licence will have to contain at least information on the identification, technical characteristics and equipment of the Community vessel.

The Council must take a Decision by 31 December at the latest on the provisions proposed by the Commission concerning fishing licences.

⁽¹⁾ There are transitional derogations and exemptions for certain categories of vessels.

RESTRUCTURING OF THE FISHERIES SECTOR

The Council adopted, with opposition by Greece (see explanation of the voting in Annex III) and abstention by the United Kingdom and the Netherlands, a Decision relating to the objectives and detailed rules for restructuring the Community fisheries sector over the period 1 January 1994 to 31 December 1996 with a view to achieving a lasting balance between the resources and their exploitation.

This Decision implements for the first time the provisions of the basic Regulation on the common fisheries policy under which the Council is required to fix the objectives and detailed rules for restructuring the fisheries sector on a multiannual basis and for the first time by 1 January 1994.

The aim of the Decision is essentially to confer binding status on the Multiannual Guidance Programmes (MAGP) for 1993–1996 decided on by the Commission on 21 December 1992, in the light of the guidelines laid down by the Council in November 1992.

The reductions to be made in the fishing effort of the fleet of each Member State by 31 December 1996 at the latest, as compared with the situation at 31 December 1991, are as follows:

- 20% for trawlers bottom trawling for demersal stocks,
- 15% for dredgers and beam trawlers targeting benthic stocks,
- 0%, i.e. no increase for the other segments of fleet.

At least 55% of these reductions must be purely by capacity reductions.

MARKET SITUATION AND CONDITIONS FOR DIRECT LANDINGS BY THIRD-COUNTRY VESSELS – COUNCIL STATEMENT

"The Council has analysed the market crisis which obtained in the Community throughout 1993.

The Council is aware of the important implications which entry into force of the Treaty establishing the European Economic Area, scheduled for 1 January 1994, might have for Community processing industries and producers.

The Council has noted the effects of the minimum price measures taken by the Commission, in particular its effects of relative price stabilization, but acknowledges that this mechanism cannot be a permanent instrument of market management. It has taken note that, as regards salmon, the measure will apply until 31 January 1994 whereas for the other species it expires at the end of December 1993.

It takes note of the undertaking by the Commission to monitor very closely the price situation on the market and to reintroduce such mechanisms once circumstances so justify.

The Council has furthermore agreed that none of the common market organization mechanisms can by itself resolve a crisis of this nature, particularly when accompanied by a general economic situation which is difficult for the European Community.

The Council has accordingly concluded that various actions are justified in several areas, in particular:

- the control of direct landings,
- structural policy,
- the control of fishing activities and of the quality of fishery products.

The Council will, at its next meeting, act on the proposals already submitted by the Commission, in particular as regards the control of direct landings."

EC/CANADA FISHERIES RELATIONS

The Council unanimously adopted a Regulation on the conclusion of the Agreement in the form of Exchanges of Letters between the Community and Canada concerning fisheries relations.

The Agreement follows a Memorandum of Understanding initialled by the two sides in December 1992, the key aspects of which included:

- the opening-up of Canadian ports to Community vessels,
- the Community fleet's access to surplus fish in Canadian waters,
- Community fishermen's participation in commercial arrangements with Canadian shipowners,
- improvement of surveillance and control in the NAFO area,
- provisions to limit fishing by vessels of States that are not Contracting Parties to the NAFO Convention,
- measures concerning the conservation, optimum use and rational management of stocks in the NAFO Regulatory Area and in Canadian waters, in particular cod in the NAFO area 2J+3KL.

In adopting the Decision, the Council and the Commission stated that it in no way affected the Community's positions, as established by the Council, in the context of the Conference on straddling stocks and the FAO Conference on fishing on the high seas.

ARRANGEMENTS RESULTING FROM THE ACCESSION OF SPAIN AND PORTUGAL

The Council held a detailed discussion on the proposal for a Regulation adjusting the transitional fisheries arrangements for Spain and Portugal.

The aim of the proposal is to incorporate, from 1996, the specific fisheries arrangements currently applied to the fleets of those two Member States with regard to access to waters and

resources into the general scheme of the common fisheries policy, without prejudice to the acquis communautaire.

At the close of the discussion, which focused on compromise solutions basically providing that the provisions for the Spanish and Portuguese fleets would take effect at the same time as the Community measures regulating access and fishing effort to be adopted by the Council by 1 July 1995, the Presidency noted that positions continued to differ and that technical difficulties remained.

The Permanent Representatives Committee was accordingly instructed to expedite examination of the proposal in order to prepare for the Council's discussions at a future meeting.

TACs AND QUOTAS FOR 1994

After detailed discussions, the Council unanimously adopted a Regulation fixing, for certain fish stocks and groups of fish stocks, the total allowable catches for 1994 and certain conditions under which they may be fished. These totals are set out in ANNEX II.

ANNUAL FISHERIES ARRANGEMENTS RESULTING FROM THE ACT OF ACCESSION OF SPAIN AND PORTUGAL

The Council unanimously adopted three Regulations fixing for 1994 measures for the conservation and management of fishery resources applicable to:

- vessels of the original ten Member States in Portuguese waters (110 French vessels for an unlimited quantity of albacore tuna between 2 June and 28 July and an unlimited number of other vessels for unlimited quantities of tropical tuna and other tunas);
- vessels of the original ten Member States in Spanish waters (in particular French vessels

for certain specific fisheries) ⁽²⁾;

- Portuguese vessels in waters of the original ten Member States (7, 10 and an unlimited number of vessels, to fish 3 000 tonnes of blue whiting, 3 000 tonnes of horse mackerel and an unlimited quantity of *thunnidae*, respectively).

These Regulations were drawn up in accordance with the provisions laid down in the Act of Accession and are identical to the corresponding Regulations adopted by the Council in December 1992.

ORGANIZATION OF FISHERIES IN THE NORTH WEST ATLANTIC (NAFO)

The Council unanimously adopted a Regulation laying down certain measures for the conservation and management of fishery resources in the NAFO Regulatory Area for 1994.

The Community quotas were set as follows:

<u>SPECIES</u>	<u>ZONE</u>	<u>TOTAL</u> (tonnes)
Cod	NAFO 2J + 3KL	0
Cod	NAFO 3M	5 485
Cod	NAFO 3NO	2 213
Atlantic redfish	NAFO 3M	4 030
Atlantic redfish	NAFO 3LN	476
American plaice	NAFO 3M	175
American plaice	NAFO 3LNO	61
Yellow tail flounder	NAFO 3LNO	140
Witch flounder	NAFO 3NO	0
Capelin	NAFO 3NO	0
Squid	NAFO subzones 3 + 4	for the record

⁽²⁾ The Spanish delegation abstained.

GUIANA

The Council unanimously adopted a Regulation laying down for 1994 measures for the conservation and management of fishery resources applicable to vessels of certain non-member countries in the 200-nautical-mile zone off the coast of the French department of Guiana.

NORWAY

The Council unanimously adopted Regulations:

- allocating, for 1994, certain quotas between Member States for vessels fishing in the Norwegian exclusive economic zone and the fishing zone around Jan Mayen;
- laying down, for 1994, certain measures for the conservation and management of fishery resources applicable to vessels flying the flag of Norway.

BALTIC STATES

The Council unanimously adopted Regulations:

- allocating, for 1994, certain catch quotas between Member States for vessels fishing in Lithuanian, Latvian and Estonian waters;
- laying down, for 1994, certain measures for the conservation and management of fishery resources applicable to vessels flying the flag of Lithuania, Latvia or Estonia.

SWEDEN

The Council unanimously adopted Regulations:

- laying down, for 1994, certain quotas between Member States for vessels fishing

in Swedish waters;

- laying down, for 1994, certain measures for the conservation and management of fishery resources applicable to vessels flying the flag of Sweden.

GREENLAND

The Council unanimously adopted a Regulation allocating, for 1994, Community catch quotas in Greenland waters.

FAROE ISLANDS

The Council unanimously adopted Regulations:

- laying down, for 1994, certain quotas between Member States for vessels fishing in Faroese waters;
- laying down, for 1994, certain measures for the conservation and management of fishery resources applicable to vessels registered in the Faroe Islands.

FIFG REGULATION**1. SCALES OF ASSISTANCE RELATING TO FISHING FLEETS****1.1. Permanent withdrawal and joint enterprises****TABLE 1**

Class of vessel by gross registered tonnage (GRT)	Maximum amount of premium for a 15-year-old vessel (in ecus)
0 - 25	6215/GRT
25 < 50	5085/GRT + 28250
50 < 100	4520/GRT + 56500
100 < 400	2260/GRT + 282500
400 and over	1130/GRT + 734500

- (a) The premiums for scrapping of a vessel and for setting up joint enterprises paid to beneficiaries may not exceed the following amounts:
- 15-year-old vessels: see Table 1 above;
 - vessels less than 15 years old: scale from Table 1 increased by 1,5% per year less than 15;
 - vessels more than 15 years old: scale from Table 1 decreased by 1,5% per year over 15.
- (b) Premiums for the permanent transfer of a vessel to a third country or for permanent re-assignment, in Community waters, to uses other than fishing paid to beneficiaries, may not exceed the maximum amounts for the scrapping premiums referred to in (a) above, less 50%.

1.2. Temporary cessation of fishing activities and temporary joint ventures

The laying-up premiums (for temporary cessation) and co-operation premiums (for temporary joint ventures) paid to beneficiaries may not exceed the scales set out in Table 2 below.

TABLE 2

Class of vessel by gross registered tonnage (GRT)	Maximum amount of premium per vessel (ecu/day)
0 - 25	4,52/GRT + 20
25 - 50	4,30/GRT + 25
50 - 70	3,50/GRT + 65
70 - 100	3,12/GRT + 88
100 - 200	2,74/GRT + 120
200 - 300	2,36/GRT + 177
300 - 500	2,05/GRT + 254
500 - 1000	1,76/GRT + 372
1000 - 1500	1,50/GRT + 565
1500 - 2000	1,34/GRT + 764
2000 - 2500	1,23/GRT + 956
2500 and over	1,15/GRT + 1137

1.3. Construction aid

The eligible expenditure for aid for the construction of fishing vessels may not exceed the scales in Table 1 above, increased by 37,5%. However, for vessels with a steel or glass fibre hull, the coefficient of increase is 92,5%.

1.4. Modernization aid

The eligible expenditure for aid for the modernization of fishing vessels may not exceed 50% of the eligible costs for construction aid referred to in 1.3. above.

2. PARTICIPATION RATES

For all the operations referred to, the restrictions on Community participation (A), total state participation (national, regional and other) by the Member State concerned (B) and, where applicable, participation by private beneficiaries (C) shall be subject to the following conditions, expressed as a percentage of eligible costs:

2.1. Investments in enterprises

Group 1: construction and modernization of vessels, aquaculture

Group 2: other investments and measures with financial participation by private beneficiaries

TABLE 3

	Group 1	Group 2
Objective 1 regions	$A \leq 50\%$ $B \geq 5\%$ $C \geq 40\%$	$A \leq 50\%$ $B \geq 5\%$ $C \geq 25\%$
other regions	$A \leq 30\%$ $B \geq 5\%$ $C \geq 60\%$	$A \leq 30\%$ $B \geq 5\%$ $C \geq 50\%$

2.2. Other measures: scrapping premiums, temporary cessation premiums, temporary joint ventures, joint enterprises and investments and measures financed exclusively by the Community and the national, regional or other authorities of the Member States concerned.

TABLE 4

Objective regions	$50\% \leq A \leq 75\%$ $B \geq 25\%$
Other regions	$25\% \leq A \leq 50\%$ $B \geq 50\%$

ANNEX II

1994 TACs BY STOCK AND BY AREA
AND COMMUNITY SHARES

SPECIES	AREA	TAC	EEC SHARE in 1994 (tonnes)
Herring	IIIa	148 000	63 580
Herring	IIIbcd(1)	125 200	121 450
Herring	IIa(1),IVab	390 000	257 950
Herring	IVc,VIIId	50 000(*)	50 000
Herring	Vb(1),VIaN VIb	62 000	55 140
Herring	VIaS,VIIbc	28 000(*)	28 000
Herring	VIa Clyde	1 000(*)	1 000
Herring	VIIa	7 000(*)	7 000
Herring	VIIef	1 000(*)	1 000
Herring	VIIghjk	21 000(*)	21 000
Sprat	IIIa	43 000(*)	28 290
Sprat	IIIbcd(1)	111 200	109 200
Sprat	IIa(1),IV(1)	114 000(*)	93 680
Sprat	VIIde	12 000(*)	12 000
Anchovy	VIII	30 000(*)	30 000
Anchovy	IX,X,CECAF(1)	12 000(*)	12 000
Salmon	IIIbcd(1)	112 000(*)	112 000
Capelin	IIb	0(*)	0
Cod	I,IIb	24 220	24 200
Cod	IIIa Skagerrak	15 000	12 785
Cod	IIIa Kattegat	6 700	4 040

SPECIES	AREA	TAC	EEC SHARE in 1994 (tonnes)
Cod	IIIbcd(1)	21 600	20 850
Cod	IIa(1),IV	102 000	93 070
Cod	Vb(1),VI,XII, XIV	13 000	13 000
Cod	VIIa	6 200	6 200
Cod	VIIb-k,VIII,IX CECAF(1)	17 000(*)	17 000
Haddock	IIIa,IIIbcd(1)	10 000(*)	5 630
Haddock	IIa(1),IV	160 000	117 700
Haddock	Vb(1),VI,XII, XIV	16 000	16 000
Haddock	VII,VIII,IX,X CECAF(1)	6 000(*)	6 000
Saithe	IIa(1),IIIa IIIbcd(1),IV	97 000	48 600
Saithe	Vb(1),VI,XII, XIV	14 000	14 000
Saithe	VII,VIII,IX,X CECAF(1)	14 000(*)	14 000
Pollack	VB(1),VI,XII,XIV	1 100(*)	1 100
Pollack	VII	14 000(*)	14 000
Pollack	VIIIab	2 600(*)	2 600
Pollack	VIIIc	800(*)	800
Pollack	VIIId	50(*)	50
Pollack	VIIIe	100(*)	100
Pollack	IX,X,CECAF(1)	450(*)	450
Norway pout	IIa(1),IIIa,IV(1)	220 000(*)	180 000

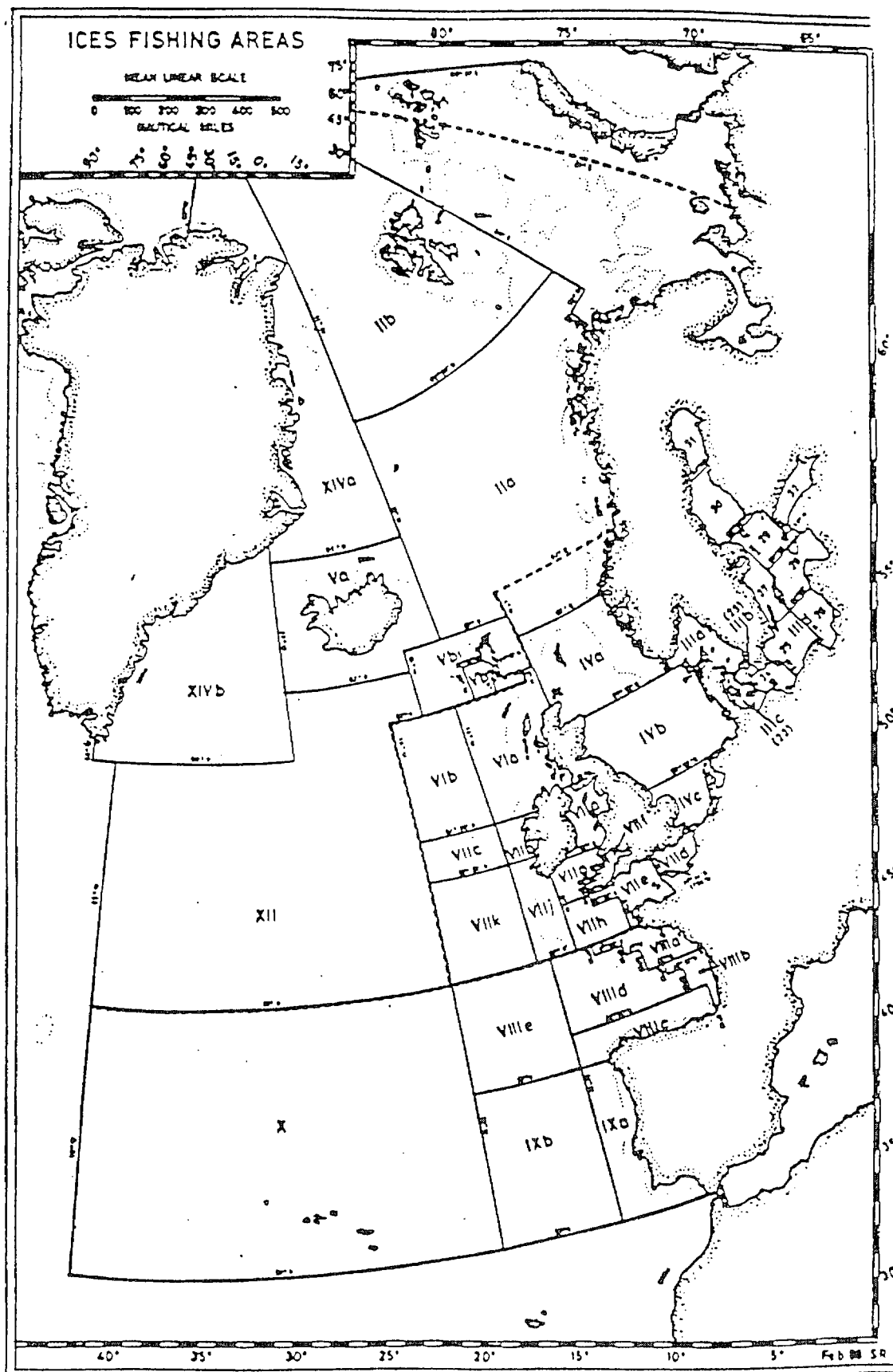
SPECIES	AREA	TAC	EEC SHARE in 1994 (tonnes)
Blue whiting	Ila(1),IV(1)	90 000(*)	50 000
Blue whiting	Vb(1),VI,VII	340 000(*)	113 000
Blue whiting	VIIIabd	26 500(*)	26 500
Blue whiting	VIIIe	1 000(*)	1 000
Blue whiting	VIIIc,IX,X, CECAF(1)	55 000(*)	55 000
Whiting	IIla	17 000(*)	3 000
Whiting	Ila(1),IV	100 000	67 280
Whiting	Vb(1),VI,XII,XIV	6 800	6 800
Whiting	VIIa	9 900	9 900
Whiting	VIIb-k	22 000(*)	22 000
Whiting	VIII	5 000(*)	5 000
Whiting	IX,X,CECAF(1)	2 640(*)	2 640
Hake	IIla,IIIbcd(1)	1 680(*)	1 680
Hake	Ila(1),IV(1)	2 110(*)	2 110
Hake	Vb(1),VI,VII,XII,XIV	33 720(*)	33 720
Hake	VIIIabde	22 490(*)	22 490
Hake	VIIIc,IX,X,CECAF(1)	11 500	11 500
Horse mackerel	Ila(1),IV(1)	60 000(*)	54 250
Horse mackerel	Vb(1),VI,VII,VIIIabde, XII,XIV	300 000(*)	293 000
Horse mackerel	VIIIc,IX	73 000(*)	73 000

SPECIES	AREA	TAC	EEC SHARE in 1994 (tonnes)
Mackerel	IIa(1),IIIa IIIbcd(1),IV	95 680	28 890
Mackerel	II,Vb(1),VI, VII,VIIIabde,XII, XIV	493 250	466 840
Mackerel	VIIIc,IX,X, CECAF(1)	36 570(*)	36 570
European plaice	IIIa Skagerrak	11 200(*)	10 528
European plaice	IIIa Kattegat	2 800	2 520
European plaice	IIIbcd(1)	3 000(*)	3 000
European plaice	IIa(1),IV	165 000	153 400
European plaice	Vb(1),VI,XII,XIV	2 400(*)	2 400
European plaice	VIIa	3 100	3 100
European plaice	VIIbc	250(*)	250
European plaice	VIIde	9 100	9 100
European plaice	VIIfg	1 400	1 400
European plaice	VIIhjk	1 350(*)	1 350
European plaice	VIII,IX,X,CEFAC(1)	700(*)	700
Sole	IIIa,IIIbcd(1)	2 100(*)	2 100
Sole	II,IV	32 000	32 000
Sole	Vb(1),VI,XII,XIV	155(*)	155
Sole	VIIa	1 500	1 500
Sole	VIIbc	75(*)	75
Sole	VIIId	3 800	3 800
Sole	VIIe	1 000	1 000

SPECIES	AREA	TAC	EEC SHARE in 1994 (tonnes)
Sole	VIIIfg	1 100	1 100
Sole	VIIhjk	720(*)	720
Sole	VIIIab	6 600	6 600
Sole	VIIIcde,IX,X, CECAF(1)	2 000(*)	2 000
Megrimms	Vb(1),VI,XII,XIV	4 840(*)	4 840
Megrimms	VII	18 000(*)	18 000
Megrimms	VIIIabde	2 330	2 330
Megrimms	VIIIc,IX,X, CECAF(1)	6 000(*)	6 000
Anglerfish	Vb(1),VI,XII,XIV	8 600(*)	8 600
Anglerfish	VII	18 500	18 500
Anglerfish	VIIIabde	5 300	5 300
Anglerfish	VIIIe	100(*)	100
Anglerfish	VIIIc,IX,X,CECAF(1)	13 000(*)	13 000
Shrimps	Fr. Guiana	4 108	4 000
N. deepwater prawn	IIIa Skagerrak	12 600	4 636
Norway lobster	IIIa,IIIbcd(1)	3 500(*)	3 500
Norway lobster	IIa(1),IV(1)	13 000(*)	13 000
Norway lobster	Vb(1),VI	12 600(*)	12 600
Norway lobster	VII	20 000(*)	20 000
Norway lobster	VIIIab	6 800(*)	6 800
Norway lobster	VIIIc	1 000(*)	1 000
Norway lobster	VIIIde	50(*)	50
Norway lobster	IX,X,CECAF(1)	2 500(*)	2 500

(*) Precautionary TAC

(1) EC area



EXPLANATION OF THE VOTE CAST BY THE GREEK DELEGATIONRESTRUCTURING OF THE FISHERIES SECTOR

"For the following reasons, the Greek delegation is voting against the proposal for a Council Decision relating to the objectives and detailed rules for restructuring the Community fisheries sector over the period 1 January 1994 to 31 December 1996 with a view to achieving a lasting balance between the resources and their exploitation:

1. The proposal does not take account of the possible economic and social consequences or of the specific nature of the various fisheries areas referred to in Article 11 of Regulation (EEC) No 3760/92.

The 20% reduction of the fishing capacity of trawlers is impossible in practice, given the situation of Greece.

2. The binding status proposed for attainment of the objectives of the multiannual programmes may have legal consequences if those objectives are not met.
3. Greece has already taken severe restrictive measures and is prepared to take others, in co-operation with the Commission, if necessary.
4. Greece is not however prepared to co-operate in condemning and eliminating an extremely important sector for the benefit of third countries which fish in the Mediterranean without restriction."

* * *

EXPLANATION OF THE VOTE CAST BY THE UNITED KINGDOM DELEGATIONCOMMUNITY STRUCTURAL ASSISTANCE

"The United Kingdom has voted against the proposal for a Council Regulation laying down detailed rules for implementing structural assistance in the fisheries and aquaculture sector because it considers that the Regulation as amended offers poor value for money."

OTHER DECISIONS

Community trade mark

The Council formally adopted the Regulation on the Community trade mark.

There is no record of the 1728th meeting.